

CLARKS GROUP OF HOTELS



55th ANNUAL REPORT 2015-16
U P HOTELS LIMITED

U P HOTELS LIMITED

BOARD OF DIRECTORS

Shri Birendra Kumar
Chairman & Managing Director
(Since expired on 17.01.2016)

Shri Bisheshwar Prasad Singh
Non-Executive Independent Director
(appointed by Hon'ble NCLT, Delhi
Vide Order dated 19.08.2016)

Shri Apurv Kumar
Joint Managing Director

Shri Jag Mohan Lal
(Ceased to hold office as Director w.e.f. 30.09.2015)

Shri Rupak Gupta
Joint Managing Director

Smt Supriya Gupta
Executive Director

Shri Arvind Kumar

Shri Ravinder Kumar Chadha

Shri Girish Narain Mehra
(Resigned w.e.f. 27.07.2015)

COMPANY SECRETARY

Sidharth Ghatak
(Resigned w.e.f. 16.5.2016)

HOTELS

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

BANKERS

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

REGISTERED OFFICE & OPERATIONS HEADQUARTERS

1101, "Surya Kiran"
19, Kasturba Gandhi Marg,
New Delhi – 110 001.

AUDITORS

M/s. Ray & Ray
Chartered Accountants

REGISTRAR & TRANSFER AGENTS

M/s. Skyline Financial Services Pvt. Ltd.,
D-153/A, Ist Floor, Okhla Industrial Area
Phase I, New Delhi– 110 020.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 55th (fifty fifth) Annual General Meeting of the members of U. P. Hotels Limited will be held on Friday the 31st day of March, 2017 at 9.30 a.m., at a shorter notice, at PHD House, Opposite Asian Games Village, New Delhi - 110016 to transact the following business:

Ordinary Business:

1. Adoption of financial Statements

To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2016 and the reports of the Board of Directors and the Auditors.

2. Declaration of Dividend

To declare final dividend at the rate of Rs.1/- each per equity share for the financial year ended 31st March, 2016.

3. Appointment of Mr. Arvind Kumar as a director liable to retire by rotation

To appoint a director in place of Mr. Arvind Kumar (DIN - 00227012), who retires by rotation and being eligible offer himself for re-appointment.

4. Ratification of appointment of Auditors

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. Ray & Ray, Chartered Accountants (Firm's Registration No. 301072E) as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 56th Annual General Meeting of the Company at such remuneration plus service tax and out-of-pocket expenses as may be mutually agreed between the Board of Directors and the Auditors."

Special Business:

5. Re-appointment and Fixation of Remuneration of Mr. Apurv Kumar

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

"RESOLVED THAT pursuant to the provisions of section 197, 198 and other applicable provisions of the Companies Act, 2013, Schedule V to the Companies Act, 2013 and rules made the Companies Act, 2013, as amended from time to time, consent of the company be and is hereby accorded to re-appoint Mr. Apurv Kumar as Joint Managing Director & Chief Financial Officer of the company for a period of one year with effect from 15th May, 2016 on the terms and conditions, as detailed below:

Salary: Rs. 2,50,000/- per month

Perquisites & Allowances:

In addition to the salary, Shri Apurv Kumar shall also be entitled to the following perquisites and allowances:

- i) Accommodation (furnished or otherwise) or house rent allowance in lieu thereof;
- ii) Reimbursement of utilities such as gas, water, electricity etc.;
- iii) Reimbursement of medical expenses restricted to one month's salary;
- iv) Fee of clubs;
- v) Personal accident insurance/medical insurance;
- vi) The perquisites and allowances as may be agreed to by the Board of Directors.

The value of such perquisites and allowances shall be restricted to 25% of annual salary.

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.

Mr. Apurv Kumar will not be entitled to any sitting fee for attending meeting of the Board or of any Committee thereof.

The terms and conditions of the said appointment and/or Agreement may be varied/enhanced from time to time by the Board of Directors as it may in its discretion deem fit within the maximum amounts payable to managing and whole-time directors as per schedule V to the Companies Act, 2013 or any amendments made hereafter in this regard.

This will be the minimum remuneration payable to Mr. Apurv Kumar, Joint Managing Director & Chief Financial Officer irrespective of the quantum of profits / loss during the financial year."

6. Re-appointment and Fixation of Remuneration of Mr. Rupak Gupta

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

"RESOLVED THAT pursuant to the provisions of section 197, 198 and other applicable provisions of the Companies Act, 2013, Schedule V to the Companies Act, 2013 and rules made the Companies Act, 2013, as amended from time to time, consent of the company be and is hereby accorded to re-appoint Mr. Rupak Gupta as Joint Managing Director & Chief Financial Officer of the company for a period of one year with effect from 15th May, 2016 on the terms and conditions, as detailed below:

Salary: Rs. 2,50,000/- per month

Perquisites & Allowances:

In addition to the salary, Mr. Rupak Gupta shall also be entitled to the following perquisites and allowances as given hereunder:

- i) Accommodation (furnished or otherwise) or house rent allowance in lieu thereof;
- ii) Reimbursement of utilities such as gas, water, electricity;
- iii) Reimbursement of medical expenses restricted to one month's salary;
- iv) Fee of clubs;

- v) Personal accident insurance/medical insurance;
- vi) Other perquisites and allowances as may be agreed to by the Board of Directors;

The value of such perquisites and allowances shall be restricted to 25% of annual salary.

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.

Mr. Rupak Gupta will not be entitled to any sitting fee for attending meeting of the Board or of any Committee thereof.

The terms and conditions of the said appointment and/or Agreement may be varied/enhanced from time to time by the Board of Directors as it may in its discretion deem fit within the maximum amounts payable to managing and whole-time directors as per schedule V to the Companies Act, 2013 or any amendments made hereafter in this regard.

This will be the minimum remuneration payable to Mr. Rupak Gupta, Joint Managing Director & Chief Financial Officer irrespective of the quantum of profits / loss during the financial year."

7. Appointment of Mr. Ravinder Kumar Chadha as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as on **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 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) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ravinder Kumar Chadha (DIN: 00093307) be and is hereby appointed as an Independent Director of the company to hold office upto 5 (five) consecutive years commencing from 22.06.2016."

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

Sd/-

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

Date: 19.03.2017
Place: New Delhi

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 business to be transacted at the Fifty Fifth (55th) Annual General Meeting ("Meeting") is annexed hereto. In compliance with Order dated 21.12.2016 of Hon'ble National Company Law Tribunal, the meeting is being convened at a shorter notice. The request for consent of shareholders for holding the meeting at a shorter notice is already circulated to members.
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.
3. 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.
4. 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.
5. 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.
6. 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.
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. The Register of Members and the Share Transfer Books were not closed in the Year 2016.
9. Members holding shares in physical form are requested to inform about any change in their address or bank particulars to the Company's Registrar & Share Transfer Agent, Skyline Financial Services Pvt. Ltd., quoting their folio number. Members holding shares in de-mat form must inform about any change in their address or bank particulars to their respective Depository Participants and not to the Company. These particulars will be used by the Company for correspondence.
10. Members/ Proxies/ Authorised Representatives are requested to bring the Meeting necessary details of their shareholding and attendance slips.

11. 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.

12. 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 has been transferred upto the Financial Year 2008-09. The Dividend for the financial year ended 31st March, 2016, as recommended by the Board, if approved by the Members, will be paid on or after 20th April, 2017 to those Members whose names appear in the Register of Members of the Company on the cut off (record date) date 23rd September, 2016.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are required to submit their PAN to their Depository Participants and Members holding shares in physical form shall submit their PAN to the Company/ R & T Agents.

14. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA for assistance in this regard.

15. The Members can avail nomination facility in terms of extant legal provisions in this regard. On request, the necessary Form SH-13 can be obtained from the company/RTA.

16. The Members are requested to bring their copy of the Annual Report with them at the meeting as additional copies of the same will not be made available at the meeting.

17. 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, 2016 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.

18. 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.

19. 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 through e-voting. 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. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Meeting will be provided by National Securities Depository Limited (NSDL).

20. The Company has appointed Mr. Amar Gopal Gambhir of M/s. A.G.G & Associates, Company Secretary in whole time practice with 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 and he it has communicated its willingness to be appointed and will be available for the said purpose. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

The instructions for shareholders voting electronically are as under:

- I. The remote e-voting period will commence on Tuesday, 28th March, 2017 at 09:30 a.m. and will end on Thursday, 30th March, 2017 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 Friday, 23rd September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is casted by the member, the member shall not be allowed to change it subsequently.
- II. Member whose email IDs are registered with the Company/Depository Participant(s) will receive an email from NSDL informing them of their User-ID and Password. Once the members receives the email, he or she will need to go through the following steps to complete the e-voting process:
 - a) Open email and open PDF file viz; "e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - b) Launch internet browser by typing the following URL: <https://evoting.nsd.com/>
 - c) Click on shareholder- Login
 - d) Put user ID and password as initial password/PIN noted in step (i) above and click Login.
 - e) Password change menu appears. Change the Password /PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - f) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
 - g) Select "EVEN" of U. P Hotels Limited.
 - h) Now you are ready for e-Voting as cast page opens.
 - i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - j) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - k) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - l) Institutional members (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. together with attested specimen signature of the authorized signatory(ies) who are authorized to vote, to scrutinize through e-mail to clarkssuryakiran@yahoo.co.in with a copy marked to evoting@nsdl.co.in.

- III. In case a member receives physical copy of Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy] :
- a. Initial password is provided as below/at the bottom of Attendance Slip for the AGM:
- EVEN (E-Voting Event Number) USER ID PASSWORD/PIN
- b. Please follow all steps from serial no. (b) to (l) above, to cast vote.
- IV. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Download section of www.evoting.nsdl.com or call on toll free no. 1800-222-990.
- V. If you already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VI. 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).
- VII. Login to the e-voting website will be disabled upon five (5) unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot Password' option available on the site to reset the password.
- VIII. 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 Friday, September 23, 2016.
- IX. 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 Friday, September 23, 2016, 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 .
- X. 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.
- XI. 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.

XII. 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.

XIII. Subject to receipt of requisite number of votes, the resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., Friday, March 31, 2017.

21. 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.

22. Investors could also send their queries to Skyline Financial Private Limited by e-mail to admin@skylinerta.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

Details of Directors seeking appointment & re-appointments:

Name of Director	Mr. Apurv Kumar	Mr. Rupak Gupta	Mr. Arvind Kumar	Mr. Ravinder Kumar Chadha
Date of Birth	19.01.1961	28.03.1970	27.12.1939	29.04.1946
Nationality	Indian	Indian	Indian	Indian
Date of Appointment in the Company	06.08.1998	06.08.1998	17.02.2004	21.03.2002
Qualification	Graduate from Mumbai University, Hospitality Management From Cornell University USA, MBA, Alumni Harward Business School	B.Sc. Management from University of New Haven, CT, USA and Hotel Management from Cornell University, USA	B.Com, LL.B.	Graduation in English Literature from St. Xavier's College, Kolkatta.
Expertise in specific functional areas	He has been an innovator in the hospitality industry for close to three decades. He is actively involved in the Management and operations of the Hotels and is extensively involved into the day to day operations of the Company.	He has wide experience in operation of hotels, exports. He is actively involved in the Management and operations of the Hotels and is extensively involved into the day to day operations of the Company.	He has decades of experience in the textiles and hotel industry.	He has 49 years experience in Banking Industry. He is a management consultant. He has held senior positions in multinational banks including ANZ Grindlays Bank, China Trust Commercial Bank, etc.

No. of equity shares held in the Company	35126	818524	29341	-
Other Directorship	<ol style="list-style-type: none"> 1. Bonita India Ltd. 2. Indus Textile Pvt. Ltd. 3. Indus Techpark Pvt. Ltd. 4. Uttar Pradesh Export Industries Ltd. 5. The Indian Textiles Co. Pvt. Ltd. 6. U P Hotels Clarks Ltd. 7. Brijram Hospitality Ltd. 8. Clement Orient Pvt. Ltd. 9. Hospitality Technologies Pvt. Ltd. 10. Rajasthan Creative Alliance Network 11. Divik Wellnes Center Pvt. Ltd. 	<ol style="list-style-type: none"> 1. Uttar Pradesh Export Industries Ltd. 2. The Indian Textiles Co. Pvt. Ltd. 3. Banaras House Pvt. Ltd. 4. U P Hotels India Ltd. 5. Indian Textile Company (Holdings) Pvt. Ltd. 6. Banaras Global Pvt. Ltd. 7. Banaras House Engineering Pvt. Ltd. 8. A C E Power Generation Matara Pvt. Ltd. 9. A C E Power Generation Horana Pvt. Ltd. 	<ol style="list-style-type: none"> 1. The Indian Textile Co. Pvt. Ltd. 2. U.P Hotels Clarks Limited. 3. Bonita India Limited. 4. Great Value Hotels Pvt. Ltd. 5. Banaras International Ltd. 6. Hotel Clarks Varanasi Ltd. 7. Indus Textiles Pvt Ltd 8. Kalyani Holdings & Finance Ltd 9. Indus Techpark Pvt Ltd 10. Brijrama Hospitality Pvt Ltd. 11. The Indian textiles Co. (Kolkatta) Pvt Ltd. 12. Nightingle Jewellers Pvt Ltd. 13. Naina Vanijya Pvt Ltd 14. Indus Intex Pvt Ltd. 	
Other Committee Membership	-	-	-	-

ITEM NO 5:

The Board of Directors in their meeting held on 12.05.2015 had re-appointed Mr. Apurv Kumar as Joint Managing Director & Chief Financial Officer for a period of one year w.e.f. 15th May, 2015. On the recommendation of Nomination & Remuneration Committee, the Board in its meeting held on 19.03.2017 re-appointed Mr. Apurv Kumar as Jt. Managing Director & CFO for a period of one year with effect from 15.05.2016.

Mr. Apurv Kumar aged about 56 years. He has done Graduation from Mumbai University Hospitality Management from Cornell University USA, MBA, Alumni Harvard Business School and enriched with an experience of more than 28 years in Industrial and Commercial activities. Mr. Apurv Kumar has traveled widely and has attended many prestigious seminars in India and abroad. He is actively involved in the Management and operations of the Hotels and is extensively involved into the day to day operations of the Company. He has played a pivotal role in the modernization of the Hotels owned by the company.

Keeping in view, Mr. Apurv Kumar's vast experience, expertise, performance and long association with your Company, it will be in the interest of your Company to approve his re-appointment and remuneration as proposed in the resolution no. 5 of this notice.

The terms of remuneration are duly considered and recommended by the Nomination & Remuneration Committee in their Meeting held on 12.05.2015. Brief resume of Mr. Apurva Kumar, nature of his expertise in specific functional areas, names of companies in which they hold directorships and memberships /chairmanships of Board Committees, their shareholding in the Company, relationships amongst directors inter-se as stipulated under Listing Regulations, are provided in this notice and Boards' Report.

None of the directors and key managerial personnel and their relatives, except Mr. Arvind Kumar, 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. 5 of this Notice for approval by the members of the Company.

ITEM NO. 6

The Board in its meeting held on 12.05.2015 had re-appointed Mr. Rupak Gupta as Joint Managing Director & Chief Financial Officer for a period of one year with effect from 15th May, 2015. On the recommendation of Nomination & Remuneration Committee, the Board in its meeting held on 19.03.2017 re-appointed Mr. Rupak Gupta as Jt. Managing Director for a period of one year with effect from 15.05.2016.

Mr. Rupak Gupta aged about 46 years, has completed his B.Sc. Management from University of New Haven, CT. Apart from this, he has done Hotel Management Course from Cornell University USA and enriched with an experience of more than 17 years in Industrial and Commercial activities. He is actively involved in the Management and operations of the Hotels and is extensively involved into the day to day operations of the Company. He has played a key role in taking new initiatives and bringing new Ideas which has helped towards the growth of the Company.

Keeping in view, Mr. Rupak Gupta's vast knowledge, experience, performance and long association with your Company, it will be in the interest of your Company to approve his re-appointment and remuneration as proposed in the resolution no. 6 of this notice.

The terms of remuneration are duly considered and recommended by the Nomination & Remuneration Committee in their Meeting held on 12.05.2015. 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 as Executive Director 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. 5 of this Notice for approval by the members of the Company.

STATEMENT AS PER SCHEDULE V - PART II SECTION II FOR ITEM NOS. 5 & 6

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 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.)

PARTICULARS	31.03.2016	31.03.2015
Turnover	86,87,57,452	77,80,65,743
PBT	7,30,71,013	4,06,18,898
Taxes	3,37,81,044	1,34,86,796
PAT	3,92,89,969	2,71,32,102

Capital structure

PARTICULARS	31.03.2016	31.03.2015
Equity Share Capital	5,40,00,000	5,40,00,000
Reserve & Surplus	74,46,76,543	71,18,85,906
Net worth	79,86,76,543	76,58,85,906

5. Foreign investment or collaborators, if any: **NA**

II. INFORMATION ABOUT THE APPOINTEES:

Particulars	Mr. Apurv Kumar	Mr. Rupak Gupta
Background details	Mr. Apurv Kumar is Graduate from Mumbai University. He completed Hospitality Management From Cornell University USA, An MBA Alumni of Harward Business School and possesses an experience of more than 27 years in industrial and commercial activities.	Mr. Rupak Gupta is a B. Sc. Management University of New Haven, CT, USA Hotel Management from Cornell University USA and possesses an experience of more than 18 years in industrial and commercial activities.
Past remuneration	2,50,000/- per month(exclusive all allowances and perquisites)	2,50,000/- per month (exclusive all allowances and perquisites) Information on comparative remuneration profiles with respect to industry, size of the company is not available
Recognition or	N.A.	N.A.

awards		
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	2,50,000/-(exclusive all allowances and perquisites)	2,50,000/-(exclusive all allowances and perquisites) Information on comparative remuneration profiles with respect to industry, size of the company is not available
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 uncle of Mr. Apurv Kumar.	Mr. Rupak Gupta is son of Ms. Supriya Gupta (Executive 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 cost, etc. have also put pressure on margins and profitability.

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

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

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

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

4. Disclosures

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

ITEM NO 6:

The Board in its meeting dated 22.06.2016 appointed Mr. Ravinder Kumar Chadha as an Independent Director of the Company subject to approval of shareholders. As per the provisions of Companies Act 2013, the Independent Directors shall be appointed for not more than two terms of upto five years each and shall not be liable to retire by rotation at every AGM. In terms of Companies Act, 2013 and Listing Regulations 2015, Mr. Chadha has been appointed for a period of a maximum period of one term of upto five years.

Mr. Ravinder Kumar Chadha aged about 71 years having more than 49 years of experience in Banking Industry and is a management consultant.

Your Board considers that his continued association with the company would be beneficial for the company. Mr. Ravinder Kumar Chadha has given declaration to the Board of Directors to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mr. Ravinder Kumar Chadha fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for being appointed as an Independent Director of the Company.

In line with the requirement & compliance of the Companies Act, 2013, it is therefore proposed to appoint Mr. Ravinder Kumar Chadha, as an Independent Director on the Board of the Company upto five consecutive years, commencing from 22.06.2016, not liable to retire by rotation.

A copy of the Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day 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.

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

The Board commends the Ordinary Resolution as set out at item no. 7 for approval of the Members.

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

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

Date: 19.03.2017
Place: New Delhi

BOARDS' REPORT

Dear Members,

Your Directors are pleased to present the 55th Annual Report of the Company for the financial year ended March 31, 2016.

FINANCIALS

(Figures in actual)

Financial Results	Current Year (Rs.) 2015-16	Previous Year (Rs.) 2014-15
Revenue from Operations	86,87,57,452	77,80,65,743
Other Income(net)	2,28,10,005	3,29,90,883
Expenditure	75,05,07,685	69,68,85,952
Depreciation	6,79,88,759	7,35,51,776
Profit/(Loss) before tax	7,30,71,013	4,06,18,898
Current tax	3,78,16,390	2,20,00,000
Deferred tax	(40,35,346)	(85,13,204)
Profit/(Loss) after tax carried to B/S	3,92,89,969	2,71,32,102
Balance profit / (loss) brought forward from previous year	38,95,51,675	38,87,87,247
Available for appropriation	42,88,41,644	39,60,51,007
Less: Appropriation		
Transfer to general reserve	-----	----
Proposed dividend	54,00,000	54,00,000
Tax on dividend	10,99,332	10,99,332
Balance profit carried to Balance Sheet	42,23,42,312	38,95,51,675

STATE OF AFFAIRS

Your Company recorded a turnover of Rs. 86,87,57,452/- as compared to Rs. 77,80,65,743/- in the previous year, an increase of 11.66% over the previous year. The profit for the year after tax amounted to Rs. 3,92,89,969/- as against Rs. 2,71,32,102/- recorded in the previous year. The Profit after tax of the company increased by 44.80%.

DIVIDEND

The Board has recommended a Dividend of Rs.1/- per equity share of nominal value of Rs.10/- each.

DEPOSITS

The Company has not accepted any deposits during the Financial Year under review.

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. However, an amount of Rs. 10,24,668/- has been transferred to the General Reserves from the Revaluation Reserve.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Birendra Kumar ceased to be a director due to his sudden demise on 17.01.2016. Mr. Girish Narain Mehra resigned from the directorship with effect from 27.07.2015. Mr. Jag Mohan Lal ceased to hold office of directorship with effect from 30.09.2015.

Mr. Apurv Kumar and Mr. Rupak Gupta were re-appointed as Joint Managing Directors of the company from 15th May, 2015 to 14th May 2016. The Board has recommended their re-appointment at the ensuing Annual General Meeting.

As on the date of this report for Financial Year ended 31-03-2016, the composition of the Board of Directors includes Hon'ble Justice Mr. B. P. Singh (former Judge of Hon'ble Supreme Court of India) as Executive Chairman- Independent Director, appointed by the Hon'ble NCLT, Delhi vide its order dated 19-08-2016, Mr. Rupak Gupta (JMD & CFO), Mr. Apurv Kumar (JMD & CFO), Mrs. Supriya Gupta (Non-Executive Director), Mr. Arvind Kumar (Non-executive Director) and Mr. Ravinder Kumar Chadha (Independent Director).

Mr. Arvind Kumar will retire by rotation at the ensuing Annual General Meeting, being eligible, offer himself for re-appointment. Your directors have recommended his re-appointment.

Mr. Apurv Kumar and Mr. Rupak Gupta were also Chief Financial Officer of the company during the year under review. Mr. Sidharth Ghatak was the Company Secretary of the company during Financial Year 2015-16. However, Mr. Sidharth Ghatak resigned on 16.05.2016.

INDEPENDENT DIRECTORS

The Provisions of Section 149(4) of the Companies Act, 2013 as relating to Independent Directors are applicable to the company. During the Financial Year 2015-16, the company duly obtained declarations from the Independent Directors under section 149(6) of the Companies Act, 2013. However, throughout the financial year 2015-16, the composition of number of Independent Directors was not in accordance with the guidelines prescribed under Listing Regulations 2015. A Separate Meeting of the Independent Directors pursuant to Sec. 149(8) and Schedule IV of the Companies Act, 2013 could not be held during the Financial Year 2015-16.

Familiarization Policy of Independent Directors could not be placed before the Board during the financial year 2015-16 for its approval. However, the Familiarization Policy of Independent Directors was approved by the Board in its meeting held on 25.01.2017.

However, after Appointment of Non-Executive Chairman & Independent Director on 19th August, 2016 by the Hon'ble NCLT, as on date, the requirement of provisions of the Companies Act, 2013 regarding composition of the Board of Directors and requirement of Independent Directors have been complied with.

MEETINGS OF THE BOARD

Only one meeting of the board was held on 12.05.2015 during the year under review. The details of Board Meeting are given below:-

S. No.	Name of the Director	Whether Attended the Board Meeting
		Date of the Board Meeting
		12-05-2015
1	Mr. Birendra Kumar (Chairman & Managing Director)	Y
2	Mr. Apurv Kumar (Joint Managing Director)	Y

3	Mr. Rupak Gupta (Joint Managing Director)	Y
4	Ms. Supriya Gupta (Executive Director)	Y
5	Mr. Girish Narain Mehra (Director)	Y
6	Mr. Jag Mohan Lal (Director)	Y
7	Mr. Ravinder Kumar Chadha (Director)	Y
8	Mr. Arvind Kumar (Director)	Y

S. No.	Date	Board Strength	No. of Directors Present
1	12-05-2015	8	8

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors' state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors, *as the* company is a listed company; it had laid down appropriate internal financial controls followed by the company and the internal control procedures are commensurate with the size of the company and the nature of its business with regards to purchases of inventory, fixed assets and with regard to the sale of goods are adequate and are operating effectively.
- (f) The directors has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

However, due to ongoing disputes and internal differences between the management there were certain discrepancies/non-compliances relating to various Acts, Listing Agreement, Listing Regulations 2015 which are still pending. However, pursuant to the order of National Company Law Tribunal (NCLT) dated 19-08-2016 and 21-12-2016, the Company has already complied with some of the compliances and is in the process to comply with the remaining compliances.

AUDITORS AND AUDITORS REPORT

Pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Audit and Auditors) Rules, 2014 ("Rules") (including any statutory modification or re-enactment thereof, for the time being in force), appointment of M/s Ray & Ray, Chartered Accountants (Firm Registration No. 003436N), New Delhi, who were appointed as statutory auditors for a period of five* years to hold office from the conclusion of the 53rd Annual General Meeting till the conclusion of the Annual General Meeting to be held in 2020 of the company have offered themselves for ratification at the ensuing Annual General Meeting from the 55th Annual General Meeting till the conclusion of 56th Annual General Meeting of the Company subject to approval by members at the ensuing Annual General Meeting.

*In terms of provisions of section 139 of the Companies Act 2013, M/s Ray & Ray, the statutory auditors shall cease to hold office of auditors of the company after three years from the date of commencement of Companies Act, 2013. The company, inadvertently, in the 53rd annual general meeting appointed M/s Ray & Ray as auditors for a period of 5 years. The Board in its meeting dated 19th March 2017 decided that M/s Ray & Ray shall continue to hold the office of as auditors of the company only upto the conclusion of 56th Annual General Meeting of the Company.

AUDITORS' OBSERVATION

The Auditors' Observations on various matters (non-compliances) as related to the Companies Act, 1956 & Companies Act, 2013, SEBI Act, 1992, Listing Agreement & Listing Regulations and other laws applicable to the Company are given in Auditors' Report.

The Company has already initiated steps to remove all the non-compliances as mentioned by the Auditors in their Report and in the notes to accounts from point no. 48 to 53. The Directors have submitted their point wise clarifications upon the said observations mentioned by the Auditors in the **Annexure-1** attached to this Report.

SECRETARIAL AUDITORS

The Company had obtained the Secretarial Audit Report dated 19.03.2017 for the financial year ending 31st March, 2016 from a Practicing Company Secretary duly appointed for this purpose, the same has been attached along with the Board's Report as **Annexure-2**. The Board of Directors of the Company has initiated the necessary measures as required for the rectification of the Non-compliances and observations which have been referred in the Report. The Directors have submitted their point wise replies upon the said observations in the **Annexure-1** attached to this Report alongwith updated Notes thereon.

COMPLIANCE OF CLAUSE 40A OF THE LISTING AGREEMENT

The Company has not been able to take steps for compliance with Clause 40A of the Listing Agreement. Securities & Exchange Board of India 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. The appeal filed before the Securities Appellate Tribunal has been disposed of certain directions. The Company is taking required steps to comply with such directions.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

There have been transactions entered by the company with related parties referred to in section 188(1) of the Companies Act, 2013 during the financial year. The transaction entered into by the Company with the related party have been mentioned at the Note No. 40 of the Notes to Accounts and with reference to the Note No. 52.1 (n), the Board is in the process to re-look into the Related Party transactions entered into by the company during the Financial Year 2015-16 and accordingly shall ensure to comply with the necessary compliances required under the Companies Act, 2013. Hence, the disclosures of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 in Form No. AOC 2 could not be provided in this report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

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

Since the company could not formulate the policy for evaluation of performance of board and directors during the financial year 2015-16, the annual evaluation could not be made by the Board of its own performance and that of its committees and individual directors. The Board in its meeting dated 20th February, 2017 has adopted a Policy on Performance Evaluation of Board.

MATERIAL CHANGES DURING THE FINANCIAL YEAR

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUTGO SECTION-134(3)(m) OF THE COMPANIES ACT, 2013 AND RULE-8 OF COMPANIES (ACCOUNTS) RULES 2014

Your company monitors the systems and methods devised in the context of energy conservation on an ongoing basis and has implemented the energy conservation programme which includes use of Energy Efficient Lightning (LED), variable frequency drive for motors (VFD), heat exchanger systems, solar system for generating hot water, sewage treatment plants for re-use of water for gardening, cooling tower, plumbing, cleaning purpose and latest energy conservation gadgets and for the Technology Absorption, the Company has evolved systems and methods for Hotel services which are reviewed to meet emerging needs on an ongoing basis for cost effectiveness, the other details have been specified in the **Annexure 3**.

COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

Composition, names of members and Chairperson as on 31st March, 2016:

During the year under review, the Audit Committee was comprised of Mr. Ravindra Kumar Chadha (Chairman – Independent Director) and Mr. Jag Mohan Lal (Independent Director). However, Mr. Jag Mohan Lal ceased to be a director with effect from 30.09.2015.

No Audit Committee meeting was held during financial Year 2015-16.

The Audit Committee was reconstituted in the Board Meeting dated 22.08.2016 and as on date of this report, the Audit Committee comprises the following directors:

1. Hon'ble Justice Mr. B. P. Singh (former Judge of Supreme Court of India)- Chairman-Independent Director
2. Mr. Arvind Kumar- Director
3. Mr. Ravinder Kumar Chadha-Independent Director

Whistle Blower/Vigil Mechanism Policy

During the Financial Year 2015-16, the Board could not formulate the Whistle Blower/Vigil Mechanism Policy. However, the Board in its meeting dated 25-01-2017 approved the Whistle Blower Policy/Vigil Mechanism. The Whistle Blower Policy/Vigil Mechanism is available at company's website at www.hotelclarks.com.

DISCLOSURE OF COMPOSITION OF NOMINATION & REMUNERATION COMMITTEE

Composition, names of members and Chairperson as on 31st March, 2016:

During the year under review, the Nomination & Remuneration Committee was comprised of Mr. Ravindra Kumar Chadha (Chairman – Independent Director) and Mr. Jag Mohan Lal (Independent Director). However, Mr. Jag Mohan Lal ceased to be a director with effect from 30.09.2015.

The Nomination & Remuneration Committee was re-constituted on 22.08.2016 by the Board with following members:

1. Hon'ble Justice Mr. B. P. Singh (former Judge of Supreme Court of India) - Chairman-Independent Director
2. Mrs. Supriya Gupta - Director
3. Mr. Ravinder Kumar Chadha - Independent Director

During the year, one meeting of the Committee was held on 12.05.2015 and Mr. Ravinder Kumar Chadha and Mr. Jag Mohan Lal were present at the meeting.

Remuneration Policy could not be approved during F.Y. 2015-16, however, the Board in its meeting dated 25.01.2017 has adopted a Nomination and Remuneration Policy on directors' appointment and remuneration, etc.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

During the year under review, the committee was comprised of Mr. Jag Mohan Lal (Independent Director) and Mr. Ravinder Kumar Chadha (Independent Director). However, Mr. Jag Mohan Lal ceased to be a director on 30.9.2015.

As on date of this report, the Stakeholders' Relationship Committee comprises of Mr. Ravinder Kumar Chadha (Chairman-Independent Director), Mr. Arvind Kumar and Mrs. Supriya Gupta.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

During the year under review, there was no CSR Committee and thus there was no CSR Policy. However, the Board in its meeting dated 22.06.2016 constituted a Corporate Social Responsibility ("CSR") Committee consisting of following Directors of the Company:

1. Mr. Ravinder Kumar Chadha - Chairman - Independent Director
2. Mr. Arvind kumar - Director
3. Ms. Supriya Gupta - Director

On the recommendation of CSR Committee, the Board in its meeting dated 19th March, 2017 adopted a CSR policy.

The company was required to spend Rs. 13,71,713/- on CSR activities during the year under review. However, due to unavoidable circumstances, the company could not spend any amount towards the CSR activities and thus the requisite Annual Report on CSR could not be part of this Report.

The company is involved in CSR Activities for last several years, however, due to non adoption of CSR Policy prescribed under the Companies Act, 2013, the ongoing CSR activities by the company has not been considered as CSR activities under the Companies Act, 2013. On adoption of the CSR Policy by the company, all the CSR activities done by the company in previous years will be summarized in the prescribed format under the Companies Act, 2013 and such summarized activities will be presented under the CSR Annual Report in the subsequent annual general meeting.

MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES

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 4** 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 POLICY

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.

During the Financial Year 2015-16, the company could not formulate the Policy on Risk Management. However, the Board in its meeting dated 20th February 2017 adopted a risk management policy for identification, evaluation, monitoring and minimization of identifiable risks and to ensure business growth with financial stability of the Company.

INTERNAL FINANCIAL CONTROLS

Both the Joint Managing Directors cum CFO have raised concerns regarding working of hotels, certain aspects of management and the matter pending before National Company Law Tribunal for oppression and mismanagement. Due to the ongoing disputes and internal differences, there are differences of opinion/ disagreement in the manner, the internal financial control needs to be operated. The Company could not formulate the policy of risk management. Further, during the year the Company has held only one meeting of the Board of Directors and Nomination & Remuneration Committee. No audit committee meeting was held. As such appropriate discussions / supervision / review / flow of information / monitoring could not take place during the year.

The Company has a systematic process and well-defined roles and responsibilities for people at different hierarchical levels. However, due to the disputes / differences between the management and ongoing suits which have been filed at the Hon'ble Civil Court, Lucknow, Hon'ble Supreme Court of India and in the Hon'ble NCLT, New Delhi, the appropriate discussions, supervisions, review could not take place.

The company is endeavoring to introduce an Internal Financial Control System alongwith risk matrix in the ensuing year.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed for providing and promoting a safe and healthy work environment for all its employees. During the Financial Year 2015-16, the company could not formulate the policy on Prevention of Sexual Harassment'. However as on date of this report, the company has adopted a policy on prevention of sexual harassment under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

During the FY 2015-16, no cases of sexual harassment was reported by any female.

EXTRACT OF ANNUAL RETURN

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 annexed herewith as **Annexure 5** to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS & CORPORATE GOVERNANCE

The Reports on the Management Discussion and Analysis and Corporate Governance as required pursuant to Clause 49 of the Listing Agreement form an integral part of this report as **Annexure 6 and 7** respectively and are set out as separate sections to this Annual Report. A Certificate from the Auditors of the company, certifying compliance of conditions of Corporate Governance as stipulated in Clause 49 of the listing Agreement, is annexed with the report on Corporate Governance.

OTHER DISCLOSURES

- i. There was no change in Authorised Share Capital of the company during the year under review.
- ii. The Company has not bought back any of its securities during the year under review.
- iii. The Company has not issued any Sweat Equity Shares during the year under review.
- iv. No Bonus Shares were issued during the year under review.
- v. The Company has not provided any Stock Option Scheme to the employees during the year under review.
- vi. The company did not issue (i) equity shares with differential rights as to dividend, voting or otherwise.
- vii. The Auditors have not reported any fraud during the year under review;
- viii. 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 does not arise.
- ix. No significant and material orders were passed by the regulators during the period under review.

ACKNOWLEDGEMENT

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

**For and on behalf of Board
For U P HOTELS LIMITED**

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

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

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

**Date: 19/03/2017
Place: New Delhi**

Reply by the Directors on the Observation of Statutory Auditors and Secretarial Auditors

1. As regards indirect earnings from travel agent, the company has put in place necessary procedures and will comply in next financial year.
2. The Company has duly constituted a CSR Committee, however, the Board in its meeting dated 19.03.2017, adopted a CSR policy and will do the necessary compliances in this regard in the next financial year.
3. The Board is taking steps to resolve all the pending disputes/Issues between the promoters, particularly as per the directions issued by the Hon'ble NCLT New Delhi, in their order dated 19.08.2016 and 21.12.2016. Since then the Board has initiated steps to comply with all the pending non-compliances.
4. The Auditor's note presents details regarding the issue of Oppression and mismanagement being pending in CLB (NCLT) as a result of application filed by one group of promoters. By its order dated 25.05.2016, CLB has directed both the Jt. Managing directors to continue in their respective positions.
5. Reg. Note No. 49 of the Notes to Accounts, the company will realize this amount and will make an application for condonation.
6. Due to disputes / differences / litigations / disagreements, the Company has not been able to comply with various provisions.

The Company is taking the necessary steps for the completion of the pending compliances and is in the process of ensuring submission of the same with the respective Authorities. The Directors will analyse the financial position and future prospects of the company and will ensure to make efforts towards the finalization of the Capital Budget and Operation Budget and present the same at the earliest before the Board of directors for obtaining their approval. After this the Company will file the applications for compounding of non-compliances with the appropriate authorities.

7. The management will conduct the physical verification of assets at Agra and Khajuraho units in the financial year 2017-18. Further the company will take necessary steps for transferring the title deeds of immovable properties in its name.
8. The Company could not formulate the policy of risk management. The Company is in the process of adopting a risk management policy for identifying, evaluation, monitoring and minimisation of identifiable risks and to ensure business growth with financial stability. Further, during the year the Company has held only one meeting of the Board of Directors and Nomination & Remuneration Committee. No audit committee meeting was held. As such appropriate discussions / supervision / review / flow of information / monitoring could not take place during the year.
9. During the financial year 2016-17, the company has held meetings of Board of Directors, Audit Committee, Nomination & Remuneration Committee and CSR Committee as per requirements of Companies Act, 2013 and also adopted/formulated requisite policies. The company has also conducted its Annual General Meetings for the financial years 2013-14 and 2014-15. The company is also in the process of convening the Annual General Meeting for the financial year 2015-16 by 31st March, 2017.

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2016
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
UP HOTELS LIMITED
1101 Surya Kiran Building
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 UP 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 UP Hotels Limited 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.,2016 has not complied completely with all the statutory provisions listed hereunder and also that the Company does not has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by UP Hotels Limited (“the Company”) for the financial year ended on 31st March, 2016 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(covered during the period 1st December, 2015 till 31st March, 2016)
 - 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. (During the Audit period. SS-1 (Board Meetings) and SS-2 (General Meetings) is notified on 1st July 2015 hence Covered under our period)
- ii. The Listing Agreement entered into by the Company with BSE Ltd.(covered during the period 1st April, 2015 till 30th November, 2015)

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 non Compliances noticed by us as per the records, Documents and information furnished to us:-

1. The company has not complied with Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement), 2015 (erstwhile clause 41 of the Listing Agreement) as it has not published financial results for any of the quarters ending 31st March, 2016. The trading of the shares in the company has been suspended and the depositories have been asked to freeze the entire shareholding of the promoter & promoter group of the company and the Stock Exchange has also levied a Penalty on the Company vide BSE letter 12TH January 2015 .
2. The Company has not filed the Corporate Governance Report with the Stock Exchange for any of the quarters for the financial year 2015-16.
3. The Company has received General order No. 1 of 2015 dated 20th of July 2015 from SEBI directing that 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. 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. Further 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.
4. The Company has made a default of Regulation 36 of SEBI (LODR), 2015 (erstwhile Clause 32 of the Listing Agreement) as the Company has not supplied the Annual Report to the Shareholders of the Company for the financial year ended 31.03.2016.
5. The Company has not complied with the Regulation 38 of SEBI (LODR), 2015 (erstwhile Clause 40A of the Listing Agreement) with regard to Minimum Public Shareholding (MPS).

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:

- i.) Directing freezing of voting rights and corporate benefits like dividend rights, bonus etc. with respect of excess of proportionate promoter/promoter group shareholding;
- ii.) Prohibiting the promoter/promoter group and directors of these non-compliant companies from buying, selling or otherwise dealing in securities of the Company either directly or indirectly in any manner whatsoever except for the purpose of complying with MPS requirements.
- iii.) Restraining the shareholders forming part of the promoter/promoter group, directors of the company from holding any new position as a director in any listed company till such time the company complies +*with MPS requirement.

This order is without prejudice to the right of SEBI to take any other action against promoters and / or directors in accordance with the law.

The company and the promoters have filed the appeals before the Securities Appellate Tribunal (SAT) against the Order of SEBI dated 02.12.2014. SAT vide its Order dated 11.11.2016 permitted the company to withdraw the appeals before SAT with liberty to move an application before appropriate authority seeking permission to delist the company and for that purpose seek modification of the aforesaid order dated 04.06.2013 and 02.12.2014 from SEBI.

6. The Company has not yet achieved 100 percent dematerialization of the promoter's group as required under circular No. DCS/COMP/CIR-03/2011-12 dated 29.06.2011 of BSE Ltd.
7. The Company could not conduct its Annual General Meeting for the Financial Year ended 31st March, 2016 in time and thereby it has defaulted under section 96 of the Companies Act, 2013. Further the Financial Statements for the Year have not been filed within the stipulated time resulting in default under section 129 of the Companies Act, 2013.
8. The Existing Independent Director of the Company have to be Re-appointed within one year from 1st April, 2014 in accordance with Section 149(10) and (11) read with Schedule IV of the Companies Act, 2013 and as per General Circular 14/2014 dated 9th June, 2014 of the Ministry of Corporate Affairs. However, the Company could not re-appointed the Existing Independent Directors hence made a default under the provisions of the Companies Act, 2013. Further, with an Executive Chairman the number of Independent Directors has to be increased to 50 percent of the Board strength as per erstwhile Clause 49 of the Listing Agreement. The Company has not fulfilled the same.
9. The Company has contravened the provisions of Section 152 of the Companies Act, 2013 which states that the Total number of Retiring directors shall be 2/3rd of the Total Number of Directors.
10. During the financial year under review, the company has re-constituted the Audit Committee, Nomination and Remuneration Committee and Shareholders Relationship Committee as per the requirements of Section 177 and 178 of the Companies Act, 2013 and Listing Regulation, however Mr. Jag Mohan Lal one of the Independent Director ceases w.e.f 30/09/2015, thereafter, the number of members of the Audit committee, Nomination and Remuneration Committee and Stake holder relationship Committee is reduced and a vacancy for an Independent Director remains to be complied with. Also, the Non-Executive Director is not heading the Shareholders' Relationship Committee.
11. The appointment letter has not been issued to the Independent Directors and review of performance of Independent Directors has not been carried out during the year. Mr. Ravinder Kumar Chadha has been appointed as Independent Director on 22nd June, 2016 and co-opted on various Committees for which shareholders' approval is not obtained.
12. As per section 173(1) of the Companies Act, 2013, there shall be minimum number of four meetings of Board of Directors every year and the gap between the two

- meetings shall not exceed 120 days. However the Company has conducted only one Board meeting during the year as on 12/05/2015 and hence contravened the provision of this Section.
- 13.** During the financial year under review, Policies such as Risk Management Policy, remuneration policy, policy for familiarisation of Independent Director etc. including the Vigil Mechanism/whistle Blower Policy as required under the Companies Act, 2013 and the Listing Agreement/SEBI(LODR), 2015 were not formulated and the required policies were not placed on the website of the Company.
 - 14.** Under Regulation 42 of the SEBI (LODR), 2015 (clause 16 of the erstwhile Listing Agreement) the Company has to comply with the requirement with regard to Annual closure of Register of Members and transfer books for the F.Y 2015-16.
 - 15.** The Company has not appointed the Internal Auditors for the financial year 2015-2016 as required to be appointed under Section 138 and Rule 13 of the Companies (Accounts) Rules, 2014.
 - 16.** The Company could not execute the NEW LISTING AGREEMENT as mandated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the company has received a reminder mail from the Bombay Stock Exchange dated 3rd November 2016 in this regard.
 - 17.** During the year under review, the Company has formed the Corporate Social Responsibility Committee as required under Section 135 of the Companies Act, 2013. However, the CSR Policy has not been formulated and thereof did not spend any amount on CSR activities during the year.
 - 18.** The Related Party Transactions were not approved by the Board nor by the Audit Committee in their meeting (As Audit Committee was not properly constituted). Further no Contracts with the Related Party was approved therefore the same was not entered in the Register maintained under Section 301 of the Companies Act, 1956 and Section 189 of the Companies Act, 2013.
 - 19.** The Accounts of the Company for financial year 2015-16 as required under Section 129 of the Companies Act, 2013 were not audited in time.
 - 20.** One Separate Board meeting of the Independent Directors is required to be held i.e. at least one in a year (without the presence of non independent directors) to review the performance of the Non- Independent Directors, assess quality, quantity & timelines of flow of Information between Management and Board, However Company has not Complied with the same and contravened the provisions of Schedule IV of the Companies Act, 2013 and SEBI Listing Regulations.
 - 21.** The company is yet to update its website in accordance with Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements), 2015.
 - 22.** The company has not maintained/update the Attendance Register/Statutory Registers as per the requirement of the Companies Act, 2013.

- 23.** Company received show cause notice from ROC as on 30.06.2016 for default under Section 96 of the Companies Act, 2013 for non holding of AGM for the F.Y ended 31/03/2014 even after granting the extension for the period of two months i.e. up to 30/11/2014, however as on the date of Audit Report for the F.Y 2015-16 Company has complied with the provisions of the same as on the date of Secretarial Audit Report.
- 24.** The company has received show cause notice from ROC dated 03.10.2016 for default under Section 137/96/92 of the Companies Act, 2013 for failure to file Annual Return, Balance Sheet, relevant profit and Loss Account for the year ended 31.03.2015 and for failure to held AGM for 2015.
- 25.** Form MR-1 in respect of re-appointment of Late Shri Birendra Kumar as Chairman Managing Director and Chief Executive Director could not be filled with the ROC.
- 26.** The Hon'ble National Company Law Tribunal vide its order dated 21st December, 2016 has directed that the company to set rights the things in order in relation to statutory compliances at the earliest and not later than 31st March, 2017 for the year ended 31st March, 2015 and 31st March, 2016.

However, as informed by the Management as on the date of signing this Report the company has conducted the Annual General Meeting for the F.Y. ending 2014 and also 2015 and has also reported that the company has taken necessary steps for compliance for some of the non-compliances mentioned above and is also complying with the Order of Hon'ble National Company Law Tribunal dated 21st December, 2016.

I FURTHER REPORT THAT for the purpose of Examining adequacy of Compliances with other applicable Laws including industry sector/Specific, under both Central and State legislations, reliance has been based on the Compliance Certificate issued by the Company Secretary at each Board meeting, based on the report received by the company from its hotels and service units etc as part of the Company's Compliance Management and Reporting system. Based on the aforesaid internal Compliance Certificate, 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 the Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I FURTHER REPORT THAT there are no 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 AGG & Associates

Sd/-

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

Place:- New Delhi
Date:- 19-03-2017

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.

Annexure-2 (A)

To,
The Members
UP 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 AGG & Associates

Sd/-
Amar Gopal Gambhir
Practising Company Secretary
FCS No.3668
C P No.:3653

Place:- New Delhi
Date:- 19-03-2017

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

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

A.	CONSERVATION OF ENERGY		2015-16	
	1.	Steps taken for conservation	As mentioned in the Directors' Report	
	2.	Steps taken for utilizing alternate sources of energy		
	3.	Capital investment on energy conservation equipments		
B.	TECHNOLOGY ABSORPTION			
	1.	Efforts made for technology absorption	As mentioned in the Directors' Report	
	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	
			2015-16	2014-15
	1.	CIF Value of Imports	31,68,984	35,06,237
	2.	Expenditure in Foreign Currency	37,35,649	21,23,078
	3.	Earnings in Foreign Exchange	15,61,98,318	19,71,71,034

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

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

Executive directors	Ratio to median remuneration
Mr. Birendra Kumar	21.48:1
Mr. Apurv Kumar	21.37:1
Mr. Rupak Gupta	20.61:1
Mrs. Supriya Gupta	18.07:1

Non-Executive directors	Ratio to median remuneration
Mr. Arvind Kumar**	0.026:1
Mr. Rabindra Kumar Chadha*	0.052:1

* Independent directors and gets sitting fee only.

** Non Executive director and 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. Birendra Kumar (Chairman & MD)	#
Mr. Apurv Kumar (JMD & CFO)	0.93%
Mr. Rupak Gupta (JMD & CFO)	0.49%
Mrs. Supriya Gupta (Executive Director)	(0.70)%
Mr. Arvind Kumar**	50%
Mr. Rabindra Kumar Chadha*	(60)%
Mr. Siddharth Ghatak	26.47%

* Independent directors and gets sitting fee only.

** Non Executive director and gets sitting fee only.

Since Mr. Birendra Kumar passed away on 17.01.2016, the full year figures could not be determined and thus % increase in remuneration in the financial year could not be given.

- iii. The percentage increase in the median remuneration of employees in the financial year: 31.89%.
- iv. The number of permanent employees on the rolls of Company: 703
- v. The explanation on the relationship between average increase in remuneration and Company performance:

On an average, employees received an annual increase of 8%. The increase in remuneration is in line with the market trends.

- vi. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of key managerial personnel (KMP) in FY 2015-16 (Rs.)	1,08,38,936/-
Revenue (Rs.)	89,15,67,457/-
Remuneration of KMPs as % of revenue	1.21%
Profit before Tax (PBT)	7,30,71,013/-
Remuneration of KMP as % of PBT	14.83%

- vii. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	31.03.2016	31.03.2015	% Change
Market Capitalization (Rs. in lac)	-*	-*	-*
Price Earnings Ratio	-*	-*	-*

Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	31.03.2016	26.12.2001 IPO Date	% Change
Market Price (BSE)	-*	**	Can not be determined

* Since the company's shares are under suspension, there is no trading value of share as on 31.03.2016.

** Since the company's shares are under suspension, the Market Price figure is not given for comparison purpose.

- viii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase made in the salaries of employees other than the managerial personnel in the last financial year was around 8%. During the course of the year, there was no increase in the managerial remuneration.

- ix. Comparison of each remuneration of the key managerial personnel against the performance of the Company:

	Mr. Apurv Kumar - Jt. Managing Director & CFO	Mr. Apurv Kumar - Jt. Managing Director & CFO	Mr. Siddharth Ghatak - CS
Remuneration in FY 2015-16 (Rs.)	41,09,600	39,63,531	27,65,805
Revenue (Rs.)	89,15,67,457/-		
Remuneration as % of revenue	0.46%	0.44%	0.31
Profit before Tax (PBT) (Rs.)	7,30,71,013/-		
Remuneration as % of PBT	5.62%	5.42	3.78%

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.3.2016

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

I. REGISTRATION AND 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 and contact details	1101, Surya Kiran, 19, Kasturba Gandhi Marg, New Delhi-110 001 Tel. 23722596 / 23722597
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agents, if any	Skyline Financial Services Pvt. Ltd. D-153A, 1st Floor, Okhla Industrial Area, Phase I, New Delhi-110020 Tel: 26812682, 64732681.

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 and 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 -

S.No.	Name and Address of the Company	CIN / GNL	Holding /Subsidiary / Associate	Applicable Section
1	NIL			

IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year on 01.04.2015) (As				No. of Shares held at the end of the year (As on 31.03.2016)				% 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	2194645	544999	2739644	50.73	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	178650	1854666	2033316	37.65	178650	1854666	2033316	37.65	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1) :-	2373295	2399665	4772960	88.39	2373295	2399665	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	2373295	2399665	4772960	88.39	0

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FII's	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	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 Corp.									
i) Indian	181669	31534	213203	3.95	181137	31534	212671	3.94	-0.01
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	179119	102256	281375	5.21	189346	97005	286351	5.30	0.09
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	120182	0	120182	2.23	106332	0	106332	1.97	-0.26
c) Others (specify)									
i) NRI	1511	180	1691	0.03	1513	180	1693	0.03	0.00
ii. Trust	1013	0	1013	0.02	1013	0	1013	0.02	0.00
iii. Hindu Undividend Family	4937	0	4937	0.09	18980	0	18980	0.35	0.26
iv. Clearing Members	4639	0	4639	0.09	0	0	0	0.00	-0.09
Sub-total (B)(2):-	493070	133970	627040	11.61	498321	128719	627040	11.61	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	493070	133970	627040	11.61	498321	128719	627040	11.61	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0
Grand Total (A+B+C)	2866365	2533635	5400000	100.00	2871616	2528384	5400000	100.00	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of 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	% change in share holding during the year
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 Arvavir 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
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 Arnab 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 (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	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 01.04.2015 to 31.03.2016			
	At the end of the year				

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		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	Dimensions Wealth Management Pvt. Ltd.	29686	0.55	29686	0.55
3	R R B Securities Ltd.	29042	0.54	29042	0.54
4	New Mellenium Technology Management Limited	25568	0.47	25568	0.47
5	Vibha Nirjay Singh	25974	0.48	25974	0.48
6	Lok Prakashan Ltd.	24900	0.46	24900	0.46
7	Sridas Foundation	21600	0.40	21600	0.40
8	G K Agrawal	18604	0.34	0	0.00
9	Usha Agrawal	14950	0.28	33554	0.62
10	Raviraj Developers Ltd.	14983	0.28	15183	0.28
11	Dimension Consulting Pvt. Ltd	14111	0.26	14111	0.26
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year (or on the date of separation, if separated during the year)	Same as above			

(v) Shareholding of Directors and Key Managerial Personnel:

S.No.	Name of the Shareholder	Date	Shareholding			Reason	Cumulative Shareholding during the year		Remarks
			No. of shares at the beginning (01.04.2015/ end of the year 31.03.2016)	% of total shares of the company	Increase / (Decrease)		No. of Shares	% of total shares of the company	
1	Shri Birendra Kumar*	01.04.2015 31.03.2016	107070 107070	1.98 1.98	0.00 0.00	Nil movement during the year	107070	1.98	
2	Shri Apurv Kumar	01.04.2015 31.03.2016	35126 35126	0.65 0.65	0.00 0.00	Nil movement during the year	35126	0.65	
3	Shri Rupak Gupta	01.04.2015 31.03.2016	818524 818524	15.16 15.16	0.00 0.00	Nil movement during the year	818524	15.16	
4	Smt. Supriya Gupta	01.04.2015 31.03.2016	0 0	0.00 0.00	0.00 0.00	Nil movement during the year	0	0.00	
5	Shri Arvind Kumar	01.04.2015 31.03.2016	29341 29341	0.54 0.54	0.00 0.00	Nil movement during the year	29341	0.54	
6	Shri Ravinder Kumar Chadha	01.04.2015 31.03.2016	0 0	0.00 0.00	0.00 0.00		0	0.00	
7	Shri Jag Mohan Lal*	01.04.2015 31.03.2016	0 0	0.00 0.00	0.00 0.00		0	0.00	
8	Shri Girish Narain Mehra*	01.04.2015 31.03.2016	0 0	0.00 0.00	0.00 0.00		0	0.00	

* Mr. Birendra Kumar ceased to be the Director of the Company due to his sudden demise as on 17.01.2016.

* Mr. Girish Narain Mehra resigned w.e.f. 24.07, 2015

* Mr. Jag Mohan Lal ceased to hold office as a director w.e.f. 30.09.2015

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
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				
• Addition	NIL	NIL	NIL	NIL
• Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end 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

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 MD/WTD/Manager				Total Amount
		Shri Birendra Kumar	Shri Apurv Kumar	Shri Rupak Gupta	Smt. Supriya Gupta	
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	3075548 NA 713198 NA	3000000 NA 749600 NA	3000000 NA 603531 NA	2700000 NA 450860 NA	11775548 2517189 NA
2	Stock Option	NA	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA	NA
4	Commission - as % of profit - others, specify	NA NA	NA NA	NA NA	NA NA	NA NA
5	Others (Contribution to PF)	342581	360000	360000	324000	1386581
	Total (A)	4131327	4109600	3963531	3474860	15679318
	Ceiling as per the Act	*	*	*	*	*

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount (Rs.)			Remarks
			Board	Remuneration Committee	Independent Directors' Meeting	
1.	Independent Directors					
	• Fee for attending board/committee meetings	Shri Ravinder Kumar Chadha Shri Jag Mohan Lal Shri Girish Narain Mehra	5000 5000 5000	5000 5000 0	0 0 0	10000 10000 5000
	• Commission		0	0	0	0
	• Others, please specify		0	0	0	0
	Total (1)		15000	10000	0	25000
2.	Other Non-Executive Directors					
	• Fee for attending board/committee	Shri Arvind Kumar	5000	0	0	5000
	• Commission		0	0	0	0
	• Others, please specify		0	0	0	0
	Total (2)		5000	0	0	5000
	Total (B)=(1+2)		20000	10000	0	30000
	Total Managerial Remuneration	NA	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 (i.e., 1% of the profits calculated Under Section 198 of the Companies Act ,2013 and as per shareholders' approval.

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

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	- - -	2540600 43045 0	# # #	
2	Stock Option		0		
3	Sweat Equity		0		
4	Commission - as % of profit - others, specify		0 0		
5	Others (Contribution to PF)		182160		
	Total		2765805		

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

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)
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

Sd/-
Bisheshwar Prasad Singh
Chairman
DIN: 06949954

Sd/-
Apurv Kumar
Joint Managing Director
& Chief Financial Officer
DIN: 00043538

Sd/-
Rupak Gupta
Joint Managing Director
& Chief Financial Officer
DIN: 00007310

Place: New Delhi
Date : 19th March, 2017

MANAGEMENT DISCUSSIONS & ANALYSIS

INDUSTRY STRUCTURE, DEVELOPMENT, OPPORTUNITIES AND OUTLOOK

In the last few years, the structure of the Hotels and Tourism industry has been changing and India has been recognized as a destination for spiritual tourism for domestic and international tourists. Travel and tourism is the third largest foreign exchange earner for India. The launch of several branding and marketing initiatives by the Government of India have provided a focused impetus to growth.

All this will bring positive results of the Industry all over the world as well as in India. Foreign tourists arrival in India has been on a steady increase. With the rise in the number of global tourists and realizing India's potential, many companies have invested in the tourism and hospitality sector.

Significant rise of the middle class in India has increased demand for both business and leisure travels, which however was restricted to budget range rather than in the up market segment. Hotels have to focus deriving revenue from all fronts-room, F & B, conference and event. This will help the hotel to derive profitability.

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, competition in the industry, government policies and regulations and other factors. Since demand for hotels is affected by world economic growth, a recession could also lead to the downturn in the hotel industry.

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.

The Industry is also affected by social- political environment like political instability, threats of terrorists activities, natural calamities etc. which may affect the level of travel and business activity.

Your company endeavors to continuously renovate its properties to meet the increasing competition in the market. The management is fully aware of the problems and gearing itself to deal with such adverse circumstances, as and when they are faced.

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.

Your Company recorded a turnover of Rs. 86,87,57,452/- as compared to Rs. 77,80,65,743/- in the previous year. The profit for the year after tax amounted to Rs. 3,92,89,969/- as against Rs. 2,71,32,102/- recorded in the previous year.

The average occupancy % registered an increase of 13.38%, the average room rate increased by 1.14% in comparison to the previous financial year.

INTERNAL CONTROLS

The Company is having a system of internal controls however due to the ongoing disputes and internal differences/disagreements between the management there were certain compliances could not be complied with.

The Company has a systematic process and well-defined roles and responsibilities for people at different hierarchical levels. However, due to the present ongoing suits which have been filed at the Hon'ble Civil Court, Lucknow, Hon'ble Supreme Court of India and in the Hon'ble NCLT, New Delhi, the appropriate discussions and supervisions of the business activities at the various levels cannot be managed appropriately. This has affected the flow of information at the management level and hence monitoring of the activities at different levels.

DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company believes that its intrinsic strength is its people. The Company has always paid special attention to recruitment and development of all categories of staff. The Company is committed to adhering to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. Industrial Relations remained stable throughout the year. The total number of people employed by the Company is 703.

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.

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

Sd/-

Bisheshwar Prasad Singh
Chairman
DIN: 06949954

Sd/-

Apurv Kumar
Joint Managing Directors
& Chief Financial Officer
DIN: 00043538

Sd/-

Rupak Gupta
Joint Managing Directors
& Chief Financial Officer
DIN: 00007310

Place: New Delhi
Date: 19.03.2017

REPORT ON CORPORATE GOVERNANCE

(The Report is Based mainly on the information relating to the facts, events occurring during the financial year 01-04-2015 to 31-03-2016 which are relevant for compilation of Corporate Governance Report, since the Report is being presented before the shareholders as on the present date, the same also comprises of certain details/facts which reflect the changes that have taken place during the years till date)

1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance refers to a combination of regulations, procedures and voluntary practices that enables companies to maximize stakeholders' value by attracting financial and human capital and efficient performance.

As a responsible corporate citizen, it is the earnest endeavour of the Company to improve its focus on Corporate Governance by increasing accountability and transparency to shareholders, bankers, customers etc.

The Company is aware regarding the Corporate Governance norms required for the compliances. However there are certain discrepancies/irregularities during the said Financial Year 2015-16. Thereafter, i.e. after the Financial Year 2015-16, the board has met several times and certain irregularities have since been complied with. However, due to the differences in opinion amongst the promoters several non-compliances are still pending.

2. BOARD OF DIRECTORS

As on 31st March, 2016, the Board comprised of total 5 directors. 3 were executive directors, 1 was non-executive director and 1 was independent director. Independent Directors do not have any material pecuniary relationship and haven't entered into any transactions with the Company, its promoters & its management, which in the judgment of the Board may affect independence of the judgment of the Directors.

2.1 During the financial year ended 31st March, 2016, only one board meeting was held on 12th May, 2015.

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

Name & Designation	Category	Attendance		No. of other Directorships		No. of other Board Committees in which he is a member or chairperson	
		Board Meeting	Last AGM	Public	Private	Chair-Person	Member
Mr. Birendra Kumar (Chairman & Managing Director)	Promoter - Executive	1		4	3	-	-
Mr. Apurv Kumar (Joint Managing Director)	Promoter - Executive	1	1	3	7	-	-
Mr. Rupak Gupta (Joint Managing Director)	Promoter - Executive	1	1	3	7#		

Ms. Supriya Gupta (Executive Director)	Promoter – Executive	1	1	1	4		
Mr. Girish Narain Mehra (Director)	Independent – Non Executive	1		4	0	4	7
Mr. Jag Mohan Lal (Director)	Independent – Non Executive	1		Nil	Nil		
Mr. Ravinder Kumar Chadha (Director)	Independent – Non Executive	1	-	Nil	Nil		
Mr. Arvind Kumar (Director)	Promoter – Non-Executive	1	1	4	8		

Include two foreign companies. He resigned from the directorship of one foreign company on 28.07.2015 and ceased to be a director in the other foreign company as it was wound up during financial year 2015-16.

As on the date of this report, the Board of the company is properly constituted. The Composition of the Board of Directors includes Hon'ble Justice Mr. B. P. Singh (former Judge of Supreme Court of India) as Non-Executive Chairman - Independent Director appointed by the Hon'ble NCLT, Delhi vide its order dated 19-08-2016, Mr. Rupak Gupta (JMD & CFO), Mr. Apurv Kumar (JMD & CFO), Mrs. Supriya Gupta (Non-Executive Director), Mr. Arvind Kumar (Non-executive Director) and Mr. Ravinder Kumar Chadha (Independent Director).

Inter-se relationship of directors:

Shri Rupak Gupta & Smt. Supriya Gupta are related to each other

Shri Apurv Kumar & Birendra Kumar are related to each other

Shri Arvind Kumar & Birendra Kumar are related to each other

None of the other directors are related to each other.

*Note: Late Shri Birendra Kumar- Chairman and Managing Director died on 17th January, 2016

The shareholdings of directors of the company are provided in Form No. MGT 9 (Extract of Annual Return) being part of Boards' Report.

All the directors have as on 31st March, 2016, filed the requisite declarations stating that:

- The disqualification contemplated under Section 164 of the Companies Act, 2013 do not apply to them;
- The code of conduct for Prevention of Insider Trading in its equity shares has been complied with.

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.

4. **NOMINATION AND REMUNERATION COMMITTEE**

Terms of reference

The Committee had been constituted to review and recommend the remuneration package for the whole-time directors in terms of Sec. 178 of companies Act, 2013 and the Rule thereon.

Composition, name of members & chairperson:

During the year under review, the Nomination & Remuneration Committee was comprised of Mr. Ravindra Kumar Chadha (Chairman – Independent Director) and Mr. Jag Mohan Lal (Independent Director). However, Mr. Jag Mohan Lal ceased to be a director with effect from 30.09.2015.

The Nomination & Remuneration Committee was re-constituted on 22.08.2016 by the Board with following members:

1. Hon'ble Justice Mr. B. P. Singh (former Judge of Supreme Court of India) - Chairman- Independent Director
2. Mrs. Supriya Gupta - Director
3. Mr. Ravinder Kumar Chadha - Independent Director

Meeting & attendance during the year

During the year, one meeting of the Committee was held on 12.05.2015 and Mr. Ravinder Kumar Chadha and Mr. Jag Mohan Lal were present at the meeting.

Performance evaluation criteria for independent directors

During the year under review, the Board Performance Evaluation Policy could not be adopted by the Board. However, the Board in its meeting dated 20.02.2017 adopted the Board Performance Evaluation Policy which provides the criteria for evaluation of performance of independent directors.

Remuneration of Directors

All non-executive directors receive only sitting fee for attending the meeting of Board of Directors and Committees.

Details of remuneration paid / payable to all the Directors

Name	Sitting Fee	Salary	Contribution to PF	Perquisites & Allowances	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Shri Arvind Kumar	5,000				5,000
Shri Apurv Kumar Joint Managing Director		30,00,000	3,60,000	7,49,600	41,09,600
Shri Birendra Kumar Chairman & Managing Director @		30,75,548	3,42,581	7,13,198	41,31,327
Shri Rupak Gupta Joint Managing Director		30,00,000	3,60,000	6,03,531	39,63,531
Smt. Supriya Gupta Executive Director		27,00,000	3,24,000	4,50,860	34,74,860
Shri Ravinder Kumar Chadha	10,000				10,000
Shri Jag Mohan Lal	10,000				10,000
Shri Girish Narain Mehra	5,000				5,000

@ Mr. Birendra Kumar passed away on 17.01.2016.

The service contracts, notice period, severance fees are as per the terms and conditions of appointment of executive directors.

No stock option or performance linked incentive is offered to the directors/executives of the company.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

During the year under review, the committee was comprised of Mr. Jag Mohan Lal (Independent Director) and Mr. Ravinder Kumar Chadha (Independent Director). However, Mr. Jag Mohan Lal ceased to be a director on 30.9.2015.

As on date of this report, the Stakeholders' Relationship Committee comprises of Mr. Ravinder Kumar Chadha (Chairman-Independent Director), Mr. Arvind Kumar and Mrs. Supriya Gupta.

During Financial Year 2015-16, Mr. Sidharth Ghatak was Company Secretary and Compliance Officer of the Company. However, Mr. Ghatak resigned from the company on 16.05.2016.

Number of shareholders' complaints received so far	:	3
Number of complaints solved to the satisfaction of the shareholders	:	3
Number of complaints not solved to the satisfaction of the shareholders	:	Nil
No. of pending complaints	:	Nil

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

During the year under review, there was no CSR Committee and thus there was no CSR Policy. However, the Board in its meeting dated 22.06.2016 constituted a Corporate Social Responsibility ("CSR") Committee consisting of following Directors of the Company:

1. Mr. Ravinder Kumar Chadha - Chairman - Independent Director
2. Mr. Arvind kumar - Director
3. Ms. Supriya Gupta - Director

As on date of this report, the company has adopted a Corporate Social Responsibility Policy.

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

1. 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;
2. To review and recommend the amount of expenditure to be incurred on the CSR related activities to be undertaken by the company;
3. To institute a transparent monitoring mechanism for the implementation of the CSR projects , programs and activities undertaken the Company from time to time;
4. 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.

The Company has always stayed vigilant of its duties towards the Society and has laid emphasis to follow the essence of the Corporate Citizenship thereby fulfilling its obligation for the betterment of the people, its associates, workers and the Society at large. The Company has taken several initiatives even before the provision of Sec. 135 of the Companies Act, 2013 relating to the

Corporate Social Responsibility came into effect. The company has a CSR Vision and is committed towards its social obligations.

7. GENERAL BODY MEETING

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

Financial Year	Date	Venue	Time
2012-13	28.09.2013	PHD House, Opposite Asian Games Village, New Delhi	11.00 A.M.
2013-14	30.09.2016	- do -	02.00 P.M.
2014-15	18.03.2017	- do -	09.30 A.M.

7.2 At the AGM of 28th September, 2013 and 30th September, 2016, special resolutions were passed for re-fixation of remuneration of Shri Birendra Kumar as Chairman cum Managing Director, Shri Apurv Kumar and Shri Rupak Gupta,- Joint Managing Directors & Chief Financial Officers and Smt. Supriya Gupta - Executive Director pursuant to sections 198, 269, 309 of the Companies Act, 1956 and Section 197 of the Companies Act, 2013. At the AGM dated 18th March, 2017, special resolutions relating to ratification of re-appointment of Mr. Birendra Kumar (Chairman & MD), Mr. Apurv Kumar (Jt. MD & CFO), Mr. Rupak Gupta (Jt. MD & CFO) & Mrs. Supriya Gupta (Executive Director) were passed.

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

8. DISCLOSURES

8.1 No money was raised by the Company through public issue, right issue, preferential issues etc. in the last financial year.

8.2 The transactions with related parties could not be placed before the Audit Committee as no meeting of Audit Committee could be held;

8.3 The related party transactions were not approved by the Board nor by the Audit Committee in their meeting (Audit Committee was not properly constituted). Further, no contracts with the related party was approved, therefore the same was not entered in the register maintained under section 189 of the Companies Act, 2013.

8.4 During the Financial Year 2015-16, the Board also emphasized upon the need to appoint a professionally qualified Chief Financial Officer (CFO) having the relevant experience to look into the Business affairs of the Company.

8.5 The mandatory disclosure of transactions with related parties in compliance with the Accounting Standards AS - 18 is a part of this Annual Report and disclosed in Notes to Schedule 40;

8.6 In preparing the Annual Accounts in respect of the financial year ended 31st March, 2016, no accounting treatment was different from that prescribed in the Accounting Standards;

8.7 The company has not still to Bombay Stock Exchange had levied penalty aggregating to Rs.12,12,364/- on the Company for non compliance of certain clauses of Listing Agreement as per their letter dated 12.01.2015. The company is yet to settle the matter with Stock Exchange.

- 8.8 Since the Company could not comply with Clause 40A of the Listing Agreement, Securities & Exchange Board of India vide its order dated 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 of. The Company is in the process of analyzing the order of the Securities Appellate Tribunal and is taking required steps either to delist the company or comply with Minimum Public Shareholding (MPS) requirement.
- 8.9 The directors and other identified persons have observed and complied with the requirements of Code of Conduct for Prevention of Insider Trading in Equity Shares of the Company in accordance with Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- 8.10 During the financial year 2015-16, company could not formulate a Whistle Blower Policy/Vigil Mechanism. However, the Company is committed to adhering to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company has formulated a Whistle Blower Policy/Vigil Mechanism on 25.01.2017 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.
- 8.11 Since the company has no subsidiary during the financial year under review, it did not formulate policy for determining material subsidiaries.
- 8.12 During the financial year under review, the company did not formulate policy on dealing with related party transactions.
- 8.13 Details of compliance of mandatory and non mandatory requirements of corporate governance are provided in this report.
- 8.14 Compliance with discretionary requirements/non mandatory requirements:
- The Board: No non-executive chairperson was appointed to Chairman's office. However as on date, company has a non-executive independent director as its Chairman.
 - Shareholder right: Not sent half-yearly declaration on financial performance to shareholders.
 - Modified opinion in audit report: Board give necessary clarification on qualifications, remarks etc in Audit report.
 - Separate posts of chairperson and chief executive officer: The company is striving to comply with this requirement. However as on date, company has a non-executive independent director as its Chairman.
 - Reporting of internal auditor: The reports of internal auditor are reviewed in the Audit Committee meeting.

9. **MEANS OF COMMUNICATION.**

- 9.1 Half yearly report sent to each shareholder: No
- 9.2 Quarterly Results
- Which newspapers normally published in Not published
 - Any website where published No
 - Whether it also displays official news releases and presentation made to institutional investors/analyst No
- 9.3 Whether management discussion & analysis is a part of annual report or not Yes, management discussion & analysis is a part of the annual report.

10. **GENERAL SHAREHOLDER INFORMATION**

10.1 AGM : Date, time & venue

55th Annual General Meeting

Date :	31 st March, 2017
Time :	9.30 A.M.
Venue :	PHD House, Opposite Asian Games Village, New Delhi-110016

10.2 Financial Calendar (tentative) for Results

1st Quarter

2nd Quarter

3rd Quarter

4th Quarter

** The Company was not able to prepare and publish the quarterly results as per the tentative dates given against each quarter due to differences/dis-agreement on certain issues between the promoters groups.*

- | | | |
|------|---------------------------|--|
| 10.3 | Date of Book Closure | No Book Closure could be done for the financial year 16 as the company was unable to hold the AGM within quired time |
| 10.4 | Dividend | <p>The company has proposed a dividend of Rs. 1/- per equity share i.e. 10% subject to approval of the shareholders' at the forthcoming Annual General Meeting for the F.Y. ending 31-03-2016. The payment of dividend, if approved, at the AGM will be paid on or after 20.04.2017.</p> <p>Note: The shareholders whose names appear in the register of members as on 23-09-2016 will be eligible to receive the dividend declared for the F.Y. ending 31-03-2016.</p> |
| 10.5 | Listing On Stock Exchange | <p>The shares of the company are listed on BSE Ltd, Mumbai (BSE). However, due to non-compliance of Listing Agreement, the trading has been suspended.</p> <p>Annual Listing fees as prescribed has been paid to the BSE Ltd. (BSE), Mumbai for 2015-2016.</p> |
| 10.6 | Stock Code | 509960 (BSE) |

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

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

BSE Limited has suspended the trading of equity shares of the company vide its letter dated 12th January, 2015 and thus monthly high and low market price data of equity share traded on BSE Limited during the year under review can not be provided.

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

10.10 Share Transfer System To expedite the transfer in physical segment, authority has been delegated to the Share `Transfer Committee/Shareholder Grievance Committee which has since been renamed as Stakeholders' Relationship Committee of the Board. The Registrar & Transfer Agent ensures that the transferred share certificates are dispatched within the stipulated time.

10.11 Shareholding Pattern as on 31st March, 2016

	Category	No of Shares held	% of Share holding
1	<u>Promoter's holding</u>		
	Indian Promoters*	47,72,960	88.39
	Foreign Promoters	Nil	Nil
2	<u>Persons acting in concert</u>	Nil	Nil
	Sub Total (1 & 2)	47,72,960	88.39
	<u>Non-Promoters Holding</u>		
3	<u>Institutional Investors</u>		
	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	<u>Others</u>		
	a) Private Corporate Bodies	212671	3.94
	b) Indian Public	4,11663	7.62
	c) NRIs/OCBs	1,693	0.03
	d) Any other (Trust)	1,013	0.02
	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

*as per Promoters' declarations

10.12 Distribution of Shareholding as on 31st March, 2016

Shareholding of Nominal Value	No. of Shareholders	% of Share-Holders	Share Amount	% of Share-Holding
Upto - 5000	1,011	84.74	10,21,,650	1.89
5001 - 10000	63	5.28	4,50,460	0.83
10001-20000	36	3.02	5,31,310	0.98
20001-30000	12	1.01	2,98,390	0.55
30001-40000	10	0.84	3,41,070	0.63
40001-50000	3	0.25	1,43,020	0.26
50001-100000	10	0.84	7,44,080	1.38
100001 & above	48	4.02	5,04,70,020	93.46
Total	1,193	100.00	5,40,00,000	100.00

10.13 Dematerialisation of Shares & Liquidity.

The company's shares are traded in dematerialised form and have to be delivered in the dematerialised form to all stock exchanges. The number of shares dematerialised as on 31st March, 2016 was 28,66,216 (53.08% of the total paid up capital) and the balance of 25,33,784 representing 46.92% were held in physical form. Investors may open an account with depository participant registered with either National Securities Depository Ltd. (NSDL) or Central Depository Services (India) Ltd. (CDSL).

The company is yet to achieve 100% dematerialization of the promoters' group shareholding as required under circular no. DCS/COMP/CIR-03/2011-12 dated 29.6.2011 of BSE Ltd. As on 31.3.2016 only 43.95% of the promoters' shareholding have been dematerialized.

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

10.14 Information with regard to shares lying in "Unclaimed Suspense Account" as per Clause 5 of the Listing Agreement.

	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

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

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

10.16 Hotel locations
Clarks Shiraz, 54, Taj Road, Agra
Clarks Amer, Jawahar Lal Nehru Marg, Jaipur
Clarks Avadh, 8, Mahatma Gandhi Marg, Lucknow
Clarks Khajuraho, Bamitha Road, Khajuraho

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.

10.17 Address for correspondence Registrars:
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.

11. **MANAGEMENT RESPONSIBILITY STATEMENT**

The Directors' Responsibility Statement for the financial year ending 31st March, 2016, in conformity with the requirement of the Companies Act, 2013 has been included in the Directors' Report to the Shareholders. A Management Discussion and Analysis Report has been annexed to the Directors' Report.

The Company has obtained the Secretarial Audit Report for the financial year ending 31st March, 2016 pursuant to the section 203 of the Companies Act, 2013 from a Practising Company Secretary duly appointed for this purpose, the same has been attached along with the Boards' Report. The Board of Directors of the Company has initiated the necessary measures required for the rectification of the Non-compliances and observations which have been referred in the Report.

The financial accounts are in full conformity with the requirements of the Companies Act, 2013. These accounts reflect fairly the form and substance of transactions and present a true view of the Company's financial condition and the results of its operations.

12. **COMPLIANCE CERTIFICATE OF THE AUDITORS**

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement including the deviations and the same is annexed.

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

Sd/-
Bisheshwar Prasad Singh
Chairman
DIN: 06949954

Sd/-
Apurv Kumar
Joint Managing Directors
& Chief Financial Officer
DIN: 00043538

Sd/-
Rupak Gupta
Joint Managing Directors
& Chief Financial Officer
DIN: 000073310

Placed: New Delhi
Dated: 19.03.2017

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

19.03.2017

Re: CEO/CFO Certification

As stipulated in Clause 49 of the Listing Agreement with the Stock Exchange. We hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2016 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) We accept responsibility for establishment and maintaining internal controls for financial reporting, ***The Company is having a system of internal controls however due to the ongoing disputes and internal differences/disagreements between the management there are certain discrepancies resulting in certain non-compliances under various acts for which the needful action is being taken by the management.***
- d) We have indicated to the Auditors and the Audit Committee:
- i. The company has a system of internal control over financial reporting during the year under reference; *however due to the ongoing disputes and internal differences between the management there are certain discrepancies which resulted in non-compliances and management has initiated needful actions to fix the fragments in the internal control systems.*
 - ii. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and

For U P Hotels Limited

Sd/-

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

Sd/-

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

AUDITOR'S CERTIFICATE

To
The Members of
U.P. Hotels Limited

We have examined the compliance of conditions of Corporate Governance by U.P. Hotels Limited ("the Company") for the year ended 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15 (2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

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

Based on our examination, we state that:

- i) *The Company has not complied with Clause 40A of the Listing Agreement as regards minimum public shareholding.*
- ii) *The Company has not complied with following provisions of the Listing Agreement/Regulations.*
 - a) *The Company's proportion of independent directors to the total strength of the board is less than the minimum prescribed limit of 50% and the vacancies on the board have not been filed up within stipulated time.*
 - b) *The strength of the Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee were not as per requirements of Section 177 & 178 of the Companies Act, 2013.*
 - c) *The non executive director is not heading the Shareholders' Relationship Committee.*
 - d) *Audit committee did not meet during the year.*
 - e) *Board did not meet within the maximum allowed time gap of 120 days during the year. Only one meeting of the board of directors was held instead of four.*
 - f) *The policies regarding related party transactions, whistle blower policy, policy for training/familiarisation of Independent directors, remuneration policy and evaluation criteria, risk management etc. have not been formulated during the year.*
 - g) *The appointment letter has not been issued to the Independent Directors and review of performance of Independent Directors has not been carried out during the year. Mr. Ravinder Kumar Chadha has been appointed as an Independent Director on 22nd June, 2016 and co-opted on various committees, for which shareholder's approval is not obtained.*

- h) *The Company has formed the CSR Committee. However the CSR policy has not been formulated/ approved. As such, the Company did not spend any amount on CSR activities during the year.*
 - i) *A separate meeting of independent directors was not held during the year. The criteria of evaluation exercise were not formulated by the Nomination & Remuneration Committee.*
 - j) *The Related Party Transactions made during the year were not approved by the Board nor by the Audit Committee in their meeting and also not recorded in the register maintained under Section 189 of the Companies Act, 2013.*
- iii) *The Company is yet to achieve 100% dematerialization of the promoter's group shareholding as required by circular of BSE Ltd.*
- iv) *The Company was not able to prepare and publish the quarterly/yearly results ending on or after 30th June, 2014 due to disagreement on certain issues between the promoters group. The Company has also not filed corporate governance report for any quarter ending on or after June 30, 2014.*
- v) *Certain ongoing disputes and internal differences between the management has resulted in discrepancies and non-compliances of various provisions of the Companies Act, 2013, Listing Agreement/Regulations etc. Attendance register/statutory records under the Companies Act, 2013 is not updated/maintained. The Company has not disclosed required details on its website pursuant to Listing Agreement.*

Subject to above, in our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Management we certify that the Company has not complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/Listing Regulations as applicable.

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

For RAY & RAY

Chartered Accountants
Firm Registration no. 301072E

Sd/-

(Anil Kumar Sharma)

Partner
Membership No. 80085

New Delhi, 19th March, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of U.P. Hotels Limited

Report on the Financial Statements

We have audited the accompanying financial statements of U.P. Hotels Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 consistent application of appropriate accounting policies and making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that operate effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis of Qualified Opinion

Attention is drawn to the following notes:

1. *Note 43 as regards earnings in foreign currency which includes indirect earnings from travel agents of Rs. 14,120,601 not verified by us in absence of relevant certificates.*
2. *Note 48 as regards incurring an amount of Rs. 1,371,713 (2015 - Rs. 2,128,518) on Corporate Social Responsibility (CSR) activities, as the company could not formulate /approve its CSR policy during the year. No amount was incurred during the year and in the previous year. This has resulted in increased profits and reserves to that extent.*
3. *Note 50.1 to 50.3 regarding non-compliance of Minimum Public Shareholding (MPS) by way of issue of bonus shares in terms of shareholders resolution dated 23.07.2013 on account of various litigations delisting etc. explained in the said notes. As such, the Company is yet to comply with clause 40A of the Listing Agreement as regards MPS, Securities & Exchange Board of India directives etc. This matter is yet to be sorted out amongst the promoters/promoter groups. This was also mentioned in our previous report.*
4. *Notes 51.1 & 51.2 as regards concerns raised by the two Joint Managing Directors regarding working of the hotels and certain aspects of management and other matters, petition filed by one Joint Managing Director under Sections 397/398, 402, 403 and 237 of the Companies Act, 1956 and Sections 219 & 220 of the Companies Act, 2013 for oppression & mismanagement and raising of various concerns before the Company Law Board (now the National Company Law Tribunal) and contesting of the petition by the other Joint Managing Director which is explained in the said notes, on which we are unable to make any comment. The matter is pending. Due to ongoing disputes and internal differences, there are differences of opinion/disagreement in the manner in which the internal financial controls need to be operated. Further the Company could not formulate the policy on risk management.*

5. *Note 52 as regards non-compliance of various provisions of Listing Agreement / SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, Publication of financial results for any of the quarter ending after 31st March, 2014, Corporate Governance Report, Non closure of Register of Members and Transfer Book, Non supply of Annual Report to the Shareholders, Minimum Public Shareholding, 100% dematerialisation of promoters shareholding (the Company has received penalty notices for non-compliances of Clause 41 & 49 of the Listing Agreement), provisions of Companies Act, 2013 viz. Section 96-Non conduct of AGM on time, Section 149 (10) & (11) -Re-appointment of the Existing Independent Directors read with Schedule IV, Section 152- Total number of Retiring Directors be 2/3rd of the total number of directors, Section 177 & 178 - Audit Committee & Nomination & Remuneration Committee Shareholding Committee, Section 173 (1)-gap between two meetings shall not exceed 120 days holding, of minimum 4 meetings of the Board, Section 177 (9)- The Vigil Mechanism /Whistle Blower Policy, Section 138 -appointment of internal auditors, Section 135 -Corporate Social Responsibility, Sections 177, 188 & 189 -Related Party Transactions, Section 129 -the accounts of the Company for financial year, maintenance/updating of statutory registers, non conduct of Audit Committee, holding of only one meeting of board of directors, non formation of risk management policy etc. and Income Tax Act, 1961 and other matters as explained in said notes on account of various disputes/litigations, differences of opinion/disagreements etc. As such appropriate discussions / supervision / review / flow of information / monitoring could not take place. Further, Mr. Ravinder Kumar Chadha was appointed as Independent Director on 22.06.2016 and was also co-opted on various committees for which shareholders` approval has not been obtained. These defaults and non-compliances may result in penalties etc. which are not quantifiable at this stage.*
6. *Note 53 as regards the accounts not being authenticated by a Company Secretary as required by Section 203 of the Companies Act, 2013 for reasons stated therein.*
7. *The ultimate outcome of the matter specified in para 1 to 5 cannot be presently be determined and its consequential impact on these financial statements cannot be ascertained.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in the basis of Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016 and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

Without qualifying our opinion, we draw attention to the following:

1. Note 31.1 regarding our inability to physically verify the inventories and cash in hand for reasons stated therein as our appointment was made on 18th March, 2017.

2. Note 41.6 regarding ascertainment of gratuity liability from an approved actuary in respect of Lucknow unit and transferred employees in absence of details from Life Insurance Corporation of India as explained therein.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required the Companies (Auditor's Report) Order 2016, issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Companies Act, 2013 ('the Act'), we give in the Annexure-A-a statement on the matters specified in paragraphs 3 & 4 of the said Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a. *Except for the matters described in the Basis of Qualified Opinion paragraph, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;*
 - b. *Except for the matters described in the Basis of Qualified Opinion paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;*
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. *Except for the matters described in the Basis of Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;*
 - e. on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
 - f. With respect to the adequacy of the internal financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure-B.
 - g. With respect to the other matters to be included in the 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's disclosures on the impact of pending litigation on its financial position in its financial statements in respect of claims and demands of the Company which are being contested are mentioned in notes 28A & 52.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. *There has been a delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company (Refer Note 31.2).*

For RAY & RAY
Chartered Accountants
Firm's Registration Number 301072 E

Sd/-
(Anil Kumar Sharma)
Partner
Membership Number 80085

Place: New Delhi
Date: 19th March, 2017

ANNEXURE-A TO INDEPENDENT AUDITORS' REPORT

(Referred to Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report at even date)

- (i) a) The Company has generally maintained proper records showing full particulars regarding valuation of different type of assets including quantitative details and situation of fixed assets. *The Company is still in the process of updating its records showing item-wise details etc. of the fixed assets.*
- b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. Based on such programme fixed assets at Agra & Khajuraho were to be physically verified during the year. *The management has not conducted the physical verification of assets at Agra and Khajuraho units (Note 30.1). In our opinion, the frequency of verification is not reasonable having regard to the size of the company and nature of its assets. As the fixed assets were not physically verified during the year, hence it is not possible to determine whether there are any discrepancies with respect to the same.*
- c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the titles deeds of immovable properties are held in the name of the Company *except for the following which are in the name of the Company erstwhile Uttar Pradesh Hotels & Restaurants Limited (Note 30.3):*

Type of land	Location	Gross Block (Rs.)	Net Block (Rs.)
Freehold Land	Khajuraho	1,811,501	1,811,501
Leasehold Land	Jaipur	117,685	113,486
	Lucknow	436,368	202,169

Steps are being taken to transfer such title deeds in the name of the Company.

- (ii) The inventories were physically verified by the Management during the year at reasonable intervals. In our opinion, the frequency of verification is reasonable. *However, we could not observe the process.* The discrepancies noticed on verification between physical stock and book records were not material and have been properly dealt with in the books of account.
- (iii) 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. *However, a sum of Rs. 78,902 has been shown recoverable from Late Chairman & Managing Director being excess remuneration paid to him. This amount was recovered in cash in June 2016. Further, inadvertently the Company has given an advance to two relatives of a director aggregating to Rs. 275,403 which was recovered on 18th March, 2017. No interest on such amount was recovered.*
- (iv) *The Company has given an advance in the nature of loan to two relatives of a director amounting to Rs. 275,403 for which compliance of Section 185 of the Companies Act, 2013 could not be done.* In our opinion and according to the information and explanations given to us, the Company has complied with the provision of Section 186 of the Companies Act, 2013 in respect of loans, investment, guarantees and securities.

- (v) The Company has not accepted any deposits from the public. As such requirement of clause (v) of paragraph 3 of the aforesaid order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (i) of the Companies Act, 2013 in respect of services carried out by the Company.
- (vii) a) According to records of the Company, and subject to comments below, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it with the appropriate authorities *though there have been instances of delays and non-depositions/ non-deductions.*

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.

	<i>Amount (Rs.)</i>
<i>House Tax/ Municipal Tax & Water tax /cess</i>	<i>3,442,375</i>
<i>Purchase Tax / VAT/Entry tax etc.</i>	<i>50,000</i>
<i>Music tax</i>	<i>23,625</i>
<i>Provident Fund & Employees State Insurance dues</i>	<i>957</i>

- 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	Years	Forum where dispute is pending	Amount (Rs.)
Income tax Act,1961	Income Tax	2013-14	Commission (Appeal) III Lucknow	2,666,090
		2014-15	Commission (Appeal) III Lucknow	911,700
		1989-90 to 1991-92	Hon'ble High Court of Allahabad*	5,859,000
Value Added Tax – Uttar Pradesh	Value Added Tax	2007-08	Trade Tax Appellate Tribunal, Agra	1,834,515
		2010-11	Addl. Commissioner Commercial Tax, Agra	218,647

**Reference is also invited to Note 28 A (i) (b) as regards the Income Tax Department having appealed to the Hon'ble High Court, Allahabad against the Order of the Income Tax Appellate Tribunal upholding the views of the Company in respect of the claim of deduction regarding earnings in convertible foreign exchange under Section 80 HHD (Assessment years 1989-90 to 1991-92). The total amount disputed (excluding interest & penalties) aggregated to Rs. 5,859,000.*

- (viii) As per books and records maintained by the Company and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution / bank. 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) during the year. On the basis of the records examined by us, the Company has not availed any tem loan during the year.
- (x) During the course of our audit of the books of accounts of the Company and *subject to Note 51.1 as regards concerns raised by one Joint Managing Director and counter concerns made by the other Joint Managing Director as regards working of hotels and certain aspects of management and Note 51.2 as regards petition filed before Company Law Board under Sections 397/398, 402, 403 and 237 of the Companies Act, 1956 and Section 219 & Section 220 of the Companies Act, 2013 by one of the Joint Managing Director and reply filed by the other Joint Managing Director contesting the same which is suitably explained in said notes and which was also mentioned in our previous audit report, we have neither come across any instance of fraud on or by the Company nor have we been informed of any such case by the Management.*
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, *all transactions with the related parties are not in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable* and the details of such transactions have been disclosed in the financial statements as required by the applicable standards.
- (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 RAY & RAY
Chartered Accountants
Firm's Registration Number 301072 E

Sd/-
(Anil Kumar Sharma)
Partner
Membership Number 80085

Place: New Delhi
Date: 19thMarch, 2017

ANNEXURE- B TO THE INDEPENDENT AUDITOR'S REPORT

We have audited the internal financial controls over financial reporting of **U.P. Hotels Limited** ("the Company") as of March 31, 2016 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 Control over Financial Reporting issued by the Institute of Chartered accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the" Guidance Note") and the Standards on auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedure that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that the generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

- (i) Attention is invited to Notes 51 & 52.4 of the financial statements wherein both the Joint Managing Directors cum CFO have raised concerns regarding working of hotels, certain aspects of management and the matter pending before National Company Law Tribunal for oppression and mismanagement. Due to the ongoing disputes and internal differences, there are differences of opinion/ disagreement in the manner, the internal financial control needs to be operated. The Company could not formulate the policy of risk management. The Company is in the process of adopting a risk management policy for identifying, evaluation, monitoring and minimisation of identifiable risks and to ensure business growth with financial stability. Further, during the year the Company has held only one meeting of the Board of Directors and Nomination & Remuneration Committee. No audit committee meeting was held. As such appropriate discussions / supervision / review / flow of information / monitoring could not take place during the year.
- (ii) According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or 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. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2016.

We have considered the qualified opinion reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and this report does not affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the Financial Statement.

For RAY & RAY
Chartered Accountants
Firm Registration no. 301072E

Sd/-

Place: New Delhi
Date: 19th March, 2017

(Anil Kumar Sharma)
Partner
Membership no. 080085

BLANK

BALANCE SHEET AS AT 31st MARCH ,2016

(Amount in Rs.)

	Note		As at 31st March 2016	2015
EQUITY AND LIABILITIES				
Shareholder's funds				
Share Capital	3	54,000,000		54,000,000
Reserves and Surplus	4	<u>744,676,543</u>	798,676,543	<u>711,885,906</u>
				765,885,906
Non-current liabilities				
Deferred tax liabilities (net)	5	32,834,084		36,869,430
Other long - term liabilities	6	112,421		235,740
Long-term provisions	7	<u>21,200,389</u>	54,146,894	<u>36,880,247</u>
				73,985,417
Current liabilities				
Trade payables	8			
-Outstanding dues of Micro & Small Enterprises		-		-
-Outstanding dues of Creditors other than Micro & Small Enterprises		91,589,589		71,499,512
Other current liabilities	9	73,970,494		71,562,118
Short - term provisions	10	<u>57,517,736</u>	223,077,819	<u>10,901,965</u>
				153,963,595
			<u>1,075,901,256</u>	<u>993,834,918</u>
ASSETS				
Non- current assets				
Fixed assets				
Tangible assets	11	597,669,791		590,763,372
Intangible assets	11	449,527		817,310
Capital work-in-progress		-		73,778
Long-term loans and advances	12	9,496,623		8,717,874
Other non-current assets	13	<u>5,189,600</u>	612,805,541	<u>4,872,582</u>
				605,244,916
Current assets				
Current investments	14	80,887,658		104,399,337
Inventories	15	28,025,569		27,471,753
Trade receivables	16	78,355,875		70,991,436
Cash and bank balances	17	253,165,483		168,614,605
Short-term loans and advances	18	15,211,715		12,505,734
Other current assets	19	<u>7,449,415</u>	463,095,715	<u>4,607,137</u>
				388,590,002
			<u>1,075,901,256</u>	<u>993,834,918</u>

NOTES 1 TO 55 TO ACCOUNTS FORM AN INTEGRAL PART OF BALANCE SHEET

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

for Ray & Ray
Chartered Accountants

For and on behalf of the board

Sd/-

Anil Kumar Sharma
Partner
Membership no. 80085
Firm Registration no: 301072E
New Delhi
Dated 19.03.2017

Sd/-

Bisheshwar Prasad Singh
Chairman
DIN 06949954

Sd/-

Apurv Kumar
Joint Managing Director
& Chief Financial Officer
DIN 00043538

Sd/-

Rupak Gupta
Joint Managing Director
& Chief Financial Officer
DIN 00007310

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH ,2016

(Amount in Rs.)

	Note	Year ended 31st March	
		2016	2015
INCOME			
Revenue from operations	20	868,757,452	778,065,743
Other income (net)	21	22,810,005	32,990,883
Total Revenue		891,567,457	811,056,626
EXPENSES			
Consumption of provisions, beverages & others	22	137,699,206	126,883,953
Employee benefits expense	23	254,378,272	233,905,746
Finance costs	24	5,764,119	1,197,455
Depreciation and Amortisation expense	25	67,988,759	73,551,776
Other expenses	26	352,666,088	334,898,798
Total Expenses		818,496,444	770,437,728
Profit before exceptional items		73,071,013	40,618,898
Exceptional Items	27	-	-
Profit before tax		73,071,013	40,618,898
Tax expense:			
(a) Current tax	27	37,816,390	22,000,000
(b) Deferred tax		(4,035,346)	(8,513,204)
		33,781,044	13,486,796
Profit for the year		39,289,969	27,132,102
Earnings per equity share:- Basic & diluted	42	7.28	5.02

NOTES 1 TO 55 TO ACCOUNTS FORM AN INTEGRAL PART OF STATEMENT OF PROFIT & LOSS

This is the Statement of Profit & Loss referred to in our report of even date

For and on behalf of the board

for Ray & Ray
Chartered Accountants

Sd/-
Anil Kumar Sharma
Partner
Membership no. 80085
Firm Registration no: 301072E
New Delhi
Dated 19.03.2017

Sd/-
Bisheshwar Prasad Singh
Chairman
DIN 06949954

Sd/-
Apurv Kumar
Joint Managing Director
& Chief Financial Officer
DIN 00043538

Sd/-
Rupak Gupta
Joint Managing Director
& Chief Financial Officer
DIN 00007310

CASH FLOW STATEMENT

(Amount in Rs.)

	Year ended 31st March	
	2016	2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and exceptional Items	73,071,013	40,618,898
Adjustments For :		
Depreciation	67,988,759	73,551,776
Interest income	(11,947,123)	(7,713,593)
Loss on sale/discard of assets (net)	2,438,521	5,136,156
Provision For Retirement Benefits	444,768	-
Interest expense	5,718,823	1,133,455
Provision/write off debts & advances	3,185,023	2,698,203
Provision written back / profit - current investments	(336,746)	(665,002)
Liabilities & provisions written back	(3,145,759)	(10,023,936)
Dividend received	(3,848,511)	(7,471,262)
Operating profit before working capital changes	133,568,768	97,264,695
Adjustments for :		
Trade & other receivables	(14,953,818)	(6,375,368)
Inventories	(553,816)	(2,607,075)
Trade payables & other liabilities	24,671,174	15,377,506
Cash generated from operations	142,732,308	103,659,758
Interest paid	(5,718,823)	(1,133,455)
Direct taxes paid	(13,709,544)	(23,636,479)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	123,303,941	78,889,824
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital work in progress)	(77,863,140)	(86,589,723)
Sale of fixed assets	971,002	531,950
Purchase of investments - mutual funds	(21,000,000)	(27,044,944)
Sale of investments - mutual funds	44,848,426	37,363,315
Interest received	10,446,985	8,901,132
Dividend received	3,843,664	7,660,677
Changes in other bank balances	(58,453,490)	(25,142,279)
NET CASH USED IN INVESTING ACTIVITIES (B)	(97,206,553)	(84,319,872)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proposed dividend*	-	-
Tax on distributable profits*	-	-
NET CASH USED IN FINANCING ACTIVITIES (C)	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	26,097,388	(5,430,048)
Opening balance of cash and cash equivalents	46,748,547	52,178,595
Closing balance of cash and cash equivalents	72,845,935	46,748,547

*The Company has paid dividend of Rs. 1,89,00,000 for 2013-14 in October 2016 and shown under Short Term Provisions. Dividend of Rs. 54,00,000 for the year 2014-15 was approved by the shareholders on 18th March 2017 and would be paid in 2017-18. Similarly, dividend of Rs. 54,00,000 for the year 2015-16 has been provided for. Dividends for 2014-15 and 2015-16 have been shown as Long Term Provisions.

NOTES:

- The cash flow statement has been prepared in the indirect method except in the case of interest, purchase, rent & sale of assets & dividend which have been considered on the basis of actual cash movement, with corresponding adjustments in assets & liabilities. Taxes paid have been treated as operating activities.
- The unutilised cash credit limit as at 31st March, 2016 aggregated to Rs. 160,00,000 (2015 - Rs. 160,00,000) which would be available for future operating activities.
- The previous year's figures have been regrouped /recast, wherever necessary, to conform to this year's classification.

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

For and on behalf of the board

for Ray & Ray
Chartered Accountants

Sd/-
Anil Kumar Sharma
Partner
Membership no. 80085
Firm Registration no: 301072E
New Delhi
Dated 19.03.2017

Sd/-
Bisheshwar Prasad Singh
Chairman
DIN 06949954

Sd/-
Apurv Kumar
Joint Managing Director
& Chief Financial Officer
DIN 00043538

Sd/-
Rupak Gupta
Joint Managing Director
& Chief Financial Officer
DIN 00007310

1. Corporate Information

U P Hotels Limited is a Public Limited Company incorporated under the Companies Act, 1956 in the year 1961. The company owns and operates hotels located at Agra, Jaipur, Lucknow & Khajuraho.

2. Significant Accounting Policies

2.1 Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) including the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (the Act), read together with Rule 7 of the Companies (Accounts) Rules 2014 and the provisions of the Act (to be extent notified). The financial statements have been prepared on an accrual basis, under the historical cost convention except where impairment is made and revaluation is carried out and on an ongoing concern basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.2 Use of estimates:

The preparation of financial statements are in conformity with generally accepted accounting principles that requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2.3 Tangible fixed assets & depreciation/amortisation :

- i) Fixed assets are stated at cost (or revalued amount as the case may be), less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price/cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition, construction and installation to bring the asset to its working condition for its intended use. Wherever assets are revalued, amount added on revaluation based on approved valuer's report is disclosed separately.
- ii) No write off is made on leasehold land acquired on 99 years basis. Leasehold land acquired for a shorter period is amortised over the period of lease. Freehold land is not amortised.
- iii) Depreciation on fixed assets is calculated on a straight-line method which coincides with the useful life prescribed under Schedule II of the Companies Act, 2013 except for the following:
 - Building situated on leasehold premises is depreciated over the lease period subject to maximum of sixty years
 - Trade Mark and computer software are amortised over a period of sixty months and thirty six months respectively.

- iv) In case of certain assets which were revalued in past, the additional depreciation on the increased value of the assets due to revaluation is debited to statement of Profit and Loss and an equivalent amount is transferred from Revaluation Reserve to General Reserve.

2.4 Intangible fixed assets & depreciation/amortisation :

Intangible assets are stated at cost of acquisition less accumulated depreciation. Trade Marks and . Computer Software are amortised over a period of sixty months and thirty six months respectively. Amortisation is done on the straight line method.

2.5 Capital work in progress:

Capital work in progress comprises the cost of fixed assets that are not yet ready for their intended use on the reporting date.

2.6 Impairment of assets :

The Company on an annual basis makes an assessment of any indication that may lead to impairment of assets. If any such indication exists, the Company estimates the recoverable amount of assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount by treating the difference between them as impairment loss and is charged to the statement of profit & loss. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.7 Investments :

Investments that are ready realizable and intended to be held for sale are classified as Current Investment. Current investments comprising investments in units of mutual funds are carried at lower of cost and fair value determined on individual investment basis.

2.8 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. Circulating stocks of crockery, cutlery, uniform, linen etc. and stock of printed stationery are charged off.

2.9 Recognition of Income & Expenses :

- i) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognized when the significant risks and rewards of ownership has passed to the buyer, which coincides with the rendering of services and are disclosed net of allowances. Hall rentals and licence fee are recognized on accrual basis as per contract terms.

- ii) Income from interest is credited to revenue in the year of its accrual on time proportion basis taking into account the amount deposited and rate of interest at gross. Dividend income is stated at gross and is recognized when right to receive payment is established.

- iii) Expenditure incurred on renovation / improvement /replacements / repairs in or in relation to existing facility, structure, plant or equipment are charged off to revenue except in situation where these result in a long term economic benefit, in which case these are capitalized. Where there is extension to building or increase in capacity of equipment & plant, the amounts incurred thereon are capitalized.

- iv) Income / sales exclude taxes, such as Value Added Tax, Luxury Tax, Service Tax etc.

2.10 Borrowing costs:

Costs incurred on borrowings, directly attributable to acquisitions / constructions of fixed assets are capitalized as a part of the cost of respective assets. Other borrowing cost is recognized as expense in the year in which they arise.

2.11 Employees 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.

Defined benefit plan - Company's contribution in respect of gratuity is made to Life Insurance Corporation (at all units except one), as per Companies Scheme.

Provisions / write back, if any, in respect of funded as well as unfunded gratuity is made on the basis of the present value of liability as at the Balance Sheet date by actuarial valuation, following projected unit credit method. The liability in respect of funded gratuity is disclosed under other current liability and in respect of unfunded gratuity under long / short term provisions.

Leave encashment (unfunded) is as per actuarial valuation as at Balance Sheet date following projected unit credit method.

Termination benefits are recognized as an expense as and when incurred.

Actuarial gains / losses are immediately taken to the statement of profit & loss and are not deferred.

Short term employee benefit is recognized as an expense in the statement of profit & loss of the year in which related service is rendered.

2.12 Foreign Currency Transaction:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

Monetary items outstanding at the balance sheet date are translated at the exchange rate prevailing at the balance sheet date and the resultant difference is recognized as income or expense. Non-monetary items outstanding at the balance sheet date are reported using the exchange rate at the date of the transactions.

2.13 Lease :

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit & loss on a straight-line basis over the lease term.

2.14 Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the good relates to a depreciable assets, its value is deducted from gross value to arrive at carrying amount of that asset.

2.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the year 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, if any.

2.16 Provision, contingent liabilities and contingent assets:

Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. Contingent liabilities are recognized only when there is possible obligation arising from the past events due to occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. The obligations are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent assets are not recognized in the financial statements.

2.17 Proposed dividend :

Dividend recommended by the Board of Directors is provided for in the Accounts, pending shareholders' approval.

2.18 Taxes on Income :

Tax expenses comprises current tax (Income Tax) after taking into consideration benefits available under the provisions of Income Tax Act, 1961 and deferred tax (AS 22).

The deferred tax charged or credit is recognized using current tax rates. Where there is unabsorbed depreciation or carried forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is a reasonable certainty of realization in future. Deferred tax assets / liabilities are reviewed at each balance sheet date based on developments during the year and available case laws, to re-assess realization/ liabilities.

2.19 Prior period, extra ordinary items and changes in policies :

Prior period, extra – ordinary items and changes in accounting policies having material impact on the financial affairs of the Company are disclosed.

2.20 Events after the Balance Sheet date :

Events occurring after the date of the Balance Sheet which affect the financial position to a material extent are taken into cognizance.

Notes to accounts (Contd.)

	As at 31st March	
	2016 Rs.	2015 Rs.
3.		
SHARE CAPITAL		
AUTHORISED		
7,000,000 (2015- 7,000,000) Equity Shares of Rs. 10 each	70,000,000	70,000,000
100,000 (2015 -100,000)Preference Shares of Rs. 100 each	10,000,000	10,000,000
	80,000,000	80,000,000
ISSUED, SUBSCRIBED & PAID UP		
5,400,000 (2015 - 5,400,000) Equity Shares of Rs. 10 each fully paid up	54,000,000	54,000,000
	54,000,000	54,000,000

Notes

a. Reconciliation of Equity Shares

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Rs.	Number of shares	Rs.
At the beginning of the year	5,400,000	54,000,000	5,400,000	54,000,000
Issued during the year	-	-	-	-
At the end of the year	5,400,000	54,000,000	5,400,000	54,000,000

b. Shareholder's holding more than 5% of Equity shares at the end of the year

Name of the shareholders	As at March 31, 2016		As at March 31, 2015	
	Number of shares	%	Number of shares	%
The Indian Textiles Co. Private Limited	1,313,676	24.33	1,313,676	24.33
Shri Rupak Gupta	818,524	15.16	818,524	15.16
Banaras House Private Limited	540,000	10.00	540,000	10.00

c. 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.

d. 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 as proposed by Board of Directors subject to the approval of shareholders in the ensuing Annual General Meeting. 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.

Notes to accounts (Contd.)

	As at 31st March	
	2016	2015
	Rs.	Rs.
4.		
RESERVES AND SURPLUS		
General Reserve		
As per last account	305,924,654	304,899,986
Add: Transferred from Revaluation Reserve	<u>1,024,668</u>	<u>1,024,668</u>
	306,949,322	305,924,654
Revaluation Reserve		
As per last account	16,409,577	17,434,245
Less : Transferred to General Reserve	<u>1,024,668</u>	<u>1,024,668</u>
	15,384,909	16,409,577
Surplus in Statement of Profit and Loss		
As per last account	389,551,675	388,787,247
Less: Carrying amount of fixed assets whose remaining useful life is nil as on 1st April 2014 (Schedule II of the Companies Act, 2013) net of deferred tax	-	19,868,342
Add: Profit during the year as per Statement of Profit and Loss	<u>39,289,969</u>	<u>27,132,102</u>
	428,841,644	396,051,007
Less: Appropriations		
Transferred to General Reserve	-	-
Proposed Dividend on Equity Share*	5,400,000	5,400,000
Tax on Proposed Dividend on Equity Shares	<u>1,099,332</u>	<u>1,099,332</u>
	422,342,312	389,551,675
Balance at the end of the year	<u>744,676,543</u>	<u>711,885,906</u>
* Dividend of Rs. 1.00 per share (2015- Rs. 1.00 per share) amounting to Rs. 54,00,000 (2015 - Rs. 54,00,000) has been recommended by the Board of Directors. This dividend will be paid to the shareholders if approved at the forthcoming Annual General Meeting.		
5.		
DEFERRED TAX LIABILITIES - NET		
Deferred tax liability on account of:		
Fixed assets (excess of net block over written down value as per provision of income tax Act, 1961)	50,007,132	50,891,442
Less: Deferred tax asset on account of:		
Gratuity/Leave Encashment on Retirement	10,859,076	10,036,079
Provision for doubtful debts , advances etc.	1,697,390	701,282
Accrued expenses deductible on payment	<u>4,616,582</u>	<u>3,284,651</u>
Total Assets	17,173,048	14,022,012
Deferred tax liabilities (net)	<u>32,834,084</u>	<u>36,869,430</u>
6.		
OTHER LONG TERM LIABILITIES		
Security Deposit	112,421	235,740
Due to Directors	-	-
Advance from customers	-	-
Retention money	<u>-</u>	<u>-</u>
	<u>112,421</u>	<u>235,740</u>

Notes to accounts (Contd.)

As at 31st March
2016 **2015**
Rs. **Rs.**

7.**LONG TERM PROVISIONS**

Leave encashment	6,416,994	6,107,796
Gratuity (unfunded)	1,784,731	1,525,524
Proposed Dividend	10,800,000 *	24,300,000
Tax on proposed dividend	2,198,664 *	4,946,927
	<u>21,200,389</u>	<u>36,880,247</u>

*The Company has paid dividend of Rs. 1,89,00,000 for 2013-14 in October 2016 and shown under Short Term Provisions. Dividend of Rs. 54,00,000 for the year 2014-15 was approved by the shareholders on 18th March 2017 and would be paid in 2017-18. Similarly, dividend of Rs. 54,00,000 for the year 2015-16 has been provided for. Dividends for 2014-15 and 2015-16 have been shown as Long Term Provisions.

8.**TRADE PAYABLE**

Total outstanding dues of Micro & Small Enterprises**	-	-
Total outstanding dues of creditors other than Micro & Small Enterprises	91,589,589	71,499,512
	<u>91,589,589</u>	<u>71,499,512</u>

**The Company has not received from parties any information/memorandum (as required to be filled by the suppliers/vendors with notified authority under Micro, Small & Midium Enterprises Act, 2009) claiming their status as Micro, Small & Medium Enterprises. As such the Company does not owe any dues on account of principal amount together with interest and accordingly no additional disclosures are made. This has been relied by the auditors.

9.**OTHER CURRENT LIABILITIES**

Advance from customers	13,172,472	18,150,603
Unpaid /Unclaimed dividends#	15,349,617	15,649,017
Contribution to gratuity fund	22,556,246	22,661,213
Liability for capital expenditure	8,839,626	3,811,112
With-holding tax and statutory dues	13,053,177	10,453,151
Sundry deposits	999,356	837,022
	<u>73,970,494</u>	<u>71,562,118</u>

#The Securities & Exchange Board of India (SEBI) has vide its Orders had directed freezing of voting rights and corporate benefits with respect to excess proportionate promoter/promoter group shareholding for non-compliance of Clause 40A of the Listing Agreement as regards Minimum Public Shareholding (MPS). Accordingly, dividend for 2012-13 in relation to the excess of proportionate promoter/promoter group shareholding is appearing under unpaid/unclaimed dividend account.

10.**SHORT TERM PROVISIONS**

Leave encashment	495,788	593,324
Gratuity - unfunded	123,602	44,736
For taxation (net of advance tax)	34,150,751	10,043,905
For wealth tax	-	220,000
Proposed Dividend	18,900,000 *	-
Tax on proposed dividend	3,847,595 *	-
	<u>57,517,736</u>	<u>10,901,965</u>

11. FIXED ASSETS

(Amount in Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Cost as at 31st March 2015	Additions	Sale/ Adjustment	Cost as at 31st March 2016	As at 31st March 2015	Adjusted against retained earnings	For the year	Sale/ Adjustment	As at 31st March 2016	As at 31st March 2016	As at 31st March 2015
TANGIBLE ASSETS											
Land Free Hold	1,811,501	-	-	1,811,501	-	-	-	-	-	1,811,501	1,811,501
Land Lease Hold	717,053	-	-	717,053	313,259	-	22,090	-	335,349	381,704	403,794
Building	527,516,797	32,530,891	2,709,598	557,338,090	178,505,546	-	16,659,214	1,602,428	193,562,332	363,775,758	349,011,251
Electrical Installations	90,541,881	4,656,827	2,396,361	92,802,347	53,553,617	-	4,803,306	2,310,830	56,046,093	36,756,254	36,988,264
Plant & Machinery	339,780,811	29,239,866	11,516,694	357,503,983	198,669,345	-	33,707,008	10,498,660	221,877,693	135,626,290	141,111,466
Office Equipments	1,325,827	293,340	331,880	1,287,287	1,085,362	-	71,116	320,186	836,292	450,995	240,465
Furniture & Fixtures	99,490,563	9,980,910	1,752,148	107,719,325	63,666,010	-	6,183,849	1,669,080	68,180,779	39,538,546	35,824,553
Vehicles	62,046,635	1,235,084	3,694,188	59,587,531	37,291,890	-	5,836,349	2,590,162	40,538,077	19,049,454	24,754,745
Vehicles On Hire	2,897,623	-	-	2,897,623	2,280,290	-	338,044	-	2,618,334	279,289	617,333
Total Tangible Assets	1,126,128,691	77,936,918	22,400,869	1,181,664,740	535,365,319	-	67,620,976	18,991,346	583,994,949	597,669,791	590,763,372
Previous Year	1,047,922,239	99,619,020	21,412,568	1,126,128,691	448,859,515	29,410,617	72,839,649	15,744,462	535,365,319	590,763,372	
INTANGIBLE ASSETS											
Trade Marks	140,501	-	-	140,501	94,791	-	18,182	-	112,973	27,528	45,710
Computer Software	2,976,530	-	-	2,976,530	2,204,930	-	349,601	-	2,554,531	421,999	771,600
Total Intangible Assets	3,117,031	-	-	3,117,031	2,299,721	-	367,783	-	2,667,504	449,527	817,310
Previous Year	2,515,563	601,468	-	3,117,031	1,587,594		712,127	-	2,299,721	817,310	

Notes :

- Lease rentals in respect of properties situated on lease hold land are charged to revenue.
- Certain Trademarks are pending registration under the Trade Marks Act, 1999
- Building comprises of fences, roads and temporary structure etc.
- Refer note 30.3

Notes to accounts (Contd.)

As at 31st March
2016 **2015**
Rs. **Rs.**

12.**LONG TERM LOANS AND ADVANCES (Unsecured - Considered Good unless otherwise stated)**

Capital advance	1,319,680	1,141,000
Amount recoverable from Chairman & Managing Director (related party)	-	78,902
Prepaid expenses	887,037	229,331
Security deposits		
-Considered Good	7,289,906	7,268,641
-Considered Doubtful	232,700	232,700
	<u>9,729,323</u>	<u>8,950,574</u>
Less: Provision for Doubtful Deposits	232,700	232,700
	<u>9,496,623</u>	<u>8,717,874</u>

13.**OTHER NON CURRENT ASSETS****(Unsecured - Considered Good unless otherwise stated)**

Long Term Trade receivables		
Considered Good	5,189,600	4,872,582
Considered Doubtful	4,038,098	1,514,179
	<u>9,227,698</u>	<u>6,386,761</u>
Less: Provision for doubtful debts	4,038,098	1,514,179
	<u>5,189,600</u>	<u>4,872,582</u>

14.**Current investments**

Investment in Mutual Funds	80,887,658	104,399,337
	<u>80,887,658</u>	<u>104,399,337</u>

Note:

Investment in mutual funds are valued at lower of cost or fair value. The details of current investment are given in Note 33.

15.**Inventories***

Provisions, beverages & others	16,194,882	15,840,771
Other stores (includes goods in transit - Rs. 370,499 2015 - Rs. 79,356)	11,830,687	11,630,982
	<u>28,025,569</u>	<u>27,471,753</u>

Note:

*Inventories are valued at cost or net realisable value whichever is lower

Notes to accounts (Contd.)**As at 31st March**

2016	2015
Rs.	Rs.

16.**TRADE RECEIVABLES (Unsecured)**

Outstanding for a period exceeding six months from the due date		
Considered Good	2,908,808	1,851,161
Considered Doubtful	339,000	265,610
	<u>3,247,808</u>	<u>2,116,771</u>
Less: Provision for doubtful debts	339,000	265,610
	A	1,851,161
Other debts		
Considered Good	75,447,067	69,140,275
Considered Doubtful	294,821	148,961
	<u>75,741,888</u>	<u>69,289,236</u>
Less: Provision for doubtful debts	294,821	148,961
	B	69,140,275
	A+B	<u>70,991,436</u>
	<u>78,355,875</u>	<u>78,355,875</u>

17.**CASH AND BANK BALANCES****Cash & Cash Equivalents**

Cash on Hand	2,087,667	2,930,070
Cheque in hand	794,969	1,580,183
Balances with banks in current accounts	54,963,299	42,238,294
Deposits maturing within 3 months	15,000,000	-
	<u>72,845,935</u>	<u>46,748,547</u>

Other Bank Balances

On unpaid dividend account	15,349,617	15,649,017
Employees Security Deposit	696,526	673,384
Bank Deposits held as security with authorities	243,819	240,627
Deposits maturing after 3 months but before 12 months	164,029,586	105,303,030
Deposits maturing after 12 months	-	-
	<u>253,165,483</u>	<u>168,614,605</u>

18.**SHORT TERM LOANS AND ADVANCES (Unsecured-Considered good)**

Security deposits	1,160,000	669,740
Advance recoverable in cash or kind for value to be received * Amount recoverable from Chairman & Managing Director (being excess remuneration) (related party)	2,818,248	962,623
	78,902	-
VAT Input & Service Tax recoverable	2,167,727	2,089,748
Prepaid expenses	8,986,838	8,783,623
	<u>15,211,715</u>	<u>12,505,734</u>

* Inter-alia includes due from relatives of Joint Managing Director- related party Rs. 2,75,403 (2015 - Nil)

19.**OTHER CURRENT ASSETS (Unsecured Considered Good)**

Unbilled revenue	3,644,795	2,244,859
Dividend receivable	36,148	31,301
Interest accrued on deposits	3,768,472	2,268,334
Other receivables	-	62,643
	<u>7,449,415</u>	<u>4,607,137</u>

Notes to accounts (Contd.)

Year ended 31st March

	2016 Rs.	2015 Rs.
20.		
REVENUE FROM OPERATIONS		
Room Sales	389,000,805	338,074,491
Provisions, beverages, smokes and others	423,704,053	392,046,844
Telephone & Telex	1,919,969	2,687,718
Laundry	1,662,458	1,559,404
Hall charges & License fee	44,159,922	37,249,474
Other services	8,310,245	6,447,812
	<u>868,757,452</u>	<u>778,065,743</u>
21.		
OTHER INCOME		
Profit on sale of mutual funds	23,821	29,724
Liabilities & Provisions written back / Bad debts recovered	3,145,759	7,323,936
Provision of water charges written back	-	2,700,000
Provision for dimunition in value of investments written back	312,925	635,278
Interest income	11,947,123	7,713,593
Dividend - current investment (mutual fund)	3,848,511	7,471,262
Miscellaneous income	2,186,890	4,170,931
Sales Tax/Service Tax/Luxury Tax/Refund etc	1,043,645	2,575,027
Foreign Exchange gain / loss	301,331	371,132
	<u>22,810,005</u>	<u>32,990,883</u>
22.		
CONSUMPTION OF PROVISIONS, BEVERAGES AND OTHERS		
Opening Stock	15,840,771	14,684,724
Add:Purchases	138,053,317	128,040,000
	<u>153,894,088</u>	<u>142,724,724</u>
Less:Closing Stock	16,194,882	15,840,771
Consumption	<u>137,699,206</u>	<u>126,883,953</u>
23.		
EMPLOYEE BENEFITS EXPENSE		
Salary Wages, Bonus etc	222,591,649	204,752,746
Contribution to Provident and other Funds	21,926,235	19,336,157
Staff Welfare Expenses	9,860,388	9,816,843
	<u>254,378,272</u>	<u>233,905,746</u>
24.		
FINANCE COSTS		
Interest Expense*	5,718,823	1,133,455
Other Borrowing Cost	45,296	64,000
	<u>5,764,119</u>	<u>1,197,455</u>
* Interest expense includes income tax interest Rs. 55,00,000 (2015 - Rs. 6,00,000)		
25.		
DEPRECIATION & AMORTIZATION EXPENSE		
Tangible Assets	67,620,976	72,839,649
Intangible Assets	367,783	712,127
	<u>67,988,759</u>	<u>73,551,776</u>

Notes to accounts (Contd.)**Year ended 31st March**
2016 **2015**
Rs. **Rs.****26.****OTHER EXPENSES**

Renewals & replacement	12,685,816	15,853,696
Upkeep & Service Cost	19,167,432	18,193,956
Power & Fuel	103,634,933	101,730,748
Rent	6,447,512	6,611,886
Repair & Maintenance		
- Building	29,647,713	21,484,807
- Plant & Machinery	18,883,890	13,861,135
- Others	11,213,399	10,513,927
Insurance	2,468,379	2,186,489
Impairment of asset	-	-
Rates Taxes	14,383,101	15,442,654
Decoration & garden maintenance	3,992,787	4,293,836
Advertisement publicity & others	6,255,007	6,077,758
Commission to Travel Agents	3,028,271	2,513,203
Travelling, conveyance & car maintenance	27,048,987	28,590,944
Postage, telephone & telex	5,025,742	5,416,323
Printing & Stationery	3,538,677	3,894,900
Music, Band, Orchestra & Cable TV	4,527,156	5,704,569
Banquet & Catering	34,726,662	24,563,808
Hire Charges	9,266,834	8,677,015
Provision for Diminution in value of Investments	-	-
Provision / Write off Debts & Advances	3,185,023	2,698,203
Legal & Professional Expenses	8,107,452	10,107,212
Loss on sale / discard of assets (Net)	2,438,521	5,136,156
Directors Sitting Fee & Commision to Other directors	30,000	105,000
Fee to Internal Auditors	1,688,130	1,683,421
Auditors' Remuneration (Note 37)	820,000	824,000
Listing / Filing Fee	266,232	142,425
Expenses on Contractual Services	7,874,701	7,185,153
Donation & Subscription	1,883,533	2,360,076
Miscellaneous Expenses including re-imbusement of expeses to auditors Rs. 26,450 penalty Rs.24,35,140 (2015 - 21,410 & Rs. 875,979 respectively)	10,430,198	9,045,498
	352,666,088	334,898,798

27.**TAX**

Current Tax		
- Income Tax	37,500,000	20,000,000
- Tax adjustments relating to earlier years	316,390	2,000,000
	37,816,390	22,000,000

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

A. Contingent liabilities to the extent, not provided for :

Contingent liabilities not provided for in respect of:

- a) Claims against the Company not acknowledged as debts and not provided for pending appellate /Judicial decisions:

(i) Income Tax	₹ 35,77,790 (2015 – ₹ 35,77,790)
(ii) Value Added Tax	₹ 20,53,162 (2015 – ₹ 20,53,162)
(iii) Other Claims (including claims from landlord)	₹ 52,30,560 (2015 – ₹ 40,60,080)
(iv) Claim of penalties	₹ 22,12,364 (2015 - ₹ 12,12,364)
(v) The company has to meet export obligation in relation to import of ₹ 30,67,368 under EPCG Scheme. In case the Company is unable to meet such obligation, additional liability may accrue	₹ 61,34,736 (2015 – ₹ 84,14,874)

The Management believes that the outcome of the above will not have any material adverse effect on the financial position of the Company.

- b) The Income Tax Department has appealed to the Hon'ble High Court, Allahabad against the order of the Income Tax Appellate Tribunal upholding the views of the Company in respect of the claim of deduction regarding earnings in convertible foreign exchange under Section 80 HHD for Assessment Years 1989-90 to 1991-92. The total amount disputed (excluding interest and penalties) in the matter aggregates to ₹ 58,49,000 (2015- ₹ 58,49,000). The Company, based on expert analysis, is hopeful of a favourable decision from the Hon'ble High Court, Allahabad.
- c) 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 U.P. Liability, if any, is unascertained. The Company is certain that probability of claim succeeding is remote.
- d) 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.
- e) Certain 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.

B. Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (as certified by the Management) ₹ 2,82,320 (2015 – ₹ 6,13,476).

- 29.1 Balance confirmation letters were not dispatched asking parties to confirm the balances by Jaipur unit for trade receivables. In respect of balance confirmation letters sent by the units, most of the parties have not sent back the letters confirming their debit / credit balances.
- 29.2. In the opinion of the Board, the assets of the Company have a value on realization in the ordinary course of business at least equal to the amount at which they are stated. All known liabilities are accounted for and all contingent liabilities are stated.
- 29.3 Liabilities, credit balances and debit balances have been written back / off after proper review / scrutiny by the management.
- 30.1 In accordance with the programme of physical verification of fixed assets over a period of two years, the company has not carried out the physical verification of fixed assets at Agra & Khajuraho units.
- 30.2 Other debts (considered good) inter alia include Rs.2,58,000/- in respect of legal proceedings have been initiated against the party under section 138 of the Negotiable instrument Act, 1881. The Company based on legal opinion is virtually certain of its recovery and accordingly no provision is required.
- 30.3 Following title deeds are in the name of erstwhile name of the company i.e. Uttar Pradesh Hotels & Restaurants Limited:

Type of land	Location	Gross Block - ₹	Net Block - ₹
Freehold land	Khajuraho	18,11,501	18,11,501
Leasehold land	Jaipur	1,17,685	1,13,486
Leasehold land	Lucknow	4,36,368	2,02,169

Company is taking steps to transfer the title deeds in the name of the Company.

- 31.1 As the auditors' appointment is made on 18th March, 2017, the auditors could not be present at the time of physical verification of inventories and cash during the year and at the year end. However, the inventories and cash have been verified by the management during the year and the year end.
- 31.2 There was a delay of 21 days in deposition of unpaid dividend for the financial year 2008-09 to the Investors Education and Protection Fund.
- 32.1 Foreign Exchange exposures not hedged by derivative instruments or otherwise:

	2016		2015	
		₹		₹
Sundry Creditors				
SGD	2,695	1,33,495	1,132	55,872
US\$	1,609	107,688	3,039	1,93,973
Euro	1,396	1,10,194		
Nepal Rupees			94,854	59,284
AUS\$			225	3,957

32.2 The Company does not use derivative financial instruments such as forward exchange contracts and interest rates swaps to hedge its risks associated with foreign currency fluctuations and interest rate or for trading/speculation purposes.

33. Details of current investments – mutual fund

Schedules to Accounts	As at 31st March			
	No. of Units	2016 ₹	No. of Units	2015 ₹
INVESTMENTS - CURRENT (MUTUAL FUNDS)				
Quoted (Non-Trade)				
Birla Sunlife Dynamic Bond Fund – Retail-Plan-Monthly Dividend-Regular Plan (NAV ₹ 41,22,198, 2015 ₹ 41,43,525)	3,79,495.840	40,00,000	3,79,495.840	40,00,000
Birla Sunlife Short Term Fund – Monthly dividend Regular Plan (NAV ₹ 25,10,251 , 2015 ₹ Nil)	2,13,558.395	25,00,000	-	-
HDFC High interest Fund- Short Term Plan Fortnightly Dividend (NAV ₹ 60,05,654 , 2015 ₹ 80,07,723)	5,66,576.511	60,04,700	7,54,875.855	80,00,000
HDFC Liquid Fund – Dividend Monthly (NAV ₹ Nil 2015 ₹ 48,33,128)	-	-	4,70,702.698	48,37,883
HDFC Income Fund – Dividend – Option Payout NAV ₹ 78,75,649 , 2015 ₹ 78,74,228)	7,10,561.407	81,04,734	7,10,561.407	81,04,734
HDFC Floating Rate Income Fund- Short Term Plan-Wholesale Option-Dividend Weekly Option Payout (NAV ₹ Nil , 2015 ₹ 41,95,897)	-	-	4,13,307.471	41,92,778

HDFC Short Term Plan Dividend Option Payout (NAV ₹ 30,05,522 2014 ₹ 30,07,469)	2,90,641.349	30,00,000	2,90,641.349	30,00,000
Reliance Dynamic Bond Fund Dividend Plan (NAV ₹ 69,84,244, 2015 ₹ 1,61.42,760)	5,17,527.720	72,56,049	11,94,662.701	1,67,84,625
Reliance Dynamic Bond Fund - Quarterly Dividend Plan (NAV ₹ 52,70,609, 2015 ₹ 1,61,42,760)	4,99,555.396	50,00,000	4,99,555.396	50,00,000
Reliance Liquid Fund –Treasury Plan Monthly dividend option (NAV ₹ Nil , 2015 ₹ 8,37,120)	-	-	526.632	8,37,532
Franklin (Templeton) India Low Duration Fund-Quarterly Dividend (NAV ₹ 4,15,23,065 , 2015 ₹ 4,17,52,184)	40,16,586.042	4,18,00,000	4,039,022.588	4,19,65,397
Franklin (Templeton) India Low Duration Fund-Direct Quarterly Dividend (NAV ₹ Nil 2015 ₹ 19,71,064)	-	-	1,89,273.470	19,67,138
TATA Income Fund Regular Plan - Appreciation Option (NAV ₹ 50,40,242, 2015 ₹ 47,42,132)	1,09,898.262	40,00,000	1,09,898.262	40,00,000
U T I- Short Term Income Fund - Institutional Option – Quarterly Dividend Plan NAV ₹ Nil ,2015 ₹ 29,52,199)	-	-	2,57,440.490	28,00,000
Total		8,16,65,484		10,54,90,088
Less: Provision for diminution in value of investments		7,77,826		10,90,751
		8,08,87,658		10,43,99,337

<i>Aggregate value of quoted investments</i>	8,16,65,484	10,54,90,088
<i>Net aggregate value of quoted investments</i>	8,08,87,558	10,43,99,337
Net asset value of investments	8,23,37,434	10,56,18,089

34. Pending assessments 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, could not be ascertained and provided for in accounts.
35. The Company has unutilized Cash Credit Limit of ₹ 1,60,00,000 (2015 – ₹ 1,60,00,000) 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 aggregating to ₹ 6,78,00,000 (2015 - ₹ 6,78,00,000).
36. Depreciation has been provided in the accounts on “Straight Line Method” which coincide with the useful life prescribed in Schedule II of the Companies Act, 2013 except for assets stated below where different useful lives are applied.
- Leasehold land is amortized over the lease period. Leasehold land acquired on 99 years basis is not amortized.
 - Intangible assets viz. Trade Marks and Computer Software are being amortized over a period of sixty months and thirty six months respectively.
 - Building situated on leasehold land is depreciated over the lease period subject to the maximum useful life of sixty years.
37. Auditors’ Remuneration (excluding Service Tax)

	2016	2015
	₹	₹
Audit fee	6,96,000	6,96,000
Tax audit fee	84,000	98,000
For certification and limited review	40,000	30,000
Total	8,20,000	8,24,000

38. Disclosures in respect of company’s operating lease arrangements entered on or after 1st April 2001 under Accounting Standard (AS-19) on leases.
- a) The Company has entered into operating Lease arrangement for office premises, transit house and residential premises of employees/directors. Some of the significant terms and conditions of the arrangements are:
- The lease agreements are not non-cancellable in nature and may be terminated by either party by serving a notice
 - lease arrangements which are not non-cancellable are generally renewable by mutual consent on mutually agreeable terms

- b) The company has given shops on license basis which are not non cancellable and can be terminated by either party by serving a notice
- c) Rent in respect of above is charged/ credited to the statement of profit and loss.
39. The company's only business being operating hotels, disclosure of segment-wise information is not applicable under Accounting Standard 17 – 'Segmental Information' (AS 17) notified by the Companies (Accounting Standards) Rules, 2006. There is no geographical segment to be reported since all the operations are undertaken in India.
40. Details of transactions entered into with related parties during the year
- A) Related parties and their relationship
- i) Subsidiary Companies – Nil
- ii) Key Management Personnel :-
- a) Directors
- Shri Birendra Kumar (Chairman & Managing Director) (Expired on 17.01.2016)
- Shri Apurv Kumar (Joint Managing Director & Chief Financial Officer)
- Shri Rupak Gupta (Joint Managing Director & Chief Financial Officer)
- Smt. Supriya Gupta (Executive Director) (ceased to be Executive Director w.e.f. 16.05.2016)
- Shri Arvind Kumar
- b) Relatives of Directors
- Shri Upendra Kumar
- Shri Manish Kumar
- Smt. Rajeshwari Kumar
- Smt. Renuka Kumar
- Shri Anoop Kumar
- Shri Binay Kumar
- Shri Ravi M Gupta
- Shri Vivek Kumar
- Shri Arjun Kumar
- Shri Akshay Gupta
- Shri Anant Kumar
- Smt. Aditi G Mittal
- Shri Udit Kumar
- c) Company Secretary
- Shri Sidharth Ghatak (resigned on 16.05.2016)

iii) Enterprise in 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
Carbon Paste 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
ANK Travels 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
Rajasthan Creative Alliance Network
Hospitality Technologies Private Limited
Daivik Wellness Centre Private Limited
Samparseal Chemicals
Agro Dairy Products
Clarks Brij Hotels India Limited
Nagreeka Brij Hotels Bhav Nagar Private Limited
Ace Power Generation Matara Limited, Srilanka*
Ace Power Generation Horana (P) Limited, Srilanka**
Silk Emporium
Oriental Textiles
Rastriya Vikas Limited
Oriental Emporium
The Jaipur Shop
Pride Hospitality Limited
L P Gupta Family Trust
P D Gupta & Sons

* Mr. Rupak Gupta resigned from the directorship on 28.07.2015

** Mr. Rupak Gupta ceased to be a director as the company was wound up during financial year 2015-16.

B) i) Transaction with the parties under A (ii) above in ordinary course of business at arms length price.

	<u>Year ended 31st March</u>	
	2016	2015
a) Remuneration paid to Directors	₹	₹
Late Shri Birendra Kumar	41,31,327*	46,32,000
Shri Apurv Kumar	41,09,600	40,71,725
Shri Rupak Gupta	39,63,531	39,44,087
Smt. Supriya Gupta	34,74,860	34,99,399
	1,56,79,318	1,61,47,211
Recoverable from (being excess remuneration) Shri Birendra Kumar	78,902	78,902
*includes encashment of leave on his death ₹ 4,50,000		
b) Remuneration paid to Company Secretary		
Shri Sidharth Ghatak	25,67,645	21,86,910
c) Remuneration paid to relatives of Directors		
Shri Anoop Kumar	7,95,563	9,85,614
Smt. Renuka Kumar	4,29,997	4,28,831
Shri Manish Kumar	4,30,080	4,30,080
Shri Ravi M Gupta	5,30,600	5,43,600
Smt. Rajeshwari Kumar	2,92,200	2,97,576
Shri Akshay Gupta	5,50,008	5,50,008
Shri Arjun Kumar	5,82,204	5,94,438
Shri Anant Kumar	5,82,204	5,99,014
Shri Udit Kumar	-	3,17,520
	41,92,856	47,46,681
d) Rent Paid		
Shri Apurv Kumar	2,40,000	2,40,000
Smt. Aditi G Mittal	4,20,000	4,20,000
	6,60,000	6,60,000
e) Sitting Fee		
Shri Arvind Kumar	5,000	10,000
Shri Rakesh M Gupta	-	15,000
Shri Sushil Kumar	-	15,000
	5,000	40,000

f) Amount outstanding at year end Payable		
Shri Birendra Kumar	1,33,706	1,64,000
Shri Apurv Kumar	1,70,000	1,70,000
Shri Rupak Gupta	268,804	42,805
Smt. Supriya Gupta	283000	1,00,000
Shri Arjun Kumar	37767	39,167
Smt. Rajeshwari Kumar	21,600	23,000
Shri Akshay Gupta	37,534	37,534
Shri Manish Kumar	25,160	25,160
Smt. Aditi G Mittal	8,51,915	8,73,218
Shri Anant Kumar	37,767	39,167
Shri. Renuka Kumar	-	22,000
Shri. Anoop Kumar	-	8,900
Shri. Ravi M Gupta	-	32,000
	<u>18,67,253</u>	<u>15,76,951</u>

ii. Transaction with parties in A (iii) above

	<u>Year ended 31st March</u>	
	2016	2015
a) Shop Licence fee received (including electricity recovery)		
Silk Emporium	114,524	1,12,849
ANK Travels Limited	85,002	83,592
The Jaipur Shop	1,20,000	1,20,000
	<u>3,19,526</u>	<u>3,16,441</u>

b) Amount outstanding at the year end

- Receivable		
Silk Emporium- licence fee	49,332	47,505

No dividend was paid during 2015-16 (previous year 2014-15). Refer note 7

41. Employees Benefits

41.1 Defined Contribution Plans.

The Company makes contribution towards Provident Fund & Employees State Insurance for qualifying employees. The Provident Fund & Employees State Insurance is operated by Regional Provident Fund Commissioner and Director, Employees State Insurance Corporation respectively. The Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. The only obligation of the Company with respect to their retirement benefit plan is to make specified contribution at specified rates. A sum of ₹ 1,35,18,631/- (2015 - ₹ 1,29,16,552) on account of Provident Fund has been debited to contribution to provident and other funds. Employees State Insurance contribution ₹33,47,269/- (2015 - ₹32,99,528) has been debited to staff welfare expenses.

41.2 Defined Benefit Plan

Gratuity

The Company's scheme of gratuity provide for lump sum payment to vested employees on departure, of an amount equal to 15 days salary (last drawn) for each completed year of service. Vesting occurs on completion of five years service. The Company makes annual contribution to Employees Group Gratuity cum Life Insurance Scheme of Life Insurance Corporation of India (funded) at all units except Khajuraho. The funds are further invested by Life Insurance Corporation of India. The actuarial valuation at all units was carried out as at 31st March, 2016 by Life Insurance Corporation of India or Actuary under the Projected Unit Credit Method. Provisions were made to bring the gratuity liability in line with the actuarial valuation.

41.3 Disclosure relating to defined benefit plan as per actuarial valuation as at the end of the financial years and recognized in the financial statements

Description	Funded					Leave Encashment	
	Funded		Non Funded			Non Funded	
	2015 (Rs.)	2016 (Rs.)	2015 (Rs.)	2016 (Rs.)	2015 (Rs.)	2016 (Rs.)	2015 (Rs.)
Change In present value of obligation							
Present Value of Obligation as at beginning of the year	56,242,369	63,341,005	57,706,966	1,570,260	1,322,454	6,701,120	6,832,384
Interest Cost	4,499,389	5,067,279	4,616,557	124,208	105,796	530,059	546,591
Current Service Cost	2,735,572	2,918,984	2,908,683	178,295	141,043	889,654	844,705
Benefits Paid	(6,415,353)	(14,537,230)	(6,415,353)	-	-	-	-
Actuarial (gain)/loss on obligation	5,952,644	2,733,901	4,524,152	35,570	967	(1,208,051)	(1,522,560)
Present value of obligation as at end of the year	63,014,621	59,523,939	63,341,005	1,908,333	1,570,260	6,912,782	6,701,120
Change in the fair value of plan assets							
Fair value of plan assets at the beginning of year	33,948,782	40,679,792	33,948,782	-	-	-	-
Expected return on plan assets	7,001,475	3,196,908	6,777,667	-	-	-	-
Contributions	6,419,605	7,738,214	6,419,605	-	-	-	-
Benefits paid	(6,415,353)	(14,537,230)	(6,415,353)	-	-	-	-
Actuarial gain/(loss) on plan assets	(274,717)	(109,991)	(50,909)	-	-	-	-
Fair value of plan assets at the end of the year	40,679,792	36,967,693	40,679,792	-	-	-	-
Fair Value of plan assets							
Fair value of plan assets at beginning of year	33,948,782	40,679,792	33,948,782	-	-	-	-
Actual return on plan assets	6,726,758	3,086,917	6,726,758	-	-	-	-
Contributions	6,419,605	7,738,214	6,419,605	-	-	-	-
Benefits paid	(6,415,353)	(14,537,230)	(6,415,353)	-	-	-	-
Fair value of plan assets at the end of year	40,679,792	36,967,693	40,679,792	-	-	-	-
Funded status	22,334,829	(22,556,246)	(22,661,213)	(1,908,333)	(1,570,260)	(6,701,120)	(6,701,120)
Actuarial gain / loss recognized							
Actuarial gain/(loss) on obligation	(2,733,901)	(2,733,901)	(4,524,152)	(35,570)	(967)	1,208,051	1,522,560
Actuarial (gain)/loss for the year - plan assets	109,991	109,991	50,909	-	-	-	-
Total (gain)/ loss for the period	2,843,892	(2,843,892)	4,575,061	35,570	967	(1,208,051)	(1,522,560)
Actuarial (Gain)/Loss recognised in the year	2,843,892	(2,843,892)	4,575,061	35,570	967	(1,208,051)	(1,522,560)
The amount to be recognized in the balance sheet and statement of profit & loss							
Present value of obligation as at end of the year	63,014,621	59,523,939	63,341,005	1,908,333	1,570,260	6,912,782	6,701,120
Fair value of plan assets at the end of year	40,679,792	36,967,693	40,679,792	-	-	-	-
Funded status	22,334,829	(22,556,246)	(22,661,213)	(1,908,333)	(1,570,260)	(6,912,782)	(6,701,120)
Net liability recognized in balance sheet	(22,332,829)	(22,556,246)	(22,661,213)	(1,908,333)	(1,570,260)	(6,912,782)	(6,701,120)
Expenses recognized in statement of Profit & Loss							
Current service cost	2,735,572	2,918,984	2,908,683	178,295	141,043	889,654	844,705
Interest cost	4,499,389	5,067,279	4,616,557	124,208	105,796	530,059	546,591
Expected return on plan assets	(7,001,475)	(3,196,908)	(6,777,667)	-	-	-	-
Net actuarial (gain)/loss recognized in the year	6,227,361	2,843,892	4,575,061	35,570	967	(1,208,051)	(1,522,560)
Expenses recognized in statement of Profit & Loss	6,460,847	7,633,247	5,322,634	338,073	247,806	211,662	(131,264)

Investment details - invested with LIC

100%

41.4 The actuarial calculations used to estimate commitments and expenses are based on the following assumptions which if changed, would affect the commitments size, funding requirement and expenses

Description	Gratuity				Leave Encashment*	
	Funded		Non Funded		Non Funded	
	2016	2015	2016	2015	2016	2015
b. Mortality rate	8%	8%	7.91%	8%	7.91%	8%
	IALM[2006-2008]	IALM[2006-2008]	IALM[2006-2008]	IALM[2006-2008]	IALM[2006-2008]	IALM[2006-2008]
c. Withdrawl rate						
	Lucknow unit	Other units	Lucknow unit	Other units		
- upto 30 years of age	5.00	3.00	5.00	3.00	5.00	3.00
- upto 44 years of age	3.00	2.00	3.00	2.00	3.00	2.00
- above 44 years of age	1.00	1.00	1.00	1.00	1.00	1.00
d. Future salary increase	10.25%	7%	10	7%	7% - 10%	7% - 10%

The estimates of future salary increase in actuarial valuations take account of inflations, seniority, promotion and other relevant factors such as supply and demand factors in employment market.

* Salary increase considered by actuary is 10% (2015- 10%) in respect of Lucknow unit and all other units is 7% (2015-7%)

41.5 Gratuity expenses and leave encashment have been recognised under the head employees benefit expenses.

41.6. The company has got actuarial valuation of gratuity liability in respect of Lucknow Unit and the transferred employees from an independent approved actuary. In case of Lucknow Unit, there is a variation in withdrawl rate also.

41.7

(Amount in Rs)

Description	Gratuity								Leave Encashment			
	Funded				Non Funded				Non Funded			
	2016	2015	2014	2013	2016	2015	2014	2013	2016	2015	2014	2013
Present value of obligation as at end of the y	59,523,939	63,341,005	57,706,966	54,704,556	1,908,333	1,570,260	1,322,454	1,242,545	6,912,782	6,701,120	6,832,384	6,488,742
Fair value of plan asses at the end of year	36,967,693	40,679,792	33,948,782	32,231,472	-	-	-	-	-	-	-	-
Surplus / (Deficit)	(22,556,246)	(22,661,213)	(23,758,184)	(22,473,084)	(1,908,333)	(1,570,260)	(1,322,454)	(1,242,545)	(6,912,782)	(6,701,120)	(6,832,384)	(6,488,742)
Experience Adjustments on Plan Liabilities [(Loss)/Gain]			-	-								
Experience Adjustments on Plan Assets [(Loss)/Gain]			-	-			-	-			-	-

Year ended 31st March

2016 **2015**

₹ ₹

42. Earnings per share
Computation of both basic and diluted earnings per share of ₹ 10/- each

Profit for the year after tax	3,92,89,969	2,71,32,102
Number of Equity Shares	54,00,000	54,00,000
Basic & Diluted earnings per share of face value of ₹ 10/-	7.28	5.02

43. Earnings in foreign currency

On Hotel Earnings (realization basis) (includes Indirect Earnings from travel agents `1,41,20,601 (2015 ` 16,09,99,124) not verified by Auditors	15,61,98,318	19,71,71,034
--	---------------------	--------------

44. Value of imports calculated on CIF basis in respect of:

i) Provision, beverages & others	22,36,170	8,47,044
ii) Capital Goods	9,32,814	26,59,193

45. Expenditure in foreign currency

Travelling,	28,86,935	15,62,878
Commission	8,48,714	5,60,200

46. Consumption of provisions, beverages and others:

Particulars	2016		2015	
	₹	%	₹	%
Imported	17,85,680	1.30	7,62,537	0.60
Indigenous	13,59,13,526	98.70	12,61,21,416	99.40
	1,37,699,206	100.00	12,68,83,953	100.00

47. The Company has not made any remittances in foreign currencies on account of dividends during the year and does not have information to the extent to which remittances in foreign currencies on account of dividend have been made by or on behalf of non- resident shareholders.

48. a) The Company was required to spend an amount of ₹ 13,71,713 (2015- ₹ 21,28,518) on CSR activities during the year ended 31st March, 2016.
- b) Due to unavoidable circumstances and disputes, the Company could not formulate/approve the CSR policy and no amounts were spent during the year and in previous years.
49. During the year the company, inadvertently, has given an advance in the nature of loan to two relatives of a director amounting to ₹ 2,75,403, steps for which compliance of section 185 of the Companies Act, 2013 could not be made. On being aware, the Company has realized this amount of ₹ 2,75,403 on 18.03.2017.
- 50.1 The Company had taken corporate steps for compliance with Minimum Public Shareholding (MPS) requirement, by passing a board resolution dated 27.05.2013 and shareholder's resolution dated 23.07.2013 for issuance of Bonus Shares to the public shareholders. The said board resolution and the shareholders' resolution was however subject to *status quo* order dated 20.03.2013 in a civil suit filed before a Civil Court at Lucknow bearing Regular Suit No. 1574 of 2012, titled *Birendra Kumar & Ors. vs. Sushil Kumar & Ors.* ("Civil Suit"). There are currently several cross pending litigations filed by both the Joint Managing Directors which are pending before various forums as follows:
1. *Birendra Kumar & Ors. vs. Sushil Kumar & Ors.* ("Civil Suit") filed by three members of the promoter group family against other family members and the Company is also a party to the same.
 2. An SLP bearing No. 26561 of 2014 filed by Shri Rupak Gupta, Joint Managing Director before the Hon'ble Supreme Court of India against the Hon'ble High Court of Allahabad Order dated 30.05.2014. The Hon'ble High Court of Allahabad had directed the parties to the civil suit, including the Company to maintain status quo with respect to management of assets. Both the petitions are presently pending.
- 50.2 The Company was further not able to take requisite steps for issuance of Bonus Shares to the public shareholders even after the EGM held on 29.04.2014 as 62.5% of promoter shareholders have not waived off their right to subscribe to Bonus shares. Securities & Exchange Board of India *vide* its order dated 02.12.2014 has *inter alia* directed freezing of voting rights and corporate benefits with respect to excess of proportionate promoter/promoter group shareholding and other directions against the promoter shareholders and directors. The Company has preferred an appeal against the said order dated 02.12.2014 before the Securities Appellate Tribunal. The Tribunal *vide* its Order dated November 11, 2016 permitted the Company to withdraw the appeals before SAT with liberty to move an application before the appropriate authority seeking permission to delist the Company and for that purpose seek modification of the aforesaid orders dated 4th June, 2013 and 2nd December, 2014 from SEBI. The Order further states that in the event of the application for delisting being rejected, appellants are at liberty to approach SAT to challenge the said orders as also the impugned orders.
- 50.3 The Company is in the process of analyzing the order of the Securities Appellate Tribunal and is taking required steps either to delist the company or comply with Minimum Public Shareholding (MPS) requirement.
- 51.1 Both the Joint Managing Directors and CFO have raised concerns regarding working of hotels, certain aspects of management and matter specified under Para 51.2. They have also given a caveat certificate to the auditors as regards the matter specified in para 51.2. Due to the ongoing disputes and internal differences, there are differences of opinion / disagreement in the manner, the internal financial controls needs to be operated.

51.2 In the meanwhile, a petition has been filed on 15 May 2015 by one of the JMDs titled as Rupak Gupta Vs. UPHL & Ors. before the Company Law Board (now the National Company Law Tribunal), New Delhi against the Company and others under Sections 397/398, 402, 403 and 237 of the Companies Act, 1956 and Section 219 & Section 220 of the Companies Act, 2013 for oppression and mismanagement. Shri Apurv Kumar, the other JMD has filed a reply to the petition on 9.5.2016 on behalf of the respondents - himself and has contested the Petition and denied all the allegations.

52.1 On account of various disputes/litigations, difference of opinion / disagreement, the Company has been unable to comply with various provisions of Listing Agreement (during 01.04.2015 to 30.11.2015), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (during 01.12.2015 to 31.03.2016), Companies Act, 2013, Income Tax Act, 1961 etc. for the year 2015-16 along with various aspects of management and internal issues.

- a) The company has not complied with Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (erstwhile Clause 41 of the Listing Agreement) as it has not published financial results for any of the quarters ending after 31st March, 2014. The trading of the shares in the company has been suspended and the depositories have been asked to freeze the entire shareholding of the promoter & promoter group of the company and the Stock Exchange has also levied a Penalty on the Company vide BSE letter 12th January 2015 .
- b) The Company has not filed the Corporate Governance Report with the Stock Exchange for any of the quarters ending after 30th June, 2014 and the stock Exchange has also served notices on 17th November, 2014 & 18th February, 2015 and levied a Penalty on the Company as the Company has defaulted to Comply with the provision of Clause 49 of the Listing Agreement under Regulation
- c) The Stock Exchange has served a Show Cause Notice to the Company for Non Closure of Register of members and Transfer Books for the Year 2014 which is a Default (erstwhile Clause 16 of the Listing Agreement) under Regulation 42 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 the company has not complied with requirements of Annual Closures of Register of Members and Transfer Bools.
- d) The Company has also made a default of Regulation 26 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (erstwhile Clause 32 of the Listing Agreement) as the Company has not supplied the Annual Report to the Shareholders of the Company within stipulated time.
- e) The Company has not complied with Regulation 28 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (erstwhile Clause 40A of the Listing Agreement) with regard to Minimum Public Shareholding (MPS).
- f) The Company has not yet achieved 100 percent dematerialization of the promoter's shareholding as per circular no. DCS/COM/CIR-03/2011-12 dated 29.06.2011 of BSE Limited.
- g) The Company has not Conducted its Annual General Meeting for the Financial Year ended 31st March, 2014, 2015 and 2016 in time thereby it has defaulted under section 96 of the Companies Act, 2013. Further, Financial Statements for the year were not filed within stipulated time resulting in defaults under section 129 of the Companies Act.

- h) The Existing Independent Director of the Company have to be Re-appointed within one year from 1st April, 2014 in accordance with Section 149(10) and (11) read with Schedule IV of the Companies Act, 2013 and as per General Circular 14/2014 dated 9th June, 2014 of the Ministry of Corporate Affairs. However till date the Company has not re-appointed the Existing Independent Directors hence made a default under the provisions of the Companies Act, 2013. Further, with an Executive Chairman the number of Independent Directors has to be increased to 50 percent of the Board strength as per Clause 49 of the Listing Agreement. The Company has also contravened the provisions of Section 152 of the Companies Act, 2013 which states that the Total number of Retiring directors shall be 2/3rd of the Total Number of Directors.
- i) The Company has constituted the Audit Committee and Nomination and Remuneration Committee and Stake Holders Relationship Committee but the constitution of the Audit Committee and Nomination and Remuneration Committee were not as per the requirements of Section 177 and 178 of the Companies Act, 2013 and Listing Agreement during the financial year. Further the other conditions as mentioned under the Listing Agreement and Section 177 & 178 were not complied with.
- j) As per section 173(1) of the Companies Act, 2013, there shall be a minimum number of four meetings and the gap between the two meetings shall not exceed 120 days. However the Company has contravened the provision of this Section.
- k) The Vigil Mechanism/whistle Blower Policy under section 177(9) of the Companies Act, 2013 for Directors and Employees to report genuine concerns has not yet formulated and placed on the website of the Company. The Company is yet to execute the New Listing Agreement as mandated under SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015.
- l) The Company could not appointed the Internal Auditors for the financial year 2015-2016 in time as required to be appointed under Section 138 and Rule 13 of the Companies (Accounts) Rules, 2014.
- m) The Company has constituted the Corporate Social Responsibility Committee as required under Section 135 of the Companies Act, 2013 but the Terms of Reference and Policy were not made by the Company nor published on the website of the Company. Further No Expenditure was made on the CSR.
- n) The Related Party Transactions were not approved by the Board nor by the Audit Committee in their meeting (Audit Committee is not properly constituted). Further no Contracts with the Related Party was approved therefore the same was not entered in the Register maintained under Section 189 of the Companies Act, 2013.
- o) The Accounts of the Company for financial year ended 31st March 2014, 2015 and 2016 as required under Section 129 of the Companies Act, 2013 were not audited in time.
- p) One Separate Board meeting of the Independent Directors is required to be held i.e. at least one in a year (without the presence of non independent directors) to review the performance of the Non- Independent Directors, assess quality, quantity & timelines of flow of Information between Management and Board, However Company has not Complied with the same and contravened the provisions of Schedule IV to the Companies Act, 2013 and SEBI Listing Regulations.

- q) The Company is yet to update its website in accordance with Regulation of SEBI (Listing Obligation and Disclosure Requirements), 2015.
- r) Company has not maintained/updated the Statutory Registers as per the requirements of the Companies Act, 2013.
- s) Company has received show cause notice from ROC dated 03.10.2016 for default under Section 137/96/92 of the Companies Act, 2013 for failure to file Annual Return, Balance Sheet, relevant profit and Loss Account for the year ended 31.03.2015 and for failure to held AGM for 2015.
- t) Form MR-1 in respect of re-appointment of Late Shri Birendra Kumar as Chairman Managing Director and Chief Executive Director could not be filled with the ROC.
- u) During the financial year under review, the company has re-constituted the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee as per the requirements of Section 177 and 178 of the Companies Act, 2013 and Listing Regulation, however Mr. Jag Mohan Lal one of the Independent Director ceases w.e.f 30/09/2015, thereafter, the number of members of the Audit committee, Nomination and Remuneration Committee and Stake holder relationship Committee is reduced and a vacancy for an Independent Director remains to be complied with.
- v) The Company has not filed the Tax Audit Report in time to the Tax Authorities.
- w) The Company's capital budget and operation budget were not approved by the Board of Directors.

52.2 All the above defaults and non-compliances result in penalties, prosecution of officer- in-default etc. which are not quantifiable at this stage. Necessary application for condonation and compounding would made in due course of time. The Management believes that the outcome of the above will not have any material adverse effect on the financial position of the Company.

52.3 After appointment of Non-Executive Chairman & Independent Director on 19th August, 2016 by the Hon'ble NCLT, the Company is taking steps to comply with relevant provisions of Companies Act, 2013 regarding composition of the board of directors, and the formation of Audit Committee & other committees etc., are being complied. The company has also complied with the requirement of appointment/reappointment of independent directors (for which shareholders' approval is yet to be obtained) /internal auditors and formulation of various policies regarding Corporate Governance. The company is taking necessary steps to comply with the remaining regulatory requirements.

52.4 The company could not formulate the policy on Risk Management. However, the company is in the process of adopting a Risk Management Policy for identification, evaluation, monitoring and minimization of identifiable risk and to ensure business growth with financial stability of the company.

During the year, the company has held only one meeting of Board of Directors and Nomination & Remuneration Committee. No meeting of Audit Committee was held. As such appropriate discussions / supervision / review / flow of information / monitoring could not take place.

53. The accounts were not authenticated by a Company Secretary as required by section 203 of Companies Act, 2013. The Company Secretary has been appointed on 15th February, 2017.

54. The Company has received notice from Registrar of Companies dated 4th October,2016 for non-compliance of various provisions of Companies Act, 2013 including holding of Annual General Meeting for the financial year 2014-15 against which application has been preferred before the Hon'ble National Company Law Tribunal. Subsequently, vide its order dated 21st December, .2016 in these proceedings, the Hon'ble National Company Law Tribunal has directed that the parties to set rights the things in order in relation to statutory compliances at the earliest and not later than 31st March.2017 for the year ended 31st March,2015 and 31st March,2016. The Company is taking necessary/corrective steps to comply with this directive. The Company has also received Notice dated 28th December, 2016 under Section 206(4) of the Companies Act, 2013 from office of the Registrar of Companies, Ministry of Corporate Affair, Government of India asking for information / explanations on certain matters. The Company has replied to such notice on 24th January, 2017.
- 55 . Previous year's figures have been regrouped/ reclassified wherever necessary to confirm to this year's classification.

For and on behalf of the Board

Sd/-	Sd/-	Sd/-
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

New Delhi,
19th March, 2017

U. P. HOTELS LIMITED

CIN No. L55101 DL1961PLC017307

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

ATTENDANCE SLIP

55th Annual General Meeting held on **Friday, 31st day of March, 2017**

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 55th Annual General Meeting of the Company to be held on Friday, 31st day of March, 2017, at 9.30 a.m. at P H D House, Opposite Asian Games Village, New Delhi- 110016

Signature of First holder/Proxy/ Authorised 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 2015-16 & 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.

Form No. MGT-11

Proxy Form

U. P. HOTELS LIMITED

CIN No. L55101 DL1961PLC017307

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

[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

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

as my/our Proxy to attend vote (on a poll) for me/us and on my/our behalf at the 55th Annual General Meeting for the Financial Year ending 31-03-2016 of the company to be held on Friday, **31st day of March, 2017** at 9.30 a.m. at P H D House, Opposite Asian Games Village, New Delhi- 110016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

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, 2016.
2. Declaration of the Final Dividend on Equity Shares for the financial year ended 31-03-2016
3. Re-appointment of Mr. Arvind Kumar, who retires by rotation & offers himself for re-appointment.

4. Ratification of M/s. Ray & Ray, Chartered Accountants as Statutory Auditors of the Company.
5. Re-Appointment and fixation of remuneration of Shri Apurv Kumar for a period of one year w.e.f. 15th May, 2016
6. Re-Appointment and fixation of remuneration of Shri Rupak Gupta for a period of one year w.e.f. 15th May, 2016
7. Appointment of Mr. Ravinder Kumar Chadha as Independent Director of the company

Signed this day of March, 2017

Signature of the Shareholder

Affix Revenue Stamp

Signature of Proxy holder(s)

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.

Route Map to the venue of Meeting

