

**58th ANNUAL REPORT
2018-19**

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

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

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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: L55101DL1961PLC017307, GSTN: 07AADCS1783J3Z2

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 58th Annual General Meeting of the members of U. P. Hotels Limited will be held on Wednesday the 25th day of September, 2019 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, 2019 together with the reports of the Board of Directors and the Auditors' thereon.
2. To appoint a director in place of Mrs. Supriya Gupta (DIN - 00009188), who retires by rotation and being eligible offers herself 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** further to the resolution passed at the 57th Annual General meeting held on 25th September, 2018 and pursuant to the provisions of section 196, 197, 198 and other applicable provisions of the Companies Act, 2013 readwith 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 for revision in the remuneration payable to Mr. Apurv Kumar, Joint Managing Director & Chief Financial Officer (DIN 00043538) of the Company with effect from 1st October, 2019 to 14th May, 2021 as stated below:

Salary: Rs. 7,50,000/- per month

Perquisites & Allowances:

- A. Mr. Apurv Kumar shall also be entitled to the following perquisites and allowances hereunder:
 - 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.
- D. The appointment may be terminated by either party by giving three months' notice of such termination or salary in lieu thereof or by mutual consent.

The Annual Remuneration of Mr. Apurv Kumar shall not exceed Rs. 1,19,00,000/- (Rupees One Crore Nineteen 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 revision in remuneration 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 further** to the resolution passed at the 57th Annual General meeting held on 25th September, 2018 and pursuant to the provisions of section 196, 197, 198 and other applicable provisions of the Companies Act, 2013 readwith 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 for revision in the remuneration payable to Mr. Rupak Gupta, Joint Managing Director & Chief Financial Officer (DIN 00007310) of the Company with effect from 1st October, 2019 to 14th May, 2021 as stated below:

Salary: Rs. 7,50,000/- per month

Perquisites & Allowances:

- A. Mr. Rupak Gupta shall also be entitled to the following perquisites and allowances hereunder:
- 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.
- D. The appointment may be terminated by either party by giving three months' notice of such termination or salary in lieu thereof or by mutual consent.

The Annual Remuneration of Mr. Rupak Gupta shall not exceed Rs. 1,19,00,000/- (Rupees One Crore Nineteen 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 revision in remuneration 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 the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Shafi Alam (DIN: 07145727), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 12th May, 2019 to 11th May, 2024 and whose office shall not be liable to retire by rotation".

Resolved further that any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto".

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

Date: 02.08.2019
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 Eighth (58th) 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 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.
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. SEBI vide notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, has amended Regulation 40 of Listing Regulations, mandating transfer of securities to be carried out only in dematerialised form (except in case of transmission or transposition of securities) which is effective April 1, 2019. Accordingly, requests for transfer of securities of listed entities shall not be processed unless the securities are held in the dematerialized form with depositories. In view of the same, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form at the earliest.
10. The Register of Members and the Share Transfer Books will be closed from Wednesday, 18th September, 2019 to Wednesday, 25th September, 2019 (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') have been transferred upto the Financial Year 2010-11. 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 2011-12 to IEPF is 6th November, 2019. 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 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.
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, 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 and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5.

13. As per the provisions of Section 72 of the Act, facility for making nomination is available to the Members in respect of the shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form No. SH-14. Members holding shares in physical form are requested to submit the said details to the Company and to the respective DP's in case the shares held by them are in dematerialized form.
14. 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, 2019 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.
15. 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.

16. 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.
17. 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.
18. The remote e-voting period will commence on Saturday, 21st September, 2019 at 09:30 a.m. and will end on Tuesday, 24th September, 2019 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, 2019, 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.
19. 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.
 - b) If you are holding shares in physical mode, click on icon "Physical User Reset Password?" available on 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 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 with a copy marked to 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 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 or call on toll free no.: 1800-222-990 or send a request at 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, 2019.
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, 2019, may obtain the login ID and password by sending a request at 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.
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 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 aged about 58 years is a graduate from Mumbai University, has done Hospitality Management from Cornell University USA, MBA Alumni, Harvard Business School and enriched with an experience of more than 30 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 pivotal role in the modernization of the Hotels owned by the company.

Mr. Apurv Kumar is Jt. Managing Director & CFO of the company for a period of three year with effect from 15.05.2018 to 14.05.2021. Under his guidance the Company has achieved revenue of more than Rs. 100 crores and profit before tax has gone up remarkably. Keeping in view, Mr. Apurv Kumar's vast experience, expertise, dedicated and meritorious services and significant contribution to the growth of the Company, the Board is of the view to revise the remuneration of Mr. Kumar 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 02.08.2019. Brief resume of Mr. Apurv 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 aged about 48 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 19 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 brining new ideas which has helped towards the growth of the Company.

Mr. Rupak Gupta is Jt. Managing Director & CFO of the company for a period of three years with effect from 15.05.2018 to 14.05.2021. The company has grown fast under his guidance as stated in item no. 3 above. Keeping in view, Mr. Rupak Gupta's vast knowledge, experience, performance and long association and significant contribution to the growth of the Company, the Board is of the view to revise the remuneration of Mr. Rupak Gupta 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 02.08.2019. 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.

Financial Performance (Rs. in lakh)

Particulars	31.03.2019	31.03.2018
Revenue	10973.41	9844.76
Profit before Tax	909.11	535.66
Tax expense	253.17	231.01
Profit after tax	655.94	304.65
Total Comprehensive Income	650.07	358.86

Capital structure (Rs. in lakh)

Particulars	31.03.2019	31.03.2018
Equity Share Capital	540.00	540.00
Other Equity	8717.06	8067.00
Net worth	9257.06	8607.00

5. Foreign investment or collaborators, if any: As on 31st March, 2019, there were 13 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 30 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 19 years in industrial and commercial activities.
Past remuneration	Rs. 84,00,000/- per annum (including all allowances, perquisites and contribution to Provident Fund)	Rs. 84,00,000/- per annum (including all allowances, perquisites and contribution to Provident Fund)
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. 1,19,00,000/- per annum (inclusive all allowances perquisites and contribution to Provident Fund)	Rs. 1,19,00,000/- per annum (inclusive all allowances, perquisites and contribution to Provident Fund)
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 brother of father 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 working to control the operational cost, renovation of the hotels 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. Apurv Kumar and Mr. Rupak Gupta during the period under review.

ITEM NO 5:

Mr. Shafi Alam aged about 66 years having about 42 years of experience in Administration. He joined Indian Police Service in Bihar Cadre in the year 1977. He is a Science Graduate from St. Stephen's College, Delhi. He has been posted as Superintendent of Police in various districts of Bihar. He has also served on deputation to Central Government as DIG (Personnel) in CISF and on promotion as IG Headquarter and Northern Sector. He was also posted as Additional Director General, Railways, Armed Police and Police Modernization. He also served as Director General, Bihar State Human Rights Commission. He retired as Director General, National Crime Records Bureau (NCRB).

Mr. Shafi Alam was appointed as an Independent Non Executive Director of the Company by the members at the 56th AGM of the Company held on 25th September, 2017 for a period of two consecutive years commencing from 12th May, 2017 upto 11th May, 2019. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Shafi Alam, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 12th May, 2019 upto 11th May, 2024.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Mr. Alam fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his reappointment as an Independent Non-Executive Director of the Company and is independent of the management. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Shafi Alam as an Independent Director.

A copy of the draft letter of appointment of Mr. Alam, setting out terms and conditions of his appointment, is available for inspection at the Registered Office of the Company during business hours on any working day except Saturday upto and including the date of AGM of the Company and is also available on the website of the Company www.hotelclarks.com. This Statement may also be regarded as a disclosure under the Listing Regulations 2015.

Except Mr. Shafi Alam, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the AGM. Mr. Shafi Alam is not related to any Director of the Company.

Accordingly, the Board recommends passing of the Special Resolution as set out at item no. 5 in relation to re-appointment of Mr. Shafi Alam as an Independent Director for another term of five consecutive years with effect from 12th May, 2019 to 11th May, 2024, for approval of the shareholders of the Company.

Details of Directors seeking appointment & re-appointments:

Name of Director	Mr. Apurv Kumar	Mr. Rupak Gupta	Mrs. Supriya Gupta	Mr. Shafi Alam
Date of Birth	19.01.1961	28.03.1970	19.03.1947	04.06.1953
Nationality	Indian	Indian	Indian	Indian
Date of Appointment in the Company	06.08.1998	06.08.1998	04.03.2010	14.05.2017
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	Graduate from Delhi University and Post Graduate in Economic and Social Anthropology from Cambridge University.	Science Graduate from St. Stephan's College, Delhi.
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.	She has wide experience in the Sales & Marketing functions of hotel industry.	He has about 42 years of experience in Administration, Human Resource Management, Public Relations. He has been posted as Superintendent of Police in various districts of Bihar. He has also served on deputation to Central Government as DIG (Personnel) in CISF and on promotion as IG Headquarter and Northern Sector. He was also posted as Additional Director General, Railways, Armed Police and Police Modernization. He also served as Director General, Bihar State Human Rights Commission. He retired as Director General, National Crime Records Bureau (NCRB).
No. of equity shares held in the Company	35,126	818,524	Nil	Nil
Other Directorship	1. Clement Orient Pvt. Ltd. 2. The Indian Textiles Co. Pvt. Ltd. 3. Uttar Pradesh Export Industries Ltd. 4. Brijrama Hospitality Pvt. Ltd. 5. Indus Textile Pvt. Ltd. 6. Indus Techpark Pvt. Ltd.	1. Banaras Global Pvt. Ltd. 2. Banaras House Engineering Pvt. Ltd. 3. Banaras House Pvt. Ltd. 4. U P Hotels India Ltd. 5. Indian Textile Company (Holdings) Pvt. Ltd. 6. The Indian Textiles Co. Pvt. Ltd. 7. Uttar Pradesh Export Industries Ltd.	1. Banaras House Pvt. Ltd. 2. Banaras House Engineering Pvt. Ltd. 3. Banaras Global Ltd. 4. U P Hotels India Ltd. 5. Indian Textiles Co. (Holdings) Pvt. Ltd.	Nil
Other Committee Membership	-	-	-	-

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

Date: 02.08.2019
Place: New Delhi

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

BOARDS' REPORT

Dear Members,

Your Directors are pleased to present the 58th Annual Report of the Company for the financial year ended March 31, 2019.

Financials

(Rs. in lakh)

	Current Year 2018-19	Previous Year 2017-18
Revenue from Operations	10512.08	9405.31
Other Income	461.33	439.45
Expenditure	10064.30	9309.10
Depreciation	694.29	676.28
Profit before tax	909.11	535.66
Tax expense	253.17	231.01
Profit after tax	655.94	304.65
Other Comprehensive Income	(5.87)	54.21
Total Comprehensive Income	650.07	358.85
Profits available for Appropriation	5550.70	4894.76
Transfer to General Reserve	-	-
Earning Per Equity Share (Basic)	12.15	5.64
Earning Per Equity Share (Diluted)	12.15	5.64

Operations & State of Company's Affairs

Revenue from operations (net) has increased by Rs.1106.77 (11.76%) from Rs. 9405.31 lakh (previous year) to Rs. 10512.08 lakh in current year. The other income has increased by 4.98% from Rs. 439.45 lakh (previous year) to Rs. 461.33 lakh in the current year. The profit after tax for the year (before other comprehensive income) was Rs. 655.94 lakh in the current year against Rs. 304.65 lakh in the previous year, a growth of 115.31%. The Total Comprehensive Income was Rs. 650.07 lakh in current year against Rs. 358.86 lakh in the 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, 2019.

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

Mr. Apurv Kumar and Mr. Rupak Gupta are the Joint Managing Directors and Chief Financial Officers of the company during the year under review. Mr. Prakash Chandra Prusty is Company Secretary of the Company. Mr. Apurv Kumar, Mr. Rupak Gupta and Mr. Prakash Chandra Prusty are the Key Managerial Personnel of the Company.

Mrs. Supriya Gupta will retire by rotation at the ensuing Annual General Meeting, being eligible, offers herself for re-appointment at the ensuing Annual General Meeting. The Board has recommended for revision in remuneration of Mr. Apurv Kumar and Mr. Rupak Gupta both Joint Managing Directors and Chief Financial Officers of the company at the ensuing Annual General Meeting.

The Board has recommended for re-appointment of Mr. Shafi Alam as Independent Director at the ensuing Annual General Meeting. He has given a declaration that he possesses appropriate skills, experience and knowledge in one or more fields as provided under the acts/rules in relation to the company.

Mr. Bisheshwar Prasad Singh and Mr. Shafi Alam are the Independent Directors of the Company. The company has received necessary declarations from the Independent Directors under section 149(7) 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 and compliance with the Code for Independent Directors prescribed in Schedule IV to the Act. In terms of Regulations 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. A separate Meeting of the Independent Directors pursuant to Section 149(8) and Schedule IV of the Companies Act, 2013 was held on 07.02.2019.

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

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, state that:

- in the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards have been followed and there were no material departures;
- 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;
- 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.

Internal Financial Controls

As per Section 134(5)(e) of the Companies Act, 2013, Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

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. The Audit Committee discusses with the members of the management, considers the systems as laid down, meets with internal auditors & statutory auditors to ascertain their views and also takes note of the Internal Audit Reports at appropriate intervals and issue advises to the management, auditors and management for better control, timely compliances, etc.

Statutory Audit

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, 2019. The Auditors' qualifications 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 are in the **Annexure 1** attached to this Report.

Secretarial Audit

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, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the year ended 31st March, 2019. The Secretarial Audit Report is annexed as **Annexure 2**. The Secretarial Audit Report contains observations/qualifications on non-compliances under the provisions of the Companies Act, 2013 and Listing Regulations. The Board has submitted its replies on the observations/qualifications in the **Annexure 1** attached to this Report.

Secretarial Standards

The Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

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. The investments made by the company are given in the Note No. 6 to the Financial Statements.

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.

Board Evaluation

The annual evaluation of the Board of Directors, individual directors and Committees was conducted as per the provisions of the Companies Act and Listing Regulations. The Board evaluated 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, Key Managerial Personnel and other employees is given in **Annexure 3** and also uploaded in the website of the Company at www.hotelclarks.com and its web-link is <https://www.hotelclarks.com/investor-relations/investor-relations.html>.

Material changes and Commitments affecting the financial position of the company

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

Your company monitors the systems and methods devised in the context of energy conservation on an ongoing basis. The details, as per section 134(3)(m) of the Companies Act, 2013 and Rule 8 of Companies (Accounts) Rules, 2014, have been specified in **Annexure 4**.

Whistle Blower/Vigil Mechanism Policy

In line with the provisions of Section 177 (9) of the Act and Regulation 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 policy provides for adequate safeguards against victimization of directors and employees availing this mechanism and also provides them access to the Chairman of Audit Committee of the Company. The Whistle Blower Policy/Vigil Mechanism is available at company's website at www.hotelclarks.com and its web-link is <https://www.hotelclarks.com/investor-relations/investor-relations.html>.

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

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. The details role & responsibilities, number of meeting, etc. of the Audit Committee are provided in the Report on Corporate Governance being part of this report.

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

The details on the composition, role & responsibilities 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 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 details on CSR Funds, activities and expenditure are given in Annexure 5. The CSR policy is available on the website of the Company www.hotelclarks.com.

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. The Audit Committee discusses on these matters at frequent intervals and issue necessary guidance.

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 42 (c) of the Notes on Financial Statements. Since the related party transactions are inter alia part of a legal case pending before the National Company Law Tribunal (“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 Form prescribed under the Act.

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 Rule 2014 of the Company is enclosed herewith as **Annexure 7** and is also available at the web-link is <https://www.hotelclarks.com/investor-relations/investor-relations.html>.

Management Discussion & Analysis and Corporate Governance

The Reports on the Management Discussion & Analysis and Corporate Governance as required under Listing Regulations form an integral part of this report and are set out in **Annexure 8 and 9** respectively 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.

The Company has received a certificate from a Company Secretary in Practice certifying to the Board that none of the directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any other statutory authority is required.

Prevention of Sexual Harassment

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. Internal Committee have been constituted in accordance with the provisions of the said Act to redress complaints. During the year, 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.
- xi. The unclaimed/unpaid dividend amount to be transferred to the 'Investor Education and Protection Fund' account for the financial year 2011-12 is Rs. 281930/- and corresponding shares are 4251.

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: 02.08.2019
Place: New Delhi

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

- Qualification (i): As regards non-compliance of Minimum Public Shareholding, the Note Nos. 38.1 to 38.3 and 42(a) of the Notes to Financial Statements are self explanatory.
- Qualification (ii): As regards non-compliance of 100% dematerialization of the Promoter's shareholding, the Note No. 42(b) of the Notes to Financial Statements is self explanatory.
- Qualification (iii): As regards non-compliance with respect to related party transactions covered under section 188, the Note No. 42(c) of the Notes to Financial Statements is self explanatory.

Observations/Qualifications in Secretarial Audit's Report

1. As regards observation / Qualification no. 1, this observation is self explanatory.
2. As regards observations / qualification no. 2 on non-achieving of 100% de-mat of promoters' group shareholding, the Note No. 42(b) of the Notes to Financial Statements are self explanatory.
3. As regards observations / qualification no. 3 on non-compliance of Minimum Public Shareholding, the Note Nos. 38.1 to 38.3 and 42(a) 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 No. 42(c) of the Notes to Financial Statements is self explanatory.

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2019
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

The Members,
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, 2019 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, 2019 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; **(Not applicable to the Company during the Audit Period)**
 - 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.
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. Also, the said Related Party Transactions are not entered in the Register maintained under Section 189 of the Companies Act, 2013 and Regulation 23 of the SEBI (LODR), 2015.

I FURTHER REPORT THAT two revised quarterly results (quarter ended 31-12-2017 & 31-03-2018) were filed with BSE Ltd. during the year under review.

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, apart from verification of papers, approvals and other records maintained by the Company, reliance has been based on the compliance certificates / reports issued by the Company Secretary based on the compliance 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. There was no change in the composition of the Board of Directors during the period under review.

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:- 25-05-2019**

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:- 25-05-2019

Annexure-3

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.
- to recommend to the board, all remuneration, in whatever form, payable to 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:-

- o Their financial or business literacy, skills, etc.
- o Their technical and industry experience.
- o Other appropriate qualification / experience to meet the objectives of the Company.
- o As per the applicable provisions of Companies Act 2013, rules made thereunder 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 -

- o Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- o Actively update their knowledge and skills with the latest developments in the hotel & tourism industry, market conditions and applicable legal provisions.
- o Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- o 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.
- o 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.
- o To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.
- o 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 –

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

- o 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.
- o To ensure that no director / KMP/ other employee is involved in deciding his or her own remuneration.
- o 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.
- o To ensure that relationship of remuneration to the performance is clear and meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- o 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.
- o 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.
- o Consistent application of remuneration parameters across the organisation.
- o Provisions of law with regard making payment of remuneration, as may be applicable, are to be complied with.
- o 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 Boards' Report.

A. CONSERVATION OF ENERGY		2017-18	
1.	Steps taken for conservation	Replacement of incandescent and fluorescent lamps with energy efficient LED Lighting at all units. Installed Heat pumps to cater hot water requirement in hotel, to save diesel which was used in boiler to heat the water, the byproduct of heat pumps is chilled air (Air conditioning) which has been used to cool out LT room as well as transformers, resulting the life of equipment has been increased and low energy consumption / cost. Pipe line route of cooling Tower changed and new pipe line laid from plant room to cooling tower for better air conditioning at low electricity consumption. The fins of all cooling tower has been changed for better efficiency at lower energy cost. The conventional Insulation of main deep freezer and vegetable cold room as been changed in to SS PUF panels for more effective insulation to reduce the wastage of electricity / Refrigeration energy. Water balancing of all chilled water lines done to get effective air conditioning in less energy. New machines, heat pump, Gym Treadmills, Laundry Machines and Floor Panels are installed.	
2.	Steps taken for utilizing alternate sources of energy	Planning to install Solar Power generation systems	
3.	Capital investment on energy conservation equipments	Rs. 17.66 lakh in Hotel Clark Avadh, Lucknow helping in saving energy	
B. TECHNOLOGY ABSORPTION			
1.	Efforts made for technology absorption	NA	
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)	
		2018-19	2017-18
1.	CIF Value of Imports	-	44.53
2.	Expenditure in Foreign Currency	73.00	89.53
3.	Earnings in Foreign Exchange	468.18	478.57

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 Limited ("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.
- Disaster management, including relief, rehabilitation and reconstruction activities.

Web link for the CSR policy: <https://www.hotelsclarks.com/investor-relations/investor-relations.html>.

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

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

CSR Financials

Particulars	Amount in Rs.
Average Net Profit of the company for last three financial years	6,55,05,058/-
Prescribed CSR expenditure (two percent of average net profit for last 3 financial year)	13,10,101/-
CSR expenditure prescribed by Board of Directors of the Company	13,15,000/-
Details of CSR spent during the financial year	15,29,055/-
Amount unspent	NIL

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	Education of children in backward areas	Promoting Education	Perli, Maharashtra	120000	120000	120000	Shrimad Rajchandra Aatma Tatva Research Centre*
2	Swachha Bharat Abhiyan	Sanitation	Agra, Uttar Pradesh	specific budget not fixed	11000	131000	Direct
3	Blanket Distribution to differently abled persons	Promoting health care	Agra, Uttar Pradesh	specific budget not fixed	13875	144875	Direct
4	Academic education by way of financial assistance	Promoting Education	Agra, Uttar Pradesh	specific budget not fixed	5000	149875	Rotary Club of Agra*
5	Education of Girls (Beti Bachao – Beti Padhao Aviyan), Health Care including preventive health care activities	Promoting Education, Health care	Delhi	specific budget not fixed	250000	399875	Chhatrapati Shivaji Samaj Kalyan Evam Siksha Prachar Samiti*
6	Academic education by way of financial assistance to school	Promoting Education	Jaipur, Rajasthan	specific budget not fixed	298180	698055	Direct
7	Education of children in backward areas - Mid day meal supply at Govt. School, Jaipur	Promoting Education	Jaipur , Rajasthan	180000	180000	878055	Annamitra Foundation (formerl Iskon Food Relief Foundation) *
8	Adult Education	Promoting Education	Jaipur, Rajasthan	specific budget not fixed	51000	929055	Rajasthan Adult Education
9	Rescue of small wild mammals, birds, reptiles, etc.	Animal Welfare	Bangaluru, Karnataka	specific budget not fixed	300000	1229055	Wildlife Rescue and Rehabilitation Centre*
10	Rescue of small wild mammals, birds, reptiles, etc.	Animal Welfare	Jaipur, Rajasthan	specific budget not fixed	300000	1529055	Health in Suffering

* 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.

Rotary Club of Agra is established in Agra in the year 1939 to serve the community. It is part of Rotary International. Their main focus is community service, Polio eradication, promote peace and understanding, educational development.

Chhatrapati Shivaji Samaj Kalyan and Siksha Prachar Samiti is religious, welfare and cultural association. It runs an old age home , medical Dispensary Ambulance Van, School for under privileged children, Stitching school, doing cultural programs to promote India's tradition and culture, running mobile dispensary.

Annamitra Foundation (formerly 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.

Rajasthan Adult Education Association (RAEA), set up in 1973, is a nodal agency of NGOs involved in literacy and rural development. The main aim of the RAEA is to synergise the efforts, support and provide academic input to the activities of NGOs and GOs for adult literacy, women empowerment and overall human resource development. Literacy Resource Center for girls and women (LRC) is one of the major organs of the RAEA being run with generous support of Tokyo based ACCU and many local NGOs and GOs.

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.

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
and 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	33.40
Mr. Rupak Gupta	32.42
Non-Executive directors	
Justice Mr. Bisheshwar Prasad Singh (Retd.) *	01.71
Mr. Shafi Alam *	00.38
Mr. Arvind Kumar @	00.19
Mrs. Supriya Gupta @	00.06

* Independent director 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)	92.14 %
Mr. Rupak Gupta (JMD & CFO)	85.21 %
Justice Mr. Bisheshwar Prasad Singh (Retd.)*	(33.33) %
Mr. Shafi Alam *	(40.00) %
Mrs. Supriya Gupta #	(66.67) %
Mr. Arvind Kumar #	No change
Mr. Prakash Chandra Prusty - Company Secretary	9.65 %

* Independent director gets sitting fee only.

Non Executive director gets sitting fee only.

- iii. The percentage increase in the median remuneration of employees in the financial year: 7.77%.

- iv. The number of permanent employees on the rolls of Company: 719

- 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%. With regard to increase in managerial remuneration, necessary explanation was given in the Explanatory Statement to the Notice of Annual General Meeting held on 25th August, 2018.

- 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 2018-19:

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 2018-19 (as on 31.03.2019):

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. Apurv Kumar - 59 years Jt. Managing Director & CFO	7804926/-	Affairs of the Company with respect to Hotel Clarks Amer, Jaipur, Hotel Clarks Avadh, Lucknow and Hotel Clarks Khajuraho, Khajuraho	Graduate, Hospitality Management, MBA 30 years	Promoter	Promoter
Mr. Rupak Gupta - 48 years Jt. Managing Director & CFO	7576740/-	Affairs of the Company with respect to Hotel Clarks Shiraz, Agra	B. Sc. Management, Hotel Management 19 years	Promoter	Promoter

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. Debasish Bhowmik - 57 years Sr. Vice President	4843800/-	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	17.06.2017	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. Hemant Mehta - 52 years General Manager	4050000/-	Hotel Operations	Diploma in Hotel Management 30 years	02.07.2018	1. Radisson Blu-(Kaushambi, Delhi) – General Manager – From Oct-2014 to Jun-2018 2. The Raintree Hotel, Anna Salai – Chennai – G.M. (Aug13 to Sep14) 3. Hyatt Regency – Pune – Executive Assistant Manager (July 2012 to Aug-2013) 4. Hyatt Regency-Pune – Executive Chef (July 2006 to Nov 2009) 5. L'Auberge Restaurant and Rotisseri Bar Surrey, UK (Sep2005 to July2006) Head Chef 6. Hyatt Regency- Mumbai – Exe Sous Chef – Dec2003 to Sep-2005 7. Hyatt Regency – Mumbai- June-2002 till Dec 2003 (Chef-de-Cuisine) 8. La Gondola Italian Restaurant- Nov 1994 to July 2002 (Sr. Sous Chef) 9. Hotel Safari Land Club & Hotel Grand Regency- Aug1993 to Oct-1994 10. Hotel Tajmahal – Mumbai Trainee Assistant Chef- Mar1992 to Jul 1993 11. Hotel Leela Kempainski-Chef Trainee (Jun1991 to Feb1992) 12. Hotel President- Industrial Trainee- Oct 1989 to Mar 1990
Mr. Amulya Kakkar - 56 years GM-Finance & Administration	2755740/-	Finance & Accounts Head – Clarks Shiraz	M. Com; M.B.A. (Specialized in Finance); Advance Diploma in Computer Management 35 years	Since 1984	This is the First Company, worked in different units.
Mr. K C Ajmera (72 years) Sr. General Manager (Administration, Finance Corporate)	2755740/-	Administration, Finance & Accounts	B. Com. And Diploma in Hotel Accounts 50 years	01.06.1973	Coca Cola Jai drinks Co. Pvt Limited. Sr. Executive Accounts 2 years
Mr. Ashok Agarwal (69 years) CEO – Corporate	2702004/-	Corporate & Legal	B. Com. 47 years	Joined 1972	This is the First Company
Co. Kamal Kumar Manglik Vice President 73 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 47 years	15.04.2008	Served Indian Army - 35 years General Manager- Centaur Hotel, Delhi Chefair Flight Catering in Hotel Corporation of India
Mrs. Geetha Subramonian (61 years) General Manager – Sales & Marketing	2593728/-	Sales & Marketing	B.A. (Arts) 40 years	12.02.1979	This is the First Company
Mr. T P Nair (63 years) Executive Manager	2528328/-	Administration	B.Com and CS (Inter) 40 years	Since 1979	Engineering Projects India Limited, Steno, 6 months

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

as on the financial year ended on 31.3.2019

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

I. REGISTRATION & OTHER DETAILS:

i	CIN	L55101DL1961PLC017307
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, SUBSIDY AND 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 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	2194645	544999	2739644	50.73	2241137	498507	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
SUB TOTAL:(A) (1)	2373295	2399665	4772960	88.39	2419787	2353173	4772960	88.39	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	2373295	2399665	4772960	88.39	2419787	2353173	4772960	88.39	0

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. Public Shareholders									
(1) Institutions									
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
SUB TOTAL (B)(1):	0	0	0	0	0	0	0	0	0
(2) Non Institutions									
a) Bodies corporates	0	0	0	0	0	0	0	0	0
i) Indian	111782	31254	143036	2.65	112702	31254	143956	2.67	0.02
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	185260	84009	269269	4.99	193855	72414	266269	4.93	-0.06
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	106332	0	106332	1.97	107052	0	107052	1.98	0.01
c) Others (specify)									
i) NRI	1963	0	1963	0.04	2391	0	2391	0.04	0.01
ii) Trust	0	0	0	0.00	0	0	0	0.00	0.00
iii) Hindu Undividend Family	19310	0	19310	0.36	5460	0	5460	0.10	-0.26
iv) Clearing Members	0	0	0	0.00	0	0	0	0.00	0.00
v) NBFCs registered with RBI	74739	0	74739	1.38	88589	0	88589	1.64	0.26
vi) Others	12391	0	12391	0.23	13323	0	13323	0.25	0.02
SUB TOTAL (B)(2):	511777	115263	627040	11.61	523372	103668	627040	11.61	0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	511777	115263	627040	11.61	523372	103668	627040	11.61	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2885072	2514928	5400000	100.00	2943159	2456841	5400000	100.00	0.00

(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
	Total	4772960	88.39	0	4772960	88.39	0	0

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

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 01.04.2018 to 31.03.2019			
	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 (01.04.2018)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year				
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	42892	0.79
4	Usha Agrawal	33554	0.62	33554	0.62
5	Vibha Nirjay Singh	25974	0.48	26694	0.49
6	New Mellenium Technology Management Limited	25568	0.47	25568	0.47
7	Lok Prakashan Ltd.	24900	0.46	24900	0.46
8	Sridas Foundation	21600	0.40	21600	0.40
9	Raviraj Developers Ltd.	15183	0.28	15183	0.28
10	V K Shah	13850	0.26	0	0.00
	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 and Key Managerial Personnel:

Sl. No.	Name of the Shareholder	Date	Shareholding			Reason	Cumulative Share holding during the year		Remarks
			No. of shares at the beginning (01.04.2018/ end of the year 31.03.2019)	% of total shares of the company	Increase / (Decrease)		No of shares	% of total shares of the company	
1	Shri Apurv Kumar	01.04.2018	35126	0.65	0.00	Nil movement during the year	35126	0.65	
	Jt. Managing Director & CFO / KMP	31.03.2019	35126	0.65	0.00				
2	Shri Rupak Gupta	01.04.2018	818524	15.16	0.00	Nil movement during the year	818524	15.16	
	Jt. Managing Director & CFO / KMP	31.03.2019	818524	15.16	0.00				
3	Smt. Supriya Gupta	01.04.2018	0	0.00	0.00		0	0.00	
	Director	31.03.2019	0	0.00	0.00				
4	Shri Arvind Kumar	01.04.2018	29341	0.54	0.00	Nil movement during the year	29341	0.54	
	Director	31.03.2019	29341	0.54	0.00				
5	Shri Bisheshwar Prasad Singh	01.04.2018	0	0.00	0.00		0	0.00	
	Director	31.03.2019	0	0.00	0.00				
6	Shri Shafi Alam	01.04.2018	0	0.00	0.00		0	0.00	
	Director	31.03.2019	0	0.00	0.00				
7	Shri Prakash Chandra Prusty	01.04.2018	0	0.00	0.00		0	0.00	
	Company Secretary / KMP	31.03.2019	0	0.00	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 (Rs. in lakh)
Indebtedness at the beginning of the financial year				
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
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year	NIL	NIL	NIL	NIL
• Additions	32.32	NIL	NIL	32.32
• Reduction	NIL	NIL	NIL	NIL
Net Change	32.32	NIL	NIL	32.32
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount	32.32	NIL	NIL	32.32
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	32.32	NIL	NIL	32.32

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount (in Rs.)
		Shri Apurv Kumar	Shri Rupak Gupta	
1	Gross Salary	5900806	5900806	11801612
	(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	1196023	967837	2163860
	(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)	708097	708097	1416194
	Total (A)	7804926	7576740	15381666
	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	400000	0	400000	
		Shri Shafi Alam	90000	0	90000	
	• Commission		0	0	0	
	• Others, please specify		0	0	0	
	Total (1)		490000		490000	
2	Other Non-Executive Directors					
	• Fee for attending board/committee meetings	Smt. Supriya Gupta	15000	0	15000	
		Shri Arvind Kumar	45000	0	45000	
	• Commission		0	0	0	
	• Others, please specify		0	0	0	
	Total (2)		60000		60000	
	Total (B)=(1+2)		550000		550000	
	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 (in Rs.)	Key Managerial Personnel		
		Company Secretary	CFO	Total
		Shri Prakash Chadnra Prusty		
1	Gross Salary	554400	#	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	NA		
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	1205400		
	(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	NA		
	- as % of profit	NA		
	- others, specify	NA		
5	Others (Contribution to PF)	66528		
	Total	1826328		

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)
A. COMPANY					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. DIRECTORS					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. OTHER OFFICERS IN DEFAULT					
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: 02.08.2019

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

The Indian hospitality industry has emerged as one of the key industries driving the growth of the services sector and thereby, the Indian economy. At the close of 2018, the country saw macroeconomic stability owing to a decline in inflation, current account deficit etc.

It is expected that the industry to register an overall healthy growth in revenue on back of economic growth and consistently growing middle class along with increasing disposable income. There are various other key factors that drive the market, including India's attractiveness as a medical tourism destination; steadily growing Meetings, Incentives, Conferences and Exhibitions (MICE) segment; and an increasing fondness among millennials to travel. It is expected that the major markets in the industry to sustain the average room rates (ARRs) going forward and grow at an average of 3.5-4.5% per annum. Also, it is expected that the occupancy to inch up to an average of about 68-70% by the end of FY23 compared with 66.6% in FY18. Accordingly, the hotel industry is expected to see an increase in room revenue at the rate of about 10-12% CAGR over the 5 years.

The domestic tourist arrivals grew by a marginal 2.4% y-o-y from 1,614 million in 2016 to 1,653 million in 2017. The growth in the domestic tourist arrivals can be attributed to the, rising disposable income, popularizing weekend culture, the eagerness to spend amongst the youth, government campaigns, introduction of low-cost airline services, increased trade and booming service sector. Domestic travellers continue to be the majority generators of room night demand in India.

With the infusion of global travel brands, increased number of internet savvy people and large number of new hotel openings by various national and international brands at different domestic locations, online hotel bookings has emerged as a prospective opportunity for both online travel companies and hoteliers. In addition to online air ticketing, online hotel bookings has become a major revenue contributor to the online travel company in the recent past.

The Indian Ministry of Tourism has started using social media to promote tourism sites throughout the country. A considerable increase has been seen across all star categories in reservations using Online Reservation Systems and Other Websites, with the All-India average increasing from meagre 10.3% in FY13 to 24.5% in FY17. At the same time, Direct Enquiries or reservations made through Hotel Representatives, Travel Agents and Tour Operators have declined. In keeping with the growing importance of maintaining a positive and impactful online presence, hotels have redirected their marketing efforts towards digital marketing mediums. Hotels are now using their Hotel Website to reach customers. Accordingly, the hotels industry is expected to see an increase in room revenue at the rate of about 10-12% CAGR over the next 5 years.

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.

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'.

Jaipur, popularly known as the 'Pink City' and an integral part of the Golden triangle itinerary, Jaipur's rich culture and its spectacular forts, palaces, and havelis continue to attract tourists from all over the world, making it one of the top leisure destinations in the country. Further, Jaipur has been inscribed as a World Heritage Site by UNESCO in July 2019. This will help Jaipur to attract more tourists. Jaipur is also a major MICE destination, primarily known for its destination weddings and large scale conventions. In FY18, the city witnessed about 7.3% growth in room supply. Despite the increase in supply, the city occupancy rates reached 67.3% (an expansion of close to 300 bps) and witnessed about 6% growth in average room rates. In line with the ORs and ARRs, RevPARs registered about 10.8% y-o-y growth during the year. Going forward, about 1,100 rooms are expected to be added to Jaipur hotel market.

In Agra, room demand is usually driven by leisure travelers. Any macroeconomic conditions have an impact on demand in tourist destinations such as Agra where FTAs constitute majority. In FY18, occupancy rates registered an expansion of over 600 bps to reach 65.8%, city's highest in over 20 years. However, on account of intense competition from the branded mid-market segment, the room rates remained under pressure and declined by about 3% to average at Rs 5,340 per night. This higher occupancy/demand translated into a growth of over 7% in RevPARs during the year.

Revenue from operations (net) has increased by Rs.1106.77 (11.76%) from Rs. 9405.31 lakh (previous year) to Rs. 10512.08 lakh in current year. The other income has increased by 4.98% from Rs. 439.45 lakh (previous year) to Rs. 461.33 lakh in the current year. The expenses of the company have gone up by 8.11% to Rs. 10064.30 lakh from previous year figure of Rs. 9309.10 lakh on account of increased in employee expenses, power & fuel expenses, and various other expenses.

The profit before tax has gone up to Rs. 909.11 lakh in the current year from Rs. 535.66 lakh in previous year, an increase of 69.72%. The profit after tax for the year (before other comprehensive income) was Rs. 655.94 lakh in the current year against Rs. 304.65 lakh in the previous year, a growth of 115.31%. The Total Comprehensive Income was Rs. 650.07 lakh in current year against Rs. 358.86 lakh in the previous year.

There was growth of 4.89% in rooms sold during the current year against the previous year. The occupancy was grown by 3.67% in the current year. There was marginal decline of 0.97% in Average Room Rate during the current year against the previous year. However, the RevPAR grew by 5.37% 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.

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 719.

Key Financial Ratios

S. No.	Particulars	As on 31.03.2019	As on 31.03.2018
i	Debtors Turnover (net credit sales / average accounts receivables)	10.84:1	9.30:1
ii	Inventory turnover (cost of goods sold/closing inventory)	12.36:1	9.2:1
iii	Interest Coverage ratio (Earnings before interest & taxes/interest expense)	154.30	130.70
iv	Current Ratio (current assets/current liabilities)	2.18	2.05
v	Debt equity Ratio (Total Liabilities/Total Equities)	0.36	0.38
vi	Operating Profit Margin (%) (PBT/Revenue from operations)	8.64%	5.69%
vii	Net Profit Margin (%) (PAT/turnover)	5.97%	3.09%
viii	Return on Net worth (PAT / Average Equity Capital & other equity)	7.08%	3.53%

Improved business, optimizing the operational cost resulted in improved net profit and consequently improved return on net worth.

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-9

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, lenders, governments, etc.

2. BOARD OF DIRECTORS

As on 31st March 2019, the Board comprised of total six directors of which two executive directors, two non-executive directors and two independent directors. 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, 2019, four board meetings were held. These were held on 29.05.2018, 02.08.2018, 13.11.2018 and 07.02.2019.
- 2.2 Details of attendance of directors at board meetings during the financial year and at the Company's fifty seventh 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 director is a member or chairperson	
		Board Meeting	Last AGM	Public	Private	Chairperson	Member
Justice Mr. Bishshwar Prasad Singh (Retd.) (Chairman)	Non-Executive – Independent	4	Yes	1	0	-	-
Mr. Apurv Kumar (Joint Managing Director)	Promoter -Executive	4	Yes	1	5	-	-
Mr. Rupak Gupta (Joint Managing Director)	Promoter –Executive	3	Yes	2	5	-	-
Ms. Supriya Gupta (Director)	Non –Executive & Non - Independent	2	Yes	1	4	-	-
Mr. Arvind Kumar (Director)	Promoter – Non-Executive	3	Yes	5	8	-	-
Mr. Shafi Alam (Director)*	Independent – Non Executive	3	Yes	-	-	-	-

The attendance of directors at the meeting of Board of Directors during the year is as below:

Name of Directors	No. of shares held as on 31.03.19	Attendance at Board Meetings			
		29.05.18	02.08.18	13.11.18	07.02.19
Justice Mr. B. P. Singh (Retd.)	Nil	Y	Y	Y	Y
Mr. Apurv Kumar	35126	Y	Y	Y	Y
Mr. Rupak Gupta	818524	Y	Y	N	Y
Ms. Supriya Gupta	Nil	N	Y	Y	N
Mr. Arvind Kumar	29341	Y	Y	N	Y
Mr. Shafi Alam	Nil	Y	N	Y	Y
Board Strength		6	6	6	6
No. of Directors Present		5	5	4	5

Names of listed companies in which a director of the Company is a director and category of his directorship during financial year 2018-19:

Name of Directors	Name of Listed Company	Category of Directorship
Justice Mr. B. P. Singh (Retd.)	1. Indiabulls Housing Finance Limited 2. Indiabulls Real estate Limited	Independent Director Independent Director
Mr. Apurv Kumar	-	-
Mr. Rupak Gupta	-	-
Ms. Supriya Gupta	-	-
Mr. Arvind Kumar	-	-
Mr. Shafi Alam	-	-

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, 2019, filed the requisite declarations stating that the disqualification contemplated under Section 164 of the Companies Act, 2013 do not apply to them. Directors and members of senior management of the Company as on 31st March, 2019 have attended the compliances related to the code of conduct for Prevention of Insider Trading in its equity shares.

Pursuant to Regulation 34(3) of SEBI LODR Regulations 2015 and Para C(2)(i) of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company confirm that in their opinion, the independent directors of the Company fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the independent directors are independent of management. The web link where details of familiarization programs imparted to the Independent Directors is available at: <https://www.hotelclarks.com/investor-relations/investor-relations.html>

A chart or a matrix setting out the skills / expertise / competencies of the board of directors specifying the list of core skills / expertise / competencies identified by the board of directors as required in the context of its business and sector for it to function effectively is as below:

Skills

Strategic Thinking	<ul style="list-style-type: none"> ✓ Ability to be goal and future oriented ✓ Ability to understand issues from different perspectives ✓ Ability to think critically, independently, ask questions, and challenge unsubstantiated opinions ✓ Ability to understand and process large amounts of information (print, online, and oral) effectively and efficiently
Communication	<ul style="list-style-type: none"> ✓ Ability to effectively communicate with a culturally and linguistically diverse team of other board members, leadership entities, Company's shareholders and employees/staffs ✓ Ability to articulate ideas, opinions, rationales, and comments in a clear, concise, and logical manner to address the needs of the stakeholders ✓ Ability to speak in front of small and large groups using both self-prepared and externally-prepared materials, and with a professional demeanor
Decision Making	<ul style="list-style-type: none"> ✓ Ability to use logic and reasoning to identify issues as well as the strengths and weaknesses of alternative solutions, conclusions, or approaches to problems ✓ Ability to make informed decisions efficiently and take action when needed ✓ Ability to be objective at all times about what is best for the company as a whole, rather than what is best for a particular unit
Inter Personal Skills	<ul style="list-style-type: none"> ✓ Ability to effectively collaborate with the Company's executive director(s), board colleagues, and staff ✓ Ability to work independently as required ✓ Ability to interact with other board members in a group setting, both contributing to discussions, and valuing the contributions of all members
Analytical Skills	<ul style="list-style-type: none"> ✓ Ability to understand and analyze financial reports ✓ Ability to review and analyze proposed budgets in light of association resources, strategic goals, and priorities ✓ Ability to analyze reports from committees, task forces, and other entities and comment on drafts of publications/ policies/ schemes and other documents as appropriate
Experience	<ul style="list-style-type: none"> ✓ A variety leadership experiences within the Business activities/related profession ✓ Experience interacting with diverse professionals

Competencies/experience

Section	Competency	Self Assessment of Directors					
		Name	Name	Name	Name	Name	Name
	Tenure (Months)						
Industry Knowledge / experience	Industry experience						
	Knowledge of Sector						
	Knowledge / understanding of government legislations						
Technical Skills	Finance						
	Accounting						
	Law						
	Marketing experience						
	Information technology						
	Human Resource Management						
	Risk Management						
	Public Relations						
	Strategic development & implementation						
CEO / Senior Management experience							
Governance Competencies	Financial literacy						
	Strategic thinking – corporate governance						
	Compliance Focus						

Behavioral Competencies	Integrity & high ethical standards					
	Common sense & sound judgment					
	Willingness and ability to devote time and energy to the role					
	Understanding of effective decision making process					
	Team Player					
	Mentoring abilities					
	Listening skills					
	Interpersonal relations					

The directors of the company as a whole possess all the above skills / competencies / expertise.

3. AUDIT COMMITTEE

The Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which inter alia include:

- recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary
- evaluation of internal financial controls and risk management systems; Monitoring the end use of funds raised through public offers and related matters

Composition, 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	29.05.2018	4
2.	Mr. Shafi Alam	Member	Independent director	02.08.2018	3
3.	Mr. Arvind Kumar	Member	Non-Executive Director	13.11.2018 07.02.2019	3

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:

- Formulation of the criteria for determining qualifications, Positive attributes and independence of a director;
- 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;
- To recommend to the Board a policy relating to remuneration for directors, key managerial personnel and other employees;
- To recommend to the board, all remuneration, in whatever form, payable to senior management;
- To evaluate every director's performance & the Board;
- 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	02.08.2018 07.02.2019	1
2.	Justice Mr. B. P. Singh (Retd.)	Member	Independent director		2
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 are mentioned in the Boards' Report.

Remuneration of Directors

The details of remuneration paid to Managerial Personnel of the Company in Financial Year 2018-19 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 31.03.19	Service Contract/ Notice Period/ severance fees
1.	Mr. Apurv Kumar	Jt. Managing Director	5900806/-	1196023/-	708097/-	7804926/-	Nil	35126	Shareholders re-appointed Mr. Apurv Kumar for a period of 3 years with effect from 15.05.2018. Notice period is as per company's policy. No severance fees.
2.	Mr. Rupak Gupta	Jt. Managing Director	5900806/-	967831/-	708097/-	7576740/-	Nil	818524	Shareholders appointed Mr. Rupak Gupta, for a period of 3 years with effect from 15.05.2018. Notice period is as per company's policy. No Severance fees

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 cumulative 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 cumulative 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 2018-19 are detailed below:

S. No.	Name of the Independent Director	Sitting fee paid (Rs.)	Stock Options Granted	No. of Shares held on 31.03.2019
1.	Justice Mr. Bisheshwar Prasad Singh (Retd.) - Non Executive Independent Director	4,00,000/-	Nil	Nil
2.	Mr. Shafi Alam - Non Executive Independent Director	90,000/-	Nil	Nil
3.	Mr. Arvind Kumar - Non Executive & Non Independent Director	45,000/-	Nil	29341
4.	Ms. Supriya Gupta - Non Executive & Non Independent Director	15,000/-	Nil	Nil

5. STAKEHOLDERS RELATIONSHIP 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	07.02.2019	1
2.	Mr. Arvind Kumar	Member	Non-Executive Director		1
3.	Mrs. Supriya Gupta	Member	Non-Executive Director		0

The Company Secretary acts as the Secretary to the Committee. Mr. Prakash Chandra Prusty, Company Secretary is the Compliance Officer of the Company.

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

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	29.05.2018 07.02.2019	2
2.	Mrs. Supriya Gupta	Member	Non-Executive director		0
3.	Mr. Arvind Kumar	Member	Non-Executive Director		2

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
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.
2017-18	25-09-2018	-Do-	02.30 p.m.	1. Re-appointment of Mr. Apurv Kumar as Joint Managing Director & CFO for a period of 3 years with effect from 15.05.2018; 2. Re-appointment of Mr. Rupak Gupta as Joint Managing Director & CFO for a period of three years with effect from 15.05.2018. 3. Continuation in directorship as a non-executive director in the Company by Mr. B P Singh beyond 75 years of age; and 4. Continuation in directorship as a non-executive director in the Company by Mr. Arvind Kumar beyond 75 years of age.

No ordinary or special resolution requiring postal ballot under section 110 of the Companies Act, 2013 was passed last year. 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
58th Annual General Meeting
Date : 25th September, 2019
Day : Wednesday
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 14.08.2019.
2nd Quarter On or before 14.11.2019
3rd Quarter On or before 14.02.2020.
4th Quarter On or before 30.05.2020
- 9.3 Date of Book Closure Wednesday, 18.09.2019 to Wednesday, 25.09.2019 (both days inclusive)
- 9.4 Dividend No dividend is being proposed at the ensuing Annual General Meeting for the year ended 31.03.2019.
- 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 Regulations 2015, 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 2019-20.
- 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) :

Due to suspension of trading in shares with effect from 25th February, 2015, monthly high and low market price date of equity shares 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 The Registrar & Transfer Agent ensures the timely compliance on transfer of shares and dispatch of shares certificates upon transferred.
- 9.11 Shareholding Pattern as on 31st March, 2019:

Category	No of Shares held	% of Share holding
1 Promoter's holding		
Indian Promoters	47,72,960	88.39
Foreign Promoters	Nil	Nil
2 Persons acting in concert	Nil	Nil
Sub Total (1 & 2)	47,72,960	88.39
<u>Non-Promoters Holding</u>		
3 Institutional Investors		
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
Sub Total (3)	Nil	Nil
4 Others		
a) Private Corporate Bodies	1,43,956	2.67
b) Indian Public	4,67,370	7.26
c) NRIs/OCBs	2,391	0.04
d) Any other	88589	1.64
e) Clearing Member/House	0	0.00
Sub Total (4)	6,27,040	11.61
Grand Total (1 to 4)	54,00,000	100.00

9.12 Distribution of Shareholding as on 31st March, 2019:

Shareholding of Nominal Value	No. of Shareholders	% of Share-Holders	Share Amount (Rs.)	.% of Share-Holding
Upto - 5000	867	83.53	8,92,750	1.65
5001 – 10000	54	5.20	3,84,070	0.71
10001-20000	33	3.18	4,78,390	0.89
20001-30000	14	1.35	3,45,180	0.64
30001-40000	11	1.06	3,73,760	0.69
40001-50000	3	0.29	1,43,020	0.26
50001-100000	10	0.96	7,44,080	1.38
100001 & above	46	4.43	5,06,38,750	93.78
Total	1,038	100.00	5,40,00,000	100.00

9.13 Dematerialization 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, 2019 were 29,40,859 (54.46% of the total paid up capital) and the balance of 24,59,141 representing 45.54% were held in physical form. Investors are requested to open an account with depository participant registered with either National Securities Depository Ltd. (NSDL) or Central Depository Services (India) Ltd. (CDSL) for demating their shares.

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 31.3.2019, only 50.73% 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 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.

9.15 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

9.16 Address for Correspondence

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. OTHER DISCLOSURES

- 10.1 The transactions with related parties relating to current year and earlier years covered under section 188 of the Companies Act could not be placed before the Audit Committee for approval due to differences between the management and court proceedings. 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. The web link of the policy is: <https://www.hotelclarks.com/investor-relations/investor-relations.html>
- 10.2 The company has submitted the quarterly financial results with the stock exchange and published the same for the quarters ended 30.06.2018, 30.09.2018, 31.12.2018, and 31.03.2019 for the financial year 2018-19.
- 10.3 The company has not yet achieved 100 per cent dematerialization of the shares of promoter's group during the year. The Promoters had applied for de-mating their shares but unable to de-mat due to SEBI restriction on promoters to deal with the shares of the company.
- 10.4 The Company has applied to BSE Limited for revocation of suspension of trading of shares. BSE is evaluating/processing our application and its order/decision is awaited.
- 10.5 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.
- 10.6 The directors and other designated/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.
- 10.7 The company has formulated a Whistle Blower Policy/Vigil Mechanism which encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment and further affirm that no personnel has been denied access to the audit committee.
- 10.8 Since the company has no subsidiary during the financial year under review, it has not formulated 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:
- The Board: The Company has a non-executive independent director as its Chairman.
 - Shareholder Rights: Not sent half-yearly declaration on financial performance to shareholders.
 - Modified opinion(s) in audit report: The Board gives necessary clarification on qualifications, adverse opinion in Auditors' Report.
 - Separate posts of chairperson and chief executive officer: The Company has non-executive independent director as its Chairman. There is no chief executive officer.
 - Reporting of internal auditor: The reports of internal auditor are reviewed in the Audit Committee meeting.
- 10.11 No money was raised by the Company through public issue, right issue, preferential issues etc. in the financial year under review.
- 10.12 The Company has received a certificate from a Company Secretary in Practice certifying to the Board that none of the directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any other statutory authority.
- 10.13 Total fee paid for all services paid by the company to the statutory auditor:
Kindly refer Note no. 28 of the Notes to the Financial Statements of the Company for the financial year ended 31.03.2019.
- 10.14 Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- Number of complaints filed during the financial year : Nil
 - Number of complaints disposed of during the financial year : Nil
 - Number of complaints pending as on end of the financial year : Nil
- 10.15 The Statement of Impact of Audit Qualifications submitted to BSE Limited alongwith Annual Audited Financial Results is annexed with this report.

11. 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

The voting rights on these shares shall remain frozen till the rightful owner of these shares claims the shares.

12. 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.

13. 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 2018-19."

Sd/- Apurv Kumar Joint Managing Director	Sd/- Rupak Gupta Joint Managing Director
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13. CEO & CFO CERTIFICATION

In terms of Regulations 17(8) of the Listing Regulations, the compliance certificate from CEO and CFO is provided in the Annual Report.

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: 02.08.2019

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. in Lakh)

I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)
	1	Turnover / Total income	10973.41	10973.41
	2	Total Expenditure	10317.47	10317.47
	3	Net Profit/(Loss)	655.94	655.94
	4	Earnings Per Share	12.15	12.15
	5	Total Assets	12632.25	12632.25
	6	Total Liabilities	12632.25	12632.25
	7	Net Worth	9257.06	9257.06
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II Audit Qualification (each audit qualification separately)				
	A	Details of Audit Qualification: Basis of Qualified Opinion (i) Note 38.1 to 39.3 and 42(a) regarding non-compliance of Minimum Public Shareholding as explained in the said notes. As such, the Company is yet to comply with the Regulation 38 of SEBI LODR Regulation 2015 with regards to Minimum Public Shareholding (MPS). (ii) Note No. 42(b) i.e. the Company is yet to achieve 100% of promoters shareholding due to SEBI restrictions on promoters to deal with the shares of the Company. As such, the Company is yet to comply with Regulation 31(2) of SEBI LODR Regulations 2015. (iii) Note No. 42(c) i.e. Related Party Transactions ("RPT") covered under Section 188 of the Act during the year and previous years could not be approved by the Audit Committee and Board of Directors due to various disputes and pending legal matter before Hon'ble National Company Law Tribunal (NCLT) as explained in the notes. These RPTs are not entered in the Register maintained under Section 189 of the Companies Act, 2013. As such, the Company is yet to comply with sections 188 and 189 of the Act and Regulation 23 of SEBI LODR Regulations 2015. (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.		
	B	Type of Audit Qualification:	<u>Qualified Opinion</u>	<u>Disclaimer of Opinion</u>
			As stated above	NIL
	C	Frequency of qualification:	<u>Qualified Opinion</u>	<u>Disclaimer of Opinion</u>
			(i): Repetitive – last 3 years (ii): Repetitive – last 3 years (ii): Repetitive – last 3 years (iv): Repetitive – last 3 years	NIL NIL
	D	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not quantified		
	E	For Audit Qualification(s) where the impact is not quantified by the auditor:		
	(i)	Management's estimation on the impact of audit qualification:		
		There are litigations going on before Tribunal & Court. As such, their impact on profitability of the Company, if any, is not ascertainable till the time of their disposal by court/tribunal.		
	(ii)	If management is unable to estimate the impact, reasons for the same:		
		Since the litigations are still pending before courts and forums, their outcome can not be ascertained and thus the impact, if any, can not be estimated.		
	(iii)	Auditors' Comments on (i) or (ii) above:		
		The ultimate outcome of the matters specified above can not presently be determined and its consequential impact on these annual financial results can not be ascertained.		
III Signatories:				
	CEO/Managing Director		Sd/-	
	CFO		Sd/-	
	Audit Committee Chairman		Sd/-	
	Statutory Auditor		Sd/-	
	Place: New Delhi			
	Date: 25.05.2019			

Secretarial Auditor's Certificate on Corporate Governance

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

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, 2019, 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 to 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. *The Related Party Transactions ("RPT") covered under provisions of Companies Act during the year and previous years could not be approved by the Audit Committee and Board of Directors being part of a legal matter on Oppression and Mismanagement pending before the Hon'ble National company Law Tribunal (NCLT) for adjudication and considering that any decision of the Board may be contrary to the decision of the NCLT which may not be executable later, the Board in its meeting on 20.08.2017 decided to defer the matter of RPTs till the final decision of the NCLT. As such, these RPTs are not entered in the Register maintained under Section 189 of the Companies Act, 2013.*
4. Due to ongoing suits among promoters directors which have been filed at the Hon'ble Civil Court, Lucknow and Hon'ble NCLT, New Delhi, the non-compliance mentioned in clause 1 to 3 mentioned hereinabove could not be complied with by the company during the period under review.

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: 25.05.2019
Place: New Delhi

CEO/CFO Certification

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

Compliance Certificate by Managing Director and Chief financial Officer

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, 2019 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 and that we have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting and we have disclosed to the auditors that due to the ongoing suits which have been filed at the Hon'ble Civil Court, Lucknow and Hon'ble NCLT, New Delhi, the appropriate discussions on various related party transactions (RPTs) executed during the year could not take place at Audit Committee and Board level. These RPTs have no impact on internal controls for financial reporting. The Audit Committee discusses and takes note of the Internal Audit Reports at appropriate intervals.
- d) We have indicated to the Auditors and the Audit Committee:
 - i. there were no significant changes in the internal control over financial reporting during the year;
 - ii. there were no changes in the accounting policies during the year; 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

Place: New Delhi
Date: 25.05.2019

Independent Auditors' Report

To the Members of

U. P. Hotels Limited

Report on the Audit of Financial Statements

Opinion

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

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

Basis of Qualified Opinion

Attention is drawn to the following notes to the financial statements:-

1. **Note No. 38.1 to 38.3 and 42(a) regarding non-compliance of Minimum Public Shareholding as explained in the said notes. As such, the Company is yet to comply with Regulation 38 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with regard to Minimum Public Shareholding.**
2. **Note No. 42(b) i.e. the Company is yet to achieve 100% dematerialization of the promoter's shareholding due to SEBI restrictions on promoters to deal with the shares of the company. As such, the Company is yet to comply with Regulation 31(2) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.**
3. **Note No. 42(c) i.e. the Related Party Transactions ("RPT") covered u/s 188 of the Act during the year and previous years are not approved by the Audit Committee and Board of Directors due to various disputes and pending legal matter before Hon'ble National Company Law Tribunal (NCLT) as explained in the notes. These RPTs are not entered in the Register maintained under Section 189 of the Act. As such, the Company is yet to comply with sections 188 and 189 of the Act and Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.**
4. **The ultimate outcome of the matters specified in paras 1-3 above cannot presently be determined and its consequential impact on these financial statements cannot be ascertained.**

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

Key Audit Matters

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

S. No.	Key Audit Matter	Auditor's Response
1	One of the Joint Managing Directors filed a petition before the Hon'ble National Company Law Tribunal, New Delhi ("NCLT") 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 which is explained in the notes to accounts. The Petition is currently pending adjudication. (Refer Note No. 39 to the financial statements)	We have studied and analysed the petition pending with National Company Law Tribunal and other related documents. Due to various non-compliances in the earlier years, the NCLT inducted a new independent director to act as chairman of the company.

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

The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in Annual Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

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

Management's responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the company in accordance with applicable Ind AS and other accounting principles generally accepted in India.

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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of financial statements

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factor in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of section 143(11) of the Act, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit, 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), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued there under.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - (iii) 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

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

Date: 25th May 2019
Place: New Delhi

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date on the financial statements of U.P. Hotels Limited for the year ended 31st March, 2019)

- (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 program 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. Accordingly, paragraph 3 (iii) of the Order is not applicable.
- (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.
- (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(1) of the Act in respect of services carried out by the Company.
- (vii) a) According to records of the Company, the Company is 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	48.64

- 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

*Please refer Note no. 24 to the Financial Statements.

- (viii) As per books and records maintained by the Company and according to the information and explanations given to us, there were no defaults in making payments to banks/financial institutions. The Company has no debenture holder and loan from government.
- (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 Act. The details of such transactions have however been disclosed in the financial statements as required by the applicable standards and related party transactions are also not recorded in the register under Section 189 of the Act. (Refer Note 30 and 42(c) 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: 25th May 2019
Place: New Delhi

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

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date on the financial statements of U. P. Hotels Limited for the year ended 31st March 2019)

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, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls 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 Act, to the extent applicable to an audit of internal financial control. 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 procedures 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 judgment, 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 procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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.

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 misstatements 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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Date: 25th May 2019
Place: New Delhi

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

BALANCE SHEET AS AT 31st MARCH, 2019

(Rs. in Lakhs)

	Note No.	As at 31.03.2019	As at 31.03.2018
A ASSETS			
1. NON-CURRENT ASSETS			
Property, Plant and Equipment	2	6186.71	6254.90
Capital Work-In-Progress		394.75	74.46
Intangible Assets	2	4.31	5.11
Financial Assets :			
Other Financial Assets	3	-	-
Other Non-Current Assets	4	205.73	88.71
		6791.50	6423.18
2. CURRENT ASSETS			
Inventories	5	249.58	324.35
Financial Assets :			
Investments	6	1041.77	968.00
Trade Receivables	7	969.27	1010.42
Cash and Cash Equivalents	8	1174.32	988.57
Bank Balances other than above	9	1385.67	893.65
Other Financial Assets	3	35.08	61.28
Other Current Assets	10	985.06	1236.12
		5840.75	5482.40
Total		12632.25	11905.58
B EQUITY AND LIABILITIES			
1. EQUITY			
Equity Share Capital	11	540.00	540.00
Other Equity		8717.06	8067.00
		9257.06	8607.00
2. NON - CURRENT LIABILITIES			
Financial Liabilities :			
Borrowings	12	24.77	-
Other Financial Liabilities	13	161.79	151.47
Provisions	14	206.37	160.18
Deferred Tax Liabilities (Net)		303.53	316.84
		696.46	628.49
3. CURRENT LIABILITIES			
Financial Liabilities :			
Trade Payables	15	650.88	545.90
Other Financial liabilities	16	730.13	703.93
Other Current Liabilities	17	387.73	350.58
Provisions	14	909.99	1069.68
		2678.73	2670.09
TOTAL		12632.25	11905.58
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-43		

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 : 25th May 2019

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, 2019

(Rs. in Lakhs)

	Note No.	Year ended 31.03.2019	Year ended 31.03.2018
REVENUE			
Revenue from Operations (Net)	18	10512.08	9405.31
Other Income	19	461.33	439.45
Total Income (I)		10973.41	9844.76
EXPENSES			
Consumption of Provisions, Beverages And Others	20	1651.75	1451.88
Employee Benefits Expense	21	3145.48	2906.70
Finance Costs	22	5.93	4.13
Depreciation and Amortization Expense	2	694.29	676.28
Other Expenses	23	4566.85	4270.10
Total Expenses (II)		10064.30	9309.10
Profit before Tax (I-II)		909.11	535.66
Tax Expense			
Current Tax		266.22	230.00
Tax (Earlier Years)		0.26	(22.10)
Deferred Tax		(13.31)	23.12
Total Tax Expense		253.17	231.01
Profit for the Year (III)		655.94	304.65
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss :			
Actuarial Gain/(Loss) on Employee Benefits		(8.14)	54.21
Tax		(2.27)	-
Other Comprehensive Income for the Year (IV)		(5.87)	54.21
Total Comprehensive Income for the Year (III+IV)		650.07	358.86
Earning per equity share (Face Value of Rs. 10/- each)			
(1) Basic	34	12.15	5.64
(2) Diluted	34	12.15	5.64
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-43		

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

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For & on behalf of the Board of Directors of
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Prakash Chandra Prusty
(Company Secretary)
M.No : A14624

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

(Rs. in Lakhs)

	Year ended 31.03.2019	Year ended 31.03.2018
A. CASH FLOWS FROM OPERATING ACTIVITIES :		
Profit before Tax	909.11	535.66
Adjustments for :		
Depreciation & Amortisation	694.29	676.28
(Profit)/Loss on Sale of Property, Plant & Equipments	9.82	3.55
Finance Cost	5.93	4.13
Operating Profit before changes in Current Assets and Liabilities	1619.15	1219.63
Changes in Current Assets and Liabilities -		
Trade Receivables	41.15	(34.85)
Loans, Bank balance other than cash & cash equivalent and other Current Assets	(214.75)	331.16
Inventories	74.77	20.77
Current Liabilities	8.64	(250.08)
Income tax (Current & earlier year)	(266.48)	(231.01)
Other Comprehensive Income	(5.87)	54.21
NET CASH GENERATED FROM OPERATING ACTIVITIES	1256.61	1109.82
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant & Equipments	(656.83)	(946.49)
Purchase/Addition of Intangibles	(4.09)	(6.25)
Addition in Capital WIP	(320.29)	(72.41)
Proceeds from Sale of Property, Plant & Equipments	25.81	5.66
Purchase of Investments	(73.77)	(75.79)
Investment in Other Non-Current Assets	(117.02)	21.74
NET CASH USED IN INVESTING ACTIVITIES	(1146.19)	(1073.54)
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Finance Cost	(5.93)	(4.13)
Proceeds (Repayments) of Long Term Borrowings (Net)	24.77	-
Change in Other Long Term Liabilities & Provisions (Net)	56.50	249.62
NET CASH USED IN FINANCING ACTIVITIES	75.34	245.49
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	185.76	281.78
Cash and Cash Equivalents as at Beginning of the Year	988.56	706.78
Cash and Cash Equivalents as at End of the Year	1174.32	988.56
Bank Balances other than above	1385.67	893.65
SIGNIFICANT ACCOUNTING POLICIES	1	
NOTES ON FINANCIAL STATEMENTS	2-43	

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 : 25th May 2019

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

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DIN 00043538

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2019

A. EQUITY SHARE CAPITAL

(Rs. in Lakhs)

Balance as at April 01, 2018	Change in equity share capital during the year	Balance as at March 31, 2019
540.00	-	540

B. OTHER EQUITY

	General Reserve	Retained Earnings	Other items of other comprehensive income	Total Other Equity
Balance as at 1st April 2018	3069.49	4894.76	102.74	8067.00
Profit for the year	-	655.94	-	655.94
Other comprehensive income/(loss) for the year	-	-	(5.87)	(5.87)
Total comprehensive income/(loss) for the year	-	655.94	(5.87)	650.07
Balance as at March 31, 2019	3,069.49	5550.70	96.87	8717.06

SIGNIFICANT ACCOUNTING POLICIES

1

NOTES ON FINANCIAL STATEMENTS

2-43

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 : 25th May 2019

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

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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 are authorized for issue by the Board of Directors of the Company at their meeting held on May 25, 2019.

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

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.

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/Amortisation

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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

(Rs. in Lakhs)

3. OTHER FINANCIAL ASSETS

Fixed deposit with banks having more than twelve months maturity
Interest Accrued
Other receivables

Non-Current Assets		Current Assets	
31.03.2019	31.03.2018	31.03.2019	31.03.2018
-	-	-	-
-	-	23.96	16.61
-	-	11.12	44.66
-	-	35.08	61.28
		As at	As at
		31.03.2019	31.03.2018

4. OTHER NON-CURRENT ASSETS

Security Deposits(Earnest Money)
Prepaid Expenses
Security Deposit - Others
Capital Advances
Leasehold land prepayments

	86.73	75.03
	36.48	0.08
	16.08	10.44
	63.50	-
	2.94	3.16
	205.73	88.71

5. INVENTORIES

Provisions & Beverages
Crockery, Cutlery, Chinaware, Linen etc
Other Stores
Goods in Transit

	133.63	157.62
	57.26	91.07
	58.29	75.66
	0.40	-
	249.58	324.35

The inventory of stocks, stores and spares has been taken, valued and certified by the management.

Breakup of Inventory

i) Provisions & Beverages

Provision, Foods & Beverages
Wines & Liquor
Cigar & Smokes

	27.69	26.32
	105.02	130.69
	0.92	0.61
	133.63	157.62

Total Provisions & Beverages

6. INVESTMENTS

(Rs. in Lakhs)

	As at 31st March			
	2019		2018	
	No. of Units	Cost	No. of Units	Cost
INVESTMENTS - CURRENT (MUTUAL FUNDS)				
Quoted (Non-Trade)				
Birla Sunlife Dynamic Bond Fund –Retail-Plan-Monthly Dividend-Regular Plan NAV 2019 - Rs.76.75 lakhs (NAV 2018 - Rs. 119.79 lakhs)	743,364.44	87.02	1,122,616.63	127.00
HDFC Medium Term Debt Fund - Regular Plan - Fortnightly Dividend (formerly known as HDFC High Interest Fund Short Term Plan - Fortnightly Dividend) NAV 2019 - Rs. 174.50 lakhs (NAV 2018 - Rs. 174.71 lakhs)	1,644,919.84	174.05	1,644,919.84	174.05
HDFC Income Fund – Dividend – Option Payout NAV 2019 - Not Applicable (NAV 2018 - Rs. 77.14 lakhs)	-	-	710,561.41	81.05
Reliance Dynamic Bond Fund Dividend Plan NAV 2019 - Not Applicable (NAV 2018 - Rs. 80.69 lakhs)	-	-	517,527.72	75.56
Reliance Dynamic Bond Fund - Quarterly Dividend Plan NAV 2019 - Not Applicable (NAV 2018 - Rs. 51.83 lakhs)	-	-	499,555.40	50.00
Franklin (Templeton) India Low Duration Fund-Quarterly Dividend NAV 2019 - Rs. 142.76 lakhs (NAV 2018 - Rs. 142.65 lakhs)	1,374,835.15	143.48	1,373,837.43	143.48
Franklin (Templeton) India Low Duration Fund-Growth NAV 2019 - Rs. 30.59 lakhs (NAV 2018 - Not Applicable)	140,717.57	30.00	-	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

	As at 31st March			
	2019		2018	
	No. of Units	Cost	Cost	No. of Units
Franklin India Dynamic Accrual Fund NAV 2019 - Rs. 164.87 lakhs (NAV 2018 - Rs. 163.76 lakhs)	1,385,129.29	164.00	1,385,130.29	164.00
TATA Income Fund Regular Plan -Appreciation Option (Growth) NAV 2019 - Rs. 60.05 lakhs (NAV 2018 - Rs. 57.59 lakhs)	109,898.26	40.00	109,898.26	40.00
Reliance Liquid Fund Growth Plan NAV 2019 - Rs. 35.87 lakhs (NAV 2018 - Not Applicable)	790.15	35.00	-	-
ABSL Credit Risk Fund-Regular Growth (formerly known as Aditya Birla Sun Life Corporate Bond) NAV 2019 - Rs. 113.47 lakhs (NAV 2018 - Rs. 38.30 lakhs)	829,767.94	107.00	295,966.29	38.00
ABSL Short Term Opportunities fund Quarterly Dividend Payout NAV 2019 - Rs. 50.25 lakhs (NAV 2018 - Rs. 50.06 lakhs)	492,937.76	51.00	492,937.76	51.00
HDFC Liquid Fund Growth NAV 2019 - Rs. 16.25 lakhs (NAV 2018 - Rs. 15.14 lakhs)	443.84	15.00	443.84	15.00
Mahindra Liquid Fund - Direct Growth NAV 2019 - Not Applicable (NAV 2018 - Rs. 25.24 lakhs)	-	-	2,244.73	25.00
DSP Low Duration Fund Regular Plan Growth NAV 2019 - Rs. 115.41 lakhs (NAV 2018 - Not Applicable)	848,970.19	115.00	-	-
Franklin India Credit Risk Fund NAV 2019 - Rs. 70.40 lakhs (NAV 2018 - Not Applicable)	359,581.39	67.00	-	-
HDFC Low Duration Fund Retail Growth NAV 2019 - Rs. 25.43 lakhs (NAV 2018 - Not Applicable)	64,984.01	25.00	-	-
Total		1,053.55		981.13
Less:				
Provision for diminution in value of investments		11.78		13.13
Total		1,041.77		968.00
Aggregate Quoted Value of Investments		1076.40		996.92

(Rs. in Lakhs)

As at 31.03.2019	As at 31.03.2018
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7. **TRADE RECEIVABLES**

Unsecured, Unconfirmed -

Considered good

Considered Doubtful

Less : Provision for doubtful debts

969.27 1,010.42

23.62 26.96

(23.62) (26.96)

969.27 1,010.42

Debts due by Firms in which wife of a director is a partner.

- Silk Emporium

0.01

0.04

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

(Rs. in Lakhs)

	As at 31.03.2019	As at 31.03.2018
8. CASH AND CASH EQUIVALENTS		
<u>Balances with banks</u>		
Current Accounts	1,155.54	949.94
In Deposit Accounts with maturity upto three months	-	-
Cheques in hand	-	13.09
Cash in hand	18.78	25.54
	1,174.32	988.57
9. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
<u>Other bank balances</u>		
Earmarked balances with banks	0.96	0.96
Deposit with more than three months but less than twelve months maturity	1,384.71	892.70
	1,385.67	893.65
10. OTHER CURRENT ASSETS		
<u>Unsecured considered good, unless otherwise stated</u>		
Balance with Government Authorities	834.75	1,046.91
Prepaid Expenses	96.21	115.88
Advance to suppliers	35.01	10.12
Advance to staff	5.75	6.33
Leasehold land prepayment	0.22	0.22
Amount Deposited under Protest *	-	54.00
Other Recoverable	13.12	2.66
	985.06	1236.12

* Amount deposited under protest during the previous year represents disputed rent amount deposited in the court. In view of orders passed by courts during the year and subsequent lease deed executed with the landlord, the matter stands settled and the amount already deposited in the court is now charged to revenue.

11. (i) Equity Share Capital

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity Shares of Rs. 10/- each	7000000	700.00	7000000	700.00
Preference Shares of Rs. 100/- each	100000	100.00	100000	100.00
Issued, Subscribed & paid up				
Equity Shares of Rs. 10/- each	5400000	540.00	5400000	540.00

Reconciliation of the numbers and amount of Equity shares -

For the year ended	As at March 31, 2019		As at March 31, 2018	
	Nos.	Amount	Nos.	Amount
Outstanding at beginning of the year	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

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

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
The India Textiles Co. Private Limited	1313676	24.33	1313676	24.33
Shri Rupak Gupta	818524	15.16	818524	15.16
Banaras House Private Limited	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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

- (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 the 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. **BORROWINGS**

(Rs. in Lakhs)

	Non-Current Portion		Current Portion	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Long Term				
<u>Secured</u>				
Vehicle Loans from Banks	24.77	-	7.55	-
	24.77	-	7.55	-

- I Vehicle loans from banks, repayable on monthly basis, are secured by way of hypothecation of specific assets purchased under the hire purchase scheme.

Year of repayment	2020-21	2021-22	2022-23	2023-24	Total
Amount of repayment amount(Rs. In lakhs)	8.22	8.14	7.16	1.25	24.77
Annual rate of interest(%)	8.41-9.25	8.41-9.25	8.41	8.41	

- II Current portion of long term borrowings is appearing under the head Other Financial Liabilities (Refer Note No 16)

	As at 31.03.2019	As at 31.03.2018
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13. **OTHER FINANCIAL LIABILITIES**

Payable to Employees	126.50	110.95
Others	35.29	40.52
Total	161.79	151.47

14. **PROVISIONS**

	Non-Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Provision for Employees' Benefits				
Leave Encashment	67.11	45.88	5.45	19.69
Gratuity	139.26	114.30	91.58	70.99
Provision for Taxation	-	-	812.96	979.00
Total	206.37	160.18	909.99	1,069.68

	As at 31.03.2019	As at 31.03.2018
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15. **TRADE PAYABLES**

Total outstanding dues of micro, small and medium enterprises	4.08	-
Total outstanding dues of creditors other than micro, small and medium enterprises	646.80	545.90
	650.88	545.90

*During the year, interest of Rs. 0.21 Lakhs is provided under the terms of MSMED ACT, 2006.

16. **OTHER FINANCIAL LIABILITIES -CURRENT**

Security Deposit	16.39	16.81
Employee Dues	127.28	99.90
Unpaid Dividends	312.22	314.63
Current Maturities of long Term Borrowings (Refer Note No 12)	7.55	-
Others	266.69	272.59
	730.13	703.93

17. **OTHER CURRENT LIABILITIES**

Advance received from Customers	181.54	164.77
Statutory Remittances	205.90	185.56
Others	0.29	0.25
	387.73	350.58

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

	Year ended 31.03.2019	Year ended 31.03.2018
18. REVENUE FROM OPERATIONS (Net)		
Room Sales	4,511.39	4,352.50
Provision. Beverages, Smokes and Others	5,712.00	4,742.67
Other Operating Revenue	288.69	310.15
Total	10512.08	9405.31
19. OTHER INCOME		
Interest received from Banks	65.98	75.99
Interest others	1.89	1.21
Dividend Income from Investments	30.88	34.66
Gain on sale of investments	6.51	0.10
Foreign Exchange Adjustments	5.82	6.39
Others	350.25	321.10
	461.33	439.45
20. CONSUMPTION OF PROVISIONS, BEVERAGES AND OTHERS		
Opening Stock	157.62	166.93
Add :Purchases	1,627.76	1,442.57
Less : Closing Stock	133.63	157.62
	1651.75	1451.88
21. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	2,779.48	2,516.76
Contribution to provident and other funds	296.29	318.01
Staff Welfare	69.71	71.92
	3145.48	2906.70
22. FINANCE COST		
Interest expense	4.97	3.46
Other Borrowing Cost	0.96	0.67
	5.93	4.13
23. OTHER EXPENSES		
Renewals & Replacements	170.52	186.81
Upkeep & Service Cost	247.27	239.42
Power & Fuel	1,279.05	1,210.47
Rent /Lease Charges	122.92	64.08
Repair & Maintenance	633.98	441.54
Insurance Charges	28.78	24.15
Rates, Taxes & Fees	172.23	136.82
Advertisement & Publicity	90.67	88.00
Commision to Travel Agents	302.87	209.32
Travelling, Conveyance & Vehicle Running expenses	312.58	365.87
Printing & Stationery	38.02	45.85
Music, Band & Orchestra	47.60	58.91
Banquet / F&B Expenses	450.68	454.26
Hire Charges	120.99	146.94
Provision for Diminution in value of investment	-	3.31
Provisions for doubtful debts & advance	1.29	3.86
Legal & Professional Charges	90.19	97.66
Loss on sale/disposal of Property, plant and equipments	9.82	3.55
Director's Sitting fees	5.50	8.40
Expenditure on Corporate Social Responsibility activities	15.29	56.23
Fees to Internal Auditor	14.65	15.37
Payments made to Statutory Auditors	11.91	16.81
Listing & filing fees	3.04	4.21
Donation	4.34	7.92
Miscellaneous Expenses	392.66	380.34
	4,566.85	4270.10

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

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

a. Contingent liabilities

(Rs. In lakhs)

		31.3.2019	31.3.2018
a.	Claims against the Company not acknowledged as debts-		
	Income Tax matters* (including interest and penalty ,if any)	9.11	67.70
	Other matters	6.50	6.50
b.	Other moneys for which the company is contingently liable -		
	Export obligations in relation to imports	29.40	32.59

- 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 be provided 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. 68.06 lakhs (2018 - Rs. 17.87 lakhs).

25 Debit and credit balances in the financial statements are unconfirmed.

26 In the opinion of the Board, the assets of the Company, except stated otherwise, 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 (2018- 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 31.3.2019.

28 Payment to Auditors (excluding Service Tax/GST)

(Rs. In lakhs)

	31.3.2019	31.3.2018
Audit fee	7.50	7.50
Tax audit fee	1.00	1.00
Tax Audit fee(earlier years)	1.50	3.00
For certification and other services	1.91	5.31
Total	11.91	16.81

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

30 Related Party Disclosures

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

Related parties :

i	Subsidiary Companies	Nil
ii	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
iii	Relatives of Key Management personnel	- Smt. Supriya Gupta(Director) - Shri Arvind Kumar(Director) - Smt. Aditi G Mittal - Ms. Tarini Gupta - Master Dev Darshan Gupta - Shri Akshay Gupta - Shri Binay Kumar - Smt. Veena Binay Kumar - Smt. Rani Upsam - Smt. Rajeshwari Kumar - Shri Arjun Kumar - Shri Anant Kumar - Shri Anoop Kumar - Shri Aryavir Kumar - Smt. Renuka Kumar - Smt. Vibha Agrawal - Shri Vivek Kumar - Smt. Shipra Kumar - Shri Udit Kumar - Shri Manish Kumar - Smt. Meera S Kumar - Shri Upendra Kumar - Smt. Anuradha Kumar - Smt. Sudhira Gupta - Shri Ravi M Gupta - Smt. Nandini Gupta - Shri Arnav Kumar - Smt. Uma Kumar - Shri Alok Kumar - Shri Aditya Kumar - Shri Rakesh M Gupta - Shri Sushil Kumar - Shri Chaitanya Kumar
iv.	Entities over which Key Management Personnel have significant influence	- U. P. Hotels Clarks Limited - U. P. Hotels India Limited - Kalyani Holdings & Finance Limited - The Indian Textiles Co. Private Limited - Indian Textiles Company (Holdings) Private Limited - Hotel Clarks Varanasi Limited - Great Value Hotels Private Limited - Banaras House Private Limited - Bonita India Limited - Banaras International Limited - Banaras Global Private Limited - Banaras House Engineering Private Limited - U P Export Industries Limited - Indus Textiles Private Limited - Indus Techpark Private Limited - Brijrama Hospitality Private Limited - The Indian Textiles Co. (Kolkata) Private Limited - Nightangle Jewellers Private Limited - Naina Vanijya Private Limited - Indus Intex Private Limited - Clement Orient Private Limited - Daivik Wellness Centre Private Limited - Clarks Brij Hotels India Limited - Brij Pal Das Rama Devi Foundation - Nagreeka Brij Hotels Bhav Nagar Private Limited - Silk Emporium - ANK Travels (P) Ltd. - Oriental Textiles - Rastriya Vikas Limited - Oriental Emporium - The Jaipur Shop - Pride Hospitality Limited - L P Gupta Family Trust - P D Gupta & Sons - Birendra Kumar & Sons - Binay Kumar & Family - Binay Kumar & Sons - Kumar Sushil (HUF)

(v) 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)
Subsidiaries : NIL							
Key Management Personnel							
Shri Apurv Kumar	78.05 40.62	-	2.40 2.40	-	-	-	- 1.70
Shri Rupak Gupta	75.77 40.91	-	-	-	-	-	2.96 1.24
Shri Prakash Chandra Prusty	14.99 16.65	-	-	-	-	-	- 0.50
Other Directors							
Smt. Supriya Gupta	-	-	-	0.15	-	-	0.01
Shri Arvind Kumar	-	-	-	0.45	-	-	0.91
Shri B P Singh	-	-	-	0.45	-	-	-
Shri Shafi Alam	-	-	-	4.00	-	-	-
	-	-	-	6.00	-	-	-
	-	-	-	0.90	-	-	-
	-	-	-	1.50	-	-	-
Relatives of Key Management Personnel							
Smt. Aditi G Mittal	-	-	4.20	-	-	-	17.34
Shri Akshay Gupta	5.57 5.57	-	4.20	-	-	-	14.46
Smt. Rajeshwari Kumar	5.98 24.84	-	-	-	-	-	0.37 0.38
Shri Arjun Kumar	5.81 5.82	-	-	-	-	-	- 0.36
Shri Anant Kumar	5.82 5.82	-	-	-	-	-	0.31
Shri Anoop Kumar	8.28 8.51	-	-	-	-	4.17	-
Smt. Renuka Kumar	3.94 4.09	-	-	-	-	-	- 4.53
Shri Manish Kumar	3.23 3.23	-	-	-	-	-	-
Shri Ravi M Gupta	5.51 5.33	-	-	-	-	-	-
Entities over which Key Management Personnel have significant influence							
Silk Emporium	-	-	1.52 (1.45)	-	-	-	0.01 (0.04)
ANK Travels Limited	-	-	0.88 (0.87)	-	-	-	-
The Jaipur Shop	-	-	1.20 (1.20)	-	-	-	-
Brijpal Das Rama Devi Foundation	-	-	-	-	2.00 3.00	-	- -

(Rs. in lakhs)

31. Employees Benefits

31.1 Defined Contribution Plans.

A sum of Rs. 131.08 Lakhs (2018 - Rs. 130.73 lakhs) on account of Provident Fund, and a sum of Rs. 46.09 Lakhs (2018 - Rs. 41.92 lakhs) on account of Employees State Insurance contribution has been debited to contribution to provident and other funds.

31.2 Disclosures as per actuarial valuation are given as under-

(Rs. In lakhs)

Description	Gratuity				Leave Encashment	
	Funded		Non Funded		Non Funded	
	2019	2018	2019	2018	2019	2018
Change in present value of obligation						
Present Value of Obligation as at beginning of the year	659.82	617.24	23.06	20.74	65.57	69.61
Interest Cost	92.55	46.19	1.76	1.63	5.02	5.46
Current Service Cost	31.01	79.28	2.67	2.23	14.84	11.02
Benefits Paid	(96.05)	(50.74)	-	-	-	-
Past Service Cost	-	-	-	-	-	-
Actuarial (gain)/loss on obligation	15.18	(32.15)	(2.74)	(1.54)	(12.86)	(20.52)
Present value of obligation as at end of the year	702.51	659.82	24.76	23.06	72.56	65.57
Change in the fair value of plan assets						
Fair value of plan assets at the beginning of year	491.49	430.70	-	-	-	-
Expected return on plan assets	36.46	32.11	-	-	-	-
Contributions	60.23	79.42	-	-	-	-
Benefits paid	(96.05)	(50.74)	-	-	-	-
Actuarial gain/(loss) on plan assets	4.31	-	-	-	-	-
Fair value of plan assets at the end of the year	496.44	491.49				
Net Liability	206.07	168.33	24.76	23.06		
Expenses recognised in statement of Profit & Loss						
Current Service Cost	31.01	79.28	2.67	2.23	14.84	11.02
Interest cost	92.55	46.19	1.76	1.63	5.02	5.46
Expected return on plan assets	(36.46)	(32.11)	-	-	-	-
Amount recognised in statement of Profit & Loss	87.10	93.35	4.43	3.86	6.99	16.48
Amount recognised in OCI (Income)/Loss	10.87	(52.67)	(2.74)	(1.54)	-	-

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		Other Units					
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Financial Assumptions used to determine the Profit & Loss Charge								
a) Discounted Rate	7.50 P.A.	8.00 P.A.	7.50 P.A.	8.00 P.A.	7.65 P.A.	7.84 P.A.	7.65 P.A.	7.84 P.A.
b) Salary Escalation Rate	8.00 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.				
Demographic Assumptions used to Determine the Defined Benefit								
a) Retirement Age	58 Years	58 Years	58 Years	58 Years	58 Years	58 Years	58 Years	58 Years
b) Employer Turnover/Attrition Rate	1% - 5%	1% - 5%	1% - 5%	1% - 5%	1% - 5%	1% - 5%	1% - 5%	1% - 5%

32. Impairment

It is the view of the management that there are no impairment conditions that exist as on 31st March, 2019. 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)

	31.03.2019	31.03.2018
Repair & Maintenance-Others	0.09	0.03
Travelling	0.05	-
Commission	0.63	-
VAT	0.79	-
Total	1.56	0.03

34. Earnings per share

Particulars	31.03.2019	31.03.2018
Profit after income tax	655.94	304.65
Weighted average number of equity shares outstanding	5400000	5400000
Earnings per share in rupees (face value of Rs. 10/- per share)- Basic & diluted	12.15	5.64

35. Foreign Currency Earnings and Expenditure

		31.03.2019	31.03.2018
A.	Earnings in foreign currency		
	On Hotel Earnings (realization basis)	468.18	478.57
B.	Value of imports calculated on CIF basis in respect of:		
	Provision, beverages & others	-	21.23
	Capital Goods	-	23.30
C.	Expenditure in foreign currency		
	Travelling, Staff Training, etc.	65.27	70.80
	Commission	7.73	18.73

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

Particulars	31.03.2019		31.03.2018	
		%		%
Imported	-	-	21.23	1.46
Indigenous	1651.75	100	1430.66	98.54
	1651.75	100	1451.89	100.00

37. During the year ended 31st March, 2019, the Company was required to spend an amount of Rs. 13.10 lakh on CSR activities. Details of CSR expenditure incurred during the year ending 31.3.2019 are as below:

Promoting Education	9.04
Animal Welfare	6.00
Promoting health care	0.14
Sanitation	0.11
Total	15.29

38.1 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. After the Extra-ordinary General meeting held on 23.07.2013, the bonus shares could not be issued to the public shareholders as 62.5% of promoter shareholders did not relinquish their right to Bonus shares and thus could not maintain/comply with the MPS requirement. The said board resolution and the shareholders' resolution are also 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 said Civil Suit is filed by three members of the promoter group family against other family members wherein the Company is also a party to the same. The suit is presently pending adjudication.

- 38.2** Due to MPS non-compliance, 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 issued other directions against the promoter shareholders and directors. The Company had preferred an appeal against the order dated 02.12.2014 before the Securities Appellate Tribunal (SAT). SAT vide its order dated 11.11.2016 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 04.06.2013 and 02.12.2014 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.
- 38.3** The Company filed an application with SEBI seeking modification of its orders dated 04.06.2013 and 02.12.2014 so that the continuation of the aforesaid Sebi orders shall not affect the efforts of the company/its promoters' for revocation of suspension of trading of shares / to voluntarily delist shares of the company from stock exchange. The decision of SEBI is awaited.
- 39** Both the Joint Managing Directors had raised concerns regarding working of hotels, certain/various aspects of management. One of the Joint Managing Directors filed a petition on 15.05.2015 before the Company Law Board (now the National Company Law Tribunal), New Delhi titled as Rupak Gupta & Anr. Vs. UPHL & Ors. 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. A Management Representation has been given to the Auditors in this matter.
- 40** During the year, the Board of Directors of the Company and its Committees met regularly in the prescribed statutory time period. The Audit Committee discussed and took note of the Internal Audit Reports and issued advises to the management, internal auditors and units for timely compliance, improvement in day-to-day operations for minimizing financial, environmental losses etc. thereby improving the overall internal controls.
- 41** During the year, the company has complied with the pending non-compliance for previous year(s) viz, adoption of quarterly financial results pertaining to financial year 2017-18, CSR compliance, Listing Regulations. The Company has applied to BSE Limited for revocation of suspension of trading of shares of the Company.
- 42** The company is yet to comply with the followings:
- The Company is yet to comply with Regulation 38 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with regard to Minimum Public Shareholding (MPS).
 - The Company is yet to achieve 100 percent dematerialization of the promoter's shareholding. The Promoters had applied for de-mating their shares but unable to de-mat due to SEBI restriction on promoters to deal with the shares of the company.
 - The Related Party Transactions ("RPT") covered under provisions of Companies Act during the year and previous years could not be approved by the Audit Committee and Board of Directors being part of a legal matter on Oppression and Management pending before the Hon'ble National Company Law Tribunal (NCLT) for adjudication and considering that any decision of the Board may be contrary to the decision of the NCLT which may not be executable later, the Board in its meeting on 20.08.2017 decided to defer the matter of RPTs till the final decision of the NCLT. As such, these RPTs are not entered in the Register maintained under Section 189 of the Companies Act, 2013.
- 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.

**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 : 25th May 2019



U. P. HOTELS LIMITED

CIN No. L55101 DL1961PLC017307

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

ATTENDANCE SLIP

58th Annual General Meeting held on **Wednesday, 25th day of September, 2019 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 58th Annual General Meeting of the Company to be held on Wednesday, 25th day of September, 2019, 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 2018-19 & 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]

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

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

- Name: _____
Address: _____
E-mail ID: _____ Signature: _____, Or failing him
- Name: _____
Address: _____
E-mail ID: _____ Signature: _____, Or failing him
- Name: _____
Address: _____
E-mail ID: _____ Signature: _____

as my/our Proxy to attend vote (on a poll) for me/us and on my/our behalf at the 58th Annual General Meeting for the Financial Year ending 31.03.2019 of the company to be held on Wednesday, 25th day of September, 2019 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
Ordinary Business				
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, 2019.			
2	Re-appointment of Mrs. Supriya Gupta, who retires by rotation & offers herself for re-appointment.			
Special business				
3	Revision in remuneration of Shri Apurv Kumar w.e.f. 1st October, 2019.			
4	Revision in remuneration of Shri Rupak Gupta w.e.f. 1st October, 2019.			
5	Re-appointment of Mr. Shafi Alam as Independent Director of the Company w.e.f 12.05.2019			

Signed this day of September, 2019

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