



SAYAJI HOTELS LIMITED

34th
Annual
Report
2016 - 17





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 introduces several innovations in his hotels, which have now become industry standard for excellence.

With the start of first Sayaji hotel in Baroda followed by Indore, Pune, Kolhapur, Bhopal, Effotel Hotel Indore and Barbeque Nation chain of restaurants nationwide, Mr. Dhanani, or Sajid Bhai as he was affectionately known, decided on two tents 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 call itself "truly yours".

BOARD OF DIRECTORS

- | | |
|----------------------------------|-------------------------|
| • Shri T.N. Unni | - Chairman |
| • Shri Raoof Razak Dhanani | - Managing Director |
| • Smt. Suchitra Dhanani | - Whole Time Director |
| • Shri Abhay Chintaman Chaudhari | - Director |
| • Shri Kayum R. Dhanani | - Director |
| • Shri Pradeep Goyal | - Director |
| • Shri Sanjay Ahuja | - Nominee Director TFCI |

STATUTORY AUDITORS

- 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-101, 247 Park, LBS Marg, Vikhroli West,
Mumbai - 400083
e-mail: mumbai@linkintime.co.in
Phone(022) 49186000, Fax: (022) 49186060

BANKERS

- State Bank of India
- Axis Bank Ltd.
- Tourism Finance Corporation of India Ltd.
- Aditya Birla Finance Ltd.

REGISTERED OFFICE

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

HOTELS

- | | |
|--|--|
| • Opp. Rajshree Talkies, Near Kala Ghoda, Sayajigunj,
Vadodara – 390005 (Gujarat) | • Van Vihar Road,
Prempura , Bhopal (Madhya Pradesh) |
| • H/1, Scheme No. 54, Vijay Nagar, Near Maghdoot Garden,
Indore – 452010 (Madhya Pradesh) | • 2014/15, 'E' Ward,
Old B.P. Highway, Kawla Naka, Kolhapur-03 |
| • Survey No. 135, 136, Mumbai Bangalore Highway,
Opp. B. U. Bhandari Workshop, Wakad, Pune - 411057 | • GE Road, Behind Mangneto Mall,
Jivan Vihar, Raipur, Chhattisgarh-492006 |

CORPORATE IDENTITY NUMBER (CIN)

- L51100GJ1982PLC005131

MAP SHOWING LOCATION OF THE VENUE OF 34th ANNUAL GENERAL MEETING OF SAYAJI HOTELS LIMITED

Venue:

Sayaji Hotel

Opp. Rajshree talkies, Near kala Ghoda

Sayajigunj, Vadodara-390005



Landmark: Near Kala Ghoda Circle

Distance from Vadodara: Railway station: 1 Km

Distance from Vadodara Airport, Harni: 5 Km

Source: Google Map

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Date : September 29, 2017
Day : Friday
Time : 3.00 P.M.
Venue : Sayaji Hotel, Vadodara
Book Closure Date : From September 11, 2017 to September 12, 2017
 (both days inclusive)

NOTICE

NOTICE is hereby given that the 34th Annual General Meeting of the Members of Sayaji Hotels Limited will be held on Friday, 29th Day of September, 2017 at 3.00 p.m. at the Registered Office of the Company at "Sayaji Hotel", Opp. Rajshree Talkies, Near Kala Ghoda, Sayajigunj, Vadodara-390005 (Gujarat), to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt;
 - (a) The standalone financial statements of the Company for the year ended March, 2017, containing the audited Balance Sheet as at 31st March, 2017, the statement of Profit and Loss and Cash Flow for the year ended 31st March, 2017 and reports of the Board and Auditors thereon on that date.
 - (b) The consolidated financial statements of the Company for the year ended March, 2017, containing the audited Balance Sheet as at 31st March, 2017, the statement of Profit and Loss and Cash Flow for the year ended 31st March, 2017 and reports of the Auditors thereon on that date.
2. To appoint Director in place of **Mr. Kayum Razak Dhanani (DIN- 00987597)**, who retires by rotation and, being eligible, seeks re-appointment.
3. To appoint Director in place of **Mrs. Suchitra Dhanani (DIN – 00712187)**, who retires by rotation and, being eligible, seeks re-appointment.
4. To ratify the appointment of auditors of the Company and to fix their remuneration and to pass the following resolution as an **ordinary resolution** thereof;

RESOLVED THAT pursuant to section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, and pursuant to the recommendations of the audit committee, and the resolution passed by the members at the AGM held on August 23, 2014, the appointment of M/s K.L.Vyas & Co., Chartered Accountants (Firm Regn. No. 003289C) as the auditors of the Company for a term of 4 (four) years to hold office till the conclusion of the AGM to be held in the calendar year 2018 be and is hereby ratified for the year 2017-18 and that the Board of directors be and is hereby authorize to fix the remuneration payable to them for the financial year ending March 31, 2018.

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 other applicable provisions of the Companies Act, 2013 and the Company (Appointment and Qualification of Directors) Rules, 2014 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 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, Mr. Abhay Chintaman Chaudhari (having DIN 06726836) who was appointed as an additional director (Independent Category) by the Board with effect from 14th Feb., 2017 pursuant to Section 161 of the Companies Act, 2013 and the Article of Association of the Company and who holds the office of the director up to the date of this annual general meeting, who being eligible, offers himself for appointment 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 a director (Independent Category) to hold office for 5 (Five) consecutive years i.e. till 13th February, 2022 and not be liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification, if any, the following resolution as **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of sections 196, 197 and 203, read with the Schedule V and (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and all other applicable provisions of the Companies Act, 2013 and as per Articles of Association of the Company, the approval of members of the Company be and is hereby accorded for the re-appointment of Mrs. Suchitra Dhanani (DIN- 00712187) as the Whole Time Director of the Company for a term of 3 years with effect from 06.02.2017 to 05.02.2020, on the following terms and conditions with liberty and authority to the Board of Directors to alter and vary the terms and 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. 2, 50,000/- per month (with the Annual Increment as may be decided by the Board of director on the 1st April of every year commencing from 1st April, 2017)
2. **Commission:** based on the net profits of the Company computed in the manner laid down u/s 197 of the Companies Act, 2013 such commission shall be such percentage of the net profit and such amount as the Board of directors of the Company may determine keeping in view the performance of the Company in each financial year.
3. **Perquisites and Allowances:** Which shall be subject to the maximum of 100% of the salary 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 Allowances
 - b. Special allowance

- C. Leave Travel allowance
- d. CCA
- E. Annual club maintenance fees
- F. Payment of statutory contribution toward PF, ESIC as may be applicable
- g. Other allowance
- h. Conveyance allowance
- I. Gratuity

“RESOLVED FURTHER THAT in case of in absence or inadequacy of net profit in any financial year, the Company shall pay the above said remuneration by way of salary, perquisites, dearness allowance and any other allowances as calculated under the provisions of the Income Tax Act and the rules made there under and as per part II of schedule V of Companies Act, 2013 as the minimum remuneration subject to the maximum of Rs. 5,00,000 p.m. as may be decided by the Board from time to time.

RESOLVED FURTHER THAT the 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 contractual basis and there would be relation with the Company and the Whole-time Director as Employer -Employee for all the purposes and the services of Mrs. Suchitra Dhanani may be terminated by a notice of 180 days in by either side or salary and allowances in lieu thereof.”

RESOLVED FURTHER THAT the Board of directors of the Company be and is 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.

- 7. To consider and if thought fit, to pass with or without modification, if any, the following resolution as **Ordinary Resolution** :

“RESOLVED THAT pursuant to the provisions of Sections 197 read with the Schedule V and (Appointment and Remuneration of Managerial Personnel) Rules, 2014 & (including any statutory modification(s) or re-enactment thereof for the time being in force) and all other applicable provisions of the Companies Act, 2013 and as per provisions of the Articles of Association of the Company, the approval of members of the Company be and is hereby accorded to revise the remuneration of Mrs. Suchitra Dhanani (DIN- 00712187), Whole-time Director of the Company w.e.f. 1st April, 2017 for the remaining part of her tenure till 05.02.2020 as under -

Remuneration:

- 1. **Salary:** Rs. 260738/- per month (with the Annual Increment as may be decided by the Board of directors on the 1st April of every year)

- 2. **Variable pay:** variable pay as may be provided by the Company as per the policy.
- 3. **Commission:** based on the net profits of the Company computed in the manner laid down u/s 197 of the Companies Act, 2013 such commission shall be such percentage of the net profit and such amount as the Board of Directors of the Company may determine keeping in view the performance of the Company in each financial year.
- 4. **Perquisites and Allowances:** Which shall 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 Allowances
 - b. Special allowance
 - c. Leave Travel allowance
 - d. CCA
 - e. Annual club maintenance fees
 - f. Payment of statutory contribution toward PF, ESIC as may be applicable
 - g. Other allowance
 - h. Conveyance allowance
 - i. Gratuity

“RESOLVED FURTHER THAT in case of in absence or inadequacy of net profit in any financial year, the Company shall pay the above said remuneration by way of salary, perquisites, dearness allowance and any other allowances as calculated under the provisions of the Income Tax Act and the rules made there under and as per part II of schedule V of Companies Act, 2013 as the minimum remuneration subject to the maximum of Rs. 5,00,000 p.m. as may be decided by the Board from time to time.

RESOLVED FURTHER THAT the 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 contractual basis and there would be relation with the Company and the Whole-time Director as Employer -Employee for all the purposes and the services of Mrs. Suchitra Dhanani may be terminated by a notice of 180 days in by either side or salary and allowances in lieu thereof.”

RESOLVED FURTHER THAT the Board of directors of the Company be and is hereby authorized 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.

By Order of the Board

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

Date : 28.08.2017

AMIT SARRAF
COMPANY SECRETARY

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY IN THE PRESCRIBED FORM SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY- EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent 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.

2. The business set out in the Notice will be transacted through electronic remote e-voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 22.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. 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.
7. The Company has decided for closure of Register of Members and Share Transfer Books from 11th September 2017 to 12th September 2017 (both days inclusive).
8. (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.
9. Members who are holding shares in identical order of names in more than one folio are requested to send to the Registrar and Share Transfer agent of 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.
10. 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.
11. 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-101,247 Park, LBS Marg, Vikhroli West, Mumbai-400083
12. 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.
13. 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.
14. 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 D-mat Accounts. Members holding shares in physical form can submit their PAN details to the Company's Share Transfer Agent, M/s Link Intime India Pvt. Ltd.

15. Pursuant to the requirement of SEBI (LODR) Regulation, 2015, profile of the Directors proposed for appointment/re-appointment being given in a statement containing details of the concerned Directors is attached hereto.
16. 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.
17. 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).
18. 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, and 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.
19. 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.

20. 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.

21. During the financial year the Preference Shareholders (for 1000000 Preference Shares of Rs. 100/- each) were also eligible to exercise their voting rights in terms of provisions of Section 47 of the Companies Act, 2013 due to non-payment of dividend for a continuous period of 2 years. The Preference Shareholders shall have the same voting right in proportion to their share in the total paid up capital of the Company. Since the nominal value of the one Preference Share is Rs. 100/- therefore each vote of the Preference Shareholders for their each Preference Share will be equal to 10 vote of the equity shares. Further, all the Preference Share are held by the promoters and the relative of the promoters of the Company and they have relinquish their voting rights for the interest of the equity shareholders/ Company.

22. 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 34th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by CDSL.
- (II) Procedure and instructions for e-voting are as follows:
 - (i) The voting period begins on 25.09.2017 at 9.00 A.M. (IST) and ends on 28.09.2017 at 5.00 P.M.(IST) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22.09.2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders / Members
 - (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 sequence number which is printed on Attendance Slip indicated in the PAN Field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for 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.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- 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 22.09.2017.
- IV. Mr. Ritesh Gupta proprietor of M/s Ritesh Gupta & Co., Company Secretary whole time in Practice (ICSI Membership No. FCS5200) has been appointed as the Scrutinizer to scrutinize the e-voting and pole voting process in a fair and transparent manner.
- V. The Scrutinizer shall immediately after conclusion of the Annual General Meeting and counting the votes casted in the meeting unblock the votes casted through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- VI. The Results shall be declared after submission of report by Scrutinizer to the Chairman. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sayajihotels.com and on the website of CDSL and communicated to the BSE Limited.

REGARDING THE DIRECTORS PROPOSED FOR APPOINTMENT/RE-APPOINTMENT

Name and Designation of Appointee	Age / Qualifications	Expertise/ Experience	Date of appointment	No. of Other Directorship	No. of shares held & %age
Mr. Kayum Razak Dhanani (Director)	Age - 45 Yrs. Qualified as an IGCS from Cambridge University.	Has wide range of experience in various industry viz. soles and shoes industry, fertilizers business and hotel & restaurant business.	30.11.2012	15 Companies	36,38,079 Equity Shares (20.77%) and 1,25,000 Preference Shares (12.50%)
Mrs. Suchitra Dhanani (Whole-Time Director)	Age – 53 Yrs. Qualified as Master in Social Work	She possess experience of more than 27 yrs. in the hospitality sector.	06.02.2014	7 Companies	3,20,829 Equity Shares (1.83%) and 1,25,000 Preference Shares (12.50%)
Mr. Abhay Chintaman Chaudhary (Independent Director)	Age – 61 Yrs. Master in Science, Diploma in business management	He has more than 35 yrs. experience of the Banking Industry.	14.02.2017	3 Companies	Nil

Corporate Office:
Sayaji Hotel, H-1, Scheme No. 54
Vijay Nagar, Indore (M.P.)
Date : 28.08.2017

By Order of the Board
AMIT SARRAF
COMPANY SECRETARY

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 on the recommendation of the nomination & remuneration committee appointed Mr. Abhay Chintaman Chaudhari as an additional director of the Company w.e.f. 14th February, 2017 in the category of Independent Director. In accordance with section 161(1) of the Companies Act, 2013, Mr. Chaudhari holds office up to the date of the forthcoming Annual General Meeting and is eligible for appointment as a director of the Company in the category of Independent Director. The Company has received a notice u/s 160 of the Act, from a member along with requisite deposit signifying his intention to propose the candidature of Mr. Chaudhari as a Director of the Company. The notice is available for inspection by the Members of the Company at the Registered Office during business hours on any working day up to the date of Annual General Meeting.

Mr. Chaudhari, 61 years old, holds a master's degree in science in chemistry and a diploma in business management. He is a certified associate of the Indian Institute of Bankers. He joined State Bank of India on October 29, 1979 and served the bank at difference position during his career. He has vast experience of the banking industry.

In terms of the provisions of section 149 of the Companies Act, 2013 an independent director can hold office for a term up to 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. Chaudhari that he meets the criteria of independence as prescribed both under section 149(6) and the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

In the opinion of the Board Mr. Chaudhari fulfills the criteria and conditions for his appointment as an Independent Director as specified in the Act and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

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

The Board of Directors recommend the ordinary resolution set out at Item No. 5 of the Accompanying Notice for the approval of the members.

Except Mr. Chaudhari, none of the directors, key managerial personal of the Company and their relative are concerned or interested in this resolution. However, Mr. Chaudhari 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 & 7:

Mrs. Suchitra Dhanani was originally appointed on the Board on 06.02.2014 and from that day she is continuously/actively taking care various department of the Company and she is also person in-charge for day to day affairs of the Company.

Mrs. Suchitra Dhanani, aged 53 yrs. is qualified as master in social work and she possess more than 27 yrs. experience in the hospitality sector. The Nomination and Remuneration Committee and Board consider the vast experience of Mrs. Suchitra Dhanani in the hospitality industry is very helpful and necessary for the growth of the Company and its subsidiaries therefore it is appropriate for the Company to re-appoint her as Whole-time Director of the Company for a further period of 3 years and categorized as the Key Managerial Personnel.

Further, in the board meeting of the Company held on 28th August, 2017, the board considered that Mrs. Suchitra Dhanani was reappointed on the Board on 06.02.2017 on a monthly remuneration of INR 250000/- per month. However, based on the yearly appraisal process in the Company and as recommended by the Nomination & Remuneration committee, the salary and allowances of Mrs. Suchitra Dhanani is require a revision (as there is no increment done by the Company in the salary of Mrs. Dhanani during the last 3 years).

The information to be given pursuant to the requirement of sub clause (iv) of the section II of the part II of the schedule V are as under –

I	General Information	
(1)	Nature of Industry	Hotel, Restaurant and Hospitality Industry
(2)	Date of expected date of commencement of commercial production	N.A. (The Company is in existence of operations more than 25 yrs.)
(3)	In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
(4)	Financial performance based on given indicators	The Company is having turnover of Rs 15957.70 Lakhs, net profits after Tax Rs. (416.96) Lakhs and having paid up capital of Rs. 2751.80 Lakhs as at 31st March, 2017
(5)	Foreign investments or collaborations, if any.	None

II	Information about the appointee	
(1)	Background Details	Mrs. Dhanani, aged 53 yrs. is qualified as master in social work and she possess more than 27 yrs. experience in the hospitality sector. She is a promoter and on the Board of the Company, w.e.f 06th Feb. 2014 and functioning as the Whole-time director w.e.f. 06th Feb. 2014
(2)	Past Remuneration	INR 2.50 Lakh P.M.
(3)	Recognition and Awards	None
(4)	Job Profile and her suitability	She is the Whole-time Director and is responsible for day to day affairs of the Company relating to the Administration and planning and her vast experience shall be helpful for the Company and its subsidiary as well.
(5)	Remuneration Proposed	Rs. 250000/- for the period starting from 06th Feb. 2017 to 31st March, 2017 and Rs. 260738/- per month for the remaining part of her tenure (subject to the authority to the Company to may provide minimum remuneration of INR 500000/- in case of inadequacy/absence of the profit) as more particularly described in the resolution. The proposed remuneration is within the limit prescribed under Schedule V Part II Part A
(6)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of origin)	Remuneration proposed to be given is consider the appropriate and reasonable looking to the trend of the industry, size of the Company and profile & position of the proposed appointee.
(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial remuneration	<p>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.</p> <p>Mrs. Suchitra Dhanani is also promoter and also holding 3,20,829 equity shares of Rs. 10/- each consisting of 1.83% of the Equity paid up share capital of the Company and holding 1,25,000 Preference Shares of Rs. 100/- each consisting of 12.50% of the Preference paid up share capital of the Company.</p> <p>Mr. Raoof Razak Dhanani and Mr. Kayum Razak Dhanani, directors of the Company being the relative of the appointee, may be deemed to be interested otherwise in the above said resolution.</p>
III	Other information:	
(1)	Reasons of loss or inadequate profits	The Company is not a loss making, however, it has inadequate profits, due to higher depreciation and interest burden on the existing and upcoming projects.

(2)	Steps taken or proposed to be taken for improvement	The Company is continuously analyzing and assessing its position and various operational and financial matrix to convert it into the profit making Company. The Company is focusing to get more property on management/operational contract to improve its profitability.
(3)	Expected increase in productivity and profits in measurable terms	The profitability of the Company will be increased suitably in future period to come however the same cannot be predicted at this stage in the competitive market conditions and further expansion projects in the hands.

The terms of remuneration, as set out in the resolution no. 6 and 7 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. 6 and 7 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. Raoof Razak Dhanani and 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 3,20,829 equity shares of Rs. 10/- each consisting of 1.83% of the Equity paid up share capital of the Company and holding 1,25,000 Preference Shares of Rs. 100/- each consisting of 12.50% of the Preference paid up share capital of the Company.

By Order of the Board

**AMIT SARRAF
COMPANY SECRETARY**

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

Date : 28.08.2017

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BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

**To,
THE MEMBERS OF
SAYAJI HOTELS LIMITED**

The Board of Director of your Company with immense pleasure, present the 34th Annual Report along with the audited financial statement containing Balance Sheet as at 31st March, 2017 and statement of Profit and Loss and Cash flow (Standalone and Consolidated), Schedules and Notes to Accounts for the year ended 31st March, 2017.

HIGHLIGHTS OF PERFORMANCE

During the year under review, on a standalone basis, the revenue of the Company was almost stable with a slight decrease of 2.08%. It was mainly due to the sluggish business during Simhasth period. Demonetization also impacted the social function business to some extent. The finance cost percentage to the revenue was on the higher side during the current year (9.57 % for FY 17 compared to the 7.42% for FY 16) on account of additional borrowings during the year for various renovation projects and new properties. The loss before tax was increased due to slight downfall in the sales, higher finance cost and increase in operating expenses.

FINANCIAL RESULTS

Particulars	Stand Alone (Rs. in Lakhs)		Consolidated (Rs. In Lakhs)	
	Financial Year 2016-17	Financial Year 2015-16	Financial Year 2016-17	Financial Year 2015-16
Income	15957.70	16296.67	18180.22	18248.22
Less: Operating Expenses	12922.54	12859.54	14443.04	14417.13
Operating Profit	3035.16	3437.13	3737.18	3831.09
Less: Finance Cost	1526.94	1209.27	1829.71	1504.28
Profit before Depreciation	1508.22	2227.86	1907.47	2326.81
Less: Depreciation	2074.05	2311.20	2529.11	2967.22
Add: Depreciation written back	0.15	0.03	0.15	0.03
Profit/(Loss) before exceptional items	(565.68)	(83.31)	(621.49)	(640.38)
Exceptional Items	0.00	1146.85	0.00	1146.85
Profit Before Tax (PBT)	(565.68)	1063.54	(621.49)	506.47
Less : Tax Expenses				
Current Tax	50.18	503.29	52.12	503.29
Deferred Tax	(227.86)	(470.66)	(278.11)	(634.35)
Earlier Years' Tax	28.96	50.34	28.96	50.34
Profit After Tax (PAT)	(416.96)	980.57	(426.46)	587.19
EPS (Equity Shares of Rs.10/- each)				
Basic	(3.07)	4.92	0.13	5.97
Diluted	(3.07)	4.92	0.13	5.97

DIVIDEND

The Company is in regular expansion mode and also upgrading its existing properties. Therefore in order to fund new projects/upgradation, the Board has not recommended dividend and proposes to utilize the profits for its ongoing projects (Previous year Nil).

SHARE CAPITAL

The authorized share capital of the company is Rs. 4000 Lakhs, the paid up equity share capital is Rs.1751.80 Lakhs and preference share capital is Rs. 1000 Lakhs During the year under review, the Company has not issued shares with differential voting right, nor granted stock option nor sweat equity aggregating Rs. 2751.80 Lakhs.

The Company's equity shares are listed with the BSE Ltd. Since the preferential shares were issued on preferential basis to the selected group of promoters, the same was not listed at the stock exchange.

FINANCE

Cash and cash equivalent as at 31st March, 2017 was Rs. 1386.41 Lakhs. The Company continued to focus on judicious management of its working capital, receivables, and inventories. The working capital parameters were kept under strict check through continuous monitoring.

Deposits

In terms of provision of section 73 of Companies Act 2013, the Company had no opening or closing balances of deposits during the year under review. The Company has not accepted any public deposits and as such no amount of principal or interest was outstanding as on 31st march 2017. The Company has also not accepted any amount in contravention of the provisions of the Act.

Particulars of loans, guarantees and investments

During the year there were no loans, guarantees, or investments made by the Company covered under the provision of section 186 of the Companies Act, 2013. The particulars of the loans, advances, investments and guarantees have been disclosed in the notes to the financial statements attached with the Board Report.

Amount proposed to be transferred to the reserves

During the year under review Rs. (416.96 Lakhs) are proposed to be transferred to the General Reserves.

REVIEW OF BUSINESS ACTIVITIES - EXPANSION/UPGRADATION PLANS

SAYAJI HOTELS LTD.

Indore : During the year the Company has renovated one floor of the hotel, some banquet halls and constructed of a large kitchen and other sports amenities.

Amber Convention Centre: The construction of the Amber Convention Centre at Indore (M.P.) was also completed during the

year. Now it is operating in full capacity. Amber got a cheerful response from the public and well appreciated regarding the facilities and ambience. Company has aggressive business plans and expects to achieve the same in next 2-3 years.

The Effotel : Owned by Malwa Hospitality Pvt. Ltd. a subsidiary of the Company, is doing continuously well. The top line of the hotel was closed by Rs. 2120.72 Lakhs. The Operating profit percentage to the sales increased (28.26 % for FY 17 and 20.61% for FY 16). Net loss for the year also came down significantly (Rs. (110.17 Lakhs) for FY 17 as compared to Rs. (385.12 Lakhs) for FY 16.

Vadodara : The Company is coming up with one more 4-Star category hotel in the Vadodara City under its associate Company (Prinite Hospitality Pvt. Ltd.). The construction of the said hotel is in full swing and expected to start operation by Oct. 2017. The hotel will have 137 rooms, 4 restaurants, banquet halls of various sizes and other amenities etc.

Raipur : The Company has also started the operation in the City of Raipur, Chhattisgarh in April 2017. The Company has taken a 4 Star property on lease basis. The hotel has 110 rooms, 3 restaurants and banquet halls of various sizes. Company is hopeful of doing good banquet business in the city.

BARBEQUE-NATION RESTAURANTS

Barbeque-Nation Hospitality Ltd. is operating 79 restaurants across the country and 1 restaurant in UAE and planning to open around 20 more restaurants during the current financial year.

MANAGEMENT DISCUSSION AND ANALYSIS GENERAL ECONOMIC CONDITIONS AND OPPORTUNITIES

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country.

The industry is expected to generate 13.45 million jobs across sub-segments such as Restaurants (10.49 million jobs), Hotels (2.3 million jobs) and Travel Agents/Tour Operators (0.66 million). The Ministry of Tourism plans to help the industry meet the increasing demand of skilled and trained man power by providing hospitality education to students as well as certifying and upgrading skills of existing service providers.

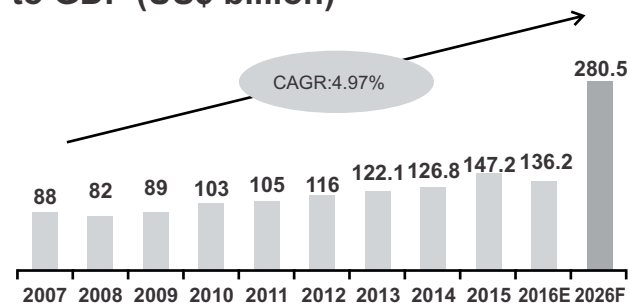
India has moved up 13 positions to 52nd rank from 65th in Tourism & Travel competitive index.

Rising contribution to India's GDP

- Tourism in India accounts for 7.5 percent of the GDP and is the third largest foreign exchange earner for the country.

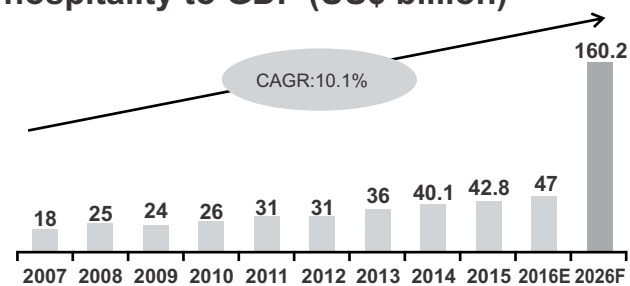
- The direct contribution of travel and tourism to GDP expected to grow at 7.2 percent per annum, during 2015-25, with contribution expected to reach US\$160.2 billion by 2026.
- The sector's total contribution to GDP is expected to increase to US\$ 280.50 billion.
- The total contribution of travel and tourism to Indian GDP is forecasted to increase by 4.97 per cent per annum to US\$ 280.5 billion by 2025 (7.2 per cent of GDP)

Travel and Tourism's total contribution to GDP (US\$ billion)



Source : World Travel & Tourism Council's Economic Impact 2015, News Article, TechSci Research; **Note :** E-Estimated; The definition of direct, indirect and induced contribution is specified in the appendix

Direct contribution of tourism and hospitality to GDP (US\$ billion)



Source : World Travel & Tourism Council's Economic Impact 2015, News Article, TechSci Research; **Note :** CAGR-Compound Annual Growth Rate, E-Estimates, GDP stands for Gross Domestic Product, The definition of direct, indirect and induced contribution is specified in the Glossary on Slide 41

Market Size

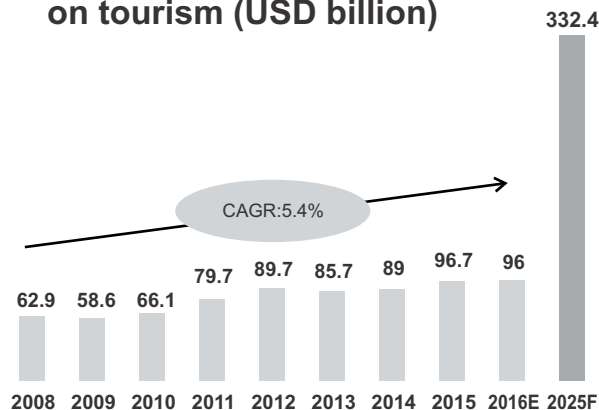
India's rising middle class and increasing disposable incomes have continued to support the growth of domestic and outbound tourism.

Domestic Tourist Visits (DTV's) to the States/Union Territories (UTs) grew by 15.5 per cent y-o-y to 1.65 billion (provisional) during 2016 with the top 10 States/UTs contributing about 84.2 per cent to the total number of DTVs, as per Ministry of Tourism.

INCREASED SPENDING ON TOURISM

Domestic expenditure on tourism has grown significantly and is further anticipated to increase to USD332.4 billion by 2025.

Domestic expenditure on tourism (USD billion)



As per Ministry of Tourism, foreign tourists' arrival (FTAs) on e-tourist visa increased 56.6 per cent year-on-year in December 2016. In 2016, foreign tourist arrivals on e-visas more than doubled to 10,79,696 from 4,45,300 in 2015, partly because the e-visa facility was extended to 161 countries from 113 previously.

India is expected to move up five spots to be ranked among the top five business travel market globally by 2030, as business travel spending in the country is expected to treble until 2030 from US\$ 30 billion in 2015.

International hotel chains will likely increase their expansion and investment plans in India, and are expected to account for 50 per cent share in the Indian hospitality industry by 2022, from the current 44 per cent.

Investments

The tourism and hospitality sector is among the top 10 sectors in India to attract the highest Foreign Direct Investment (FDI). During the period April 2000-December 2016, the hotel and tourism sector attracted around US\$ 9.93 billion of FDI, according to the data released by Department of Industrial Policy and Promotion (DIPP).

With the rise in the number of global tourists and realizing India's potential, many companies have invested in the tourism and hospitality sector. Some of the recent investments in this sector are as follows:

- As per industry experts, mid-hotel segment in India is expected to receive investments of Rs 6,600 crore (US\$ 990 million) excluding land over next five years, with major hotel chains planning to set up upscale, budget hotels in state capitals and tier-II cities.
- The first Incredible India Tourism Investment Summit 2016, which was organised from September 21-23, 2016, witnessed signing of 86 Memoranda of Understanding (MoUs) worth around Rs 15,000 crore (US\$ 2.24 billion), for the development of tourism and hospitality projects.
- Ctrip.com, China's largest travel portal, has bought a stake in India's largest travel portal MakeMyTrip for US\$ 180 million via convertible bonds, which allows Ctrip to increase its share in MakeMyTrip up to 26.6 per cent.

Government Initiatives

The Indian government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub.

In the Union Budget 2017-18, the Government of India has announced some initiatives to give a boost to the tourism and hospitality sector such as setting up of five special tourism zones, special pilgrimage or tourism trains and worldwide launch of Incredible India campaign among others.

Some of the major initiatives taken by the Government of India to give a boost to the tourism and hospitality sector of India are as follows:

- The Central Government has taken a number of steps for smooth transitioning to cashless mode of payment to ensure that no hardship is faced by the tourists and the tourism industry remains unaffected from government's demonetisation move.
- Maharashtra Tourism Development Corporation (MTDC) has come up with a unique tourism experience of visiting the open cast coal mine of Gondagaon and underground coal mine of Saoner, which are near Nagpur and part of Western Coalfields Limited.
- A Tripartite Memorandum of Understanding (MoU) was signed among the Indian Ministry of Tourism, National Projects Construction Corporation (NPCC), National Buildings Construction Corporation (NBCC) and Government of Jammu and Kashmir for the implementation of tourism projects in Jammu and Kashmir.
- The Ministry of Tourism has approved projects worth Rs 450 crore (US\$ 67.10 million) under the Swadesh Darshan scheme, for the improvement and creation of tourism infrastructure in Madhya Pradesh, Uttarakhand, Tamil Nadu, Uttar Pradesh and Sikkim.
- The Union Cabinet has approved a MoU between India and South Africa, aimed at expanding bilateral cooperation in the tourism sector through exchange of information and data, establishing exchange programmes and increasing investments in the tourism and hospitality sector.
- The Union Cabinet has approved the signing of Memorandum of Understanding between the Ministry of Tourism of India and the Ministry of Trade Industry and Tourism of Colombia in order to boost cooperation in the field of tourism between the two countries.
- The Central Government has given its approval for signing of a MoU between India and Cambodia for cooperation in the field of tourism with a view to promote bilateral tourism between the two countries.
- The Heritage City Development and Augmentation Yojana (HRIDAY) action plans for eight missions cities including

Varanasi, Mathura, Ajmer, Dwaraka, Badami, Vellankini, Warangal and Amaravati have been approved by HRIDAY National Empowered Committee for a total cost of Rs 431 crore (US\$ 64.27 million).

EMERGING TOURISM AND HOSPITALITY SEGMENTS

RURAL TOURISM	The aim is to develop interest in heritage and culture; and promote visits to village settings to experience and live a relaxed and healthy lifestyle
ADVENTURE TOURISM	<ul style="list-style-type: none"> • A wide range of adventure sports are covered under this category with specialised packages • The activities include mountaineering, trekking, bungee jumping, mountain biking, river rafting, and rock climbing
MEDICAL TOURISM	<p>Tourists seek specialized medical treatments, mainly ayurvedic, spa and other therapies</p> <ul style="list-style-type: none"> • The primary purpose is achieving, promoting or maintaining good health and a sense of well-being
LUXURY TOURISM	The luxury travel market in India registered a growth rate of 12.8% in 2016, the highest in comparison with any other BRIC country.
ECO TOURISM	<p>Vast variety of flora and fauna in various states is a major factor behind their growing popularity as tourist destinations.</p> <ul style="list-style-type: none"> • Then mala in Kerala is the first planned eco tourism destination in India.
PILGRIMAGE TOURISM	One of the biggest contributor to tourism industry. India being religious hub for different cultures attracts a large number of tourists every year.
HERITAGE TOURISM	<p>Tourists visit India for its cultural heritage in various cities</p> <p>The country's rich heritage is amply reflected in the various temples, majestic forts, pleasure gardens, religious monuments, museums, art galleries and urban and rural sites.</p>

Road Ahead

India's travel and tourism industry has huge growth potential. The tourism industry is also looking forward to the expansion of E-visa scheme which is expected to double the tourist inflow to India. India is projected to be the fastest growing nation in the wellness tourism sector in the next five years, clocking over 20 per cent gains annually through 2017, according to a study conducted by SRI International.

Sayaji Overview

Sayaji Hotels Limited (Sayaji) was founded with an aim to forever be your Banyan tree of hospitality, a place where everyone is welcomed, special and truly important.

Our hotels are clearly differentiated by their products philosophy and services design. It's defined by a sensibility of intimate design and by their varied and eclectic culinary experiences; impeccable service. Each Sayaji reinterprets the tradition of hospitality in a refreshingly modern way to create unique experience and lifelong memories. Sayaji is the only hotel that calls itself **"Truly yours"**.

OUTLOOK

India's travel and tourism industry has huge growth potential. The tourism industry is also looking forward to the expansion of E-visa scheme which is expected to double the tourist inflow to India. India is projected to be the fastest growing nation in the wellness tourism sector in the next five years, clocking over 20 per cent gains annually through 2017, according to a study conducted by SRI International.

OPPORTUNITY

Following Segment Offer Good Opportunities:

Medical Tourism

- The presence of world-class hospitals and skilled medical professionals makes India a preferred destination for medical tourism.
- India's earnings from medical tourism could exceed USD8 billion by 2020.
- Tour operators are teaming up with hospitals to tap this market.

Cruise Tourism

- Cruise shipping is one of the most dynamic and fastest growing segments of the global leisure industry.
- Government of India has estimated that India would emerge with a market size of 1.2 million cruise visitors by 2030–31.
- Moreover, India is looking to take advantage of its 7,500 km coastline to tap growth potential of the cruise tourism segment.

Rural Tourism

- The potential for the development of rural tourism in India is high as most of its population resides in rural areas.
- This can benefit the local community economically and socially, and facilitate interaction between tourists and locals for a mutually enriching experience.

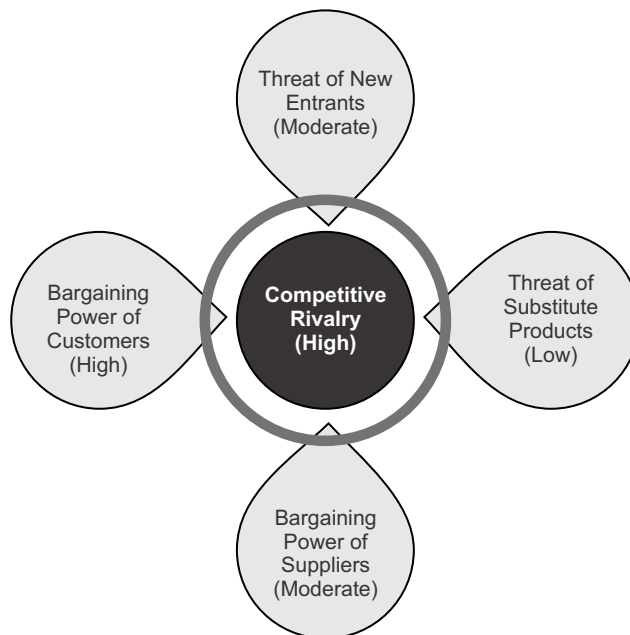
EcoTourism

India is often termed as hotspot of biodiversity and its rich natural heritage is unparalleled in many ways.

- Such valuable resource base gives impetus for the practice of variety of alternate tourism forms a many of which are already in existence.
- For example: The national parks, wildlife sanctuaries and biosphere reserves.

These are opportunities for tourism sector as well as hospitality sector as both directly or indirectly depend upon each other.

Threats



Competitive Rivalry: The Indian hospitality sector is highly fragmented with a large number of small and unorganised players; this increases competition. Customers' low switching cost and price sensitivity are increasing competition among players

Threat of New Entrants: Entry is easy as it is not capital intensive, but a player needs to achieve economies of scale and access to distribution channel to compete

Substitute Products: Threat of substitute products is minimal as no substitutes are available in the market.

Bargaining Power of Suppliers: There is the threat of forward integration; for instance, the airline starts selling directly to customers. The cost of switching suppliers is low.

Bargaining Power of Customers: Low switching cost gives customer high bargaining power. Customers are price sensitive and have information about the services being provided.

*Exchange Rate Used: INR 1 = US\$ 0.015 as on February 9, 2017
(Source: www.ibef.org)*

INTERNAL COMPLAINT COMMITTEE (SHWW PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has zero tolerance for sexual harassment at its workplace and in line with the provision of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under your Board of Directors has approved and adopted the "Policy of Prevention of Sexual Harassment of Women at workplace" to provide equal employment opportunity and is committed to provide a work environment that ensures every woman employee is treated with dignity and respect and afforded equitable treatment. The Company has constituted the different internal complaint committee to provide protection against sexual harassment of the women at different work places of the Company situated across the country.

During the year under review the company has not received any complaint on Sexual Harassment. The company has complied with the information required to be provided under Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

As the average net profit of the Company for last 3 years is negative, hence there is no liability on the Company to incur expenditure on CSR activities as prescribed u/s 135 and schedule VII of the Companies Act, 2013. Even so, the Company has constituted the CSR Committee of the Board and the CSR Policy has also been approved by the Board and placed on the Company's website at www.sayajihotels.com

As the Company is not coming under the purview of Section 135 of the Companies Act, 2013 hence is not required to provide particulars of CSR.

RISK AND CONCERN

Hospitality Industry required many resources for proper implementation and achievements of their goals and objectives. These resources are associated with various risks. "Risk may be the possibility, that an event will occur adversely affect the achievements of the Company's objectives and goals". Risk may be classified according to controllability i.e. "Controllable Risk and Uncontrollable Risk". In other words Uncontrollable risk is a systematic risk and Controllable risk is an unsystematic risk. Hospitality industry faces both risks.

SYSTEMATIC RISK (UNCONTROLLABLE RISK)

It is uncontrollable or having less control by the organization and not predictable as well as macro in nature, It affects a large No. of organization. It includes following risks:

- **Economic Conditions**

The hotel industry may be adversely affected by changes in national or local economic conditions and other local market, especially in the climate of economic crisis. Downturns or

prolonged adverse conditions in the real estate or capital markets or in national or local economies and difficulties in securing financing for the development of hotels could have a material adverse effect on our business, results of operations, ability to develop new projects and the attainment of our strategic goals. economic situation facing the nation or the world are among the factors that those working in the industry can have no control over.

- **Legal Changes**

Changes in the law can also affect companies in the hospitality industry and cannot be controlled. The regulatory environment in the hospitality industry can change from time to time and this can have an effect on the way that hotels, airlines and restaurants all go about conducting business.

- **Technology**

Technology continues to develop unconstrained. The hospitality industry, like many others, is affected by technological changes. As new technologies are made available, companies within the industry are forced to adapt to the changes or get left by the wayside.

- **Competition**

Competition is another factor that those managing or owning businesses in the hospitality field have little or no control over. Many times, competition is heavily affected by economic and other regulatory factors.

- **Trends**

While you may spend a good part of your profits on marketing in the hopes of favorably influencing trends, some are beyond your control. An increase in technology use by your customers may be built into your strategic planning, but you may not have planned for the widespread use of social media that could affect your business. Celebrities who become advocates for a cause or decide to boycott a certain business practice can start a trend that could seriously affect your business if you're on the wrong side of the trend.

- **Customer Base**

Your target customer base may change suddenly or slowly over a period of time. The changing makeup of your neighborhood that attracts more singles or young renters can affect your business.

- **Weather**

Storms, tornadoes, hurricanes and wildfires are outside your purview of controllable business factors. In addition to the direct impact a storm may have on your ability to open your doors at any given time, widespread weather events often carry a substantial trickle-down effect to a wide range of businesses.

- **Socio-Political Risks**

Your Company faces risks from the socio-political environment, internationally as well as within the country and is affected by events like political instability, conflict between nations, threat of terrorist activities, occurrence of infectious diseases, extreme weather conditions and natural calamities, etc. which may affect the level of travel and business activity.

- **Increased Outbound Travel**

Recent competitiveness in international airfares and strengthening financial health of Indian people resulted in destinations like Europe, South East Asia and Australia becoming more affordable to the average Indian travelers. This has increased outbound travel and presents a risk to the domestic segment for leisure tourism.

- **Brand and Reputation**

Brand is the personality and soul of an organization through which organization communicates to outside. Hospitality companies rely on their brands to drive customers. Popular brands such as "Sayaji" are familiar with customers and have become trusted names in the market. For gaining reputation and establishing brand in the market it takes many years. There is always a risk of damage of brand name and reputation in the market in which the organization has less control or no control. However, for the well established hotels in the Hospitality Industry there is less risk related to brand and reputation.

- **Safety and Security**

The threat of terrorist attack remains a major concern for the industry. Hotel operators must make every effort to protect their guests while encouraging tourism.

UNSYSTEMATIC RISK (CONTROLLABLE RISK)

Unsystematic risk, also known as "specific risk," is the type of uncertainty that comes with the company or industry (specific Company or Industry). Unsystematic risk can be reduced through diversification.

- **Business Risk**

Business risk refers to the basic viability of a business, there is always a risk that whether a company will be able to make sufficient sales and generate sufficient revenues to cover its operational expenses and turn a profit.

- **Financial Risk**

Financial risk is associated with those companies which are working under high financial leverage: As when the company uses more debt into its capital structure and find it difficult to meet its financial obligation (pay interest and principal amount of debt due) so there is chances of insolvency.

- **Liquidity Risk**

Liquidity risk is when the Company may be unable to meet short term financial demands. This usually occurs due to the inability to convert a security or hard asset in to cash without loss of capital and/or income in the process.

- **Operational Risk**

Operational risk is when there is the prospect of loss resulting from inadequate or failed procedures, systems or policies. Employee errors, Systems failures, Fraud or other criminal activity. The Company is always working in operational risk.

- **Data Privacy**

Cyber security has been a big concern for a number of sectors, the hospitality business is more focused on preventing data and identify theft. As Hotels collect a lot of information about their guests to insure themselves against damages and to fuel their own rewards programs. This makes them popular targets among cyber criminals and hackers, as a single breach could result in hundreds or even thousands of pieces of guests' personal information (names, addresses, social security numbers, etc.) and payment details being compromised. Because of this, they need to make sure that this data is protected against fraudsters.

- **Guest Behavior**

Guests can also potentially be the biggest threats – both directly and indirectly – to profitability. Law suits from people who are injured or damage to guestrooms can pose a big risk to the bottom line.

- **Staff**

Staff is another critical risk. Staff will have more options both in and outside the industry. This means hotels are at greater risk of having their key personnel poached by their competitors.

RISK MITIGATION INITIATIVES

OUR COMPANY EMPLOYS VARIOUS POLICIES AND METHODS TO COUNTER THE RISKS EFFECTIVELY, AS ENUMERATED BELOW:

- **Strategy for Safety and Security**

Your Company has implemented various security measures against the threat of terrorist attack at all its properties which inter alia include screening of person, installation of metal detectors, CCTV cameras are in place etc. to protect their guests.

- **Strategy to Tackle Competition**

By extensively improving its service standards, as also progressively renovating its properties, across the multi brand portfolio. Providing attractive packages to attract customer Aggressive marketing through various offline and online mediums.

- **Measures for Business Risk & Financial Risk and Liquidity Risk**

Your company, properly budgeting all the business aspects and continues to focus on judicious management of its working capital, receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring. Further, it gains operating and financial leverage by expansion through management contract and leveraging the strength of its Associates.

- **Adoption of New Technologies**

By removing obsolete technology and adopting modern methodology unconstrainedly, we endeavor to control the cost of services provided by the Company.

- **Data Security Measure**

Your company using a secure server to exchange and record data which is protected by the password and can only be accessed by the organization people who are concerned with the information and all computer system of your company are under observation of IT department and they continuously monitor all the activities.

- **Measures to Handle Guest Behavior**

Your Company's all hotels have proper internal controls in place to handle guest destruction and ensure traveler's safety during their stay.

- **Measure for Retention of Staff**

Your Company has various retention plans and innovative strategies to help them to keep employees engaged and properly address their issue and consider their ideas for the business at all the level through which staff remains motivated and content and also conduct various programs for their mental relaxation.

Policies that deal with Risk Management

RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

Your Company recognizes that risk is an integral part of business and is committed to managing the risk in a proactive and efficient manner. Your company periodically assesses risks in the internal and external environment along with the cost of treating risks and incorporates risk treatment plans in its strategy, business and operational plans. The company's operations are prone to general risks associated with economic conditions, change in Government regulations, tax regimes, other statutes and financial risks.

The Company has a well established risk management process and framework for all the hotels and managed properties across India and backed by strong internal control system.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The board had adopted Vigil mechanism Policy pursuant to the provisions of Section 177(9) of the Companies Act, 2013 and the companies (Meeting of Board and its Power) Rules 2014 and regulation 22 of Securities and Exchange Board of India (Listing Obligation and Requirements) Regulation, 2015. The policy provides for a framework and process whereby concern can be raised by its Employees and Directors to the management about unethical behavior, actual or suspected fraud or violation of the code of conduct or legal or regulatory requirements incorrect or misrepresentation of any financial statements and reports, etc. more details on the Vigil Mechanism and Whistle Blower Policy of your Company have been outlined in Corporate Governance Report which forms part of this annual report and also it can be accessed on the company's website.

HUMAN RESOURCES

Your company firmly believes that employees are the most valuable assets and key players of business success and sustained growth. Only with their participation we manage to achieve a healthy work culture, transparency in working, fair business practices and passion for efficiency. Thus, development of human resources at all levels is taken on priority to upgrade knowledge and skill of employees and sensitize them towards productivity, quality, cost reduction, safety and environment protection. The company's ultimate objective is to create a strong and consistent team of employee where in each link in the resource chain is as strong as the other. In view this various employee benefits, recreational and team building programs are conducted to enhance employee skills, motivation as also to foster team spirit. Company also conducts in house training programs to develop leadership as well as functional capabilities in order to meet future talent requirement and to enhance business operations. Industrial relations were cordial throughout the year. The company is total number of permanent employees on roll as 31st March, 2017 was 2098 across all its units.

SAFETY, HEALTH AND ENVIRONMENT

For proper implementation and success of Company's operational strategy links to ensuring safety and provide healthy environment to our guests, employees and to the person who are visiting to our hotels and offices and also need to take responsible care of environment by keeping this in mind, Sayaji applies high standard of safety and healthy environment across the group and also constantly giving high priority to social concern. Your company continually strives towards sustainable development by trying to strike a balance between the needs of our customer and responsible care for the environment. Your company is committed to protect and promote the environment.

Appraisal for ensuring safety, health and environment in hotels can be executed by various methods, including self- assessment, guest

satisfaction surveys, design and engineering plans, incident, intelligence gathering, quality audits and risk management reviews. Hotel management teams discuss issues periodically and develop action plans where risks are prioritized, responsibilities assigned and improvement actions identified management reviews., progressed and monitored. Action plans are reviewed as necessary at appropriate levels to extend and drive action or develop common solutions.

PERFORMANCE OF THE SUBSIDIARY COMPANIES - AUDITED FINANCIAL STATEMENTS OF THE COMPANY'S SUBSIDIARIES

As on 31st March 2017 the Company has 3 Subsidiaries and 1 Associate Company. During the year under review, there was no change in the nature of businesses of Subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statements of the Company and all its subsidiary and Associate companies, which is forming part of the Annual Report. A statement containing salient features of the financial statements of the subsidiary/associate companies is also included in the Annual Report.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements have been placed on the website of the Company, www.sayajihotels.com.

Further, as per fourth proviso of the said section, audited annual accounts of each of the subsidiary companies have also been placed on the website of the Company, www.sayajihotels.com. Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary at the Company's Registered Office or e-mail to cs@sayajigroup.com

BOARD OF DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL & BOARD MEETINGS

The Board of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. According to the requirement of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. As on 31st March, 2017, your Board has following directors:

S. No.	Name	Date of Appointment	Designation
1.	Mr. Thottapully Narayanan Unni	31/01/2002	Independent Director
2.	Mr. Sanjay Ahuja	01/02/2012	Nominee Director
3.	Mr. Raoof Dhanani	14/11/2013	Managing Director
4.	Mrs. Suchitra Dhanani	06/02/2014	Whole Time Director
5.	Mr. Abhay Chintaman Chaudhari	14/02/2017	Independent Director
6.	Mr. Kayum Dhanani	30/11/2012	Director
7.	Mr. Pradeep Goyal	06/02/2014	Independent Director

Changes in the composition of Board of directors

During the year under review, Mr. Abdul Razak Dhanani (DIN - 00926236) resigned from the Board w.e.f. 07.02.2017 and Mr. Abhay Chintaman Chaudhari (DIN - 06726836) is appointed as an Additional Director (Independent Category) w.e.f. 14.02.2017. Mrs Suchitra Dhanani (DIN - 00712817) was re-appointed as Whole-Time Director of the Company w.e.f. 06.02.2017 subject to the approval of the members of the Company in the ensuing general meeting.

Except above, there were no changes done in the constitution of the Board.

Independent Directors

As on March 31st, 2017, your Company has following Independent Directors:

1. Mr. T.N. Unni (DIN 00079237)
2. Mr. Pradeep Goyal (DIN 02798770)
3. Mr. Abhay Chintaman Chaudhary (DIN 06726836)

In pursuance of section 149(7) of the Companies Act, 2013, all the three Independent directors of the Company have submitted a declaration under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulation, 2015, that they meet the criteria of independence. In the opinion of the Board they are meeting the criteria of independence.

Retirement by rotation

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and in terms of Articles of Association of the Company, Mr. Kayum Razak Dhanani (DIN 00987597) and Mrs. Suchitra Dhanani (DIN 00712187) are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their appointment.

Changes in other Key Managerial Personnel

During the year under review, there were no changes in the position of KMP's.

Number of meetings of the Board

During the financial year 2016-17, 8 (**eight**) meetings of the Board were convened at regular intervals to discuss and decide on Company's business, however, in case of a special and urgent business need, the Board's approval is taken by passing resolution through circulation, as permitted by law, which were taken on record in the minutes of the subsequent Board meetings. The notice of meeting and detailed agenda of the Board/Committee meetings circulated at least a week prior to date of respective meeting. Details of such meeting provided in the Corporate Governance report, which forms the part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

Familiarization Program for Independent Directors

The Company has made Familiarization program for the Independent Directors so as to enable them, gain deeper understanding of the Company, its operations, business policies, industry perspective etc. the details of Familiarization programme arranged for Independent Director have been disclosed on the website of the company at : www.sayajihotels.com.

Selection of New Directors and Board Membership Criteria

The responsibility for the selection and recommendation to the Board of potential Directors has been delegated to the Remuneration and Nominations Committee ("the Committee") which periodically review the composition of the Board to ensure that the Board has at all times the mix of members and expertise necessary for the successful oversight of the Company's business and the delivery of value to shareholders. The Policy for the Selection and Appointment of Directors is publicly available on the Company's website at www.sayajihotels.com which forms the part of this Annual Report.

Annual evaluation of the Board

The Board carried out peer evaluation of all Board members, annual performance evaluation of its own performance as well as working evaluation of the committee of board as per criteria laid down in the Nomination and remuneration and evaluation policy of the Company. Evaluation of all the board members is done on an annual basis.

Criteria for evaluation of board of directors as a whole

- i. The frequency of meetings;
- ii. The length of meeting;
- iii. The administration of meeting;
- iv. The number of committee and their note;
- v. The flow of information to board members and between board members;
- vi. The quality and quantity of information; and
- vii. The Disclosure of information to the stakeholders.

Criteria for evaluation of the individual Directors

- i. Ability to contribute and monitor corporate governance practices;
- ii. Ability to contribute by introducing best practices to address top management issues;
- iii. Participation in long term strategic planning;
- iv. Commitment to the fulfillment of director obligations and fiduciary responsibility;
- v. guiding strategy;
- vi. Monitoring management performance and development;
- vii. Statutory compliance and Corporate Governance;
- viii. Attendance and contribution at board / Committee meetings;
- ix. Time spent by each of the member; and
- x. Core competence.

INTERNAL CONTROL SYSTEMS

Your company believes that internal control is a necessary concomitant of 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 inter alia provides assurance on orderly conduct of operation, security on asset, prevention and detection of fraud/error, accuracy and completeness of accounting records and timely preparation of reliable financial information.

A Catalogue of Various Polices of the Company are hereunder:

- Corporate Social Responsibility Policy
- Familiarization programme for Independent directors
- Material Subsidiary Policy
- Related Party Transaction Policy
- Risk Management Policy
- Remuneration and Nomination Policy
- Policy for determination of materiality

The Audit Committee met the Company's Statutory and Internal Auditors to ascertain their views on financial statements, including the financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of the internal controls and systems followed by the Company. The Management acted upon the observations and suggestions of the Audit Committee.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Company's Director make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013, which is to be the best of their knowledge and belief and according to the information and explanations obtained by them:

- a. that in the preparation of the annual financial statements for the year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March, 31st 2017 and of the loss of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;

- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

COMPOSITION OF VARIOUS COMMITTEES OF BOARD OF DIRECTORS

During the year, in accordance with Companies Act, 2013, the Board re-constituted some of its committee of its committees. The Company had the following committee as at year ended 31st March 2017:

- Audit Committee
- Corporate Social Responsibility Committee
- Borrowing and Investment Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee

The details with respect to the composition, charters and meeting held during the year, are given in detail in the 'Report on Corporate Governance', of the Company which forms part of this Annual Report and is available on the Company's website at www.sayajihotels.com.

RELATED PARTY TRANSACTIONS

There were no materially significant related party transactions i.e. transaction of material in nature, with its promoters, directors or senior management personnel or their relatives etc., that may have potential conflict with the interest of the Company at large. Transactions entered with the related parties defined under the Companies Act, 2013 and provisions of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 during the financial year 2016-17 were mainly in the ordinary course of business and on arm's length basis and for which the approval is already given by the board and the audit committee in the past and the Company has not entered into any new related party transaction during the year. Accordingly requirement to provide disclosure under form no. AOC - 4 is not applicable.

The policy on materiality of Related Party Transaction and dealing with related party transaction, as approved by the Board, is available on the Company's website and can be accessed at: www.sayajihotels.com

STATUTORY AUDITORS

The appointment of M/s K. L. Vyas & Co., Chartered Accountants, (F.R. No 003289C) the statutory auditors of the Company, is subject to ratification in the ensuing AGM. Members of the Company at the AGM held on 23rd August, 2014 had approved the appointment of M/s K. L. Vyas & Co., as the Statutory Auditors for a term of 4 financial years as required by the provisions of the Companies Act,

2013, their appointment needs to be ratified by members each year at the AGM. Accordingly, requisite resolution forms part of the notice convening the AGM.

The Auditors' have confirmed their eligibility under Section 141(3)(g) of the Companies Act, 2013 and the Rules framed thereunder for ratification for appointment as Auditors of the Company. As required under SEBI (LODR) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s Ritesh Gupta & Co., a firm of Company Secretaries in Practice (holding Certificate of Practice bearing No 3764) to undertake the Secretarial Audit for the financial year 2016-17 of the Company. The Secretarial Audit Report for the financial year ended March 31st, 2017 is annexed herewith in marked as "Annexure 1" in 'Form No. MR-3' and forms an integral part of this report. No qualification, reservation and adverse remarks were contained in the Secretarial Audit Report.

ENHANCING SHAREHOLDERS VALUE

The Company actively working to create shareholders value, we have a clear strategy to grow the size and geographic scope of our core model. We are driving earning growth and have a strong history of earning growth. We are focused on returns on capital employed as we strategically allocating capital to support future growth and continue to seek opportunities to further improve capital and project discipline and have a strong balance sheet to manage through period of higher working capital needs. And continuously strive for excellence in all aspects of our business through the integration of sustainable business development and innovation.

CORPORATE GOVERNANCE

Your company has been observing best corporate Governance Practices and benchmark itself against each such practice on continual basis. Your company is committed for highest standard of Corporate Governance in adherence of Securities and Exchange of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 and requirement under other regulator/ applicable laws. Accordingly, your Board functions as trustees of the shareholders, seeks to ensure that the long term economic value for its shareholder is achieved and also tries to strike balance of interest of all the stakeholder. The Management Discussion and Analysis, the Corporate Governance Report and the Auditor's Certificate related to compliance of condition of Corporate Governance forms an integral part of this Annual report.

CEO & CFO Certification

In pursuant to provisions of Regulation 17(8) of the SEBI (LODR) Regulations, 2015, a Certificate from Mr. Raoof Razak Dhanani, Managing Director and Mr. Sandesh Khandelwal, Chief Financial Officer, for the year 2016-17 under review was placed before the Board of Directors of the Company at its meeting held on 30th May, 2017.

A copy of the certificate on the financial statements for the financial year ended March, 31st, 2017 is annexed along with this Report.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company prepared in accordance with relevant Accounting Standards (AS) viz. AS 21, AS 23 and AS 27 issued by the Institute of Chartered Accountants of India form part of this Annual Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The company continued energy conservation efforts during the year. It has closely monitored power consumption and running hours on day to day basis, thus resulting in optimum utilization of energy. The hotels are fitted with energy saving devices to conserve energy in the long run which leads to reduce energy cost and helps to promote economic, political and environmental sustain ability and thus maximize profit.

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure 2".

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

EXTRACT OF ANNUAL RETURN

The details forming part of extract of Annual Return as on 31st March 2017 in 'Form MGT-9', as required under Section 92(3) of Companies Act, 2013 read with the Companies (Management and Administration) Rules 2014, is included in this Board's Report as 'Annexure-3' and forms and integral part of this report.

PARTICULARS OF REMUNERATION OF EMPLOYEES

The disclosure required to be made in terms of Section 197(12) of the Companies Act, 2013 and Rule 5(1) is annexed herewith as "Annexure 4".

During the year there was no 'employee drawing remunerations' required to be disclosed as per the provision of section 197(12) of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ACKNOWLEDGEMENTS

Your Board wishes to sincerely thank all its shareholder for their patronage. Your Board would like to express their sincere appreciation for the assistance and co-operation received from the TFCI, financial institution, Banks, customers, Vendors, Investors and all the other stakeholders for their confidence and trust they have reposed in the Company. Your Director similarly expresses gratitude for the assistance and co-operation extended by SEBI, BSE, RBI, MCA, ROC, NSDL, CDSL, Central Government and Government of various states and other Regulatory Authorities including Local Governing Bodies. Your Board acknowledges appreciation for the invaluable support provided by the Auditors, Lawyers, and Consultants. We also place on record our appreciation of the contribution made by our employees at all the levels, our consistent growth was made possible by their hard work, solidarity, cooperation and support.

ADVISORY STATEMENT

Statements contained in the Board's Report and the Management Discussion & Analysis describing the Company's estimates, projections and expectations may be forward-looking and based upon certain assumptions and expectations of future events over which the company has no control and which could cause actual results to differ materially from those reflected in such statements. Readers should carefully review other information in this Annual Report and in the Company's periodic reports. The company undertake no obligation to update or revise any of these futuristic statements, whether as a result of new information, future events, or otherwise.

For and on behalf of the Board of Directors

Place : Indore
Date : 28.08.2017

T. N. Unni
Chairman
DIN 00079237

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**ANNEXURE '1' TO BOARD'S REPORT
FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

**To,
The Members,
Sayaji Hotels Limited
Kala Ghoda, Sayaji Gunj
Opp. Rajashree Talkies
Baroda, Gujrat.**

We have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Sayaji Hotels Limited (CIN: L51100GJ1982PLC005131)** (hereinafter called "**The Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on **31st March, 2017** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules & regulations made there under;
- (v) The Provisions of the Following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(vi) Secretarial Standards 1 & 2 pertaining to Board and General Meetings issued by the Institute of Company Secretaries of India were applicable during the year.

(vii) Other laws applicable specifically to the Company (as given in '**Annexure-I**' to the Report).

We have also examined compliance with the applicable clauses of The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

We report that during the period under review the Following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company during the Financial Year under report;

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that during the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations Guidelines, Standards, etc. which are applicable on the Company subject to the following observations:

- In terms of provisions of Regulation 31(2) of The Securities and Exchange Board of India (Listing Obligation and

Disclosure Requirements) Regulations, 2015, the promoters' shareholding of the company is not 100% dematerialized and as per the representation of the company, the reason behind that the some of the shares of the promoters of the Company were pledged with the Bank and 1288000 Equity Shares in physical mode held by Late. Mr. Sajid Razak Dhanani yet to be transmitted into the name of his legal heir.

- The Company has received a show cause notice from the Securities and Exchange Board of India (SEBI) dated 10th December, 2015 regarding non-compliance relating to Minimum Public shareholding, The Company subsequently offloaded the excess shares in the market by giving offer for sale on 10th February, 2016 and 12th March, 2016 and had made the compliances of Minimum Public shareholding. Further the SEBI vide its letter dated 17th May, 2016 had withdrawn all the restrictions imposed on the promoters and the company vide its earlier order, and referred the matter (for delay in Compliances) for adjudication authorities under section 231 of Securities Contract (regulation) 1956 read with Securities Contract (regulation) (procedure for holding enquiry and imposing of penalty by adjudicating officer) rules, 2005. Presently the matter is under consideration with Adjudication authorities.
- The Company also has received a show cause notice form the Securities and Exchange Board of India (SEBI) dated 15th February, 2017 regarding the non compliance of regulation 13(6) of SEBI (Prohibition of Insider Trading) Regulations, 1992, read with regulation 12 of SEBI (Prohibition of Insider Trading) Regulations, 2015 for non submitting certain disclosures within the prescribed time-frame in the Financial Year 2005-2006. The Company has submitted his reply to the Security Exchange Board of India (Adjudication authorities) for such notice, and the matter is under consideration with the adjudication officer

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the

composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act, except the appointment of Independent Director to fill the casual vacancy arise due to resignation by an Independent Director in terms of provisions of Regulation 25(6) of SEBI (LODR) Regulation, 2015 read with clause VI (2) of Schedule IV of the Companies act, 2013.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting, except four board meetings held during the period on shorter notice and the necessary compliances has been followed by the Company in this regard, Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

Based on the information, representation, clarifications and reports provided by the Company, its Board of Directors, its designated Officers, and authorized representatives during the conduct of audit We further report that, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules and Regulations, guidelines and happening of events etc. to the Company.

We further report that during the year under report, Company has not undertaken event/ actions having a major bearing in the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above

**For Ritesh Gupta & Co.
Company Secretaries**

**Date : 22.07.2017
Place: Indore**

**Ritesh Gupta Gupta
CP:3764, FCS:5200**

Note: This report to be read with our letter of even date which is annexed as '**Annexure-A**' and forms part of this report.

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Annexure-I

IMPORTANT LAWS APPLICABLE SPECIFICALLY TO THE COMPANY

We have relied on the representation made and information, clarifications and reports provided by the Company, its Board of Directors, its designated Officers, and authorized representatives during the conduct of audit and also quarterly compliance report submitted by the department heads and taken on record by the Board of Directors of the Company to monitor and ensure compliances under other applicable Acts, Laws and regulations to the Company. Based on above we report that The Company has complied with the following laws and legislations applicable specifically to the Company.

1. Legislation for the construction and commissioning of hotels, restaurants, guest houses and other establishments, and includes, the industrial licensing policies, land laws and various development control orders issued by the central, state and local governments.

2. Legislation for the operation, maintenance and management of establishments, food and hygiene standards. It includes insurance laws, prevention and control of pollution, fire safety, weights and measures regulation and laws on labour and employment matters, various licenses, such as a liquor license, dance license, lodging house license, eating house license, police permissions, a license under the Shops and Establishment Act, or a license under the Food and Drug Administration Act etc.

**For Ritesh Gupta & Co.
Company Secretaries**

Date : 22.07.2017
Place: Indore

Ritesh Gupta
CP No. 3764, FCS:5200

‘Annexure A’ to the Secretarial Audit Report

To,
The Members,
Sayaji Hotels Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practice and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company since the same have been subject to review by statutory financial auditor, Cost auditor and other designated professionals.

4. The compliances of subsidiaries companies not been reviewed in this audit since the same have been subject to review by other designated professionals and not a part of our audit assignment.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future liability of the Company nor of the efficiency of effectiveness with which the management has conducted the affairs of the Company.

**For Ritesh Gupta & Co.
Company Secretaries**

Date : 22.07.2017
Place: Indore

Ritesh Gupta
CP No. 3764, FCS:5200

**ANNEXURE '2' TO BOARD'S REPORT
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND
FOREIGN EXCHANGE EARNINGS AND OUTGO**

[Section 134(3) (m) of The Companies Act, 2013 read with Rule 8(3) of The Companies Accounts) Rules, 2014]

(A) Conservation of Energy -

- (i) The steps taken or impact on conservation of energy; - None
- (ii) The steps taken by the Company for utilizing alternate sources of energy; - Company has taken solar power units from Ujaas Energy Ltd. for its hotel situated at Indore. Effectively 68% of power consumption of the above said hotel unit of the Company is through solar energy.
- (iii) The capital investment on energy conservation equipment; - None

(B) Technology Absorption

- (i) The efforts made towards technology absorption; - No technology absorption was done by the Company during the last financial year.
- (ii) The benefit derived like product improvement, cost reduction, product development or import substitution; - N.A.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –Company has not imported any technology during the last three financial years.
 - (a) The details of technology imported; - N.A.
 - (b) The year of import; - N.A.
 - (c) Whether the technology been fully absorbed; - N.A.
 - (d) If not fully absorbed, areas where absorption has not taken place, and the reason thereof; and - N.A.
 - (e) The expenditure incurred on Research and Development - N.A.

(C) Foreign exchange earnings and Outgo–

- i. Foreign Exchange Earning – 937.87 Lakhs
- li. Foreign Exchange Outgo – 16.17 Lakhs

**ANNEXURE '3' TO BOARD'S REPORT
EXTRACT OF ANNUAL RETURN
As on the financial year ended 31.03.2017**

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

FORM NO. MGT – 9

I. Registration and Other Details

CIN	L51100GJ1982PLC005131
Registration Date	05/04/1982
Name of the Company	Sayaji Hotels Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	Opp. Rajshree Talkies, Near Kala Ghoda, Sayajiganj, Vadodara – 390005 (Gujarat) Phone : 0265-2363030; Fax : 0265-2226134; Email – cs@sayajigroup.com
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Link In Time India Pvt. Ltd. C – 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083 Phone : 022-49186000 Email: rima.shah@linkintime.co.in, Name of Contact Person: Rima Shah

II. Principal Business Activities of the Company

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Hotel	55101	31.42%
Restaurants and Banquet	56301	68.58%

III. Particulars of Subsidiaries and associate Companies as on 31st March, 2017

Name and address of the Company	CIN / GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
Sayaji Housekeeping Services Ltd.	U74900KA2016PLC086985	Wholly-Owned Subsidiary	100%	2(87)
Aries Hotels Pvt. Ltd.	U74300GJ1996PTC030171	Subsidiary	52.37%	2(87)
Malwa Hospitality Pvt. Ltd.	U55209MP2008PTC020502	Subsidiary	51.67%	2(87)
Genex Hotels Pvt. Ltd.	U55100MP2012PTC028300	Associate	11.00%	2(6)

PART - A
EQUITY SHARES

IV (A). SHAREHOLDING PATTERN (Equity Share Capital Breakup as % of the total Equity)
i) Category-wise Shareholding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	8867935	1641100	10509035	59.99	88,67,935	1641100	10509035	59.99	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	2497575	120000	2617575	14.94	2497575	120000	2617575	14.94	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1):	11365510	1761100	13126610	74.93	11365510	1761100	13126610	74.93	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other...	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2):	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	11365510	1761100	13126610	74.93	11365510	1761100	13126610	74.93	0
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	0	4000	4000	0.02	0	4000	4000	0.02	0
b) Banks / FI	0	300	300	0.00	0	300	300	0.00	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0
Sub-Total (B)(1):	0	4300	4300	0.02	0	4300	4300	0.02	0
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	90662	13373	104035	0.59	87335	13373	100708	0.58	(0.01)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto 1 lakh	304210	215529	519739	2.97	294051	214213	508264	2.90	(0.07)

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	Total % of Shares	Demat	Physical	Total	Total % of Shares	
ii) Individual Shareholders holding nominal share capital in excess of 1 lakh	719782	0	719782	4.11	727104	0	727104	4.16	0.05
c) Others (HUF and Non Resident (Non Repatriable))	9413	0	9413	0.05	18142	0	18142	0.10	0.05
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0.00
ii) Other Foreign Nationals	0	0	0	0	0	0	0	0	0.00
iii) Foreign Bodies	0	0	0	0	0	0	0	0	0.00
iv) NRI / OCBs	3016416	17183	3033599	17.32	3014855	16383	3031238	17.31	0.01
v) Clearing Members/ Clearing House	512	0	512	0.00	1634	0	1634	0.00	0.00
vi) Trusts	10	0	10	0	0	0	0	0	0.00
vii) LLP	0	0	0	0	0	0	0	0	0.00
viii) Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0.00
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.00
Sub-Total (B)(2):	4141005	246085	4387090	25.05	4143121	243969	4387090	25.05	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	4141005	250385	4391390	25.07	4143121	248269	4391390	25.07	0.00
Grand Total (A+B)	15506515	2011485	17518000	100	15508631	2009369	17518000	100	0

ii) Shareholding of Promoters (Including Promoters Group)

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
Raooof Razak Dhanani	3898651	22.25	0	3898651	22.25	25.01	0.00
Anisha Dhanani	2643256	15.09	0	2,96,578	1.69	0.00	(13.40)
Ahilya Hotels Ltd.	2455000	14.01	35.03	2455000	14.01	10.39	0.00
Late. Sajid R. Dhanani	2435511	13.90	75.96	2435511	13.90	56.50	0.00
Nasim Desai	626900	3.57	0	626900	3.57	0.00	0.00
Suchitra Dhanani	320829	1.83	35.02	320829	1.83	35.02	0.00
Kayum Dhanani	118100	0.67	66.89	25,59,288	14.61	3.09	13.94
Habibunisha Dhanani	111077	0.63	54.02	93,700	0.53	0.00	(0.10)
Abbas Shaikh	50000	0.29	100	50000	0.29	0.00	0.00
Sadika Memon	50100	0.29	99.80	50100	0.29	0.00	0.00
Bipasha Dhanani	50000	0.29	0	50000	0.29	0.00	0.00
Shamim Sheikh	92577	0.53	54.01	50200	0.29	0.00	(0.24)
Nasim Dhanani	17378	0.10	0.00	0	0.00	0.00	(0.10)

Shareholders Name	Shareholding at the end of the year			Shareholding at the beginning of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
Abdul Razak Dhanani	50600	0.29	98.81	50600	0.29	0.00	0.00
Gulshanbanu Memon	17378	0.10	0.00	0	0.00	0.00	(0.10)
Mansoor Memon	100	0.00	0.00	100	0.00	0.00	0.00
Jamila Dhanani	9200	0.05	0	9200	0.05	0.00	0.00
Rafiqunisha Merchnat	17378	0.10	0.00	17378	0.10	0.00	0.00
Liberty Construction & Leasing Ltd.	120000	0.69	100	120000	0.69	0.00	0.00
Bharat Equity Services Ltd.-	1400	0.01	0.00	1400	0.01	0.00	0.00
M.P. Agro Industries Ltd.	41175	0.24	0.00	41175	0.24	0.00	0.00
Total	13126610	74.93		13126610	74.93		0

iii) Change in Promoters' (Including Promoters Group) Shareholding (Please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	13126610	74.93	13126610	74.93
Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	-	-	13126610	74.93
At the end of the year	13126610	74.93	13126610	74.93

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Abdul Gani Sarfaraz Dhanani	748687	4.27	748687	4.27
Sana Dhanani	716623	4.09	716623	4.09
Nasreen Yusuf Dhanani	715097	4.08	715097	4.08
Rohini S. Udar	526000	3.00	526000	3.00
Shraddha Ankit Gadiya	278600	1.59	278600	1.59
Ankit Gadiya	278600	1.59	278600	1.59
Shashikant Chandramohan Dubey	254850	1.45	254850	1.45
Ramiz Darvesh	115132	0.66	122454	0.6990
Trans Agro India Pvt. Ltd.	76000	0.43	76000	0.43
Dilip Kumar Gadiya	59850	0.34	59850	0.34

v) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mr. Raoof Razak Dhanani				
At the beginning of the year	3898651	22.26	3898651	22.26
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	-	-	3898651	22.26
At the end of the year	3898651	22.26	3898651	22.26
Mrs. Suchitra Dhanani				
At the beginning of the year	320829	1.83	320829	1.83
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	-	-	320829	1.83
At the end of the year	320829	1.83	320829	1.83
Mr. Kayum Razak Dhanani				
At the beginning of the year	118100	0.67	118100	0.67
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	Acquisition of 2346678 Equity Shares vide inter-se transfer between promoters dated 29.08.2016	13.40	2464778	14.07
	Acquisition of 25000 Equity Shares vide inter-se transfer between promoters dated 27.03.17	0.14	2489778	14.21
	Acquisition of 34755 Equity Shares vide inter-se transfer between promoters dated from 28.03.17	0.20	2524533	14.41
	Acquisition of 34755 Equity Shares vide inter-se transfer between promoters dated from 29.03.17	0.20	2559288	14.61
At the end of the year	25,59,288	14.61	25,59,288	14.61

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mr. Abdul Razak Dhanani				
At the beginning of the year	50600	0.29%	50600	0.29
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	-	-	50600	0.29
At the end of the year	50600	0.29%	50600	0.29%
Mr. Sandesh Khandelwal (CFO)				
At the beginning of the year	Nil	Nil	Nil	Nil
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
At the end of the year	Nil	Nil	Nil	Nil
Mr. Amit Sarraf (CS)				
At the beginning of the year	Nil	Nil	Nil	Nil
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
At the end of the year	Nil	Nil	Nil	Nil

*Mr. T.N. Unni, Mr. Pradeep Goyal, Mr. Abhay Chintaman Chaudhari (Independent Directors) and Mr. Sanjay Ahuja, Nominee Director does not hold any shares in the company.

*Mr. Abdul Razak Dhanani resigned from the post of director w.e.f. 07.02.2017.

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PART - B
PREFERENCE SHARES

(Preference Share Capital Breakup as % of the total Paid up Preference Share Capital)

i) Category-wise Shareholding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	0	1000000	1000000	100	0	1000000	1000000	100	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	0	0	00	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1):	0	1000000	1000000	100	0	1000000	1000000	100	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other...	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2):	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	0	1000000	1000000	100	0	1000000	1000000	100	0
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1):	0	0	0	0	0	0	0	0	0
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto 1 Lac	0	0	0	0	0	0	0	0	0

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	Total % of Shares	Demat	Physical	Total	Total % of Shares	
ii) Individual Shareholders holding nominal share capital upto 1 Lac	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
i) Shares held Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0
ii) Other Foreign Nationals	0	0	0	0	0	0	0	0	0
iii) Foreign Bodies	0	0	0	0	0	0	0	0	0
iv) NRI / OCBs	0	0	0	0	0	0	0	0	0
v) Clearing Members/ Clearing House	0	0	0	0	0	0	0	0	0
vi) Trusts	0	0	0	0	0	0	0	0	0
vii) LLP	0	0	0	0	0	0	0	0	0
viii) Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2):	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
Grand Total (A+B)	0	1000000	1000000	100	0	1000000	1000000	100	0

* There is a no Change in preference Shareholding during the year.

ii) Preference Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total Preference shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Preference shares of the Company	% of Shares Pledged / encumbered to total shares	
Saba Dhanani	125000	12.50	0	125000	12.50	0	0
Sadiya Dhanani	125000	12.50	0	125000	12.50	0	0
Azhar Dhanani	125000	12.50	0	125000	12.50	0	0
Zuber Dhanani	125000	12.50	0	125000	12.50	0	0
Kayum Dhanani	125000	12.50	0	125000	12.50	0	0
Akanksha Sara Dhanani	125000	12.50	0	125000	12.50	0	0
Saniya Dhanani	125000	12.50	0	125000	12.50	0	0
Suchitra Dhanani	125000	12.50	0	125000	12.50	0	0
Total	1000000	100.00	0	1000000	100.00	0	0

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

	Preference Shareholding at the beginning of the year		Cumulative Preference Shareholding during the year	
	No. of Shares	% of total Paid up Preference shares of the Company	No. of Shares	% of total Paid up Preference shares of the Company
At the beginning of the year	1000000	100.00	1000000	100.00
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	Nil	0	0	0
At the end of the year	1000000	100.00	1000000	100.00

*There is no Change in preference Shareholding during the year.

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) : Nil
v) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mrs. Suchitra Dhanani				
At the beginning of the year	125000	12.50	125000	12.50
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	125000	12.50
At the end of the year	125000	12.50	125000	12.50
Mr. Kayum Razak Dhanani				
At the beginning of the year	125000	12.50	125000	12.50
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	125000	12.50
At the end of the year	125000	12.50	125000	12.50

vi. INDEBTEDNESS

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

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i.e. 01.04.2016				
i) Principal Amount	5083.63	3778.32	-	8861.95
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	12.79	-	-	12.79
Total (i+ii+iii)	5096.42	3778.32	-	8874.74
Change in Indebtedness during the financial year i.e. 2016-17				
Addition	6038.00	5523.42	-	11561.42
Reduction	3168.65	8050.49	-	11219.14
Net Change	2869.35	(2527.07)	-	342.28

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year i.e. 31.03.2017				
i) Principal Amount	7945.45	1226.34	-	9171.79
ii) Interest due but not paid		24.91	-	24.91
iii) Interest accrued but not due	20.32		-	20.32
Total (i+ii+iii)	7965.77	1251.25	-	9217.02

vii. REMUNERATION OF DIRECTORS AND KMP
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:
(Rs. in Lakhs)

S.No.	Particular of Remuneration	Mrs. Suchitra Dhanani	Mr. Raoof Razak Dhanani	Total
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	18.77	0.00	18.77
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	13.24	0.00	13.24
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-		-
2	Stock Options	-		-
3	Sweat Equity	-		-
4	Commission	-		-
	- as % of profit	-		-
	- others, specify....	-		-
5	Others, please specify	-		-
	Total	32.01*	0.00	32.01

* Inclusive of Leave Encashment

B. Remuneration to other Directors:
1. Independent Directors (Rs. In Lakhs)

S.No.	Particular of Remuneration	Mr. T. N. Unni	Mr. Pradeep Goyal	Mr. Abhay Chaudhari	Total
1	-Fee for attending Board/Committee Meetings	0.41	0.14	0.07	0.62
2	-Commission	-	-	-	-
3	- Others, please specify	-	-	-	-
	Total B.1	0.41	0.14	0.07	0.62

2. Non-Executive Directors (Rs. In Lakhs)

S.No.	Particular of Remuneration	Mr. Abdul Razak Dhanani	Mr. Kayum Razak Dhanani	Tourism Finance Corporation of India Ltd.	Total
1	-Fee for attending Board/Committee Meetings	0	0	0.21	0.21
2	-Commission	-	-	-	-
3	- Others, please specify	-	-	-	-
	Total B2	0	0	0.21	0.21
	Total (B1+B2)				0.83

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S.No.	Particular of Remuneration	Mr. Sandesh Khandelwal CFO (Rs. In Lakhs)	Mr. Amit Sarraf CS (Rs. In Lakhs)	Total (Rs. In Lakhs)
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	11.95	4.97	16.92
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	8.69	4.23	12.92
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify....	-	-	-
5	Others, please specify	-	-	-
	Total C	20.64	9.20	29.84

viii. PENALTY/PUNISHMENT/COMPOUNDING OF OFFENCES - NONE

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	AUTHORITY [RD/NCLT/COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---
B. DIRECTOR					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---
C. OTHER OFFICER IN DEFAULT					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---

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ANNEXURE '4' TO BOARD'S REPORT

Disclosure pursuant to Section 197(12) of the Companies Act, 2013, and Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014]

- i. **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;-**

S. No.	Name of Director	Designation	Remuneration paid to Director in FY 15	Median Remuneration in FY 15	Ratio
i.	Mrs. Suchitra Dhanani	WTD	32.01	1.26	25.40 : 1

- ii. **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; -**

S. No.	Name	Designation	Remuneration Paid in FY16 (In Lakhs)	Remuneration Paid in FY 17 (In Lakhs)	Change (In Lakhs)	Change in terms of %
i.	Mrs. Suchitra Dhanani	WTD	31.48	32.01	0.53	1.68%
ii.	Mr. Sandesh Khandewal	CFO	18.77	20.64	1.87	9.96%
iii.	Mr. Amit Sarraf	CS	7.06	9.20	2.14	30.31%

- iii. **The percentage increase in the median remuneration of employees in the financial year;**

Remuneration FY16 (In Lakhs.)	Remuneration FY17 (In Lakhs)	Increase (In Lakhs)	%
1.40	1.26	(0.14)	(10%)

- iv. **The number of permanent employees on the rolls of company; -**

Name of the Company	No. of Employees on payroll (As on 31.03.16)	No. of Employees on payroll (As on 31.03.17)	% Change during the year
Sayaji Hotels Ltd.	2136	2098	(1.78%)

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

Remuneration paid to employees excluding managerial personal for FY 16 (In lakhs)	Remuneration paid to employees excluding managerial personal for FY 17 (In lakhs)	% change in remuneration paid to employees excluding managerial personal (In lakhs)	Remuneration paid to managerial personal for FY 16 (In lakhs)	Remuneration paid to managerial personal for FY 17 (In lakhs)	% change in remuneration paid to managerial personal (In lakhs)
3098.22	3343.47	7.92%	57.31	61.85	7.92%

- vi. **Affirmation that the remuneration is as per the remuneration policy of the Company -**

The remuneration provided by the Company to the directors and employees is as per the remuneration policy of the Company.

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended on
31st March, 2017

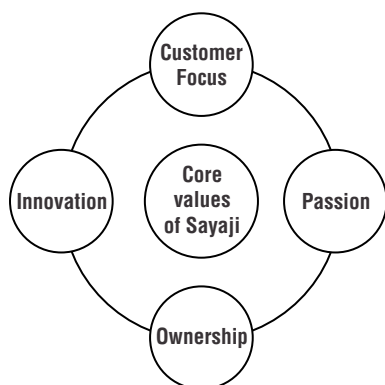
A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Sayaji Hotels Limited ('Sayaji') is committed to achieve the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set by the Regulators / applicable laws. Accordingly, your Board functions as trustees of the shareholders, seeks to ensure that the long term economic value for its shareholders is achieved and also tries to strike balance of interest of all the stakeholders.

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

We are committed to defining, following and practicing the highest level of corporate governance across all our business functions. Our corporate governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices and performance and ensure that we retain and gain the trust of our stakeholders at all times.

Our core values are equity, justice, transparency and accountability which are the touchstones of good governance and we practice them to the best extent in every sphere of our business activities. The Securities and Exchange Board of India (SEBI) has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on September 2, 2015, replacing the earlier listing agreement (w.e.f. December 1, 2015) and is aimed to consolidate and streamline the provisions of earlier listing agreements for different segments of the capital market viz. equity, debentures, debt instruments, etc.



The details of compliance are as follows:

B. GOVERNANCE STRUCTURE

Sayaji's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This structure brings about a judicious blend in governance as the Board sets out the overall corporate objectives and provides direction and independence to the Management to achieve these corporate objectives within a given framework. This brings about a conducive environment for value creation through sustainable.

Corporate Governance philosophy is put into practice at Sayaji group through the following four layers, namely,

- Governance by Board of Directors,
 - ● Governance by Sub-committees of Board of Directors,
 - Governance through Management process, and
 - ● Governance to Shareholders
- i. The Shareholders appoint the Board of Directors other than nominee Directors and authorizes the Board to conduct the business and ensure accountability to all the stakeholders.
 - ii. The Board of Directors is responsible for the vision, strategy and good governance of the Company. The Board ensures good returns to the Stakeholders through strategic management.
 - iii. The Committees of the Board are responsible to set governance policies and principles and overview the internal controls of the Company. The Board has established five committees.
 - iv. The Executive Management, Such as Managing director and Whole-Time Director appointed by the Board is responsible for day to day management of the Company in line with the strategies and principles set by the Board.

Board of Directors –

At Sayaji, the Board of Directors and its Committees play a fundamental role in upholding and nurturing the principles of good governance which translates into ethical business practices, transparency and accountability in the Company's dealing with its Members and other stakeholders and the utilization of resources for creating sustainable growth and societal wealth. The Board operates within the framework of a well-defined responsibility matrix which enables it to discharge its fiduciary duties of

safeguarding the interest of the Company. The Board's composition and size is robust and enables it to deal competently with emerging business issues and exercise independent judgment. The majority of the Directors on the Board including the Chairman are Independent Directors who have considerable expertise and experience in their respective fields.

Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India:

The Institute of Company Secretaries of India (ICSI), one of the premier professional bodies in India, has issued Secretarial Standards on important aspects like Board meetings and General meetings which are mandatorily and complied with.

Committees of Board-

With a view to have a more focused attention on various facts of business and for better accountability, Guiding corporate Strategy, internal controls the Board has constituted following committees in conformity with the applicable statutory requirements and the SEBI (LODR) Regulations, 2015 applicable on the Company.



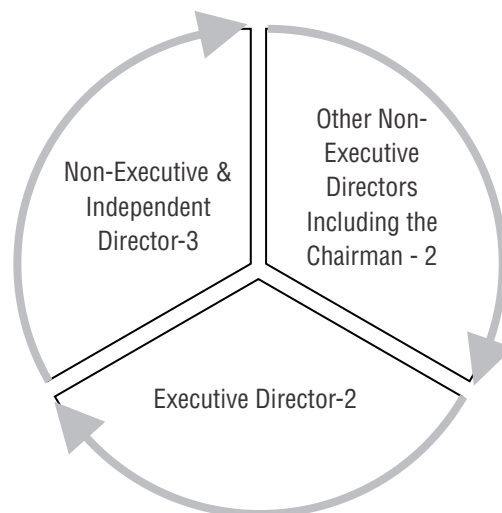
Management Structure –

Management Structure for running the business of the Company as a whole is in place with appropriate pattern of relationship among positions in the organization and members of the organization. Structure provides the framework for organizational activities and the management. This structure can be described as a framework that delegates responsibilities, working roles and relationship, and channel of communication. Management structure is a framework which discusses the needs of a project to be successful in organizing is dedicated by The Whole-Time Director and General Manager of respective units of the Company and are in overall control and responsible for the day-to-day working of the Company.

C. BOARD OF DIRECTORS

Board Composition and category of Directors as on March 31, 2017

The Board of Directors has an optimum combination of executive and non-executive independent directors including one women director.



Information placed before the Board of Directors:

The Board has complete access to any information within the Company. The information regularly supplied to the Board inter-alia included the following-

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the company and its operating divisions.
- Minutes of the meetings of the audit committee and other committees of the board.
- The information on recruitment and remuneration of senior officers just below the board level including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company,
- Any issue, which involves possible public or product liability claims of substantial nature including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another

enterprise that can have negative implications on the company.

- j) Details of any joint venture or collaboration agreement.
- k) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- l) Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- m) Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.
- n) Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material.
- o) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

D. Directors' Profile

Your Company's Board consists of dynamic leaders and visionaries who provide strategic direction and guidance to the organization. They collectively bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision making process. The brief profile of the Company's Board of Directors is as under:

S.No.	Name of the Directors	Profile
1.	T. N. Unni (DIN-00079237)	Mr. T.N. Unni, aged 78 years is a Chartered Accountant by profession and Chairman of the Board. He is one of the oldest professional working in the Indore City. He has expertise in accounts, taxation, Corporate Governance practices etc.
2.	Raoo Razak Dhanani (DIN-00174654)	Mr. Raoo Razak Dhanani aged 54 years is Managing Director of Sayaji Hotels Ltd. He carries with him vast experience of the fertilizers industry. The Company is expanding tremendously under his guidance.
3.	Suchitra Dhanani (DIN-00712187)	Mrs. Suchitra Dhanani, aged 53 years is Whole-Time Director of Sayaji Hotels Ltd. and qualified as MSW. She is presently taking care of training department of the Company and also involved in day to day critical matters of the Company

S.No.	Name of the Directors	Profile
4.	Kayum Razak Dhanani (DIN-00987597)	Mr. Kayum Dhanani, aged 45 years is qualified as an IGCS from Cambridge University. Presently he is serving as non-executive director of the Company. He has wide range of experience viz. soles and shoes industry, fertilizers business and hotel & restaurant business.
5.	Abhay Chintaman Chaudhari (DIN-06726836)	Mr. Abhay Chintaman Chaudhari, aged 61 years is a retired senior Bank officer. He had worked as Chief General Manager in State Bank of India. He was also deputed to other associates companies of State Bank on time to time basis. He is well versed in finance, capital market, risk management etc.
6.	Sanjay Ahuja (DIN-00084945)	Mr. Sanjay Ahuja, aged 47 years qualified as Company Secretary and Cost Accountant. Presently he is the Compliance Officer of Tourism Finance Corporation of India Ltd. "TFCI" and acting as a nominee of TFCI on the Board of the Company. He has vast experience of secretarial practices and also having detailed knowledge about the pulse of the hotel and tourism industry.
7.	Pradeep Goyal (DIN-02798770)	Mr. Pradeep Goyal, aged 52 years is a Chartered Accountant and associated with the Company as independent director. He has large experience in the field of Finance, Accounts and Taxation.

E. Board Training and Induction

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors.

Other Relevant Details of Directors:

Name of the Director	Date of Appointment	Category	Number of directorship held in Indian Public/Private Co. including this Co.	Chairmanship in the Board	Committee Position	
					Member	Chairman
Mr. Raoof Razak Dhanani	14/11/2013	Promoter	15	0	1	0
Mr. Kayum Razak Dhanani	30/11/2012	Promoter	13	0	3	0
Mrs. Suchitra Dhanani	06/02/2014	Promoter	7	0	3	2
Mr. T. N. Unni	31/01/2002	Independent	6	1	7	4
Mr. Pradeep Goyal	06/02/2014	Independent	9	0	6	2
Mr. Sanjay Ahuja	01/02/2012	Nominee of TFCI	1	0	2	0
Mr. Abhay Chintaman Chaudhari	14/02/2017	Independent	3	0	3	0

Board Meetings held during the Year

Date on which the Board Meetings were held	Total Strength of the Board	No of directors present
30.05.2016	7	4
06.08.2016	7	3
24.10.2016	7	3
12.11.2016	7	3

Date on which the Board Meetings were held	Total Strength of the Board	No of directors present
01.12.2016	7	5
27.12.2016	7	3
14.01.2017	7	4
14.02.2017	7	5

Attendance of Directors at Board Meetings

Attendances at the Board meeting held on	Mr. Abdul Razak Dhanani	Mr. Raoof Razak Dhanani	Mr. Kayum Razak Dhanani	Mrs. Suchitra Dhanani	Mr. T. N. Unni	Mr. Pradeep Goyal	Mr. Sanjay Ahuja	Mr. Abhay Chaudhari
30.05.2016	No	Yes	No	No	Yes	Yes	Yes	N.A.
06.08.2016	No	No	No	Yes	Yes	Yes	No	N.A.
24.10.2016	No	Yes	No	Yes	Yes	No	No	N.A.
12.11.2016	No	No	No	No	Yes	Yes	Yes	N.A.
01.12.2016	Yes	Yes	Yes	Yes	Yes	No	No	N.A.
27.12.2016	No	Yes	No	Yes	Yes	No	No	N.A.
14.01.2017	No	Yes	No	Yes	Yes	Yes	No	N.A.
14.02.2017	N.A.	Yes	No	Yes	Yes	No	Yes	Yes

Note (1) Mr. Abdul Razak Dhanani resigned from the Board on 7th Feb. 2017.

(2) Mr. Abhay Chintaman Chaudhari is appointed as an additional director (independent category) w.e.f. 14.02.2017. He is also appointed in Audit Committee, Nomination and Remuneration Committee and Stakeholders relationship Committee.

Attendance of Directors at General Meeting

Attendances at the General meeting held on	Mr. Abdul Razak Dhanani	Mr. Raoof Razak Dhanani	Mr. Kayum Razak Dhanani	Mrs. Suchitra Dhanani	Mr. T. N. Unni	Mr. Pradeep Goyal	Mr. Sanjay Ahuja	Mr. Abhay Chaudhari
29.09.2016	No	Yes	No	No	Yes	No	No	N.A.

F. Disclosure of Relationship between Directors inter-se:

Name	Relationship	Name of other Directors in inter-se relationship
Mr. Abdul Razak Dhanani	Father	Mr. Raoof Razak Dhanani Mr. Kayum Razak Dhanani
	Daughter in Law	Mrs. Suchitra Dhanani
Mr. Raoof Razak Dhanani	Son	Mr. Abdul Razak Dhanani
	Brother	Mr. Kayum Razak Dhanani
	Sister in Law	Mrs. Suchitra Dhanani
Mr. Kayum Razak Dhanani	Son	Mr. Abdul Razak Dhanani
	Brother	Mr. Raoof Razak Dhanani
	Sister in Law	Mrs. Suchitra Dhanani
Mrs. Suchitra Dhanani	Father in Law	Mr. Abdul Razak Dhanani
	Brother in Law	Mr. Raoof Razak Dhanani
	Brother in Law	Mr. Kayum Razak Dhanani

No. of Shares held By Non- Executive Director

Name of Director and KMPs	No. of Shares Held
Mr. Kayum Razak Dhanani	3638079

The Company actively uses the facility of video conferencing permitted under Section 173(2) of the Act, read together with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, facilitates the participation of a Director in Board/Committee Meetings through video conferencing or other audio visual mode which enables all the persons participating in meeting to communicate concurrently with each other thereby saving on the cost to the Company and optimally utilizing the valued time of the Directors except in respect of such Meetings/Items which are not permitted to be transacted through video conferencing.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall

operating performance, , progress of major projects and reviews such other items which require Board's attention. It directs and guides the activities of the Management towards the set goals and seeks accountability. It also sets standards of corporate behavior, ensures transparency in corporate dealings and compliance with laws and regulations. The Agenda for the Board Meeting covers items set out as guidelines in Regulation 17 to 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions

G. Selection and Appointment of Director:

The Nomination & Remuneration Committee plays an important role in ensuring that there is a formal and transparent process for appointment to the Board of Directors also approved the policy for selection. In the policy, the committee facilitates potential candidates to assess their level of competence, experience and their personal and other positive attributes before making its recommendation to the Board.

The Nominations and Remuneration Committee of the Board had approved the criteria for determining qualifications, positive attributes and independence of Directors in terms of the Act and the Rules there under, both in respect of Independent Directors and other Directors as applicable, as reported last year. The criteria inter alia requires that Directors shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration other disciplines related to the Company's business.

Directors are appointed / re-appointed with the approval of the Members. All Directors, other than Independent Directors, are liable to retire by rotation, unless otherwise approved by the Members. One-third of the Directors who are liable to retire by rotation retires every year and are eligible for re-election.

As required under Regulation 46(2)(b) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company has issued formal letters of appointment to the Independent Directors. The terms & conditions of appointment of their appointment are posted on the Company's website and can be accessed at www.sayajihotels.com

H. Separate Meeting of Independent Directors:

The Independent Directors of the Company meet from time to time as they deem appropriate without the presence of Executive Directors or management personnel. During the year under review, an annual Independent Directors meeting in accordance with the provisions of Section 149 (8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI (LODR) Regulations, 2015, was convened on January 14, 2017, wherein all Independent Directors were present, to review the performance of the Non-Independent Non-Executive Directors including the Chairman of the Board and performance of the Board as a whole. The Non-Independent Directors did not take part in the meeting.

The independent directors in the meeting referred above shall, inter alia reviews-

- (a) review the performance of non-independent directors and the board of directors as a whole;
- (b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
- (c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

I. Agenda:

Adequate notice was given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, all agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Agenda also includes minutes of the meetings of all the Board Committees and Subsidiaries for the information of the Board. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

J. Invitees at Proceedings:

Apart from the Board members, the Company Secretary and the CFO are invited to provide assistance and the Statutory Auditors and Internal Auditors are the permanent invitees to attend all the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the items being discussed by the Board. The CFO makes presentation on the quarterly and annual operating & financial performance and on annual operating & capex budget. The Managing Director and other senior executives make presentations on capex proposals & progress, operational health & safety and other business issues. The Chairman of various Board Committees brief the Board on all the important matters discussed & decided at their respective committee meetings, which are generally held prior to the Board meetings.

K. Recording minutes of proceedings at Board and Committee meetings

The Company Secretary records minutes of proceedings of each Board and Committee meetings. Draft minutes are circulated to Board/ Board Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

L. Post Meeting Action:

After the Board meeting, we have formal system of follow up, review and reporting on actions taken by the management on the decisions of the Board and subcommittees of the Board. The important decisions taken at the Board/Committee meetings are communicated to the departments/divisions concerned promptly.

M. Support and Role of Company Secretary:

- is a vital link between the company and its Board of Directors, shareholders, government and regulatory authorities.

- Ensures that Board procedures are both followed and regularly reviewed and provides guidance to Chairman and the Directors on their responsibilities under various laws.
- Commands high position in the value chain and acts as conscience seeker of the Company.
- Is responsible for convening the Board and Committee meetings as per directions of the Whole time/ Managing Director and preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings.

N. Board Evaluation:

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of directors on various parameters such as:

- Board dynamics and relationships
- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and committees' effectiveness
- Peer evaluation

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board.

The evaluation process has been explained in the corporate governance report. The Board approved the evaluation results as collated by the nomination and remuneration committee.

O. Familiarization Programme for Independent Directors

The Board is responsible for overall supervision of the Company. To achieve this, Board undertakes periodic review of various matters including business wise performance, risk management, borrowings, internal audit/external audit reports etc. In order to enable the Directors to fulfill the governance role, comprehensive presentations are made on the various businesses, business models, risk minimization procedures and new initiatives of the

Company. Changes in domestic/overseas corporate and industry scenario including their effect on the Company, statutory and legal matters are also presented to the Directors on a periodic basis. Details regarding familiarization programme imparted by the Company is available on the website of the Company www.sayajihotels.com

Further, at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a Director.

P. Code of Conduct:

The Company has adopted the code of conduct and ethics for directors and senior management. The Code is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct in relation to the Company's business and reputation. The Code covers SHL's commitment to sustainable development, concern for occupational health, safety and environment, transparency and auditability, legal compliance and the philosophy of leading by personal example.

The code has been circulated to all the members of the Board and senior management personnel and the same has been posted on the Company's website www.sayajihotels.com

All Board Members and Senior Management Personnel have confirmed compliance with the Code. A declaration to that effect signed by the Managing Director is attached, and forms part of this Annual Report.

Q. Prevention of Insider Trading Code:

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities. The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading. The Company has appointed Mr. Amit Sarraf, Company Secretary, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities.

R. COMMITTEES OF THE BOARD

With a view to have a more focused attention on business and for

better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and non-mandatory committees viz. Borrowing and Investment Committee.

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

i. Audit Committees

Mandatory Committee

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors including the Cost auditors, the performance of internal auditors and the Company's risk management policies. The audit committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI (LODR) Regulations 2015, read with Section 177 of the Act.

The terms of reference of the audit committee are broadly as under:

- Reviewing with the management, the quarterly/annual financial statements before submission to the Board, focusing primarily on:
 - Overseeing the Company's financial reporting process and the disclosure of its financial information, including earnings, press release, to ensure that the financial statements are correct, sufficient and credible;
 - Review Reports on the Management Discussion and Analysis of financial condition, results of Operations and the Directors' Responsibility Statement
 - Compliance with accounting standards and changes in accounting policies and practices as well as reasons thereof;
 - Major accounting entries involving estimates based on exercise of judgment by Management;

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report there on before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
 - 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 Management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- To recommend the appointment, remuneration, terms of appointment and removal of Statutory Auditors, and to review the manner of rotation of Statutory Auditors;
- Evaluation of internal financial controls and risk management systems;
- Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
- The audit committee shall review the information required as per SEBI Listing Regulations.

The composition of the **Audit Committee** as at 31st March, 2017 and details of meetings attended by its members are given below:

Name of the Member	Category	Attendances at the Audit Committee meeting held			
		30.05.2016	06.08.2016	12.11.2016	14.02.2017
Mr. T. N. Unni	Chairman	Yes	Yes	Yes	Yes
Mr. Sanjay Ahuja	Member	Yes	No	Yes	Yes
Mr. Pradeep Goyal	Member	Yes	Yes	Yes	No
Mr. Abhay Chintaman Chaudhari	Member	N.A.	N.A.	N.A.	Yes

Note: (1) Mr. Abhay Chintaman Chaudhari is appointed as a member of the Committee (independent category) w.e.f. 14.02.2017

(2) The Company Secretary of the Company is acted as the Secretary of the Committee.

The Committee relies on the expertise and knowledge of the management, the internal auditors and the Statutory Auditor, in carrying out its oversight responsibilities. It also uses external expertise, if required.

The representatives of the Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee Meetings. The Chief Financial Officer (CFO) attended all the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee. The Internal Auditor reports directly to the Audit Committee.

ii. Stakeholders' Relationship Committee

Mandatory Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Committee is responsible for resolving investor's complaints pertaining to share transfers, non-receipt of annual reports, Dividend payments, , approves subdivision / consolidated / renewal / issue of, transmission of shares and other shareholder related queries, complaints etc.

The composition of the **Stakeholders' Relationship Committee** as at 31st March, 2017 is as under:

Name of the Member	Category
Mr. T. N. Unni	Chairman
Mr. Abhay Chintaman Chaudhari	Member
Mr. Pradeep Goyal	Member

- Mr. Amit Sarraf, Company Secretary is the Compliance officer under the SEBI (LODR) Regulations, 2015.
- Mr. T.N. Unni, Independent Director, is the Chairman of the Committee.
- The Committee meets on need basis. During the year 2016-2017, no meeting of the committee is held.

- As on March 31st, 2017 there was 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 Nil, Outstanding complaints as on 31st March, 2017 were nil as per records.

iii. Corporate Social Responsibility (CSR) Committee -

The CSR committee was set up to formulate and monitor the CSR policy of the Company. The CSR committee adopted a policy that intends to strive for economic development that positively impacts the society at large with a minimal resource footprint; and to be responsible for the Company's actions and encourage a positive impact through its activities on the environment, communities and stakeholders.

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- Monitor the CSR Policy of the Company from time to time;

The composition of the CSR Committee as at 31st March, 2017

S.No.	Name of the Member	Category
i	Mrs. Suchitra Dhanani	Chairperson
ii.	Mr. T. N. Unni	Member
iii.	Mr. Pradeep Goyal	Member

During the year under review there is no liability on the Company to incur expenditure on CSR activities as prescribed u/s 135 and Schedule VII of the Companies Act, 2013 for the reason of that the average net profit of the Company for immediately preceding three financial years does not fall within the criteria of net worth/or turnover and/or profit as stated u/s 135.

iv. Independent Directors' Meeting

During the year under review, the Independent Directors met on 12.11.2016 inter alia to review the performance of following Non-Independent Directors and Board as a whole.

- Mrs. Suchitra Dhanani - Whole time Director
- Mr. Kayum Razak Dhanani - Non Executive Director
- Mr. Raoof Razak Dhanani - Managing Director
- Mr. Sanjay Ahuja - Nominee Director of TFCI
- Mr. Abdul Razak Dhanani - Director

Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board/Committee meetings, when senior Company's personnel are asked to make presentations about the performance of their Independent Company/Business Unit, to the Board.

Mr. T.N. Unni and Mr. Pradeep Goyal being Independent Directors, of the Company were present at the meeting and the Company Secretary assisted for the said meeting.

v. Borrowing and Investment Committee –Non Mandatory Committee

The Borrowing and Investment Committee was constituted to take decision on borrowing, providing guarantee/security and to make investment subject to the provisions of the Companies Act, 2013 and limit approved by the shareholders of the Company.

The composition of the **Borrowing and Investment Committee** as at 31st March, 2017 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendances at the Borrowing and Investment Committee meeting held
Mrs. Suchitra Dhanani	Chairperson	There were no meeting held during the year
Mr. Raoof Razak Dhanani	Member	
Mr. Pradeep Goyal	Member	

vi. Nomination and Remuneration Committee –

The Nomination & Remuneration Committee is governed by a Charter. The Chairman of the Committee is an Independent Director and majority of the Members on the Committee are Independent Directors.

The terms of reference of the Committee inter alia, include the following:

- Succession planning of the Board and executive Committee;
- Identifying and selection of candidates for appointment as Directors/Independent Directors based on certain laid down criteria.
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial personnel and members of the Executive Committee and their remuneration.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

The composition of the **Nomination & Remuneration Committee** as at 31st March, 2017 and the details of Members' participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendances at the Nomination & Remuneration Committee meeting held	
		14.01.2017	14.02.2017
Mr. Pradeep Goyal	Chairman	Yes	Yes
Mr. Sanjay Ahuja	Member	No	No
Mr. T.N. Unni	Member	Yes	Yes
Mr. Abhay Chintaman Chaudhari	Member	N.A.	N.A.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration (N&R) Committee has adopted a policy which, inter alia, deals with the manner of selection of Board of Directors, CEO & Managing Director and their remuneration. The policy is as follows

Introduction

The Company considers human resources as its invaluable assets. The policy on nomination and remuneration of directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of provisions of Companies Act 2013 and Listing (Obligation and Disclosure Requirement) Regulation, 2015 to pay equitable remuneration to the directors, KMPs and employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company

Objective and Purpose of the Policy

The Objectives and purpose of the policy are:

- To formulate the criteria for determining qualification, competencies positive attributes and independence for the appointment of a director (executive/non- executive) and recommend to the Board policies relating to the remuneration of the directors, KMPs and other employees. This includes reviewing and appraising corporate goals and objectives relevant to the compensation of Chief Executive Officer (CEO), evaluating CEO'S performance in the light of those goals and objectives, and either as committee or together with the other independent directors (as directed by the Board), determine and approve the CEO's Compensation level based on the evaluation and making recommendation to the Board with respect to non-executive officer compensation, incentive – compensation and equity based plans that are subject to the Board's approval:
- To address the following items:
 - i. committee member qualifications
 - ii. committee member appointment and removal
 - iii. committee structure and operations
 - iv. committee reporting to the Board
- To formulate the criteria for evaluation of performance of all the directors on the Board.
- To devise a policy on Board diversity; and
- To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals

Constitution of Nomination and Remuneration Committee

The Board has Nomination and Remuneration Committee. The Board has the authority to reconstitute this committee from time to time.

Definitions

1. 'The Board' means Board of Directors of the Company.
2. 'Directors' means Directors of the Company.
3. 'The Committee' means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with Act and applicable Listing Agreement and/or regulations.
4. 'The Company' means Sayaji Hotels Limited.
5. 'Independent Director' means director referred in 149(6) of the Companies Act, 2013 and rules.
6. Key Managerial Personnel (KMP) means:
 - The Managing Director or the Chief Executive Officer or the manager and the Whole time director:
 - The Company Secretary; and
 - The Chief Financial Officer

7. Senior management means personnel of the Company who are members of its core management team excluding the Board of Directors. This would include all members of management, one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expression used in this policy and not defined herein but defined in Companies Act 2013 and Listing Regulation as may be amended from time to time shall have the meaning respectively assigned to them therein.

General

The Policy is divided into three parts:

Part –A covers the matters to be dealt with and recommended by the committee to the Board;

Part-B covers the appointment and nomination; and

Part-C covers the remuneration and perquisites etc

This policy shall be included in the Board's report.

Part-A

Matters to be dealt with, perused and recommended to the Board by the nomination and remuneration committee

The following matters shall be dealt by the committee:

Size and Composition of Board

Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decision, with a variety of perspectives and skills, in the best interest of the Company as a whole

Directors

Formulate the criteria determining qualification, positive attributes, and independence of a director and recommending candidates to the Board, when circumstances warrant the appointment of new director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board.

Succession plans

Establishing and reviewing Board and senior executive succession plans to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and senior management.

Evaluation of performance

Make recommendations to the Board on appropriate performance criteria for the directors

Formulate the criteria and framework for evaluation of performance of every director on the Board of the Company.

Identify ongoing training and education programs for the Board to ensure that non -executive directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.

Board diversity

The Committee is to assist the Board in ensuring that diversity of gender, thought, experience, knowledge and perspective is maintained in the Board nomination process, in accordance with Board diversity policy.

Remuneration framework and policy

The committee is responsible for reviewing and making recommendation to the Board on:

- (a) The remuneration of managing director, whole-time director and KMPs;
- (b) The total level of remuneration of non-executive directors and for individual remuneration for non-executive director and the Chairman, including any additional fees payable for membership of Board committees;
- (c) The remuneration policies for all the employees including KMPs, senior management and other employees including base pay, incentive payments, equity awards, retirement rights and service contracts, having regard to the need to:
 - (i) attract and motivate talent to pursue the Company's long - term growth
 - (ii) demonstrate a clear relationship between executive compensation and performance; and
 - (iii) be reasonable and fair, having regard to the best governance practices and legal requirements
- (d) The Company's equity- based incentives schemes, including a consideration of performance thresholds and regulatory and market requirements;
- (e) The Company's superannuation arrangements and compliance with relevant laws and regulation in relation to superannuation arrangements; and
- (f) The Company's remuneration reporting in the financial statements and remuneration report.

PART –B

Policy for appointment and removal of directors, KMPs and senior management.

Appointment criteria and qualification

The criteria for the appointment of Directors, KMPs and Senior Management are as follows:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the persons for appointment as a director, KMP or senior management level and recommend to the Board his/her appointment.
- A person to be appointed as director, KMP or in senior management should possess adequate qualification, expertise and experience for the position he/she is considered for appointment too. The committee has discretion to decide whether the qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

- A person to be appointed as director, should possess impeccable reputation for integrity, deep expertise and insights in sectors /areas relevant to the Company, ability to contribute to the Company's growth, and complementary skills in relation to the other Board members.
- A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole- time KMP can be appointed as a director in any company, with the permission of the Board of the Company

Term/Tenure

Managing Director/Whole- time Director

The Company shall appoint or re- appoint any person as its managing director and CEO or whole -time director for a term not exceeding five years at a time. No re- appointment shall be made earlier than one year before the expiry of the term.

Independent Director

An independent director shall hold office for a term of up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of special resolution by the Company and disclosure of such appointment in the Board's report.

No independent director shall hold office for more than two consecutive terms, but such independent directors shall be eligible for appointment after the expiry of three years of ceasing to become an independent director. Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an independent director for five years or more in the Company as on April 1, 2014 or such other date as may be determined by the committee as per regulatory requirement he/ she shall be eligible for appointment for one more term of five year only.

At the time of appointment of an Independent director, it should be ensured that the number of Boards on which such independent director serves is restricted to seven listed company as an independent director and three listed company as an independent director in case such person is serving as a whole –time (executive) director of a listed company.

Removal

Due to any of the reason for disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the committee may recommend to the Board with reason recorded in writing the removal of a director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

The whole- time directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the whole -time directors, KMP and senior management personnel in the same position /remuneration or otherwise, even after attaining retirement age, for the benefit of the Company.

PART-C

Policy relating to the remuneration of directors, KMPs and other employees.

General

- The remuneration/compensation/commission to directors will be determined by the committee and recommended to the Board for approval.
- The remuneration and commission to be paid to the managing director shall be in accordance with provisions of the Companies Act, 2013, and the rules made thereunder.
- Increments to the existing remuneration/compensation structure may be recommended by the committee to the Board which should be within the limits approved by the shareholders in the case of managing director.
- Where any insurance is taken by the Company on behalf of its managing director, Chief Financial Officer, Company Secretary and any other employee for indemnifying them against any liability the premium paid on such insurance shall not be treated as the part of the remuneration payable to any such personnel. Provided that if such personnel is proved to be guilty, the premium paid on such insurance shall be treated as the part of the remuneration.

Remuneration of Non-Executive/Independent Directors

The Non-Executive/Independent Directors shall be entitled to receive remuneration by way of sitting fees and reimbursement of expenses for participation in the Board / Committee meetings as detailed hereunder:

- i. A Non-Executive/Independent Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

Remuneration for the CEO & Managing Director

- i. At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes

the N&R Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.

- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the CEO & Managing Director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retirement benefits. The variable component comprises performance bonus.
- iv. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure/consider the following:
 - a. The relationship of remuneration and performance benchmarks is clear;
 - b. Balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - c. Responsibility required to be shouldered by the CEO & Managing Director, the industry benchmarks and the current trends;
 - d. The Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

Remuneration Policy for the Senior Management Employees

- I. In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure/consider the following:
 - i. the relationship of remuneration and performance benchmark is clear;
 - ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - iii. The remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
 - iv. The remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual's performance vis-à-vis KRAs/ KPIs, industry benchmark and current compensation trends in the market.

- II. The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

Policy review

The policy is framed based on the provisions of the Companies Act 2013 and the rules made thereunder and requirements of the Listing (Obligation and Disclosure Requirements) Regulation, 2015

In case of any subsequent changes in the provisions of Companies Act 2013 or any other regulation which makes any of the provisions in the policy inconsistent with the Act or regulation, the provisions of the Act or regulation would prevail over the policy and the provisions of the policy would be modified in due course to make it consistent with the law.

The policy shall be reviewed by the nomination and remuneration committee as and when changes need to be incorporated in the policy due to changes in regulations or as may be felt appropriate by the committee. Any change or modification in the policy as recommended by the committee would be given for approval to the Board.

TERMS OF APPOINTMENT & REMUNERATION –WHOLE-TIME DIRECTOR

1. Mrs. Suchitra Dhanani

Period of Appointment	3 Years (from 06.02.2017 to 05.02.2020)
Salary Grade	Rs. 260738/- ^{1&2} Per Month
Perquisite & Allowances	Upto the 100% of the salary
Minimum Remuneration	In case of in absence or inadequacy of the profit in any financial year, the Company shall pay the above said remuneration i.e. (Salary+Perquisite& allowances) subject to the maximum of Rs. 5,00,000 per month
Notice Period	180 Days

¹. With the annual increment as may be decided by the Board of Directors of the Company.

². Remuneration revised by the company w.e.f. 1st April 2017.

TERMS OF APPOINTMENT & REMUNERATION –MANAGING DIRECTOR

1. Mr. Raoof Razak Dhanani

Period of Appointment	3 Years (from 05.10.2015 to 04.10.2018)
Salary Grade	Rs. 1/-
Perquisite & Allowances	Nil
Minimum Remuneration	As stated above
Notice Period	60 Days

POLICY ON MATERIAL SUBSIDIARY COMPANIES

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year.

The Audit Committee reviews the financial statements of the Company's unlisted subsidiary Companies. The Minutes of the Board Meetings of Subsidiary Companies along with a report on significant developments are periodically placed before and reviewed by the Board of Directors of the Company.

POLICY FOR DEALING WITH THE RELATED PARTY TRANSACTIONS

There was no transaction held with related party during the year except the transaction which were already approved by the Board/Audit Committee previously and are the nature of ordinary course of the business and on arm's length basis. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

As required under regulation of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015, the Company has adopted a policy on Related Party Transactions. The abridged policy on Related Party Transactions is available on the Company's website at www.sayajihotels.com. Apart from receiving director remuneration, none of the Directors has any pecuniary relationships or transactions vis-à-vis the Company. During the year 2016-17, no transactions of material nature were entered into by the Company with the Management or their relatives that may have a potential conflict of interest with the Company and the concerned officials have given undertakings to that effect as per the provisions of the Listing Regulations.

The Register under Section 188 of the Companies Act, 2013 is maintained and particulars of transactions have been entered in the Register, wherever applicable.

POLICY FOR PRESERVATION OF DOCUMENTS

According to Regulation 9 of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015, there is requirement to adopt Policy for preservation of documents. Policy involves the systematic identification, categorization, maintenance, review, retention, and destruction of documents received or created in the course of business. The Board has approved the policy for preservation of documents which has been uploaded on the Company's website.

POLICY FOR DETERMINATION OF MATERIALITY

In line with requirements under regulation 30(4) (ii) of SEBI (Listing Obligations and Disclosures Requirements) Regulation,

2015 the Company has framed a policy on disclosure of material events and information as per the Listing Regulations. The objective of this policy is to have uniform disclosure practices and ensure timely, adequate and accurate disclosure of information on an ongoing basis.

The Policy on materiality as approved by the Board can be accessed on the Company's Website.

POLICY FOR PREVENTION, PROHIBITION & REDRESSAL SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Pursuant to the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2014, your Company has a framework for employees to report sexual harassment cases at workplace and our process ensures complete anonymity and confidentiality of information. The Company has constituted the dedicated Internal Complaint Committee for each of its work place. The details of the Committee are available on the website of the Company.

DISCLOSURES

Material Transactions

There was no transaction held with related party during the year except the transaction which were already approved by the Board/Audit Committee previously and are the nature of ordinary course of the business and on arm's length basis. Your Company has not entered into any transactions with related parties which could be considered material in terms of Section 188 of the Companies Act, 2013 that would have required Shareholder approval under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly there are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

Strictures and Penalties

The Company had complied with the requirements of regulatory authorities on capital markets and no penalties/strictures was imposed against it in the last three years by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority.

Public issue/Right Issue

The Company has not come out with any public issue or right issue etc. during the financial year under review.

MD / CFO Certification

Pursuant to the provisions of Regulation 33 (1) (e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 certificate signed by Mr. Raoof Razak Dhanani, Managing Director and Mr. Sandesh Khandelwal, Chief Financial Officer certifying that the financial statements do not

contain any untrue statement and these statements represent a true and fair view of the Company's affairs was placed before the board of directors meeting held on 30.05.2017 and the said certificate is annexed and forms part of the Annual Report.

CODE OF CONDUCT

In conformity with Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, our Company has adopted a Code of Conduct. The Code is applicable to the members of the Board, the executive officers and all the employees of the Companies and its Subsidiaries. The code is available on our website: www.sayajihotels.com

The members of the board and senior management personnel have affirmed the compliance with Code applicable to them during the year ended March 31, 2017. The annual report of the Company contains a certificate by the Managing Director in terms of SEBI Listing Regulations affirming compliance with the Code of Conduct by the members of the Board and Senior Management Personnel.

INTERNAL CONTROL AND WHISTLE BLOWER/VIGIL MECHANISM POLICY

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory /regulatory compliances.

It has documented policies and procedures covering all the financials and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, and protecting assets from unauthorized use or losses, compliances with regulations. The Company has continued its efforts to align all its processes and controls with global best practices. The Company's business processes are on IDS platform and have a strong monitoring and reporting process resulting in financial discipline and accountability.

Pursuant to the Provisions of section 177(9) and (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 and 46(2) (e) of SEBI (LODR) Regulations, 2015 the Company has adopted a Whistle Blower Policy which provides for a vigil mechanism that encourages and supports its Directors/Committee Members and employees to report instances of unethical behavior, actual or potential fraud violation of the Company's code of conduct or ethics policy. It also provides for adequate safeguards against victimization of persons who use this mechanism and direct access to the Competent Authority. The Whistle Blower Policy can be accessed on your Company's Website.

Mrs. Suchitra Dhanani has been appointed as Competent Authority to whom the complaint may be addressed.

PREVENTION OF INSIDER TRADING

The Company has adopted Code of Conduct for Prevention of Insider Trading policy to regulate, Monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) regulations 2015. This Policy includes practices and procedures for the fair disclosure of unpublished price sensitive information, initial, continual disclosure. The Company has automated the declarations and disclosures to identified designated employees; Board reviews the policy on a need basis. The Company Secretary & Compliance Officer is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

MEANS OF COMMUNICATION:

- **Quarterly results:** The Company's quarterly results are published in 'Western Time English' and 'Western Time Gujarati', and are displayed on its website (www.sayajihotels.com).
- **News releases, presentations, among others:** Official news releases and official media releases are sent to Stock Exchange.
- **Presentations to institutional investors / analysts:** Detailed presentations are made to institutional investors and financial analysts on the Company's unaudited quarterly as well as audited annual financial results. These presentations are also uploaded on the Company's website (www.sayajihotels.com).
- **Website:** The Company's website (www.sayajihotels.com) contains a separate dedicated section 'Investor' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.
- **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.
- **Corporate Filing and Dissemination System (CFDS):** The CFDS portal jointly owned, managed and maintained by BSE is a single source to view information filed by listed companies. All disclosures and communications to BSE are filed electronically through the CFDS portal.
- **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre. In continuation of the Exchange's ongoing

endeavour to ensure that critical information / disclosures are available to the investors on real time basis, the Exchange is putting in place a new Corporate Announcement Filing System (CAFS).

- **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized 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.

GENERAL INFORMATION TO SHAREHOLDERS

Financial Year Ended : 31st March, 2017

Investor Services

The Company has M/s Link In time India Pvt. Ltd., Mumbai as a Registrar and Share Transfer Agent which offers all Share related services to its Members and Investors. These services include transfer / transmission / dematerialization of shares, payment of dividends, sub-division/ consolidation / renewal of share certificates and investor grievances.

The Link In time India Pvt. Ltd. is registered with SEBI as registrar to an issue/share transfer agent in category I and the registration number is INR000004058.

Address for Correspondence with the Registrar and Transfer Agent

Link Intime India Pvt. Ltd.
C – 101, 247 Park,
LBS Marg, Vikhroli West, Mumbai – 400083
Email – rima.shah@linkintime.co.in
Phone: 022-49186000, Fax: 022-49186060

Address for Correspondence with the Company

Sayaji Hotels Ltd.
H-1, Scheme No. 54, Vijay Nagar, Indore – 452010
Phone: 0731-4006666
Fax: 0731-4003131
Email : cs@sayajigroup.com

Communication by E-mail:

For transfer/transmission/subdivision/demat/loss of shares /dividend/general inquiries and investor grievance remaining unattended: cs@sayajigroup.com.

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain their Demat Account/s for queries relating to shareholding, change of address updation of bank details for electronic credit of dividend. However, queries relating to non-receipt of dividend, non-receipt of annual reports or on matters relating to the working of the Company should be addressed to the Company. The Members are requested to update their mobile

numbers and e-mail ID's in the user profile details of the folio, which may be used by the Company for sending future communications to them.

Members are requested to ensure that correspondence for change of address, change in bank details, processing of unclaimed dividend, subdivision of shares, renewals/split/consolidation of share certificates, issue of duplicate share certificates should be signed by the first named Member as per the specimen signature registered with the Company in case of joint holders. The Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as certified copies of PAN Cards and other proof of identity and/or address.

Members are requested to indicate their DP ID & Client ID/ Ledger Folio number in their correspondence with the Company and also to provide their Email addresses and telephone numbers/FAX numbers to facilitate prompt response from the Company.

Market Information

Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges:

Name and Address of the Stock Exchanges	Stock/Script Code	ISIN for CDSL/NSDL Dematerialized Shares
BSE Ltd. P.J. Towers, Dalal Street, Fort, Mumbai-400 001	523710	INE318C01014

Payment of Listing Fees:

Annual listing fee for the year 2017-18 has been paid by the Company to BSE.

Payment of Depository Fees

Annual Custody/Issuer fee for the year 2017-18 has been paid by the Company to NSDL and CDSL.

International Securities Identification Number (ISIN)

ISIN is an identification number for traded shares. This number needs to be quoted in each transaction relating to the dematerialized equity shares of the Company. ISIN number of the equity shares of the Company is INE318C01014.

Equity Share Price on BSE vis-à-vis BSE April, 2016– March, 2017

Month	BSE Sensex Closed	Equity Share Price			No of Shares Traded during the month	Turnover Rs. In Lakhs
		High	Low	Close		
April-2016	25606.62	136.00	116.00	124.00	23	77281
May-2016	26667.96	147.70	120.00	133.45	59	476382
June-2016	26999.72	149.65	126.60	140.35	93	632809
July-2016	28051.86	168.00	130.00	130.00	44	680084
August-2016	28452.17	144.95	121.10	136.50	80	434340
Sept.-2016	27865.96	136.40	124.05	129.00	33	744399
Oct.-2016	27930.21	167.70	133.00	161.30	122	1154871
Nov.-2016	26652.81	193.55	152.00	155.00	96	1089097
Dec.-2016	26626.46	166.00	145.10	145.10	71	1060118
Jan.-2017	27655.96	170.00	140.30	164.00	61	1013763
Feb.-2017	28743.32	160.50	139.05	141.50	36	339439
March-2017	29620.50	198.45	148.00	185.00	143	1724337

SHARE TRANSFER SYSTEM / DIVIDEND AND OTHER RELATED MATTERS
i. Share transfers

Share transfer in physical form are processed and the certificates are generally returned to the Transferees within a period of 15 days from the date of receipt of transfer provided the transfer documents lodged with the RTA are complete in all respects.

ii. Nomination facility for shareholding

As per the provisions of section 72 of the Companies act 2013, facility of for making nomination is available for members in respect of shares held by them. Members holding shares in physical form may obtain nomination form, from the Registrar and Transfer agent of the Company. Members holding shares in dematerialized form should contact their Depository Participant (DP) in this regard.

iii. Permanent Account Number (PAN)

The Securities Exchange Board of India mandated the submission of permanent account Number (PAN) by every participant in securities market.

Members holding Shares in physical form can furnish their PAN details in the following cases:

1. Transferee's and Transferor's PAN Cards for transfer of shares.
2. Legal heirs /Nominee's PAN Cards for transmission of shares.
3. Surviving joint holders' PAN Card for deletion of name of deceased shareholders, and
4. Joint Holders PAN Card for transposition of shares.

Members holding Shares in electronic form are therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their Demat accounts.

iv. Shares held in Electronic Form

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, nomination and power of attorney should be given directly to the Depository Participant (DP). They are

requested to register/update the same with their Depository Participant (DP).

v. Shares held in Physical Form

Shareholders or members, who are holding Company's Share in physical form and have not registered/updated their email addresses and bank mandates with the Company, are requested to submit their requests to Company's RTA for receiving all communications including Annual reports, Notices, Circulars, etc.

vi. Unclaimed Dividend

As per section 125 of the Companies Act, 2013 the Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years to the Investor Education & Protection Fund (IEPF) established by the Government. During the year no dividend had been declared by the Company hence there is no amount of unclaimed dividend lying in the books of the Company which require being transfer into Investor Education & Protection Fund.

vii. Pending Investors' Grievances

The Company attends to shareholder /Investor complaints, queries and other correspondence generally within a period of 8-10 working days except where constrained by disputes or legal impediments.

The Company did not receive any complaints during the financial year ended on 31.03.2017.

The e-mail ID earmarked by the Company for this Purpose: cs@sayajigroup.com

viii. Reconciliation of Share Capital Audit

As required under Regulation 55A of Securities and Exchange Board of India (Depositories and Participants) Regulation 1996 and Stock Exchanges, a Reconciliation of Share Capital Audit by Practicing Company Secretary is carried out at the end of every Quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The said audit confirms that the total issued /paid up capital tallies with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Distribution of Shareholding as on March 31, 2017

No. of Shares (Slab)	No. of Share holders	%	No. of shares	% of share Capital
1-500	3286	94.53	352260	2.01
501-1000	95	2.73	75766	0.43
1001-2000	28	0.81	43298	0.25
2001-3000	12	0.35	30240	0.17
3001-4000	6	0.17	21465	0.12
4001-5000	5	0.14	23843	0.14
5001-10000	8	0.23	58907	0.34
10001 or more	36	1.04	16912221	96.54
TOTAL	3535	100	17518000	100.00

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository

Services (India) Limited (CDSL) whereby Members have an option to dematerialize their shares with either of the depositories.

Shareholding Pattern as on 31st March, 2017

	No. of Shares held	%
Promoters	6347842	36.24
Banks, Financial Institutions, Insurance Companies & Mutual Funds		
i. Banks	0	0.00
ii. Financial Institutions	300	0.00
iii. Insurance Companies	0	0.00
iv. Mutual Funds/UTI	4000	0.02
Central & State Governments	0	0.00
Foreign Institutional Investors	0	0.00
NRIs / Foreign Nationals	3032558	17.31
Directors	6778768	38.70
Public and Others	1354532	7.73
TOTAL	17518000	100.00

Statement showing Shareholding of more than 1% of the Capital as on 31st March, 2017

S.No.	Name of shareholders	No. of Shares held	% of shareholding
1.	Mr. Raoof Razak Dhanani	3898651	22.26%
2.	Mr. Kayum Razak Dhanani	2559288	14.61%
3.	Ahilya Hotels Limited	2455000	14.01%
4.	Late. Mr. Sajid R. Dhanani	2435511	13.90%
5.	Mrs. Nasim Desai	626900	3.58%
6.	Mr. Abdul Gani Sarfaraz Dhanani	748687	4.27%
7.	Ms. Sana Yusuf Dhanani	716623	4.09%
8.	Mrs. Nasreen Yusuf Dhanani	715097	4.08%
9.	Mrs. Rohini S. Udar	526000	3.00%
10.	Mrs. Suchitra Dhanani	320829	1.83%
11.	Mrs. Anisha Raoof Dhanani	296578	1.69%
12.	Mr. Ankit Gadiya	278600	1.59%
13.	Mrs. Shraddha Ankit Gadiya	278600	1.59%
14.	Mr. Shashikant Dubey	254850	1.45%

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Particulars of the Last 3 Annual General Meetings/Extra General meeting held-

i. Last three annual general body meetings were held as per details shown below

AGM	Date of AGM	Venue of AGM and Time	No of Special Items transacted	Whether Chairman of the Audit Committee has attended the meeting
33rd AGM	29.09.2016	Sayaji Hotel, Opposite Rajshree Talkies, Near Kala Ghoda, Sayajiganj, Vadodara – 390005 (Gujarat) at 3.00 P.M.	1	Yes
32nd AGM	26.09.2015	Sayaji Hotel, Opposite Rajshree Talkies, Near Kala Ghoda, Sayajiganj, Vadodara – 390005 (Gujarat) at 3.00 P.M.	2	Yes
31st AGM	23.08.2014	Sayaji Hotel, Opposite Rajshree Talkies, Near Kala Ghoda, Sayajiganj, Vadodara – 390005 (Gujarat) at 3.00 P.M.	8	Yes

ii. **Extra-ordinary General Meeting**

There was no Extraordinary General Meeting was held during the year 2016-2017.

Details of Resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern

During the year under review, no resolution was passed through the exercise of postal ballot.

OTHER INFORMATIONS

Board Meeting for consideration of Accounts for the financial year ended March 31, 2017.	30th May, 2017
Date of closing of the financial year	31st March, 2017
Posting of Annual Reports	04.09.2017
Book Closure Dates	11.09.2017 to 12.09.2017
No. of Shares in the Demat & % of the total shares in the Demat	15508631 Shares (88.53% of the total paid up capital of the Company)
Total No. of shareholders as at 31.03.2017	3457
Particulars of Shares kept under the suspense A/c as per Regulation 39(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015	N.A./Nil
Details of the outstanding ADR/GDR/ Warrants	Nil
Cutoff date for remote e-voting	22.09.2017
Remote E-Voting period	25.09.2017 to 28.09.2017
Name of the Scrutinizers	M/s Ritesh Gupta & Co., Company Secretaries
Name of the Compliance Officer	Mr. Amit Sarraf
Last date for receipt of Proxy Forms	27.09.2017
Date, Time & Venue of the 34 Annual General Meeting	Date – 29.09.2017 Time – 3.00 P.M. Venue – Sayaji Hotel, Opposite Rajshree Talkies, Near Kala Ghoda, Sayajiganj, Vadodara – 390005 (Gujarat)
Dividend Payment Date	N.A.
Probable date of dispatch of warrants	N.A.

MANAGEMENT RESPONSIBILITY STATEMENT

The Management of the Company accepts responsibility for the integrity and objectivity of these financial statements, as well as for estimates and judgments 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 K.L. Vyas & Company, Chartered Accountants, the Statutory Auditors of the Company.

For and on behalf of the Board of Directors

Place: Indore
Date: 30.05.2017

T.N. Unni
Chairman
DIN 00079237

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Compliance with Code of Business Conduct and Ethics

As provided under Regulation 26 and sub-regulation (3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2017.

Place: Indore
Date: 30.05.2017

For Sayaji Hotels Limited
Suchitra Dhanani
Whole-Time Director
DIN- 00712187

COMPLIANCE CERTIFICATE

[Under Regulation 17(8) of SEBI (LODR) Regulations, 2015]

To,
The Board of Directors
Sayaji Hotels Limited

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Sayaji Hotels Limited ("the Company") to the best of our knowledge and belief certify that:

- (A) We have reviewed the Financial Statements, Cash Flow Statements, Books of Accounts, detailed trial balance and grouping thereof for the Financial Year 2016-17 and that to the best of our knowledge and belief, we state that:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) 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.
 - (3) No transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- (B) We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the auditors and the Audit committee
- (a) significant changes in internal control over financial reporting during the Financial Year 2016-17
 - (b) significant changes in accounting policies during the period and that the same have been disclosed in the notes of the financial statements; and
 - (c) instances of significant fraud of which they 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.

For : Sayaji Hotels Limited

For : Sayaji Hotels Limited

Place: Indore
Date: 30.05.2017

Raouf Razak Dhanani
Managing Director
DIN-00174654

Sandesh Khandelwal
Chief Financial Officer

Auditors Certificate for Corporate Governance Compliance

To
The Members,
Sayaji Hotels Limited,
Vadodara

1. We have examined the compliance of conditions of corporate governance by Sayaji Hotels Limited, ('the Company'), for the year ended on March, 31, 2017, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the Listing Agreement of the said Company with stock exchanges.
2. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchanges subject to observation in sub-para – (a), (b) & (c) of Para 3 of our report of even date.
 - (a) In terms of provisions of Regulation 31(2) of The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the promoters' shareholding of the company is not 100% dematerialized and as per the representation of the company, the reason behind that the some of the shares of the promoters of the company were pledged with the Bank and 1288000 Equity Shares in physical mode held by Late Mr. Sajid Razak Dhanani yet to be transmitted into the name of his legal heir.
 - (b) The Company has received a show cause notice from the Securities and Exchange Board of India (SEBI) dated 10th December, 2015 regarding non-compliance relating to Minimum Public shareholding. The Company subsequently off loaded the excess shares in the market by giving offer for sale on 10th February, 2016 and 12th March, 2016 and had made the compliances of Minimum Public shareholding. Further the SEBI vide its letter dated 17th May, 2016, had withdrawn all the restrictions imposed on the promoters and the company vide its earlier order, and referred the matter (for delay in compliances) for adjudication authorities under section 231 of Securities Contract (Regulation) 1956 read with Securities Contract (Regulation) (procedure for holding enquiry and imposing of penalty by adjudicating officer) Rules, 2005. Presently, the matter is under consideration with Adjudication authorities.
 - (c) The company also has received a show cause notice form the Securities and Exchange Board of India (SEBI) dated 15th February, 2017 regarding the non compliance of regulation 13(6) of SEBI (Prohibition of Insider Trading) Regulations, 1992, read with regulation 12 of SEBI(Prohibition of Insider Trading) Regulations, 2015 for non submitting certain disclosures within the prescribed time-frame in the Financial Year 2005-2006. The Company has submitted its reply to the Security Exchange Board of India (Adjudication Authorities) for such notice, and the matter is under consideration with the adjudication officer.
4. 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

Place : Udaipur
Date : 23.08.2017

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

INDEPENDENT AUDITORS' REPORT

To,
The Members,
Sayaji Hotels Limited,

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Sayaji Hotels Limited

(the Company), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 standalone financial statements based on our audit.

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, 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 aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29.1 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 29.4 to the standalone financial statements.

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

**Place of Signature : Indore
Date : 30th May, 2017**

**(K.L. Vyas)
Partner
M. No. 072043**

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ANNEXURE –A TO THE AUDITORS' REPORT

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 STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017.

- (i) (a) The company has maintained proper records showing full particulars including quantitative details of fixed assets, 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) According to the information and explanations given to us and on the basis of our examination of the conveyance deed provided to us, we report that, the title deeds, comprising of all the immovable properties of land and buildings which are freehold, are in the name of the Company as at the balance sheet date.

In respect of immovable properties been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company, however, there is a notice for cancellation of lease by the Indore Development Authority for cancelling the lease of one leasehold land situated in Indore with carrying value of Rs. 2291.62 Lacs, which company is contesting.

- (ii) (a) The physical verification of the inventory is being conducted on a monthly basis by the management and no material discrepancies were noticed.

- (iii) (a) Company has not granted any loan to any Company, firm, LLP or any other party required to be covered in register maintained under section 189 of the Companies Act, 2013.

In view of situation explained as above provisions of clause 3 (iii) (b) & (c) of the Order are not applicable to be Company.

- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under, 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.
- (vi) Central Government has not prescribed for the maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013, for any of the business activity carried by the Company during the year under review.
- (vii) (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.

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 31.03.2017 for a period of more than six months from the date they became payable.

- (b) 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	To be preferred before High Court of M.P., Indore Bench, Indore, within stipulated time.	800.74
	Service Tax	2009-2013	Honourable CESTAT, Mumbai.	39.27
	Service Tax	Apr.'11-Jun.'12	To be preferred before High Court of M.P., Indore Bench, Indore, within stipulated time	538.54
	Service Tax	Apr'12 – Mar.15	Commissioner (Appeals), Ahmedabad	2.02
Income Tax Act, 1961.	Tax deducted at Source	A.Y.15-16	Commissioner of Income Tax (Appeals), Ahmedabad	3.60
		A.Y.09-10 A.Y.10-11	Commissioner of Income Tax (Appeals), Indore.	2.15
		A.Y.14-15	Commissioner of Income Tax (Appeals), Vadodara	92.31
M.P. Value Added Tax Act, 2002	Value Added Tax	2010-11	Appellate Tribunal, Commercial Taxes, Indore. Commissioner (Appeal), Commercial Taxes, Indore	0.56
		2011-12		10.91
		2011-12		37.72
		2012-13		2.87
		2013-14		0.52
		2014-15		2.94
M.P. Luxury, Entertainment & Advertisement Tax Act, 2011	Luxury Tax	2012-2013	Commissioner (Appeal), Commercial Taxes, Indore	40.60
		2013-2014		30.85
		2014-2015		26.00
M.P. Entry Tax Act, 1976	Entry Tax	2012-2013	Commissioner (Appeal), Commercial Taxes, Indore	0.01
		2014-2015		1.76
M.P. Municipal Corporation Act, 1956	Property Tax	2015-16	The Mayor-In-Council, Indore Municipal Corporation, Indore	32.70
			TOTAL	1922.85

- (viii) 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 loans or borrowing to financial institutions, banks, Government or dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year, however, the Company has raised term loans during the year and were applied for the purposes for which those were raised.
- (x) 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.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where

applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**(K.L. Vyas)
Partner
M. No. 072043**

**Place of Signature : Indore
Date : 30th May, 2017**

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ANNEXURE –B TO THE AUDITORS’ REPORT**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER
CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE
COMPANIES ACT, 2013 (“THE ACT”)**

We have audited the internal financial controls over financial reporting of Sayaji Hotels Limited (“the Company”) as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based

on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place of Signature : Indore
Date : 30th May, 2017**

**(K.L. Vyas)
Partner
M. No. 072043**

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BALANCE SHEET AS AT 31st MARCH 2017

(Rs. In Lacs)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
I EQUITY AND LIABILITIES			
(i) Shareholder's Funds			
a. Share Capital	2	2,751.80	2,751.80
b. Reserves & Surplus	3-A	7,123.41	7,540.37
Total Shareholder's Funds (i)		9,875.21	10,292.17
Deferred Income	3-B	681.50	—
(ii) Non-current liabilities			
a. Long-Term Borrowings	4	6,516.28	2,356.60
b. Other Long Term Liabilities	5	2,100.44	2,083.99
c. Long-Term Provisions	6	533.96	474.08
Total Non-Current Liabilities (ii)		9,150.68	4,914.67
(iii) Current liabilities			
a. Short-Term Borrowings	7	1,497.45	4,215.15
b. Trade Payables	8	—	—
i Total outstanding dues of Micro enterprises and small enterprises		—	—
ii Total outstanding dues of creditors other than Micro enterprises and small enterprises		779.41	1,131.67
c. Other Current Liabilities	9	5,438.56	3,800.71
d. Short Term Provisions	10	465.50	674.42
Total Current Liabilities (iii)		8,180.92	9,821.95
Grand Total (i+ii+iii)		27,888.31	25,028.79
II ASSETS			
(i) Non-Current Assets			
a. Fixed Assets	11		
i) Tangible Assets		15,760.16	13,189.58
ii) Intangible Assets		6.44	9.59
iii) Capital Work-in-Progress		7.36	3,318.80
Total Fixed Assets		15,773.96	16,517.97
b. Non-Current Investments	12	2,097.54	2,097.93
c. Deferred Tax Assets (net)	13	1,279.68	1,051.82
d. Long-Term Loans and Advances	14	749.68	544.59
e. Other Non-Current Assets	15	87.21	3.10
Total Non-Current Assets (i)		4,214.11	3,697.44
(ii) Current Assets			
a. Inventories	16	1,429.43	1,468.63
b. Trade Receivables	17	633.74	906.39
c. Cash and Cash Equivalents	18	1,386.41	588.15
d. Short-Term Loans and Advances	19	696.99	611.67
e. Other Current Assets	20	3,753.67	1,238.54
Total Current Assets (ii)		7,900.24	4,813.38
Grand Total (i+ii)		27,888.31	25,028.79
Significant Accounting Policies	1		
Notes on Financial Statements	2 TO 29		

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

For and on behalf of the Board of Directors

For K.L.Vyas & Company

Chartered Accountants

Firm Regn. No. 003289C

K.L.Vyas

Partner

M.No. 072043

Indore, 30th May 2017

T.N Unni

Director

DIN-00079237

Raof Razak Dhanani

Managing Director

DIN-00174654

Sandesh Khandelwal

Chief Financial Officer

Amit Sarraf

Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2017

(Rs. In Lacs)

Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Continuing Operations			
INCOME			
Revenue From Operations	21	15,818.47	16,106.80
Other Income	22	139.23	189.87
TOTAL		15,957.70	16,296.67
EXPENDITURE			
Cost of Material Consumed	23	3,683.60	4,011.29
Operating Expenses	24	3,926.41	4,010.23
Employee Benefit Expenses	25	3,886.08	3,652.23
Other Expenses	26	1,426.45	1,185.79
		12,922.54	12,859.54
Operating profit before Intt.		3,035.16	3,437.13
Less: Finance Cost	27	1,526.94	1,209.27
Profit before Depreciation		1,508.22	2,227.86
Less: Depreciation	11	2,074.05	2,311.20
Add : Depreciation Written Back		0.15	0.03
Profit /(Loss) before exceptional & extraordinary items		(565.68)	(83.31)
Exceptional Items - Income/(Expenses)	28	—	1,146.85
Profit/(Loss) before Tax		(565.68)	1,063.54
Tax Expense			
Current Tax		50.18	503.29
Deferred Tax		(227.86)	(470.66)
Earlier years' Tax		28.96	50.34
Profit/(Loss) for the year from continuing operations		(416.96)	980.57
Earning Per Equity Share of Face value of Rs. 10 Each			
(1) Basic		(3.07)	4.92
(2) Diluted		(3.07)	4.92
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 29		

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

For and on behalf of the Board of Directors

For K.L.Vyas & Company

Chartered Accountants

Firm Regn. No. 003289C

K.L.Vyas

Partner

M.No. 072043

Indore, 30th May 2017

T.N Unni

Director

DIN-00079237

Raouf Razak Dhanani

Managing Director

DIN-00174654

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

(Rs. In Lacs)

Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax from continuing operations		(565.68)		1,063.54
Non-cash adjustment to reconcile profit before tax to net cash flows				
Depreciation & Amortisation including adjustments	2,073.90		2,311.17	
Deferred Income Amortisation	(48.43)			
(Profit) /Loss on Sale/Disposal of Fixed Assets & Restaurant	37.70		(1,142.83)	
Interest Expense	1,526.94		1,209.27	
Dividend Income	–		(94.66)	
Interest Received	(16.60)	3,573.51	(38.89)	2,244.06
Operating profit before Working Capital changes		3,007.83		3,307.60
Adjustments for:				
Increase/(Decrease) in other long term liabilities	16.45		76.82	
Increase/(Decrease) in long term provisions	59.88		86.03	
Increase/(Decrease) in trade payables	(352.26)		383.70	
Increase/(Decrease) in other current liabilities	2,850.68		315.89	
Increase/(Decrease) in short term provisions	66.21		121.95	
Decrease/(Increase) in long term advances	(205.09)		(13.72)	
Decrease/(Increase) in Inventories	39.20		(209.43)	
Decrease/(Increase) in trade receivable	272.65		(159.50)	
Decrease/(Increase) in short term advances	(41.85)		(260.42)	
Decrease/(Increase) in other current assets	(2,515.13)	190.74	(1,238.54)	(897.22)
Cash generated from operations		3,198.57		2,410.38
Taxes (Paid)/Refund		(397.74)		(291.28)
Net cash from operating activities		2,800.83		2,119.10
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed assets	(1,368.87)		(4,541.80)	
Sale/Disposal of Fixed assets	1.28		1,225.07	
Govt. Grant Received	729.93		–	
Purchase of Trade Investments	0.00		(637.50)	
Sale of Investments	0.39		631.06	
Maturity/(Investment) in current Investment	–		–	
Maturity/(Investment) in Non Current Fixed Deposits	(84.11)		15.29	
Dividend Received	–		94.66	
Interest Received	16.60		38.89	
Net cash used in investing activities		(704.78)		(3,174.33)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

(Rs. In Lacs)

Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayment) from Issue of Shares	–		83.34	
Proceeds/(Repayment) of Share Premium	–		41.67	
Proceeds/(Repayment) of Long Term Borrowings	2,946.85		(1,165.30)	
Proceeds/(Repayment) of loans from others	(2,604.57)		3,716.50	
Proceeds/(Repayment) of Secured Short Term Borrowings	(113.13)		81.35	
Interest Paid	(1,526.94)		(1,209.27)	
Net cash generated from financing activities		(1,297.79)		1,548.29
Net increase/(Decrease) in cash and cash equivalents	798.26		493.06	
Cash and cash equivalents - OPENING BALANCE	588.15		95.09	
Cash and cash equivalents - CLOSING BALANCE		1,386.41		588.15

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

For and on behalf of the Board of Directors

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

K.L.Vyas
Partner
M.No. 072043
Indore, 30th May 2017

T.N Unni
Director
DIN-00079237

Sandesh Khandelwal
Chief Financial Officer

Raof Razak Dhanani
Managing Director
DIN-00174654

Amit Sarraf
Company Secretary

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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 in 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, 2013.

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.

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, based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II are used;

PARTICULARS	DEPRECIATION
Assets constructed on Leased Premises	Over the period of Lease Term
Computer Software	Over a period of Five Years

Investments

Current investments are stated at lower of cost and fair market 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 Weighted Average 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

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.

Government Grants

Grants related to depreciable fixed assets: Grants are treated as deferred income. The deferred income is recognised in profit and loss account on a systematic and rational basis over the useful life of assets. Such allocation to income is made over the periods and in proportions in which depreciation on related assets is charged.

Grants related to non-depreciable fixed assets : If the conditions attached to grants are fulfilled, Grants are credited to capital reserve account; or

If condition attached to grants is yet to be fulfilled, Grants are credited to "Capital Reserve" over the same period over which cost of meeting such conditions is charged to income. And Unapportioned deferred income is disclosed in the balance sheet as "Deferred Govt. Grants".

Benefits 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

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. Further in case of Operating Lease pending for renewal, Lease Charges are provided for at the just concluded rates.

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, 2017	As at 31st March, 2016
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		
17,518,000 Equity Shares of Rs. 10/- each (Previous year 17,518,000 Equity Shares of Rs. 10/- each)	1,751.80	1,751.80
1,000,000 10% Cumulative Redeemable Preference Shares of Rs. 100/- each (Previous year 1,000,000 10% Cumulative Redeemable Preference Shares of Rs. 100/- each)	1,000.00	1,000.00
TOTAL	2,751.80	2,751.80
SUBSCRIBED & PAID-UP		
17,518,000 Equity Shares of Rs. 10/- each (Previous year 17,518,000 Equity Shares of Rs. 10/- each)	1,751.80	1,751.80
1,000,000 10% Cumulative Redeemable Preference Shares of Rs. 100/- each (Previous year 1,000,000 10% Cumulative Redeemable Preference Shares of Rs. 100/- each)	1,000.00	1,000.00
TOTAL	2,751.80	2,751.80

(a) 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 2017, the amount of per share dividend recognised as distributions to equity shareholders was Rs. Nil (Previous Year Rs.Nil)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

2.2 Details of Share holders holding more than 5% of Shares are as under:—

Name	Category	As at 31st March, 2017		As at 31st March, 2016	
		% 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	22.26%	3898651	22.26%	3898651
Anisha Raof Dhanani	Promoter	—	—	15.09%	2643256
Kayum Razak Dhanani	Promoter	14.61%	2559288	—	—
Ahilya Hotels Limited	Promoter	14.01%	2455000	14.01%	2455000

*(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.

2.3 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :—

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of Shares	Rs. In Lacs	Number of Shares	Rs. In Lacs
Outstanding at the beginning of the year	17,518,000	1,751.80	17,518,000	1,751.80
Add : Fresh issue during the year	—	—	—	—
Outstanding at the end of the year	17,518,000	1,751.80	17,518,000	1,751.80

(b) Terms/rights attached to preference shares :

2.4 That during Financial year 2014-15 company had issued 10,00,000, 10% Cumulative Redeemable Preference Shares of Rs. 100/- each at a premium of Rs.50/- each. Out of above, pending 83338 shares were subscribed & paid up during the year 2015-16.(P.Y. 10,00,000 Preference Shares) of Rs.100/- each)

2.5 That above shares are to be redeemed within five years from the date of issue of same, at the rate of Rs. 220/- per preference share.

2.6 That above Preference share holders are having preference over payment of dividend to equity share holders and accordingly arrears of preference dividends is required to be cleared before payment to Equity Share holders. And on the date of Balance Sheet, dividend on preference shares for more than 3 years are in arrears. And accordingly vide Second Proviso to Section 47(2) of the Companies Act, 2013, in case company is unable to pay dividend on preference shares for two years or more then such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

2.7 Details of Share holders holding more than 5% of 10% Cumulative Preference Shares are as under:—

Name	Category	As at 31st March, 2017		As at 31st March, 2016	
		% of Shareholding	No of Shares	% of Shareholding	No of Shares
Saba Dhanani	Promoter	12.50%	125000	12.50%	125000
Azhar Dhanani	Promoter	12.50%	125000	12.50%	125000
Zuber Yusuf Dhanani	Promoter	12.50%	125000	12.50%	125000
Sadiya Dhanani	Promoter	12.50%	125000	12.50%	125000
Kayum Dhanani	Promoter	12.50%	125000	12.50%	125000
Sara Dhanani	Promoter	12.50%	125000	12.50%	125000
Sanya Dhanani	Promoter	12.50%	125000	12.50%	125000
Suchitra Dhanani	Promoter	12.50%	125000	12.50%	125000

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.

2.8 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :—

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of Shares	Rs. In Lacs	Number of Shares	Rs. In Lacs
Outstanding at the beginning of the year	1,000,000	1,000	916,662	916.66
Add : Issued during the year	---	---	83,338	83.34
Outstanding at the end of the year	1,000,000	1,000.00	1,000,000	1,000.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

		(Rs In Lacs)	
		As at 31st March, 2017	As at 31st March, 2016
3-A RESERVES AND SURPLUS :			
(a) Securities Premium Reserve			
Opening at beginning		6,444.60	6,402.93
Addition during the year		—	41.67
Utilised during the year		—	—
Closing at end		6,444.60	6,444.60
(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) Profit & Loss Account -Surplus/(Deficit)			
Opening at beginning		454.29	(526.28)
Addition during the year		(416.96)	980.57
Closing at end		37.33	454.29
Total (a+b+c+d)		7,123.41	7,540.37
3-B DEFERRED INCOME *			
Subsidy received from M.P. State Tourism Development Corp. Ltd.			
Opening at beginning		—	—
Received During the Year		729.93	—
Amortised During the Year		48.43	—
Closing at end		681.50	—
* (See Note 29.05)			(Rs In Lacs)
4 LONG-TERM BORROWINGS :		As at 31st March, 2017	As at 31st March, 2016
Secured Term Loans			
i) From Banks		2,946.87	656.60
ii) From Financial Institutions		1,200.00	1,700.00
iii) From NBFC		2,369.41	—
Sub-Total (a)		6,516.28	2,356.60
Unsecured Term Loans			
i) From Banks		—	—
ii) From NBFC		—	—
Sub-Total (b)		—	—
Total (a+b)		6,516.28	2,356.60

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 is as under :

(Rs In Lacs)

From Banks	As at 31st March, 2017			As at 31st March, 2016		
	Total	Current	Non-Current	Total	Current	Non-Current
State Bank of India	1,826.50	354.20	1,472.30	1,655.71	1,412.10	243.61
Axis Bank Ltd	1,874.67	404.33	1,470.34	166.36	130.00	36.36
State Bank of Mysore	—	—	—	783.36	490.00	293.36
ICICI Bank	—	—	—	500.00	500.00	—
HDFC Bank Ltd	31.51	27.28	4.23	110.32	55.18	55.14
ICICI Bank	36.68	36.68	—	80.67	52.54	28.13
Sub Total (i)	3,769.36	822.49	2,946.87	3,296.42	2,639.82	656.60

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017
(Rs In Lacs)

	As at 31st March, 2017			As at 31st March, 2016		
From Financial Institutions	Total	Current	Non-Current	Total	Current	Non-Current
TFCI	1,700.00	500.00	1,200.00	1,800.00	100.00	1,700.00
Sub Total (ii)	1,700.00	500.00	1,200.00	1,800.00	100.00	1,700.00
From NBFC						
Aditya Birla Finance Ltd	2,496.41	127.00	2,369.41	—	—	—
Sub Total (iii)	2,496.41	127.00	2,369.41	—	—	—
GRAND TOTAL (i)+(ii)+(iii)	7,965.77	1,449.49	6,516.28	5,096.42	2,739.82	2,356.60

- 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 is as under:

(Rs In Lacs)

	As at 31st March, 2017			As at 31st March, 2016		
From Banks	Total	Current	Non-Current	Total	Current	Non-Current
HDFC Bank Ltd	2.42	2.42	—	1.94	1.94	—
Sub Total (i)	2.42	2.42	—	1.94	1.94	—
From NBFC						
Magma Fincorp Limited	—	—	—	51.90	51.90	—
Bajaj Finance Ltd.	128.92	128.92	—	—	—	—
Sub Total (ii)	128.92	128.92	—	51.90	51.90	—
GRAND TOTAL (i)+(ii)	131.34	131.34	—	53.84	53.84	—

- 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 & ICICI Bank Ltd.

4.3.1 Term loans outstanding of State Bank of India are secured by way of mortgage of land & building at Indore hotel, Amber garden 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. Above Term Loan is comprising of Rupee Term Loan of Rs 384.63 (P.Y. Rs. 32.73 lacs) and Rupee Term Loan converted to Foreign currency term loan amounting to Rs. 1441.87 lacs (P.Y Rs.1622.98 lacs), total aggregating to Rs.1826.50 lacs (P.Y.Rs 1655.71 lacs).

4.3.2 Term loans outstanding of Axis Bank Ltd include term loans account and corporate loan. Term loan outstanding is secured by way of first charge on Company's entire fixed assets, present & future, ranking parri passu with other existing term lenders.

The term of repayment is on quarterly basis for term loan and monthly basis for corporate loan & interest is payable on monthly basis. Above Term Loan is comprising of Rupee Term Loan of Rs.383.58 lacs (P.Y. Rs. 166.36 lacs) and Rupee Term Loan converted to Foreign currency term loan amounting to Rs. 1491.09 lacs (P.Y Nil), total aggregating to Rs. 1874.67 Lacs (P.Y. Rs 166.36 Lacs)

4.3.3 Term loan outstanding of State Bank of Mysore was 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 was on quarterly basis & the interest was payable on monthly basis, however same was repaid during the year under review.

4.3.4 Term loan outstanding of ICICI Bank Ltd. was 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. Further secured by pledge of 30.00 Lacs Equity Shares of Company held by Promoters. However the said term loan was repaid during the year under review.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

4.4 Secured term loans from Financial Institutions & others includes term loan outstanding of Tourism Finance Corporation of India Ltd. (TFCIL) and Aditya Birla finance Limited.

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. And by way of Mortgage of lease hold right of Amber Garden, Indore along with building Structure thereon and first charge by way of hypothecation of movables of Bhopal Club project, Bhopal.

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

This loan is personally guaranteed by Smt Suchitra Dhanani.

4.4.2 Corporate loan outstanding from Aditya Birla year is secured by first pari passu Charge with existing term lender by way of mortgage of land and building at Indore, Amber Garden, Pune and Vadodara and Hypothecation of the plant and machinery and other movable fixed assets of company (present and future except vehicles Funded through Vehicle Loan). The term of repayment of principal and interest is on monthly basis.

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.

4.6 Loan outstanding from Bajaj Finance Limited is unsecured loan. However, secured by way of shares owned in other companies Mr Raof Razak Dhanani.

		(Rs In Lacs)	
5	OTHER LONG TERM LIABILITIES :	As at 31st March, 2017	As at 31st March, 2016
	Deposits From Tenants	100.44	83.99
	Others*	2,000.00	2,000.00
	Total	2,100.44	2,083.99

*Payable towards cancellation of agreement for land at Indore hotel. This amount is now payable within 6 years. Interest @ 9% p.a is payable on the outstanding amount.

		(Rs In Lacs)	
6	LONG TERM PROVISIONS :	As at 31st March, 2017	As at 31st March, 2016
	Provision for Employee Benefits		
	Provision for Gratuity	284.80	234.48
	Leave Encashment	249.16	239.60
	Total	533.96	474.08

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, 2017:-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017
(Amount In Rupees)

PARTICULARS		As at 31st March, 2017	As at 31st March, 2016
Changes in benefit obligations :	i)		
Present value of obligation as at the beginning of the year		24,865,498.00	20,650,997.00
Interest Cost		1,864,912.00	1,631,429.00
Current Service Cost		5,690,346.00	5,060,150.00
Actuarial (gain)/ loss on obligations		(2,052,933.00)	(1,976,554.00)
Curtailment cost		–	(500,524.00)
Present value of obligation as at the end of the year		30,367,823.00	24,865,498.00
Change in plan assets :	ii)		
Fair value of plan assets as at the beginning of the year		1,081,854.00	996,478.00
Expected return on plan assets		86,548.00	79,718.00
Actuarial gain/ (loss) on plan assets		198.00	5,658.00
Fair value of plan assets at the end of the year		1,168,600.00	1,081,854.00
Excess of (obligation over plan assets)/ plan asset over obligation		(29,199,223.00)	(23,783,644.00)
(Accrued liability)/ Prepaid benefit		(29,199,223.00)	(23,783,644.00)
Net Gratuity and other cost at the end of the year	iii)		
Current Service cost		5,690,346.00	5,060,150.00
Interest on defined benefit obligation		1,864,912.00	1,631,429.00
Expected return on plan assets		(86,548.00)	(79,718.00)
Curtailment cost		–	(500,524.00)
Net actuarial gain recognized in the year		(2,053,131.00)	(1,982,212.00)
Net gratuity and other cost		5,415,579.00	4,129,125.00
Actual return on plan asset		86,746.00	85,376.00
Category of Assets at the end of the year	iv)		
Insurer Managed Funds		1,168,600.00	1,081,854.00
Others		Nil	Nil
Total		1,168,600.00	1,081,854.00
Assumptions used	v)		
Discount rate (p.a.)		7.90%	7.90%
Attrition Rate		Variable based on Age	Variable based on Age
Salary escalation rate (p.a.)		7.00%	7.00%
Expected rate of return on plan assets (p.a.)		8.00%	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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

		(Rs. In Lacs)	
7	SHORT-TERM BORROWINGS :	As at 31st March, 2017	As at 31st March, 2016
	Secured		
	Working capital facilities from Banks	377.54	490.67
		377.54	490.67
	Unsecured		
	Loans From related parties	1,005.00	3,419.48
	Loans From others	114.91	305.00
		1,119.91	3,724.48
	Grand Total	1,497.45	4,215.15

7.1 Working capital facilities include Cash Credit Facilities from State Bank of India outstanding Rs. 377.54 lacs (Previous Year Rs. 411.07 lacs) & Axis Bank outstanding Rs. Nil lacs (Previous Year Rs. 79.60 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, Vadodara and Pune. However, Cash Credit facility availed from Axis Bank Ltd., is repaid during the year under review.

7.2 Loans from related parties & others includes loan from directors & associate companies.

		(Rs. In Lacs)	
8	TRADE PAYABLES :	As at 31st March, 2017	As at 31st March, 2016
	Trade Payables*	779.41	1,131.67
	Total	779.41	1,131.67

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

8.1 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 The principal amount and the interest due thereon remaining unpaid to any supplier as at the year end :

Principal amount due to micro and small enterprises	—	—
Interest due on above	—	—
	—	—

The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.

— —

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.

— —

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

8.3 Includes amount payable to Barbeque Nation Hospitality Limited, against Royalty Payment Rs. Nil Lacs (Previous Year Rs. 42.79)

		(Rs. In Lacs)	
9	OTHER CURRENT LIABILITIES :	As at 31st March, 2017	As at 31st March, 2016
	Current Maturities of Long-Term Loans		
	Secured Term Loans		
	From Banks	822.49	2,639.82
	From Financial Institutions	500.00	100.00
	From NBFC	127.00	---
	Total (A)	1,449.49	2,739.82
	Unsecured Term Loans		
	From Banks	2.42	1.94
	From NBFC	128.92	51.90
	Total (B)	131.34	53.84

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Others

Creditors for capital Expenditure	110.62	431.22
Advance received from customers	345.04	180.29
Statutory Dues	124.56	189.12
Book Overdrafts	30.58	73.61
Others	3,226.61	120.02

Total (C)

3,837.41 **994.26**

Interest Accrued but not Due on Borrowings

20.32 12.79

Grand Total (A+B+C)

5,438.56 **3,800.71**

- 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, ICICI Bank Ltd and to HDFC Bank. Bank wise Current maturity is give under Note no 4.1. Other terms are same as given in Note no 4.3.
- 9.2 Current maturities of term loans from financial institutions includes Principal instalments payable to Tourism Finance Corporation of India Ltd. Financial Institution wise current maturities is given under Note no 4.1 Other terms are same as given in note no 4.4.
- 9.3 Current maturities of term loan from NBFC is of Magma Fincorp Limited, Aditya Birla Finance and Bajaj Finance Ltd. Other terms are same as given in note no 4.5 & 4.6
- 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, staff dues and Forward Hedging Contract Payable of Rs. 3166.95 lacs against purchase of Foreign Exchange.

(Rs In Lacs)

10 SHORT-TERM PROVISIONS :

As at 31st March, 2017 **As at 31st March, 2016**

Provision for Employee Benefits

Provision for Gratuity	7.19	3.36
Leave Encashment	6.20	3.48
Bonus	165.84	156.83
Total (A)	179.23	163.67
Provision for current year Tax	—	275.13
Provision for Expenses	286.27	235.62
Total (B)	286.27	510.75
Total (A+B)	465.50	674.42

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

11. FIXED ASSETS :

(Rs. In Lacs)

Gross Block At Cost	TANGIBLE ASSETS							INTANGIBLE ASSETS		Total
	Freehold Land	Leasehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Service Equipments	Vehicles	Computers	Softwares & Licences	
At April 1, 2015	2,637.00	2,294.06	12,288.59	3,776.70	6,209.16	795.50	648.14	457.26	120.77	29,227.18
Adjustment	-	-	-	-	-	-	-	(0.13)	-	(0.13)
Addition	-	-	811.23	136.30	528.96	45.29	5.85	190.88	20.95	1,739.46
Disposal	-	-	139.83	26.75	123.71	21.08	-	42.50	-	353.87
At March 31, 2016	2,637.00	2,294.06	12,959.99	3,886.25	6,614.41	819.71	653.99	605.51	141.72	30,612.64
Adjustment	-	-	-	8.00	(8.00)	-	-	-	-	-
Addition	-	1.00	3,823.49	558.05	261.97	10.71	3.50	14.93	6.66	4,680.31
Disposal	-	-	158.12	-	280.75	-	-	0.40	-	439.27
At March 31, 2017	2,637.00	2,295.06	16,625.36	4,452.30	6,587.63	830.42	657.49	620.04	148.38	34,853.68
Depreciation										
At April 1, 2015	-	-	6,254.32	2,458.42	4,992.46	699.46	472.48	393.68	103.24	15,374.06
Adjustment	-	-	-	-	-	-	-	0.34	(0.37)	(0.03)
Charge for the year	-	-	1,048.19	265.65	759.01	65.06	59.14	84.88	29.27	2,311.20
Disposals	-	-	75.83	18.58	119.60	17.37	-	40.38	-	271.76
At March 31, 2016	-	-	7,226.68	2,705.49	5,631.87	747.15	531.62	438.52	132.14	17,413.47
Adjustment	-	-	(0.11)	4.26	(4.26)	-	-	(0.04)	-	(0.15)
Adjustment	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	1,143.32	267.61	485.68	32.44	40.54	94.66	9.80	2,074.05
Disposals	-	-	121.80	-	278.49	-	-	-	-	400.29
At March 31, 2017	-	-	8,248.09	2,977.36	5,834.80	779.59	572.16	533.14	141.94	19,087.08
Net Block										
At March 31, 2016	2,637.00	2,294.06	5,733.31	1,180.76	982.54	72.56	122.37	166.99	9.59	13,199.17
At March 31, 2017	2,637.00	2,295.06	8,377.27	1,474.94	752.83	50.83	85.33	86.90	6.44	15,766.60
Capital work in progress										
Capital work in progress	Opening	Additions	Capitalisation	Closing						
At March 31, 2016	516.45	2,863.97	61.62	3,318.80						
At March 31, 2017	3,318.80	814.90	4,126.34	7.36						

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017
(Rs. In Lacs)
12 NON-CURRENT INVESTMENTS :
As at 31st March, 2017 As at 31st March, 2016
A Trade Investments (Unquoted At Cost)
Subsidiary

Sayaji Housekeeping Services Ltd	636.50	636.50
6365000 Equity Shares of Rs.10/- fully paid-up (PY 6365000 equity shares)		
10000 10% Preference Share of Rs.10/- fully paid up (PY 10000 Preference shares)	1.00	1.00
Malwa Hospitality Pvt. Ltd.	689.40	689.40
6893998 Equity Shares of Rs.10/- fully paid up (PY 6893998 Equity Shares)		
Aries Hotels Pvt. Ltd.	770.20	770.20
5218000 Equity Shares of Rs.10/- fully paid up (PY 5218000 Equity Shares)		

Other Investment

Genex Hotels Pvt. Ltd.	0.11	0.50
1100 Equity Shares of Rs.10/- fully paid up (PY 5000 Equity Shares)		
Winner Hotels Pvt. Ltd	0.23	0.23
2300 Equity Shares of Rs.10/- fully paid up (PY 2300 Equity Shares)		

Sub-Total (A)
2,097.44 2,097.83
B Other Investments (Unquoted at Market Value)

Bharat Equity Services Ltd.	10.00	10.00
1,00,000 Equity Shares of Rs.10 each fully paid up (PY 1,00,000 Equity Shares)		
(-) Provision for Diminution in value of investment	(9.90)	(9.90)

Sub-Total (B)
0.10 0.10
Total (A+B)
2,097.54 2,097.93
Aggregate amount of quoted Investments
— —
Market Value of quoted Investments
— —
Aggregate book value of un-quoted Investments
2,097.54 2,097.93

12.1 Sayaji Housekeeping Services Ltd is wholly owned subsidiary of the company.

12.2 Malwa Hospitality Pvt Ltd is subsidiary of the company with 51.66% shareholding therein.

12.3 Aries Hotels Pvt Ltd. is subsidiary of the company with 52.37% shareholding therein.

(Rs. in Lacs)
13. DEFERRED TAX ASSETS
As at 31st March, 2017 As at 31st March, 2016
On account of Timing Difference in

Carry Forward losses & Depreciation	—	—
Expenses Disallowed under I.T. Act., 1961	248.77	149.42
Depreciation on fixed assets	1,030.91	902.40

Total Deferred Tax Assets
1,279.68 1,051.82
Total Deferred Tax Liabilities
— —
Net Deferred Tax(Liability)/Assets*
1,279.68 1,051.82
Amount debited/(Credited) to Profit & Loss Statement
(227.86) (470.66)

* Deferred tax liability for the year have been arrived at by taking the tax rate of 33.99% (PY 34.61%) which is inclusive of education cess.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

		(Rs. In Lacs)	
		As at 31st March, 2017	As at 31st March, 2016
14. LONG –TERM LOANS AND ADVANCES :			
(Unsecured and Considered Good)			
Security Deposits*		747.68	519.74
Capital Advances		1.79	24.39
Other Loans & Advance		0.21	0.46
Total		749.68	544.59
<p>*Security Deposits includes balances with statutory Authority , electricity deposits & lease rent deposits. Includes Rs. 214.58 lacs given to M/s Vicon Imperial Private Ltd, which is a related party, against operating lease of Hotel premises situated at Raipur, Chhattisgarh. All the above loans & advances have been given for business purpose.</p>			
15. OTHER NON–CURRENT ASSETS			
(Unsecured and Considered Good)			
Fixed Deposits Against lien & Bank Guarantee*		87.21	3.10
TOTAL		87.21	3.10
*Maturing after 12 months			
16. INVENTORIES :			
(Valued at cost or NRV whichever is less & certified by management)			
Operating Supplies		1,247.73	1,286.55
Food & Beverages		139.16	139.54
Shopping Arcade Stock		42.54	42.54
Total		1,429.43	1,468.63
17. TRADE RECEIVABLES :			
Unsecured			
Outstanding for a period exceeding six months from the due date of payment			
Considered Good		154.59	82.96
Doubtful		–	–
Others			
Considered good		479.15	823.43
		633.74	906.39
Total		633.74	906.39
18. CASH & BANK BALANCES :			
Cash & Cash Equivalents			
Cash on Hand		23.20	32.31
Balances with Bank			
On current Accounts:			
With Scheduled Bank		1,337.95	36.92
Other Bank Balances			
In Earmarked Accounts:			
With original Maturity of less than 12 months Fixed Deposits Against lien		25.26	518.92
With original Maturity of more than 12 months Fixed Deposits Against lien		87.21	3.10
Total		1,473.62	591.25
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)		87.21	3.10
Total		1,386.41	588.15

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017
(Rs. In Lacs)
19. SHORT TERM LOANS & ADVANCES :

	As at 31st March, 2017	As at 31st March, 2016
Advance to suppliers for goods & services*	77.84	108.72
Prepaid Expenses	137.31	82.43
Staff Advances & Loan	16.80	15.97
Advance Income Tax	43.47	—
Balance with Govt. authorities	276.68	250.13
Others	146.61	154.42
Less: Provision for doubtful advances (Refer Note 28.1)	(1.72)	—
Total	696.99	611.67

*Advances to suppliers for goods & services include advances against purchases & services which is receivable in kind in next 12 Months & are for business purpose.

20. OTHER CURRENT ASSETS :

	As at 31st March, 2017	As at 31st March, 2016
Interest Accrued on FDRs	1.50	0.54
Receivable against Sale of Restaurant *	—	1,238.00
Subsidy Receivable from M P Tourism Development Corporation Ltd.	729.93	—
Other current assets **	3,022.24	—
Total	3,753.67	1,238.54

* Amount due from Barbeque Nations Hospitality Ltd., an associate company.

** Other current assets Includes forward contract receivable of Rs.2948.60 lacs against Foreign Exchange.

21. Revenue From Operations :

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Rooms	5,014.55	4,796.96
Food and Beverages	9,344.24	9,850.40
Other Services	1,459.68	1,459.44
TOTAL	15,818.47	16,106.80

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

22. Other Income :

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest Earned*	16.60	38.89
Other Non –Operating Income	33.60	29.61
Sundry Balances W/off	11.27	21.98
Prior Period Income	6.00	2.40
Excess/(Short) Provision of Earlier Year Written Back	23.33	2.33
Dividend Income	—	94.66
Deferred Revenue Income (Subsidy) (See Note 3-B)	48.43	—
TOTAL	139.23	189.87

*Includes interest on Bank deposits Rs. 4.09 Lacs (PY 1.14 Lacs) & on loans & advances and other security deposits Rs. 12.51 Lacs (PY Rs. 33.75 Lacs)

23. Food & Beverages Consumed :

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Opening Stock	139.54	222.93
Add : Purchases*	3,683.22	3,927.90
	3,822.76	4,150.83
Less : Closing Stock	139.16	139.54
TOTAL	3,683.60	4,011.29

*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, 2017

	For the year ended 31st March, 2017 Consumption		For the year ended 31st March, 2016 Consumption	
	Rs. In Lacs	%	Rs. In Lacs	%
Imported	7.87	0.21%	11.16	0.28%
Indigeneous	3,675.73	99.79%	4,000.13	99.72%
TOTAL	3,683.60	100.00%	4,011.29	100.00%

	(Rs. in Lacs)	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
24. Operating Expenses* :		
Stores & Operating Supplies**	612.16	635.83
Repairs and Maintenance		
Building	107.11	123.10
Plant & Machinery	143.19	94.91
Others	220.03	137.26
Laundry Expenses	196.44	204.58
Guest pick up Expenses	221.48	286.71
Cable TV Expenses	28.96	28.31
Banquet Service expenses	568.06	755.29
Other Operating Expenses ***	542.09	458.07
Power and Fuel	1,286.89	1,286.17
GRAND TOTAL	3,926.41	4,010.23

* Net of Expenses capitalised of Rs Nil(P.Y. Rs.32.67 LACS)

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

*** Other Operating Expenses includes house keeping & upkeep expenses, expenses for F&B operations & club.

	For the year ended 31st March, 2017 Consumption		For the year ended 31st March, 2016 Consumption	
	Rs. In Lacs	%	Rs. In Lacs	%
Imported	4.31	0.70%	32.84	5.16%
Indigeneous	607.85	99.30%	602.99	94.84%
TOTAL	612.16	100%	635.83	100%

	(Rs. in Lacs)	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
25. Employee Benefit Expenses* :		
Salaries, Wages and Allowances	3,405.32	3,155.53
Contribution to P.F. and other Funds	305.67	298.91
Workmen and Staff Welfare Expenses	52.17	64.65
Workmen and Staff Uniform Expenses	122.92	133.14
TOTAL	3,886.08	3,652.23

* Net of Expenses capitalised of Rs 53.45 Lacs (P.Y. Rs.14.85 LACS)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017
(Rs. In Lacs)
26. Other Expenses*:

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Lease Rent	462.61	288.81
Brand Royalty	—	49.28
Rates & Taxes	161.97	145.65
Insurance	20.38	24.16
Travelling and Conveyance	90.60	73.71
Postage, Telegram and Telephones	53.18	57.75
Advertisement and Publicity	74.43	64.27
Legal & Professional	204.83	158.26
Printing and Stationery	50.21	49.69
Credit Card Commission	89.86	82.33
Other Expenses	172.93	134.96
Auditors' Remuneration		
Statutory audit	5.50	4.50
Certification other matters	0.53	0.50
Bad Debts	—	47.90
Provision for doubtful debts (Refer note 28.1)	1.72	—
Loss On Disposal/Retirement Of Assets	37.70	4.02

Total
1,426.45
1,185.79

* Net of Expenses capitalised of Rs. NIL Lacs (P.Y. Rs. 135.26)

26.1 Provision for doubtful debts

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Opening Balance	—	14.71
Add: Provision during the year	—	—
	—	14.71
Less: Bad debts	—	14.71
Closing Balance	—	—

(Rs. In Lacs)
27. Finance Cost* :

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest on term Loan	513.59	505.72
Interest on Others	807.20	518.93
Other expenses	128.77	32.34
Other borrowing cost	55.03	152.28
Foreign Exchange Fluctuation	22.35	—

Total
1,526.94
1,209.27

* Net of Expenses capitalised of Rs. NIL Lacs (P.Y. Rs. 42.61) 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 and forward premium.

(Rs. In Lacs)
28. Exceptional item Income / (Expense):

Profit on sale of assets & intangible rights of Restaurant *

Total
—
1,146.85
—
1,146.85

* Profit on sale of assets & intangible rights of Restaurant in Pune run by the Company in the brand name of Barbeque Nations to M/s. Barbeque Nations Hospitality Ltd, an associate of the Company.

(Rs. In Lacs)
28.1 Provision for doubtful Advances

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Opening Balance	—	40.90
Add: Provision during the year	1.72	—
	1.72	40.90
Less: Doubtful advances written off	—	40.90
Closing Balance	1.72	—

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Additional Disclosures

29.1 Contingent liability not provided for :

- 29.1.1. Guarantee given on behalf of other companies Rs 6873.60 lacs (P.Y Rs. 6873.60 lacs). This includes Guarantee given to State Bank of India on Behalf of Barbeque-Nation Hospitality Ltd amounting Rs 4,000 lacs (P.Y. 4000 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), guarantee given to State bank of India on Behalf of Malwa Hospitality Pvt .Ltd amounting to Rs. 2400 lacs (P.Y. 2400 lacs) & HDFC Bank Ltd RS.51.78 lacs(P.Y. 51.78 lacs) Outstanding balance of loan there against for the year ended 31st March, 2017 from SBI is Rs. 3046.12 lacs (P.Y 4177.51 Lacs), Axis Bank Ltd is Rs 123.34 Lacs (P.Y 167.86 Lacs) and from HDFC Bank Ltd. RS 20.30 lacs (P.Y. 33.31 lacs)
- 29.1.2. Disputed statutory liabilities in respect of service tax not provided for:
- In Respect of Indore Hotel, 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. (P.Y. Rs. 175.01 Lacs)
 - In Respect of Indore hotel, 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 its prior order. Tax demand of Rs. 400.37 lacs has been raised along with equal amount of penalty. Company had challenged said order before Hon'ble Tribunal & Hon'ble Tribunal has disposed the appeal without giving any relief vide order dated 15.02.2017. The company has decided to challenge the said order before Honourable High Court of M.P., Indore. Had the benefit of abatement & waiver of penalty given by the Hon'ble Tribunal in its 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. (P.Y. Rs. 400.37 Lacs)
 - In Respect of indore hotel 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 had challenged said order before Hon'ble Tribunal.& Hon'ble Tribunal has disposed the appeal without giving any relief vide order dated 15.02.2017. The company has decided to challenge the said order before Honourable High Court of M.P., Indore. Had the benefit of abatement & waiver of penalty given 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. (P.Y. Rs. 269.27 lacs)
 - In Respect of Pune hotel for the period from 01.04.09 to 30.06.12 Commissioner has passed an order against the company and raised a tax demand of Rs. 39.27 lacs, company had filed an appeal before commissioner (Appeal), which is decided against the Company. And Company has preferred an Appeal before the Honourable Tribunal, Mumbai. Interest liability will also arise in case of unfavorable decision. (P.Y. Rs. 39.27 Lacs)
 - In Respect of Vadodara hotel for the period from 01.04.12 to 31.03.2015 Commissioner has passed an order against the company and raised a tax demand of Rs. 2.02 lacs, company has filed an appeal before Commissioner (Appeal), which is yet to be decided. Interest liability will also arise in case of unfavorable decision.
- 29.1.3. Custom duties saved against imports under EPCG scheme is Rs. 429.39 lacs (P.Y. Rs. 504.23 lacs)
- 29.1.4. Disputed liability of Rs. 131.30 lacs not provided for in respect of Income Tax (AY 2007-08, AY 2008-09, AY 2009-10 , AY 2010-11, AY 2012-13). The matters are pending before Income tax Appellate Tribunal, Ahmedabad. (P.Y. Rs. 131.30 lacs). And Amount paid there against Rs. 131.30 Lacs
- 29.1.5. Disputed liability of Rs.5.75 lacs not provided for in respect of Income Tax TDS (AY 2009-10 and 2010-11,AY 2015-16 The matters are pending before Income tax commissioner TDS -Indore and Ahmedabad. (Previous Year Rs. Nil).
- 29.1.6. Disputed liability of Rs. 108.86 lacs not provided for in respect of Income Tax (AY 2014-15) The matters are pending before CIT (Appeal) -Vadodara. And amount paid there against Rs. 16.55 Lacs.(P.Y. Rs. Nil).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

- 29.1.7. Disputed liability of Rs 143.27 lacs not provided for in respect of Commercial tax (FY 2011-12, 2012-13, 2013-14 & 2014-15). The matters are pending before Commissioner -Appeal Commercial tax, Indore. (P.Y. Rs. 83.55 Lacs)
- 29.1.8. Disputed liability of Rs .11.47 lacs not provided for in respect of Commercial tax (FY2010-11 & 2011-12). The matter is pending before Appellate Tribunal- Commercial tax, Indore. (P.Y. Rs. 0.56 Lacs)
- 29.1.9. Disputed liability of Rs 32.70 lacs not provided for in respect penalty of Property tax demand (FY2015-16). The application is pending before Mayor-In-Council Indore Municipal Corporation Indore. (P.Y. Rs. 32.70)
- 29.1.10 Arrears of Cumulative Dividend on Preference Shares & Income Tax Thereon, not paid during the Year Rs. 238.78 Lacs (P.Y. Rs. 118.42).
- 29.1.11 In respect of the leasehold land of Indore hotel, Company has received notice on 05.03.2016 from the Lessor i.e. Indore Development Authority (IDA) for cancellation of the lease for the entire land. In this connection, Company is duly representing the matter before IDA on various grounds and is hopeful that the matter will be resolved.
- 29.1.12 The company has received a show cause notice for Imposing penalty u/s 23E SCRA, 1956 from SEBI and the matter is pending for adjudication with Adjudicating authority SEBI.

29.2 Capital Commitments

Estimated capital commitments not provided for Rs. Nil (P.Y. Nil lacs)

29.03 Earnings in Foreign Currency :
29.03.1 Earnings in Foreign Currency :
a) Numerator:

Sale of Rooms and Food Beverages

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

Revenue Expenditure

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Sale of Rooms and Food Beverages	889.95	787.17
Revenue Expenditure	16.18	—

29.04 Disclosure on Specified Bank Notes

During the year, the company has Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R 308(E) dated March, 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follow:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	395.33	37.04	432.38
(+) Permitted receipts	—	473.18	473.18
(-) Permitted payment	—	124.93	124.93
(-) Amount deposited in Banks	395.33	254.68	650.01
Closing cash in hand as on 30.12.2016]	—	130.61	130.62

* For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016

29.05 Subsidy received from M.P. State Tourism Development Corp. Ltd.

During the year under review, company has received Capital Subsidy under M.P. Tourism Policy, 2010 (as amended in 2014) amounting to Rs. 729.93 Lacs against its "Amber Convention Centre", Indore. As per AS-12 "Accounting for Government Grants", the above subsidy is treated as deferred income and is recognised in profit and loss account on a systematic and rational basis over the useful life of assets. Such allocation has been made over the periods and in proportions in which depreciation on "Amber Convention Centre" is charged.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(Rs. In Lacs)

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

a) Numerator:

Net Profit after tax as per Statement of Profit & Loss
Less: Dividend on Preference Shares & Income Tax Thereon
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

For the year ended 31st March, 2017	For the year ended As 31st March, 2016
(416.96)	980.57
120.36	118.52
(537.32)	862.05
17,518,000.00	17,518,000.00
17,518,000.00	17,518,000.00
10/-	10/-
(3.07)	4.92

29.7 Details of Related Party Disclosure:

i) Key Management Personnel

Mr. Raoof Razak Dhanani (Managing Director)
Mr. Kayum Dhanani (Director)
Mrs. Suchitra Sajid Dhanani (Whole Time Director)
Mr. Sandesh Khandelwal (Chief Financial Officer)
Mr. Amit Sarraf (Company Secretary)

ii) Subsidiary Companies

Aries Hotels Pvt Ltd
Malwa Hospitality Pvt Ltd
Sayaji House Keeping Services Ltd

iii) Associate Companies/ Firms/ Relatives

S S Management
S.N. Travels
Barbeque-Nation Hospitality Limited
Winner Hotels Pvt Ltd
Trans Agro India Pvt Ltd
A.R. Hospitality Pvt .Ltd.
Vicon Imperial Pvt. Ltd.
Tungabhadra Fertilizer & Chemical Co. Ltd
Zuber Y Dhanani
Azher Y Dhanani
Saba R Dhanani
Sadiya R Dhanani
Sara K Dhanani
Sanya S Dhanani
Rizwan R Sheikh
Versha Khandelwal

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017
(Rs. In Lacs)

Sr.No.	Nature of Transactions	For the year ended 31st March, 2017	For the year ended 31st March, 2016
A	KEY MANAGEMENT PERSONNEL		
	REMUNERATION/ SALARY	60.23	56.76
	PAYABLE AT THE YEAR END	905.00	1,851.89
	PAYMENT OF INTEREST	330.65	207.69
B.	SUBSIDIARY COMPANIES		
	INVESTMENTS MADE DURING THE YEAR	—	637.50
	RENTAL EXPENSES	2.03	—
	INCOME FROM BUSINESS SUPPORT SERVICES	3.09	—
C	ASSOCIATE COMPANIES/ FIRMS/ RELATIVES		
	LEASE DEPOSIT	214.58	—
	GUEST PICK UP EXPENSES	39.00	42.02
	RECEIVABLE AT THE YEAR END	66.94	0.16
	PAYABLE AT THE YEAR END	214.91	1,610.37
	REIMBURSEMENT OF EXPENSES RECEIVED	128.71	—
	SALE OF RESTAURANT	—	1,238.00
	PAYMENT OF ROYALTY & SERVICE CHARGE ON LIQUOR	181.54	124.05
	LEASE RENT RECEIVED	102.00	17.00
	PAYMENT OF INTEREST	85.80	84.38
	INVESTMENTS SOLD DURING THE YEAR	0.39	631.06
	ISSUE OF PREFERENCE SHARE (Including Premium)	—	125.00
	PAYMENT OF PROFESSIONAL FEE	15.20	14.00

29.8 Derivative Instruments

The details in respect of outstanding foreign exchange forward contracts are as follows:

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
In USD (In Lacs)	45.48	23.98
Rupees in Lacs	2,948.60	1,590.66

Un-hedged foreign currency exposure as at 31st March, 2017 is Rs. Nil (Previous Year Rs. Nil). not hedged by a derivative instruments or otherwise.

29.9 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, 2017

29.10 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' 2017

29.11 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.

29.12 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. Confirmation letters to all Sundry Debtors & Creditors have been sent and those parties whose reply have been received are reconciled and confirmed.

29.13 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.

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

As per our report of even date attached

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

K.L.Vyas
Partner
M.No. 072043
Indore, 30th May 2017

For and on behalf of the Board of Directors

T.N Unni
Director
DIN-00079237

Raof Razak Dhanani
Managing Director
DIN-00174654

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary

INDEPENDENT AUDITORS' REPORT

To,
The Members,
Sayaji Hotels Limited,

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Sayaji Hotels Limited (the Holding Company) and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "the Group") and its associate, comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information ("the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statement/ consolidated financial statements of Two subsidiaries, whose financial statement/ consolidated financial statements reflect total assets of Rs. 2167.30 Lacs as at 31st March, 2017; total revenue of Rs. 101.80 Lacs and net cash flows of Rs. (-)08.19 Lacs for the year ended on that date. The Consolidated financial statements also include the Group's Share of profit of Rs. 510.78 Lacs for the year ended 31st March, 2017, as considered in the consolidated financial statements in respect of One Associate, whose financial statements/ financial information has not been audited by us. These financial statements / financial information have been audited by other auditors, whose reports have been

furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on the other Legal and Regulatory requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements.
- b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associates, none of the directors of the Group Companies and its associate is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A", which is based on the auditors reports of the Holding Company, subsidiary companies and associate company. Our report expresses an unmodified

opinion on the adequacy and operating effectiveness of the Holding Company's/ subsidiary company's/ associate company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate – Refer Note 29.1 to the consolidated financial statements;
 - ii. The Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate company.
 - iv. These consolidated financial statements have provided requisite disclosures as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 by the Holding Company, its subsidiary companies, associate companies and joint venture companies covered under the Act. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on the consideration of the reports of the other auditors on separate financial statements and other financial information of its subsidiary companies, associate companies and joint venture companies, in our opinion, these disclosures are in accordance with the books of accounts maintained by the respective companies.

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

(K.L. Vyas)
Partner
M. No. 072043

Place of Signature : Indore
Date : 28th August, 2017

ANNEXURE –A TO THE AUDITORS’ REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

We have audited the internal financial controls over financial reporting of Sayaji Hotels Limited (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as the “the Group”) and its associate, as of 31 March 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and associate company, which are companies incorporated in India, in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria

established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates standalone financial statements of 2 subsidiaries and 1 associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

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

Place of Signature : Indore
Date : 28th August, 2017

(K.L. Vyas)
Partner
M. No. 072043

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CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2017

(Rs. In Lacs)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES			
(i) Shareholder's Funds			
a. Share Capital	2	2,751.80	2,751.80
b. Reserves & Surplus	3-A	8,464.99	8,343.67
Total Shareholder's Funds (i)		11,216.79	11,095.47
Deferred Income	3-B	681.50	—
(ii) Minority Interest		885.74	938.98
(iii) Non-current liabilities			
a. Long-term Borrowings	4	8,419.07	4,574.36
b. Other Long Term Liabilities	5	2,100.44	2,083.99
c. Long-Term Provisions	6	565.83	499.22
Total Non-Current Liabilities (iii)		11,085.34	7,157.57
(iv) Current liabilities			
a. Short-Term Borrowings	7	1,544.45	4,317.15
b. Trade Payables	8	885.20	1,200.88
c. Other Current Liabilities	9	8,037.36	4,033.33
d. Short Term Provisions	10	509.34	714.06
Total Current Liabilities (iv)		10,976.35	10,265.42
Grand Total (i+ii+iii+iv)		34,845.72	29,457.44

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CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2017

(Rs. in Lacs)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
II ASSETS			
(i) Non-Current Assets			
a. Fixed Assets	11		
i) Tangible Assets		17,444.80	15,326.97
ii) Intangible Assets		6.65	10.79
iii) Capital Work-in-Progress		854.26	4,163.09
iv) Goodwill on Consolidation		28.44	28.44
Total Fixed Assets		18,334.15	19,529.29
b. Non-Current Investments	12	2,459.68	1,967.54
c. Deferred Tax Assets (net)	13	1,660.43	1,382.32
d. Long-Term Loans and Advances	14	1,716.85	1,512.73
e. Other Non-Current Assets	15	90.73	6.27
Total Non-Current Assets (i)		24,261.84	24,398.15
(ii) Current Assets			
a. Inventories	16	1,568.88	1,609.43
b. Trade Receivables	17	681.42	950.40
c. Cash and Cash Equivalents	18	1,495.23	617.37
d. Short-Term Loans and Advances	19	888.95	643.55
e. Other Current Assets	20	5,949.40	1,238.54
Total Current Assets (ii)		10,583.88	5,059.29
Grand Total (i+ii)		34,845.72	29,457.44
Significant Accounting Policies	1		
Notes on Financial Statements	2 TO 29		

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

For and on behalf of the Board of Directors

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

T.N Unni
Director
DIN-00079237

Raof Razak Dhanani
Managing Director
DIN-00174654

K.L.Vyas
Partner
M.No. 072043
Indore, 28th August, 2017

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2017

(Rs. In Lacs)

Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Continuing Operations			
INCOME			
Revenue From Operations	21	17,931.40	18,052.55
Other Income	22	248.82	195.67
TOTAL		18,180.22	18,248.22
EXPENDITURE			
Cost of Material Consumed	23	3,987.94	4,352.83
Operating Expenses	24	4,230.91	4,321.55
Employee Benefit Expenses	25	4,427.77	4,190.73
Other Expenses	26	1,796.42	1,552.02
		14,443.04	14,417.13
OPERATING PROFIT BEFORE INTT.		3,737.18	3,831.09
Finance Cost	27	1,829.71	1,504.28
PROFIT BEFORE DEPRECIATION		1,907.47	2,326.81
Depreciation	11	2,529.11	2,967.22
Add : Depreciation Written Back		0.15	0.03
Profit /(Loss) before exceptional & extraordinary items		(621.49)	(640.38)
Exceptional Items & Prior Period Items	28	–	1,146.85
Profit before Tax		(621.49)	506.47
Provision for Taxation		52.12	503.29
Earlier year taxes		28.96	50.34
PROFIT/(LOSS) AFTER CURRENT YEAR TAX BUT BEFORE DEFERRED TAX		(702.57)	(47.16)
Deferred Tax	13	(278.11)	(634.35)
Profit/(Loss) after tax before share of results of associates and minority interests		(424.46)	587.19
Minority Interest		(53.25)	(186.16)
Share of net profit of associate		513.54	390.31
PAT AFTER MINORITY INTEREST		142.33	1,163.66
Earning Per Equity Share			
(1) Basic		0.13	5.97
(2) Diluted		0.13	5.97
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 29		

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

For and on behalf of the Board of Directors

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

T.N Unni
Director
DIN-00079237

Raof Razak Dhanani
Managing Director
DIN-00174654

K.L.Vyas
Partner
M.No. 072043
Indore, 28th August, 2017

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(Rs. In Lacs)

Particulars	For the year ended 31st March, 2017		For the year ended 31st March 2016	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax from continuing operations		(621.49)		506.47
Non-cash adjustment to reconcile profit before tax to net cash flows				
Depreciation & Amortisation including adjustments	2,528.96		2,967.19	
Deferred Income Amortisation	(48.43)		—	
(Profit) / Loss on Sale of Fixed Assets & Restaurant	38.39		(1,142.83)	
Interest Expense	1,829.71		1,504.28	
Dividend income			(94.66)	
Interest Received	(29.02)		(40.09)	
		4,319.61	—	3,193.89
Operating profit before Working Capital changes		3,698.12		3,700.36
Adjustments for :				
Increase/(Decrease) in other long term liabilities	16.45		76.22	
Increase/(Decrease) in long term provisions	66.61		94.02	
Increase/(Decrease) in trade payables	(315.68)		389.31	
Increase/(Decrease) in other current liabilities	5,203.25		356.96	
Increase/(Decrease) in short term provisions	69.24		148.30	
Decrease/(Increase) in long term advances	(204.46)		(26.85)	
Decrease/(Increase) in Inventories	40.55		(192.49)	
Decrease/(Increase) in trade receivable	268.98		(153.71)	
Decrease/(Increase) in short term advances	(182.66)		(262.31)	
Decrease/(Increase) in other current assets	(4,710.71)		(1,238.54)	
		251.57		(809.09)
Cash generated from operations		3,949.69		2,891.27
Taxes (Paid)/Refund		(404.31)		(291.28)
Net cash from operating activities		3,545.38		2,599.99
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed assets	(1,373.58)		(4,603.75)	
Sale/Disposal of Fixed assets	1.36		1,233.91	
Govt. Grant Received	729.93		—	
Sale of Investments	0.39		—	
Maturity/(Investment) in Fixed Deposits	(84.11)		15.29	
Interest Received	29.02		95.86	
Dividend income	—		38.89	
Net cash used in investing activities		(696.99)		(3,219.80)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(Rs. In Lacs)

Particulars	For the year ended 31st March, 2017		For the year ended 31st March 2016	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Equity shares by holding company	–		125.01	
Proceeds/(Repayment) of Long Term Borrowings	2,631.88		(1,064.95)	
Proceeds/(Repayment) of loans from companies	(2,604.57)		3,496.50	
Proceeds/(Repayment) of Secured Short Term Borrowings	(168.13)		84.48	
Interest Paid	(1,829.71)		(1,504.28)	
Net cash generated from financing activities		(1,970.53)		1,136.76
Net increase in cash and cash equivalents	877.86		516.95	
Cash and cash equivalents – Opening Balance	617.37		100.42	
Cash and cash equivalents – Closing Balance		1,495.23		617.37

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

For and on behalf of the Board of Directors

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

T.N Unni
Director
DIN-00079237

Raof Razak Dhanani
Managing Director
DIN-00174654

K.L.Vyas
Partner
M.No. 072043
Indore, 28th August, 2017

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

NOTE 1.

Sayaji Hotels Limited ("SHL" or the "Company"), is a listed public limited company incorporated under the provisions of the Companies Act, 2013. Its shares are listed on Bombay stock exchange on India. The Company is primarily engaged in the business of owning, operating & managing hotels.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

Subsidiaries

The Consolidated financial Statements comprise the individual financial statements of Sayaji Hotels Limited and it's subsidiaries as on 31st March 2017 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>
Malwa Hospitality Pvt. Ltd.	51.66%	51.66%
Aries Hotels Pvt. Ltd.	52.37%	52.37%
Sayaji Housekeeping Services Ltd.	100.00%	—

Associates

On acquisition of an associate capital reserve arising from such acquisition is included in the carrying amount of the investment and also disclosed separately.

Only share of net profits / losses of associates is considered in Consolidated Statement of Profit and Loss.

The carrying amount of the investment in associates is adjusted by the share of net profits / losses in the Consolidated Balance Sheet.

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

<u>Name of the Associate</u>	<u>Proportion of Ownership Interest</u>	
	<u>Current Year</u>	<u>Previous Year</u>
Genex Hotels Pvt. Ltd. **	11.00%	50.00%
Barbeque-Nation Hospitality Ltd*	46.70%	47.41%

* Barbeque-Nation Hospitality Ltd is an associate company of Sayaji housekeeping services Ltd.(wholly owned subsidiary of company)

** During the year company has sold out 3900 Eq. shares of Rs. 10.00 each of Genex Hotels Pvt. Ltd

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, 2013.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

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.

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

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, based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II are used;

PARTICULARS	DEPRECIATION
Assets constructed on Leased Premises	Over the period of Lease Term
Computer Software	Over a period of Five Years

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 statement of 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

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.

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 statement of 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, 2017

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, 2017	As at 31st March, 2016
30,000,000 Equity Shares of Rs.10/- each	3,000.00	3,000.00

(Previous year 30,000,000 Equity Shares of Rs.10/- each)

1,000,000 Preference Shares of Rs. 100/- each	1,000.00	1,000.00
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(Previous year 1,000,000 Preference Shares of Rs. 100/- each)

TOTAL

	4,000.00	4,000.00
--	-----------------	-----------------

ISSUED

1,75,18,000 Equity Shares of Rs. 10/- each	1,751.80	1,751.80
--	----------	----------

(Previous year 1,75,18,000 Equity Shares of Rs. 10/- each)

1,000,000 10% Cumulative Redeemable Preference Shares of Rs. 100/- each	1,000.00	1,000.00
---	----------	----------

(Previous year 1,000,000 10% Cumulative Redeemable Preference Shares of Rs. 100/- each)

TOTAL

	2,751.80	2,751.80
--	-----------------	-----------------

SUBSCRIBED & PAID-UP

1,75,18,000 Equity Shares of Rs. 10/- each	1,751.80	1,751.80
--	----------	----------

(Previous year 1,75,18,000 Equity Shares of Rs. 10/- each)

1,000,000 10% Cumulative Redeemable Preference Shares of Rs. 100/- each	1,000.00	1,000.00
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(Previous year 1,000,000 10% Cumulative

Redeemable Preference Shares of Rs. 100/- each)

TOTAL

	2,751.80	2,751.80
--	-----------------	-----------------

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 2017, 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 of Sayaji Hotels Limited are as under:-

Name	Category	As at 31st March, 2017		As at 31st March, 2016	
		% 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	22.26%	3898651	22.26%	3898651
Anisha Raoof Dhanani	Promoter	—	2643256	15.09%	2643256
Kayum Razak Dhanani	Promoter	14.61%	2455000	—	—
Ahilya Hotels Limited	Promoter	14.01%	—	14.01%	2455000

*(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, 2017

2.3 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :-

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of Shares	Rs. In Lacs	Number of Shares	Rs. In Lacs
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

(b) Terms/rights attached to preference shares :

2.4 That during Financial year 2014-15 company had issued 10,00,000, 10% Cumulative Redeemable Preference Shares of Rs. 100/- each at a premium of Rs.50/- each. Out of above, pending 83338 shares were subscribed & paid up during the year 2015-16.(P.Y. 10,00,000 Preference Shares) of Rs.100/- each)

2.5 That above shares are to be redeemed within five years from the date of issue of same, at the rate of Rs. 220/- per preference share.

2.6 That above Preference share holders are having preference over payment of dividend to equity share holders and accordingly arrears of preference dividends is required to be cleared before payment to Equity Share holders. And on the date of Balance Sheet, dividend on preference shares for more than 3 years are in arrears. And accordingly vide Second Proviso to Section 47(2) of the Companies Act, 2013, in case company is unable to pay dividend on preference shares for two years or more then such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

2.7 Details of Share holders holding more than 5% of 10% Cumulative Preference Shares are as under:-

Name	Category	As at 31st March, 2017		As at 31st March, 2016	
		% of Shareholding	No of Shares	% of Shareholding	No of Shares
Saba Dhanani	Promoter	12.50%	125000	12.50%	125000
Azhar Dhanani	Promoter	12.50%	125000	12.50%	125000
Zuber Yusuf Dhanani	Promoter	12.50%	125000	12.50%	125000
Sadiya Dhanani	Promoter	12.50%	125000	12.50%	125000
Kayum Dhanani	Promoter	12.50%	125000	12.50%	125000
Sara Dhanani	Promoter	12.50%	125000	12.50%	125000
Sanya Dhanani	Promoter	12.50%	125000	12.50%	125000
Suchitra Dhanani	Promoter	12.50%	125000	12.50%	125000

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.

2.8 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :-

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of Shares	Rs. In Lacs	Number of Shares	Rs. In Lacs
Outstanding at the beginning of the year	1,000,000	1,000.00	916,662	916.66
Add : Fresh issue during the year			83,338	83.34
Outstanding at the end of the year	1,000,000	1,000.00	1,000,000	1,000.00

SAYAJI HOTELS LIMITED
CONSOLIDATED FINANCIAL STATEMENT

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(Rs. In Lacs)

3-A RESERVES AND SURPLUS :

As at 31 March, 2017 As at 31 March, 2016

(a) Capital Reserve on Consolidation

Opening at beginning	—	—
Less: Adjustment on account subsidiary becoming an associate.	—	—
Balance Transferred to goodwill on consolidation	—	—
Addition during the year	—	—

Closing at end

(b) Securities Premium Reserve

Opening at beginning	6,444.60	6,402.93
Addition during the year	—	41.67

Closing at end

6,444.60 6,444.60

(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	1,257.59	93.93
Adjustment on account of change in Minority Interest in Associate	(21.01)	—
Adjustment on account subsidiary becoming an associate	—	—

1,236.58 93.93

Addition during the year	142.33	1,163.66
--------------------------	--------	----------

Closing at end

1,378.91 1,257.59

Total (a+b+c+d)

8,464.99 8,343.67

3-B DEFERRED INCOME *

Subsidy received from M.P. State Tourism Development Corp. Ltd.

Opening at beginning	—	—
Received During the Year	729.93	—
Amortised During the Year	48.43	—

Closing at end

681.50 —

* (See Note 29.05)

(Rs. In Lacs)

4 LONG-TERM BORROWINGS :

As at 31 March, 2017 As at 31 March, 2016

Secured Term Loans

i) From Banks	4,849.66	2,874.36
ii) From Financial Institutions	1,200.00	1,700.00
iii) From NBFC	2,369.41	—

Sub-Total (a) 8,419.07 4,574.36

Unsecured Term Loans

i) From NBFC	—	—
--------------	---	---

Sub-Total (b) — —

Total (a+b) 8,419.07 4,574.36

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

- 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, 2017			As at 31st March, 2016		
From Banks	Total	Current	Non-Current	Total	Current	Non-Current
State Bank of India	3,963.39	594.20	3,369.19	3,973.18	1,532.10	2,441.08
Axis Bank Ltd	1,874.67	404.33	1,470.34	166.36	130.00	36.36
State Bank of Mysore	—	—	—	783.36	490.00	293.36
ICICI Bank	—	—	—	500.00	500.00	—
HDFC Bank Ltd	51.81	41.68	10.13	143.63	68.20	75.43
ICICI Bank	36.68	36.68	—	80.67	52.54	28.13
Sub Total (i)	5,926.55	1,076.89	4,849.66	5,647.20	2,772.84	2,874.36
From Financial Institutions						
TFCI	1,700.00	500.00	1,200.00	1,800.00	100.00	1,700.00
From NBFC						
Aditya Birla Finance Ltd	2,496.41	127.00	2,369.41	—	—	—
Sub Total (ii)	4,196.41	627.00	3,569.41	1,800.00	100.00	1,700.00
GRAND TOTAL (i)+(ii)	10,122.96	1,703.89	8,419.07	7,447.20	2,872.84	4,574.36

- 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 31st March, 2017			As at 31st March, 2016		
From Banks	Total	Current	Non-Current	Total	Current	Non-Current
HDFC Bank Ltd	2.42	2.42	—	1.94	1.94	—
Sub Total (i)	2.42	2.42	—	1.94	1.94	—
From NBFC						
Magma Fincorp Limited	—	—	—	51.90	51.90	—
Bajaj Finance Limited	128.92	128.92	—	—	—	—
Sub Total (ii)	128.92	128.92	—	51.90	51.90	—
GRAND TOTAL (i)+(ii)	131.34	131.34	—	53.84	53.84	—

- 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 & ICICI Bank Ltd.

4.3.1 Term loans of SHL outstanding of State Bank of India are secured by way of mortgage of land & building at Indore hotel, Amber garden 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. Above Term Loan is comprising of Rupee Term Loan of Rs 384.63 (P.Y. Rs. 32.73 lacs) and Rupee Term Loan converted to Foreign currency term loan amounting to Rs. 1441.87 lacs (P.Y Rs.1622.98 lacs), total aggregating to Rs.1826.50 lacs (P.Y.Rs 1655.71 lacs).

4.3.2 Term loan of Malwa hospitality Pvt. Ltd. outstanding of State Bank of India are secured by way of hypothecation of entire fixed assets of company.

4.3.3 Term loans outstanding of Axis Bank Ltd include term loans account and corporate loan. Term loan outstanding is secured by way of first charge on Company's entire fixed assets, present & future, ranking parri passu with other existing term lenders. The term of repayment is on quarterly basis for term loan and monthly basis for corporate loan & interest is payable on monthly basis. Above Term Loan is comprising of Rupee Term Loan of Rs.383.58 lacs (P.Y. Rs. 166.36 lacs) and Rupee Term Loan converted to Foreign currency term loan amounting to Rs. 1491.09 lacs (P.Y Nil), total aggregating to Rs. 1874.67 Lacs (P.Y. Rs 166.36 Lacs)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

- 4.3.4 Term loan outstanding of State Bank of Mysore was 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 was on quarterly basis & the interest was payable on monthly basis, however same was repaid during the year under review. 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 Term loan outstanding of ICICI Bank Ltd. was 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. Further secured by pledge of 30.00 Lacs Equity Shares of Company held by Promoters. However the said term loan was repaid during the year under review.
- 4.3.6 Vehicle of Sayaji Hotels Ltd. loans outstanding from HDFC Bank is secured by way of hypothecation of the specific vehicles financed by bank.
- 4.3.7 Vehicle loans Malwa Hospitality Pvt. Ltd. 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 & others includes term loan outstanding of Tourism Finance Corporation of India Ltd. (TFCIL) and Aditya Birla Finance Limited.
- 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. And by way of Mortgage of lease hold right of Amber Garden, Indore along with building Structure thereon and first charge by way of hypothecation of movables of Bhopal Club project, Bhopal.
- The term of repayment of the term loan is on quarterly basis & the interest is payable on monthly basis, This loan is personally guaranteed by Smt Suchitra Dhanani.
- 4.4.2 Corporate loan outstanding from Aditya Birla year is secured by first pari passu Charge with existing term lender by way of mortgage of land and building at Indore, Amber Garden, Pune and Vadodara and Hypothecation of the plant and machinery and other movable fixed assets of company (present and future except vehicles Funded through Vehicle Loan). The term of repayment of principal and interest is on monthly basis.
- 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.
- 4.6 Loan outstanding from Bajaj Finance Limited is unsecured loan. However, secured by way of shares owned in other companies Mr Raoof Razak Dhanani.

		(Rs In Lacs)	
		As at 31st March, 2017	As at 31st March, 2016
5 OTHER LONG TERM LIABILITIES :			
Deposits From Tenants		100.44	83.99
Others*		2,000.00	2,000.00
Total		2,100.44	2,083.99

* Payable towards repurchase of land at Indore hotel. This amount is now payable within 6 years. Interest @ 9% p.a is payable on the outstanding amount.

		(Rs. In Lacs)	
		As at 31st March, 2017	As at 31st March, 2016
6 LONG TERM PROVISIONS :			
Provision for Employee Benefits			
Provision for Gratuity		295.32	239.72
Leave Encashment		270.51	259.50
Total		565.83	499.22

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

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, 2017:-

(Rs. in Lacs)

		As at 31st March, 2017	As at 31st March, 2016
Changes in benefit obligations :	i)		
Present value of obligation as at the beginning of the year		253.91	211.98
Interest Cost		19.06	16.75
Current Service Cost		61.78	54.22
Actuarial (gain)/ loss on obligations		(20.53)	(24.04)
Curtailment cost		–	(5.01)
Present value of obligation as at the end of the year		314.22	253.91
Change in plan assets :	ii)		
Fair value of plan assets as at the beginning of the year		10.82	9.96
Expected return on plan assets		0.87	0.80
Contributions		–	–
Benefits paid		–	–
Actuarial gain/ (loss) on plan assets		–	0.06
Fair value of plan assets at the end of the year		11.69	10.82
Excess of (obligation over plan assets)/ plan asset over obligation		302.53	(243.10)
(Accrued liability)/ Prepaid benefit		302.53	(202.02)
Net Gratuity and other cost at the end of the year	iii)		
Current Service cost		61.78	54.22
Interest on defined benefit obligation		19.06	16.75
Expected return on plan assets		(0.87)	(0.80)
Curtailment cost		–	(5.01)
Net actuarial gain recognized in the year		(20.53)	(24.09)
Net gratuity and other cost		59.44	41.07
Actual return on plan asset		0.87	0.85
Category of Assets at the end of the year	iv)		
Insurer Managed Funds		11.69	10.82
Others		Nil	Nil
Total		11.69	10.82
Assumptions used	v)		
Discount rate (p.a.)		7.90%	8.00%
Attrition Rate		Variable based on Age	Variable based on Age
Salary escalation rate (p.a.)		7.00%	7.00%
Expected rate of return on plan assets (p.a.)		8.00%	8.88%

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, 2017

(Rs. In Lacs)

7 SHORT-TERM BORROWINGS :	As at 31st March, 2017	As at 31st March, 2016
Secured		
Working capital facilities from Banks	377.54	490.67
	377.54	490.67
Unsecured		
Loans From related parties	1,027.00	3,521.48
Loans From others	139.91	305.00
	1,166.91	3,826.48
Grand Total	1,544.45	4,317.15

7.1 Working capital facilities include Cash Credit Facilities from State Bank of India outstanding Rs. 377.54 lacs (Previous Year Rs. 411.07 lacs) & Axis Bank outstanding Rs. Nil lacs (Previous Year Rs. 79.60 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, Vadodara and Pune. However, Cash Credit facility availed from Axis Bank Ltd., is repaid during the year under review.

7.2 Loans from related parties & others includes loan from directors & associate companies.

(Rs. In Lacs)

8 TRADE PAYABLES :	As at 31st March, 2017	As at 31st March, 2016
Trade Payables*	885.20	1,200.88
Total	885.20	1,200.88

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

8.1 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 The principal amount and the interest due thereon remaining unpaid to any supplier as at the year end :

Principal amount due to micro and small enterprises	—	—
Interest due on above	—	—
	—	—

The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.

— —

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.

— —

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

8.3 Includes amount payable to Barbeque Nation Hospitality Limited, against Royalty Payment Rs. Nil Lacs (Previous Year Rs. 42.79)

9. OTHER CURRENT LIABILITIES :	(Rs. In Lacs)	
Current Maturities of Long-Term Loans	As at 31st March, 2017	As at 31st March, 2016
Secured Term Loans		
From Banks	1,076.89	2,772.84
From Financial Institutions	500.00	100.00
From NBFC	127.00	—
Total (A)	1,703.89	2,872.84
Unsecured Term Loans		
From Banks	2.42	1.94
From NBFC	128.92	51.90
Total (B)	131.34	53.84

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

	(Rs. In Lacs)	
Others	As at 31st March, 2017	As at 31st March, 2016
Creditors for capital Expenditure	110.62	431.22
Advance received from customers	351.97	191.91
Statutory Dues	127.93	203.30
Book Overdrafts	41.39	76.75
Others	5,538.79	120.40
Total (C)	6,170.70	1,023.58
Interest Accrued but not Due on Borrowings (D)	31.43	83.07
Grand Total (A+B+C+D)	8,037.36	4,033.33

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 4.3.

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 4.4.

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.

	(Rs. In Lacs)	
10. SHORT-TERM PROVISIONS :	As at 31st March, 2017	As at 31st March, 2016
Provision for Employee Benefits		
Provision for Gratuity	7.21	3.38
Leave Encashment	6.25	3.54
Bonus	182.35	174.81
Total (A)	195.81	181.73
Provision for current year Tax	—	275.13
Provision for Expenses	313.53	257.20
Total (B)	313.53	532.33
Total (A+B)	509.34	714.06

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

11. FIXED ASSETS :

(Rs. In Lacs)

Gross Block At Cost	TANGIBLE ASSETS									Total
	Freehold Land	Leasehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Service Equipments	Vehicles	Computers	Softwares & Licences	
At April 1, 2015	2,668.79	2,294.06	13,658.30	4,516.12	7,089.94	829.34	700.84	507.38	133.61	32,398.38
Adjustment	-	-	(3.57)	(4.05)	-	-	-	(3.13)	-	(10.75)
Addition	-	-	844.44	141.13	542.83	46.55	5.85	195.10	23.19	1,799.09
Disposal	-	-	139.83	26.75	123.71	21.08	-	42.50	-	353.87
At March 31, 2016	2,668.79	2,294.06	14,359.34	4,626.45	7,509.06	854.81	706.69	656.85	156.80	33,832.85
Adjustment	-	-	-	8.00	(8.00)	-	-	-	-	-
Addition	-	1.00	3,823.49	558.99	262.57	10.71	3.50	15.32	6.82	4,682.40
Disposal	-	-	158.12	0.96	281.28	0.03	-	0.40	-	440.79
At March 31, 2017	2,668.79	2,295.06	18,024.71	5,192.48	7,482.35	865.49	710.19	671.77	163.62	38,074.46
Depreciation										
At March 31, 2015	-	-	6,346.35	2,557.79	5,174.49	710.46	483.94	416.59	111.82	15,801.43
Adjustment	-	-	(0.38)	-	-	-	-	(1.06)	(0.38)	(1.81)
Charge for the year	-	-	1,232.95	381.74	1,069.11	75.49	72.05	101.31	34.57	2,967.22
Disposals	-	-	75.83	18.58	119.60	17.37	-	40.38	-	271.76
At March 31, 2016	-	-	7,503.09	2,920.95	6,124.00	768.58	555.99	476.46	146.01	18,495.08
Adjustment	-	-	(0.11)	4.26	(4.26)	-	-	(0.04)	-	(0.15)
Charge for the year	-	-	1,303.11	362.60	661.84	38.42	49.39	102.79	10.96	2,529.11
Disposals	-	-	121.80	0.37	278.85	0.01	-	-	-	401.03
At March 31, 2017	-	-	8,684.29	3,287.44	6,502.73	806.99	605.38	579.21	156.97	20,623.01
Net Block										
At March 31, 2016	2,668.79	2,294.06	6,856.25	1,705.50	1,385.06	86.23	150.70	180.39	10.79	15,337.77
At March 31, 2017	2,668.79	2,295.06	9,340.42	1,905.04	979.62	58.50	104.81	92.56	6.65	17,451.45
Capital work in progress										
At March 31, 2016	1,358.40	2,866.31	(61.62)	4,163.09						
At March 31, 2017	4,163.09	817.53	(4,126.36)	854.26						
Goodwill on Consolidation										
At March 31, 2016	28.44	-	-	28.44						
At March 31, 2017	28.44	-	-	28.44						

SAYAJI HOTELS LIMITED
CONSOLIDATED FINANCIAL STATEMENT

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

		(Rs. In Lacs)	
		As at 31st March,2017	As at 31st March,2016
12. NON-CURRENT INVESTMENTS :			
A Trade Investments (Unquoted At Cost)			
Barbeque-Nation Hospitality Ltd.	631.06	631.06	—
6310558 Equity Shares of Rs.10/-each fully paid-up			—
Add :- Accumulated Share in Profit/(Loss) at the beginning of the year	1,218.68	828.37	—
Add :- Profit earned during the year	513.54	390.31	—
Less :- Adjustment on account of change in share holding	21.01	—	2,342.27
Genex Hotels Pvt. Ltd.		0.11	0.50
(1100 Equity Shares of Rs.10/-fully paid up)			
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	6.50
65000 Equity Shares of Rs.10/- fully paid up			
Ahilya Hotels Ltd		110.47	110.47
276185 Equity Shares of Rs.10/- fully paid up			
Sub-Total (A)		2,459.58	1,967.44
B Other Investments (Unquoted at Market Value)			
Bharat Equity Services Ltd.		10.00	10.00
1,00,000 Equity Shares of Rs.10 each fully paid up			
(-) Provision for Diminution in value of investment		(9.90)	(9.90)
Sub-Total (B)		0.10	0.10
Total (A+B)		2,459.68	1,967.54

		(Rs. In Lacs)	
		As at 31st March,2017	As at 31st March,2016
13 DEFERRED TAX ASSETS :			
On account of Timing Difference in			
Expenses Disallowed under I.T. Act., 1961	250.80	149.42	
Depreciation on fixed assets	1,409.63	1,232.90	
Total Deferred Tax Assets	1,660.43	1,382.32	
Total Deferred Tax Liabilities	—	—	
Net Deferred Tax(Liability)/Assets*	1,660.43	1,382.32	

* Deferred tax liability for the year have been arrived at by taking the tax rate of 34.61% (PY 34.61%) which is inclusive of surcharge and education cess.

		(Rs. In Lacs)	
		As at 31st March,2017	As at 31st March,2016
14 LONG-TERM LOANS AND ADVANCES :			
(Unsecured and Considered Good)			
Security Deposits*	1,284.38	1,057.41	
Advance to suppliers for Capital goods	1.79	24.39	
Loans & Advances to related parties	430.68	430.93	
TOTAL	1,716.85	1,512.73	

*Security Deposits includes balances with statutory Authority , electricity deposits & lease rent deposits. Includes Rs. 214.58 lacs given to M/s Vicon Imperial Private Ltd, which is a related party, against operating lease of Hotel premises situated at Raipur, Chhattisgarh. All the above loans & advances have been given for business purpose.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

		(Rs. In Lacs)	
15	OTHER NON-CURRENT ASSETS :		
	(Unsecured and Considered Good)	As at 31st March,2017	As at 31st March,2016
	Fixed Deposits Against lien & Bank Guarantee*	90.73	6.27
	*Maturing after 12 months	90.73	6.27
16	INVENTORIES :		
	(Valued at lower of cost or NRV whichever is less & certified by management)		(Rs. In Lacs)
		As at 31st March,2017	As at 31st March,2016
	Operating Supplies	1,372.78	1,413.06
	Food & Beverages	153.56	153.83
	Shopping Arcade Stock	42.54	42.54
	TOTAL	1,568.88	1,609.43
17	TRADE RECEIVABLES :		(Rs. In Lacs)
	(Unsecured)	As at 31st March,2017	As at 31st March,2016
	Outstanding for a period exceeding six months from the due date of payment		
	Considered Good	154.84	83.03
	Doubtful	—	—
	Others	154.84	83.03
	Considered good	526.58	867.37
		681.42	950.40
	Provision for doubtful trade receivables	—	—
		681.42	950.40
18	CASH & CASH EQUIVALENTS :		(Rs. In Lacs)
	Cash & Cash Equivalents	As at 31st March,2017	As at 31st March,2016
	Cash in Hand	25.59	35.26
	Balances with Bank		
	On current Accounts:		
	With Scheduled Bank	1,441.15	60.02
	On deposit accounts		
	With Scheduled Bank	—	—
	Other Bank Balances		
	Fixed Deposits Against lien	28.49	522.09
	Balances held as security against guarantees	—	—
	With original Maturity of more than 12 months		
	Fixed Deposits Against lien	90.73	6.26
		1,585.96	623.63
	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)	90.73	6.26
	TOTAL	1,495.23	617.37

SAYAJI HOTELS LIMITED
CONSOLIDATED FINANCIAL STATEMENT

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

	(Rs. In Lacs)	
	As at 31st March, 2017	As at 31st March, 2016
19 SHORT TERM LOANS & ADVANCES :		
Loans & Advances to related parties	96.43	—
Advance to suppliers for goods & services*	83.54	112.40
Prepaid Expenses	163.05	105.50
Staff Advances & Loan	18.04	16.43
Advance Income Tax	57.61	10.81
Balance with Govt. authorities	294.34	256.56
Others	177.66	141.85
Less: Provision for doubtful advances	(1.72)	—
TOTAL	888.95	643.55

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

	(Rs. In Lacs)	
	As at 31st March, 2017	As at 31st March, 2016
20 OTHER CURRENT ASSETS :		
Interest Accrued on Deposit & investments	1.50	0.54
Receivable against Sale of Restaurant *	—	1,238.00
Subsidy Receivable from M P Tourism Development Corporation Ltd.	729.93	—
Other current assets	5,217.97	—
TOTAL	5,949.40	1,238.54

* Amount due from Barbeque Nations Hospitality Ltd., an associate company.

* Other current assets Includes forward contract receivable of Rs. 2948.60 lacs against Foreign Exchange.

	(Rs. In Lacs)	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
21. Revenue From Operations :		
Rooms	6,325.93	5976.06
Food and Beverages	10,142.67	10,617.05
Other Services	1,462.80	1,459.44
TOTAL	17,931.40	18,052.55

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

	(Rs. In Lacs)	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
22. Other Income :		
Interest Earned*	29.02	40.60
Other Non –Operating Income	38.18	31.67
Sundry Balances W/off	11.27	21.98
Excess/(Short) Provision of Earlier Year	21.26	4.36
Prior Period Income	6.00	2.40
Deferred Revenue Income (Subsidy) (See Note 3–B)	48.43	—
Dividend income from current investments	94.66	94.66
TOTAL	248.82	195.67

*Includes interest on Bank deposits Rs. 4.09 Lacs (PY Rs. 1.14 Lacs) & on loans & advances and other security deposits Rs. 12.51 Lacs (PY Rs. 33.75 Lacs)

SAYAJI HOTELS LIMITED
CONSOLIDATED FINANCIAL STATEMENT

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(Rs. In Lacs)

23. Food & Beverages Consumed :

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Opening Stock	153.83	235.89
Add : Purchases*	3,987.67	4,270.77
	4,141.50	4,506.66
Less : Closing Stock	153.56	153.83
TOTAL	3,987.94	4,352.83

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

	For the year ended 31st March, 2017 Consumption		For the year ended 31st March, 2016 Consumption	
	Rs. In Lacs	%	Rs. In Lacs	%
Imported	7.87	0.20%	7.59	0.17%
Indigeneous	3,980.07	99.80%	4,345.24	99.83%
TOTAL	3,987.94	100.00%	4,352.83	100.00%

(Rs. in Lacs)

24. Operating Expenses *

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Stores & Operating Supplies**	676.38	717.74
Repairs and Maintenance	—	—
Building	115.56	136.55
Plant & Machinery	166.23	110.04
Others	231.53	148.16
Laundry Expenses	230.35	233.47
Guest pick up Expenses	238.26	302.90
Cable TV Expenses	38.96	38.28
Banquet Service expenses	560.56	754.04
Other Operating Expenses***	552.62	462.21
Power and Fuel	1,420.46	1,418.16

GRAND TOTAL

4,230.91 **4,321.55**

* Net of Expenses capitalised of Rs. Nil (P.Y. Rs. 32.67 Lacs)

** 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, 2017 Consumption		For the year ended 31st March, 2016 Consumption	
	Rs. In Lacs	%	Rs. In Lacs	%
Imported	4.31	0.64%	58.54	8.16%
Indigeneous	672.07	99.36%	659.20	91.84%
TOTAL	676.38	100%	717.74	100%

(Rs. in Lacs)

25. Employee Benefit Expenses* :

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Salaries, Wages and Allowances	3,894.11	3,638.26
Contribution to P.F. and other Funds	344.80	336.50
Workmen and Staff Welfare Expenses	53.90	65.81
Workmen and Staff Uniform Expenses	134.96	150.16
TOTAL	4,427.77	4,190.73

* Net of Expenses capitalised of Rs. 53.45 Lacs (P.Y. Rs. 14.85 Lacs)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(Rs. In Lacs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
26. Other Expenses*		
Lease Rent	700.60	526.01
Amortisation of lease deposit	5.76	5.76
Brand Royalty	14.19	59.06
Rent	1.49	0.19
Rates & Taxes	191.17	176.27
Insurance	23.56	26.21
Travelling and Conveyance	92.79	75.90
Postage, Telegram and Telephones	61.32	65.18
Advertisement and Publicity	84.09	81.14
Legal & Professional	224.66	174.48
Commission & Discount	11.08	5.42
Printing and Stationery	57.81	58.10
Donation	0.12	0.04
Credit Card Commission	104.49	93.03
Other Expenses	174.79	144.92
Audit Fees		
Statutory audit	7.12	6.10
Certification other matters	0.53	1.00
Taxation matters	0.51	–
Gardening Exp.	0.23	0.83
Bad Debts W/off	0.69	48.36
Provision for doubtful debts (Refer note 28.1)	1.72	–
Loss On Disposal/Retirement Of Assets	37.70	4.02
Total	1,796.42	1,552.02

* Net of Expenses capitalised of Rs. Nil (P.Y. Rs. 135.26 Lacs)

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SAYAJI HOTELS LIMITED
CONSOLIDATED FINANCIAL STATEMENT

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

	(Rs. In Lacs)	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
27. Finance Cost* :		
Interest on term Loan	741.37	774.05
Interest on Others	814.34	545.00
Amortise Forward Premium	63.83	–
Other expenses	132.79	32.95
Other borrowing cost	55.03	152.28
Foreign Exchange Fluctuation	22.35	–
Total	1,829.71	1,504.28

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.

* Net of Expenses capitalised of Rs. Nil (P.Y. Rs. 42.61 Lacs)

	(Rs. In Lacs)	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
28. Exceptional item of Sayaji Hotels Ltd includes :		
Profit on sale of assets & intangible rights of Restaurant*	–	1,146.85
Total	–	1,146.85

*Profit on sale of assets & intangible rights of Restaurant in Pune run by the Company in the brand name of Barbeque Nations to M/s. Barbeque Nations Hospitality Ltd, an associate of the Company.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Additional Disclosures

29.1 Contingent liability not provided for :

- 29.1.1. Guarantee given on behalf of other companies Rs 6873.60 lacs (P.Y Rs 6873.60 lacs). This includes Guarantee given to State Bank of India on Behalf of Barbeque-Nation Hospitality Ltd amounting Rs 4,000 lacs (P.Y 4000 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), guarantee given to State bank of India on Behalf of Malwa Hospitality Pvt .Ltd amounting to Rs.2400 lacs (P.Y. 2400 lacs) & HDFC Bank Ltd RS.51.78 lacs(P.Y. 51.78 lacs) Outstanding balance of loan there against for the year ended 31st March, 2017 from SBI is Rs 3046.12 lacs (P.Y 4177.51 Lacs) ,Axis Bank Ltd is Rs 123.34 Lacs (P.Y 167.86 Lacs) and from HDFC bank Ltd. RS 20.30 lacs (P.Y. 33.31 lacs)
- 29.1.2. Disputed statutory liabilities in respect of service tax not provided for:
- (a) In Respect of indore hotel, 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. (P.Y. Rs.175.01 Lacs)
 - (b) In Respect of indore hotel, 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 its prior order. Tax demand of Rs. 400.37 lacs has been raised alongwith equal amount of penalty. Company had challenged said order before Hon'ble Tribunal & Hon'ble Tribunal has disposed the appeal without giving any relief vide order dated 15.02.2017. The company has decided to challenge the said order before Honourable High Court of M.P., Indore. Had the benefit of abatement & waiver of penalty given by the Hon'ble Tribunal in its 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. (P.Y. Rs. 400.37 Lacs)
 - (c) In Respect of Indore hotel 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 had challenged said order before Hon'ble Tribunal.& Hon'ble Tribunal has disposed the appeal without giving any relief vide order dated 15.02.2017. The company has decided to challenge the said order before Honourable High Court of M.P., Indore. Had the benefit of abatement & waiver of penalty given 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. (P.Y. Rs.269.27 lacs)
 - (d) In Respect of Pune hotel for the period from 01.04.09 to 30.06.12 Commissioner has passed an order against the company and raised a tax demand of Rs.39.27 lacs, company had filed an appeal before commissioner (Appeal), which is decided against the Company. And Company has preferred an Appeal before the Honourable Tribunal, Mumbai. Interest liability will also arise in case of unfavorable decision. (P.Y. Rs. 39.27 Lacs)
 - (e) In Respect of Vadodara hotel for the period from 01.04.12 to 31.03.2015 Commissioner has passed an order against the company and raised a tax demand of Rs.2.02 lacs, company has filed an appeal before Commissioner (Appeal), which is yet to be decided. Interest liability will also arise in case of unfavorable decision.
- 29.1.3. Custom duties saved against imports under EPCG scheme is Rs. 429.39 lacs (P.Y Rs 504.23 Lacs)
- 29.1.4. Disputed liability of Rs 131.30 lacs not provided for in respect of Income Tax (AY 2007-08, AY 2008-09, AY 2009-10 , AY 2010-11, AY 2012-13). The matters are pending before Income tax Appellate Tribunal, Ahmedabad. (P.Y Rs. 131.30 lacs). And Amount paid there against Rs. 131.30 Lacs
- 29.1.5. Disputed liability of Rs 5.75 lacs not provided for in respect of Income Tax TDS (AY 2009-10 and 2010-11,AY 2015-16 The matters are pending before Income tax commissioner TDS -Indore and Ahmedabad. (Previous Year Rs. Nil).
- 29.1.6. Disputed liability of Rs 108.86 lacs not provided for in respect of Income Tax (AY 2014-15) The matters are pending before CIT (Appeal) -Vadodara.. And amount paid there against Rs. 16.55 Lacs.(P.Y. Rs. Nil).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

- 29.1.7. Disputed liability of Rs 143.27 lacs not provided for in respect of Commercial tax (FY 2011-12, 2012-13, 2013-14 & 2014-15). The matters are pending before Commissioner -Appeal Commercial tax ,Indore. (P.Y. Rs. 83.55 Lacs)
- 29.1.8. Disputed liability of Rs .11.47 lacs not provided for in respect of Commercial tax (FY2010-11 & 2011-12). The matter is pending before Appellate Tribunal- Commercial tax ,Indore. (P.Y. Rs. 0.56 Lacs)
- 29.1.9. Disputed liability of Rs 32.70 lacs not provided for in respect penalty of Property tax demand (FY2015-16). The application is pending before Mayor-In-Council Indore Municipal Corporation Indore. (P.Y. Rs. 32.70)
- 29.1.10 Arrears of Cumulative Dividend on Preference Shares & Income Tax Thereon, not paid during the Year Rs.238.78 Lacs (P.Y. Rs.118.42).
- 29.1.11 In respect of the leasehold land of Indore hotel, Company has received notice on 05.03.2016 from the Lessor i.e. Indore Development Authority (IDA) for cancellation of the lease for the entire land. In this connection, Company is duly representing the matter before IDA on various grounds and is hopeful that the matter will be resolved.
- 29.1.12 The company has received a show cause notice for Imposing penalty u/s 23E SCRA,1956 from SEBI and the matter is pending for adjudication with Adjudicating authority SEBI.

29.2 Capital Commitments

Estimated capital commitments not provided for Rs. 10.00 lacs (P.Y. Nil lacs)

29.03 Earnings in Foreign Currency :

29.03.1 Earnings in Foreign Currency :

Sale of Rooms and Food Beverages

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

Revenue Expenditure

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	918.99	787.17
	16.18	–

29.04 Disclosure on Specified Bank Notes

During the year, the company has Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R 308(E) dated March, 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follow:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	439.87	37.11	476.98
(+) Permitted receipts	–	533.04	533.04
(-) Permitted payment	–	128.61	128.61
(-) Amount deposited in Banks	439.87	303.89	743.76
Closing cash in hand as on 30.12.2016]	–	137.65	137.65

* For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016

29.05 Subsidy received from M.P. State Tourism Development Corp. Ltd.

During the year under review, company has received Capital Subsidy under M.P. Tourism Policy, 2010 (as amended in 2014) amounting to Rs. 729.93 Lacs against its "Amber Convention Centre", Indore. As per AS-12 "Accounting for Government Grants", the above subsidy is treated as deferred income and is recognised in profit and loss account on a systematic and rational basis over the useful life of assets. Such allocation has been made over the periods and in proportions in which depreciation on "Amber Convention Centre" is charged.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(Rs. In Lacs)

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

a) Numerator:

Net Profit after tax as per Statement of Profit & Loss
Less: Dividend on Preference Shares & Income Tax Thereon
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

For the year ended 31st March, 2017	For the year ended As 31st March, 2016
142.33	1,163.66
120.36	118.52
21.97	1,045.14
17,518,000.00	17,518,000.00
17,518,000.00	17,518,000.00
10/-	10/-
0.13	5.97

29.07 Details of Related Party Disclosure:

i) Key Management Personnel

Mr. Raoof Razak Dhanani (Managing Director)
Mr. Kayum Dhanani (Director)
Mrs. Suchitra Sajid Dhanani (Whole Time Director)
Mr. Sandesh Khandelwal (Chief Financial Officer)
Mr. Amit Sarraf (Company Secretary)

ii) Subsidiary Companies

Aries Hotels Pvt Ltd
Malwa Hospitality Pvt Ltd
Sayaji House Keeping Services Ltd

iii) Associate Companies/ Firms/ Relatives

S S Management
S.N. Travels
Barbeque-Nation Hospitality Limited
Winner Hotels Pvt Ltd
Trans Agro India Pvt Ltd
A.R. Hospitality Pvt .Ltd.
Vicon Imperial Pvt. Ltd.
Tungabhadra Fertilizer & Chemical Co. Ltd
Zuber Y Dhanani
Azher Y Dhanani
Saba R Dhanani
Sadiya R Dhanani
Sara K Dhanani
Sanya S Dhanani
Rizwan R Sheikh
Versha Khandelwal

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(Rs. In Lacs)

Sr.No.	Nature of Transactions	As at 31st March, 2017	As at 31st March, 2016
A	KEY MANAGEMENT PERSONNEL		
	REMUNERATION/ SALARY	74.28	78.96
	PAYABLE AT THE YEAR END	905.00	1,851.89
	PAYMENT OF INTEREST	336.28	230.49
B.	SUBSIDIARY COMPANIES		
	INVESTMENTS MADE DURING THE YEAR	—	637.50
C	ASSOCIATE COMPANIES/ FIRMS/ RELATIVES		
	LEASE DEPOSIT	214.58	—
	GUEST PICK UP EXPENSES	39.00	42.02
	RECEIVABLE AT THE YEAR END	66.94	0.16
	PAYABLE AT THE YEAR END	215.71	1,613.31
	REIMBURSEMENT OF EXPENSES RECEIVED	128.71	—
	SALE OF RESTAURANT	—	1,238.00
	PAYMENT OF ROYALTY & SERVICE CHARGE ON LIQUOR	197.56	135.72
	LEASE RENT RECEIVED	102.00	17.00
	PAYMENT OF INTEREST	85.80	86.72
	INVESTMENTS SOLD DURING THE YEAR	0.39	631.06
	ISSUE OF PREFERENCE SHARE (Including Premium)	—	125.00
	PAYMENT OF PROFESSIONAL FEE	15.20	14.00

29.08 Derivative Instruments

The details in respect of outstanding foreign exchange forward contracts are as follows:

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
In USD (In Lacs)	56.91	55.63
Rupees in Lacs	5,083.41	5,789.54

Un-hedged foreign currency exposure as at 31st March, 2017 is Rs. Nil (Previous Year Rs. Nil). not hedged by a derivative instruments or otherwise.

29.09 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

29.10 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'2017

29.11 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 vlew of above no provision is required to made for any temporarily in the value of investment.

29.12 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. Confirmation letters to all Sundry Debtors & Creditors have been sent and those parties whose reply have been received are reconciled and confirmed.

29.13 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.

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

As per our report of even date attached

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

K.L.Vyas
Partner
M.No. 072043
Indore, 28th August 2017

For and on behalf of the Board of Directors

T.N Unni
Director
DIN-00079237

Raooof Razak Dhanani
Managing Director
DIN-00174654

Sandesh Khandelwal
Chief Financial Officer

Amit Sarraf
Company Secretary

SAYAJI HOTELS LIMITED

FORM No. MGT-11

Proxy Form

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

CIN: L51100GJ1982PLC005131

Name of the Company: Sayaji Hotels Limited

Registered Office: Kala Ghoda, Sayaji Gunj, Opp to Rajshree Talkies, Vadodara- 390005, Gujarat

Name of the member(s):

Registered Address:

E-mail Id:

Folio No/Client Id:

DP ID:

I/ We being the Member(s) of _____, holding _____ shares of the above named company, hereby appoint

1. Name: _____

Address: _____

E-mail ID: _____

Signature _____, or failing him

3. Name: _____

Address: _____

E-mail ID: _____

Signature _____

2. Name: _____

Address: _____

E-mail ID: _____

Signature _____, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 34th Annual General Meeting of members of the Company, to be held on the Friday, 29th day of September 2017 at 3.00 p.m. at its Registered Office of the Company situated at Sayaji Hotels, Kala Ghoda, Sayaji Gunj, Opp. to Rajshree Talkies, Vadodara -390005, (Gujarat), and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No:

ORDINARY RESOLUTION:

1. (a) Consideration and Adoption of the standalone financial statements of the Company for the year ended 31st March, 2017 and reports of Board of Directors and Auditors thereon.
- (b) Consideration and Adoption of Consolidated Financial Statement for the year ended on 31st March, 2017 and report of Auditors thereon.
2. Appointment of director in place of Mr. Kayum Razak Dhanani (DIN- 00987597), who retires by rotation and, being eligible, seeks re-appointment.
3. Appointment of director in place of Mrs. Suchitra Dhanani (DIN- 00712187), who retires by rotation and, being eligible, seeks re-appointment.
4. Ratification of appointment of M/s K.L. Vyas & Co. Chartered Accountants (Firm Regn. No.003289C) as Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS:

5. Appointment of Mr. Abhay Chintaman Chaudhari (DIN – 06726836) as a Director (Independent Category) of the Company.
6. Re-appointment of Mrs. Suchitra Dhanani (DIN- 00712187) as the Whole Time Director of the Company w.e.f. 06th February, 2017.
7. Revision of Remuneration of Mrs. Suchitra Dhanani (Whole Time Director) of the Company w.e.f. 01st April, 2017.

Signed this day of 2017

Signature of shareholder

Signature of Proxy holder(s)

Affix 1 Rs.
Revenue
Stamp

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





VADODARA



INDORE



PUNE



KOLHAPUR



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