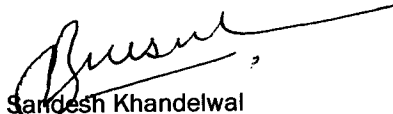
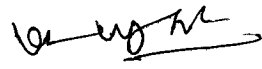
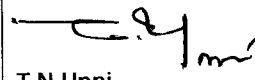




CIN L51100GJ1982PLC005131

FORM A

(Pursuant to clause 31(a) of Listing Agreement)

No.	Particulars	Details
1.	Name of the Company	Sayaji Hotels Limited
2.	Annual Financial Statement for the year ended	31 st March 2014
3.	Type of audit observation	Unqualified
4.	Frequency of observation	N.A
5.	To be signed by: <ul style="list-style-type: none">Managing Director/ Chief Executive OfficerChief Financial OfficerAuditor of the CompanyChairman of Audit Committee	<p>There was no Managing Director during such period</p> <p> Sandesh Khandelwal (Chief Financial Officer)</p> <p>Refer our Audit Report dated 30th May, 2014</p> <p>For K. L. Vyas & Company</p> <p> Chartered Accountants (Firm Regn. No. 003289C)</p> <p>and</p> <p>FOR Shah Gandhi & Shah</p> <p>Chartered Accountants (Firm Regn. No. 126862W)</p> <p> T.N Unni (Chairman of Audit Committee)</p>



Yours. Truly.

SAYAJI HOTELS LIMITED

31st Annual Report 2013-14



SHRI SAJID DHANANI

24th May 1966 - 11th November 2012



Late Shri Sajid Dhanani, MD, Sayaji Group of Hotels, is considered to be the true debonair and visionary entrepreneur in the hospitality industry. An astute businessman with a visionary acumen, he introduced several innovations in his hotels, which have now become industry standards for excellence.

With the start of first Sayaji hotel in Baroda followed by Indore, Pune and Barbeque Nation chain of restaurants nationwide, Mr. Dhanani, or Sajid Bhai as he was affectionately known, decided on two tenets for Sayaji “Change is the Rule of the Game” and “Customer First”. He instituted these values in every step of the Sayaji saga. He lived his life serving and providing the very best facilities in luxury and cuisine to his guests and positioned Sayaji as the only hotel in the world that calls itself “truly yours”.



BOARD OF DIRECTORS

- | | |
|-------------------------------|---------------------------|
| • Shri Abdul Razak D. Dhanani | - Chairman |
| • Shri Kayum R. Dhanani | - Director |
| • Shri Sanjay Ahuja | - Nominee Director TFCI |
| • Shri Y.S. Mehta | - Nominee Director – MPFC |
| • Shri T.N. Unni | - Director |
| • Shri Pradeep Goyal | - Director |
| • Smt. Suchitra Dhanani | - Whole Time Director |
| • Shri Raoof Razak Dhanani | - Director |
| • Shri Vinit Shah | - Director |

JOINT STATUTORY AUDITORS

- | | |
|--|---|
| • M/s. Shah Gandhi & Shah,
Chartered Accountants
221, Phoenix Complex, Nr. Suraj Plaza,
Sayajigunj, Vadodara – 390 005.
Phone : 0265 - 3010788 | • M/s. K.L. Vyas & Co.
Chartered Accountants
Shop No. 2, IInd Floor, Parshwanath,
Dawa Bazar, 6th Hazareashwar Colony,
Udaipur - 313001 |
|--|---|

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

- Link Intime India Pvt. Limited.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai-400078
e-mail: mumbai@linkintime.co.in
Phone(022) 25963838, Fax: 25946969

BANKERS

- State Bank of India
- State Bank of Mysore
- Axis Bank Ltd.
- HDFC Bank Ltd.

REGISTERED OFFICE

- Opp. Rajshree Talkies,
Near Kala Ghoda, Sayajigunj, Vadodara – 390005
Phone : 0265-2363030, Fax : 0265-2226134
E-mail : cs@sayajiindore.com

CORPORATE OFFICE

- H/1, Scheme No. 54, Vijay Nagar, Near Maghdoot Garden,
Indore – 452010 (Madhya Pradesh)
Phone : 0731-4006666, Fax : 0731-4003131
E-mail : cs@sayajiindore.com

HOTELS

- Opp. Rajshree Talkies, Near Kala Ghoda, Sayajigunj,
Vadodara – 390005 (Gujarat)
- H/1, Scheme No. 54, Vijay Nagar, Near Maghdoot Garden,
Indore – 452010 (Madhya Pradesh)
- Survey No. 135, 136, Mumbai Bangalore Highway,
Opp. B. U. Bhandari Workshop, Waked, Pune - 411057

CORPORATE IDENTITY NUMBER (CIN)

- L51100GJ1982PLC005131

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Date	:	August 23, 2014
Day	:	Saturday
Time	:	3.00 P.M.
Venue	:	Sayaji Hotel, Vadodara
Book Closure Date	:	From August 18, 2014 to August 23, 2014.

NOTICE

NOTICE is hereby given that the Thirty First Annual General Meeting of the Members of Sayaji Hotels Limited will be held on 23rd Day of August, 2014 at 3.00 pm at the Registered Office of the Company situated at "Sayaji Hotel", Opp. Rajshree Talkies, Near Kala Ghoda, Sayajigunj, Vadodara-390005 (Gujarat), to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt
 - (a) the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended 31st March, 2014 that date together with the reports of the Directors and the Auditors thereon.
 - (b) the Audited Consolidated Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended 31st March, 2014 that date together with the reports of the Directors and the Auditors thereon.
2. To appoint Director in place of Mr. Kayum Razak Dhanani, (having DIN 00987597) and who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Mr. Abdul Razak Dhanani, (having DIN 00926236) and who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint the Auditors and fix their remuneration and to this regard to consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary resolution:

"To appoint M/s K.L. Vyas & Co., Chartered Accountants, (Firm Regn. No. 003289C), the retiring Joint Auditors as the Sole Statutory Auditors of the Company, who shall hold office from the conclusion of the ensuing Annual General Meeting to the conclusion of the further Four annual general meetings i.e. upto the financial year ended 31st March, 2018 till the transitional period of four years as per Rule 4 of the Companies (Audit and Auditors) Rules, 2014, subject to the ratification at every next Annual General Meeting at such remuneration as may be mutually agreed upon between the above said Auditors and the Board of Directors of the Company."

SPECIAL BUSINESS

5. To Consider and if thought fit, to pass with or without modifications, if any, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies

Act, 2013 and the Company (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr. Pradeep Goyal (having DIN 02798770) who was appointed as an additional director by the Board with effect from 6th Feb., 2014 in terms of Section 260 of the Companies Act, 1956 [corresponding to Section 161(1) of the Companies Act, 2013] to hold the office of the director upto the date of this annual general meeting and in respect of whom the Company has received a notice u/s 160 of Companies Act, 2013 from a member proposing his candidature for the office of the director, be and is hereby appointed as an Independent director to hold office for 5 (Five) consecutive years i.e. 31st March, 2019 not be liable to retire by rotation."

6. To Consider and if thought fit, to pass with or without modifications, if any, the following resolution as an Ordinary Resolution.

"RESOLVED THAT the approval of the members of the Company be and is hereby granted for the appointment of Mr. Raoof Dhanani (having DIN 00174654) as a director, who was appointed as an additional director by the Board in terms of Section 260 of the Companies Act, 1956 [corresponding to Section 161(1) of the Companies Act, 2013] and Articles of Association of the Company with effect from 14th Nov., 2013 and in respect of whom the Company has received a notice u/s 160 of Companies Act, 2013 from a member of the Company proposing his candidature for the office of the director of the Company, whose period of office shall be liable to retirement of directors by rotation."

7. To Consider and if thought fit, to pass with or without modifications, if any, the following resolution as Ordinary Resolution.

"RESOLVED THAT the approval of the members of the Company be and is hereby granted for the appointment of Mrs. Suchitra Dhanani (having DIN 00712187) as a director, who was appointed as an additional director by the Board in terms of Section 260 of the Companies Act, 1956 [corresponding to Section 161(1) of the Companies Act, 2013] and Articles of Association of the Company with effect from 6th Feb., 2014 and in respect of whom the Company has received a notice u/s 160 of Companies Act, 2013 proposing his candidature for the office of the director of the Company whose period of office shall be liable to retirement of directors by rotation."

8. To Consider and if thought fit, to pass with or without modifications, if any, the following resolution as Special Resolution.

"FURTHER RESOLVED THAT subject to the provision of section 186 196, 197, 203 of the Companies Act, 2013 read with the Schedule V to the Companies Act, 2013 (Corresponding provisions of sections 198, 269, 310 and 309 read with schedule XIII and other applicable provision, if any, of Companies Act, 1956) and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force the approval of the members of the Company hereby granted for the appointment of Mrs. Suchitra Dhanani (having DIN 00712187) as a whole- time Director of the Company w.e.f. 06th February, 2014 for the period of 3 years on the remuneration and terms & conditions as set out below with the liberty and authority to the Board of Directors to alter and vary the terms & conditions of the said appointment from time to time as may be mutually agreed between the Board of Directors and Mrs. Suchitra Dhanani".

REMUNERATION:

- (1) Salary: Rs.1,50,000/- per month (with the Annual Increment upto Rs. 50,000 P.M. payable on the 1st Day of April, every year commencing from 1st April, 2014).
- (2) Perquisites and Allowances: Which shall be subject to the maximum of Rs. 1,00,000/- per month and may be paid under the following categories as may be determined by the Board of Directors of the Company from time to time:
 - (a) House Rent Allowance
 - (b) Special allowance
 - (c) Leave Travel allowance
 - (d) CCA
 - (e) Annual club maintenance fees
 - (f) Other allowance
 - (g) Conveyance allowance

In addition to the aforesaid she shall also be entitled for the payment of statutory contribution towards the PF, ESIC, Gratuity and leave encashment at the time of end of her tenure and the same shall be exempted from the total remuneration payable to her.

"RESOLVED FURTHER THAT in case of in absence or inadequacy of the profit in any Financial year, the Company shall pay the above said remuneration as the minimum remuneration subject to the maximum of Rs. 4,00,000 p.m. or as may be decided by the Board from time to time.

RESOLVED FURTHER THAT the said Whole-time Director shall not be entitled for any sitting fee for attending any meeting of the Board of Directors or a committee thereof. The appointment shall be on contractual basis and the services of Mrs. Suchitra Dhanani may be terminated by a notice of 60 days from either side."

RESLOVED FURTHER THAT the Board of Directors be and are hereby authorised with liberty and powers to the Board of Directors to increase, reduce, alter or vary the terms and conditions of remuneration in such manner as the Board may deem fit within the limit specified as aforesaid from time to time."

9. To Consider and if thought fit, to pass with or without modifications, if any, the following resolution as an Ordinary Resolution.

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Clause 49 of the Listing Agreement and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. T.N. Unni (holding DIN 00079237), Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years i.e. 31st March, 2019 not be liable to retire by rotation."

10. To Consider and if thought fit, to pass with or without modifications, if any, the following resolution as Special resolution.

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other provisions, if any, of the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of moneys on such terms and conditions and with or without security as the Board of Directors may think fit which, together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys so borrowed by the Board shall not at any time exceed the limit of Rupees 300 Crore.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to negotiate and settle the terms and conditions with the concerned Banks/ Financial Institutions etc., finalize the agreement/ contracts and documents for creating the aforesaid mortgages and/or charges and to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

11. To Consider and if thought fit, to pass with or without modifications, if any, the following resolution as Special resolution.

"RESOLVED THAT in terms of the provisions of Section 55, 62(1)(C), 42, 39 and read with Companies (Share Capital & Debentures) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the subject to the compliance of other statutes and laws as applicable and subject to such approval of the stock exchanges, where the shares are listed and other applicable, consents, permissions and sanctions as may be necessary from appropriate authorities, or bodies, which may be agreed to by the Board of Directors of the Company (hereinafter called the Board), consent of the members of the Company be and is hereby accorded to the Board to offer/ issue and allot upto 10,00,000 10% Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred Only) at premium of Rs. 50/- (Rupees fifty) each fully paid-up for cash on a private placement/ preferential basis, to the following investors within a period of 1 year from the date of approval i.e. on or before 22nd August, 2015.

S. No.	Name and particulars of Proposed applicants	Status	No. of Preference Shares offered	Amount including premium in Rs.
1.	Ms. Saba Dhanani	PAC	1,25,000	1,87,50,000
2.	Ms. Sadiya Dhanani	Do	1,25,000	1,87,50,000
3.	Mr. Azhar Dhanani	Do	1,25,000	1,87,50,000
4.	Mr. Zuber Dhanani	Do	1,25,000	1,87,50,000
5.	Mr. Kayum Dhanani	Director & Promoter	1,25,000	1,87,50,000
6.	Ms. Sara Dhanani	PAC	1,25,000	1,87,50,000
7.	Ms. Saniya Dhanani	PAC	1,25,000	1,87,50,000
8.	Ms. Suchitra Dhanani	Director & Promoter	1,25,000	1,87,50,000
	Total		10,00,000	15,00,00,000

"RESOLVED FURTHER THAT the Company shall be entitled to redeem the said preference shares out of its profits at after the end of Fifth year in but within a period of 20 years either in one or more than one trenches as may be determined by the Board at the price as may be decided but not less than Rs. 220/- (Rupees Two Hundred Twenty Only) per share."

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to issue Letter of Offer and to determine other terms and conditions for making aforesaid issuance of shares on preferential basis within a period of 12 months from the date of the special resolution passed by the members of the Company in one or more than one trenches under the terms and conditions of the letter of offer as may be determined by the Board of directors or

committee thereof of the Company from time to time.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment and utilization of the proceeds and further to do all such acts, deeds matters and things and to finalize and execute all documents and writings as may be necessary, proper, desirable or expedient, as it may deem fit."

12. To Consider and if thought fit, to pass with or without modifications, if any, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Company (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr. Vinit Shah (having DIN 00118610) who was appointed as an additional director by the Board with effect from 04th July, 2014 in terms of Section 260 of the Companies Act, 1956 [corresponding to Section 161(1) of the Companies Act, 2013] to hold the office of the director up to the date of this annual general meeting and in respect of whom the Company has received a notice u/s 160 of Companies Act, 2013 from a member proposing his candidature for the office of the director, be and is hereby appointed as an Independent director to hold office for 5 (Five) consecutive years i.e. 31st March, 2019 not be liable to retire by rotation."

By Order of the Board

Corporate Office:
Sayaji Hotel,
H-1, Scheme No. 54
Vijay Nagar,
Indore (M.P.)

ABDUL RAZAK DHANANI
CHAIRMAN
DIN 00926236

Date : 04.07.2014

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Company has already notified closure of Register of Members and Share Transfer Books from 18th August, 2014 to 23rd August, 2014 (both days inclusive)
3. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend, the Company or its Registrar and Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates, such changes are to be advised only to the depository participant of the members.
4. (a) Members are requested to notify immediately any change of address;
 - (i) To their Depository Participants (DPs) in respect of their electronic share accounts;
 - and
 - (ii) To the Company to its Share Transfer Agents in respect of their physical shares Folios, if any.
 (b) In case the mailing address on this Annual Report is without the PINCODE, members are requested to kindly inform their PINCODE immediately.
- (c) Non-resident Indian Shareholders are requested to inform Share Transfer Agents Immediately:
 - (i) Change in the residential status on return to India for permanent settlement.
 - (ii) The particulars of NRE Account with Bank in India, if not furnished earlier.
5. Relevant documents referred to in the accompanying notice are open for inspection by the members at the registered office of the Company on all working days, except Saturdays between 11.00 A.M. to 1.00 P.M. up to the date of meeting.
6. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
7. Members desirous of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
8. The Company has connectivity with the CDSL & NSDL and equity shares of the Company may also be held in the Electronic form with any Depository Participant (DP) with whom the members/Investors having their depository account. The ISIN for the Equity Shares of the Company is INE318C01014. In case of any query/ difficulty in any matter relating thereto may be addressed to the Share Transfer Agents: Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S, Marg, Bhandup, (W) Mumbai 400078.
9. As per the provisions of the Companies Act, 2013, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-SH 13 prescribed by the Government can be obtained from the Share Transfer Agent or may be download from the website of the Ministry of Company affairs.
10. Pursuant to the provisions of section 124(5) and 125 of the Companies Act, 2013, the Company is not having any amount due for transfer to the Central Government.
11. There is no instance which requires transfer of undelivered shares to the separate escrow account as required under the Listing Agreement.
12. The SEBI has mandated the submission of PAN by every participant in securities market, members holding shares in electronic form are therefore, requested to submit the PAN to their depository participant with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company's Share Transfer Agent, M/s Link In time India Pvt. Ltd.
13. Pursuant to the Clause 49 of the Listing Agreement, profile of the Directors proposed for appointment/re-appointment being given in a statement containing details of the concerned Directors is attached hereto.
14. The Rule 18 of the Companies (Management and Administration Rules 2014 and Rule 11 of the Companies (Accounts) Rules, 2014 allows companies to send notice of the annual general meeting, annual report and other communication through electronic mode at the registered

email address of the members/ beneficiaries, keeping in view the underlying objective, Members who hold shares in physical form and desired to receive the documents in electronic mode are requested to please promptly provide their details (name, LF No., email ID) to the Registrar and Share Transfer agent of the Company.

15. You're the Company henceforth affect electronic delivery of communication/ documents including the notice of the Annual General Meeting, Annual Reports and such other necessary communication/documents from time to time to the Members, who have provided their e-mail address to their Depository Participant (DP).
16. E-mail addresses as registered in your respective DP accounts in the records of the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) which will be periodically downloaded, will be deemed to be your registered e-mail address for serving the necessary communication/documents. Thus, the necessary communication would be sent in electronic form to the registered email address. Members who wish to inform any updations/changes of their e-mail address, are requested to promptly update the same with their DP.
17. The annual report and other communications/documents sent electronically would also be displayed on the Company's website: www.sayajihotels.com as a Member of the Company, you will be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you.
18. We request you to support this initiative and opt for the electronic mode of communication by submitting your e-mail address to your DP or to the Company's Registrar, as the case may be, in the interest of the environment.
19. Voting through electronic means :
 - (i) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide member's facility to exercise their right to vote at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by CDSL. Procedure and instructions for e-voting are as follows:

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" (i.e. Sayaji Hotels Ltd.) from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> (i.e. Sayaji Hotels Ltd.) on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user

who would be able to link the account(s) which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) Above to cast vote.
- (B) The voting period begins on 18/08/2014 at 9.00 am and ends on 20/08/2014 at 6.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 18/07/2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- III. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 18/07/2014.
- IV. Mr. Ritesh Gupta proprietor of M/s Ritesh Gupta & Co., Company Secretary whole time in Practice (ICSI Membership No. 5200) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- V. The Scrutinizer shall within a period not exceeding two (2) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VI. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.sayajihotels.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

STATEMENT REGARDING THE DIRECTORS PROPOSED FOR APPOINTMENT/REAPPOINTMENT

Name and Designation of Appointee	Age/Qualifications Year	Expertise/ Experience	Date of appointment	No. of Other Directorship	No of shares held & %age
Mr. Abdul Razak Dhanani	80 Years (Graduate in Commerce)	More than 30 years experience in fertilizers & hotel business	16.02.1987	7 Companies	50600 Equity Shares (0.29%)
Mr. Raoof Dhanani	50 Years (Graduate in Commerce)	Having vast experience of Fertilizers Industry	14.11.2013	7 Companies	4772574 Equity Shares (27.24%)
Mr. Pradeep Goyal	49 Years (Chartered Accountants)	Having vast experience in finance, accounts, taxation	06.02.2014	3 Companies	Nil
Mrs. Suchitra Dhanani	50 Years (Graduate)	Having more than 20 years experience in hotel industry	06.02.2014	4 Companies	320050 Equity Shares (1.83%)
Mr. T.N,Unni.	76 Years	More than 40 years experience in the field of Accounts, Taxation etc.	31.01.2002	3 Companies	Nil
Mr. Vinit Shah	49 Years	He is a Chartered Accountant and having more than 20 years experience of exports of colorantes	04.07.2014	Nil	Nil

ANNEXURE TO THE NOTICE
**EXPLANATORY STATEMENT IN PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013
IN RESPECT TO THE SPECIAL BUSINESS**
ITEM NO. 5 :

The Board of directors at their meeting held on 6th February, 2014 has appointed Mr. Pradeep Goyal as an additional director of the Company. Mr. Pradeep Goyal is a Chartered Accountant and having thorough experience in the field of Finance, Accounts and Taxation. The Company has received a notice u/s 160 of the Act, from a member of the Company proposing his appointment as a director (Independent Category) of the Company.

In terms of the provisions of section 149 of the Companies Act, 2013 stipulate the criteria of independence should a company propose to appoint an independent director on its Board. As per said section an independent director can hold office for a term upto 5 consecutive years on the Board of a company and shall not be included in the total number of directors for retirement by rotation. The Company has received a declaration from Mr. Pradeep Goyal

that meets the criteria of independence as prescribed both under section 149(6) and the Clause 49 of the Listing Agreement.

In the opinion of the Board Mr. Pradeep Goyal fulfills the criteria and conditions for his appointment as an Independent Director as specified in the Act and Listing agreement and Mr. Pradeep Goyal is independent of the management.

Copy of the draft letter for appointment of Mr. Pradeep Goyal as an Independent Director setting out the terms and conditions is available for inspection by the members at the Registered Office of the Company.

Except Mr. Pradeep Goyal, none of the directors of the Company is concerned or interested in this resolution. However, Mr. Pradeep Goyal may be deemed to be financially interested to the extent of the sitting fee paid to him, except that he is not having any other interest or concern in the company.

ITEM NO. 6:

The Board of Director at their meeting held on 14th November 2013 has appointed Mr. Raoof Razak Dhanani as an Additional Director of the Company, Mr Dhanani is a Commerce Graduate and falls under the Promoters Group and having vast experience of the Fertilizers Industry and Corporate Management. The Company has received a notice u/s 160 of the Act, from a member of the Company proposing his appointment as a Director of the Company.

Looking into his experience your Board recommends to appoint him as a director of the Company and to pass the necessary resolution as set out in Item No. 6 of the notice by way of ordinary resolution.

Mr. Raoof Razak Dhanani, being the appointee may be deemed to be concerned or interested in this resolution to the extent of the sitting fee in any payable to him. Other directors Mr. Abdul Razak Dhanani, Mr. Kayum Razak Dhanani, Mrs. Suchitra Dhanani being his relatives may be deemed to concerned or interested otherwise.

Mr. Raoof Razak Dhanani is also holding 4772574 shares consisting of 27.24% of the paid up share capital of the Company.

ITEM NO. 7 & 8

Pursuant to the section 269 of the Companies Act, 1956 as well as section 203(1) of the Companies Act, 2013, there is need to appoint a Whole-time Director or Managing Director on the Board of the Company for complying the requirement of law.

The Board considers that Mrs. Suchitra Dhanani, has also served as Vice President of the Company and she is appropriate person to hold the responsibility of Key Managerial Personal of the Company. She has more than 20 years experience in hotel industry and she is taking lots of responsibilities of the Company therefore it will be appropriate for the Company to appoint her as Whole-time Director of the Company and categorized as the Key Managerial Personnel of the Company.

The terms of remuneration, as set out in the resolution are considered to be just, fair and reasonable by the Nomination and Remuneration Committee and are in accordance with the remuneration policy of the Company as well as in the Industry.

Accordingly, the resolution mentioned in Item No. 7 & 8 of the notice is being proposed for approval accordingly.

Mrs. Suchitra Dhanani, being the appointee may be considered as financially interested to the extent of the managerial remuneration as may be drawn by her. Mr. Abdul Razak Dhanani, Mr. Raoof Razak Dhanani, Mr. Kayum Razak Dhanani being the relative of the proposed appointee, may be deemed to be interested otherwise in the above said resolution.

Mrs. Suchitra Dhanani is also holding 3,20,050 shares consisting of 1.83 % of the paid up share capital of the Company.

ITEM NO. 9

Mr. T.N.Unni, aged about 76 years is having varied experience in the field of taxation and accounts and auditing and is on the Board since, 2002 in the category of Independent Director.

In terms of the provisions of section 149 of the Companies Act, 2013 stipulate the criteria of independence should a company propose to appoint an independent director on its Board. As per said section an independent director can hold office for a term upto 5 consecutive years on the Board of a company and shall not be included in the total number of directors for retirement by rotation. The Company has received a declaration from Mr. T.N. Unni that meets the criteria of independence as prescribed both under section 149(6) and the Clause 49 of the Listing Agreement.

In the opinion of the Board Mr. T.N. Unni fulfills the criteria and conditions for his appointment as an Independent Director as specified in the Act and Listing agreement and Mr. T.N. Unni is independent of the management.

Copy of the draft letter for appointment of Mr. T.N. Unni as an Independent Director setting out the terms and conditions is available for inspection by the members at the Registered Office of the Company.

Except Mr. T.N. Unni, none of the directors of the Company is concerned or interested in this resolution. However, Mr. T.N. Unni may be deemed to be financially interested to the extent of the sitting fee paid to him, except that he is not having any other interest or concern in the Company.

The Board recommend the ordinary resolution as set out at the Item No.9 of the Notice.

ITEM NO. 10

Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors of the Company shall obtain the consent of the Shareholders in the General Meeting to enable them to borrow moneys where the amount to be borrowed together with the amount already borrowed by the Company will exceeds the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

The shareholders are aware that at the Annual General Meeting held on 30.09.2009, an Ordinary Resolution was passed authorizing the Board of Directors of the Company to borrow from time to time for the purpose of carrying out the business of the Company, subject to the condition that money, so borrowed shall not exceed Rs. 300 Crores (Three Hundred Crores Only). In view of the changes in the Company and pursuant to section 180(1)(c) of the Companies Act, 2013 the aforesaid approval can be accorded by the members of the Company through special resolutions only therefore it is proposed to obtain approval of the members of the Company through special resolution to authorize board of directors to borrow

moneys from time to time for the purpose of carrying on the business of the Company, subject to the condition that money so borrowed shall not exceed Rs. 300 Crore (Rs. Three Hundred Crores Only).

The directors recommend the Resolution as set out at Item No. 10 of the Notice for your approval.

None of the directors is concerned or interested in this resolution.

ITEM NO. 11

The Company is in the process of expanding its F&B segment business in Bhopal, Indore, Pune and Vadodara. Further at Indore Company is also planning to construct a large banquet hall having capacity of approx 1000 pax.

In addition to this a renovation proposal for existing property is also in pipe line. Therefore the Company has to increase its capital base for meeting the working capital & long term financial requirement. The Board of directors at their meeting held on 04.07.2014 has considered issuance of 10,00,000 (Ten Lacs) 10% Cumulative Redeemable Preference Shares of Rs. 100/- (Rs. Hundred Only) each at premium of Rs. 50/- Only (Rs. Fifty Only) on Preferential basis to the selective investors of the Company out of the un-issued authorised share capital of the Company.

The price of shares was considered by the Board at Rs. 150/- per share (including premium of Rs. 50/- per share) as justified and reasonable for allotment for cash and the Board proposes to issue, offer and make allotment upto 10,00,000 (Ten Lacs) 10% Cumulative Redeemable Preference shares of Rs 100/- (Hundred) Preference shares at premium of Rs. 50/- (Rs. Fifty Only).

The Board shall issue the Letter of Offer to the proposed investors (including Promoters of the Company and their relatives of the Company). However, there shall not be any change in the controlling stake and the composition of the Board of directors of the Company upon issuance of the aforesaid shares.

The Company gives the following information for taking appropriate decision for approval of the proposed resolution as set out in the Item No 11. of the notice of the meeting by way of special resolution.

- the price at which allotment is proposed: Rs. 150/- each share (including premium of Rs. 50/- per share).
- The relevant date on the basis of which price has been arrived at: Since the Company does not propose convertible preference shares or partly convertible preference shares therefore it does not apply.
- The object of the issue: To raise the funds for meeting the financial requirements for its Upcoming projects and other long term financial needs of the Company.
- The class or classes of persons to whom the allotment is proposed to be made: The Company proposes to offer, issue and allot the shares to the Promoters/promoter Directors

and their relatives which include the existing shareholders on the preferential/private placement basis as may be determined by the Board of directors of the Company from time to time within the validity period of the resolution.

- Intention of promoters/directors/key managerial personnel to subscribe to the offer: The promoters, directors and their relatives as per the list of the proposed allottees are intent to participate in the proposed preferential issue of 10% Cumulative Redeemable Preference Shares. However none of the Key Managerial Personnel, except Mrs. Suchitra Dhanani and other directors shall participate in the proposed issue.
- The identity of the class of the proposed Allottees: The identity of the proposed allottees are as under.

S. No.	Name, Father's Name, PAN and Complete Address of the applicants	No. of Shares proposed to be offered and may be allotted	Amount in Rs.	Remarks
1.	Saba Dhanani D/o Raoof Razak Dhanani PAN: AKFPD7406E Add.: 281, Kalpataru Heights, 28th Floor, Dr A Nair Road, Agripada, Mumbai 400011	1,25,000	1,87,50,000	Promoters Relative
2.	Sadiya Dhanani D/o Raoof Razak Dhanani PAN: AKFPD7407F Add.: 281, Kalpataru Heights, 28th Floor, Dr A Nair Road, Agripada, Mumbai 400011	1,25,000	1,87,50,000	Promoters Relative
3.	Azhar Dhanani S/o Yusuf Abdul Razak Dhanani PAN: BNTPD5899M Add.: 701, Radhika Apts, Plot No. 31, Sector-17, Vashi, Navi Mumbai-400703	1,25,000	1,87,50,000	Promoters Relative
4.	Zuber Dhanani S/o Yusuf Abdul Razak Dhanani PAN: BNTPD5862L Add.: 701, Radhika Apts, Plot No. 31, Sector-17, Vashi, Navi Mumbai-400703	1,25,000	1,87,50,000	Promoters Relative
5.	Kayum Dhanani S/o Razak Dawood Dhanani PAN: ABWPD8293M Add.: 76, Metro Politan CLY, 5th CRS 21- Main BTM, 2nd Stage, Bangalore-560076, Karnataka	1,25,000	1,87,50,000	Promoter Director

S. No.	Name, Father's Name, PAN and Complete Address of the applicants	No. of Shares proposed to be offered and may be allotted	Amount in Rs.	Remarks
6.	Sara Dhanani D/o Kayum Razak Dhanani Add.: 76, Metro Politan CLY, 5th CRS 21- Main BTM, 2nd Stage, Bangalore-560076, Karnataka	1,25,000	1,87,50,000	Promoters Relative
7.	Saniya Dhanani D/o Sajid Razak Dhanani Add.: 20, Sector BF, Vijay Nagar, Indore (M.P.)	1,25,000	1,87,50,000	Promoters Relative
8.	Suchitra Dhanani D/o S K R Udar PAN: ACTPD1159Q Add.: 20, Sector BF, Vijay Nagar, Indore (M.P.)	1,25,000	1,87,50,000	Promoter Director
	Total	10,00,000	15,00,00,00	

- (g) Cumulative Redeemable Preference Shareholding pattern of promoters and others classes of shares before and after the offer: The Company's Pre-issue and Proposed issue Cumulative Redeemable Preference Shareholding pattern is as under:

S. No.	Category	Pre - Issue		After Proposed Issue of Preferential Allotment*	
		No. of Shares	% of holding	No. of Shares	% of holding
1	Indian Promoters	0	0	1000000	100
2	Person Acting in Concert	0	0	0	0
3	Mutual Fund and UTI	0	0	0	0
4	Banks, Financial Institutions [Central/State Govt. Institution/Non Govt. Institution], FIIS	0	0	0	0
5	Corporate Bodies	0	0	0	0
6	Indian Public	0	0	0	0
7	NRIs/ OCBs	0	0	0	0
	Total	0	0	1000000	100.00

* Assuming that the proposed preferential/private placement basis shares shall be fully subscribed as proposed by the Board.

- (h) Change in the control if any in the Company that would accrue consequent to the preferential offer: Since the Company proposes to allot the shares in preferential/private placement to the promoter directors and their relatives; there will not be substantial change in the share holding pattern after the proposed issuance of shares.

- (i) Proposed time within which the allotment shall be completed: Within a period of one year from the date of approval of the resolution in one or more tranches in terms of the letter of offer.

In order to authorise to the Board for taking further action, it is necessary to pass the said special resolution for preferential issue of shares as set out in the Item No 11 of the Notice. Your directors recommend passing the aforesaid resolution, in the best interest of the Company.

Mr. Abdul Razak Dhanani, Mr. Raoof R. Dhanani, Suchitra Dhanani and Kayum R. Dhanani being the subscribers/ relatives of the said proposed allottees may be deemed to be considered as interested financially or otherwise, except that none of the Directors or Key Managerial Personnel's are concerned or interested in this resolution in any manner.

ITEM NO. 12:

The Board of directors at their meeting held on 4th July, 2014 has appointed Mr. Vinit Shah as an additional director of the Company. Mr. Vinit Shah is a Chartered Accountant and having 20 years experience of the export business of Colorants. The Company has received a notice u/s 160 of the Act, from a member of the Company proposing his appointment as a director (Independent Category) of the Company.

In terms of the provisions of section 149 of the Companies Act, 2013 stipulate the criteria of independence should a company propose to appoint an independent director on its Board. As per said section an independent director can hold office for a term upto 5 consecutive years on the Board of a company and shall not be included in the total number of directors for retirement by rotation. The Company has received a declaration from Mr. Shah that meets the criteria of independence as prescribed both under section 149(6) and the Clause 49 of the Listing Agreement.

In the opinion of the Board Mr. Vinit Shah fulfills the criteria and conditions for his appointment as an Independent Director as specified in the Act and Listing agreement and Mr. Vinit Shah is independent of the management.

Copy of the draft letter for appointment of Mr. Vinit Shah as an Independent Director setting out the terms and conditions is available for inspection by the members at the Registered Office of the Company.

Except Mr. Vinit Shah, none of the directors of the Company is concerned or interested in this resolution. However, Mr. Vinit Shah may be deemed to be financially interested to the extent of the sitting fee paid to him, except that he is not having any other interest or concern in the company.

By Order of the Board

Corporate Office:
Sayaji Hotel,
H-1, Scheme No. 54
Vijay Nagar,
Indore (M.P.)
Date : 04.07.2014

ABDUL RAZAK DHANANI
CHAIRMAN
DIN 00926236

DIRECTORS' REPORT

To,

The Members

The Board presents the Thirty First Annual Report together with the Audited Annual Accounts and the Auditor's Report thereon of the Company for the year ended 31st March, 2014.

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	Financial Year 2013-14	Financial Year 2012-13
Income	12417.08	11826.44
Less: Operating Expenses	9839.36	9131.57
Operating Profit	2577.72	2694.87
Less: Financial Cost	1303.45	1757.04
Profit/(Loss) before Depreciation, Tax & Exceptional Item	1274.27	937.83
Less: Depreciation	1507.43	1731.46
Add: Depreciation Written Back	0.52	1.98
Profit/(Loss) before Tax & Exceptional Item	(232.64)	(791.65)
Exceptional Items (Expenses/(Income))	(1056.14)	2393.99
Profit/(Loss) before Tax	823.50	(3185.64)
Current Tax	375.66	129.99
Deferred Tax	(106.64)	(1232.24)
Profit (loss) for the year	554.48	(2082.69)
BASIC EPS	3.17	(11.89)
DILUTED EPS	3.17	(11.89)

REVIEW OF OPERATIONS:

During the year under review, on a standalone basis, there is an increase of 5% in the topline and revenue of the company has increased from Rs.11826.44 Lacs to Rs. 12417.08 Lacs. The Profit before Depreciation, Tax & Exceptional Items has shown improvement as compared to previous year and has increased from Rs. 937.83 Lacs to Rs. 1274.27 Lacs and consequently Loss before Tax & Exceptional Items has decreased from Rs. 791.65 Lacs to Rs. 232.64 Lacs. However, during the year under review the profit after tax was at Rs. 554.48 Lacs, which was on account of sale of 415000 Equity Shares Rs. 10/- each of Barbeque-Nation Hospitality Ltd., a subsidiary of the Company on which your company earned profit of Rs. 1104.98 Lacs, which is shown under exceptional items.

Looking to the future expansion plans in short term, your Directors have not recommended any dividend for the financial year 2013-2014 in order to conserve the resources.

CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated turnover of the Company for the year ended March 31, 2014 aggregated to Rs. 39045.24 Lacs as against Rs. 30167.11 Lacs for the previous year. Profit after Tax aggregated to Rs. 1376.85 Lacs for the year as against the Loss after Tax of Rs. 3873.25 Lacs for

the previous year. The increase in consolidated turnover and resultant increase in Profit after Tax is mainly on account of increase in Turnover from Sale of Food & Beverages in Barbeque-Nation Hospitality Ltd., a subsidiary of the Company.

The company during the year has increased its stake in Aries Hotels Pvt. Ltd., an associate, resultantly it has become a subsidiary with effect from 31.03.2014.

SUBSIDIARY COMPANIES:

Pursuant to of General Circular No. 2/2011 dated 8th February, 2011, issued by the Ministry of Corporate Affairs, Government of India, your Board of directors have opted to avail the general exemption granted under Section 212(8) of the Companies Act, 1956 from attaching individual balance sheet, statement of profit & loss and reports of the Board of Directors and Auditors of the subsidiaries along with the holding company's balance sheet. However, the Consolidated Financial Statements of the Subsidiaries and auditors report in accordance with relevant Accounting Standard of the Institute of Chartered Accountants of India, duly audited by the Statutory Auditors, form part of the Annual Report and are reflected in the Consolidated Accounts.

During the year under review, your company has subscribed to 4968000 Equity Shares of Rs. 10/- each at the premium of Rs. 5/- per

share in Aries Hotels Pvt. Ltd. an associate company, by virtue of this investment, Aries Hotels Pvt. Ltd. became the subsidiary of the Company.

The Financial Statements of the Subsidiary Companies and other detailed information will be made available to the investors seeking such information at any point of time. The Annual Accounts of the subsidiary companies will also be available for inspection at the Registered Office of the Company as well as the respective registered offices and its subsidiaries' respectively.

EXPANSION / UP-GRADATION PLANS :

SAYAJI HOTELS LTD.

► Indore

During the year under review, your company has upgraded 2 Floors of its Hotel at Indore, incurring Rs. 5.30 Cr. This upgradation will result in an increase in Turnover of the Company in coming years.

► Bhopal

Your Company is planning to start its F&B and Banquet business at Bhopal i.e. Capital of Mahdya Pradesh by the month of September, 2014. The venue will have two restaurants and few banquet options. It will also have 25 rooms.

► Amber Garden, Indore

Company has 200000 Sq. Ft. open garden space near Dewas bypass in the city of Indore (M.P.) and this is being used mainly for marriage functions and other events. Company is planning to construct a large banquet hall having capacity of more than 1000 persons and expect to capture good amount of conference, convention and other business through this expansion.

► Vadodara

Company is also planning to start new F&B and Banquet options over there.

BARBEQUE-NATION RESTAURANTS

Barbeque-Nation Hospitality Ltd. i.e. subsidiary of the Company is operating 38 restaurants across the country and its planning to open 10 more restaurants within this financial year.

MALWA HOSPITALITY PVT. LTD.

Malwa Hospitality Pvt. Ltd. i.e. subsidiary of the company will be opening its first business category hotel in Indore by June 2014. This will be opened under a separate brand name viz. EFFOTEL. It has 182 rooms, two restaurants and few small banquet options.

ARIES HOTELS PVT. LTD.

Aries Hotels Pvt. Ltd. has a land in the city of Ankleshwar (Gujarat) whereupon building structure of 72 rooms is ready. Company is planning to open an hotel over there in near future and also planning to open some F&B venues in the next financial year.

DIRECTORS

Mr. Abdul Razak Dhanani and Mr. Kayum Razak Dhanani, retires by rotation in accordance with the provisions of the Articles of Association of the Company & being eligible offer themselves for re-appointment.

The Board appointed Mr. Raoof Razak Dhanani as an Additional Director of the Company w.e.f. 14th Nov., 2013 and he shall hold office upto the date of ensuing annual general meeting. The Company has received requisite notice in writing from a member proposing Shri Raoof Razak Dhanani for appointment as a director. Your Board proposes to pass suitable resolutions as set out in the notice of the Annual General Meeting.

Mrs. Suchitra Dhanani was appointed as an Additional Director and further as the Whole – Time Director of the Company w.e.f. 6th Day of February, 2014, and she is categorized as Key Managerial Personnel. Being an additional director she shall hold office upto the date of ensuing annual general meeting. The Company has received requisite notice in writing from a member proposing Mrs. Suchitra Dhanani for appointment as a Director.

Your Board further recommends her appointment as a Whole-time Director w.e.f. 6th Feb., 2014 and proposes to pass suitable resolution as set out in the notice of the Annual General Meeting as a Whole Time Director.

Mr. Vineet Shah was appointed as additional director of the Company w.e.f. 04th Day of July, 2014 and he shall hold office upto the date of ensuing annual general meeting. The Company has received requisite notice in writing from a member proposing Mr. Vineet Shah for appointment as a Director. Your Board recommends his appointment and proposes to pass suitable resolution as set out in the notice of the Annual General Meeting as a director.

The Board has also appointed Mr. Pradeep Goyal as additional director of the Company w.e.f. 06th Day of February, 2014 and he shall hold office upto the date of ensuing annual general meeting. The Company has received requisite notice in writing from a member proposing Mr. Pradeep Goyal for appointment as a Director. Your Board recommends his appointment and proposes to pass suitable resolution as set out in the notice of the Annual General Meeting as a director.

Mr. T. S. Bhattacharya has resigned from the Board of directors w.e.f. 11th September, 2013 and Capt. Salim Sheikh has also resigned w.e.f. 4th July, 2014.

Your Board places on record their sincere appreciation of the valuable services rendered by Mr. T. S. Bhattacharya and Capt. Salim Sheikh.

The Company has received declaration from Mr. Pradeep Goyal, Mr. Vineet Shah and Mr. T.N.Unni the independent directors of the Company confirming that they meet with the criteria of independence as prescribed both under section 149(6) of the Companies Act, 2013 and Clause 49 of the listing agreement.

AUDITORS & AUDITORS REPORT

M/s. Shah Gandhi & Shah, Chartered Accountants and M/s K. L. Vyas & Company, Chartered Accountants are the joint statutory auditors of the Company, and were appointed to hold office, in accordance with the provisions of the Companies Act, 1956 to hold office up to the conclusion of the forthcoming AGM.

M/s. Shah Gandhi & Shah, Chartered Accountants, existing joint auditors of the Company, have now expressed their unwillingness to be reappointed as auditors of the company for the current year.

Your directors sincerely thank and appreciate the valuable services rendered by them.

M/s K.L. Vyas & Company, Chartered Accountants is being eligible have furnished their letter to the effect that their re-appointment, if made, would be within the prescribed limit as per section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment as the statutory auditors of the Company.

The Notes on Financial Statements referred to in the Auditors Report are self explanatory and do not call for any further comments.

FIXED DEPOSITS

The Company has renewed/accepted deposits by private placement and confidential offers from friends, relatives and associates under Section 58A of the Companies Act, 1956 in terms of Rule 4A of the Companies (Acceptance of Deposit) Rules, 1975. However, the Company will repay all the deposit within the year or maturity date whichever is earlier as per the requirement of section 74 of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the accounts for the financial year ended March 31, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2014 and of the results of operations of the Company for the year under review;
3. 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; and
4. The Directors have prepared the annual accounts of the Company on going concern basis..

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVE TAKEN

The Company has formed the CSR Committee with its members as Mr. T.N. Unni, Mrs. Suchitra Dhanani and Mr. Pradeep Goyal and the committee will perform its activities according to CSR policy finalized by the Board during the year.

CORPORATE GOVERNANCE

As per the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges, a Report on Corporate Governance together with an Auditor's Certificate on Corporate Governance is appended to the Annual Report as Annexure 'C' and 'D' respectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.

Pursuant to Section 217(1)(e) of the Companies Act 1956, read with

rules made there under, the Company is not required to give the particulars of the conservation of energy, since the Hotel industry is not covered under the list of Industries required to provide such information.

The Company has not absorbed any new technology during the year under review. The inflow and Outflow of Foreign Exchange during the year under review are as under:

Foreign Exchange Inflow	: Rs. 697.51 Lacs
Foreign Exchange Outgo	: Rs. 8.78 Lacs

PARTICULARS OF EMPLOYEES

Information in accordance with sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 none of the employees of the Company was drawing remuneration requiring to be disclosed as per provision of section 219(1)(b)(iv) of the Companies Act, 1956.

For & on behalf of the Board of Directors

Place: Indore
Date: 04.07.2014

ABDUL RAZAK DHANANI
CHAIRMAN
DIN 00926236

MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS

Your Company has been reporting consolidated results taking into account the results of its subsidiaries, (together referred to as "the Consolidated Statements"). This discussion, therefore, covers the financial results and other developments during April, 2013 to March, 2014 in respect of the Consolidated Statements. Some statements in this discussion describing the projections, estimates, expectations or outlook may be forward looking. Actual results may, however, differ materially from those stated on account of various factors such as changes in government regulations, tax regimes, economic developments within India and the countries within which your Company conducts its business, exchange rates and interest rates fluctuations, impact of competition, demand & supply constraints.

BUSINESS ENVIRONMENT, INDUSTRY STRUCTURE, DEVELOPMENT AND OUTLOOK

1. In the latest annual research from World Travel and Tourism Council it is found that 2013 was another successful year for the Travel & tourism sector off the back of an improving economy. The total contribution from Travel & Tourism to the world GDP grew by 3.1% in 2013. This was faster than the overall economic growth for the third consecutive year and outperforming other global sectors such as manufacturing, retail and distribution, public services and financial and business services.
2. 2014 is expected to be a year of above-average growth for Travel & Tourism in India to counteract a weak performance for domestic travel in 2013. The WTTC Annual Economic Impact Report 2014 for India shows Travel & Tourism economic contribution is expected to grow by 7.3% this year, outperforming the general economy by 2.5% points. Revenues gained from domestic tourism rose by 5.1% in 2013 and is expected to increase by 8.2% in 2014, The amount that International visitors spent in India rose by 6.2% in 2013 but is forecast to slow to a 2.9% growth rate in 2014.
3. In 2013, Travel & Tourism's total contribution to the global economy rose to 9.5% of global GDP (US \$7 trillion), not only outpacing the wider economy, but also growing faster than other significant sectors such as financial and business services, transport and manufacturing. In total, nearly 266 million jobs were supported by Travel & Tourism in 2013.
4. According to UNWTO, India ranks 41st in the international tourist arrivals, 16th in the World Tourism Receipts and 7th in Asia Pacific Region for tourism receipts during 2012. India is Ranked 65th out of 144 countries in the World Economic Forum Travel & Tourism Competitiveness Report 2013.
5. A study undertaken by WTTC and UNWTO in 2012 (The Impact of Visa Facilitation on Job Creation in the G20 Economies, May 2012) shows that India will gain significantly from improvements of its visa regime. The research estimates that improved visa facilitation could result in up to 6 million more international visitors for India, resulting in US\$8 million more spend and creating 1.8 million jobs over three years.
6. Under the 12th Five Year Plan The Ministry of Tourism (MoT) has set a goal of 11.2 million (India attracted 6.6 million FTA in CY2012) FTAs and 1% of the global outbound tourism by the end of the 12th Plan period of 2017, apart from a substantial increase in Domestic Tourist Visits (DTV's) and In view of such ambitious plans, the MoT is looking at investments of over Rs. 22,000 crore during the current plan period.

Source : Para 1-5 WTTC and Para 6 ICRA

OPPORTUNITIES & THREATS

The hotel industry in India have a latent growth because of its ideal & diverse tourist destination by which it is expected to increase at a phenomenal rate and thus pushing up the demand for the hotel industry. The government also have recognised the industry potential and have made policies which attracts foreign & national tourism, therefore provide opportunities for small as well medium hotels to widen their area.

Despite many opportunities there are threats in the industry which are required to be looked attentively. the supply of new hotels rooms have slow down because of sarvation & shifting of investment in other assets which provide quicker returns. The high project cost because of change in trends in west is hard to implement in India.

The Audit Committee and the Board periodically discuss the significant business risks identified by the Management and review the measures taken for their mitigation.

RISK AND CONCERNS

General Economic Conditions:

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sectors in India. Tourism in India is an employment generator and a significant source of foreign exchange for the country, apart from being an economic activity that helps local and host communities. In 2013, the travel and tourism industry contributed Rs 2.17 trillion (US\$ 36 billion) or 2% to the country's gross domestic product (GDP). This is expected to rise to Rs 4.35 trillion (US\$ 72.17 billion) in 2024.

The tourism industry in India is thriving due to an increase in foreign tourist arrivals (FTA) and a greater number of Indians travelling to domestic destinations than before. The revenue from domestic tourism is likely to grow by 8.2% in 2014 as compared to 5.1% a year ago, according to the (WTTC). Hotels are also an extremely important component of tourism industry. The Indian hospitality sector has been growing at a cumulative annual growth rate of 14% every year adding significant amount of foreign exchange to the economy.

The Government of India has contributed significantly to the growth and development of the industry by providing policy and infrastructural support such as simplification of visa procedures and tax holidays for hotels. Further, the tourism policy of the government aims at speedy implementation of tourism projects, development of integrated tourism circuits, special capacity building in the hospitality sector and new marketing strategies.

Risk Mitigating Activities

There has been considerable progress in implementing a structured risk management framework in the Company. The framework is now well documented with laid down dissemination procedures and this is updated periodically.

Your Company formulated various Policies and measures to counter these risks effectively as enumerated below:-

- To expand the business of out door catering services.
- To look after the opportunities in tier 2 cities.
- To start new F&B options.
- Continual updation in the existing properties of the Company to match with international standards.

Internal Control System And Their Adequacy

Your Company believes that internal control is a necessary

concomitant of the principle of governance that freedom of management should be exercised within a framework of appropriate checks and balances. Your Company remains committed to ensuring an effective internal control environment that provides assurance on the efficiency of operations and security of assets.

Well established and robust internal audit processes, both at business and corporate levels, continuously monitor the adequacy and effectiveness of the internal control environment across your Company and the status of compliance with operating systems, internal policies and regulatory requirements. In the networked IT environment of your Company, validation of IT security continues to receive focused attention of the internal audit team.

The Internal Audit function consisting of professionally qualified accountants and other specialists reviews the quality of planning and execution of all ongoing projects involving significant expenditure to ensure that project management controls are adequate to yield 'value for money'.

The Audit Committee of your Board met five times during the year. It reviewed, inter-alia, the adequacy and effectiveness of the internal control environment and monitored implementation of internal audit recommendations including those relating to strengthening of your Company's risk management policies and systems. It also engaged in overseeing financial disclosures.

Material Developments In Human Resources/ Industrial Relations:

The Company continues to maintain a very cordial and healthy relationship with its work force across all its units. The total number of permanent employees on roll as at 31st March 2014 was 1382 nos, across all its units. A dynamic and transparent performance appraisal system along with various positive initiatives towards employee welfare requirements ensured maintaining the employees' morale at greater heights. The Company also offers financial support for medical and other needs of employees from time to time.

Safety, Health and Environment

Health and Safety Management System in the Company aims to reduce, eliminate or control workplace hazards and associated risks of illness or injuries to the employees, customers and contractors who might be affected by the Company's work activities.

Your Company is committed to ensure healthy and safe working

environment for all concerned and to make continual improvement in its Health and Safety performance. Through a systematic process, the Company aims to:

- Comply with the requirements of all relevant statutory, regulatory and other provisions.
- Provide and maintain safe & healthy work place through operational procedures, safe systems and methods of work.
- Provide sufficient information, instruction, training and supervision to enable all employees to identify, minimize and manage hazards and to contribute positively to safety at work.
- Ensure that appropriate resources are available to fully implement Health and Safety policy and continuously review the policy's relevance with respect to legal and business development.
- Conduct audits and mock drills on site to ensure that operations are in compliance with Health and Safety management requirements and for emergency preparedness.

Your Company attaches utmost importance to safety standards at all units of the Company. At all the hotels and restaurants of the company, necessary steps are regularly undertaken to ensure the safety of employees, equipment and the customers. Internal safety checks are conducted regularly. Fire fighting training is provided to staff and mock drills are conducted to gauge emergency and disaster management preparedness.

The Company believes in good health of its employees. To pursue this objective, efforts are being made on both treatment as well as maintaining good health. The Company has a club and gymnasium at its Indore & Pune hotel premises, where the employees are allowed and encouraged for participation. Yoga training course is also conducted in the club premises. Programmes have been conducted to advice employees on ill-effect on health due to excessive consumption of liquor and tobacco.

The Company's hotels maintain clean and hygienic environment and keep strict vigilance on their effluent generation and disposal adhering to standard norms in order to protect the environment and surroundings.

CAUTIONARY STATEMENT

Statements made in the Management's Discussions and Analysis Report describing the Company's objectives, projections, estimates, predictions and expectations may be 'forward-looking statements', within the meaning of applicable securities laws and

regulations. As 'forward-looking statements' are based on certain assumptions and expectations of future events over which the Company exercises no control, the Company cannot guarantee their accuracy nor can it warrant that the same will be realized by the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments or events or for any loss any investor may incur by investing in the shares of the Company based on the 'forward-looking statements'.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the co-operation and support received from shareholders, bankers, financial institutions, regulatory bodies, customers, suppliers, employees at all levels and other business constituents during the year under review.

For and on behalf of the Board of Directors

Place : Indore

Date : 04.07.2014

Abdul Razak Dhanani
Chairman

REPORT ON CORPORATE GOVERNANCE

MANDATORY REQUIREMENTS:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the quality and mindset of the organization. Companies stand to gain by adopting systems that bolster the stakeholders' trust through transparency, accountability and fairness. With increasing interdependence and free trade among countries and citizens across the globe, good Corporate Governance should be followed by every company to distinguish itself.

Keeping the above in mind, the Company has also committed itself to the philosophy of good Corporate Governance in all its dealings, utmost integrity in its conduct and in compliance with the highest standards of corporate values and ethics. The Company considers Corporate Governance as a continuous journey to provide a congenial environment to harmonise the goals of maximizing the stakeholders' value and maintaining a customercentric focus in all its dealings with the outside world, besides keeping important segments of the society adequately informed.

It has been the endeavour of the Company to give fair and equitable treatment to all its stakeholders, including employees, customers and shareholders. The Code of Conduct for Directors and Senior Managers adopted by the Board of Directors in terms of the Clause 49 of the Listing Agreement shall further enhance the standards of Corporate Governance in the Company.

2. BOARD OF DIRECTORS

In terms of the Company's Corporate Governance policy, all statutory and other significant and material information are being placed before the Board to enable the Board to discharge its responsibilities of strategic supervision of the Company.

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic supervision. The Board ensures that the Company has clear goals relating to shareholder value and its growth.

The Board, as part and parcel of its functioning, also periodically reviews its role.

(a) Composition of the Board

As on 31st March 2014, the Board consisted of nine (9) Directors, out of which Eight (8) are Non- executive Directors in which two (2) directors are independent. The Company is in

process to appoint one more independent director. The Company is also having one Women Director in the Board.

The Chairman is an Non - Executive Promoter Director.

The Directors possess experience and specialized knowledge in diverse fields, such as hoteliering, project management, legal, banking, finance, administration, etc.

During the year, Five (5) Board Meetings were held on 29/05/2013, 13/07/2013, 08/08/2013, 14/11/2013 and 06/02/2014 which were attended by the directors as under.

Name of Directors	Designation	No. of Board Meetings held during the year under the tenure	No. of Board Meetings attended during the year 2013-14	Attendance at the last Annual General Meeting held on 24th September, 2013
Mr. Abdul Razak Dhanani	Chairman	5	0	No
Mr. T. S. Bhattacharya (1)	Independent Director	3	0	No
Mr. T. N. Unni	Independent Director	5	5	Yes
Mr. Sanjay Ahuja	Nominee Director, TFCI	5	3	No
Capt. Salim Sheikh(2)	Director	5	3	No
Mr. Y.S. Mehta	Nominee Director, MPFC	5	5	No
Mr. Raoof R. Dhanani(3)	Additional Director	2	0	N.A.
Mrs. Suchitra Dhanani(4)	Whole-time Director	1	0	N.A.
Mr. Pradeep Goyal(5)	Independent Director	1	0	N.A.
Mr. Kayum Razak Dhanani	Director	5	1	No
Mr. Vinit Shah(6)	Independent Director	N.A.	N.A.	N.A.

(1) Resigned from the board w.e.f. 11.09.2013.

(2) Resigned from the board w.e.f. 04.07.2014

(3) Appointed w.e.f. 14th November, 2013 as an additional director of the Company.

(4) Appointed w.e.f. 6th day of February 2014 as a Whole-Time Director.

(5) Appointed as an additional director (Independent Category) w.e.f. 06th Day of Feb. 2014.

(6) Appointed as an additional director (Independent Category) w.e.f. 04th Day of July 2014.

(b) Detail of Directorship of the Directors on the Board of other Companies as on 31/03/2014

Name of Directors	Directorship in other company	Chairmanship in the board	Chairmanship in the committees
Mr. Abdul Razak Dhanani	7	2	2
Mr. T. N. Unni	3	Nil	4
Mr. Sanjay Ahuja	Nil	Nil	Nil
Capt. Salim Sheikh	1	Nil	Nil
Mr. Y.S. Mehta	1	Nil	Nil
Mr. Raoof Dhanani	7	Nil	Nil
Mrs. Suchitra Dhanani	4	4	Nil
Mr. Kayum Razak Dhanani	8	Nil	Nil
Mr. Pradeep Goyal	3	Nil	Nil

INFORMATION PLACED BEFORE THE BOARD

The Board has unfettered and complete access to any information within the Company and from any of our employees. At meetings of the Board, it welcomes the presence of concerned employees who can provide additional insights into the items being discussed.

Among other, information regularly supplied to the Board includes:

- Annual operating plans and updates.
- Periodical Financial Statements.
- Minutes of meetings of the audit, remuneration and nomination committee and investor grievance committees, internal committee on sexual harassment at the work place of the Company.
- Noting of general notices of interest.
- Related Party Transactions.
- Investment, loans and guarantee or security to other body corporate, etc.
- Loan and borrowing by the company.
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important litigations, show cause, demand, prosecution and penalty notices, if any.
- Fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems, if any.
- Any materially relevant default in financial obligations to and by us.
- Significant development on the human resources front.
- Sale of material, which are not in the normal course of business.
- Details of foreign exchange exposure and the steps taken by the management to limit risks of adverse exchange rate movement.
- Non-compliance of any regulatory, statutory or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

The Board also periodically reviews compliance reports of all the laws, rules and regulations as may be applicable to the Company, prepared by the designated employees as well as timely steps being also taken to rectify instances of non-compliance.

CODE OF CONDUCT

The Company has adopted a Code of Conduct for the insider trading as per the requirement of the Listing Agreement of the concerned regulations of the SEBI for the Board and the Sr. Management. All Directors and the Sr. Management personnel have affirmed in writing their adherence to the above Code. The full text of the Code is displayed at Company's website www.sayajihotels.com. A declaration signed by the Chairman is attached and forms part of the Annual Report of the Company.

3. COMMITTEES OF THE BOARD
(i) Audit Committee

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial / accounting expertise / exposure.

(a) Powers of the Audit Committee

- To investigate any activity within its terms of reference
- To seek information from any employee of the Company
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary

(b) Role of the Audit Committee inter alia, includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of statutory auditors and fixation of audit fees and other terms of appointment
- Approving payment to statutory auditors for any other services rendered by them if any
- Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by the management
 - Significant adjustments made in financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of related party transactions
 - Qualifications in draft audit report

- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing and monitoring the auditors independence and performance and effectiveness of audit process
- Approval or any subsequent modification of transactions of the Company with related parties
- Scrutiny of inter-corporate loans, investments, guarantee and security
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Evaluation of internal financial controls
- Reviewing with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit
- Discussion with internal auditors, any significant findings and follow-up thereon
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and reporting the matter to the Board
- Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults, if any, in the payment to depositors, shareholders and creditors
- To review the functioning of the Whistle Blower/Vigil mechanism
- Approval of appointment of the CFO (person heading the finance function or discharging that function) & CS as KMP after assessing qualifications, experience and background of the candidate
- Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors.
- Reviewing financial statements, in particular the

investments made by the Company's unlisted subsidiaries.

- Reviewing the following information:
 - ▶ The Management Discussion and Analysis of financial condition and results of operations;
 - ▶ Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - ▶ Management letters of internal control weaknesses issued by the statutory auditors;
 - ▶ Internal audit reports relating to internal control weaknesses; and
 - ▶ The appointment, removal and terms of remuneration of internal auditors
- To call for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and to discuss any related issue with the internal and statutory auditors and the management of the Company

(c) Composition of Audit committee, names of Members and Chairman

Name	Status of Director	Designation
Mr. T. N. Unni	Qualified CA and Independent Director	Chairman of the Committee
Mr. Sanjay Ahuja	Nominee Director of TFCI	Member
Capt. Salim Sheikh ⁽¹⁾	Non -Executive Director	Member
Mr. Y.S.Mehta	Nominee Director of MPFC	Member

(1) Resigned w.e.f. 04.07.2014

All the members of the Audit Committee have expertise in finance as well as in general management. Chairman of the Committee is a Practicing Chartered Accountant and has more than 40 years experience in the same field and Mr. Sanjay Ahuja and Mr. Y.S.Mehta have vast experience in the financial & investment related matters.

(d) Meetings & Attendance

The Audit Committee met five times during the year 2013-14. The attendance at committee meeting are as follows:

Name of the Audit Committee Member	29/05/2013	13/07/2013	08/08/2013	14/11/2013	06/02/2014
Mr. T. N. Unni (Chairman)	Yes	Yes	Yes	Yes	Yes
Shri Y. S. Mehta (Member)	Yes	Yes	Leave	Yes	Yes
Capt. Salim Sheikh (Member)	Leave	Yes	Yes	Yes	Leave
Shri Sanjay Ahuja (Member)	Yes	Yes	Yes	Yes	Leave

(ii) Nomination & Remuneration Committee

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013, Clause 49 of the Listing Agreement, as amended from time to time.

(a) Terms of Reference of the Committee, inter alia, includes the following:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.
- To carry out evaluation of every Director's performance
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees
- To formulate the criteria for evaluation of Independent Directors and the Board
- To devise a policy on Board diversity
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance & defined assessment criteria
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable
- To perform such other functions as may be necessary or appropriate for the performance of its duties

(b) Composition of the Nomination & Remuneration Committee

The Nomination & Remuneration committee comprises of 4 Non- Executive Directors, details are given as below:

Name	Status of Director	Designation
Mr. T. N. Unni	Qualified CA and Independent Director	Chairman of the Committee
Mr. Sanjay Ahuja	Nominee Director of TFCL	Member
Capt. Salim Sheikh ⁽¹⁾	Non -Executive Director	Member
Mr. Y.S.Mehta	Nominee Director of MPFC	Member

(1) Resigned w.e.f. 04.07.2014

(c) Details of the remuneration paid to the whole Time Director for the year ended 31st March 2014 –

Mrs. Suchitra Dhanani, Whole time Director : Rs. 5.00 Lacs

(d) Sitting Fees to Directors –

Sitting fees being paid to all the Non-Executive Directors @ of Rs. 5000/- for attending each meeting of the Board and Rs. 2000/- of the committee meeting.

(e) Attendance -

Meeting of Nomination & Remuneration Committee was held only once and attendance are as follows:-

Name of the members of the Nomination & Remuneration Committee	6th February, 2014
Mr. T. N. Unni	Yes
Mr. Sanjay Ahuja	Yes
Capt. Salim Sheikh	Leave
Mr. Y.S.Mehta	Leave

(iii) Shareholders/Investors Grievance Committee

The name of Shareholders/Investors Grievance Committee changed to 'Stakeholders Relationship Committee' by the Board on April 9, 2014 pursuant to the requirement of Companies Act, 2013. The SR Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

The SR Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

(a) Terms of Reference of the Committee, inter alia, includes the following:

- Oversee and review all matters connected with the transfer of the Company's securities
- Approve issue of the Company's duplicate share / debenture certificates
- Monitor redressal of investors' / shareholders' / security holders' grievances
- Oversee the performance of the Company's Registrars and Transfer Agents
- Recommend methods to upgrade the standard of services to investors
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable

(b) Mr. T. N. Unni is the Chairman & Mr. Abdul Razak Dhanani is Member

(c) The committee meets on need basis.

(d) As on March 31st, 2014 there were no request pending/ overdue beyond the due dates.

The total number of complaints received and replied to the satisfaction of the Shareholders during the year under review were Forteen (14), Outstanding complaints as on 31st March 2014 were Nil as per records.

(e) **Share Transfer System:**

The Share Transfer work is handled by the Registrar and Share Transfer Agent of the Company i.e. M/s. Link Intime India Pvt. Ltd, Share transfer in physical form are registered within prescribed time limit from the date of receipt provided the documents are found to be in order. Stakeholders Relationship Committee and approves the transfer proposals.

Requests for dematerialization of shares being in order is generally processed within 21 days of receipt of the request and the confirmation is given to the respective depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Share Transfer and Transmission Details for the period from 1st April 2013 to 31st March 2014

Transactions	Physical	Demat	Total
Number of Transfers/Demat Request	39354	41704	81058
Number of Shares Transferred/ Demated	39354	41704	81058
No. of Pending share Transfers/ Demat request	NIL	NIL	NIL

4. **Compliance Officer**

Shri Amit Sarraf, Company Secretary & Asst. Manager Finance, is the Compliance Officer for complying with requirements of Securities Laws and Listing Agreements with Stock Exchanges.

5. **Compliance Certificate of the Auditors**

Certificate from the Company's Joint Auditors, M/s. K.L.Vyas & Co. and M/s. Shah Gandhi & Shah, confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to the Directors' Report forming part of the Annual Report.

This Certificate has also been forwarded to the Stock Exchanges where the shares of the Company are listed.

6. **Adoption of Mandatory and Non- Mandatory Requirements of Clause 49**

The Company has complied with all mandatory requirements of the Clause 49 of the Listing Agreement.

7. **CEO and CFO Certification**

The Whole-Time Director and the Chief Financial Officer of the Company give annual certification on financial reporting

and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The annual certificate given by the Chairman and Managing Director and the Chief Financial Officer is published in this Report.

8. **Disclosure on materially significant related party transactions:**

Full disclosure of related party transactions as per Accounting Standard-18 issued by the Institute of Chartered Accountants of India are given under Note No. 30.9 of Notes on Annual Accounts.

9. **GENERAL BODY MEETINGS**

Location and time of holding the last three AGMs

Year	Location	Date & Time	Whether Special Resolution Passed
30th AGM 2013	Sayaji Hotel Opp. Rajshree Talkies, Kala Ghoda, Sayaji Gunj, Vadodara.390005	24th September, 2013 At 3.00 P.M.	1. For alteration of Articles of association of the Company. 2. To appoint Mrs. Suchitra Dhanani on place of profit.
29th AGM - 2012	Sayaji Hotel Opp. Rajshree Talkies, Kala Ghoda, Sayaji Gunj, Vadodara.390005	25th September, 2012 At 3.30 P.M.	1. To appoint Mr. Karthik Athreya as Non-Retiring Director of the Company. 2. To appoint Mr. Jaykannan Perumal Swamy as Whole - time Director of the Company.
28th AGM - 2011	Sayaji Hotel Opp. Rajshree Talkies, Kala Ghoda, Sayaji Gunj,Vadodara. 390005	30th September, 2011 at 12.30 P.M.	1. To Re-appoint Mr. Sajid R. Dhanani as the Managing Director of the Company & revision in terms of remuneration. 2. Revision in terms of remuneration payable to Mr. Sujit Desai, a relative of Directors of the Company.

No other shareholders' meeting was held during the year.

11. **DISCLOSURES**

- None of the transactions with any of the related parties were in conflict with the interest of the Company.
- There have been no cases of Non Compliance by the Company imposing penalties, and strictures on the Company by the Stock Exchanges or SEBI or any authority on any matter related to Capital Markets during last 3 years.

12. **MEANS OF COMMUNICATION**

(a) Quarterly results: The Company's quarterly results are published in 'Western Times' English and Gujarati Version and are displayed on its website (www.sayajihotels.com).

(b) News releases, presentations, among others: Official news releases and official media releases are sent to Stock Exchanges.

- (c) Annual Report: The Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website (www.sayajihotels.com).
- (d) Website: The Company's website (www.sayajihotels.com) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report and policies are also available in a user-friendly and downloadable form.
- (e) BSE Corporate Compliance & Listing Centre (the 'Listing Centre'): BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.
- (f) SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

13. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Day and date	23rd August, 2014
Time	03.00 P.M.
Venue	Sayaji Hotels Limited Near Kalaghoda, Sayaji Gunj, Opp. Rajshree Talkies, Vadodara-390 005 (Guj.)
Date of Book Closure	18/08/2014 to 23/08/2014

b) Financial Calendar.

- (i) The Company follows the financial year from April to March.
- (ii) Unaudited Financial Results for the three quarters and the Audited Financial Results for the year ended 31st March, 2014 & fourth quarter, were taken on record and approved by the Board in its meetings held on the following dates.

Quarter ended	Date of Board Meeting
April-June, 2013	08th August, 2013
July-September, 2013	14th November, 2013
October-December, 2013	6th February, 2014
Year ended 31st March, 2014 & Fourth Quarter ended (January – March) Audited	30th May, 2014

- c) Dividend Payment Date : Not applicable
- d) Registered Office : Sayaji Hotels,
Opp., Rajshree Talkies,
Kala Ghoda, Sayaji Gunj,
Vadodara.- 390005
Phone: 0265- 2363030
Fax: 0265- 2226134
- e) Corporate Office : Sayaji Hotels,
H-1, Scheme No. 54,
Vijay Nagar, Indore
(M.P.) 452010
Phone : 0731- 4006666
Fax : 0731- 4003131
- f) E-mail Address : cs@sayajiindore.com
- g) Stock Exchanges

Name of Exchanges where shares are Listed	Code
The Stock Exchange, Mumbai	523710
Ahmedabad Stock Exchange	52190
Vadodara Stock Exchange	140
Madhya Pradesh Stock Exchange	2729

- h) ISIN No. of the Company's : INE318C01014
- i) Equity Shares held in Demat Form : 15490274
- j) Equity Shares held in Physical Form : 2027726
- k) Depository Connectivity : NSDL & CDSL
- l) Registrar and Transfer Agents:
Link Intime India Pvt. Limited
C-13, Pannalal Silk Mills Compound,
L.B.S.Marg, Bhandup (W), Mumbai-400 078
E-mail: mumbai@linkintime.co.in
Phone 022-25963838
Fax: 022-25946969
- m) Address for Investor's Correspondence
Sayaji Hotels,
H-1, Scheme No. 54, Vijay Nagar, Indore - 452010
Phone: 0731- 4006666
Fax: 0731 - 4003131
E-mail :cs@sayajiindore.com
- n) Dematerialization of Shares:
As on 31st March 2014, 15490274 shares stands dematerialized representing 88.42 % of the total shares of the Company.
- o) Project Locations:
1. Sayaji Hotel, Indore, Madhya Pradesh
 2. Sayaji Hotel, Vadodara, Gujarat
 3. Sayaji Hotel, Pune, Maharashtra

p) Categories of shareholdings as on 31st March 2014:

Category	No. of Shares Held	% of Share-holding
Promoters:		
Directors and Relatives	11335741	64.71
Body Corporate	2662988	15.20
Public:		
1. Institutions:		
a. Mutual Funds and UTI	4000	0.03
b. Banks and Financial Institution	300	0.00
2. Non Institutional Investors		
a. Bodies Corporates	125180	0.71
b. Individuals (Public)	1151099	6.57
c. NRI	2235703	12.76
d. NRI (Non Repatriable)	205	0.00
e. Clearing Member	2784	0.02
Total	17518000	100.00

q) Stock Market Data

Month	Bombay Stock Exchange Ltd.		S&P BSE SENSEX	
	High	Low	High	Low
April 13	126.75	123.20	19622.68	18144.22
May 13	126.65	122.00	20443.62	19451.26
June 13	125.80	121.00	19860.19	18467.16
July 13	129.00	119.55	20351.06	19126.82
August 13	129.45	118.00	19569.20	17448.71
September 13	132.00	125.00	20739.69	18166.17
October 13	130.05	114.00	21205.44	19264.72
November 13	130.50	120.10	21321.53	20137.67
December 13	130.00	117.00	21483.74	20568.70
January 14	130.00	116.00	21409.66	20343.78
February 14	130.50	116.50	21140.51	19963.12
March 14	131.25	120.05	22467.21	20920.98

Source: Data Compiled from BSE official website

- r) No. of shareholders as at 31.03.2014 : 3724
- s) No of shares pledged by the promoters : 5897469
as at 31.03.2014
- t) Posting of Annual Report : 28.07.2014
- u) Last date for receipt of Proxy : 21.08.2014

v) Distribution of Share holding as on 31st March, 2014

Nos. of shares	No. of Owners	% of Share holders	Share Amount (Rs)	% to Total
Upto 5000	3512	94.34	3912950	2.23
5001-10000	113	3.01	928020	0.53
10001-20000	32	0.85	502420	0.29
20001-30000	13	0.35	347100	0.20
30001-40000	6	0.16	226000	0.13
40001-50000	2	0.05	93000	0.05
50001-100000	11	0.29	840640	0.48
100001 – Above	35	0.93	168329870	96.09
Total	3724	100.00	17,51,80,000	100.00

- w) Details of shares : There were no instance for returning credited in the the undelivered shares therefore, no suspense account shares were credited in the escrow account as per Clause 5(a) of the Listing Agreement.

For and on behalf of the Board of Directors

Place : Indore
Date : 04.07.2014

Abdul Razak Dhanani
Chairman

MANAGEMENT RESPONSIBILITY STATEMENT

The Management of Company accepts responsibility for the integrity and objectivity of these financial statements, as well as for estimates and judgements relating to matters not concluded by the year-end. The management believes that the financial statements reflect fairly the form and substance of transactions and reasonably presents the company's financial condition, and results of operations. To ensure this, the company has installed a system of internal controls, which is reviewed, evaluated and updated on an ongoing basis. Our internal auditors have conducted periodic audits to provide reasonable assurance that the company's established policies and procedures have been followed. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls.

These financial statements have been audited by M/s Shah Gandhi & Shah, Chartered Accountants, the Statutory Auditors of the Company.

For and on behalf of the Board of Directors

Place : Indore
Date : 04.07.2014

Abdul Razak Dhanani
Chairman

DECLARATION

This is to confirm that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of clause 49(1)(D)(ii) of the Listing Agreement entered into with the Stock Exchanges, for the year ended March, 31st, 2013.

For and on behalf of the Board of Directors

Place : Indore
Date : 04.07.2014

Abdul Razak Dhanani
Chairman

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Sayaji Hotels Limited,
Vadodara

We have examined the compliances of the conditions of Corporate Governance by SAYAJI HOTELS LIMITED, for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreements of the Company with the 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 implementation thereof, adopted by the Company for ensuring the compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of my information and according to the explanations given to us and 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 Agreements in all respects.

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 K. L. Vyas & Company
FRN: 003289C
Chartered Accountants

Indore
30th May, 2014

(K. L. Vyas)
Partner
M. No. 72043

CERTIFICATE

I, Sandesh Khandelwal Chief Financial Officer of the Company be and is hereby certifies to the Board that:

- (a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that i have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit committee
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

SANDESH KHANDELWAL
CHIEF FINANCIAL OFFICER

Date : 30.05.2014

CERTIFICATE

I, Suchitra Dhanani, Whole Time Director of the Company be and is hereby certifies to the Board that:

- (a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that i have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit committee
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

SUCHITRA DHANANI
WHOLE-TIME DIRECTOR

Date : 30.05.2014

INDEPENDENT AUDITORS' REPORT

To,
The Members,
Sayaji Hotels Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sayaji Hotels Limited (the Company), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year ended on the above date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the Act). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud

or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the

directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For Shah Gandhi & Shah
Chartered Accountants
FRN: 126862W

For K.L. Vyas & Company
Chartered Accountants
FRN: 003289C

(Nimesh Gandhi)
Partner
M. No. 049134

(K.L. Vyas)
Partner
M. No.0 72043

Place of Signature: Indore
Dat : 30th May, 2014

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ANNEXURE REFERRED TO IN CLAUSE 1 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF SAYAJI HOTELS LIMITED ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2014.

- (i) (a) The company has maintained proper records showing full particulars including quantitative details, however for some fixed assets, situation of the assets is not given and identification numbers are also not been given, which need to be updated. We have been informed by Management that above Work is in progress.
- (b) Physical verification of fixed assets has been carried out by the Management at most of the Units in accordance with a phased programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals, which in our opinion, is reasonable having regard to the size of the company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off a major part of the fixed assets which has affected the going concern status of the Company.
- (ii) (a) We are informed that the inventories of the company have been physically verified by the Management during the year.
- (b) In our opinion, the procedures for physical verification of inventories followed by 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 the records of the Company, we are of the opinion that the company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical and book records were not material.
- (iii) (a) (1) Company has granted loans to 3 Companies (Previous Year 4 Companies and 3 Parties) required to be covered in register under section 301 of the Companies Act, 1956, the year end balance outstanding is Rs. 17.62 Lacs (Previous Year Rs. 517.86 Lacs) and maximum amount outstanding is Rs.917.90 Lacs (Previous Year Rs. 803.66 Lacs).
- (2) The above loans granted are unsecured and interest free and are repayable on demand. However, loans amounting to Rs. 111.78 Lacs (Previous Year Rs. Nil) have been written off, which were considered doubtful in the previous year and during the year under review loan amounting to Rs. 9.20 Lacs (Previous Year 111.78 Lacs) has been considered doubtful and provision for same have been done.
- (3) There is no overdue amount of loans granted to above companies, since same is repayable on demand and are not called upon to repay the same.
- (b) (1) The Company has taken loan from 1 Company (Previous Year 6 Companies and 3 Parties) required to be covered in register under section 301 of the Companies Act, 1956, the year end balance outstanding is Rs. 7.98 Lacs (Previous Year Rs. 696.82 Lacs) and maximum amount outstanding is Rs.696.82 Lacs (Previous Year Rs. 1445.87 Lacs).
- (2) We have been informed that above Unsecured Loan taken are interest free and are on short term basis, and prima facie not against the interest of the Company.
- (3) As position explained in para (iii)(b)(1) & (2) above, our comments for payment of principal and interest on loans taken/granted and their overdue amount of principal and interest are not required.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods.
During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA, or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted from the public. According to information and explanations given to us, no order has been passed by the Company Law Board or the

National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) Central Government has not prescribed for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for any of the business activity carried by the Company during the year under review.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, service tax & cess and other material statutory dues as may be applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, wealth tax, excise duty and cess were in arrears, as at 31.03.2014 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, details of the dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute are given below.

Name of Statute	Nature of Dues	Period to which the amount relates	Forum where the dispute is pending	Total Amount (Rs. In Lacs)
Finance Act, 1994 and Service Tax laws	Service Tax	Mar.'05-Mar.'09	High Court of M.P., Indore Bench, Indore	256.78
	Service Tax	2009-2011	Honourable CESTAT, Delhi.	800.74
	Service Tax	Apr.'11-Jun.'12	Honourable CESTAT, Delhi.	538.54
Income Tax Act, 1961	Income Tax	A.Y. 04-05	Honourable ITAT, Ahmedabad.	19.05
		A.Y. 05-06	Honourable ITAT, Ahmedabad.	6.49
		A.Y. 06-07	Honourable ITAT, Ahmedabad.	7.39
		A.Y. 07-08	Honourable ITAT, Ahmedabad.	0.08
		A.Y. 08-09	Honourable ITAT, Ahmedabad.	22.57
		A.Y. 09-10	Honourable ITAT, Ahmedabad.	61.13
		A.Y. 10-11	Honourable ITAT, Ahmedabad.	10.81
		A.Y. 12-13	Honourable ITAT, Ahmedabad.	3.78
	Tax deducted at Source	A.Y. 11-13	Commissioner of Income Tax, Pune	1.02
M.P. Value Added Tax Act, 2002	Value Added Tax	2006-2007	Dy. Comm. VAT Tax, Indore	20.73
			TOTAL	1630.84

- (x) The company does have accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- (xii) In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) According to information and explanations given to us, company has not given any guarantee for loans taken by others from the banks or financial institutions.
- (xvi) The Company has not raised any term loan during the year under review & accordingly furnishing of information about utilization is not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made any Preferential Allotment of Shares, to the parties covered in the Register maintained u/s. 301 of the Companies Act, 1956.
- (xix) No reporting under para 4(xix) and (xx) of the Companies (Auditors' Report) Order, 2003 is required in view of no debentures were issued during the year under review. Likewise, no public issue was made by the company during the year.
- (xx) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Shah Gandhi & Shah
Chartered Accountants
FRN: 126862W

For K.L. Vyas & Company
Chartered Accountants
FRN: 003289C

(Nimesh Gandhi)
Partner
M. No. 049134

(K.L. Vyas)
Partner
M. No.0 72043

Place of Signature: Indore
Dat : 30th May, 2014

BALANCE SHEET AS AT 31ST MARCH 2014

(Rs. In lacs)

Particulars	Note No.	As at 31 st March 2014	As at 31 st March 2013
I EQUITY AND LIABILITIES			
(i) Shareholders' Funds			
(a) Share Capital	2	1,751.80	1,751.80
(b) Reserves & Surplus	3	6,456.11	5,901.62
Total Shareholder's Funds (i)		8,207.91	7,653.42
(ii) Non-current liabilities			
(a) Long-term Borrowings	4	4,655.97	6,924.82
(b) Other Long Term Liabilities	5	2,006.67	2,014.19
(c) Long-Term Provisions	6	262.44	179.03
Total Non-Current Liabilities (ii)		6,925.08	9,118.04
(iii) Current liabilities			
(a) Short-Term Borrowings	7	546.38	1,488.16
(b) Trade Payables	8	761.63	673.26
(c) Other Current Liabilities	9	2,421.22	2,866.39
(d) Short Term Provisions	10	233.02	197.38
Total Current Liabilities (iii)		3,962.25	5,225.19
Grand Total (i+ii+iii)		19,095.24	21,996.65
II ASSETS			
(i) Non-Current Assets			
(a) Fixed Assets	11		
I) Tangible Assets		14,256.83	15,057.54
ii) Intangible Assets		27.11	18.69
iii) Capital Work-in-Progress		29.17	---
iv) Intangible assets under development		---	---
Total Fixed Assets		14,313.11	15,076.23
(b) Non-Current Investments	12	1,925.43	1,429.23
(c) Deferred Tax Assets (net)	13	320.11	213.47
(d) Long-Term Loans and Advances	14	493.35	516.34
(e) Other Non-Current Assets	15	17.98	80.02
Total Non-Current Assets (i)		17,069.98	17,315.29
(ii) Current Assets			
(a) Current Investments	16	---	3.64
(b) Inventories	17	883.85	883.26
(c) Trade Receivables	18	636.76	1,168.90
(d) Cash and Cash Equivalents	19	177.93	164.74
(e) Short-Term Loans and Advances	20	325.88	2,460.03
(f) Other Current Assets	21	0.84	0.79
Total Current Assets (ii)		2,025.26	4,681.36
Grand Total (i+ii)		19,095.24	21,996.65
Significant Accounting Policies	1		
Notes on Financial Statements	2 TO 30		

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

For and on behalf of the Board of Directors

For Shah Gandhi & Shah
Chartered Accountants
Firm Regn. No. 126862W

For K.L.Vyas & Company
Chartered Accountants
Firm Regn. No. 003289C

T.N Unni
Director

Suchitra Dhanani
Director

Nimesh Gandhi
Partner
M.No. 049134
Indore, 30th May 2014

K.L.Vyas
Partner
M.No. 072043

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2014

(Rs. In lacs)

Particulars	Note No.	For the year ended 31 st March 2014	For the year ended 31 st March 2013
Continuing Operations			
INCOME			
Revenue From Operations	22	12,342.51	11,762.81
Other Income	23	74.57	63.63
TOTAL		12,417.08	11,826.44
EXPENDITURE			
Cost of Material Consumed	24	3,103.89	2,804.10
Operating Expenses	25	3,118.35	3,246.93
Employee Benefit Expenses	26	2,408.53	2,079.46
Other Expenses	27	1,208.59	1,001.08
		9,839.36	9,131.57
Operating profit before Intt.		2,577.72	2,694.87
Finance Cost	28	1,303.45	1,757.04
Profit before Depreciation		1,274.27	937.83
Depreciation	11	1,507.43	1,731.46
Add : Depreciation Written Back		0.52	1.98
Profit /(Loss) before exceptional & extraordinary items		(232.64)	(791.65)
Exceptional Items	29	(1,056.14)	2,393.99
Profit before Tax		823.50	(3,185.64)
Current Tax		375.66	129.29
Deferred Tax	13	(106.64)	(1,232.24)
Profit/(Loss) for the year from continuing operations		554.48	(2,082.69)
Earning Per Equity Share of Face value of Rs. 10 Each			
(1) Basic		3.17	(11.89)
(2) Diluted		3.17	(11.89)
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 30		

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

For and on behalf of the Board of Directors

For Shah Gandhi & Shah
Chartered Accountants
Firm Regn. No. 126862W

For K.L.Vyas & Company
Chartered Accountants
Firm Regn. No. 003289C

T.N Unni
Director

Suchitra Dhanani
Director

Nimesh Gandhi
Partner
M.No. 049134
Indore, 30th May 2014

K.L.Vyas
Partner
M.No. 072043

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

(Rs. in lacs)

Particulars	For the year ended 31 st March 2014		For the year ended 31 st March 2013	
A. FLOW FROM OPERATING ACTIVITIES				
Profit before Tax from continuing operations		823.50		(3,185.64)
Non-cash adjustment to reconcile profit before tax to net cash flows				
Depreciation & Amortisation including adjustments	1,514.85		6,082.76	
Profit on Sale of Fixed Assets (Net)	---		(2,099.48)	
Profit on Sale of Investments	(1,104.98)		---	
Interest Expense	1,303.45		1,757.04	
Interest Received	(36.06)	1,677.26	(14.88)	5,725.44
Operating profit before Working Capital changes		2,500.76		2,539.80
Adjustments for:				
Increase/(Decrease) in other long term liabilities	(7.52)		1.89	
Increase/(Decrease) in long term provisions	83.41		29.62	
Increase/(Decrease) in trade payables	88.37		(182.81)	
Increase/(Decrease) in other current liabilities	(125.31)		(2,153.02)	
Increase/(Decrease) in short term provisions	4.45		99.74	
Decrease/(Increase) in long term advances	22.99		491.40	
Decrease/(Increase) in Inventories	(0.60)		(57.62)	
Decrease/(Increase) in trade receivable	532.14		56.62	
Decrease/(Increase) in short term advances	1,932.80		(506.54)	
Decrease/(Increase) in other current assets	(0.06)	2,530.68	(0.79)	(2,221.50)
Cash generated from operations		5,031.44		318.29
Taxes (Paid)/Refund		(143.11)		19.23
Net cash from operating activities		4,888.33		337.52
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed assets	(762.58)		(343.14)	
Sale/Disposal of Fixed assets	10.85		2,810.51	
Purchase of Trade Investments	(745.20)		(0.50)	
Sale of Investments	1,353.98		9.90	
Maturity/(Investment) in current Investment	3.64		(0.53)	
Maturity/(Investment) in Fixed Deposits	(4.06)		19.63	
Interest Received	36.06		14.88	
Net cash used in investing activities		(107.31)		2,510.75

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

(Rs. in lacs)

Particulars	For the year ended 31 st March 2014		For the year ended 31 st March 2013	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayment) of Long Term Borrowings	(2,587.80)		(1,328.59)	
Proceeds/(Repayment) of loans from companies	(774.29)		325.35	
Proceeds/(Repayment) of Secured Short Term Borrowings	(167.48)		89.93	
Interest Paid	(1,304.37)		(1,878.33)	
Net cash generated from financing activities		(4,833.94)		(2,791.64)
Net increase in cash and cash equivalents	(52.92)		56.63	
Cash and cash equivalents - OPENING BALANCE	164.75		108.12	
Cash and cash equivalents - CLOSING BALANCE		111.83		164.75

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

For and on behalf of the Board of Directors

For Shah Gandhi & Shah
Chartered Accountants
Firm Regn. No. 126862W

For K.L.Vyas & Company
Chartered Accountants
Firm Regn. No. 003289C

T.N Unni
Director

Suchitra Dhanani
Director

Nimesh Gandhi
Partner
M.No. 049134
Indore, 30th May 2014

K.L.Vyas
Partner
M.No. 072043

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 1.

Sayaji Hotels Limited ("SHL" or the "Company"), is a listed public limited company incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay stock exchange, Vadodara stock exchange, Madhya Pradesh stock exchange & Ahmedabad stock exchange on India. The Company is primarily engaged in the business of owning, operating & managing hotels.

SIGNIFICANT ACCOUNTING POLICIES

Convention

To prepare financial statements in accordance with applicable Accounting Standards in India. A summary of accounting policies, which have been applied consistently, is set out below. The financial statements have also been prepared in accordance with relevant presentational requirement of the Companies Act, 1956.

Basis of Accounting

The financial statements have been prepared under the historical cost convention and on accrual basis and on going concern concept.

Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and abilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

Fixed Assets

To state Fixed Assets at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction/fabrication, related pre-operational expenses from part of the value of the assets capitalized. Expenses capitalized also includes applicable borrowing costs.

To capitalize software where it is expected to provide future enduring economic benefits. Capitalization costs includes license fees. The costs are capitalized in the year in which the relevant software is implemented for use. Subsequent expenditure related to an item of fixed assets is added to its book value only if increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repairs and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation

No amortization is provided in the Accounts in respect of leasehold land in view of the long term tenure, which is akin to ownership.

Depreciation on Fixed Assets is provided for on Written Down Value Method at the rates and in the manner specified in the Schedule XIV of the Companies Act, 1956.

Investments

To state current investments at lower of cost and fair value, and long term investments are stated at cost. Where applicable, provision is made when there is a permanent fall in valuation of long term investments.

Inventories

Inventories consisting of Stock of Food and Beverages and Stores & Operating Supplies are valued at cost or net realisable value, whichever is less, after providing for obsolescence & damage.

Cost is arrived at on First in First Out basis. Cost comprises expenditure incurred in normal course of the business in bringing such inventories to its location. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and, where necessary, provision is made for such inventories.

Foreign Currency Transactions

(a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.f

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

- (b) Monetary items denominated in foreign currencies at the year end are restated at the year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- (c) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

Income

Revenue comprises sale of rooms, food and beverages, allied services relating to Hotel operations. Revenue is recognized upon rendering of service. Life time club membership fees treated as income in the year of receipt.

Sale is exclusive of Luxury tax, Sales tax, Service Tax and other taxes. Sales tax under the composition scheme is also excluded.

Benefites to Workmen

Employee benefit plans comprise both defined benefit and defined contribution plans.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains/ losses are immediately taken to profit and loss account and are not deferred.

Provident fund is a defined contribution plan. Each eligible employee and the company make contributions at a percentage of the basic salary specified under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

The Company's contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. The company has no further obligations under the plan beyond its periodic contributions. Benefit in terms of workmen demand pending settlement, medical reimbursement and leave travel concession are accounted, when paid and bonus to employees, is provided for on accrual basis. Leave Encashment is determined based on the available leave entitlement at the end of the year.

Taxes of Income

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

To provide and recognize deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence.

Not to recognize deferred tax assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

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

Impairment of Assets

Impairment is ascertained at each balance sheet date in respect of company's fixed assets. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value and use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Accounting for Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized in terms of Accounting Standard 29- "Provisions, Contingent Liabilities and Contingent Assets" issued by The Institute of Chartered Accountant of India, when there is a present legal or statutory obligation as a result of past event where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are recognized only when there is a possible obligation arising from 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 reliable estimate of the obligation can not be made. Obligations are assessed on an ongoing basis and only those having largely probable outflow of resources are provided for.

Contingent Assets are not recognized in the financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014
Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

Events occurring after the date of Balance Sheet date

Where material, events occurring after the date of Balance Sheet are considered up to the date of adoption of the accounts.

Accounting for Leases

In respect of operating lease transactions, the assets are not capitalized in the books of the Company and lease payments are charged to the Profit and Loss Account.

Periodic escalations in the lease rentals are considered as and when the same are effective as per the terms of lease and the same are not straight lined.

Claims

To disclose claims against the company not acknowledged as debts after a careful evaluation of the facts and legal aspect of the matter involved.

2 SHARE CAPITAL :
(Rs. In Lacs)

	As at 31st March, 2014	As at 31st March, 2014
Authorised		
30,000,000 Equity Shares of Rs.10/- each (Previous year 30,000,000 Equity Shares of Rs.10/- each)	3,000.00	3,000.00
1,000,000 Preference Shares of Rs. 100/- each (Previous year 1,000,000 Preference Shares of Rs. 100/- each)	1,000.00	1,000.00
TOTAL	4,000.00	4,000.00
Issued, Subscribed & Paid-up		
1,75,18,000 Equity Shares of Rs. 10/- each	1,751.80	1,751.80
TOTAL	1,751.80	1,751.80

Terms/rights attached to equity shares :

- 2.1 The company has only one class of equity shares having a par value of Rs.10/- per share. Each Holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31st March 2014, the amount of per share dividend recognised as distributions to equity shareholders was Rs. Nil (Previous Year Rs.Nil)
- 2.2 Details of Share holders holding more than 5% of Shares are as under:-

Name	Category	As at 31st March, 2014		As at 31st March, 2013	
		% of Shareholding	No of Shares	% of Shareholding	No of Shares
Late Shri Sajid R. Dhanani*	Promoter	13.90%	2435511	13.90%	2435511
Raof Razak Dhanani	Promoter	27.24%	4772574	27.24%	4772574
Anisha Raof Dhanani	Promoter	15.09%	2643256	---	---
Ahilya Hotels Limited	Promoter	14.01%	2455000	14.01%	2455000
Trans Agro India Pvt. Ltd.	Public	---	---	8.66%	1517046

*(Share transmission is pending in the name of legal heirs)

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014
2.3 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :- (Rs in Lacs)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number of Shares	Rs. in Lakhs	Number of Shares	Rs. in Lakhs
Outstanding at the beginning of the year	1,75,18,000	1,751.80	1,75,18,000	1,751.80
Add : Fresh issue during the year	---	---	---	---
Outstanding at the end of the year	1,75,18,000	1,751.80	1,75,18,000	1,751.80

3 RESERVES AND SURPLUS :
As at 31st March, 2014 As at 31st March, 2013
(a) Securities Premium Reserve

Opening at beginning	5,944.60	5,944.60
Addition during the year	---	---
Utilised during the year	---	---
Closing at end	5,944.60	5,944.60

(b) General Reserve

Opening at beginning	641.48	641.48
Addition during the year	---	---
Utilised during the year	---	---
Closing at end	641.48	641.48

(c) Surplus/(Deficit)

Opening at beginning	(684.46)	1,398.25
Addition during the year	554.49	(2,082.71)
Closing at end	(129.97)	(684.46)
Total (a+b+c)	6,456.11	5,901.62

4 LONG-TERM BORROWINGS :
Secured Term Loans
As at 31st March, 2014 As at 31st March, 2013

i) From Banks	4,519.57	6,445.18
ii) From Financial Institutions	132.76	453.14
Sub-Total (a)	4,652.33	6,898.32

Unsecured Term Loans

i) From NBFC	3.64	26.50
Sub-Total (b)	3.64	26.50

Total (a+b)	4,655.97	6,924.82
-------------	----------	----------

4.1 All Secured loans have been netted from the instalments falling due within twelve months after the reporting date. Breakup of amount due within 12 month and after 12 months and summarized outstanding position as under: (Rs in Lacs)

	As at 31st March, 2014			As at 31st March, 2013		
	Total	Current	Non-Current	Total	Current	Non-Current
From Banks						
State Bank of India	4,138.53	1,192.20	2,946.33	5,485.28	1,172.92	4,312.36
Axis Bank Ltd	497.68	225.56	272.12	1,047.60	482.79	564.81
State Bank of Mysore	1,473.69	214.00	1,259.69	1,714.25	233.51	1,480.74
HDFC Bank Ltd	130.85	89.43	41.42	143.12	55.85	87.27
Sub Total (i)	6,240.75	1,721.19	4,519.56	8,390.25	1,945.07	6,445.18

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs in Lacs)

	As at 31st March, 2014			As at 31st March, 2013		
From Financial Institutions	Total	Current	Non-Current	Total	Current	Non-Current
TFCI	262.50	175.00	87.50	458.50	196.00	262.50
MPFC	165.26	120.00	45.26	332.02	141.37	190.64
HUDCO	---	---	---	51.97	51.97	---
Sub Total (ii)	427.76	295.00	132.76	842.48	389.34	453.14
GRAND TOTAL (i)+(ii)	6,668.51	2,016.19	4,652.32	9,232.73	2,334.41	6,898.32

- 4.2 Unsecured loans have been netted from the instalments falling due within twelve months after the reporting date. Breakup of amount due within 12 month and after 12 months and summarized outstanding position as under:

(Rs in Lacs)

	As at 31st March, 2014			As at 31st March, 2013		
From NBFC	Total	Current	Non-Current	Total	Current	Non-Current
Magma Fincorp Limited	34.95	31.31	3.64	58.53	32.03	26.50
TOTAL	34.95	31.31	3.64	58.53	32.03	26.50

- 4.3 Secured Term Loan from bank includes term loans outstanding from State Bank of India, Axis Bank Ltd, State Bank of Mysore & HDFC bank Ltd.

4.3.1 Term loans outstanding of State Bank of India are secured by way of mortgage of land & building at Indore, Vadodara & Pune & hypothecation of movables, present & future except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. offered to the bankers for securing the working capital finance. The terms of repayment of all term loans of State Bank of India is on quarterly basis & interest is payable on monthly basis.

4.3.2 Term loans outstanding of Axis Bank Ltd include term loans account & vehicle loans account. Term loan outstanding is secured by way of hypothecation of movable, present & future, except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. The other term loan outstanding is secured by first charge by way of hypothecation of stocks of food, beverages, operating supplies, spares & book-debts, bills etc. of the company & also by way of second charge on the immovable properties of the company at Indore & Baroda & also by way of pledge of shares belonging to promoters. The term of repayment of both the term loan is on quarterly basis & interest is payable on monthly basis. Vehicle loans outstanding are secured by way of hypothecation of the specific vehicles financed by bank. These loans were personally guaranteed by Late Shri Sajid Dhanani, Company is in the process for making alternative arrangement for replacement of the personal guarantee.

4.3.3 Term loan outstanding of State Bank of Mysore is secured by way of mortgage of land & building at Indore, Vadodara & Pune & hypothecation of movables, present & future, except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. The term of repayment of the term loan is on quarterly basis & the interest is payable on monthly basis. These loans were personally guaranteed by Late Shri Sajid Dhanani, Company is in the process for making alternative arrangement for replacement of the personal guarantee.

4.3.4 Vehicle loans outstanding from HDFC Bank is secured by way of hypothecation of the specific vehicles financed by bank.

- 4.4 Secured term loans from Financial Institutions includes term loan outstanding of Tourism Finance Corporation of India Ltd(TFCIL) & Madhya Pradesh Finance Corporation (MPFC).

4.4.1 Term loan outstanding from TFCIL is secured on pari-passu basis by way of mortgage of land & building at Indore, Pune & Vadodara & hypothecation of the movables, present & future, except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc & also by way of pledge of shares belonging to promoters. The term of repayment is on monthly basis. These loan were personally guaranteed by Late Shri Sajid Dhanani, Company is in the process for making alternative arrangement for replacement of the personal guarantee.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

4.4.2 Term loan outstanding from MPFC are secured by way of mortgage of land & building at Indore & hypothecation of the movables, present & future, except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc bankers for securing the working capital finance. The term of repayment is on quarterly basis & interest is payable on monthly basis. These loan were personally guranteed by Late Shri Sajid dhanani, Company is in the process for making alternative arrangement for replacement of the personal guarantee.

4.5 Loan outstanding from Magma Fincorp Limited is unsecured loan. Repayment is being made on EMI basis. Post dated cheques has been given for all instalments.

		(Rs in Lacs)	
		As at 31st March, 2014	As at 31st March, 2013
5	OTHER LONG TERM LIABILITIES :		
	Deposits From Tenants	6.67	14.19
	Others*	2,000.00	2,000.00
	Total	2,006.67	2,014.19

*Payable towards repurchase of land at Indore hotel. This amount is now payable within 9 years. Interest @ 9% p.a is payable on the outstanding amount.

		(Rs in Lacs)	
		As at 31st March, 2014	As at 31st March, 2013
6	LONG TERM PROVISIONS :		
	Provision for Employee Benefits		
	Provision for Gratuity	132.93	80.88
	Leave Encashment	129.51	98.15
	Total	262.44	179.03

6.1 Provision for employee benefits includes provision of Gratuity & leave encashment payable after 12 month.

6.2 The Company makes annual contributions to the Employee's Group Gratuity scheme of the SBI Life Insurance Co. Ltd., a funded defined benefit plan for the qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the terms of the scheme. Vesting occurs upon completion of five years of service.

6.2.1 The present value of the defined benefit obligation and current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The following table sets out the status of the funded gratuity plan and the amounts recognized in the company's financial statements as at March 31, 2014:-

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(In Rupees)

PARTICULARS		As at 31st March, 2014	As at 31st March, 2013
Changes in benefit obligations :	i)		
Present value of obligation as at the beginning of the year		8739941	7274244
Interest Cost		672936	575286
Current Service Cost		3343609	1805438
Actuarial (gain)/ loss on obligations		2284202	(748701)
Benefit paid		(656491)	(166326)
Present value of obligation as at the end of the year		14384197	8739941
Change in plan assets :	ii)		
Fair value of plan assets as at the beginning of the year		557441	208488
Expected return on plan assets		50170	17721
Contributions		500000	500000
Benefits paid		(656491)	(166326)
Actuarial gain/ (loss) on plan assets		7055	(2442)
Fair value of plan assets at the end of the year		458175	557441
Excess of (obligation over plan assets)/ plan asset over obligation		(13926022)	(8182500)
(Accrued liability)/ Prepaid benefit		(13926022)	(8182500)
Net Gratuity and other cost at the end of the year	iii)		
Current Service cost		3343609	1805438
Interest on defined benefit obligation		672936	575286
Expected return on plan assets		(50170)	(17721)
Net actuarial gain recognized in the year		2277147	(746259)
Net gratuity and other cost		6243522	1616744
Actual return on plan asset		57225	15279
Category of Assets at the end of the year	iv)		
Insurer Managed Funds		458175	557441
Others		Nil	Nil
Total		458175	557441
Assumptions used	v)		
Discount rate (p.a.)		8.00%	8.00%
Attrition Rate		10 per thousand	10 per thousand
Salary escalation rate (p.a.)		7.00%	5.00%
Expected rate of return on plan assets (p.a.)		9.00%	8.50%

6.3 Leave Encashment:

The provision of leave encashment have been made on outstanding privilege leave of employees at the end of year and calculated on the basis of basic pay of employees. Attrition rate taken same as Actuarial valuation report of gratuity liability.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs in Lacs)

7	SHORT-TERM BORROWINGS :	As at 31st March, 2014	As at 31st March, 2013
	Secured		
	Working capital facilities from Banks	523.40	690.88
		523.40	690.88
	Unsecured		
	Deposits From Public	14.55	99.84
	Loans From related parties	8.43	682.28
	Loans From others	---	15.16
		22.98	797.27
	Grand Total	546.38	1,488.16

7.1 Working capital facilities include Cash Credit Facilities from State Bank of India outstanding Rs 350.03 lacs & Axis Bank outstanding Rs. 173.37 lacs both of which are secured by first charge by way of hypothecation of stocks of food, beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. of the company and also by way of a second charge on the immovable properties of the company at Indore, Baroda and Pune. Cash Credit Facilities from Axis bank Ltd were personally guaranteed by Late Shri Sajid Dhanani, Company is in the process for making alternative arrangement for replacement of the personal guarantee.

7.2 Fixed deposits from Public has maturity period of 12 months and interest is payable @ 10% pa compounded monthly.

7.3 Loans from related parties & others includes loan from directors , associates and friends & relatives of directors.

8	TRADE PAYABLES :	As at 31st March, 2014	As at 31st March, 2013
	Trade Payables*	761.63	673.26
	Total	761.63	673.26

*Trade payables are for goods purchased and services taken during the normal course of business.

8.1 The Company has not received information from vendors regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid at the year end together with interest paid/payable under the Act have not been given.

8.2 Trade Payable having scheduled payment beyond 12 months after reporting date Rs. Nil (Previous Year Rs. Nil)

9	OTHER CURRENT LIABILITIES :	As at 31st March, 2014	As at 31st March, 2013
	Current Maturities of Long-Term Loans		
	Secured Term Loans		
	From Banks	1,721.19	1,945.07
	From Financial Institutions	295.00	389.34
	Total (A)	2,016.19	2,334.41
	Unsecured Term Loans		
	From NBFC	31.31	32.03
	Total (B)	31.31	32.03
	Others		
	Creditors for capital Expenditure	38.68	69.83
	Advance received from customers#	165.40	197.31
	Statutory Dues	109.17	126.51
	Others	55.66	100.58
	Total (C)	368.91	494.22
	Interest Accrued but not Due on Borrowings	4.81	5.73
	Grand Total (A+B+C)	2,421.22	2,866.40

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

- 9.1 Current maturities of term loans from bank includes Principal instalments payable to State Bank of India, Axis Bank Ltd, State Bank of Mysore and to HDFC. Bank wise Current maturity is give under Note no 4.1. Other terms are same as given in Note no 4.2.
- 9.2 Current maturities of term loans from financial institutions includes Principal instalments payable to Tourism Finance Corporation of India Ltd, and Madhya Pradesh Finance Corporation. Financial Institution wise current maturities is given under Note no 4.1 Other terms are same as given in note no 4.3.
- 9.3 Current maturities of term loan from NBFC is of Magma Fincorp Limited. Other terms are same as given in note no 4.5
- 9.4 Statutory dues includes VAT, luxury tax, TDS, service tax & other statutory payables.
- 9.5 Advances received from customer includes advances against future bookings for functions to be held in next 12 Months
- 9.6 Other Current liabilities includes rent payable , interest payable and staff dues.

10 SHORT-TERM PROVISIONS :
(Rs in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Provision for Employee Benefits		
Provision for Gratuity	6.33	0.95
Leave Encashment	5.96	1.22
Bonus	77.80	72.03
Total (A)	90.09	74.20
Provision for current year Tax	31.19	---
Provision for Expenses	111.74	123.18
Total (B)	142.93	123.18
Total (A+B)	233.02	197.38

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

11. FIXED ASSETS :

(Rs. in lacs)

	TANGIBLE ASSETS							INTANGIBLE ASSETS		
	Freehold Land	Leasehold Land & Improvements	Buildings	Plant and Equipment	Furniture and Fixture	Service Equipment	Vehicle	Computer	Liquor Licence	Software & Licence
Gross Block At Cost										Total
At April 1, 2012	2,637.00	2,294.06	12,091.84	3,477.45	5,512.46	938.12	577.47	392.48	33.08	76.77
Addition	---	---	144.69	85.80	71.14	13.70	1.70	19.77	---	6.34
Disposal			809.47	176.12	166.69	219.72	7.57	22.34	33.08	---
At March 31, 2013	2,637.00	2,294.06	11,427.06	3,387.13	5,416.91	732.10	571.60	389.91	---	83.11
Addition	---	---	243.46	20.19	322.49	16.24	87.04	27.27	---	16.71
Disposal			20.04	21.12	88.90	0.52	53.08	---	---	---
At March 31, 2014	2,637.00	2,294.06	11,650.48	3,386.20	5,650.50	747.82	605.56	417.18	---	99.82
Depreciation										
At April 1, 2012	---	---	2,589.19	1,044.65	1,943.78	414.53	174.09	244.95	19.04	63.51
Charge for the year			2,891.64	891.90	1,776.26	225.16	206.06	93.41	---	10.43
Disposals			458.88	41.11	78.14	99.71	3.23	16.33	19.04	9.51
At March 31, 2013	---	---	5,021.95	1,895.45	3,641.90	539.98	376.92	322.03	---	64.43
Charge for the year			651.04	209.05	493.88	51.96	63.56	29.65	---	8.28
Disposals			15.23	16.64	87.15	0.22	46.14	---	---	---
At March 31, 2014	---	---	5,657.76	2,087.86	4,048.63	591.72	394.34	351.68	---	72.71
Net Block										
At March 31, 2013	2,637.00	2,294.06	6,405.11	1,491.69	1,775.01	192.12	194.68	67.88	---	18.68
At March 31, 2014	2,637.00	2,294.06	5,992.72	1,298.34	1,601.87	156.10	211.22	65.50	---	27.11
Capital work in progress	Opening	Additions	Capitalisation	Closing						
At March 31, 2013	---	---	---	---						
At March 31, 2014	---	29.17	---	29.17						

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. In lacs)

12 NON-CURRENT INVESTMENTS :	As at 31st March, 2014	As at 31st March, 2013
A. Trade Investments (Unquoted At Cost)		
<u>Subsidiary</u>		
Barbeque-Nation Hospitality Ltd.	605.00	854.00
6049998 Equity Shares of Rs.10/- fully paid-up (PY 6464998 Equity Shares)*		
Malwa Hospitality Pvt. Ltd.	549.40	549.40
5494000 Equity Shares of Rs.10/-fully paid up (PY 5494000 Equity Shares)		
Aries Hotels Pvt. Ltd.	770.20	25.00
5218000 Equity Shares of Rs.10/-fully paid up (PY 250000 Equity Shares)		
<u>Other Investment</u>		
Genex Hotels Pvt. Ltd.	0.50	0.50
5000 Equity Shares of Rs.10/-fully paid up		
Winner Hotels Pvt. Ltd	0.23	0.23
2300 Equity Shares of Rs.10/-fully paid up		
Sub-Total (A)	1,925.33	1,429.13
B. Other Investments (Unquoted at Market Value)		
Bharat Equity Services Ltd.	0.10	10.00
1,00,000 Equity Shares of Rs.10 each fully paid up		
(-) Provision for Diminution in value of investment	---	(9.90)
Sub-Total (B)	0.10	0.10
Total (A+B)	1,925.43	1,429.23
Aggregate amount of quoted Investments	---	---
Market Value of quoted Investments	---	---
Aggregate book value of un-quoted Investments	1,925.43	1,429.23

12.1 Barbeque Nation Hospitality Ltd(BNHL) is subsidiary of the company with 54.70% shareholding. During the year company has sold 415000 shares of BNHL at Rs 334.54 per share to Tamara Private Limited.

* Includes 1942592 Equity Shares, deposited in Escrow A/c. with Citi Bank NA, Mumbai pursuant to Escrow Agreement dated 10-04-2013 between BNHL, SHL & AAJV Investment Trust read with Shareholders agreement dated 26-03-2013 to facilitate the investor, for suitable Exit either through IPO or Investor Drag Rights within 54 months from the effective date i.e. 12-04-2013.

12.2 Malwa Hospitality Pvt Ltd is subsidiary of the company with 65% shareholding therein.

12.3 Aries Hotels Pvt Ltd. is subsidiary of the company with 52% shareholding therein.

13. DEFERRED TAX ASSETS	As at 31st March, 2014	As at 31st March, 2013
On account of Timing Difference in		
Carry Forward losses & Depreciation	---	---
Expenses Disallowed under I.T. Act., 1961	127.37	73.47
Depreciation on fixed assets	192.74	140.00
Total Deferred Tax Assets	320.11	213.47
Total Deferred Tax Liabilities	---	---
Net Deferred Tax(Liability)/Assets*	320.11	213.47
Amount debited/(Credited) to Profit & Loss Statement	(106.64)	(1,232.24)

* Deferred tax liability for the year have been arrived at by taking the tax rate of 33.99% (PY 32.445%) which is inclusive of surcharge and education cess.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. In lacs)

	As at 31st March, 2014	As at 31st March, 2013
14. LONG - TERM LOANS AND ADVANCES :		
(Unsecured and Considered Good)		
Security Deposits*	493.35	516.34
TOTAL	493.35	516.34
*Security Deposits includes balances with statutory Authority , electricity deposits & lease rent deposits.		
15. OTHER NON-CURRENT ASSETS	As at 31st March, 2014	As at 31st March, 2013
(Unsecured and Considered Good)		
Fixed Deposits Against lien & Bank Guarantee*	17.98	80.02
TOTAL	17.98	80.02
*Maturing after 12 months		
16. CURRENT INVESTMENTS :	As at 31st March, 2014	As at 31st March, 2013
Investments in Mutual Funds*	---	3.64
*Investment in Mutual Fund includes investment in Axis Mutal Fund.	---	3.64
Aggregate amount of quoted Investments	---	3.64
Market Value of quoted Investments	---	---
Aggregate book value of un-quoted Investments	---	---
TOTAL	---	3.64
17. INVENTORIES :	As at 31st March, 2014	As at 31st March, 2013
(Valued at lower of cost or NRV whichever is less & certified by management)		
Operating Supplies	662.49	673.80
Food & Beverages	178.82	166.91
Shopping Arcade Stock	42.54	42.54
TOTAL	883.85	883.25
18. TRADE RECEIVABLES :	As at 31st March, 2014	As at 31st March, 2013
(Unsecured)		
Outstanding for a period exceeding six months from the due date of payment		
Considered Good	173.81	523.82
Doubtful	133.25	33.49
Others		
Considered good	462.95	645.08
	770.01	1,202.39
Provision for doubtful trade receivables	133.25	33.49
TOTAL	636.76	1,168.90
19. CASH & BANK BALANCE :	As at 31st March, 2014	As at 31st March, 2013
Cash & Cash Equivalents		
Cash on Hand	50.56	26.79
Balances with Bank		
On current Accounts:		
With Scheduled Bank	61.27	137.95
Other Bank Balances		
In Earmarked Accounts:		
With original Matuirty of less than 12 months		
Fixed Deposits Against lien	66.10	---
With original Matuirty of more than 12 months		
Fixed Deposits Against lien	17.97	80.01
	195.90	244.75
Less: Term deposit with banks maturing after 12 months from Balance sheet date & other earmarked/margin money/pledged deposits classified as non current. (Refer Note 15)	17.97	80.01
TOTAL	177.93	164.74

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. In lacs)

20. SHORT TERM LOANS & ADVANCES :	As at 31st March, 2014	As at 31st March, 2013
Loans & Advances to related parties	17.62	1,743.82
Advance to suppliers for goods & services*	36.05	48.53
Prepaid Expenses	52.98	54.78
Staff Advances & Loan	14.65	14.51
Advance Income Tax	0.18	71.64
Mat Credit Entitlement	34.86	282.33
Balance with Govt. authorities	157.24	39.66
Others	53.20	335.05
Less: Provision for doubtful advances (Refer Note 29.1)	(40.90)	(130.28)
TOTAL	325.88	2,460.04

*Advances to suppliers for goods & services includes advances against purchases & services which is receivable in kind in next 12 Months

21. OTHER CURRENT ASSETS :	As at 31st March, 2014	As at 31st March, 2013
Interest Accrued on FDRs	0.84	0.79
TOTAL	0.84	0.79

22. Revenue From Operations :	As at 31st March, 2014	As at 31st March, 2013
Rooms	4,088.50	4,194.58
Food and Beverages	7,250.61	6,394.15
Other Services	1,003.40	1,174.08
TOTAL	12,342.51	11,762.81

Revenue from others services includes income from club, rental income and income from banquet service etc.

23. Other Income :	As at 31st March, 2014	As at 31st March, 2013
Interest Earned*	36.06	14.88
Other Non-Operating Income	30.87	48.75
Profit on Sale of Mutual funds	7.64	---
TOTAL	74.57	63.63

*Includes interest on Bank deposits Rs. 7.16 Lacs (PY 5.42 Lacs) & on loans & advances Rs. 28.90 Lacs (PY 9.46 Lacs)

24. Food & Beverages Consumed :	As at 31st March, 2014	As at 31st March, 2013
Opening Stock	166.91	179.45
Add : Purchases*	3,115.80	2,791.56
	3,282.71	2,971.01
Less : Closing Stock	178.82	166.91
TOTAL	3,103.89	2,804.10

*Includes vegetable & non-vegetable items, grocery items, dairy products, tobacco products, alcoholic & non-alcoholic beverages etc.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. In lacs)

	For the year ended 31st March, 2014 Consumption		For the year ended 31st March, 2013 Consumption	
	Rs. in Lacs	%	Rs. in Lacs	%
Imported	17.02	0.55%	17.69	0.63%
Indigeneous	3,086.87	99.45%	2,786.40	99.37%
TOTAL	3,103.89	100.00%	2,804.09	100.00%

25. Operating Expenses :

As at 31st March, 2014As at 31st March, 2013

Stores & Operating Supplies*	374.69	384.40
Repairs and Maintenance		
Building	81.17	111.06
Plant & Machinery	100.23	108.71
Others	97.01	147.17
Laundry Expenses	154.29	149.11
Guest pick up Expenses	322.64	355.55
Cable TV Expenses	51.64	58.17
Other Operating Expenses#	817.72	806.55
Power and Fuel	1,118.96	1,126.21
GRAND TOTAL	3,118.35	3,246.93

*Stores & operating supplies includes crockery & cutlery, linen & other consumables etc.

#Other Operating Expenses includes house keeping & upkeeping expenses, expenses for F&B operations & club.

	For the year ended 31st March, 2014 Consumption		For the year ended 31st March, 2013 Consumption	
	Rs. in lacs	%	Rs. in lacs	%
Imported	0.76	0.20%	1.64	0.43%
Indigeneous	373.93	99.80%	382.76	99.57%
TOTAL	374.69	100%	384.40	100%

26. Employee Benefit Expenses :

For the year ended
31st March, 2014For the year ended
31st March, 2013

Salaries, Wages and Allowances	2,095.17	1,801.68
Contribution to P.F. and other Funds	165.91	140.43
Workmen and Staff Welfare Expenses	112.24	105.68
Workmen and Staff Uniform Expenses	35.21	31.67
TOTAL	2,408.53	2,079.46

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. In lacs)

	As at 31st March, 2014	As at 31st March, 2013
27. Other Expenses:		
Lease Rent	194.37	232.50
Brand Royalty	88.22	---
Rates & Taxes	112.06	89.41
Insurance	23.91	25.51
Travelling and Conveyance	49.56	49.32
Postage, Telegram and Telephones	43.48	40.78
Advertisement and Publicity	63.52	83.55
Legal & Professional	111.57	132.75
Printing and Stationery	93.57	82.51
Credit Card Commission	58.75	72.47
Other Expenses	118.23	158.25
Auditors' Remuneration		
Statutory audit	3.50	3.00
Certification other matters	0.50	0.75
Water charges	14.08	30.28
Prior Period Exp.	0.93	---
Provision for doubtful debts (Refer note 27.1)	232.34	---
Excess/Short Provision of Interest	---	---
Total	1,208.59	1,001.08
27.1 Provision for doubtful debts		
Opening Balance	33.49	33.49
Add: Provision during the year	232.34	---
	265.84	33.49
Less: Bad debts written off	132.58	---
Closing Balance	133.26	33.49
28. Finance Cost :		
Interest on term Loan	1,072.64	1,359.07
Interest on Others	219.29	361.46
Other expenses	7.23	4.12
Other borrowing cost	4.29	32.39
Total	1,303.45	1,757.04
Interest expense includes interest paid on term loans & vehicle loans. Interest on others includes interest on credit facilities. Other expenses includes bank charges.		
Other borrowing cost includes processing fees & upfront fees of loans.		
29. Exceptional item Expense/(Income):		
Depreciation.	7.94	4,353.28
Profit on sale of assets & intangible rights.	---	(2,099.48)
Provision for Doubtful advances (Refer note 29.1)	40.90	140.19
Profit on sale of investment*	(1,104.98)	---
Total	(1,056.14)	2,393.99
*Profit on sale of 415000 equity shares of Rs. 10 each of Barbeque Nation Hospitality Ltd at Rs 334.54 per share to Tamara Private Limited.		
29.1 Provision for doubtful Advances		
Opening Balance	140.19	---
Add: Provision during the year	40.90	140.19
	181.09	140.19
Less: Doubtful advances written off	140.19	---
Closing Balance	40.90	140.19

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014
Additional Disclosures
30.1 Contingent liability not provided for :

- 30.1.1. Guarantee given on behalf of other companies Rs 4421.82 lacs (P.Y Rs 5871.82 lacs). This includes Guarantee given to State Bank of India on Behalf of Barbeque-Nation Hospitality Ltd amounting Rs 4,000 lacs (P.Y 5,450 lacs) & guarantee given to Axis Bank Ltd on Behalf of Sana Hospitality Services Pvt .Ltd amounting to Rs 421.82 lacs (P.Y Rs 421.82 lacs). Outstanding balance of loan there against for the year ended 31st March, 2014 from SBI is Rs 3501.90 lacs (P.Y 4073.12 Lacs) and from Axis Bank Ltd is Rs 250.19 lacs (P.Y 282.84 Lacs)
- 30.1.2. Disputed statutory liabilities in respect of service tax not provided for:
 - (a) For the period from 01.03.05 to 31.03.09 the Hon'ble Tribunal has passed the order against the Company after giving the benefit of abatement and waiver of penalty imposed in the order passed by Learned Commissioner. Tax demand of Rs 175.01 lacs is pending as per the Tribunal's order. Company has challenged said order before Indore bench of Hon'ble High Court of MP and got interim stay of the demand. Interest liability will also arise in case of unfavorable decision.
 - (b) For the period from 01.04.09 to 31.03.11 the Commissioner has passed the order against the Company without even considering the benefit given by the Hon'ble Tribunal in their prior order. Tax demand of Rs 400.37 lacs has been raised alongwith equal amount of penalty. Company has challenged said order before Hon'ble Tribunal & got unconditional stay on merits for the entire demand. Had the benefit of abatement & waiver of penalty given by the Hon'ble Tribunal in their prior order been considered by the Learned Commissioner, the demand would have been reduced to Rs. 139.97 lacs. Interest liability will also arise in case of unfavorable decision.
 - (c) For the period from 01.04.11 to 30.06.12 the Commissioner has issued show cause against the Company without even considering the benefit given by the Hon'ble Tribunal in their prior order. Tax demand of Rs 269.27 lacs has been raised alongwith equal amount of penalty. Company has challenged said order before Hon'ble Tribunal. Had the benefit of abatement & waiver of penalty given by the Hon'ble Tribunal in their prior order been considered by the Learned Commissioner, the demand would have been reduced to Rs. 127.98 lacs. Interest liability will also arise in case of unfavorable decision.
- 30.1.3. Custom duties saved against imports under EPCG scheme is Rs 594.13 lacs (P.Y Rs 607.84 lacs)
- 30.1.4. Disputed liability of Rs 131.30 lacs (P.Y Rs. 131.30 lacs) not provided for in respect of Income Tax (AY 2007-08, AY 2008-09, AY 2009-10 & AY 2010-11). The matters are pending before Income tax Appellate Tribunal, Ahmedabad.
- 30.1.5. Disputed liability of Rs 1.02 lacs not provided for in respect of TDS (AY 2010-11, AY 2011-12 & AY 2012-13). The matter is pending before CIT, Pune.
- 30.1.6. Disputed liability of Rs 0.70 lacs not provided for in respect of Labour case (FY 2006-07). The matter is pending before Labour Court, Indore
- 30.1.7. Disputed liability of Rs 1.12 lacs not provided for in respect of Labour case (FY 2012-13). The matter is pending before Labour Court, Baroda.

30.2 Capital Commitments

Estimated capital commitments not provided for Rs. 15.92 Lacs (PY Nil)

- 30.3 The Company has not received information from vendors regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006 and accordingly disclosure regarding to amount paid/Payable at the year end together with interest paid/payable under the Act have not been given.

30.4 Segment Reporting:

The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Accounting Standard 17 - 'Segmental Information' (AS-17) notified by the Companies (Accounting Standards) Rules, 2006 (as amended). There is no geographical segment to be reported since all the operations are undertaken in India.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

30.5 Impairment of Assets :

That the Board of Directors, is of the opinion that the discounted net future generation from the Assets in use & shown in the schedule of Fixed Assets, is more than the carrying amount of Fixed Assets in Balance Sheet, as such, no provision for Impairment of Assets is required to be made in terms of the requirement of Accounting Standard (AS-28) "Impairment of Assets" issued by the Institute of Chartered Accountants of India for the year ended 31st March 2014.

30.6 In the opinion of the Directors, value of long term trade investment in shares of subsidiary companies & others have the value at which they are stated in the Balance Sheet, further to informed that investment made is in the nature of trade investment. in view of above no provision is required to made for any temporarily in the value of investment.

30.7 In the opinion of the Directors, Current Assets, Loans & Advances have the value at which they are stated in the Balance Sheet, if realized in the ordinary course of business. Further, Directors are of the opinion that all the liabilities have been duly reflected in the Balance Sheet and nothing is remained to be disclosed for. Sundry Debtors, Creditors and Advances are subject to reconciliation and confirmation.

30.8 In the opinion of Board of Directors there exists adequate accounting & internal control system designed to prevent and detect fraud or errors and in the opinion of Board of Directors that any uncorrected misstatements resulting from either fraud or errors are in the managements opinion immaterial both individually & aggregate in the Financial statements.

30.9 Details of Related Party Disclosure:

i) Key Management Personnel

Mrs. Suichitra Sajid Dhanani, Whole Time Director (From Feb-2014)

Late Mr. Sajid R. Dhanani (Upto Nov-2012)

Munawar F Garbadwala (Upto Aug-2012)

Jaykannan Perumal Swamy (Upto June-2013)

ii) Subsidiary Companies

Aries Hotels Pvt Ltd

Barbeque-Nation Hospitality Limited

Malwa Hospitality Pvt Ltd

iii) Associate Companies/ Firms/ Relatives

S S Management

S.N. Travels

Taurus Corium Impex Pvt Ltd

Winner Hotels Pvt Ltd

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. In lacs)

Sr.No.	Nature of Transactions	As at 31st March, 2014	As at 31st March, 2013
A	KEY MANAGEMENT PERSONNEL		
	REMUNERATION	5.00	69.88
	LEASE RENT	---	24.00
	PAYABLE AT THE YEAR END	---	14.54
B.	SUBSIDIARY COMPANIES		
	RECEIVABLE AT THE YEAR END	---	251.69
	SALE OF ASSETS	---	2,810.00
	PURCHASE TRANSCATION	---	0.55
	SALE TRANSCATION	12.19	0.08
	PAYMENT OF ROYALTY	88.22	---
	INVESTMENTS MADE DURING THE YEAR	745.20	---
C	ASSOCIATE COMPANIES/ FIRMS/ RELATIVES		
	SALARY/PROFESSIONAL FEES	22.94	---
	GUEST PICK UP EXPENSES	40.06	11.51
	LEASE RENT PAID	---	12.00
	RECEIVABLE AT THE YEAR END	0.16	35.90
	PAYABLE AT THE YEAR END	7.98	682.28
	INVESTMENTS	---	0.50

30.10 Earning/(Loss) per share (EPS) is calculated as under :

a) Numerator:

Net Profit after tax as per Statement of Profit & Loss

b) Denominator:

Number of Equity shares

Weighted average number of equity shares outstanding during the year

c) Nominal value of Equity Shares (in Rs.)

d) Earning/(Loss) per share

As at 31st March, 2014	As at 31st March, 2013
554.48	(2,082.69)
17,518,000.00	17,518,000.00
10/-	10/-
3.17	(11.89)

30.11 Earnings in Foreign Currency :

30.11.1 Earnings in Foreign Currency

Sale of Rooms and Food Beverages

30.11.2 CIF Value of imports & Expenditure (on accrual basis)

Import Value of Capital Goods

As at 31st March, 2014	As at 31st March, 2013
697.51	708.98
8.78	7.57

30.12 The company has reclassified previous year figures to conform to this year' classification.

As per our report of even date attached

For Shah Gandhi & Shah

Chartered Accountants

Firm Regn. No. 126862W

For K.L.Vyas & Company

Chartered Accountants

Firm Regn. No. 003289C

For and on behalf of the Board of Directors

T.N Unni
Director

Suchitra Dhanani
Director

Nimesh Gandhi

Partner

M.No. 049134

Indore, 30th May 2014

K.L. Vyas

Partner

M.No. 072043

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
THE BOARD OF DIRECTORS
SAYAJI HOTELS LIMITED

We have examined the attached Consolidated Balance Sheet of Sayaji Hotels Limited (hereinafter called "Company") and its subsidiaries as at 31st March, 2014 (hereinafter individually called "Subsidiary" & along with the Company as "Group") the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statements for the year ended on that date. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

We have conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance, whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material mis-statements. An audit includes examining on 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 statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of Rs.20785.86 Lacs (Previous Year – Rs. 15714.09 Lacs) as at 31st March, 2014 and total revenue of Rs. 26903.55 Lacs (Previous Year – Rs. 18444.67 Lacs) for the year ended on 31st March, 2014. These financial statements have been audited by other auditors, whose report have been furnished to us, and in our opinion, so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the reports of the other auditors.

We report that the Consolidated financial Statements have been prepared by the Company, in accordance with the requirements of Accounting Standards (AS) 21 – Consolidated Financial

Statements and Accounting Standard (AS) 23 – Accounting for investment in Associates in Consolidated Financial Statements, both issued by the Institute of Chartered Accountants of India, and on the basis of the separate audited financial statements of the Company, and its subsidiaries.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, we are of the opinion that the Consolidated Financial Statements give true and fair view in conformity with the Accounting Principles generally accepted in India:

- a) In the case of Consolidated Balance Sheet, of the Consolidated State of Affairs of the Group as at 31st March, 2014.
- b) In the case of the Consolidated Statement of Profit and Loss, of the Consolidated Results of the operations of the Group for the year ended on that date; and
- c) In the case of the Consolidated Cash Flow Statement, of the Consolidated Cash Flows of the Group for the year ended on that date.

For SHAH GANDHI & SHAH
Company
Chartered Accountants
Firm Regn. No. 126862W
003289C

Nimesh Gandhi
Partner
M.No. 049134

Place : Indore
Date: 30th May 2014

For K.L. Vyas &
Chartered Accountants
Firm Regn. No.

K.L. Vyas
Partner
M.No. 072043

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

(Rs. In lacs)

Particulars	Note No.	As at 31st March 2014	As at 31st March 2013
I. EQUITY AND LIABILITIES			
(I) Shareholders' Funds			
a. Share Capital	2	1,751.80	1,751.80
b. Reserves & Surplus	3	9,631.37	5,565.02
c. Money received against share warrants		0.01	---
Total Shareholder's Funds (i)		11,383.18	7,316.82
(ii) Minority Interest		5,842.61	1,376.90
(iii) Non-current liabilities			
a. Long-term Borrowings	4	7,738.77	11,124.88
b. Other Long Term Liabilities	5	2,071.96	2,014.19
c. Long-Term Provisions	6	386.05	270.56
Total Non-Current Liabilities (iii)		10,196.78	13,409.63
(iv) Current liabilities			
a. Short-Term Borrowings	7	1,167.93	1,668.37
b. Trade Payables	8	2,310.39	3,127.63
c. Other Current Liabilities	9	4,080.48	4,282.73
d. Short Term Provisions	10	851.14	283.93
Total Current Liabilities (iv)		8,409.94	9,362.66
Grand Total (i+ii+iii+iv)		35,832.51	31,466.01

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CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

(Rs. In lacs)

Particulars	Note No.	As at 31st March 2014	As at 31st March 2013
II ASSETS			
(i) Non-Current Assets			
a. Fixed Assets	11		
i) Tangible Assets		22,586.68	21,949.76
ii) Intangible Assets		27.11	14.91
iii) Capital Work-in-Progress		2,264.05	944.36
iv) Intangible assets under development		---	---
Total Fixed Assets		24,877.84	22,909.03
b. Non-Current Investments	12	117.80	25.83
c. Deferred Tax Assets (net)	13	353.80	257.76
d. Long-Term Loans and Advances	14	3,036.35	2,319.15
e. Other Non-Current Assets	15	17.97	80.02
Total Non-Current Assets (I)		28,403.76	25,591.79
(ii) Current Assets			
a. Current Investments	16	456.13	3.65
b. Inventories	17	1,951.71	1,621.52
c. Trade Receivables	18	865.75	1,423.67
d. Cash and Cash Equivalents	19	1,080.68	635.44
e. Short-Term Loans and Advances	20	3,017.30	2,189.14
f. Other Current Assets	21	57.18	0.79
Total Current Assets (ii)		7,428.75	5,874.21
Grand Total (i+ii)		35,832.51	31,466.00
Significant Accounting Policies	1		
Notes on Financial Statements	2 TO 30		

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

For Shah Gandhi & Shah
Chartered Accountants
Firm Regn. No. 126862W

For K.L.Vyas & Company
Chartered Accountants
Firm Regn. No. 003289C

For and on behalf of the Board of Directors

T.N Unni
Director

Suchitra Dhanani
Director

Nimesh Gandhi
Partner
M.No. 049134
Indore, 30th May 2014

K.L.Vyas
Partner
M.No. 072043

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2014

(Rs. In lacs)

Particulars	Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Continuing Operations INCOME			
Revenue From Operations	22	39,045.24	30,167.12
Other Income	23	312.84	81.06
TOTAL		39,358.08	30,248.18
EXPENDITURE			
Cost of Material Consumed	24	13,301.46	10,129.27
Operating Expenses	25	7,858.10	6,270.34
Employee Benefit Expenses	26	5,671.09	4,438.27
Other Expenses	27	5,594.45	4,182.09
		32,425.10	25,019.97
OPERATING PROFIT BEFORE INTT.		6,932.98	5,228.21
Finance Cost	28	1,963.47	2,316.08
PROFIT BEFORE DEPRECIATION		4,969.51	2,912.13
Depreciation	11	2,785.16	2,677.23
Add : Depreciation Written Back		0.52	1.98
Profit /(Loss) before exceptional & extraordinary items		2,184.87	236.89
Exceptional Items & Prior Period Items	29	(1,011.43)	4,769.30
Profit before Tax		3,196.30	(4,532.41)
Provision for Taxation		1,221.24	345.31
Earlier year taxes		13.81	---
Deferred Tax	13	(96.04)	(1,152.61)
Profit/(Loss) for the year from continuing operations		2,057.29	(3,725.12)
Minority Interest		680.45	148.14
PAT AFTER MINORITY INTEREST		1,376.84	(3,873.25)
Earning Per Equity Share			
(1) Basic		7.86	(22.11)
(2) Diluted		7.86	(22.11)
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 30		

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

For Shah Gandhi & Shah
Chartered Accountants
Firm Regn. No. 126862W

For K. L. Vyas & Company
Chartered Accountants
Firm Regn. No. 003289C

For and on behalf of the Board of Directors

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Indore, 30th May 2014

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Partner
M.No. 072043

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

(Rs. in lacs)

Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax from continuing operations		3,196.30		(4,532.41)
Non-cash adjustment to reconcile profit before tax to net cash flows				
Depreciation & Amortisation including adjustments	2,792.58		6,904.74	
Loss on Sale of Fixed Assets	2.04		5.67	
Profit on Sale of Investments	(1,113.71)		---	
Interest Expense	1,963.47		2,316.08	
Interest Received	(135.41)		(32.31)	
Dividend income	(138.92)	3,370.05	---	9,194.18
Operating profit before Working Capital changes		6,566.35		4,661.77
Adjustments for:				
Increase/(Decrease) in other long term liabilities	57.77		1.89	
Increase/(Decrease) in long term provisions	115.49		102.67	
Increase/(Decrease) in trade payables	(817.24)		1,629.57	
Increase/(Decrease) in other current liabilities	313.94		256.99	
Increase/(Decrease) in short term provisions	71.31		(169.36)	
Decrease/(Increase) in long term advances	(717.20)		38.42	
Decrease/(Increase) in Inventories	(330.19)		(435.45)	
Decrease/(Increase) in trade receivable	557.92		(310.80)	
Decrease/(Increase) in short term advances	(1,098.12)		463.64	
Decrease/(Increase) in other current assets	(56.39)	(1,902.71)	(0.79)	1,576.78
Cash generated from operations		4,663.64		6,238.55
Taxes (Paid)/Refund		(469.19)		(454.49)
Net cash from operating activities		4,194.45		5,784.05
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed assets	(4,830.42)		(5,269.01)	
Sale/Disposal of Fixed assets	66.97		725.19	
Purchase of Trade Investments	(91.97)		0.00	
Sale of Investments	1,113.71		9.40	
Maturity/(Investment) in current Investment	(452.49)		249.47	
Maturity/(Investment) in Fixed Deposits	70.32		58.06	
Interest Received	135.41		32.31	
Dividend income	138.92		---	
Net cash used in investing activities		(3,849.55)		(4,194.58)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

(Rs. in lacs)

Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayment) of Long Term Borrowings	(3,895.06)		752.48	
Proceeds/(Repayment) of loans from companies	(152.74)		327.69	
Proceeds/(Repayment) of Secured Short Term Borrowings	(347.70)		101.13	
Interest Paid	(1,970.72)		(2,385.22)	
Proceeds/(Repayment) of share warrants	0.01		---	
Proceeds from Issue of Equity shares to Minority Shareholders by Subsidiary	6,474.76		---	
Net cash generated from financing activities		108.57		(1,203.92)
Net increase in cash and cash equivalents	453.47		385.55	
Cash and cash equivalents - OPENING BALANCE	520.41		134.86	
Cash and cash equivalents - CLOSING BALANCE		973.88		520.41

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

For Shah Gandhi & Shah
Chartered Accountants
Firm Regn. No. 126862W

For K.L.Vyas & Company
Chartered Accountants
Firm Regn. No. 003289C

For and on behalf of the Board of Directors

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Indore, 30th May 2014

K.L.Vyas
Partner
M.No. 072043

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 1

Sayaji Hotels Limited ("SHL" or the "Company"), is a listed public limited company incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay stock exchange, Vadodara stock exchange, Madhya Pradesh stock exchange & Ahmedabad stock exchange on India. The Company is primarily engaged in the business of owning, operating & managing hotels.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The Consolidated financial Statements comprise the individual financial statements of Sayaji Hotels Limited and its subsidiaries as on 31st March 2014 and for the year ended on that date. The consolidated financial statements have been prepared on the following basis:

The excess of cost to the Company of its investment in the subsidiaries over the Company's portion of equity as at the date of making the investment is recognized in the financial statements as Goodwill on Consolidation.

The excess of Company's share in equity of each subsidiary over the cost of the acquisition at the date on which the investment is made, is recognized as Capital Reserve on Consolidation and included as Reserves and Surplus under Shareholder's Equity in the Consolidated Balance Sheet.

Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments in subsidiary companies are made and further movement in their share in the equity, subsequent to the dates of investment.

The list of subsidiaries, which are included in the consolidation and the Company's holding therein is given below.

<u>Name of the subsidiary</u>	<u>Proportion of Ownership Interest</u>	
	<u>Current Year</u>	<u>Previous Year</u>
Barbeque-Nation Hospitality Ltd	54.70	67.59
Malwa Hospitality Pvt. Ltd.	64.68	100.00
Aries Hotels Pvt. Ltd.	52.37	5.00

Convention

To prepare financial statements in accordance with applicable Accounting Standards in India. A summary of accounting policies, which have been applied consistently, is set out below. The financial statements have also been prepared in accordance with relevant presentational requirement of the Companies Act, 1956.

Basis of Accounting

The financial statements have been prepared under the historical cost convention and on accrual basis and on going concern concept.

Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

Fixed Assets

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

To capitalize software where it is expected to provide future enduring economic benefits. Capitalization costs includes license fees. The costs are capitalized in the year in which the relevant software is implemented for use.

Subsequent expenditure related to an item of fixed assets is added to its book value only if increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repairs and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses. An intangible asset is recognized, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured.

Depreciation and amortisation

Depreciation on Fixed Assets is provided for on Written Down Value Method at the rates and in the manner specified in the Schedule XIV of the Companies Act, 1956.

In respect of Barbeque Nation Hospitality Ltd (Subsidiary), depreciation is charged on fixed assets as per the Straight Line Method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

No amortization is provided in the Accounts in respect of leasehold land in view of the long term tenure, which is akin to ownership.

Leasehold improvements are depreciated over the term of the respective leases.

In respect of Barbeque Nation Hospitality Ltd (Subsidiary), Intangible assets are amortised over their estimated useful lives as follows:

- (a) Liquor Licenses with the perpetual term purchased for restaurant chain business are depreciated over the lease term of the respective restaurants.
- (b) Goodwill on purchase of restaurants is amortised over ten years.
- (c) Software is depreciated over the managements estimate of its useful life of five years.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.

Investments

To state current investments at lower of cost and fair value, and long term investments are stated at cost. Where applicable, provision is made where there is a permanent fall in valuation of long term investments.

Inventories

Inventories consisting of Stock of Food and Beverages and Stores & Operating Supplies are valued at cost or net realisable value, whichever is less, after providing for obsolescence & damage.

Cost is arrived at on First in First Out basis. Cost comprises expenditure incurred in normal course of the business in bringing such inventories to its location. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and, where necessary, provision is made for such inventories.

Foreign Currency Transactions

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.
- (b) Monetary items denominated in foreign currencies at the year end are restated at the year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- (c) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

Income

Revenue comprises sale of rooms, food and beverages, allied services relating to Hotel operations. Revenue is recognized upon rendering of service. Life time club membership fees treated as income in the year of receipt.

Sale is exclusive of Luxury tax, Sales tax, Service Tax and other taxes. Sales tax under the composition scheme is also excluded.

Revenue from displays and sponsorships are recognized based on the period for which the products or the sponsor's advertisements are promoted/displayed.

In respect of gift vouchers, the income is recognised when the vouchers are redeemed by the customers or on completion of the validity period.

Other income

Dividend is recognised when the right to receive the same is established. Interest income is accounted on accrual basis.

Benefits to Workmen

Employee benefit plans comprise both defined benefit and defined contribution plans.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains/ losses are immediately taken to profit and loss account and are not deferred.

Provident fund is a defined contribution plan. Each eligible employee and the company make contributions at a percentage of the basic salary specified under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

The Company's contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. The company has no further obligations under the plan beyond its periodic contributions.

Benefit in terms of workmen demand pending settlement, medical reimbursement and leave travel concession are accounted, when paid and bonus to employees, is provided for on accrual basis. Leave Encashment is determined based on the available leave entitlement at the end of the year.

Taxes of Income

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

To provide and recognize deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence.

Not to recognize deferred tax assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

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

Impairment of Assets

Impairment is ascertained at each balance sheet date in respect of company's fixed assets. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value and use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Accounting for Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized in terms of Accounting Standard 29- "Provisions, Contingent Liabilities and Contingent Assets" issued by The Institute of Chartered Accountant of India, when there is a present legal or statutory obligation as a result of past event where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are recognized only when there is a possible obligation arising from 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 reliable estimate of the obligation can not be made. Obligations are assessed on an ongoing basis and only those having largely probable outflow of resources are provided for.

Contingent Assets are not recognized in the financial statements.

Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

Events occurring after the date of Balance Sheet date

Where material, events occurring after the date of Balance Sheet are considered up to the date of adoption of the accounts.

Accounting for Leases

In respect of operating lease transactions, the assets are not capitalized in the books of the Company and lease payments are charged to the Profit and Loss Account.

Periodic escalations in the lease rentals are considered as and when the same are effective as per the terms of lease and the same are not straight lined.

In respect of Barbeque Nation Hospitality Ltd (Subsidiary), Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight line basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Claims

To disclose claims against the company not acknowledged as debts after a careful evaluation of the facts and legal aspect of the matter involved.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2 SHARE CAPITAL :

(Rs. in Lacs)

AUTHORISED	As at 31st March, 2014	As at 31st March, 2014
30,000,000 Equity Shares of Rs.10/- each (Previous year 30,000,000 Equity Shares of Rs.10/- each)	3,000.00	3,000.00
1,000,000 Preference Shares of Rs. 100/- each (Previous year 1,000,000 Preference Shares of Rs. 100/- each)	1,000.00	1,000.00
TOTAL	4,000.00	4,000.00
ISSUED, SUBSCRIBED & PAID-UP		
1,75,18,000 Equity Shares of Rs. 10/- each (Previous year 1,75,18,000 Equity Shares of Rs. 10/- each)	1,751.80	1,751.80
TOTAL	1,751.80	1,751.80

Terms/rights attached to equity shares :

- 2.1 The company has only one class of equity shares having a par value of Rs.10/- per share. Each Holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31st March 2014, the amount of per share dividend recognised as distributions to equity shareholders was Rs. Nil (Previous Year Rs.Nil)
- 2.2 Details of Share holders holding more than 5% of Shares are as under:-

Name	Category	As at 31st March, 2014		As at 31st March, 2013	
		% of Shareholding	No of Shares	% of Shareholding	No of Shares
Late Shri Sajid R. Dhanani*	Promoter	13.90%	2435511	13.90%	2435511
Raoof Razak Dhanani	Promoter	27.24%	4772574	27.24%	4772574
Anisha Raoof Dhanani	Promoter	15.09%	2643256	---	---
Ahilya Hotels Limited	Promoter	14.01%	2455000	14.01%	2455000
Trans Agro India Pvt. Ltd.	Public	---	---	8.66%	1517046

*(Share transmission is pending in the name of legal heirs)

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

2.3 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :- (Rs in Lacs)

	As at 31st March, 2014		As at 31st March, 2013	
Particulars	Number of Shares	Rs. in Lakhs	Number of Shares	Rs. in Lakhs
Outstanding at the beginning of the year	1,75,18,000	1,751.80	1,75,18,000	1,751.80
Add : Fresh issue during the year	---	---	---	---
Outstanding at the end of the year	1,75,18,000	1,751.80	1,75,18,000	1,751.80

3 RESERVES AND SURPLUS :

As at 31 March 2014 As at 31 March 2013

(a) Capital Reserve on Consolidation

Opening at beginning	1,534.63	1,534.63
Add: Adjustment on account of change in Stake in a subsidiary.	2,500.03	---
Closing at end	4,034.66	1,534.63

(b) Securities Premium Reserve

Opening at beginning	5,944.60	5,944.60
Addition during the year	---	---
Utilised during the year	---	---
Closing at end	5,944.60	5,944.60

(c) General Reserve

Opening at beginning	641.48	641.48
Addition during the year	---	---
Utilised during the year	---	---
Closing at end	641.48	641.48

(d) Surplus/(Deficit)

Opening at beginning	(2,555.70)	1,317.55
Addition during the year	1,376.85	(3,873.25)
Add: Adjustment on account of change in Stake in a subsidiary.	189.48	---
Closing at end	(989.37)	(2,555.70)
Total (a+b+c+d)	9,631.37	5,565.02

4 LONG-TERM BORROWINGS :

Secured Term Loans

As at 31 March 2014 As at 31 March 2013

i) From Banks	7,198.37	9,845.20
ii) From Financial Institutions	536.76	1,253.16
Sub-Total (a)	7,735.13	11,098.36

Unsecured Term Loans

i) From NBFC	3.64	26.52
Sub-Total (b)	3.64	26.52
Total (a+b)	7,738.77	11,124.88

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

- 4.1 All Secured loans have been netted from the instalments falling due within twelve months after the reporting date. Breakup of amount due within 12 month and after 12 months and summarized outstanding position as under: (Rs in Lacs)

	As at 31 March 2014			As at 31 March 2013		
From Banks	Total	Current	Non-Current	Total	Current	Non-Current
State Bank of India	7,597.34	1,972.20	5,625.14	9,455.30	1,742.92	7,712.38
Axis Bank Ltd	497.68	225.56	272.12	1,047.60	482.79	564.81
State Bank of Mysore	1,473.69	214.00	1,259.69	1,714.25	233.51	1,480.74
HDFC Bank Ltd	130.85	89.43	41.42	143.12	55.85	87.27
Sub Total (i)	9,699.56	2,501.19	7,198.37	12,360.27	2,515.07	9,845.20
From Financial Institutions						
TFCI	666.50	175.00	491.50	1,658.52	596.00	1,062.52
MPFC	165.26	120.00	45.26	332.01	141.37	190.64
HUDCO	---	---	---	51.97	51.97	---
Sub Total (ii)	831.76	295.00	536.76	2,042.50	789.34	1,253.16
GRAND TOTAL (i)+(ii)	10,531.31	2,796.19	7,735.13	14,402.77	3,304.41	11,098.36

- 4.2 Unsecured loans have been netted from the instalments falling due within twelve months after the reporting date. Breakup of amount due within 12 month and after 12 months and summarized outstanding position as under: (Rs in Lacs)

	As at 31 March 2014			As at 31 March 2013		
From NBFC	Total	Current	Non-Current	Total	Current	Non-Current
Magma Fincorp Limited	34.95	31.31	3.64	58.55	32.03	26.52
TOTAL	34.95	31.31	3.64	58.55	32.03	26.52

- 4.3 Secured Term Loan from bank includes term loans outstanding from State Bank of India, Axis Bank Ltd, State Bank of Mysore & HDFC bank Ltd.

- 4.3.1 Term loans of Sayaji Hotels Limited outstanding from State Bank of India are secured by way of mortgage of land & building at Indore, Vadodara & Pune & hypothecation of movables, present & future except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. offered to the bankers for securing the working capital finance. The terms of repayment of all term loans of State Bank of India is on quarterly basis & interest is payable on monthly basis.

- 4.3.2 Term loans of Barbeque Nation Hospitality Limited outstanding from State Bank of India is secured on pari-passu basis on the entire fixed assets of the Company and also on pari-passu basis, with the term lenders of Sayaji Hotels Ltd, over the entire fixed assets of Sayaji Hotels Limited by way of mortgage of land and buildings at Indore, Pune and Vadodara and hypothecation of the movables, present and future, except stocks of all kinds including operating supplies and spares offered to the bankers for securing the working capital finance. These loans were secured by corporate guarantee given by Sayaji Hotels Limited.

- 4.3.3 Term loans of Sayaji Hotels Limited outstanding from Axis Bank Ltd include term loans account & vehicle loans account. Term loan outstanding is secured by way of hypothecation of movable, present & future, except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc.

The other term loan outstanding is secured by first charge by way of hypothecation of stocks of food, beverages, operating supplies, spares & book-debts, bills etc. of the company & also by way of second charge on the immovable properties of the company at Indore & Baroda & also by way of pledge of shares belonging to promoters.

The term of repayment of both the term loan is on quarterly basis & interest is payable on monthly basis.

Vehicle loans outstanding are secured by way of hypothecation of the specific vehicles financed by bank.

These loans were personally guaranteed by Late Shri Sajid Dhanani, Company is in the process for making alternative arrangement for replacement of the personal guarantee.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

- 4.3.4 Term loan of Sayaji Hotels Limited outstanding from State Bank of Mysore is secured by way of mortgage of land & building at Indore, Vadodara & Pune & hypothecation of movables, present & future, except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. The term of repayment of the term loan is on quarterly basis & the interest is payable on monthly basis. These loans were personally guaranteed by Late Shri Sajid Dhanani, Company is in the process for making alternative arrangement for replacement of the personal guarantee.
- 4.3.5 Vehicle loans of Sayaji Hotels Limited outstanding from HDFC Bank is secured by way of hypothecation of the specific vehicles financed by bank.
- 4.4 Secured term loans from Financial Institutions includes term loan outstanding of Tourism Finance Corporation of India Ltd(TFCIL) & Madhya Pradesh Finance Corporation (MPFC).
- 4.4.1 Term loan of Sayaji hotels Limited outstanding from TFCIL is secured on pari-passu basis by way of mortgage of land & building at Indore, Pune & Vadodara & hypothecation of the movables, present & future, except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc & also by way of pledge of shares belonging to promoters. The term of repayment is on monthly basis. These loan were personally guaranteed by Late Shri Sajid Dhanani, Company is in the process for making alternative arrangement for replacement of the personal guarantee.
- 4.4.2 Term loans of Barbeque Nation Hospitality Limited outstanding of TFCIL is secured by way of mortgage of immovable property & Corporate Guarantee of Aries Hotels Pvt. Ltd. & further secured by way of pledge of 20 lakhs shares of Sayaji Hotels Ltd. held by Ahilya Hotels Ltd.
- 4.4.3 Term loan outstanding from MPFC are secured by way of mortgage of land & building at Indore & hypothecation of the movables, present & future, except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc bankers for securing the working capital finance. The term of repayment is on quarterly basis & interest is payable on monthly basis. These loan were personally guaranteed by Late Shri Sajid dhanani, Company is in the process for making alternative arrangement for replacement of the personal guarantee.
- 4.5 Loan outstanding from Magma Fincorp Limited is unsecured loan. Repayment is being made on EMI basis. Post dated cheques has been given for all instalments.

		(Rs in Lacs)	
		As at 31st March, 2014	As at 31st March, 2013
5	OTHER LONG TERM LIABILITIES :		
	Deposits From Tenants	6.67	14.19
	Others*	2,000.00	2,000.00
	Rent equalisation reserve	65.29	---
	Total	2,071.96	2,014.19

*Payable towards repurchase of land at Indore hotel. This amount is now payable within 9 years. Interest @ 9% p.a is payable on the outstanding amount.

		As at 31st March, 2014	As at 31st March, 2013
6	LONG TERM PROVISIONS :		
	Provision for Employee Benefits		
	Provision for Gratuity	201.51	114.41
	Leave Encashment	184.54	156.15
	Total	386.05	270.56

- 6.1 Provision for employee benefits includes provision of Gratuity & leave encashment payable after 12 month.
- 6.2 The Company makes annual contributions to the Employee's Group Gratuity scheme of the SBI Life Insurance Co. Ltd., a funded defined benefit plan for the qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the terms of the scheme. Vesting occurs upon completion of five years of service.
- 6.2.1 The present value of the defined benefit obligation and current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The following table sets out the status of the funded gratuity plan and the amounts recognized in the company's financial statements as at March 31, 2014:-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(In Rupees)

		As at 31st March 2014	As at 31st March 2013
Changes in benefit obligations :	i)		
Present value of obligation as at the beginning of the year		13413876	10074880
Interest Cost		1046851	799337
Current Service Cost		6862561	3755849
Actuarial (gain)/ loss on obligations		2032946	(1049864)
Benefit paid		(656491)	(166326)
Present value of obligation as at the end of the year		22699743	13413876
Change in plan assets :	ii)		
Fair value of plan assets as at the beginning of the year		1838490	1383762
Expected return on plan assets		165464	117619
Contributions		500000	500000
Benefits paid		(656491)	(166326)
Actuarial gain/ (loss) on plan assets		7055	3435
Fair value of plan assets at the end of the year		1854518	1838490
Excess of (obligation over plan assets)/ plan asset over obligation		(20845225)	(11575386)
(Accrued liability)/ Prepaid benefit		(20845225)	(11575386)
Net Gratuity and other cost at the end of the year	iii)		
Current Service cost		6862561	3755849
Interest on defined benefit obligation		1046851	799337
Expected return on plan assets		(165464)	82177
Net actuarial gain recognized in the year		2025891	(1053299)
Net gratuity and other cost		9769839	3584064
Actual return on plan asset		172519	121054
Category of Assets at the end of the year	iv)		
Insurer Managed Funds		1854518	1838490
Others		Nil	Nil
Total		1854518	1838490
Assumptions used	v)		
Discount rate (p.a.)		8.00%	8.00%
Attrition Rate		10 per thousand	10 per thousand
Salary escalation rate (p.a.)		8.50%	5.00%
Expected rate of return on plan assets (p.a.)		9.00%	8.00%

6.3 Leave Encashment:

The provision of leave encashment have been made on outstanding privilege leave of employees at the end of year and calculated on the basis of basic pay of employees. Attrition rate taken same as Actuarial valuation report of gratuity liability.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in lacs)

7	SHORT-TERM BORROWINGS :	As at 31st March 2014	As at 31st March 2013
	Secured		
	Working capital facilities from Banks	523.40	871.10
		523.40	871.10
	Unsecured		
	Deposits From Public	14.55	99.83
	Loans From related parties	629.98	682.28
	Loans From others	---	15.16
		644.53	797.27
	Grand Total	1,167.93	1,668.37

- 7.1 Working capital facilities of Sayaji Hotels Ltd include Cash Credit Facilities from State Bank of India outstanding Rs 350.03 lacs & Axis Bank outstanding Rs 173.37 lacs both of which are secured by first charge by way of hypothecation of stocks of food, beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. of the company and also by way of a second charge on the immovable properties of the company at Indore, Baroda and Pune. Cash Credit Facilities from Axis bank Ltd were personally guaranteed by Late Shri Sajid Dhanani, Company is in the process for making alternative arrangement for replacement of the personal guarantee. Working capital facilities of Barbeque Nation Hospitality Ltd include Cash Credit Facilities from State Bank of India which was secured by way of hypothecation of movables, present & future, including stocks of all kinds, operating supplies and spares and by way of second charge on the entire fixed assets of the Company, the same is repaid fully in the current financial year.

- 7.2 Fixed deposits from Public has maturity period of 12 months and interest is payable @ 10% pa compounded monthly.

- 7.3 Loans from related parties & others includes loan from directors , associates and friends & relatives of directors. (Rs. in lacs)

8	TRADE PAYABLES :	As at 31st March 2014	As at 31st March 2013
	Trade Payables*	2,310.39	3,127.63
	Total	2,310.39	3,127.63

*Trade payables are for goods purchased and services taken during the normal course of business.

- 8.1 The Company has not received information from vendors regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid at the year end together with interest paid/payable under the Act have not been given.

- 8.2 Trade Payable having scheduled payment beyond 12 months after reporting date Rs. Nil (Previous Year Rs. Nil)

9.	OTHER CURRENT LIABILITIES :	(Rs. in lacs)	
	Current Maturities of Long-Term Loans	As at 31st March 2014	As at 31st March 2013
	Secured Term Loans		
	From Banks	2,501.18	2,515.07
	From Financial Institutions	295.00	789.34
	Total (A)	2,796.18	3,304.41
	Unsecured Term Loans		
	From NBFC	31.31	32.03
	Total (B)	31.31	32.03
	Others		
	Creditors for capital Expenditure	357.38	131.18
	Advance received from customers#	179.22	202.30
	Statutory Dues	465.67	454.44
	Others	200.17	100.58
	Total (C)	1,202.44	888.50
	Interest Accrued but not Due on Borrowings (D)	50.55	57.79
	Grand Total (A+B+C+D)	4,080.48	4,282.73

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

- 9.1 Current maturities of term loans from bank includes Principal instalments payable to State Bank of India, Axis Bank Ltd, State Bank of Mysore and to HDFC. Bank wise Current maturity is give under Note no 4.1. Other terms are same as given in Note no 4.2.
- 9.2 Current maturities of term loans from financial institutions includes Principal instalments payable to Tourism Finance Corporation of India Ltd, and Madhya Pradesh Finance Corporation. Financial Institution wise current maturities is given under Note no 4.1 Other terms are same as given in note no 4.3.
- 9.3 Current maturities of term loan from NBFC is of Magma Fincorp Limited. Other terms are same as given in note no 4.5
- 9.4 Statutory dues includes VAT, luxury tax, TDS, service tax & other statutory payables.
- 9.5 Advances received from customer includes advances against future bookings for functions to be held in next 12 Months
- 9.6 Other Current liabilities includes rent payable , interest payable and staff dues.

10. SHORT-TERM PROVISIONS:		(Rs. in lacs)	
		As at 31st March 2014	As at 31st March 2013
Provision for Employee Benefits			
Provision for Gratuity		6.94	1.35
Leave Encashment		89.27	17.96
Bonus		77.80	72.03
Total (A)		174.01	91.34
Provision for current year Tax		565.24	69.34
Provision for Expenses		111.89	123.25
Total (B)		677.13	192.59
Total (A+B)		851.14	283.93

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

11. FIXED ASSETS :

(Rs. in lacs)

	TANGIBLE ASSETS							INTANGIBLE ASSETS				
	Freehold Land	Leasehold Land & Improvements	Buildings	Plant and Equipment	Furniture and Fixture	Service Equipment	Vehicle	Computer	Liquor Licence	Software & Licence	Brand Name	Goodwill
Gross Block At Cost												Total
At April 1, 2012	2,637.00	4,695.52	12,091.84	4,183.28	5,979.96	1,671.66	586.65	476.20	69.31	78.84	---	32,470.26
Addition	---	1,384.77	158.70	721.97	1,572.78	960.27	7.78	81.30	---	6.34	---	4,893.91
Disposal	---	---	809.47	182.36	166.69	220.95	7.96	22.34	33.08	12.87	---	1,455.72
At March 31, 2013	2,637.00	6,080.29	11,441.07	4,722.89	7,386.05	2,410.98	586.47	535.16	36.23	72.31	---	35,908.45
Addition	31.79	804.08	251.56	313.80	1,115.04	645.77	95.43	74.73	27.23	16.71	---	3,510.74
Disposal	---	31.52	20.04	21.12	116.73	0.52	55.92	---	---	---	---	245.85
At March 31, 2014	2,668.79	6,852.85	11,672.59	5,015.57	8,384.36	3,056.23	625.98	609.89	63.46	89.02	---	39,173.34
Depreciation												
At April 1, 2012	---	816.65	2,589.19	1,125.10	2,061.06	614.37	177.44	282.82	34.39	63.60	---	7,764.62
Charge for the year	---	496.37	2,891.64	943.43	1,893.36	338.11	207.26	111.66	13.10	11.10	---	6,906.03
Disposals	---	---	458.88	41.39	78.14	100.18	3.37	16.33	19.04	9.51	---	726.84
At March 31, 2013	---	1,313.02	5,021.95	2,027.14	3,876.28	852.30	381.33	378.15	28.45	65.19	---	13,943.81
Charge for the year	---	560.72	651.04	280.83	727.85	260.57	65.12	72.71	23.45	8.28	---	2,785.17
Disposals	---	2.63	15.23	16.64	87.16	0.22	47.54	---	---	---	---	169.42
At March 31, 2014	---	1,871.11	5,657.76	2,291.33	4,516.97	1,112.65	398.91	450.86	51.90	73.47	---	16,559.56
Net Block												---
At March 31, 2013	2,637.00	4,767.27	6,419.12	2,695.75	3,509.77	1,558.68	205.14	157.01	7.78	7.12	---	21,964.64
At March 31, 2014	2,668.79	4,981.74	6,014.83	2,724.24	3,867.39	1,943.58	227.07	159.03	11.56	15.55	---	22,613.78
Capital work in progress	Opening	Additions	Capitalisation	Closing								
At March 31, 2013	569.25	3,833.63	3,458.53	944.35								
At March 31, 2014	944.36	1,319.69	---	2,264.05								

* All the Companies of the Group except Barbeque Nation Hospitality Ltd (Subsidiary), provide depreciation on Fixed Assets on Written Down Value Method at the rates and in the manner specified in the Schedule XIV of the Companies Act, 1956. In respect of Barbeque Nation Hospitality Ltd (Subsidiary), depreciation is charged on fixed assets as per the Straight Line Method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956. Amount of Fixed Assets on which depreciation is provided as per SLM method and is included in Consolidated Financial Statements is 45.84% (i.e. Rs. 10366.97 Lacs) of the total value of group's fixed assets (Previous Year 42.05% (i.e. Rs. 9236.91 Lacs)).

CONSOLIDATED FINANCIAL STATEMENT

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in lacs)

12. NON-CURRENT INVESTMENTS :	As at 31st March 2014	As at 31st March 2014
A. Trade Investments (Un quoted at Cost)		
Aries Hotels Pvt. Ltd.	---	25.00
250000 Equity Shares of Rs.10/-fully paid up		
Genex Hotels Pvt. Ltd.	0.50	0.50
5000 Equity Shares of Rs.10/-fully paid up		
Winner Hotels Pvt. Ltd	0.23	0.23
2300 Equity Shares of Rs.10/-fully paid up		
Excellent Estate Developers Pvt Ltd	6.50	---
65000 Equity Shares of Rs.10/-fully paid up		
Ahilya Hotels Ltd	110.47	---
276185 Equity Shares of Rs.10/-fully paid up		
Sub-Total (A)	117.70	25.73
B. Other Investments (Unquoted at Market Value)		
Bharat Equity Services Ltd.	0.10	10.00
1,00,000 Equity Shares of Rs.10 each fully paid up		
(-) Provision for Diminution in value of investment	---	(9.90)
Sub-Total (B)	0.10	0.10
Total (A+B)	117.80	25.83
Aggregate amount of quoted Investments	---	---
Market Value of quoted Investments	---	---
Aggregate book value of un-quoted Investments	117.80	25.83
13. DEFERRED TAX ASSETS :		
On account of Timing Difference in:	As at 31st March 2014	As at 31st March 2014
Carry Forward losses & Depreciation	---	---
Expenses Disallowed under I.T. Act., 1961	199.96	98.58
Depreciation on fixed assets	153.84	159.18
Total Deferred Tax Assets	353.80	257.76
Total Deferred Tax Liabilities	---	---
Net Deferred Tax(Liability)/Assets*	353.80	257.76
Amount debited/(Credited) to Profit & Loss Statement	(96.04)	(1,152.68)
* Deferred tax liability for the year have been arrived at by taking the tax rate of 33.99% (PY 32.445%) which is inclusive of surcharge and education cess.		
		(Rs. in lacs)
14. LONG -TERM LOANS AND ADVANCES :	As at 31st March 2014	As at 31st March 2014
(Unsecured and Considered Good)		
Security Deposits*	2,392.14	2,196.19
Advance to suppliers for Capital goods	74.98	61.36
Less: Provision for doubtful advances	---	---
Loans & Advances to related parties	435.72	---
Balance with Govt. authorities	119.63	56.00
Other Loans & Advances	13.88	5.60
TOTAL	3,036.35	2,319.15

CONSOLIDATED FINANCIAL STATEMENT

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		(Rs. in lacs)	
		As at 31st March 2014	As at 31st March 2013
15. OTHER NON-CURRENT ASSETS :			
(Unsecured and Considered Good)			
Fixed Deposits Against lien & Bank Guarantee*		17.97	80.02
*Maturing after 12 months	TOTAL	17.97	80.02
16. CURRENT INVESTMENTS :			
Investments in Mutual Funds*			
Kotak Mutual Fund			
Kotak Equity Arbitrage Fund		102.31	---
(955825.068 units @ NAV of Rs 10.70)			
Kotak Floater Short Term		101.38	---
(10021.9685 units @ NAV of Rs 1011.62)			
SBI Mutual Fund			
SBI Ultra Short Term Debt Fund		252.44	---
(25161.109 Units @ NAV of Rs 1003.25)			
Axis Mutual Fund		---	3.65
Axis equity fund			
(10000 Units @ NAV of Rs 36.40)		456.13	3.65
*Investment in Mutual Fund includes investment of Barbeque Nation Hospitality Ltd in Kotak Mutual Fund & SBI Mutual Fund.			
Aggregate amount of quoted Investments		456.13	3.65
Market Value of quoted Investments		---	---
Aggregate book value of un-quoted Investments		---	---
TOTAL		456.13	3.65
17. INVENTORIES :			
(Valued at lower of cost or NRV whichever is less & certified by management)			
Operating Supplies		1,134.92	1,059.77
Food & Beverages		774.25	519.21
Shopping Arcade Stock		42.54	42.54
TOTAL		1,951.71	1,621.52
18. TRADE RECEIVABLES :			
(Unsecured)			
Outstanding for a period exceeding six months from the due date of payment			
Considered Good		212.10	584.32
Doubtful		159.59	33.49
Others			
Considered good		653.65	839.35
		1,025.34	1,457.16
Provision for doubtful trade receivables		(159.59)	(33.49)
TOTAL		865.75	1,423.67
19. CASH & CASH EQUIVALENTS :			
Cash & Cash Equivalents			
Cash on Hand		127.39	106.80
Balances with Bank			
On current Accounts:			
With Scheduled Bank		646.52	413.60

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in lacs)

	As at 31st March 2014	As at 31st March 2013
On deposit accounts		
With Scheduled Bank	200	---
Other Bank Balances		
In Earmarked Accounts:		
With original Maturity of less than 12 months		
Fixed Deposits Against lien	66.10	---
Balances held as security against guarantees	40.67	115.04
With original Maturity of more than 12 months		
Fixed Deposits Against lien	17.97	80.01
	<u>1,098.65</u>	<u>715.45</u>
Less: Term deposit with banks maturing after 12 months from Balance sheet date & other earmarked/margin money/pledged deposits classified as non current. (Refer Note 15)	17.97	80.01
TOTAL	<u>1,080.68</u>	<u>635.44</u>
20. SHORT TERM LOANS & ADVANCES :	As at 31st March 2014	As at 31st March 2013
Advance to suppliers for goods & services#	543.79	353.86
Less: Provision for doubtful advances	(16.61)	---
Loans & Advances To Related Parties	17.62	597.09
Inter corporate deposits to related parties	1,500.00	---
Prepaid Expenses	389.11	201.38
Staff Advances & Loan	32.49	23.47
Advance Income Tax	0.18	71.64
Mat Credit Entitlement	34.86	409.42
Balance with Govt. authorities	503.57	327.50
Others*	53.19	335.05
Less: Provision for doubtful advances	(40.90)	(130.28)
TOTAL	<u>3,017.30</u>	<u>2,189.13</u>
# Advances to suppliers for goods & services includes advances against purchases & services which is received in next 12 Months		
21. OTHER CURRENT ASSETS :	As at 31st March 2014	As at 31st March 2013
Interest Accrued on Deposit & investments	57.18	0.79
	<u>57.18</u>	<u>0.79</u>
22. Revenue From Operations :		
Rooms	4,088.50	4,194.58
Food and Beverages	33,497.51	24,677.94
Other Services	1,459.23	1,294.60
TOTAL	<u>39,045.24</u>	<u>30,167.12</u>
Revenue from others services includes income from club, rental income and income from banquet service etc.		
23. Other Income :	As at 31st March 2014	As at 31st March 2013
Interest Earned*	135.41	32.31
Other Non –Operating Income	30.87	48.75
Dividend income from current investments	138.92	---
Profit on Sale of Investments	7.64	---
TOTAL	<u>312.84</u>	<u>81.06</u>

*Includes interest on Bank deposits Rs. 50.64 Lacs (PY 22.85 Lacs) & on loans & advances Rs. 84.77 Lacs (PY 9.46 Lacs)

CONSOLIDATED FINANCIAL STATEMENT

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in lacs)

24. Food & Beverages Consumed :	As at 31st March 2014	As at 31st March 2013
Opening Stock	519.22	332.50
Add : Purchases*	13,556.50	10,316.00
	14,075.72	10,648.50
Less : Closing Stock	774.25	519.22
TOTAL	13,301.47	10,129.28

* Includes vegetable & non-vegetable items, grocery items, dairy products, tobacco products, alcoholic & non-alcoholic beverages etc.

	As at 31st March 2014 Consumption		As at 31st March 2013 Consumption	
	Rs. in lacs	%	Rs. in lacs	%
Imported	312.08	2.35%	193.57	1.91%
Indigeneous	12,989.39	97.65%	9,935.71	98.09%
TOTAL	13,301.47	100.00%	10,129.28	100.00%

25. Operating Expenses :	As at 31st March 2014	As at 31st March 2013
Stores & Operating Supplies*	1,140.54	830.87
Repairs and Maintenance		
Building	164.67	189.32
Plant & Machinery	195.64	242.86
Others	329.42	296.87
Laundry Expenses	154.29	149.11
Guest pick up Expenses	322.64	355.55
Cable TV Expenses	51.64	58.17
Other Operating Expenses#	1,844.71	1,297.58
Power and Fuel	3,654.55	2,850.01
GRAND TOTAL	7,858.10	6,270.34

* Stores & operating supplies includes crockery & cutlery, linen & other consumables etc.

Other Operating Expenses includes party and function expenses, laundry expenses, guest pick up expenses & cable tv expenses etc.

	As at 31st March 2014 Consumption		As at 31st March 2013 Consumption	
	Rs. in lacs	%	Rs. in lacs	%
Imported	0.76	0.03%	1.64	0.08%
Indigeneous	2,943.84	99.97%	2,021.81	99.92%
TOTAL	2,944.60	100%	2,023.45	100%

26. Employee Benefit Expenses :	As at 31st March 2014	As at 31st March 2013
Salaries, Wages and Allowances	4,856.52	3,829.37
Contribution to P.F. and other Funds	429.79	298.86
Workmen and Staff Welfare Expenses	182.78	123.78
Workmen and Staff Uniform Expenses	202.00	186.26
TOTAL	5,671.09	4,438.27

CONSOLIDATED FINANCIAL STATEMENT

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in lacs)

	As at 31st March 2014	As at 31st March 2013
27. Other Expenses :		
Lease Rent	2,965.31	2,094.35
Rates & Taxes	394.97	268.60
Insurance	36.60	34.55
Travelling and Conveyance	204.33	184.76
Postage, Telegram and Telephones	140.05	114.84
Advertisement and Publicity	309.74	201.26
Legal & Professional	327.61	376.86
Printing and Stationery	284.29	205.22
Directors' Sitting Fees	27.04	39.74
Credit Card Commission	58.75	72.47
Other Expenses	578.86	552.41
Audit Fees		
Statutory audit	16.50	6.00
Certification other matters	0.65	0.75
Taxation matters	2.40	---
Water charges	14.08	30.28
Prior Period Exp.	0.93	---
Provision for doubtful debts	232.34	---
Total	5,594.45	4,182.09
27.1 Provision for doubtful debts :		
Opening Balance	33.49	33.49
Add: Provision during the year	275.28	---
	308.78	33.49
Less: Bad debts written off	132.58	---
Closing Balance	176.20	33.49
28. Finance Cost :	As at 31st March 2014	As at 31st March 2013
Interest on term Loan	1,732.66	1,888.97
Interest on Others	219.29	361.46
Other expenses	7.23	4.12
Other borrowing cost	4.29	61.53
Total	1,963.47	2,316.08
Interest expense includes interest paid on term loans & vehicle loans. Interest on others includes interest on credit facilities. Other expenses includes bank charges. Other borrowing cost includes processing fees & upfront fees of loans.		
29. Exceptional item of Sayaji Hotels Ltd. includes :	As at 31st March 2014	As at 31st March 2013
a. Depreciation.	7.94	4,353.28
b. Provision for Doubtful advances	40.90	140.19
c. Profit on sale of investment*	(1,104.98)	---
d. Prior period expenses**	44.71	21.26
e. Loss on closure of units***	---	254.57
Total (a+b+c+d+e)	(1,011.43)	4,769.30

* Includes profit on sale of 415000 shares of Barbeque Nation Hospitality Ltd at Rs 334.54 per share to Tamara Pvt. Ltd.

** Include lease rentals not provided for in earlier years

*** Include amount of Rs. 109.52 Lakhs on account of loss of closure of Taluja unit in Mumbai which did not commence commercial operations and Rs. 145.05 Lakhs of write off of items brought forward from closure of old units.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	(Rs. in lacs)	
	As at 31st March 2014	As at 31st March 2013
29.1 Provision for doubtful Advances :		
Opening Balance	140.19	---
Add: Provision during the year	40.90	140.19
	181.09	140.19
Less: Bad debts written off	140.19	---
Closing Balance	40.90	140.19

Additional Disclosures

30.1 Contingent liability not provided for :

30.1.1 Guarantee given on behalf of other companies Rs 4421.82 lacs (P.Y Rs 5871.82 lacs). This includes Guarantee given to State Bank of India on Behalf of Barbeque-Nation Hospitality Ltd amounting Rs 4,000 lacs (P.Y 5,450 lacs) & guarantee given to Axis Bank Ltd on Behalf of Sana Hospitality Services Pvt .Ltd amounting to Rs 421.82 lacs (P.Y Rs 421.82 lacs). Outstanding balance of loan there against for the year ended 31st March, 2014 from SBI is Rs 3501.90 lacs (P.Y 4073.12 Lacs) and from Axis Bank Ltd is Rs 250.19 lacs (P.Y 282.84 Lacs)

30.1.2. Disputed statutory liabilities in respect of service tax not provided for:

- For the period from 01.03.05 to 31.03.09 the Hon'ble Tribunal has passed the order against the Company after giving the benefit of abatement and waiver of penalty imposed in the order passed by Learned Commissioner. Tax demand of Rs 175.01 lacs is pending as per the Tribunal's order. Company has challenged said order before Indore bench of Hon'ble High Court of MP and got interim stay of the demand. Interest liability will also arise in case of unfavorable decision.
- For the period from 01.04.09 to 31.03.11 the Commissioner has passed the order against the Company without even considering the benefit given by the Hon'ble Tribunal in their prior order. Tax demand of Rs 400.37 lacs has been raised alongwith equal amount of penalty. Company has challenged said order before Hon'ble Tribunal & got unconditional stay on merits for the entire demand. Had the benefit of abatement & waiver of penalty given by the Hon'ble Tribunal in their prior order been considered by the Learned Commissioner, the demand would have been reduced to Rs. 139.97 lacs. Interest liability will also arise in case of unfavorable decision.
- For the period from 01.04.11 to 30.06.12 the Commissioner has issued show cause against the Company without even considering the benefit given by the Hon'ble Tribunal in their prior order. Tax demand of Rs 269.27 lacs has been raised alongwith equal amount of penalty. Company has challenged said order before Hon'ble Tribunal. Had the benefit of abatement & waiver of penalty given by the Hon'ble Tribunal in their prior order been considered by the Learned Commissioner, the demand would have been reduced to Rs. 127.98 lacs. Interest liability will also arise in case of unfavorable decision.

30.1.3. Custom duties saved against imports under EPCG scheme is Rs 613.67 lacs (P.Y Rs 648.38 lacs)

30.1.4. Disputed liability of Rs 131.30 lacs (P.Y Rs. 131.30 lacs) not provided for in respect of Income Tax (AY 2007-08, AY 2008-09, AY 2009-10 & AY 2010-11). The matters are pending before Income tax Appellate Tribunal, Ahmedabad.

30.1.5. Disputed liability of Rs 1.02 lacs not provided for in respect of TDS (AY 2010-11, AY 2011-12 & AY 2012-13). The matter is pending before CIT, Pune.

30.1.6. Disputed liability of Rs 0.70 lacs not provided for in respect of Labour case (FY 2006-07). The matter is pending before Labour Court, Indore

30.1.7. Disputed liability of Rs 1.12 lacs not provided for in respect of Labour case (FY 2012-13). The matter is pending before Labour Court, Baroda.

30.1.8. Claims against the Company not acknowledged as debt for Sales Tax & VAT matters Rs. 28.67 Lacs (PY 5.35 Lacs) amounts are based on the notice of demand/Assessment Orders/claims by the relevant authorities/parties & the Company is contesting these claims. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities & the Company's rights for future appeals before the judiciary.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

30.2 Capital Commitments :

30.2.1 Estimated capital commitments not provided for Rs. 65.27 Lacs (PY Nil)

30.3 The Company has not received information from vendors regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006 and accordingly disclosure regarding to amount paid/Payable at the year end together with interest paid/payable under the Act have not been given.

30.4 Segment Reporting:

The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Accounting Standard 17 - 'Segmental Information' (AS-17) notified by the Companies (Accounting Standards) Rules, 2006 (as amended). There is no geographical segment to be reported since all the operations are undertaken in India.

30.5 Impairment of Assets :

That the Board of Directors, is of the opinion that the discounted net future generation from the Assets in use & shown in the schedule of Fixed Assets, is more than the carrying amount of Fixed Assets in Balance Sheet, as such, no provision for Impairment of Assets is required to be made in terms of the requirement of Accounting Standard (AS-28) "Impairment of Assets" issued by the Institute of Chartered Accountants of India for the year ended 31st March'2014.

30.6 In the opinion of the Directors, value of long term trade investment in shares of subsidiary companies & others have the value at which they are stated in the Balance Sheet, further to informed that investment made is in the nature of trade investment. In view of above no provision is required to made for any temporarily in the value of investment.

30.7 In the opinion of the Directors, Current Assets, Loans & Advances have the value at which they are stated in the Balance Sheet, if realized in the ordinary course of business. Further, Directors are of the opinion that all the liabilities have been duly reflected in the Balance Sheet and nothing is remained to be disclosed for. Sundry Debtors, Creditors and Advances are subject to reconciliation and confirmation.

30.8 In the opinion of Board of Directors there exists adequate accounting & internal control system designed to prevent and detect fraud or errors and in the opinion of Board of Directors that any uncorrected misstatements resulting from either fraud or errors are in the managements opinion immaterial both individually & aggregate in the Financial statements.

30.9 Disclosures in respect of Operating leases :

Future minimum lease payments in respect of non-cancellable leases are as follows:

(Rs. in lacs)

Particulars	As at 31st March 2014	As at 31st March 2013
Payable not later than one year	630.82	593.93
Payable later than one year but not later than five years	956.09	1,586.91
Payable later than five years	---	---
Lease payments recognized in the Statement of Profit and Loss for the period under audit		
Minimum lease payments	2,581.22	1,756.56
Contingent rent	12.33	11.47
Godown rent (rent payment in respect of cancellable leases)	16.80	12.47
Total	2,610.35	1,780.50

Premises are taken on Lease for periods ranging from 3 to 15 years with a non- cancellable period at the beginning of the agreement ranging from 3 to 6 years

Contingent rent for certain restaurant outlets is payable in accordance with the leasing agreement at the higher of:

- Fixed minimum guarantee amount and
- Revenue share percentage

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

30.10 Details of Related Party Disclosure:

- i) Key Management Personnel
 - Mrs. Suichitra Sajid Dhanani, Whole Time Director (From Feb-2014)
 - Kayum Dhanani (From Nov-2012)
 - Late Mr. Sajid R. Dhanani (Upto Nov-2012)
 - Munawar F Garbadwala (Upto Aug-2012)
 - Jaykannan Perumal Swamy (Upto June-2013)
 - Prosenjeet Roy Choudhary (Upto May-13)
- ii) Associate Companies/ Firms/ Relatives
 - Ahilya Hotels Limited
 - Raof Dhanani
 - Sara Soule Private Limited
 - Sara Dhanani
 - S S Management
 - S.N. Travels
 - Taurus Corium Impex Pvt Ltd
 - Winner Hotels Pvt Ltd

(Rs. in lacs)

Sr.No.	Nature of Transactions	For the year ended 31st March 2014	For the year ended 31st March 2013
A	KEY MANAGEMENT PERSONNEL		
	<u>REMUNERATION</u>	24.81	106.74
	<u>LEASE RENT</u>	---	24.00
	<u>RECEIVABLE AT THE YEAR END</u>	345.52	---
	<u>PAYABLE AT THE YEAR END</u>	---	14.54
	<u>ISSUE OF SHARE WARRANTS</u>	0.00	---
B	ASSOCIATE COMPANIES/ FIRMS/ RELATIVES		
	<u>SALARY/PROFESSIONAL FEES</u>	22.94	---
	<u>GUEST PICK UP EXPENSES</u>	40.06	11.51
	<u>LEASE RENT PAID</u>	2.40	12.00
	<u>RECEIVABLE AT THE YEAR END</u>	39.40	35.90
	<u>PAYABLE AT THE YEAR END</u>	607.98	682.28
	<u>INVESTMENTS</u>	---	0.50
	<u>ISSUE OF SHARE WARRANTS</u>	0.00	---
	<u>SECURITY DEPOSIT PAID</u>	0.50	---
	<u>SPONSORSHIP INCOME</u>	25.00	---

30.11 Earning/(Loss) per share (EPS) is calculated as under :

a) Numerator:

Net Profit after tax as per Statement of Profit & Loss
Preference Dividend & Income Tax Thereon
(Including Arrears of Earlier Years)
Net Profit/(Loss) attributable to equity share holders

b) Denominator:

Number of Equity shares
Weighted average number of equity shares outstanding during the year

c) Nominal value of Equity Shares (in Rs.)

d) Earning/(Loss) per share

As at 31st March, 2014	As at 31st March, 2013
1,376.84	(3,873.25)
17,518,000.00	17,518,000.00
10/-	10/-
7.86	(22.11)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

30.12 Earnings in Foreign Currency :	As at 31st March 2014	As at 31st March 2013
30.12.1 Earnings in Foreign Currency		
Sale of Rooms and FoodBeverages	1,431.14	1,225.80
30.12.2 CIF Value of imports & Expenditure (on accrual basis)		
Import Value of Capital Goods	70.24	137.14
Import Value of Non-Capital Goods	295.06	175.88

30.13 The company has reclassified previous year figures to conform to this year' classification.

As per our report of even date attached

For Shah Gandhi & Shah
Chartered Accountants
Firm Regn. No. 126862W

For K. L. Vyas & Company
Chartered Accountants
Firm Regn. No. 003289C

For and on behalf of the Board of Directors

T.N Unni
Director

Suchitra Dhanani
Director

Nimesh Gandhi
Partner
M.No. 049134
Indore, 30th May 2014

K. L. Vyas
Partner
M.No. 072043

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary

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STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

1	Name of the subsidiaries	Barbeque-Nation Hospitality Limited	Malwa Hospitality Private Limited	Aries Hotels Private Limited
2	Financial Year of the subsidiary ended on	31st March 2014	31st March 2014	31st March 2014
3	Number of shares of the subsidiary company held by the Holding Company on the above date			
	a) Number and Face Value	6049998 Equity Shares of Rs. 10 each fully paid-up	54,93,998 Equity Shares of Rs. 10 each fully paid-up	5218000 Equity Shares of Rs. 10 each fully paid-up
	b) Extent of holding	54.70%	64.68%	52.37
4	The net aggregate amount of Profit/(Losses) of the Subsidiary Company for the above financial year, so far as they concern the Members of the Company			
	(i) dealt within the accounts of the Company:			
	(a) For the financial year ended 31st March, 2014	Nil	Nil	Nil
	(b) For the previous financial years since these became subsidiaries of the Company	Nil	Nil	Nil
	(ii) not dealt with in the accounts of the Company:			
	(a) For the financial year ended 31st March, 2014 (Rs. In Lacs)	829.59	-3.61	-7.23
	(b) For the previous financial years since these became subsidiaries of the Company (Rs. In Lacs)	482.85	-5.59	Nil

For SAYAJI HOTELS LTD

Suchitra Dhanani
Whole-Time Director

T.N. Unni
Director

Sandesh Khandelwal
CFO

Amit Sarraf
Company Secretary

ATTENDANCE SLIP
SAYAJI HOTELS LIMITED

CIN: L51100GJ1928PLC005131

Registered office: Sayaji Hotels Limited, Kala Ghoda Opp. Rajshree Talkies Sayaji Ganj Vadodara- 390005

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id*	
--------	--

Folio No.	
-----------	--

Client Id*	
------------	--

No. of Shares	
---------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 31st ANNUAL GENERAL MEETING of the Company held on Saturday 23rd Day of August, 2014 at 3.00 P.M. at Sayaji Hotels Limited, Kala Ghoda Opp. Rajshree Talkies Sayaji Ganj Vadodara- 390005

*Applicable for investors holding shares in electronic form.

Signature of Shareholder/Proxy

----- TEAR HERE -----

PROXY FORM

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

SAYAJI HOTELS LIMITED

CIN: L51100GJ1928PLC005131

Registered office: Sayaji Hotels Limited, Kala Ghoda Opp. Rajshree Talkies Sayaji Ganj Vadodara- 390005

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

I/We, being the member (s) of shares of Sayaji Hotels Limited, hereby appoint

- _____ of _____ having e- mail id _____ or failing him
- _____ of _____ having e- mail id _____ or failing him
- _____ of _____ having e- mail id _____

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual general meeting of the company, to be held on the 23rd day of August At 3.00 p.m. at Vadodara and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	For	Against
1. Consider and approve a) Audited Financial statements, Reports of Board of Directors and Auditors b) Audited consolidated Financial statements 2. Re-appointment of Mr. Kayum R. Dhanani who retires by rotation 3. Re-appointment of Mr. Abdul R. Dhanani who retires by rotation 4. Appointment of Auditors and fixing their remuneration. 5. Appointment of Mr. Pradeep Goyal as Independent Director of the Company. 6. Appointment of Mr. Raoof R. Dhanani as the Non- executive Director of the Company. 7. Appointment of Mrs. Suchitra Dhanani as the Director of the Company. 8. Appointment of Mrs. Suchitra Dhanani as Whole- Time Director of the Company and payment of remuneration 9. Appointment of Mr. T. N Unni as an Independent Director of the Company 10. Approval for the Borrowing powers of the Company 11. Approval of offer or invitation to subscribe 10% Cumulative Preference shares on private placement basis 12. Appointment of Vinit Shah as an Independent Director of the Company.		

Signed this..... day of..... 2014

Affix 1 Rs.
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

- Note :**
- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
 - 2) A Proxy need not be a member of the Company.
 - 3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
 - 4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
 - 5) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



INDORE



PUNE



EFFOTEL INDORE



BARODA



www.sayajihotels.com • www.barbeque-nation.com • www.effotelhotels.com

BOOK - POST

To,

If undelivered please return to:
SAYAJI HOTELS LTD.
Admn. Office: H-1, Scheme No. 54,
Vijay Nagar, Indore - 452 010 (M.P.)