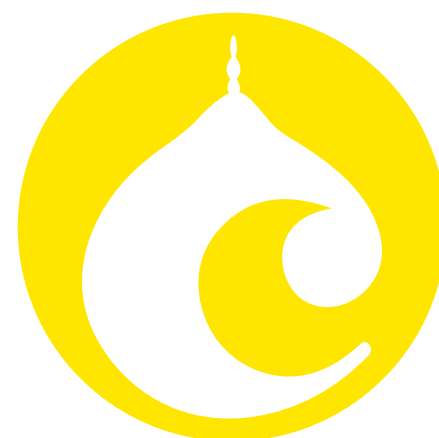


**49th Annual Report  
2009 - 2010  
U.P. Hotels Limited**



**CLARKS  
GROUP OF  
HOTELS**

*In Loving Memory of  
Our Chairman & Managing Director*



**L. P. GUPTA**  
12.11.1916 - 15.02.2010

**THE LEGEND NEVER DIES.**  
Your life and noble deeds continue to inspire us.

# **U P HOTELS LIMITED**

## **BOARD OF DIRECTORS**

Shri Birendra Kumar  
Chairman & Managing Director

Shri Apurv Kumar  
Joint Managing Director

Shri Mohinder Kapur

Shri Rupak Gupta  
Joint Managing Director

Shri Pramod B Agarwala

Smt Supriya Gupta  
Executive Director

Shri Rajendra Suraiya

Shri Rakesh M Gupta

Shri Arvind Kumar

Shri Ravinder Kumar Chadha

Shri Girish Narain Mehra

Shri Sanjiv Swarup

Shri Jag Mohan Lal

Shri Sushil Kumar

## **COMPANY SECRETARY**

Sidharth Ghatak

## **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.,  
246, 1<sup>st</sup> Floor, Sant Nagar  
East Of Kailash, New Delhi– 110 065.

## NOTICE

NOTICE is hereby given that the Forty Ninth Annual General Meeting of U P Hotels Limited will be held on Saturday, the 28th, August 2010 at 09:30 a.m. at PHD House, Opposite Asian Games Village, New Delhi-110 016 to transact the following business:-

1. To receive and consider the Audited Balance Sheet as at 31<sup>st</sup> March, 2010 and the Profit & Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To declare dividend
3. To elect a director in place of Shri Jag Mohan Lal, who retires by rotation and being eligible, offers himself for reappointment.
4. To elect a director in place of Shri Ravinder Kumar Chadha, who retires by rotation and being eligible, offers himself for reappointment.
5. To elect a director in place of Shri Rajendra Suraiya , who retires by rotation and being eligible, offers himself for reappointment.
6. To elect a director in place of Shri Mohinder Kapur, who retires by rotation and being eligible, offers himself for reappointment.
7. To appoint auditors and to authorise the Board of Directors to fix their remuneration.

## **SPECIAL BUSINESS**

8. To consider and, if thought fit, to pass with or without modification the following as Special Resolution.

“RESOLVED THAT pursuant to provisions of Section 198 , 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the company hereby approves the re-appointment of Shri Birendra Kumar as Chairman cum Managing Director of the Company for a period of five years with effect from 15<sup>th</sup> May, 2010 and payment of such remuneration to Shri Birendra Kumar as Chairman cum Managing Director during the tenure of his appointment as Chairman cum Managing Director as set out in the agreement entered into between the Company and Shri Birendra Kumar, a copy of which is placed before the meeting and signed by the Chairman for identification, which agreement is hereby specifically sanctioned with the liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Shri Birendra Kumar.”

“FURTHER RESOLVED THAT the consent of the Company be and is hereby accorded to the payment of remuneration by way of salary and perquisites to Shri Birendra Kumar, Chairman cum Managing Director in terms of Schedule XIII to the Companies Act, 1956 in the event of loss or inadequacy of profits in any year.”

9. To consider and, if thought fit, to pass with or without modification the following as an Ordinary Resolution.

“RESOLVED THAT pursuant to provisions of Section 198 , 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the company hereby approves the appointment of Shri Apurv Kumar as Joint Managing Director of the Company for a period of five years with effect from 15<sup>th</sup> May, 2010 and payment of such remuneration to Shri Apurv Kumar as Joint Managing Director during the tenure of his appointment as Joint Managing Director as set out in the agreement entered into between the Company and Shri Apurv Kumar, a copy of which is placed before the meeting and signed by the Chairman for identification, which agreement is hereby specifically sanctioned with the liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Shri Apurv Kumar.”

“FURTHER RESOLVED THAT the consent of the Company be and is hereby accorded to the payment of remuneration by way of salary and perquisites to Shri Apurv Kumar, Joint Managing Director in terms of Schedule XIII to the Companies Act, 1956 in the event of loss or inadequacy of profits in any year.”

10. To consider and, if thought fit, to pass with or without modification the following as an Ordinary Resolution.

“RESOLVED THAT pursuant to provisions of Section 198 , 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the company hereby approves the appointment of Shri Rupak Gupta as Joint Managing Director of the Company for a period of five years with effect from 15<sup>th</sup> May, 2010 and payment of such remuneration to Shri Rupak Gupta as Joint Managing Director during the tenure of his appointment as Joint Managing Director as set out in the agreement entered into between the Company and Shri Rupak Gupta, a copy of which is placed before the meeting and signed by the Chairman for identification, which agreement is hereby specifically sanctioned with the liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Shri Rupak Gupta.”

“FURTHER RESOLVED THAT the consent of the Company be and is hereby accorded to the payment of remuneration by way of salary and perquisites to Shri Rupak Gupta, Joint Managing Director in terms of Schedule XIII to the Companies Act, 1956 in the event of loss or inadequacy of profits in any year.”

11. To consider and, if thought fit, to pass with or without modification the following as an Ordinary Resolution.

“RESOLVED THAT Smt. Supriya Gupta, in respect of whom notice under section 257 of the Companies Act, 1956 has been received from a shareholder proposing her name as a director, be and is hereby appointed as a director of the company”.

“FURTHER RESOLVED THAT pursuant to provisions of Section 198 , 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the company hereby approves the appointment of Smt. Supriya Gupta as Executive Director of the Company for a period of 5 years w.e.f. 15<sup>th</sup> May, 2010, and payment of such remuneration to Smt. Supriya Gupta during the tenure of her appointment as Executive Director as set out in the agreement entered into between the Company and Smt. Supriya Gupta, a copy of which is placed before

the meeting and signed by the Chairman for identification, which agreement is hereby specifically sanctioned with the liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Smt. Supriya Gupta.”

“FURTHER RESOLVED THAT the consent of the Company be and is hereby accorded to the payment of remuneration by way of salary and perquisites to Smt. Supriya Gupta, Executive Director in terms of Schedule XIII to the Companies Act, 1956 in the event of loss or inadequacy of profits in any year.”

12. To consider and, if thought fit, to pass with or without modification the following as Special Resolution.

“RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, subject to the approval of the shareholders, consent of the Company be and is hereby accorded to the appointment of Shri Arjun Kumar (relative of S/Shri Apurv Kumar & Birendra Kumar) as Chief Executive E-Commerce and Sales, in the Company w.e.f. Ist November, 2009 on a remuneration of Rs. 20,000/- p.m. (in the scale of 20000-1000-25000) and perquisites as set out in the Explanatory Statement attached to the Notice convening the Annual General Meeting so that the total gross monthly remuneration shall not exceed the prescribed limit i.e. Rs. 50,000/-.”

13. To consider and, if thought fit, to pass with or without modification the following as Special Resolution.

“RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, subject to the approval of the shareholders, consent of the Company be and is hereby accorded to the appointment of Shri Akshay Gupta (relative of Shri Rakesh M Gupta) as Marketing Executive in the Company w.e.f. Ist November, 2009 on a remuneration of Rs. 20,000/- p.m. (in the scale of 20000-1000-25000) and perquisites as set out in the Explanatory Statement attached to the Notice convening the Annual General Meeting so that the total gross monthly remuneration shall not exceed the prescribed limit i.e. Rs. 50,000/-.”

14. To consider and, if thought fit, to pass with or without modification the following as Special Resolution.

“RESOLVED that pursuant to Article 97 of the Articles of Association of the Company and section 309 and other applicable provisions, if any, of the Companies Act, 1956, a sum not exceeding one percent of the net profits of the Company calculated in accordance with the provisions of Section 198, 349 and 350 of the Companies Act, 1956 subject to a ceiling of Rs. 5,00,000/- (Rupees five lacs) be paid to and distributed amongst the Directors of the Company (other than Managing Directors and Whole-time Director) equally and in proportion to the period for which they served as Director and such payment shall be made in respect of the profits of the Company for each year of the period of five years commencing 1<sup>st</sup> April, 2010”.

**NOTES:**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy form should be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.
- b) The Register of members and the Share Transfer books will be closed from Wednesday, the 25<sup>th</sup> August, 2010 to Saturday, the 28<sup>th</sup> August, 2010 (both days inclusive). If the dividend as recommended by the Board of directors is approved at the meeting, payment of such dividend will be made on or after 28<sup>th</sup> August, 2010, as under:
  - i) To all beneficial owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited at the close of business hours on 24<sup>th</sup> August, 2010.
  - ii) To all the shareholders in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 24<sup>th</sup> August, 2010.

- c) Shareholders holding shares in physical form are requested to advise any change in their address / bank account details immediately to the Company's Registrar and Share Transfer Agent M/s. Skyline Financial Services (P) Ltd. Shareholders holding shares in electronic form must send the advice about change in address to their respective Depository Participants and not to the Company.
- d) Shareholders wanting to avail the benefits of ECS facility for payment of dividend are requested to fill the enclosed ECS Mandate Form and return the same to the Secretary of the Company at the registered office or to the Company's Registrar and Share Transfer Agent M/s. Skyline Financial Services (P) Ltd.
- e) Pursuant to Section. 205C of the Companies Act, 1956, all unpaid dividend required to be transferred to the Investor Education & Protection Fund has been so transferred. Unpaid dividend for the financial years 2005-06, 2006-07, 2007-08 & 2008-09 will be transferred to the fund in November 2013, October 2014, October 2015 & October 2016 respectively.
- f) Members are requested to bring their copy of the Annual Report to the Meeting.
- g) Members desiring any information at the Meeting as regards accounts are requested to write to the Secretary of the company so that the communication reaches the Secretary latest by 25<sup>th</sup> August, 2010 to enable the Management to give the information at the time of the meeting.

By Order of the Board

Sd/-  
SIDHARTH GHATAK  
COMPANY SECRETARY

New Delhi  
Dated: 15<sup>th</sup> May, 2010

**Registered Office:**  
1101, Surya Kiran  
19, Kasturba Gandhi Marg  
New Delhi-110 001.

## **ANNEXURE TO NOTICE**

### **EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956**

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying notice dated 15<sup>th</sup> May, 2010.

#### **ITEM NO. 8**

The Board of Directors at its meeting held on 15<sup>th</sup> May, 2010 reappointed Shri Birendra Kumar as Chairman cum Managing Director of the company for a further period of five years w.e.f. 15<sup>th</sup> May, 2010.

The broad terms of the agreement between the company and Shri Birendra Kumar are:

Salary : Rs. 3,00,000/- p.m.

Commission : @1% of the net profits of the company as per the provisions of Companies Act, 1956

#### **Perquisites & Allowances:**

In addition to the salary, Shri Birendra Kumar 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 to be valued as per Income Tax Rules, 1962.
- iii) reimbursement of medical expenses restricted to one month's salary
- iv) fees 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

Shri Birendra 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

Provision of use of the company's car and telephone at residence shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

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

The aggregate of the remuneration and perquisites/benefits including contribution towards Provident Fund, Superannuation Fund and Gratuity Fund, payable to Shri Birendra Kumar alongwith that of all the other Wholtime Directors of the company taken together shall not exceed 10% of the profits of the company calculated in accordance with the provisions of Section 198 and 309 of the Companies Act, 1956 and 5% of the profits as aforesaid for each such director.

In the event of any loss or inadequacy of profits, the Chairman cum Managing Director shall be entitled to salary and perquisites as per provisions of Schedule XIII of the Companies Act, 1956.

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 wholtime directors as per schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard.

S/Shri Birendra Kumar, Arvind Kumar & Apurv Kumar being related to each other may be regarded as concerned with or interested in the re-appointment of Shri Birendra Kumar.

As Shri Birendra Kumar is over 70 years of age, his re-appointment will be subject to the approval of the members of the company by means of special resolution at the forthcoming Annual General Meeting.

The resolution as set out in item no. 8 of the annexed notice is therefor, recommended for your approval.

The agreement entered into by the Company with Shri Birendra Kumar is available for inspection of the members of the company at the registered office between 11.00 a.m. to 1.00 p.m. on any working day.

#### **ITEM NO. 9 & 10**

S/Shri Apurv Kumar & Rupak Gupta have been functioning as Executive Directors of the Company since 1<sup>st</sup> September, 1998.

The Board of Directors at its meeting held on 15<sup>th</sup> May, 2010 appointed S/Shri Apurv Kumar & Rupak Gupta as Joint Managing Directors of the company for a period of five years w.e.f. 15<sup>th</sup> May, 2010.

The broad terms of the agreement between the company and S/Shri Apurv Kumar and Rupak Gupta are:

Salary : Rs. 2,50,000/- p.m.

Commission : @ 1% of the net profits of the company as per the provisions of Companies Act, 1956

#### **Perquisites & Allowances:**

In addition to the salary, S/Shri Apurv Kumar & 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 to be valued as per Income Tax Rules, 1962.
- iii) reimbursement of medical expenses restricted to one month's salary
- iv) fees 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 the annual salary.

S/Shri Apurv Kumar & 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

Provision of use of the company's car for official duties and telephone at residence shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

S/Shri Apurv Kumar & Rupak Gupta will not be entitled to any sitting fee for attending meeting of the Board or of any Committee thereof.

The aggregate of the remuneration and perquisites/benefits including contribution towards Provident Fund, Superannuation Fund and Gratuity Fund, payable to S/Shri Apurv Kumar & Rupak Gupta alongwith that of all the other Wholetime Directors of the company taken together shall not exceed 10% of the profits of the company calculated in accordance with the provisions of Section 198 and 309 of the Companies Act, 1956 and 5% of the profits as aforesaid for each such director.

In the event of any loss or inadequacy of profits, the Joint Managing Directors shall be entitled to salary and perquisites as per provisions of Schedule XIII of the Companies Act, 1956.

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 wholetime directors as per schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard.

S/Shri Birendra Kumar & Apurv Kumar being related to each other may be regarded as concerned with or interested in the appointment of Apurv Kumar.

Smt. Supriya Gupta & Shri Rupak Gupta being related to each other may be regarded as concerned with or interested in the appointment of Shri Rupak Gupta.

Further , the appointment will be subject to the approval of the members of the company by means of ordinary resolution at the forthcoming Annual General Meeting.

The resolutions as set out in item Nos. 9 & 10 of the annexed notice are therefor, recommended for your approval.

The agreements entered into by the Company with S/Shri Apurv Kumar & Rupak Gupta are available for inspection of the members of the company at the registered office between 11.00 a.m. to 1.00 p.m. on any working day.

#### **ITEM NO. 11**

Smt. Supriya Gupta was appointed as additional director with effect from 4<sup>th</sup> March, 2010 and her term will be expiring at the forthcoming Annual General Meeting. Notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose her name as a director of the company.

The Board of Directors at its meeting held on 15<sup>th</sup> May, 2010 appointed Smt. Supriya Gupta as Executive Director of the company for a period of five years w.e.f. 15<sup>th</sup> May, 2010.

The broad terms of the agreement between the company and Smt. Supriya Gupta are:

Salary : Rs. 2,25,000/- per month

Commission : @ 1% of the net profits of the company  
as per the provisions of Companies Act, 1956

#### **Perquisites & Allowances:**

In addition to the salary, Smt. Supriya 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 to be valued as per Income Tax Rules, 1962.
- iii) reimbursement of medical expenses restricted to one month's salary
- iv) fees 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 the annual salary.

Smt. Supriya 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

Provision of use of the company's car for official duties and telephone at residence shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

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

The aggregate of the remuneration and perquisites/benefits including contribution towards Provident Fund, Superannuation Fund and Gratuity Fund, payable to Smt. Supriya Gupta alongwith that of all the other wholetime directors of the company taken together shall not exceed 10% of the profits of the company calculated in accordance with the provisions of Section 198 and 309 of the Companies Act, 1956 and 5% of the profits as aforesaid for each such director.

In the event of any loss or inadequacy of profits, Smt. Supriya Gupta shall be entitled to salary and perquisites as per provisions of Schedule XIII of the Companies Act, 1956.

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 wholetime directors as per schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard.

Shri Rupak Gupta and Smt. Supriya Gupta being related to each other may be regarded as concerned with or interested in the said appointment of Smt. Supriya Gupta.

Further, the appointment will be subject to the approval of the members of the company by means of ordinary resolution at the forthcoming Annual General Meeting.

Copy of the agreement entered into by the company with Smt. Supriya Gupta is available for inspection of the members of the company at the registered office between 11.00 a.m. to 1.00 p.m. on any working day.

The Board recommends the resolution in item No. 11 of the annexed notice for approval of the members.

### ITEM NO. 12 & 13

Shri Arjun Kumar has been appointed as Chief Executive E-Commerce and Sales & Shri Akshay Gupta as Marketing Executive in the Company w.e.f. Ist November, 2009 for marketing of Hotel Clarks Amer, Jaipur at a remuneration as given hereunder:

Salary -- Rs. 20,000/- p.m.  
(in the scale of 20000-1000-25000)

### Perquisites & Allowances:

In addition to the salary S/Shri Arjun Kumar & Akshay 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 upto 50% of the salary
- ii) Medical /PF / Gratuity / LTC and other perquisites as per rules of the Company.

so, however, that the total gross monthly remuneration shall not exceed the prescribed limit i.e. Rs. 50,000/- .

Approval of the shareholders is required by way of Special Resolution as per the provisions of the Companies Act, 1956.

Shri Arjun Kumar is a relative of S/Shri Apurv Kumar, Joint Managing Director & Birendra Kumar, Chairman cum Managing Director of the Company. Hence, S/Shri Apurv Kumar & Birendra Kumar are interested in the Resolution at item no. 12 of the Notice. Other than the aforesaid, no other director of your company is interested in the resolution at item no.12.

Shri Akshay Gupta is a relative of Shri Rakesh M Gupta, Director of the Company. Hence, Shri Rakesh M Gupta is interested in the Resolution at item no. 13 of the Notice. Other than the aforesaid, no other director of your company is interested in the resolution at item no.13.

The Board recommends the resolutions in item No.12 & 13 of the annexed notice for approval of the members.

**ITEM NO. 14**

It is proposed to secure the approval of the members by way of special resolution for the payment of commission of 1% of the net profits, subject to the maximum ceiling of Rs. 5,00,000/- (Rupees five lacs) to be computed in the manner required under the Companies Act, 1956, to be distributed equally, for a period of 5 years from 1st April, 2010 to all the Directors (other than the Managing Directors and Wholetime Directors) in proportion to the period served as Directors.

All the Directors of the company (except the Managing Director and the Executive Director of the Company) are concerned or interested in the resolution to the extent of remuneration that may be received by them.

By Order of the Board

Sd/-  
SIDHARTH GHATAK  
COMPANY SECRETARY

New Delhi  
Dated: 15<sup>th</sup> May, 2010

**Registered Office:**  
1101, Surya Kiran  
19, Kasturba Gandhi Marg  
New Delhi-110 001.

**DIRECTORS' REPORT**

**To  
The Members**

Your Directors have pleasure in presenting the Forty Ninth Annual Report with the Audited Accounts and Auditors' Report for the year ended 31<sup>st</sup> March, 2010.

**FINANCIAL PERFORMANCE**

	<b>Year ended 31<sup>st</sup> March</b>	
	<b><u>2010</u></b>	<b><u>2009</u></b>
	(Rupees in lacs)	
Profit before tax	<b>1656.39</b>	1374.41
Current tax – - Income tax	<b>(560.00)</b>	(490.00)
- Wealth tax	<b>(2.00)</b>	(1.50)
Tax adjustments for earlier years	<b>6.74</b>	14.73
Fringe benefit tax	--	(22.42)
Deferred tax	<b><u>(26.78)</u></b>	<u>14.93</u>
Profit after tax	<b>1074.35</b>	890.15
Balance profit / (loss) brought forward from previous year	<b><u>1547.42</u></b>	<u>904.23</u>
Available for appropriation	<b><u>2621.77</u></b>	<u>1794.38</u>
Appropriation		
Transfer to general reserve	<b>107.43</b>	89.02
Proposed dividend	<b>216.00</b>	135.00
Tax on dividend	<b>35.87</b>	22.94
Balance profit carried to balance sheet	<b><u>2262.46</u></b>	<u>1547.42</u>
	<b><u>2621.77</u></b>	<u>1794.38</u>

Your Company recorded a turnover of Rs. 6174.09 lacs as compared to Rs. 5902.35 lacs in the previous year, an increase of 4.60 % over the previous year. The profit for the year after tax amounted to Rs. 1074.35 lacs as against Rs. 890.15 lacs recorded in the previous year.

## **DIVIDEND**

Your Directors are pleased to recommend a dividend of Rs. 4/- per equity share i.e. 40% for the financial year ended 31<sup>st</sup> March, 2010. This dividend is subject to the approval of the members at the forthcoming Annual General Meeting.

## **RESERVES**

Your Directors have transferred a sum of Rs. 107.43 lacs to General Reserve, pursuant to the Provisions of the Companies (Transfer of Profits to Reserves) Rules, 1975.

## **DIRECTORS**

During the year, the erstwhile Chairman & Managing Director of the company, Shri L P Gupta passed away. The Board wishes to express its deep sense of loss on the sad demise of Shri L P Gupta and conveys its heartfelt condolences to the bereaved family.

Smt. Supriya Gupta was appointed as Additional Director of the Company w.e.f. 4<sup>th</sup> March, 2010 to hold office up to the date of this Annual General Meeting. It is proposed to appoint her as whole-time director for a period of 5 years w.e.f. 15<sup>th</sup> May, 2010.

In accordance with the Companies Act, 1956 and the Company's Articles of Association, S/Shri Jag Mohan Lal, Ravinder Kumar Chadha, Rajendra Suraiya & Mohinder Kapur retire by rotation and being eligible offer themselves for reappointment.

It is proposed to re-appoint Shri Birendra Kumar as Chairman & Managing Director for a further period of 5 years w.e.f. 15<sup>th</sup> May, 2010.

S/Shri Apurv Kumar & Rupak Gupta have been Executive Directors of the Company since 1<sup>st</sup> September, 1998. It is proposed to appoint them as Joint Managing Directors w.e.f. 15<sup>th</sup> May, 2010

The profile of the directors seeking appointment/reappointment at this Annual General Meeting is given in the Report on Corporate Governance.

## **AWARDS**

Shri Apurv Kumar was awarded “THE LIFE TIME CONTRIBUTION IN HOSPITALITY INDUSTRY” by Pacific Area Travel Writers Association (PATWA) in ITB, Berlin in March, 2010.

## **DIRECTORS’ RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors’ Responsibility Statement, it is hereby confirmed:

- i) That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected sound accounting policies and applied them consistently and made adjustments and estimates that were 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 of the company for the year under review;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2010 on a ‘going concern’ basis.

## **ENERGY CONSERVATION**

Your Company monitors the systems and methods devised in the context of energy conservation on an ongoing basis.

## **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.

## **FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year, your Company's Foreign Exchange Earnings were Rs. 2532.05 lacs and the outgo was Rs.73.45 lacs.

## **PARTICULARS OF EMPLOYEES AND DISCLOSURE OF INFORMATION**

Information as required under Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is given in an Annexure forming part of this report.

## **AUDITORS**

The Auditors of the Company Messrs. Ray & Ray, Chartered Accountants (Firm Registration no. 301072E), retire at the ensuing Annual General Meeting of the Company and have given their consent for reappointment. The Company has also received a certificate from them under Section 224(1-B) of the Companies Act, 1956.

## **OTHER INFORMATION**

The Audit Committee of the Company reviewed the financial statements for the year under review at its meeting held on 14<sup>th</sup> May, 2010 and recommended the same for the approval of the Board of Directors.

As per the Listing Agreement with the Stock Exchange, the Management Discussion & Analysis Report, Report on Corporate Governance and Auditors' certificate regarding compliance of all conditions of Corporate Governance form a part of this report.

## **ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation of the contribution made by the entire team of officers and staff to the growth and prosperity of the Company and to the shareholders for their valuable co-operation, suggestions and guidance. Your Directors also wish to place on record their appreciation for the continuous support from the banks, Department of Tourism and other Government Agencies.

On Behalf of the Board

Sd/-  
Birendra Kumar  
Chairman & Managing Director

New Delhi  
15th May, 2010

**Annexure to Directors' Report**

Information as per Section 217(2A) of the Companies Act, 1956 and the Companies  
(Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2010

S.No.	Name	Age (years)	Designation	Gross Remuneration	Qualification	Experience (years)	Date of Joining	Previous Employment	% of equity shares
1	Late Shri L P Gupta (expired on 15.2.2010)	93	Chairman & Managing Director	7,334,213	I.A	72	April, 1970	Self Employed	
2	Shri Birendra Kumar	71	Chairman & Managing Director	5,123,850	B.Sc. Diploma in Business Admn. Harvard University	52	October, 1979	Hotel Clarks Varanasi Ltd.	1.983
3	Shri Apurv Kumar	49	Executive Director	3,216,606	Graduate from Mumbai University Hospitality Manage- ment from Cornel University USA, MBA	22	January, 1995	Bonita India Ltd	0.650
4	Shri Rupak Gupta	40	Executive Director	2,786,781	B.Sc. Management University of New Haven, CT, USA Hotel Management Cornell University USA	13	February, 1997	1st Employment	15.158

**Notes:**

- 1 Gross remuneration comprises of salary, commission and perquisites.
- 2 General terms of appointment include contribution of provident fund, where applicable, house rent allowance, medical and other benefits as per Company's Rules.
- 3 The employees have adequate experience to discharge the responsibilities assigned to them
- 4 Late Shri L P Gupta and Shri Rupak Gupta are related to each other & to Smt. Supriya Gupta
- 5 Smt Supriya Gupta, director of the company is related to Shri Rupak Gupta.
- 6 S/Shri Birendra Kumar and Apurv Kumar are related to each other
- 7 Shri Arvind Kumar, director of the company is related to Shri Birendra Kumar.
- 8 The nature of appointment of the Chairman & Managing Directors , and Executive Directors is contractual

## **Management Discussions & Analysis**

### **Industry Outlook**

With the inbound tourist and business traffic showing an increasing trend in the current season and the advent of the Commonwealth Games in October 2010, the tourism and hospitality sector in India is likely to have a good future.

### **Risk & Concerns**

The tourism hospitality industry is extremely sensitive to downturn in business cycles, terror attacks, epidemics, conflicts & natural calamities. The company endeavors to reduce costs & increase its efficiency to meet these concerns.

Your company continuously renovates its properties to meet the increasing competition in the market.

### **Financial Performance**

Your company has four hotels in its portfolio offering 645 rooms at Agra, Jaipur, Lucknow and Khajuraho under the brand name Clarks.

Your Company recorded a turnover of Rs. 6174.09 lacs as compared to Rs. 5902.35 lacs in the previous year, an increase of 4.60 % over the previous year. The profit for the year after tax amounted to Rs. 1074.35 lacs as against Rs. 890.15 lacs recorded in the previous year.

The average occupancy % registered a growth of 3.03%, the average room rate declined by 8.99 % in comparison to the previous financial year.

### **Segment Wise Performance**

The key business segment of the company is hoteliering and as such there is nothing to report on segment wise or product wise performance.

## **Internal Controls**

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected and that all transactions are authorized, recorded and reported correctly.

The Company has clear systematic process and well-defined roles and responsibilities for people at different hierarchical levels. This coupled with fine tuned internal information system, ensures appropriate information flow to facilitate monitoring.

Adherence to these processes is ensured through regular internal audit conducted by firms of Chartered Accountants, who conduct audits on a continuous basis, covering the entire gamut of operations and service areas of the hotel. Reports submitted by the internal Auditors are periodically reviewed by the Audit Committee of the Board.

## **Human Resources**

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. Industrial relations have remained stable and cordial during the year. The total number of people employed by the Company is 728

For and on behalf of the  
Board of Directors

Sd/-  
Birendra Kumar  
Chairman & Managing Director

New Delhi  
15<sup>th</sup> May, 2010

**Auditors' Certificate on compliance with the conditions of Corporate Governance  
under clause 49 of the listing agreements**

To  
The Members  
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 on 31<sup>st</sup> March, 2010 as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges.

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

Based on our examination, we state that:

*The Company has received a show cause notice non compliance of Clause 40A of the Listing Agreement as regards promoter's shareholding.*

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

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

For RAY & RAY  
Chartered Accountants

Sd/-  
A K SHARMA  
Partner

Membership No. 80085  
Firm Registration no. 301072 E

New Delhi, the 15<sup>th</sup> May 2010

## **REPORT ON CORPORATE GOVERNANCE**

### 1. Company's philosophy on code of governance

Corporate Governance refers to a combination of regulations, procedures and voluntary practices that enable companies to maximize stake holders 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 has complied with all the guidelines on Corporate Governance laid down by the Stock Exchange.

### 2. Board of Directors

2.1 As on 31<sup>st</sup> March, 2010, 78 % of the Board comprises of Non-Executive Directors. 50% of the Board comprises of Independent Directors and the balance 50% represents promoter Directors. Independent Directors do not have any material pecuniary relationship and haven't entered into any transactions with the Company, its promoters & its management, which in the judgement of the Board may affect independence of the judgement of the Directors.

### 2.2 Composition as on 31<sup>st</sup> March, 2010

The composition of the Board of Directors and the number of other directorships and committee memberships/chairmanships (excluding this company) as on 31<sup>st</sup> March, 2010 are as under:

Name of Director	Category of Directors	No. of other Directorships		No. of Chairmanship / Membership held in Committees of other Companies	
		Public	Private	Chairperson	Member
Shri Birendra Kumar (Chairman & Managing Director)	Promoter – Executive	5	4	-	-
Shri Apurv Kumar	Promoter – Executive	3	4	-	-
Shri Rupak Gupta	Promoter – Executive	4	6#	-	-
Shri Rakesh M Gupta	Promoter – Non-Executive	2	2	-	-
Shri Sushil Kumar	Promoter – Non-Executive	1	1	-	-
Smt. Supriya Gupta	Promoter – Non-Executive	3	3	-	-
Shri Girish Narain Mehra	Independent – Non-Executive	6	-	5	9@
Shri Pramod B Agarwala	Independent – Non-Executive	-	1	-	-
Shri Rajendra Suraiya	Independent – Non-Executive	-	-	-	-
Shri Jag Mohan Lal	Independent – Non-Executive	-	-	-	-
Shri Sanjiv Swarup	Independent – Non-Executive	-	-	-	-
Shri Ravinder Kumar Chadha	Independent – Non-Executive	-	-	-	-
Shri Arvind Kumar	Promoter – Non-Executive	6	8	-	-
Shri Mohinder Kapur	Independent – Non-Executive	-	5	-	-

# Includes two foreign company

@ Includes Chairmanship of other companies

### 2.3 Attendance at Board Meetings

During the financial year ended 31<sup>st</sup> March, 2010, five board meetings were held on 30<sup>th</sup> May, 2009, 28<sup>th</sup> July, 2009, 27<sup>th</sup> October, 2009, 30<sup>th</sup> January, 2010 and 4<sup>th</sup> March, 2010. The gap between two meetings is not more than four months. The attendance of each Director at the Board Meetings and the last Annual General Meeting is as under:

Directors	No. of Board Meetings		Attended last AGM held on 29 <sup>th</sup> August, 2009
	Held	Attended	
Shri L P Gupta %	4	Nil	No
Shri Birendra Kumar	5	5	Yes
Shri Apurv Kumar	5	5	Yes
Shri Rupak Gupta	5	5	Yes
Shri Rakesh M Gupta	5	5	Yes
Smt Supriya Gupta #	1	1	Not Applicable
Shri Sushil Kumar	5	3	Yes
Shri Girish Narain Mehra	5	2	Yes
Shri Pramod B Agarwala	5	3	Yes
Shri Rajendra Suraiya	5	4	Yes
Shri Jag Mohan Lal	5	5	No
Shri Sanjiv Swarup	5	4	Yes
Shri Ravinder Kumar Chadha	5	5	No
Shri Arvind Kumar	5	3	Yes
Shri Mohinder Kapur	5	4	Yes

% Expired on 15<sup>th</sup> February, 2010

# Appointed on 4<sup>th</sup> March, 2010

### 2.4 All the directors have as on 31<sup>st</sup> March, 2010, filed the requisite declarations stating that :

- The disqualification contemplated under Section 274(1)(g) of the Companies Act, 1956 do not apply to them
- The code of conduct for Prevention of Insider Trading in its equity shares has been complied with.

### 2.5 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 Chairman & Managing Director is given below. In addition, separate Code of Conduct for dealing in equity shares is also in place.

"I hereby confirm

The company has obtained from all members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct and Ethics for Directors and Senior Management in respect of financial year 2009-10.

Sd/-  
Birendra Kumar  
Chairman & Managing Director

### 3. Audit Committee

#### 3.1 Brief description of terms of reference

The constitution, role, powers and terms of reference of the Audit Committee are in accordance with those specified in Clause 49 of the Listing Agreement and Section 292A of the Companies Act 1956.

The brief terms inter alia include:

- Overseeing the Company's financial reporting, process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment and removal of external auditor, fixation of audit fee and approval for payment of any other services;
- Reviewing with management the annual financial statement before submission to the Board;
- Reviewing the adequacy of internal audit functions;
- Discussing with internal auditors any significant finding and follow up on such issues;
- Reviewing the findings of any internal investigations by the internal auditors in matters where there is suspected fraud or irregularity, or a failure of internal control system of a material nature and the reporting of such matters to the Board;

- Discussing with external auditors before the audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern;
- Reviewing the company's financial and risk management policies; and
- Examining reasons for substantial default in the payment to depositors, shareholders (in case of non payment of declared dividends) and creditors, if any.

### 3.2 Composition, names of members and Chairperson as on 31<sup>st</sup> March, 2010

Name of member	Category
Shri Ravinder Kumar Chadha	Independent – Chairman
Shri Sanjiv Swarup	Independent – Chairman (From 29 <sup>th</sup> July, 2009 to 26 <sup>th</sup> October, 2009)
Shri Pramod B Agarwala	Independent
Shri Jag Mohan Lal	Independent

All the members of the Committee are financially literate within the meaning of explanation 1 to Clause 49(II)(A) of the Listing Agreement. The Statutory Auditors and the Internal Auditors are also invitees to the meeting. The Company Secretary acts as the Secretary to the Committee.

### 3.3 Meetings and Attendance during the last financial year

Director	No. of Committee Meetings	
	Held	Attended
Shri Ravinder Kumar Chadha	4	4
Shri Sanjiv Swarup	4	3
Shri Pramod B Agarwala	4	2
Shri Jag Mohan Lal	4	4

The partners of Messrs Ray & Ray, the Statutory Auditors and the partners of Messrs S S Kothari Mehta & Co. & Messrs Haribhakti & Co., the Internal Auditors generally attended the meetings. The Company Secretary acts as Secretary to the Committee.

#### 4. Remuneration Committee

##### 4.1 Composition:

Name of the Member	Category
Shri Pramod B Agarwala	Independent – Chairman
Shri Sanjiv Swarup	Independent
Shri Jag Mohan Lal	Independent
Shri Ravinder Kumar Chadha	Independent

##### 4.2 Terms of reference

The Remuneration Committee has been constituted to review and recommend the remuneration package for the whole-time directors.

##### 4.3 During the year, a meeting of Remuneration Committee was held on 30<sup>th</sup> January, 2010.

Meetings and Attendance during the last financial year

Director	No. of Committee Meetings	
	Held	Attended
Shri Ravinder Kumar Chadha	1	1
Shri Sanjiv Swarup	1	1
Shri Pramod B Agarwala	1	1
Shri Jag Mohan Lal	1	1

##### 4.4.1 All remuneration paid / payable to whole-time directors are within the ceiling prescribed under the provisions of the Companies Act, 1956.

##### 4.4.2 No remuneration, other than sitting fees for attending the meetings of the board and committees thereof, has been paid to the non-executive directors of the company.

## 4.5 Details of remuneration paid / payable to all the Directors

Name	Sitting Fee	Salary	Contribution to PF	Perquisites & Allowances	Commission accrued on profits	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Shri Arvind Kumar	15,000					15,000
Shri Apurv Kumar Executive Director *		900,000	108,000	519,978	1,688,628	3,216,606
Shri Birendra Kumar Chairman & Managing Director *		1,200,000	144,000	402,593	3,377,257	5,123,850
Shri G N Mehra	10,000					10,000
Shri Jag Mohan Lal	50,000					50,000
Shri L P Gupta Chairman & Managing Director *		1,050,000		3,329,113	2,955,100	7,334,213
Shri Mohinder Kapur	20,000					20,000
Shri Promod B Agarwala	30,000					30,000
Shri Rakesh M Gupta	25,000					25,000
Shri Ravinder Kumar Chadha	50,000					50,000
Shri Rupak Gupta Executive Director *		900,000	108,000	90,153	1,688,628	2,786,781
Shri Rajendra Suraiya	20,000					20,000
Shri Sushil Kumar	15,000					15,000
Shri Sanjiv Swarup	40,000					40,000
Smt. Supriya Gupta	5,000					5,000
Total	280,000	4,050,000	360,000	4,341,837	9,709,613	18,741,450

\* in the event of the termination of office, the above are entitled to remuneration equal to the unexpired term of office or three years, whichever is less.

## 4.6 No stock option or performance linked incentive is offered to the Directors/Executives of the company.

5. Shareholders' committee
- The Board had constituted a shareholders'/Investors' Grievance Committee comprising of four Directors namely S/Shri Apurv Kumar, Rupak Gupta , Executive Directors , Mohinder Kapur and Sanjiv Swarup, Directors.
- 5.1 Name of non-executive director heading the committee Shri Mohinder Kapur
- 5.2 Name and designation of compliance officer Shri Sidharth Ghatak, Company Secretary
- 5.3 Number of shareholders complaints received so far Nil
- 5.4 Number of complaints not solved to the satisfaction of the shareholders Nil
- 5.5 No. of pending complaints Nil
6. General Body Meeting
- 6.1 Location and time where the last three Annual General Meetings held :-
- | Year    | Date                             | Venue  | Time       |
|---------|----------------------------------|--|------------|
|         |                                  | PHD House, Opposite Asian Games Village, New Delhi |            |
| 2006-07 | 01 <sup>st</sup> September, 2007 | -do-   | 09.30 a.m  |
| 2007-08 | 29 <sup>th</sup> August, 2008    | -do-   | 09.30 a.m  |
| 2008-09 | 29 <sup>th</sup> August, 2009    | -do-   | 09.30 a.m. |
- 6.2 No ordinary or special resolution requiring a postal ballot under section 192A of the Companies Act, 1956 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.
7. Disclosures
- 7.1 Risk assessment and its minimisation procedures have been laid down by the company and the same have been informed to the Board members. The procedures are periodically reviewed to ensure that executive management controls risk through means of properly defined framework.

- 7.2 No money, was raised by the Company through public issue, right issue, preferential issues etc. in the last financial year.
- 7.3 A summary of transactions with related parties in the ordinary course of business is periodically placed before the Audit Committee;
- 7.4 There were no material individual transactions during the financial year ended 31<sup>st</sup> March, 2010, with related parties which were not in the ordinary course of business;
- 7.5 All material transactions during the financial year ended 31<sup>st</sup> March, 2010, either with related parties or with others were on arms length;
- 7.6 There were no materially significant transactions during the financial year with related parties such as the promoters, directors, key managerial personnel or relatives that could have potential conflict with the interest of the Company;
- 7.7 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 24;
- 7.8 In preparing the Annual Accounts in respect of the financial year ended 31<sup>st</sup> March, 2010, no accounting treatment was different from that prescribed in the Accounting Standards;
- 7.9. During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets. However, the company has received a Show Cause Notice for violation of Clause 40A of the Listing Agreement as regards promoters' shareholding.
- 7.10 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 1992.

## 8. Means of communication.

8.1 Half yearly report sent to each shareholder : No

## 8.2 Quarterly Results

- Which newspapers normally published in Financial Express (English) & Jansatta (Hindi)
- Any website where published The company is complying with Corporate Filing and Dissemination System (CFDS) as per the Listing Agreement
- Whether it also displays official news releases and presentation made to institutional investors/analyst No

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

## 9. General Shareholder information

9.1 The particulars of the directors seeking re-appointment at the forthcoming Annual General Meeting are as under:

- Ravinder Kumar Chadha (64) Graduate – English Literature (Honours). He has 44 years experience in the Banking Industry. He is a management consultant. He has been an outsourced consultant for various projects for Pricewaterhouse Coopers Development Associates Ltd. etc. He has held senior positions in Foremost Factors Ltd. & multinational banks including ANZ Grindlays Bank, Dresdner Bank AG, China Trust Commercial Bank etc. Shri Ravinder Kumar Chadha retires by rotation and being eligible offers himself for re-appointment at the forthcoming Annual General Meeting. The shareholding in the company of Shri Ravinder Kumar Chadha as on 31<sup>st</sup> March, 2010 is nil.
- Shri Rajendra Suraiya – (64) BA Economic (Honours). He has 40 years experience in Industry & Business including chemicals, edible oils, export etc. Shri Rajendra Suraiya retires by rotation and being eligible offers himself for re-appointment at the forthcoming Annual General Meeting. The shareholding in the company of Shri Rajendra Suraiya as on 31<sup>st</sup> March, 2010 is nil.
- Shri Mohinder Kapur – (76) B A (Hons). He is Managing Director of Gowarsons Publishers Pvt.Ltd. He is also on the Board of various companies including Madhu Muskan Publications Pvt.Ltd., Madhu Muskan Leasing & Financing Pvt.Ltd., Midas Print Pack Pvt. Ltd. & Kanti Kapur Pvt. Ltd. Shri Mohinder Kapur retires by rotation and being eligible offers himself for re-appointment at the forthcoming Annual General Meeting. The shareholding in the company of Shri Mohinder Kapur as on 31<sup>st</sup> March, 2010 is nil.

- Shri Jagmohan Lal - (71) B E Mechanical. He is a consultant in marketing of Capital Machinery & Engineering Projects. He has held very senior positions in reputed companies including Escorts Heart Institute, Escorts Ltd., Jotindra Steel Tubes Ltd. etc. Shri Jag Mohan Lal retires by rotation and being eligible offers himself for re-appointment at the forthcoming Annual General Meeting. The shareholding in the company of Shri Jag Mohan Lal as on 31<sup>st</sup> March, 2010 is nil.
- Shri Birendra Kumar (71) Graduate from Banaras Hindu University. In 1987 he has done Owner's Presidents Management Programme from Harvard University, Boston, USA, he is also Harvard Alumni. He was elected National President of Indian Junior Chamber and elected as Vice President (Operation) of Junior Chamber International and assigned important area of Australia, Newzealand, Singapore etc. He has wide experience in operations of hotels, international trading & industries. He is a wholtime director of the company since 1979. He is also on the board of various companies including The Indian Textiles Company (P) Ltd., Great Value Hotels Pvt. Ltd., Hotel Clarks Varanasi Ltd. , Banaras House Pvt. Ltd., Bonita India Ltd., Carbon Paste Ltd., Banaras International Ltd., Chandauli Agro Dairy Products Pvt. Ltd., & U P Hotel Clarks Ltd. The shareholding in the company of Shri Birendra Kumar as on 31<sup>st</sup> March, 2010 is 107070.
- Shri Apurv Kumar (49) Graduate from Mumbai University, MBA, Hospitality Management from the Cornell University, USA. He did his study in Systems and Practices in Industrial Relations and Human Resource Management in NKICC, Japan. He has varied experience in the fields of exports, manufacture of leather goods, chemical and hospitality industry. He is the Chairman of CII Wing of Rajasthan and also the Chairman of hospitality and tourism section in The Indus Entrepreneurs (TIE), Hotel Restaurant Association of Rajasthan. He is a recipient of the Pacific Area Travel Writers Association (PATWA) International Award for "The Life Time Contribution in Hospitality Industry" in Berlin during the ITB in March, 2010. He is a wholtime director of the company since 1998. He is also on the board of various companies including The Indian Textiles Company (P) Ltd. , Bonita India Ltd., Great Value Hotels Pvt. Ltd., U P Hotels Clarks Ltd., Pride Hospitality Pvt. Ltd., Clement Orient Pvt.Ltd. and Clarks Brij Hotels India Pvt.Ltd. The shareholding in the company of Shri Apurv Kumar as on 31<sup>st</sup> March, 2010 is 35126
- Shri Rupak Gupta (40) – B.Sc., Management-University of New Haven, CT, USA, Hotel Management, Cornell University. He has wide experience in operation of hotels, exports, marketing of power generation equipment. He is a wholtime director of the company since 1998. He is also on the board of various companies including Banaras Global Ltd., Banaras House Engineering Pvt. Ltd., Banaras House Pvt. Ltd., Ace Power Generation Matara Ltd. , Ace Power Generation Horana (P) Ltd., U P Hotels India Ltd., Indian Textiles Company (Holdings) Pvt.Ltd., PDG Export (P) Ltd., The Indian Textiles co. Pvt.Ltd. & Rosewood Hotels Ltd. The shareholding in the company of Shri Rupak Gupta singly and jointly with Late Shri L P Gupta as on 31<sup>st</sup> March, 2010 is 818524.

- Smt. Supriya Gupta (63) is a graduate from Delhi University and a post graduate in Economics and Social Anthropology from Cambridge University. She has wide experience in the Sales & Marketing functions of the hotel industry. She is also on the board of various companies including Banaras House Pvt. Ltd., Banaras House Engg. Pvt.Ltd., Banaras Global Ltd., U P Hotels India Ltd., Indian Textiles Co. (Holdings) Pvt. Ltd. & Rosewood Hotels Ltd. The shareholding in the company of Smt. Surpiya Gupta as on 31<sup>st</sup> March, 2010 is nil.

## 9.2 Inter-se relationship of directors:

Late Shri L P Gupta and Shri Rupak Gupta are related to each other & to Smt. Supriya Gupta. Smt. Supriya Gupta is related to Shri Rupak Gupta.

S/Shri Apurv Kumar & Birendra Kumar are related to each other.

S/Shri Arvind Kumar & Birendra Kumar are related to each other.

None of the other directors are related to each other.

## 9.3 AGM : Date, time & venue

### 49<sup>th</sup> Annual General Meeting

Date :	28 <sup>th</sup> August, 2010
Time :	9:30 a.m.
Venue :	PHD House , Opposite Asian Games Village, New Delhi

## 9.4 Financial Calendar (tentative) for Results

1 <sup>st</sup> Quarter	Mid August, 2010
2 <sup>nd</sup> Quarter	Mid November, 2010
3 <sup>rd</sup> Quarter	Mid February, 2011
4 <sup>th</sup> Quarter	Mid May, 2011

## 9.5 Date of Book Closure

25<sup>th</sup> August, 2010 to  
28<sup>th</sup> August, 2010

## 9.6 Dividend

The company has proposed a dividend of Rs. 4/- per equity share i.e. 40% subject to approval of shareholders at the forthcoming Annual General Meeting. The dividend, if declared, will be paid on or after 28<sup>th</sup> August, 2010

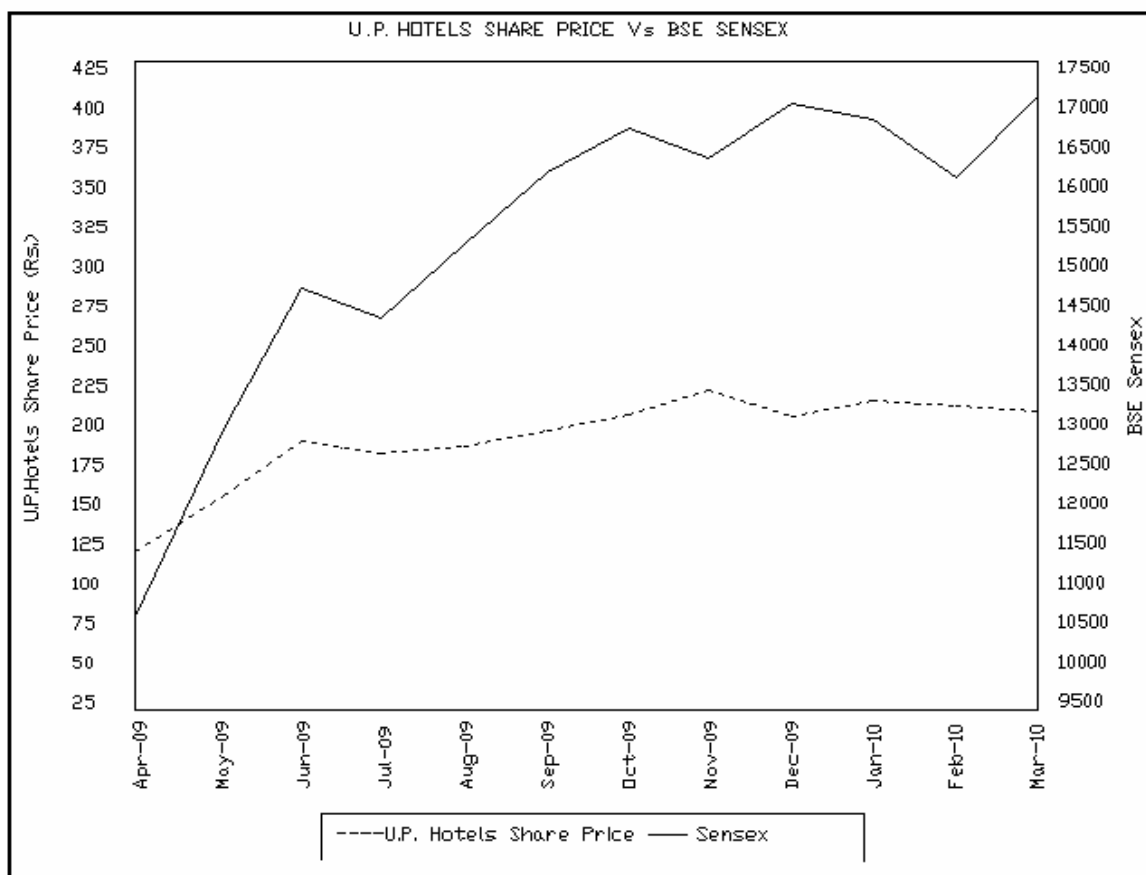
- 9.7 Listing On Stock Exchange The shares of the company are listed on Bombay Stock Exchange Limited, Mumbai (BSE).
- Annual Listing fees as prescribed has been paid to the Bombay Stock Exchange Ltd. (BSE), Mumbai for 2010-2011.
- 9.8 Stock Code 509960 (BSE)
- 9.9 Designated e-mail ID for Investors' Grievances [uphlinvestorgrievance@bol.net.in](mailto:uphlinvestorgrievance@bol.net.in)

## 9.10 Market Price Data

Monthly High and Low market price data of equity share traded on Bombay Stock Exchange (BSE):

Date	High(Rs.)	Low(Rs.)
April, 2009	134.40	114.55
May, 2009	176.00	129.00
June, 2009	204.80	159.15
July, 2009	194.00	156.00
August, 2009	189.00	162.05
September, 2009	188.50	169.00
October, 2009	228.75	174.20
November, 2009	249.00	191.40
December, 2009	223.00	187.90
January, 2010	244.00	200.10
February, 2010	233.00	200.85
March, 2010	224.00	200.00

**Performance in Comparison to broad based indices such as BSE Sensex.**



## 9.11 Registrar &amp; Transfer Agents

The company has engaged the services of M/s Skyline Financial Services Pvt. Ltd. as its Registrar for physical transfer of shares as well as for electronic connectivity with NSDL & CDSL.

- 9.12 Share Transfer System To expedite the transfer in physical segment, authority has been delegated to the Share Transfer Committee of the Board. The Registrar & Transfer Agent ensures that the transferred share certificates are despatched within the stipulated time.

9.13 Shareholding Pattern as on 31<sup>st</sup> March, 2010

	Category	No of Shares held	% of Share holding
1	<u>Promoter's holding</u>		
	Indian Promoters	4772960	88.39
	Foreign Promoters	Nil	Nil
2	<u>Persons acting in concert</u>	Nil	Nil
	Sub Total (1 & 2)	4772960	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)	33300	0.62
	c) Foreign Institutional Investors	Nil	Nil
	Sub Total (3)	33300	0.62
4	<u>Others</u>		
	a) Private Corporate Bodies	164077	3.04
	b) Indian Public	426260	7.89
	c) NRIs/OCBs	2390	0.04
	d) Any other (Trust)	1013	0.02
	Sub Total (4)	593740	10.99
	Grand Total (1 to 4)	5400000	100.00

9.14 Distribution of Shareholding as on 31<sup>st</sup> March, 2010

Shareholding of Nominal Value		No. of Shareholders	% of Share- Holders	Share Amount	% of Share- Holding
Rs.	Rs.			Rs.	
Upto - 5000		890	81.73	1048880	1.94
5001 – 10000		70	6.43	499090	0.92
10001-20000		40	3.67	616900	1.14
20001-30000		17	1.56	435070	0.81
30001-40000		8	0.73	284280	0.53
40001-50000		2	0.18	98530	0.18
50001-100000		12	1.10	786260	1.46
100001 & above		50	4.60	50230990	93.02
Total		1089	100.00	54000000	100.00

## 9.15 Dematerialisation of Shares &amp; 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 31<sup>st</sup> March, 2010 was 1375819 (25.48% of the total paid up capital) and the balance of 4024181 representing 74.52% 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).

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

## 9.16 Outstanding GDRs/ADRs Warrants or any convertible instruments, conversion date and likely Impact on Equity.

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

## 9.17 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

## 9.18 Address for correspondence

Registrars:  
M/s. Skyline Financial Services Pvt.Ltd.  
246 1st Floor, Sant Nagar  
East of Kailash  
New Delhi-110 065.  
Telephone No. 26292682

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

10. Management Responsibility Statement

The Directors' Responsibility Statement, in conformity with the requirement of the Companies Act, 1956 has been included in the Directors' Report to the Shareholders. A Management Discussion and Analysis Report has been annexed to the Directors' Report.

The financial accounts are in full conformity with the requirements of the Companies Act, 1956. 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.

The Company has a system of internal control which is reviewed, evaluated and updated on an ongoing basis. The Internal Auditor has conducted periodic audit of systems and procedures to provide reasonable assurance that the activities are conducted in a manner not prejudicial to the interests of the Company.

The financial statements have been audited by Messrs. Ray & Ray, Chartered Accountants and have been reviewed by and discussed in the Audit Committee.

11. 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 and the same is annexed.

All material requirements with respect to Corporate Governance as stipulated in the Listing Agreement have been complied with.

For and on behalf of the  
Board of Directors

Sd/-  
Birendra Kumar  
Chairman & Managing Director

New Delhi  
15<sup>th</sup> May, 2010

## AUDITORS' REPORT

To  
The Members  
U.P. Hotels Limited

1. We have audited the attached Balance Sheet of U.P. Hotels Limited ('the Company') as at 31<sup>st</sup> March, 2010 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 ('the Order') as amended by Companies (Auditor's Report) (Amendment) issued by the Central Government in terms of sub - section (4A) of Section 227 of the Companies Act, 1956 ('the Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) 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;
  - (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with Schedules 1 to 24 *and Subject to Note 17 (B) as regards remuneration of Rs. 430,445 is subject to Shareholder's approval and Note 21 (iv) as regards Hotel Earnings in foreign exchange not verified by us contained in Schedule 24 of Notes to the Account*, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010;
  - (b) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

for **RAY & RAY**  
Chartered Accountants

Sd/-  
**(A K SHARMA)**  
Partner  
Membership No. 80085  
Firm Registration no. 301072 E

New Delhi, the 15<sup>th</sup> May 2010

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT OF U.P. HOTELS LIMITED OF EVEN DATE.

1.
  - 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.
  - b) According to the informations and explanations given to us, the Company physically verified its assets over a two year period. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this policy, the Company has physically verified certain assets during the year. According to the explanations given to us, the discrepancies noticed on physical verification were not material and these have been properly dealt with in the books of account.
  - c) During the year no substantial part of fixed assets has been disposed off by the Company. Therefore, the provisions of clause 4 (i) (c) of the Companies (Auditors' Report) Order 2003 (the Order) in our opinion, are not applicable to the Company.
2.
  - a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
  - b) The procedures for physical verification of inventories, which were followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) On the basis of our examination of inventory records of the Company, the Company is maintaining proper records of its inventory. 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.
3.
  - a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clause (a), (b), (c) and (d) of clause 4 (iii) of the Order are not applicable to the Company.
  - b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provision of sub-clause (e), (f) and (g) of clause 4 (iii) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us *and having regard to the explanation that for some items purchased for which comparable alternative quotations are not available because of the nature / quality of such items and delivery schedules and also sale of services for which suitable alternative sources are not available to obtain comparable quotations*, there are generally adequate internal control system commensurate with the size of the

company and nature of its business with regard to purchase of inventories, fixed assets and sale of goods and services. Further, during the course of our audit, we have neither come across nor have we been informed of any continuing failure to correct major weakness in internal control system.

5.
  - a) On the basis of the audit procedures performed by us, and according to the information, explanation and representations given to us, we are of opinion that, the particulars of contracts or arrangements in which directors were interested as contemplated under Section 297 and sub section (6) of Section 299 of the Companies Act, 1956 and which were required to be entered in the register maintained under Section 301 of the said Act, have been so entered.
  - b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs. 5 lacs with any party during the year. However, the other transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under are not applicable. Further, during the course of our audit, we have neither come across nor have we been informed of any order passed under the aforesaid sections by Company Law Board or National Company Law Tribunal (as applicable) or Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under clause (d) of sub section (1) of Section 209 of the Companies Act, 1956 in respect of services carried out by the Company.
9.
  - a) According to records of the Company, and subject to comments in para 9 (b) 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 delays in few cases*.  
  
Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
  - b) According to information and explanations given to us, *except for the cases stated below*, there are no other undisputed amount payable in respect of provident fund, investor education & protection fund, income tax, employees state insurance, wealth tax, sales tax, custom duty, service tax, excise duty, cess and other statutory dues which were outstanding at the year end for period of more than six months from the date they become payable.

	Amount (Rs.)
House Tax/ Municipal Tax & Water tax	5,790,000
Purchase Tax / VAT/Entry tax etc.	254,970
Service Tax	199,400

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

*Reference is also invited to Note 2 (b) in Schedule 24, 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 year 1989-90 to 1991 – 92) and Luxury Tax Claimed under Section 43 B (Assessment Year 1987-88 to 1990-91). The total amount disputed (excluding interest & penalties) aggregated to Rs. 58.59 lacs.*

10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our report and in the immediately preceding financial year.
11. 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 not issued any debentures.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the Order is not applicable to the Company.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, clause 4 (xiii) of the Order is not applicable to the Company.
14. The Company has maintained proper record of transaction and contracts in respect of dealing or trading in securities and other investments viz. mutual funds. All other investments viz. mutual funds have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4 (xv) of the Order is not applicable to the Company.
16. On the basis of the records examined by us, and relying on the information compiled by the Company for co-relating the funds raised to the end use of term loans, we have to state that, the company had, prima facie, applied the term loans for the purposes for which they were obtained. The Company did not have any term loans outstanding at the year end.
17. According to the information and explanations given to us and on an overall examination of the financial statements and after placing reliance on the reasonable assumptions made by Company for classification of long term and short term usages

of funds, we are of the opinion that prima facie no funds raised on short term basis have been used for long term investments.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4 (xviii) of the Order is not applicable to the Company.
19. The Company has not issued any debentures during the year. Accordingly, clause 4 (xix) of the Order is not applicable to the Company.
20. The Company has not raised any money by public issues during the year. Accordingly, clause 4 (xx) of the Order is not applicable to the Company.
21. According to the information and explanations given to us by the management no fraud on or by the Company has been noticed or reported during the course of our audit.

for **RAY & RAY**  
Chartered Accountants

Sd/-  
**(A K SHARMA)**  
Partner  
Membership No. 80085  
Firm Registration no. 301072 E

New Delhi, the 15<sup>th</sup> May 2010

**U.P. HOTELS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2010**

	Schedule		As at 31st March 2010 Rupees	2009 Rupees
<b>SOURCES OF FUNDS</b>				
<b>Shareholders' Funds</b>				
Share Capital	1	54,000,000		54,000,000
Reserves & Surplus	2	<u>518,155,022</u>		<u>436,932,633</u>
			<b>572,155,022</b>	<b>490,932,633</b>
<b>Deferred Tax Liability - Net</b>	3		<b>53,412,102</b>	<b>50,733,925</b>
<b>TOTAL</b>			<u><b>625,567,124</b></u>	<u><b>541,666,558</b></u>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets:</b>	4			
Gross Block		<b>788,149,703</b>		763,689,458
Less: Depreciation		<u><b>375,688,572</b></u>		<u>355,473,780</u>
Net Block		<b>412,461,131</b>		408,215,678
Capital Work in Progress (at cost)		<u><b>533,098</b></u>		<u>401,040</u>
			<b>412,994,229</b>	<b>408,616,718</b>
<b>Investments</b>	5		<b>83,649,328</b>	<b>52,947,638</b>
<b>Current Assets, Loans &amp; Advances:</b>				
Inventories	6	<b>16,270,625</b>		13,900,375
Sundry Debtors	7	<b>58,589,640</b>		37,079,433
Cash & Bank Balances	8	<b>172,530,518</b>		127,146,339
Other Current Assets	9	<b>4,074,803</b>		3,316,469
Loans & Advances	10	<u><b>15,787,259</b></u>		<u>14,287,301</u>
		<u><b>267,252,845</b></u>		<u><b>195,729,917</b></u>
<b>Less: Current Liabilities &amp; Provisions:</b>				
Liabilities	11	<b>77,166,342</b>		67,252,075
Provisions	12	<u><b>61,162,936</b></u>		<u>48,375,640</u>
		<u><b>138,329,278</b></u>		<u><b>115,627,715</b></u>
<b>Net Current Assets</b>			<b>128,923,567</b>	<b>80,102,202</b>
<b>TOTAL</b>			<u><b>625,567,124</b></u>	<u><b>541,666,558</b></u>

Significant Accounting Policies	23
Notes to the Accounts	24

Schedules 1 to 12, 23 & 24 referred to above  
form an integral part of Balance Sheet

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

---

Sd/-  
Birendra Kumar  
Chairman & Managing Director

FOR RAY & RAY  
Chartered Accountants

---

Sd/-                      Sd/-  
Apurv Kumar              Rupak Gupta  
Joint Managing Directors

Sd/-  
A K SHARMA  
Partner  
Membership No.: 80085  
Firm Regn. No .: 301072E

Sd/-  
Sidharth Ghatak  
Company Secretary

NEW DELHI  
15th May, 2010

**U.P. HOTELS LIMITED****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

		Year ended 31st March	
Schedule		2010	2009
		Rupees	Rupees
<b>INCOME</b>			
Guest Accommodation, Restaurants, Bar			
Banquets and Other Services	13	588,043,219	564,181,675
Other Income	14	29,365,581	26,053,701
		<b>617,408,800</b>	<b>590,235,376</b>
<b>EXPENDITURE</b>			
Consumption of Provisions, Beverages, Wines & Liquor and Cigar & Smokes	15	75,304,604	64,419,079
Employees' Remuneration & Welfare Expenses	16	151,814,968	141,837,660
Upkeep & Service Cost	17	90,533,984	87,209,892
Repairs & Maintenance	18	23,932,626	37,151,612
Administrative & Selling Expenses	19	48,921,114	50,467,915
Other expenses	20	35,237,283	42,031,878
Interest	21	189,643	2,260,762
Depreciation		25,835,346	27,415,461
		<b>451,769,568</b>	<b>452,794,259</b>
Profit for the year before taxation		165,639,232	137,441,117
Taxation	22	58,204,685	48,425,385
Profit after Taxation		107,434,547	89,015,732
Balance Brought Forward From Previous Year		154,742,278	90,422,444
		<b>262,176,825</b>	<b>179,438,176</b>
<b>APPROPRIATIONS</b>			
General Reserve		10,743,455	8,901,573
Proposed Dividend		21,600,000	13,500,000
Tax On Dividend		3,587,490	2,294,325
Balance carried to Balance Sheet		226,245,880	154,742,278
		<b>262,176,825</b>	<b>179,438,176</b>
Basic & Diluted Earnings per Share (in Rupees) face value Rs. 10 (Note 20)		19.90	16.48
Number of Shares		5,400,000	5,400,000

Significant Accounting Policies	23
Notes to the Accounts	24

Schedules 13 to 24 referred to above  
form an integral part of Profit & Loss Account

This is the Profit & Loss Account referred  
to in our Report of even date.

\_\_\_\_\_  
Sd/-  
Birendra Kumar  
Chairman & Managing Director

FOR RAY & RAY  
Chartered Accountants

\_\_\_\_\_  
Sd/-                      Sd/-  
Apurv Kumar              Rupak Gupta  
Joint Managing Directors

\_\_\_\_\_  
Sd/-  
A K SHARMA  
Partner  
Membership No.: 80085  
Firm Regn. No .: 301072E

\_\_\_\_\_  
Sd/-  
Sidharth Ghatak  
Company Secretary

NEW DELHI  
15th May, 2010

## CASH FLOW STATEMENT

		Year ended 31st March	
		2010	2009
		Rupees	Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit/ (Loss) before Tax and Extraordinary Items		165,639,232	137,441,117
Adjustments For :			
Depreciation	25,835,346		27,415,461
Interest received/paid	(8,659,603)		(5,563,862)
Loss on sale/discard of assets	1,710,052		3,736,274
Provision/Write off Debts & Advances	369,651		677,793
Provision written back / loss - current investments	(2,137,540)		2,389,454
Liabilities & Provisions and Retirement Benefits	(5,096,630)		(4,861,295)
Depreciation Written back	(8,549)		Nil
Dividend Received	(2,122,590)		(2,815,576)
		<u>9,890,137</u>	<u>20,978,249</u>
Operating Profit Before Working Capital Changes		175,529,369	158,419,366
Adjustments for :			
Trade & Other Receivables	(24,018,777)		26,110,941
Inventories	(2,370,250)		1,499,552
Trade Payables & Other Liabilities	<u>11,479,593</u>	<u>(14,909,434)</u>	<u>216,898</u>
			<u>27,827,391</u>
Cash Generated From Operations		160,619,935	186,246,757
Interest Paid	(189,643)		(2,372,987)
Interest Received	8,686,978		6,635,462
Direct Taxes Paid	<u>(48,947,430)</u>	<u>(40,450,095)</u>	<u>(47,815,538)</u>
			<u>(43,553,063)</u>
Cash Flow Before Extraordinary Items		120,169,840	142,693,694
Extraordinary Items		Nil	Nil
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		<u><u>120,169,840</u></u>	<u><u>142,693,694</u></u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets(including Capital Work in Progress)	(34,477,826)		(46,132,915)
Sale of Fixed Assets	1,538,798		615,787
Acquisitions of Companies	Nil		Nil
Purchase of Investments Mutual Funds	(136,693,840)		(135,888,033)
Sale of Investments	108,129,690		111,855,866
Interest Received	Nil		Nil
Dividend Received	2,508,271		2,346,272
Loans made to other parties	Nil		Nil
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		<u><u>(58,994,907)</u></u>	<u><u>(67,203,023)</u></u>

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from Issue of Share Capital	Nil	Nil
Proceeds from Long Term Borrowings	Nil	Nil
Repayment of Finance Lease Liabilities	Nil	Nil
Dividend Paid	(13,500,000)	(54,000,000)
Tax on distributable profits	(2,294,325)	(9,177,300)
Secured Long Term Loans taken during the year	Nil	Nil
Secured Long Term Loans repaid during the year	Nil	(10,980,050)
Secured Short Term Loans taken during the year	Nil	Nil
Secured Short Term Loans repaid during the year	Nil	Nil
Unsecured Long Term Loans taken during the year	Nil	Nil
Unsecured Long Term Loans repaid during the year	Nil	Nil
Unsecured Short Term Loans taken during the year	Nil	Nil
Unsecured Short Term Loans repaid during the year	Nil	Nil
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(15,794,325)</b>	<b>(74,157,350)</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	45,380,608	1,333,321
Opening Balance of Cash and Cash Equivalents	127,083,302	125,749,981
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>172,463,910</b>	<b>127,083,302</b>

NOTES:

1. 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.
2. Cash & Cash Equivalents represents Cash & Bank Balances & excludes margin deposit Rs. 66,608 (2009-Rs 63,037).
3. The unutilised cash credit limit as at 31st March, 2010 aggregated to Rs.16,000,000 which would be available for future operating activities.
4. 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

Sd/-  
Birendra Kumar  
Chairman & Managing Director

For RAY & RAY  
Chartered Accountants

Sd/- Sd/-  
Apurv Kumar Rupak Gupta  
Joint Managing Directors

Sd/-  
A K SHARMA  
Partner  
Membership No. 80085  
Firm Regn. No. : 301072E

Sd/-  
Sidharth Ghatak  
Company Secretary

NEW DELHI  
15th May, 2010

# U.P. HOTELS LIMITED

## Schedules to Accounts

	As at 31st March	
	2010 Rupees	2009 Rupees
<b>1. SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
6,000,000 Equity Shares of Rs.10 each	60,000,000	60,000,000
100,000 Preference Shares of Rs.100 each	10,000,000	10,000,000
	<b>70,000,000</b>	<b>70,000,000</b>
<b>ISSUED, SUBSCRIBED, CALLED &amp; PAID UP</b>		
5,400,000 Equity Shares of Rs.10 each fully paid up	54,000,000	54,000,000
	<b>54,000,000</b>	<b>54,000,000</b>
Note: Equity Shares include 3,900,000 Shares issued as fully paid up Bonus Shares by Capitalisation of Capital Redemption Reserve Rs. 2,000,000 and General Reserve Rs. 37,000,000		
<b>2. RESERVES &amp; SURPLUS</b>		
<b>REVALUATION RESERVE</b>		
As per last year	22,557,585	23,582,253
Less: Transferred to Profit & Loss Account (Note 13)	1,024,668	1,024,668
	<b>21,532,917</b>	<b>22,557,585</b>
<b>GENERAL RESERVE</b>		
As per last account	259,632,770	250,731,197
Add: Transfer From Profit & Loss Account	10,743,455	8,901,573
	<b>270,376,225</b>	<b>259,632,770</b>
<b>PROFIT &amp; LOSS ACCOUNT</b> (as per annexed account)	226,245,880	154,742,278
	<b>518,155,022</b>	<b>436,932,633</b>
<b>3. DEFERRED TAX LIABILITY - NET</b>		
<b>Liability</b>		
Fixed Assets (excess of Net Block over written down value as per provision of Income Tax Act 1961).	63,012,490	62,545,814
<b>Less: Asset</b>		
Gratuity/Leave Encashment on Retirement	6,635,578	7,652,614
Provision for doubtful debts , advances & diminution in value of Investments	820,615	1,618,349
Sums allowable under Section 43B	2,144,195	2,540,926
	<b>9,600,388</b>	<b>11,811,889</b>
	<b>53,412,102</b>	<b>50,733,925</b>

**U P HOTELS LTD**
**4. FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 31st March 2009 Rupees	Additions Rupees	Deductions Rupees	Cost at at 31st March 2010 Rupees	As at 31st March 2009 Rupees	For the year Rupees	Sales / Adjustments Rupees	As at 31st March 2010 Rupees	As at 31st March 2010 Rupees	As at 31st March 2009 Rupees
Land Freehold	1,815,845	-	-	1,815,845	-	-	-	-	1,815,845	1,815,845
Land Leasehold	1,150,233	-	-	1,150,233	449,375	34,404	-	483,779	666,454	700,858
Building	419,244,669	6,364,839	206,220	425,403,288	168,708,656	8,003,981	193,021	176,519,616	248,883,672	250,536,013
Plant & Machinery	232,431,257	19,915,495	6,652,249	245,694,503	112,585,474	12,491,424	4,192,649	120,884,249	124,810,254	119,845,783
Furniture & Fixtures	68,267,294	3,035,735	1,885,206	69,417,823	56,579,680	2,299,414	1,589,647	57,289,447	12,128,376	11,687,614
Vehicles	39,793,243	2,872,301	1,121,348	41,544,196	16,714,457	3,742,264	649,405	19,807,316	21,736,880	23,078,786
Vehicles on hire	-	2,021,842	-	2,021,842	-	105,998	-	105,998	1,915,844	-
<b>INTANGIBLE</b>										
Trade Marks	21,000	-	-	21,000	21,000	-	-	21,000	-	-
Computer Software	965,917	135,556	20,500	1,080,973	415,138	182,529	20,500	577,167	503,806	550,779
<b>CURRENT YEAR</b>	<b>763,689,458</b>	<b>34,345,768</b>	<b>9,885,523</b>	<b>788,149,703</b>	<b>355,473,780</b>	<b>26,860,014</b>	<b>6,645,222</b>	<b>375,688,572</b>	<b>412,461,131</b>	<b>408,215,678</b>
<b>PREVIOUS YEAR</b>	<b>735,354,900</b>	<b>46,675,722</b>	<b>18,341,164</b>	<b>763,689,458</b>	<b>341,847,357</b>	<b>28,440,129</b>	<b>14,813,706</b>	<b>355,473,780</b>	<b>408,215,678</b>	

Note :

a) Leasehold land Rs. 1,63,000 is yet to be registered in the name of the Company.

b) Leasehold land measuring 1.79 acres valued at Rs. 433,180 is in possession of third party at Agra. The Company is taking necessary steps to obtain the vacant possession of land

c) Lease rentals in respect of properties situated on leasehold land are charged to revenue.

## Schedule to accounts

5. INVESTMENTS - CURRENT (MUTUAL FUNDS)	As at 31st March			
	2010 No. of Units	Rupees	2009 No. of Units	Rupees
<b>Quoted (Non-Trade)</b>				
Birla Sunlife Savings Fund Retail Growth (NAV Rs. 54.06 lacs, 2009 Rs. 25.16 lacs)	315,957.825	5,276,653	153,703.328	2,500,000
Birla Sunlife Income Plus -Growth (NAV Rs. Nil, 2009 Rs. 96.75 lacs)	-	-	244,255.340	9,799,060
HDFC MF Monthly Income Plan Long Term Monthly Dividend (NAV Rs. 145.40 lacs, 2009 Rs. Nil)	1,150,160.368	14,500,000	-	-
HDFC Equity Fund - Dividend Option Payout (NAV Rs. 53.17 lacs, 2009 Rs. Nil)	122,460.725	5,502,361	-	-
ICICI Prudential Dynamic Plan - Dividend (NAV Rs. 25.09 lacs, 2009 Rs. Nil)	139,716.320	2,500,000	-	-
Reliance Media & Entertainment Fund Growth Plan Growth Option (NAV Rs. Nil, 2009 Rs. 4.11 lacs)	-	-	30,000.000	1,045,074
Reliance Growth Fund Retail Plan Growth Plan (NAV Rs. 21.96 lacs, 2009 Rs. 10.36 lacs)	5,001.250	2,000,000	5,001.250	2,000,000
Reliance Monthly Income Plan Monthly Dividend Plan (NAV Rs. 38.79 lacs, 2009 Rs. Nil)	350,972.633	4,000,000	-	-
<b>Total (a)</b>		<b>33,779,014</b>		<b>15,344,134</b>
<b>Unquoted (Non-Trade)</b>				
Canara Robeco Income Dividend (Income) Fund (NAV Rs. Nil, 2009 Rs. 92.33 lacs)	-	-	616,031.833	10,045,631
Fortis Money Plus Regular Monthly Dividend (NAV Rs. 150.76 lacs, 2009 Rs. 170.72 lacs)	1,507,626.576	15,127,869	1,707,137.767	17,190,197
Kotak Quarterly Interval Plan Series - 7 Dividend (NAV Rs. 65.05 lacs, 2009 Rs. Nil)	650,000.000	6,500,000	-	-
Kotak Quarterly Interval Plan Series - 4 Dividend (NAV Rs. 35.15 lacs, 2009 Rs. Nil)	350,000.000	3,500,000	-	-
L I C Saving Plus Fund - Monthly Dividend Plan (NAV Rs. 100.12 lacs, 2009 Rs. Nil)	996,374.334	10,000,000	-	-
Reliance Fixed Horizon Fund VIII Series 4 Institutional Dividend Plan (NAV Rs. Nil, 2009 Rs. 130.20 lacs)	-	-	1,300,000.000	13,029,160
Reliance Regular Savings Fund - Equity Plan Growth Option (NAV Rs. 7.61 lacs, 2009 Rs. Nil)	26,600.859	550,276	-	-
Reliance Short Term Fund Retail Plan Growth Plan (NAV Rs. 124.94 lacs, 2009 Rs. Nil)	717,743.775	12,049,483	-	-
U T I Fixed Income Interval Fund Monthly Interval Plan Series - I (NAV Rs. 25.02 lacs, 2009 Rs. Nil)	250,000.000	2,500,000	-	-
<b>Total (b)</b>		<b>50,227,628</b>		<b>40,264,988</b>
<b>Total (a+b)</b>		<b>84,006,642</b>		<b>55,609,122</b>
Less: Provision for diminution in value of investments		<b>357,314</b>		<b>2,661,484</b>
		<b>83,649,328</b>		<b>52,947,638</b>

Note i) Details of purchases and sales are given in Note 18

	(Rs. in lacs)	(Rs. in lacs)
ii) Aggregate value of quoted investments	337.79	153.44
Aggregate value of unquoted investments	502.28	402.65
Net asset value of investments	897.06	529.62

## U.P. HOTELS LIMITED

### Schedules to Accounts (Contd.)

	As at 31st March	
	2010	2009
	Rupees	Rupees
<b>6. INVENTORIES</b>		
- Provisions & Beverages	1,719,768	1,507,843
- Wines & Liquor	5,343,955	4,360,138
- Cigar & Smokes	65,471	47,629
- Crockery, Cutlery, Chinaware, Linen etc.	4,325,889	3,516,359
- Other stores	4,815,542	4,282,897
- Goods in transit	-	185,509
	<u>16,270,625</u>	<u>13,900,375</u>
<b>7. SUNDRY DEBTORS (UNSECURED)</b>		
Debts outstanding for a period exceeding six months		
- Considered good	1,408,943	914,247
- Considered doubtful	<u>2,056,972</u>	<u>2,040,620</u>
	3,465,915	2,954,867
Other Debts		
- Considered good	57,180,697	36,165,186
- Considered doubtful	<u>-</u>	<u>59,148</u>
	57,180,697	36,224,334
	<u>60,646,612</u>	<u>39,179,201</u>
Less: Provision for doubtful debts	<u>2,056,972</u>	<u>2,099,768</u>
	<u>58,589,640</u>	<u>37,079,433</u>

# U.P. HOTELS LIMITED

## Schedules to Accounts (Contd.)

	As at 31st March	
	2010 Rupees	2009 Rupees
<b>8. CASH AND BANK BALANCES</b>		
Cash in hand	2,257,508	2,241,946
Cheques in hand	-	1,108,431
With Scheduled Banks on		
Current Accounts	50,400,732	36,352,224
Fixed Deposits (Note 4)	119,056,942	86,834,949
Margin Accounts (Note 4)	66,608	63,037
Unpaid Dividend Account	591,718	467,754
Savings Bank Accounts	157,010	77,998
	<u>172,530,518</u>	<u>127,146,339</u>
<b>9. OTHER CURRENT ASSETS</b>		
Interest accrued on deposits with banks	2,289,016	2,126,748
Unbilled Revenue	1,785,787	1,189,721
	<u>4,074,803</u>	<u>3,316,469</u>
<b>10. LOANS &amp; ADVANCES (Unsecured - Considered good)</b>		
Advances recoverable in cash or in kind or for value to be received	3,627,395	3,330,151
Prepaid Expenses	6,707,072	5,596,377
Sundry Deposits	5,290,679	5,192,580
Tax Refundable	162,113	168,193
	<u>15,787,259</u>	<u>14,287,301</u>
<b>11. LIABILITIES</b>		
Sundry Creditors		
- total outstanding dues of Micro Enterprises & Small Enterprises (Note 6)	37,941	-
- total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	58,797,326	51,163,832
Due To Directors	11,543,090	9,708,726
Earnest Money & Security Deposits(including from Employees & Shops)	395,880	330,305
Other Liabilities	5,800,387	5,581,458
Amount to be deposited with Investor Education and Protection Fund to the extent as and when required		
Unclaimed Dividend	591,718	467,754
	<u>77,166,342</u>	<u>67,252,075</u>
<b>12. PROVISIONS</b>		
Income Tax (Net of advance payments)	14,036,953	7,490,846
Wealth Tax (Net of advance payments)	270,072	237,101
Leave encashment on retirement	5,730,721	5,923,504
Gratuity	15,937,700	18,929,864
Proposed Dividend	21,600,000	13,500,000
Tax on Dividend	3,587,490	2,294,325
	<u>61,162,936</u>	<u>48,375,640</u>

# U.P. HOTELS LIMITED

Schedules to Accounts (Contd.)	Year ended 31st March	
	2010	2009
	Rupees	Rupees

## 13. GUEST ACCOMMODATION, RESTAURANTS, BAR, BANQUETS & OTHER SERVICES

Room Sale	307,383,283	315,979,036
Food & Beverage	206,833,574	185,300,721
Wines & Liquor	47,090,597	44,976,957
Cigar & Smoke	477,549	549,771
Telephone & Telex	1,441,068	1,882,062
Laundry	1,582,920	2,075,228
SPA/Therapy	1,829,736	806,736
Other Services	21,404,492	12,611,164
	<u>588,043,219</u>	<u>564,181,675</u>

## 14. OTHER INCOME

Shop License fee (Note 15)	6,117,211	5,925,445
Liabilities, Provisions and Credit Balances Written Back	5,096,630	4,861,295
Interest from banks Rs. 8,809,118 (2009 Rs.7,742,968) & interest from others Rs. 40,128 (2009 Rs. 81,656) Tax deducted at source		
Rs.1,080,619 & Nil (2009 Rs.565,314 & Nil) respectively	8,849,246	7,824,624
Dividend (Current Investment - Mutual Fund)	2,122,590	2,815,576
Foreign Exchange Gain (net)	1,989,201	1,891,441
Provision for diminution in value of investments written back	2,304,170	-
Depreciation Written Back	8,549	-
Miscellaneous Income/Sundries	2,877,984	2,735,320
	<u>29,365,581</u>	<u>26,053,701</u>

## 15. CONSUMPTION OF PROVISIONS, BEVERAGES, WINES & LIQUOR AND CIGAR & SMOKES

	Provisions & Beverages* Rupees	Wines & Liquors Rupees	Cigar & Smokes Rupees	Total Rupees
Opening Stock	1,507,843	4,360,138	47,629	5,915,610
	(1,719,989)	(4,206,554)	(83,798)	(6,010,341)
Add: Purchases	64,639,233	11,612,315	266,640	76,518,188
	(54,271,622)	(9,784,332)	(268,394)	(64,324,348)
	<u>66,147,076</u>	<u>15,972,453</u>	<u>314,269</u>	<u>82,433,798</u>
	(55,991,611)	(13,990,886)	(352,192)	(70,334,689)
Less: Closing Stock	1,719,768	5,343,955	65,471	7,129,194
	(1,507,843)	(4,360,138)	(47,629)	(5,915,610)
Consumption				
2010	64,427,308	10,628,498	248,798	75,304,604
2009	(54,483,768)	(9,630,748)	(304,563)	(64,419,079)

Notes: i) Figures in Brackets indicate figures for 2009

ii) \*net of recoveries from employees

**U.P. HOTELS LIMITED****Schedules to Accounts (Contd.)****Year ended 31st March**

	<b>2010</b>	<b>2009</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>16.EMPLOYEES' REMUNERATION &amp; WELFARE EXPENSES</b>		
Salary, Wages, Bonus, Commission etc.	135,328,946	126,092,705
Contribution to Provident Fund & Other Funds	10,493,192	10,002,500
Workmen & Staff Welfare Expenses	3,489,566	3,148,067
Staff Training & Recruitment	1,422,504	693,246
Provision for leave encashment	-	824,070
Contractual Labour	1,080,760	1,077,072
	<b>151,814,968</b>	<b>141,837,660</b>
<b>17. UPKEEP &amp; SERVICE COST</b>		
Linen, Uniform, Washing & Laundry Expenses	2,217,897	2,027,068
Expenses on Apartment & Board	9,385,491	8,479,861
Water Charges	526,256	361,544
Renewals & Replacement	11,544,216	12,921,911
Power & Fuel	62,431,578	60,287,590
Decoration & Garden Maintenance	3,486,401	2,754,602
SPA/Therapy Charges	942,145	377,316
	<b>90,533,984</b>	<b>87,209,892</b>
<b>18. REPAIRS &amp; MAINTENANCE</b>		
Building	9,727,934	19,065,580
Plant & Machinery	8,272,250	10,144,572
Others	5,932,442	7,941,460
	<b>23,932,626</b>	<b>37,151,612</b>
<b>19. ADMINISTRATIVE &amp; SELLING EXPENSES</b>		
Rent (Note 15)	4,492,048	3,893,777
Rates,Taxes & Excise Duty	6,623,492	8,811,967
Insurance	2,213,390	2,362,494
Advertisement, Publicity & Other Promotional Expenses	7,496,691	5,191,059
Commission to Travel Agents/Others	518,480	783,109
Travelling & Conveyance	19,230,585	20,784,329
Postage, Telephone and Telex (Note 15)	5,066,640	5,057,427
Printing & Stationery	3,279,788	3,583,753
	<b>48,921,114</b>	<b>50,467,915</b>

**U.P. HOTELS LIMITED****Schedules to Accounts (Contd.)****Year ended 31st March**

	<b>2010</b>	<b>2009</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>20. OTHER EXPENSES</b>		
Music, Band,TV/Cable and Orchestra	2,674,925	2,280,381
Kitchen and Banquet Expenses	10,226,098	9,310,194
Hire Charges	5,176,605	4,718,895
Loss on sale/discard of assets (net)	1,710,052	3,736,274
Provision / Loss - Current Investments	166,630	2,389,454
Provision/ Write Off -Debts & Advances	369,651	677,793
Security Expenses	1,679,445	1,699,153
Legal and Professional Expenses	5,177,964	7,124,983
Directors' Sitting Fee	280,000	225,000
Payment to Internal Auditors	1,440,324	1,508,668
Auditors' Remuneration (Note 12)	607,500	534,000
Listing/Filing Fee	18,545	28,961
Donations	704,107	408,600
Subscription	983,914	2,109,394
Books and Periodicals	388,025	371,236
Bank Charges etc.	2,060,007	2,241,489
Sales/Luxury/Purchase Tax etc	360,200	1,136,861
Sundries (including reimbursement of expenses to Auditors Rs.10,755 (2009 Rs.9,250))	1,213,291	1,530,542
	<b>35,237,283</b>	<b>42,031,878</b>
<b>21. INTEREST</b>		
Fixed	-	777,063
Others	189,643	1,483,699
	<b>189,643</b>	<b>2,260,762</b>
<b>22. TAXATION</b>		
Current Tax -Income Tax	56,000,000	49,000,000
-Wealth Tax	200,000	150,000
Tax Adjustments Pertaining To Earlier Years	(673,492)	(1,473,169)
Fringe Benefit Tax	-	2,242,087
Deferred Tax	2,678,177	(1,493,533)
	<b>58,204,685</b>	<b>48,425,385</b>

## **U.P. Hotels Limited**

### **Schedules to Accounts (*Contd.*)**

**23.**

#### **SIGNIFICANT ACCOUNTING POLICIES**

**1. Nature of operations**

U.P. Hotels Limited ('the Company') is incorporated and engaged in the business of operating hotels. The Company has properties in four locations.

**2. Basis of Preparation**

- i) The financial statements have been prepared to comply in all material aspects with the Notified Accounting Standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- ii) Financial statements are based on historical cost convention on accrual basis, except where impairment is made and revaluation is carried out.
- iii) Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except to the extent mention in Notes to the Accounts.

**3. 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.

**4. Fixed Assets & Depreciation :**

- 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 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. Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset which take substantial period of time to get ready are also capitalized to the extent they relate to the period till such assets are ready to be put to use. Wherever

## **U.P. Hotels Limited**

### **Schedules to Accounts (*Contd.*)**

assets are revalued, amount added on revaluation based on approved valuer's report is disclosed separately as required by the Companies Act, 1956.

- ii) Capital work in progress includes cost of assets, expenditure incurred and interest on funds deployed.
- iii) 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.
- iv) Depreciation on Fixed Assets is provided on Straight Line Method over the estimated useful life of the fixed assets which is in line with the corresponding rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation on additions is provided on pro-rata basis from the date on which the assets have been put to use and individual assets acquired for less than Rs. 5000 are depreciated @ 100% fully in the year of purchase / capitalization.
- v) The difference between depreciation calculated and provided on the revalued amount of fixed assets and depreciation calculated on the original cost of fixed assets has been recouped from Revaluation Reserve.

#### **5. Intangible Assets :**

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

#### **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 Profit Loss Account. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### **7. Investments :**

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

## **U.P. Hotels Limited**

### **Schedules to Accounts (*Contd.*)**

are carried at cost. However, a provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

#### **8. Inventories :**

- i) Inventories at the year end are as per the physical verification conducted by the management.
- ii) Inventories (comprising of provisions & beverages, wines & liquor, cigar & smokes, crockery, cutlery, chinaware, linen & other stores) in hand are stated at lower of cost and net realisable value after considering obsolescence. Cost is ascertained on weighted average basis except for in one unit where it is valued on First in First out basis. Net realizable value is the estimated selling price in the ordinary course of the business less estimated cost necessary to make the sale. Stock in transit is valued at cost.
- iii) Unserviceable / damaged / discarded inventories and shortages observed at the time of physical verification are charged to Profit & Loss Account.
- iv) Circulating stocks of crockery, cutlery, uniform, linen etc. and stock of printed stationery are charged off to Profit & Loss Account as consumption.

#### **9. Sundry Debtors / Loans & Advances:**

Sundry Debtors, Loans & Advances are stated after adequate provisions and have a value on realisation at least equal to the amount stated.

#### **10. 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.
- ii) Revenue from hotel operations comprises of sale of rooms, food & beverages, wines & liquors, cigar & smokes, telephone & telex, laundry and other services (swimming pool, health/Spa centre, vehicle hire, banquets hire, hire charges etc). 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.

## **U.P. Hotels Limited**

### **Schedules to Accounts (*Contd.*)**

- iii) 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. The income is stated in full with the tax deducted thereon being accounted for under the head Tax refunds / payments. Dividend income is stated at gross and is recognized when right to receive payment is established.
- iv) Shop license fee revenue is recognized over the period of contract on an equitable straight line basis. Amount collectible on as maintenance / recovery of dues from shop license are recognized over the period of contract, on accrual basis. Corresponding costs are recorded as incurred.
- v) 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.
- vi) Income / Sales exclude taxes, such as Value Added Tax, Luxury Tax, Service Tax etc.

#### **11. Borrowing Costs:**

Borrowing costs include interest and commitment charges on borrowings, amortization of costs incurred in connection with the arrangement of borrowings and finance charges under leases. Costs incurred on borrowings, directly attributable to development projects, which take a substantial period of time to complete, are capitalized and all other borrowing costs are recognized in the Profit and Loss Account in the period in which they are incurred.

#### **12. Employees Benefits :**

- i) Defined Contribution Plans  
Company's contribution paid / payable during the year to ESIC and Provident Fund are recognized in the Profit & Loss Account. Provident Fund and ESIC contributions are made to a government administered Provident /ESIC Fund towards which the company has no further obligation beyond its monthly contribution.
- ii) Defined Benefit Plans

## **U.P. Hotels Limited**

### **Schedules to Accounts (*Contd.*)**

Company provides retirement benefits in the form of gratuity (funded) at all units except one unit and leave encashment (unfunded) which are measured using the Projected unit credit method with actuarial valuation being carried out at each valuation date.

- iii) Termination benefits are recognized as an expense as and when incurred.
- iv) Actuarial gains / losses are immediately taken to Profit & Loss Account and are not deferred.
- v) Short term employee benefit is recognized as an expense in Profit & Loss Account of the year in which related service is rendered.

#### **13. Foreign Currency Transaction:**

- i) Initial Recognition: Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- ii) Conversion : Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction, and non-monetary items which are carried at fair value on the similar valuation denominated in a foreign currency, are reported using the exchange rates that existed when the values were determined.
- iii) Exchange differences: Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statement are recognized as income or as expenses in the year in which they arise.

#### **14. Lease :**

- i) In respect of assets acquired as finance lease on or after 1.4.2001, the same are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term. Lease payments are apportioned between finance charges and reduction of lease liabilities so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are charged to Profit & Loss Account.

## **U.P. Hotels Limited**

### **Schedules to Accounts (*Contd.*)**

- ii) 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 profit & loss account on a straight-line basis over the lease term.

#### **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. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares), if any.

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.

#### **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 and adjusted to reflect the current best estimates. Contingent assets are not recognized in the financial statements.

#### **17. Proposed Dividend :**

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

## **U.P. Hotels Limited**

### **Schedules to Accounts (*Contd.*)**

**18. Taxes on Income :**

Tax expenses comprises current tax (income tax & wealth tax) after taking into consideration benefits available under the provisions of Income tax Act, 1961 & Wealth tax Act, 1957 and deferred tax.

The deferred tax charged or credit is recognised using current tax rates. Where there is unabsorbed depreciation or carried forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation 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 realisation /liabilities.

**19. Prior period, Extra Ordinary items and Changes in Policies :**

Prior period and Extra – Ordinary items and Changes in Accounting Policies having material impact on the financial affairs of the Company are disclosed.

**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.

## **U.P. Hotels Limited**

### **Schedules to Accounts (Contd.)**

#### **24.**

#### **NOTES TO THE ACCOUNTS**

1. Estimated amount of contracts remaining to be executed on capital account and not provided for (as certified by the Management) Rs. 55.41 lacs (2009 – Rs.37.23 lacs).
2. Contingent liabilities not provided for in respect of:
  - a) Claims against the Company not acknowledged as debts and not provided for:

Demand raised by Government Authorities / Suppliers etc. Rs. 103.29 lacs (2009 – Rs. 102.61 lacs). No provision has been made as the probability of the claim succeeding is remote.
  - 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 and luxury tax claimed under Section 43B for Assessment Years 1987-88 to 1990-91. The total amount disputed (excluding interest and penalties) in the matter aggregates to Rs.58.59 lacs (2009-Rs. 58.59 lacs). 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.
  - 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.
  - 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.
- 3.1 Balance confirmations have not been received from most of the parties showing debit/credit balances.
- 3.2 In the opinion of the Board, the value on realization of current assets, loans & advances in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
- 4.1 Margin Deposit Rs. 66,608 (2009-Rs. 63,307) and Fixed Deposits of Rs. 140,000 (2009 - Rs.140,000) have been made / lodged for obtaining guarantees in favour of various Government Authorities.
- 4.2 Balance in current account Rs. 1,00,000 lying in dormant account remains unconfirmed against which the Company has taken remedial measures.

## U.P. Hotels Limited

### Schedules to Accounts (Contd.)

#### 5.1 Foreign Exchange exposures not hedged by derivative instruments or otherwise:

	2010		2009	
Cash & Bank Balances		<b>Rupees</b>		<b>Rupees</b>
\$	<b>19330</b>	<b>891,693</b>	37,028	1,755,561
Euro	<b>650</b>	<b>37,505</b>	-	-
£	<b>258</b>	<b>15,000</b>	-	-
Creditors				
Euro	<b>320</b>	<b>18,495</b>	-	-

5.2 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.

6.1 The Company has not received from majority of parties any information / memorandum (as required to be filed by Suppliers / Vendors with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006), claiming their status as Micro, Small or Medium Enterprises.

6.2 Details of dues to Micro, Small & Medium Enterprises as per MSMED Act, 2006 to the extent of confirmations received.

	<b>As at 31<sup>st</sup> March</b>	
	<b>2010</b>	2009
	<b>Rs.</b>	Rs.
The principal amount and the interest due thereon remaining unpaid to any suppliers at the end of each accounting year.	<b>37,941</b>	NIL
The amount of interest paid by the buyer in terms of Section 16 of the Act alongwith the amounts of the payment made to the suppliers beyond the appointed day during each accounting year.	<b>NIL</b>	NIL
The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Act.	<b>NIL</b>	NIL
The amount of interest accrued and remaining unpaid at the end of each accounting year	<b>NIL</b>	NIL
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest due as above are actually paid to the suppliers for the purpose of disallowance as a deductible expenditure under Section 23 of the Act.	<b>NIL</b>	NIL

## **U.P. Hotels Limited**

### **Schedules to Accounts (Contd.)**

7. During the year the Company has changed the basis of arriving cost from weighted average cost to FIFO basis at one of its location (unit) due to software problem for the purpose of valuation of Inventories which is also one of the recognized methods mentioned in Accounting Standard 2 (Revised) for Valuation of Inventories. The effect of such a change is not material.
8. Pending assessments of Luxury Tax, Sales Tax, Service Tax, Expenditure Tax, House & Water Tax etc. further liability, if any, could not be ascertained and provided for in account.
9. The Company has unutilised Cash Credit Limit of Rs. 160 lacs (2009 – Rs. 160 lacs) 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 Rs. 678 lacs. This is personally guaranteed by Chairman cum Managing Director.
10. No amount is paid / payable by the Company under Section 441 of the Companies Act, 1956 (Cess on turnover) since rules specifying the manner in which the Cess shall be paid has not been notified yet by Central Government.
11. Depreciation has been provided in the accounts on "Straight Line Method" at rates prescribed in Schedule XIV to the Companies Act, 1956 except for specific assets stated below where different rates are applied which are not less than those prescribed under the Companies Act, 1956 :
  - i) Leasehold land is amortised over a period of 30 years. Leasehold land acquired on 99 years basis is not amortised.
  - ii) Intangible assets viz Trade Marks and Computer Software are being amortised over a period of sixty months.
12. Auditors' remuneration includes Audit Fee Rs. 450,000 (2009 - Rs. 405,000) Tax Audit Fee Rs. 55,000 (2009-Rs. 55,000) and certification fee Rs. 102,500 (2009 - Rs. 74,000). Other expenses include a sum of Rs. 62,571 (2009 - Rs. 66,688) paid to Auditors as Service Tax.
13. Since depreciation has been calculated on the revalued costs, the difference of depreciation on original cost and the revalued figures amounting to Rs. 1,024,668 (2009-Rs. 1,024,668) has been withdrawn from the revaluation reserve and deducted from the gross depreciation for the year.

## U.P. Hotels Limited

### Schedules to Accounts (Contd.)

#### 14.1 Managerial Remuneration paid / payable to Directors

	<b><u>Year ended 31<sup>st</sup> March</u></b>	
	<b>2010</b>	2009
	<b>Rupees</b>	Rupees
Salaries (including gratuity Rs. 2,307,692 ,2009 – Nil)	<b>6,357,692</b>	4,200,000
Contribution to Provident Fund and other funds	<b>360,000</b>	360,000
Other perquisites (Benefits in cash or in kind)	<b>2,034,145</b>	1,716,155
Sitting Fee	<b>280,000</b>	225,000
Commission to ex & present Managing Director(s) & Executive Director(s)	<b>9,709,613</b>	9,647,016
	<b><u>18,741,450</u></b>	<u>16,148,171</u>

Note: As the future liability for gratuity and leave encashment is provided on an actuarial basis for the company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above.

#### 14.2 Computation of net profit in accordance with section 349 & 350 of the Companies Act, 1956.

	<b>2010</b>	2009
	<b>Rupees</b>	Rupees
Net Profit before tax	<b>165,639,232</b>	137,441,117
Add: Remuneration to Directors	<b>18,461,450</b>	15,923,171
Sitting fee	<b>280,000</b>	225,000
Provision / Loss:Investments	<b>166,630</b>	2,389,454
Provision for doubtful debts & advances	<b>303,561</b>	677,793
Sale/discard of assets	<b>1,710,052</b>	3,736,274
Donation	<b><u>704,107</u></b>	<u>408,600</u>
	<b>21,625,800</b>	<u>23,360,292</u>
	<b>187,265,032</b>	160,801,409
Less: Provision Written back		
i)Doubtful debts & advances	<b>(346,357)</b>	(17,832)
ii)Diminution in value of investments	<b><u>(2,304,170)</u></b>	-
	<b>(2,650,527)</b>	<u>(17,832)</u>
Net Profit in accordance with Section 198 of the Companies Act.	<b>184,614,505</b>	160,783,577

## U.P. Hotels Limited

### Schedules to Accounts (Contd.)

	2010 Rupees	2009 Rupees
Commission payable to ex and present Managing Director(s) @2% of net Profit to each- Rs. 6,923,044 (2009-Rs.6,431,344) restricted to	6,332,357	6,431,344
Commission payable to Executive Director(s) @ 1% of net Profit to each Rs. 3,692,290 (2009-Rs. 3,215,672) restricted to	3,377,256	3,215,672
Total Commission Payable	9,709,613	9,647,016

15.1 (i) The Company has entered into operating Lease arrangement for office premises, guest house for outsiders and residential premises of employees/directors. Some of the significant terms and conditions of the arrangements are:

- agreements may generally be terminated by either party on serving a notice period
- the lease arrangements are generally renewed on expiry of lease period subject to mutual agreement
- the company shall not sublet, assign or part with the possession of the premises without prior written consent of lessor.

(ii) Rent in respect of above are charged to Profit & Loss account.

(iii) The year wise break up of future minimum lease payments in respect of leased premises are as under:

	2010 Rupees	2009 Rupees
Total future minimum lease payments as at 31.3.2010	6,501,102	8,360,418
Not later than one year	3,079,417	3,247,782
Later than one year but not later than five years	3,421,685	5,112,636
Later than five years	--	--

15.2 The company has also entered into operating lease arrangements for assets viz. Alcatel Omni PCX Office Telephone System. Future lease rental payments are as under:

	2010 Rupees	2009 Rupees
Not later than one year	165,450	165,450
Later than one year not later than five years	303,325	420,519

## U.P. Hotels Limited

### Schedules to Accounts (Contd.)

#### General description of arrangements-

- (i) Future lease rental payments are determined on the basis of annual lease payment as per agreement.
- (ii) At the expiry of the lease term, the Company has an option either to return the assets or extend the term by giving notice in writing.

15.3 (i) The Company has also entered into operating leases relating to shops etc. Shop licence fee have been recognised as income in the Profit & Loss Account.

(ii) Future minimum lease payments recoverable by the Company in respect of shops and office premises are as follows:

	<b>2010 Rupees</b>	<b>2009 Rupees</b>
(a) Not later than one year	<b>1,839,860</b>	3,781,981
(b) Later than one year but not later than five years	<b>1,186,644</b>	2,228,055
(c) Later than five years	<b>2,440,995</b>	--

16. The primary reporting of the company has been prepared on the basis of business segments. The company has only one business segment, which is hotel operations and allied business services and operates in a single business segment based on the nature of its products, the risks and return, the organisation structures and the internal financial reporting systems. Accordingly, the figures in these financial statements relate to the company's single business segment.

Secondary, segment reporting is prepared on the basis of the geographical location of its operations. The operating interests of the company are confined to India in terms of the operations. Accordingly, the figures in the financial statements relate to the company's single geographical segment being operations in India.

17. The 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

Late Shri L P Gupta (Ex-Chairman & Managing Director) upto 14.2.2010

Shri Birendra Kumar (Chairman & Managing Director)

Shri Apurv Kumar (Executive Director)

Shri Rupak Gupta (Executive Director)

## **U.P. Hotels Limited**

### **Schedules to Accounts (*Contd.*)**

Shri Rakesh M Gupta  
Shri Sushil Kumar  
Shri Arvind Kumar

b) Relatives of Directors

Smt. Supriya Gupta  
Shri Upendra Kumar  
Shri Manish Kumar  
Smt. Rajeshwari Kumar  
Smt. Renuka Kumar  
Shri Anoop Kumar  
Smt. Minakshi Gupta  
Shri Binay Kumar  
Shri Ravi M Gupta  
Shri Alok Kumar  
Shri Vivek Kumar  
Shri Arjun Kumar  
Shri Akshay Gupta

iii) Enterprise in which Key Management Personnel have significant influence:

U.P. Hotels Clarks Ltd.  
U.P. Hotels India Ltd.  
Kalyani Holdings and Finance Ltd.  
Indian Textiles Company Private Ltd.  
Indian Textiles Company (Holdings) Pvt. Ltd.  
Hotel Clarks Varanasi Limited  
Great Value Hotels Pvt. Limited  
Carbon Paste Limited  
Banaras House Pvt. Limited  
Banaras House IGA South Asia Ltd.  
Bonita India Ltd.  
Banaras International Limited  
Banaras Global Limited  
Banaras House Engg Private Limited  
U P Export Industries Limited  
ANK Travels Limited  
Silk Emporium  
Oriental Textiles  
Jaipur Silk Emporium  
Rastriya Vikas Limited  
Oriental Emporium  
Jaipur Shop  
Chandauli Agro Dairy Products Pvt. Ltd.  
Pride Hospitality Pvt. Ltd.  
Clarks Brij Hotels India Pvt.Ltd.

## U.P. Hotels Limited

### Schedules to Accounts (Contd.)

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

	<u>Year ended 31<sup>st</sup> March</u>	
	<b>2010</b>	2009
	<b>Rupees</b>	Rupees
Transaction with parties referred to in A (ii) above		
a) Remuneration paid to Directors		
Shri L P Gupta	<b>7,334,213</b>	5,188,110
Shri Birendra Kumar	<b>5,123,850</b>	4,954,003
Shri Apurv Kumar	<b>3,216,606</b>	3,104,519
Shri Rupak Gupta	<b>2,786,781</b>	2,676,539
	<b>18,461,450</b>	15,923,171
b) Remuneration paid to relatives of Directors		
Shri Anoop Kumar	<b>791,489</b>	839,513
Smt. Renuka Kumar	<b>339,637</b>	334,264
Shri Manish Kumar	<b>430,080</b>	430,080
Shri Ravi M Gupta	<b>491,102</b>	448,060
Others	<b>957,395</b>	554,505
	<b>3,009,703*</b>	2,606,422
c) Rent Paid		
Smt. Minakshi Gupta	<b>420,000</b>	420,000
Shri Apurv Kumar	<b>240,000</b>	240,000
	<b>660,000</b>	660,000
d) Sitting Fee		
Shri Arvind Kumar	<b>15,000</b>	5,000
Shri Rakesh M Gupta	<b>25,000</b>	15,000
Shri Sushil Kumar	<b>15,000</b>	5,000
Others	<b>5,000</b>	-
	<b>60,000</b>	25,000
e) Staff Training		
Shri Apurv Kumar	<b>237,869</b>	-
Shri Anoop Kumar	<b>1,145,125</b>	-
Shri Rupak Gupta	-	520,000
	<b>1,382,994</b>	520,000
f) Amount outstanding at year end		
- Payable		
Shri L P Gupta	<b>4,720,077</b>	3,258,882
Shri Birendra Kumar	<b>3,377,257</b>	3,215,672
Shri Apurv Kumar	<b>1,757,128</b>	1,626,336
Shri Rupak Gupta	<b>1,688,628</b>	1,607,836
Others	<b>108,089</b>	34,760
	<b>11,651,179</b>	9,743,486

\*Rs. 430,445 is subject to shareholders' approval.

## U.P. Hotels Limited

### Schedules to Accounts (Contd.)

#### ii) Transaction with parties in A (iii) above at arms length

	Year ended 31 <sup>st</sup> March	
	2010 Rupees	2009 Rupees
a) Purchase of Goods & Services		
ANK Travels Limited.	123,848	58,216
Others	17,955	-
	<b>141,803</b>	<b>58,216</b>
b) Sale of Goods & Services		
Hotel Clarks Varanasi Limited.	9,630	-
Others	8,865	7,465
	<b>18,495</b>	<b>7,465</b>
c) Licence fee received		
Silk Emporium	74,134	75,519
ANK Travels Limited	82,056	83,592
Jaipur Shop	60,000	60,000
Pride Hospitality Private.Limited	60,000	60,000
	<b>276,190</b>	<b>279,111</b>
d) Amount outstanding at the year end		
- Payable		
ANK Travels Limited	55,157	21,551
Hotel Clarks Varanasi Limited	-	9,791
	<b>55,157</b>	<b>31,342</b>

#### 18. Investments acquired and sold during the year:-

##### A) 2009-10

	Purchases made during the year		Sales made during the year	
	Units	Amount (Rs.)	Units	Amount (Rs.)
Mutual Funds Scheme				
Birla Sunlife Savings Fund Retail Growth	607,121.730	10,139,236	444,867.233	7,362,583
Birla Sunlife Income Plus –Growth	-	-	244,255.340	9,799,060
Birla Sunlife Dynamic Bond Fund Retail Growth	681,171.410	9,938,359	681,171.410	9,938,359
Canara Robeco Income Dividend (Income) Fund	-	-	616,031.833	10,045,631
Canara Robeco Short Term Retail Dividend Fund	1,404,838.739	14,223,631	1,404,838.739	14,223,631
Canara Robeco Dynamic Bond Retail Dividend Fund	1,624,101.146	16,241,011	1,624,101.146	16,241,011
Fortis Money Plus Regular Monthly Dividend	998,431.787	10,000,000	1,197,942.978	12,062,328
HDFC MF Monthly Income Plan Long Term Monthly Dividend	1,150,160.368	14,500,000	-	-
HDFC Cash Management Fund – Treasury Advantage Plan-Retail Monthly Dividend	248,528.710	2,500,000	248,528.710	2,500,000
HDFC Equity Fund- Dividend Option Payout	122,460.725	5,502,361	-	-
ICICI Prudential Dynamic Plan - Dividend	139,716.320	2,500,000	-	-
Kotak Quarterly Interval Plan Series - 7 Dividend	650,000.000	6,500,000	-	-
Kotak Quarterly Interval Plan Series - 4 Dividend	350,000.000	3,500,000	-	-
LIC Saving Plus Fund – Monthly Dividend Plan	996,374.334	10,000,000	-	-
Reliance Fixed Horizon Fund VIII Series 4	-	-	1,300,000.000	13,029,160
Institutional Dividend Plan	-	-	-	-
Reliance Media & Entertainment Fund Growth	-	-	-	-
Plan Growth Option	-	-	30,000.000	1,045,074

## U.P. Hotels Limited

### Schedules to Accounts (Contd.)

Contd.....

Mutual Funds Scheme	Purchases made during the year		Sales made during the year	
	Units	Amount (Rs.)	Units	Amount (Rs.)
Reliance Money Manager Fund-Institutional Option Daily Dividend Plan	12,035,805	12,049,482	12,035,805	12,049,482
Reliance Regular Savings Fund -Equity Plan Growth Option	26,600.859	550,276	-	-
Reliance Short Term Fund Retail Plan Growth Plan	717,743.775	12,049,482	-	-
Reliance Monthly Income Plan Monthly Dividend Plan	350,972.633	4,000,000	-	-
U T I Fixed Income Interval Fund Monthly Interval Plan Series – I Dividend Plan Re-investment	250,000.000	2,500,000	-	-

#### B) 2008-09

Birla Sun Life Savings Fund - Retail Growth	153,703.330	2,500,000	-	-
Birla Sun Life Income Plus – Growth	244,255.340	9,799,060	-	-
Birla Sun Life Income Plus - Quarterly Dividend – Reinvestment	830,097.605	10,000,000	830,097.605	9,726,171
Birla Sun Life Short Term Fund Retail – Growth	618,756.442	9,726,171	618,756.442	9,799,060
Canara Robeco Income Dividend (Income) Fund	616,031.833	10,045,631	-	-
Canara Robeco Liquid Plus - Daily Dividend Reinvestment	809,667.940	10,045,631	809,667.940	10,045,631
HDFC FMP -90 D April 2008 Retail Plan Dividend	-	-	300,000.000	3,000,000
HDFC FMP -90 D March 2008 Retail Plan Dividend	300,000.000	3,000,000	300,000.000	3,000,000
HDFC FMP 90D May 2008 (VIII) Retail Plan Dividend Pay Out	500,000.000	5,000,000	500,000.000	5,000,000
HDFC Qtly Interval Fund - Plan C Wholesale -Dividend Reinvest	19,196.189	192,077	1,018,556.589	10,190,761
ICICI Prudential Flexible Income Plan Dividend Daily Reinvest	492,991.384	5,212,644	492,991.384	5,212,644
ICICI Prudential Interval Fund Qtly Interval Plan - Retail dividend reinvest	14,429.850	144,311	518,709.679	5,187,564
Kotak FMP 3M Series 27 -Dividend	5,186.353	51,864	255,186.353	2,551,864
LIC MF Liquid Plus Fund - Daily Dividend Plan	516,423.288	5,164,233	516,423.288	5,164,233
Lotus India Qly Interval Fund - Plan C – Dividend	249,433.785	2,500,000	249,433.785	2,494,887
Lotus India Qtly Interval Fund - Plan D - Dividend	10,170.163	101,702	260,157.664	2,602,253
Fortis Money Plus Regular Dividend	1,707,137.767	17,190,197	-	-
Fortis Money Plus Regular Growth	1,087,304.740	14,000,000	1,087,304.740	14,190,197
Reliance Fixed Horizon Fund VIII Series 4-Institutional Dividend Plan	1,300,000.000	13,029,160	-	-
Reliance Fixed Horizon Fund VIII Series 4-Institutional Growth Plan	1,300,000.000	13,000,000	1,300,000.000	13,029,160
Reliance Media & Entertainment - Growth Plan Growth Option	-	-	27,412.202	426,010
SBI Debt Fund Series - 90 Days - 24 - Growth	204,071.426	2,040,714	204,071.426	2,085,488
SBI Debt Fund Series - 90 Days - 25 - Dividend	305,373.300	3,053,733	305,373.300	3,053,733
SBI Debt Funds Series - 90 days -20 -Dividend	3,540.770	35,408	204,071.426	2,040,714
SBI Mutual Fund - SBI Debt Funds Series - 90 days-21-Dividend	5,549.700	55,497	305,549.700	3,055,497

## **U.P. Hotels Limited**

### **Schedules to Accounts (*Contd.*)**

#### **19. Employees Benefits**

##### **19.1 Defined Contribution Plans.**

The Company makes contribution towards Provident Fund and ESIC for qualifying employees. The Provident Fund & ESIC plans are operated by Regional Provident Fund Commissioner and Director Employees State Insurance Corporation. 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. The Company, has recognized Rs. 8,037,348 (2009- Rs. 7,627,625) for Provident Fund and Rs. 2,209,623 (2009 – Rs.2,139,505) for ESIC.

##### **19.2 Defined Benefit Plan**

###### **Gratuity**

1. 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 scheme 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 occur on completion of five years service. The recent actuarial valuation was carried out at 31<sup>st</sup> March, 2010 by Life Insurance Corporation of India under the Projected Unit Credit Method. The Actuarial valuation of Khajuraho is carried out by an Actuary under the Projected Unit Credit Method. Provisions are made to bring gratuity liability in line with actuarial valuation. The full actuarial valuation report indicating amongst others viz. changes in present value of obligation/ fair value of plan assets, actuarial gain/ loss recognized, fair value of plan etc. were not furnished for 2007 & 2008 from the Life Insurance Corporation of India and as such the relevant particulars are not being furnished. The funds are invested by Life Insurance Corporation of India.

**U P HOTELS LIMITED**

19.3 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	Gratuity						Leave Encashment			
	Funded		Non Funded				Non Funded			
	2010	2009	2010	2009	2008	2007	2010	2009	2008	2007
<b>Change in present value of obligation</b>										
Present Value of Obligation as at beginning of the year	38,230,015	38,993,156	535,298	360,253	302,925	300,192	5,923,504	5,099,434	4,120,791	3,584,450
Interest Cost	3,058,401	1,334,112	42,824	28,820	24,234	24,015	473,880	407,955	329,663	286,756
Current Service Cost	1,890,008	1,033,480	97,739	69,480	47,377	37,148	574,684	630,569	469,344	358,939
Benefits Paid	(2,723,076)	(4,303,214)	-	-	-	-	-	-	-	(717,756)
Actuarial (gain)/loss on obligation	768,339	2,944,679	171,929	76,745	(14,283)	(58,430)	(1,241,347)	(214,454)	179,636	608,402
Present value of obligation as at end of the year	41,223,687	40,002,213	847,790	535,298	360,253	302,925	5,730,721	5,923,504	5,099,434	4,120,791
<b>Change in the fair value of plan assets</b>										
Fair value of plan assets at the beginning of year	21,607,647	16,850,502	-	-	-	-	-	-	-	-
Expected return on plan assets	2,125,474	1,714,411	-	-	-	-	-	-	-	-
Contributions	5,123,732	7,345,948	-	-	-	-	-	-	-	-
Benefits paid	(2,723,076)	(4,303,214)	-	-	-	-	-	-	-	-
Actuarial gain/(loss) on plan assets	-	-	-	-	-	-	-	-	-	-
Fair value of plan assets at the end of the year	26,133,777	21,607,647	-	-	-	-	-	-	-	-
<b>Fair Value of plan assets</b>										
Fair value of plan assets at beginning of year	21,607,647	16,850,502	-	-	-	-	-	-	-	-
Actual return on plan assets	2,125,474	1,714,411	-	-	-	-	-	-	-	-
Contributions	5,123,732	7,345,948	-	-	-	-	-	-	-	-
Benefits paid	(2,723,076)	(4,303,214)	-	-	-	-	-	-	-	-
Fair value of plan assets at the end of year	26,133,777	21,607,647	-	-	-	-	-	-	-	-
Funded status	(15,089,910)	(18,394,566)	(847,790)	(535,298)	(360,253)	(302,925)	(5,730,721)	(5,923,504)	(5,099,434)	(4,120,791)
<b>Actuarial gain / loss recognized</b>										
Actuarial(Gain)/Loss on obligation	(768,339)	(2,944,679)	(171,929)	(76,745)	14,283	58,430	1,241,347	214,454	(179,636)	(608,402)
Actuarial (Gain)/Loss for the year - plan assets	-	-	-	-	-	-	-	-	-	-
Total (gain)/ loss for the period	768,339	2,944,679	171,929	76,745	(14,283)	(58,430)	(1,241,347)	(214,454)	179,636	608,402
Actuarial (Gain)/Loss recognised in the year	768,339	2,944,679	171,929	76,745	(14,283)	(58,430)	(1,241,347)	(214,454)	179,636	608,402
<b>The amount to be recognized in the balance sheet and statement of profit &amp; loss</b>										
Present value of obligation as at end of the year	41,223,687	40,002,213	847,790	535,298	360,253	302,925	5,730,721	5,923,504	5,099,434	4,120,791
Fair value of plan asses at the end of year	26,133,777	21,607,647	-	-	-	-	-	-	-	-
Funded status	(15,089,910)	(18,394,566)	(847,790)	(535,298)	(360,253)	(302,925)	(5,730,721)	(5,923,504)	(5,099,434)	(4,120,791)
Net Liability recognized in balance sheet	15,089,910	18,394,566	847,790	535,298	360,253	302,925	5,730,721	5,923,504	5,099,434	4,120,791
<b>Expenses recognized in statement of Profit &amp; Loss</b>										
Current service cost	1,890,008	1,033,480	97,739	69,480	47,377	37,148	574,684	630,569	469,344	358,939
Interest cost	3,058,401	1,334,112	42,824	28,820	24,234	24,015	473,880	407,955	329,663	286,756
Expected return on plan assets	(2,125,474)	(1,714,411)	-	-	-	-	-	-	-	-
Net actuarial (Gain)/Loss recognized in the year	768,339	2,944,679	171,929	76,745	(14,283)	(58,430)	(1,241,347)	(214,454)	179,636	608,402
Expenses recognized in statement of Profit & Loss	3,591,274	3,597,860	312,492	175,045	57,328	2,733	(192,783)	824,070	978,643	1,254,097

Investment details - invested with LIC

100%

100%

# **U P HOTELS LIMITED**

19.4 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			
	2010	2009	2010	2009	2008	2007	2010	2009	2008	2007
a. Discount rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
b. Expected rate of return on plan assets	-	-	-	-	-	-	-	-	-	-
c. Mortality rate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
d. Withdrawl rate										
- upto 30 years of age	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
- upto 44 years of age	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
- above 44 years of age	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
e. Future salary increase	7%	7%	7%	7%	5%	5.50%	7%	7%	5%-8%	5.50%

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.

19.5 Gratuity expenses and leave encashment have been recognised under the head employees remuneration & welfare expenses.

## U.P. Hotels Limited

### Schedules to Accounts (Contd.)

20. Earnings per share  
Computation of both basic and diluted  
earnings per share of Rs. 10/- each

	<b>Year ended 31<sup>st</sup> March</b>	
	<b>2010</b>	<b>2009</b>
	<b>Rupees</b>	<b>Rupees</b>
Profit for the year after tax	<b>107,434,547</b>	89,015,732
Number of Equity Shares	<b>5,400,000</b>	5,400,000
Basic & Diluted earnings per share in Rupees of face value of Rs. 10/-	<b>19.90</b>	16.48

21. Earnings in foreign currency

	<u>Year ended 31<sup>st</sup> March</u>	
	<b>2010</b>	<b>2009</b>
	<b>Rupees</b>	<b>Rupees</b>
i) Interest	-	-
ii) Royalty, know-how and consultancy fee	-	-
iii) Interest and Dividends	-	-
iv) On Hotel Earnings (realisation basis) (as certified and reported by the Company and not verified by the auditors)	<b>253,205,504</b>	268,852,132

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

	<u>Year ended 31<sup>st</sup> March</u>	
	<b>2010</b>	<b>2009</b>
	<b>Rupees</b>	<b>Rupees</b>
i) Provision, stores, wines etc.	<b>2,292,800</b>	966,319
ii) Capital Goods	<b>510,155</b>	5,614,576
iii) Components /spares etc	--	--

23. Expenditure in foreign currency

i) Interest	--	--
ii) Membership	--	--
iii) Other matters – Travelling, Advertisement , Subscription etc	<b>4,542,451</b>	2,408,677

## U.P. Hotels Limited

### Schedules to Accounts (Contd.)

24. Value of consumption of Wines & Liquor

	2010		2009	
	Rupees	%	Rupees	%
Imported	2,729,743	25.68	2,324,198	24.13
Indigenous	7,898,755	74.32	7,306,550	75.87
	10,628,498	100.00	9,630,748	100.00

25. 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.

26. Since it is not practicable to give quantitywise details in respect of purchase, consumption, turnover, stocks etc. , the Department of Company Affairs in exercise of its powers conferred by sub-section (4) of Section 211 of the Companies Act, 1956, by its Order No. 46/70/2008-CL-III dated 14.5.2008 has exempted the Company from giving such details for the years ending on 31<sup>st</sup> March, 2008, 31<sup>st</sup> March, 2009 and 31<sup>st</sup> March, 2010. However, the said Order require the Company to disclose certain additional particulars which have been disclosed.

27. The figures for the previous year has been re-grouped / recast as far as practicable to make them comparable with those of the current year.

28. Balance Sheet abstract and Company's General Business Profile

#### I. Registration Details

Registration No.	17307
State Code	55
Balance Sheet Date	31 <sup>st</sup> March, 2010

#### II. Capital Raised during the year

(Amount in Rs. Thousands)

Public issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

## **U.P. Hotels Limited**

### **Schedules to Accounts (*Contd.*)**

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

Total Liabilities	763,896
Total Assets	763,896

##### **Sources of Funds**

Paid up Capital	54,000
Reserves & Surplus (including Revaluation Reserve Rs. 21,533)	543,342

Secured Loans	NIL
Unsecured Loans	NIL
Deferred Tax – Net	53,412

##### **Application of Funds**

Net Fixed Assets	412,994
Investments	83,649
Net Current Assets	154,111
Miscellaneous Expenditure	NIL
Accumulated Losses	NIL

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

Turnover (including other income)	617,409
Total Expenditure (after Extra Ordinary items)	451,770
Profit / Loss before Tax	165,639
Profit / Loss after Tax	107,435
Earnings per share – Rs.	19.90
Dividend Rate %	40

**U.P. Hotels Limited**

**Schedules to Accounts (*Contd.*)**

**V. Generic Names of three principal products / services of company  
(As per monetary terms)**

Item Code No. (ITC Code) 591001006

Product Description HOTELS

Item Code No.(ITC Code) 390001002

Product Description RESTAURANTS

Schedule 1 to 24 form an integral part of the financial statements

Signatures to Schedules 1 to 24

Sd/-  
Birendra Kumar  
Chairman & Managing Director

Sd/-  
Sidharth Ghatak  
Company Secretary

Sd/-                      Sd/-  
Apurv Kumar              Rupak Gupta  
Joint Managing Directors

New Delhi  
15<sup>th</sup> May, 2010