

**22<sup>nd</sup> Annual Report**  
**2012-2013**



**ROYALE MANOR**  
**Hotels and Industries Limited**

**BOARD OF DIRECTORS****MR. U. CHAMPAWAT***Chairman and Managing Director***DR. PRAVEENKUMAR R. PATEL***Director***DR. RAM PRAKASH KOTHARI***Director***MR. VISHWAJEETSINGH CHAMPAWAT***Director***MR. JAYESH DAVE***Director***STATUTORY AUDITORS****M/s. NAIMISH N. SHAH & CO.**

Chartered Accountants

Ahmedabad

**REGISTRARS AND  
SHARE TRANSFER AGENTS**

M/s. Sharepro Services (India) Pvt. Ltd.

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## ROYALE MANOR HOTELS AND INDUSTRIES LIMITED

### NOTICE

**NOTICE** is hereby given that the 22<sup>nd</sup> Annual General Meeting of the members of Royale Manor Hotels and Industries Limited will be held on Friday, the 27<sup>th</sup> day of September, 2013 at 3.00 P.M. at Ahmedabad Textile Mills' Association (ATMA) Hall, Ashram Road, Ahmedabad - 380 009 to transact the following business :

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and the Statement of Profit and Loss for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To declare Dividend on Optionally Convertible Preference Shares (OCPS).
3. To appoint Director in place of Mr. Jayesh Dave, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditor and fix their remuneration.

#### SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to the provisions of Section 198, 269 read with Schedule XIII, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, based upon the recommendations of the Remuneration Committee set up for the purpose, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Ummedsingh P. Champawat as Managing Director of the Company with effect from 20<sup>th</sup> May, 2013 for a period of 5 years, as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration") upon the term and conditions as detailed as under and on the other terms and conditions as contained in the draft agreement, to be entered into between the Company and Mr. Ummedsingh P. Champawat, as placed on the table and initialed for the sake of identification by the Chairman, which *inter alia*, provides as under:

1. The Re-appointment shall be for a period of 5 years with effect from 20<sup>th</sup> May, 2013.

2. The Managing Director shall be entitled to the following remuneration including salary and the perquisites:

- (i) The Managing Director shall be entitled to a maximum remuneration of 5% of the annual Net Profits of the Company, subject to maximum of 10% of Net Profit, in case there is more than one Managing Director/ Whole time Directors.

- (ii) In the event of absence of Profits or when the profits are inadequate, Mr. Ummedsingh P. Champawat shall be entitled to the following remuneration and perquisites subject to an overall ceiling of ` 1,25,000/- (Rupees One Lac Twenty Five Thousand only) per month or ` 15,00,000/- (Rupees Fifteen Lacs only) per annum under Section II (1(B)) of Part II of Schedule XIII of the Companies Act, 1956.

- (iii) In addition to the above remuneration, the Managing Director shall be entitled the following perquisites, as per the policy of the Company, which shall not be included in the computation of the ceiling on remuneration as given above:

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- (c) encashment of leave at the end of tenure."

**"RESOLVED FURTHER THAT** the authority be and is hereby given to the Board of Directors of the Company to alter and vary the terms and conditions of the said re-appointment and/or agreement (including authority, from time to time), to determine the amount of salary and commission as also the type and amount of perquisites and other benefits payable to Mr. Ummedsingh P.



Champawat, in such manner as may be agreed to between the Board of Directors and Mr. Ummedsingh P. Champawat, provided however that the remuneration payable to Mr. Ummedsingh P. Champawat, shall not exceed the overall ceiling of the total managerial remuneration as provided under section 309 of the Companies Act, 1956."

**"RESOLVED FURTHER THAT** the Board of Director, be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of Directors or Director to give effect to the aforesaid resolution."

**By Order of the Board of Directors**

Place : Ahmedabad  
Date : 13<sup>th</sup> August, 2013

**U. Champawat**  
*Chairman and  
Managing Director*

**NOTES :**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Proxies, in order to be effective, must be lodged at the registered office of the Company not later than 48 hours before the meeting.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 19<sup>th</sup> day of September, 2013 to Friday, the 27<sup>th</sup> day of September, 2013 (both days inclusive).
3. The Company has appointed M/s. Sharepro Services (India) Pvt. Ltd., as its Registrars and Share Transfer Agents for rendering the entire range of services to the Shareholders of the Company. Accordingly, all documents, transfers, Demat request, change of address intimation and other communication in relation thereto with respect to shares in electronic and physical form should be addressed to the Registrars directly quoting Folio No., full name and name of the Company as Royale Manor Hotels and Industries Ltd.

4. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.
5. Members are requested to bring their copies of the Annual Report to the Meeting.
6. Royale Manor Hotels and Industries Limited is concerned about the environment and utilize natural resources in sustainable way. The Ministry of corporate Affairs (MCA), Government of India, through its circular nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011, respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.

Recognizing the spirit of the circular pertaining to Green Initiatives, issued by the MCA, we henceforth propose to send documents like the notice convening the general meetings, financial statements, Directors' Report, Auditors' Report etc. to the email address provided by you with your depositories.

We request you to update, your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email.

7. Members holding shares in physical form are requested to notify to the company's Registrar and share Transfer Agent, M/s. Sharepro Services (India) Pvt. Ltd. quoting their folio, any change in their registered address with pin code and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participant.
8. Corporate Members intending to send their authorized representatives under Section 187 of the Companies Act, 1956, are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote at the Meeting.
9. In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.

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**ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**

**ANNEXURE TO THE NOTICE**

Notes on director seeking appointment/re-appointment as required under Clause 49 of the Listing Agreement entered into with Stock Exchanges:

**PROFILE OF DIRECTOR BEING APPOINTED / RE-APPOINTED**

**Item No. 3**

<b>Name</b>	:	Mr. Jayesh V. Dave
<b>Date of birth</b>	:	21 <sup>st</sup> March, 1958
<b>Qualification</b>	:	Chartered Accountant & Company Secretary
<b>Expertise</b>	:	Practising Chartered Accountant since 1986
<b>Director of the Company since</b>	:	29/08/2007
<b>Directorship in other public limited companies</b>	:	NIL
<b>Membership of Committees of other public limited companies</b>	:	Nil
<b>No. of Shares held in the Company</b>	:	Nil

**Item No. 5**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956:**

Mr. Ummedsingh P. Champawat is working as Managing Director of the Company from the beginning. He was re-appointed as Managing Director of the Company at the meeting of Board of Directors held on 30<sup>th</sup> May, 2013 for a period of 5 years with effect from 20<sup>th</sup> May, 2013. Under his leadership, the Company has progressed commendably.

Mr. Ummedsingh Champawat, a visionary entrepreneur by destiny and a versatile genius personality. Mr. Champawat has been involved in the Tourism Business since two decade & he has gained expertise in the Tourism operations. It may not be exaggeration to say that serving to Tourism Industries his inborn skills. Mr. Ummedsingh Champawat's name features prominently among those few, who successfully transformed themselves from the role of manor to industrial leaders. A trail-blazer in his own right with proven track record and well known for his magnificent valour and opulent hospitality after having successfully implementing hotel at Gujarat. Mr. Champawat is prize catch for the hotel industry. A multi-faceted personality, a forerunner in the true sense, a self-accomplished leader in his own right.

The Board of Directors of the Company at its meeting held on 30<sup>th</sup> May, 2013 and considering the recommendations of the Remuneration Committee and subject to prior approval of members in general meeting decided to re-appoint Mr. Ummedsingh P. Champawat, as a Managing Director of the Company under Section II (1(B)) of Part II of Schedule XIII of the Companies act, 1956.

Your directors recommend passing of the resolution set out at item No. 5 of the accompanying notice.

None of the Directors of the Company except Mr. Ummedsingh P. Champawat and Mr. Vishwajeet Singh Champawat, being related to him, are in any way concerned or interested in the resolution.

**By Order of the Board of Directors**

Place : Ahmedabad  
Date : 13<sup>th</sup> August, 2013

**U. Champawat**  
*Chairman and Managing Director*



## DIRECTORS' REPORT

To the Members,

Your directors have pleasure in presenting their 22<sup>nd</sup> Annual Report on the business and operations of the Company together with its Audited Accounts for the year ended 31<sup>st</sup> March, 2013.

### FINANCIAL RESULTS

The highlights of the financial results of the Company for the financial year ended March 31, 2013 are as under:

(` in Lacs)		
Particulars	2012-2013	2011-2012
Total Income	1950.13	1945.49
Profit/(Loss) before		
Financial Charges, Depreciation and Income Tax	472.18	545.06
Less : Financial Charges	148.52	143.18
Less : Depreciation	149.98	123.23
<b>Profit before Income Tax and Exceptional Item</b>	<b>173.68</b>	<b>278.65</b>
Add/(Less) : Extra Ordinary/Exceptional Item	22.24	(162.11)
<b>Profit Before Income Tax</b>	<b>195.92</b>	<b>116.54</b>
Provision for Income Tax	(49.86)	(39.26)
Deferred Tax (Expense)/Income	0.61	(4.41)
<b>Profit For the Year after Income Tax</b>	<b>146.67</b>	<b>72.87</b>
<b>Profit Available for Appropriation</b>	<b>146.67</b>	<b>72.87</b>
<b>Appropriation</b>		
Reserve for Replacement of FF&E (Net)	18.19	(22.58)
Proposed dividend	(13.55)	(19.50)
Tax on dividend	(2.20)	(3.16)
Balance of Profit/(Loss) brought forward	597.91	682.55
Transfer to Capital Redemption Reserve	(57.68)	(112.27)
<b>Bal. carried to Balance Sheet</b>	<b>689.34</b>	<b>597.91</b>

Your directors are pleased to recommend 6% dividend on Optionally Convertible Preference Shares (OCPS) for the year ended 31<sup>st</sup> March, 2013, aggregating ` 13.55 Lacs.

However, in view of future expansion, your directors express their inability to recommend a dividend on Equity Shares of the Company for the year under review.

### OPERATIONS

During the year under review, due to ongoing trend of

economic slowdown, in the first half of the year, there was a downward trend in the demand. However, towards the second half of the financial year 2012-13 the demand picked up. Also, in the Ahmedabad city, Hotel business became more competitive due to commissioning of new Hotels. The Average Occupancy of the hotel for 2012-13 has increased to 67.12% from 64.3% and the Average Room Rates of the hotel for the year 2012-13 has been noted as ` 5,577 as compares to ` 5,486 in the previous year 2011-12.

However, during the financial year 2012-13, Company had been in a position to achieve a turnover of ` 1950.13 Lacs, in comparison to ` 1945.49 Lacs, in the previous year 2011-12. The profit before tax and profit after tax for the year under review were ` 173.68 Lacs and ` 146.67 Lacs respectively. Your directors are hopeful that with recovery in the economy, there would be a marked improvement in the performance of the company.

The hotel unit of the Company "THE GATEWAY HOTEL UMMED" Ahmedabad is an ISO 22000:2005 certified hotel with the highest levels of Hygiene and Food Safety criteria. Your company's hotel is managed by the Indian Hotels Company Limited (Taj Group) for over Thirteen years. Further, The established "THE GATEWAY HOTEL BRAND", superior ambience, interior decorations, services and loyal clientele retained its' market leadership in the city of Ahmedabad and has placed the hotel ahead of its Competitors.

### SUSTAINABILITY INITIATIVES

Sustainability is a commitment for us to align our strategy in all aspects of our business with our stakeholders in various dimensions such as economic, social and environment.

### CORPORATE SOCIAL RESPONSIBILITY

In today's world **Corporate Social Responsibility** is a very important and dominant concept for external environment. Every year 5th June is observed as the World Environment Day around the world and is of immense importance for the Taj Group. In the year 2011-12, "THE GATEWAY HOTEL UMMED" has obtained **Earth Check Silver certification** from Earth Check, on International Environment body. The same certificate is renewed during the year 2012-13. It is about creating wealth for all our stakeholders, embracing diversity, minimizing resource consumption and reducing our greenhouse gas emissions. We provide healthy and hygienic food to our valuable customers. Customer satisfaction is our motive. This is a commitment to safeguard the health

and safety of our employees and neighbors, to support the local economy and to treat our staff fairly.

However, we recognise that we will have to be innovative and draw on our key strength in order to deliver the lasting positive outcomes that are at the core of our commitment to sustainability of the Hotel. Even our motivated staff - are also very conscious about the environment protection concept and to support environment protection concept, all staff members of "THE GATEWAY HOTEL UMMED" are strictly participating in **No Vehicle Day** by at least once in a month.

#### **FIXED DEPOSITS**

The Company has not accepted any fixed deposits during the financial year 2012-13 from public.

#### **DIRECTORS**

During the year Mr. Vishwanath Prasad Singh resigned on 13/02/2013.

In accordance with provisions of Section 256 of Companies Act, 1956 and Articles of Association of the company, Mr. Jayesh Dave, the director of the company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Board of Directors, hereby confirms that:

- (i) in the preparation of annual accounts for the financial year ended 31<sup>st</sup> March, 2013, the applicable accounting standards have been followed and there are no material departures.
- (ii) the directors have selected the accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the current financial year and of the profit of the Company for the year under review.
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the directors had prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2013 on a "going concern" basis.

#### **AUDITORS**

M/s Naimish N. Shah & Co., Chartered Accountants, Ahmedabad, the statutory Auditors of the company retire on the conclusion of the ensuing 22<sup>nd</sup> Annual General Meeting of the company and being eligible offer themselves for re-appointment. You are requested to consider their re-appointment.

Significant Accounting policies & Notes Forming part of Accounts are self-explanatory. Thus, no comment is required from the Board of Directors of the Company.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in report of the Board of Directors) Rules, 1988 is annexed as per Annexure - "A" which forms part of this Report.

#### **CORPORATE GOVERNANCE**

The Company has been proactive in the following principles and practices of good corporate governance. A report in line with the requirements of Clause 49 of the listing agreement on Management Discussion and Analysis and the Corporate Governance practices followed by the Company and the Auditors Certificate on Compliance of mandatory requirements are given as an Annexure "B & C" respectively to this report.

#### **STATEMENT OF EMPLOYEES' PARTICULARS**

None of the employees of the Company drew remuneration of ` 60,00,000/- or more per annum / ` 5,00,000/- or more per month during the year. Hence, no information is required to be furnished as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

#### **ACKNOWLEDGEMENT**

The Directors acknowledge with gratitude the whole-hearted support and cooperation received from valued customers, Financial Institutions, Banks, Taj Group, Government Departments, shareholders, employees and public for their continuous support and patronage extended and confidence reposed in the management of the Company.

**By Order of the Board of Directors**

Place : Ahmedabad  
Date : 13<sup>th</sup> August, 2013

**U. Champawat**  
*Chairman &  
Managing Director*



## ANNEXURE "A" : ANNEXURE TO THE DIRECTORS' REPORT

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo Pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in Report of the Board of Directors) Rule, 1988 forming part of Directors' Report for the year 2012-13.

### A. DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY :

Particulars	Unit	2012-13	2011-12
<b>(I) POWER AND FUEL CONSUMPTION</b>			
<b>1. Electricity</b>			
(a) Purchased	Kwh	<b>1,903,555</b>	1,934,307
Total Amount		<b>13,684,168</b>	12,074,996
Rate/Unit	₹/Kwh	<b>7.19</b>	6.24
(b) Own Generation (Units)		<b>1763</b>	5285
<b>2. Coal</b>			
Quantity	Kg.	<b>17,357</b>	20,764
Total Cost		<b>303,741</b>	353,000
Rate	₹/Kg.	<b>17.50</b>	17.00
<b>3. High Speed Diesel/LDO</b>			
Quantity	Litres	<b>86,330</b>	86,949
Total Cost		<b>4,396,069</b>	3,790,694
Average Rate	₹/Litres	<b>50.92</b>	43.60
4. Other Internal Generations		<b>NIL</b>	NIL
<b>(II) Consumption per unit of production:</b>			
		<b>NIL</b>	NIL

### B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :

The company has adopted world class technology available for the hotel industry. The equipments are partly imported. This has improved the quality of services and customers satisfaction.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Particulars	2012-13	2011-12
Earnings in Foreign Currencies (₹)	<b>52,302,506</b>	51,813,767
E expenditure in Foreign Currencies (₹)		
- Payment to Travel Agents	<b>769,333</b>	111,360
- Advance payment for Capital Goods	<b>—</b>	572,340
- Other expenditure (CSR)	<b>277,786</b>	100,018

## ANNEXURE "B" TO DIRECTORS' REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### OVERALL REVIEW

The hospitality industry has emerged as one of the key industries driving growth of the services sector in India. The hospitality industry is one of the most dynamic industries and continues to grow year after year and it has become one of the leading players in the global industry. The fortunes of the hospitality industry have always been linked to the prospects of the tourism industry and tourism is the foremost demand driver of the industry. According to the Indian Tourism ministry, the Indian tourism industry would be the third largest foreign exchange earner in the country in the next three years. Even when the world economy is showing a sluggish growth with uncertain employment prospects, the fast growing hospitality industry is heralding a pivotal change in career options with an exciting variety of career choices thereby increasing scope and future prospect of hospitality and tourism industry.

#### SECTOR OUTLOOK

Tourism is expected to grow further over the next few years due to the changes taking place on the demand and supply sides. The longer-term outlook for the Indian hotels industry remains positive. Tourism is the largest contributor in terms of revenues and employment opportunities in the Hotels Industries. The Indian hotels industry is still in the nascent stages of recovery and is yet to make the transition from an occupancy-led cycle to one supported by rising average room realizations (ARRs). As long as India is able to maintain a healthy rate of economic growth, demand would absorb new supplies

of hotel rooms over the medium term. All the same, we remain optimistic on the long term growth story for the Indian hospitality industry.

#### INDUSTRY STRUCTURE AND DEVELOPMENTS

Hotels are an important component of the tourism product. "The current down cycle in the Indian hotels industry has been longer than anticipated. The Hotels sector has the potential to grow at much higher rates once development of supporting infrastructure is ensured. The MoT has also played an important role in the development of the industry, initiating advertising campaigns such as the 'Incredible India' campaign, which promoted India's culture and tourist attractions in a fresh and memorable way.

The industry is likely to experience robust growth on the back of rising disposable incomes and favorable industry statistics. With international tourism increasing year-on-year (y-o-y) and the continued strength of domestic tourism, India will see incredible opportunities for growth. The Ministry of Tourism, Government of India, has consistently been working on improving India as a prime destination for tourists. India's rich cultural heritage, traditions, festivals, food, architectural monuments, hospitality and services are positive strengths for its tourism sector.

The Government of India has allowed 100 per cent FDI in the hotel sector on automated basis. Gujarat is in the process of creating large investment opportunities in the Tourism sector by adopting favourable policies. Gujarat, the Growth Engine with Business Resources, offers tremendous Opportunities for Investment as it is the most



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## ROYALE MANOR HOTELS AND INDUSTRIES LIMITED

preferred location for Industrial Investment in the Country. It is the home for Dynamic Industrialists and Business Entrepreneurs.

Today, all the major international hotels like Holiday Inn, Radisson, Le Meridien, Accor, Ibis, Hyatt, and Hilton are present in India. With all the positive signals, hospitality industry in India is getting consolidated and has many more opportunities to grow.

### SWOT ANALYSIS

#### Strengths

- The support of a proactive government is key factor for rapid industrial growth. The Gujarat Government has undertaken several Policy measures and Incentives to attract large investments in various sectors. The Policies aim to promote overall development of the economy.
- The Government of Gujarat strongly initiated the promotion of tourism in Gujarat with the slogan like " kabhi to aao gujrat mein".
- A world level corporate conference viz. "Vibrant Gujarat" providing impetus to hospitality industry.
- The promoters have an established track record, having created a niche for itself in hospitality industry with good brand image for last 17 years.
- A loyal clientele base of corporate and NGOs built-up over the years, providing a ready customer base.
- Strategic location of the hotel in the immediate vicinity of Airport with well-developed infrastructure gives it an added advantage over other competitors.
- "THE GATEWAY HOTEL" brand managed by "TAJ Group" has national and international recognition and is a force in the hospitality industry.
- Your Company continuously renovates its properties to meet the increasing competition in the market and insured its property against natural and man made disasters.

#### Weakness

- Hospitality Industry suffers from event risks such as terrorist attack, government stability, dollar and foreign currency condition, rupee devaluation etc. the company is operating in area, which is prone to these risks.
- Hotel business in general is sensitive to fluctuation in the economy. Since, demand for hotels is affected by economic growth; a global recession might lead to downturn in the hotel industry.
- Since tourism is global phenomenon, any adverse developments on the geo-political front are likely to impact global tourist flow and India is not an exception to same. The future of the hospitality industry is very sensitive to the global security environment.

#### Opportunities

- At a time of the World Economy melt down, Global Investors envisage for safer Investments and fetch assured returns. Investors look towards India and Gujarat has been a preferred Investment Destination by way of Vibrant Gujarat Summit
- Ahmedabad is emerging as a global city with a confluence of various culture and values and also being a leading industrial cities of India, the Company will be able to exploit the business travel potential offered by the city.
- The Government of Gujarat has declared and initiated many automobile projects resulting into increase in foreign corporate visitors.
- Industry experts said if the dollar remains at the current level or appreciate for the next couple of

quarters; it would make India as a destination cheaper for foreign tourists.

- The Hotel is well established and the promoters with their experience have passed through such phases without many adversities.

#### Threats

- Economic slowdown and offer of lower cost services by new five star hotels shall lead stiff competition in the hotel industry.
- The hotel sector remains vulnerable to extraneous events such as natural disasters and terrorist acts. The hotel sector may be unfavourably affected by changes in local market conditions, competition in the industry, government policies and regulations, fluctuations in interest rates, foreign exchange rates, other natural and social factors and travel advisories from foreign countries etc.,
- The high incidence of multifarious taxes both at the centre and the states also affect the competitiveness of the industry. The additional tax burden is likely to make India a destination less competitive than a few neighboring tourist destinations in Asia pacific region and this could have an adverse impact on the revenues of the hotel industry.

#### FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance of the Company for the year 2012-13 is described in the Directors Report under the head of 'Operation'.

#### SEGMENTWISE PERFORMANCE

The Company has only one segment i.e. Hotel Industry.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has set up internal control procedures commensurate with its size and nature of the business. These business procedures ensure optimum use and protection of the resources and compliance with the policies, procedures and statutes. The internal control systems provide for well-defined policies guidelines, authorizations and approval procedures. The prime objective of such audits is to test the adequacy and effectiveness of the internal controls laid down by management and to suggest improvements.

#### HUMAN RESOURCE DEVELOPMENT/INDUSTRIAL RELATIONS

During the year, the Company maintained harmonious and cordial industrial relations. No operating days were lost due to strike, lock out etc. Human Resources Development, in all its aspects like training, safety and social values is under constant focus of the management. The management and the Employees are dedicated to achieve the corporate objective and the targets set before the Company.

#### CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, predictions and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. As "forward- looking statements" are based on certain assumptions and expectations of future events over which the Company exercises no control. The Company assumes no responsibility to publicly amend, modify or revise the forward looking statement on the basis of subsequent developments, domestic and international economic conditions affecting demand, supply and price conditions in the hospitality industry, changes in the Government regulations, tax regimes and other status.



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**REPORT ON CORPORATE GOVERNANCE - Annexure "C" to the Directors' Report**  
(Pursuant to Clause 49 of the Listing Agreement)

**A. Mandatory Requirements**

**1. Company's philosophy on code of Corporate Governance**

Corporate Governance is an integral part of value, ethics and best business practices followed by the Company. The core values of the Company are commitment to excellence and customer satisfaction, maximizing long-term value for stakeholders, socially valued enterprise and caring for people and environment.

The Royale Manor Hotels and Industries Limited is committed to good Corporate Governance in order to all stakeholders – Customers, suppliers, lenders, employees, the shareholders. The detailed report on implementation by the company of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchanges, is set out below.

**2. BOARD OF DIRECTORS :**

**2.1 Composition of the Board**

The Board of Directors as at 31<sup>st</sup> March, 2013 comprises of Five directors including of an Executive (Chairman and Managing Director) and Four Non-Executive Directors. Mr. U. Champawat is the Chairman & Managing Director of the Company and he conducts the day to day management of the Company, subject to the supervision and control of the Board of Directors. The independent directors on the Board are senior, competent and highly respected persons from their receptive fields:

<b>Sr No.</b>	<b>Name of Director</b>	<b>Category of Director</b>
1.	Mr. U. Champawat	Director - Executive (Promoter)
2.	Dr. Praveenkumar R. Patel	Non-Executive Director (Independent)
3.	Mr. Jayesh Dave	Non-Executive Director (Independent)
4.	Dr. Ram Prakash Kothari	Non-Executive Director (Independent)
5.	Mr. Vishwajeetsingh Champawat	Non-Executive Director (Promoter)
6.	Mr. Vishwanath Prasad Singh*	Non-Executive Director (Independent)

*\*Resigned on 13/02/2013*

**2.2 Responsibilities of the Board**

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Chairman and Managing Director. The Board has delegated some of its powers to the executives of the company. The Board reviews from time to time such delegated powers and their utilization for effective functioning of the Company.

**2.3 Meeting and Attendance Record of Directors**

The meetings of the Board of Directors are held at periodical intervals and are generally at the Board Room of "The Gateway Hotel Umed, Ahmedabad", a unit of the Company. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. All material information is incorporated in the notes on agenda for facilitating meaningful and focused discussion at the meeting. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Senior Management persons and advisors are often invited to attend the Board Meetings and provide clarifications as and when required.

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**ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**

During the year under review, the Board met 6 (Six) times on the following dates:

	10/05/2012	13/08/2012	24/08/2012	04/10/2012	08/11/2012	13/02/2013		
Sr.No.	Name of Director					No. of Meetings held	No. of Meetings Attended	Attendance at the last AGM held on 29.09.2012
1.	Mr. U. Champawat					6	6	Yes
2.	Dr. Praveenkumar R. Patel					6	5	Yes
3.	Mr. Vishwanath Prasad Singh*					6	0	No
4.	Mr. Jayesh Dave					6	6	Yes
5.	Dr. Ram Prakash Kothari					6	6	No
6.	Mr. Vishwajeetsingh Champawat					6	6	Yes

\* Resigned on 13/02/2013

**2.4 Details of Directors seeking re-appointment at the ensuing Annual General Meeting**

As per the provisions of the Companies Act, 1956, two third of the Directors of a Company should be retiring Directors, of which one third of such Directors are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Jayesh Dave, retire by rotation at the ensuing Annual General Meeting and offers himself for re-appointment.

**2.5 Details of Directors who are associated as Chairman and Directors in other Public Companies**

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 (C) (ii) across all the companies in which he is a director. The necessary disclosure regarding Directorship and Committee position have been made by the Directors who are on the Board of the Company as on 31<sup>st</sup> March, 2013 and the same is reproduced herein below :

Sr.No.	Name of Director	No. of Directorship in other public Companies	No. of Committee positions held as Chairman on other public Companies	No. of Committee positions held as member in other Public Company
1.	Mr. U. Champawat	—	—	—
2.	Dr. Praveenkumar R. Patel	—	—	—
3.	Mr. Jayesh Dave	—	—	—
4.	Dr. Ram Prakash Kothari	—	—	—
5.	Mr. Vishwajeetsingh Champawat	—	—	—
6.	Mr. Vishwanath Prasad Singh*	1	—	—

\* Resigned on 13/02/2013

**3. COMMITTEES OF BOARD :**

The Company had three Board Committees. These are:-

1. Audit Committee
2. Remuneration Committee
3. Share Transfer & Shareholders/Investor Grievance Committee



All the decisions pertaining to the constitution of the Committees, appointment of members and fixing of terms of reference for the Committee is taken by the Board of Directors. Details of the role and composition of these Committees are provided below:

### **3.1 Audit Committee :**

The Audit Committee of the company is constituted in line with the provision of clause 49 of the listing Agreements with the stock Exchanges read with Section 292A of the Companies Act, 1956, comprises of three members viz. Mr. Jayesh Dave, Dr. Ramprakash Kothari and Mr. U. Champawat, who are well versed with finance, accounts, management and corporate affairs. Two members constitute the quorum of the said Audit Committee Meeting. Mr. Jayesh Dave, Chartered Accountant and Company Secretary, is the Chairman of the committee.

The Audit Committee of the Board of Directors, Inter-alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

The audit committee while reviewing the Annual Financial Accounts ensures compliance of the Accounting Standard (AS) issued by the Institute of Chartered Accountants of India.

#### **TERMS OF REFERENCE:**

The scope of activities of the Audit Committee includes the following:

- A. 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.
- B. Recommending the appointment and removal of statutory auditor, fixation of audit fees and also approval for payment of any other Consultancy services provided by the statutory auditor.
- C. Reviewing, with the management, the annual financial statements before submission to the Board for approval, focusing primarily on:
  - Any changes in accounting policies and practices and reasons for the same.
  - Major accounting entries based on exercise of judgment by management.
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - Compliance with accounting standards.
  - Compliance with stock exchange and legal requirements concerning financial statements
  - Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of company at large.
- D. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- E. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- F. Reviewing, with the management, statutory and internal auditors, and the adequacy of internal control systems.
- G. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department. Reporting structure, coverage and frequency of internal audit.
- H. Discussion with internal auditors any significant findings and follow up there on.

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**ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**

- I. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the board.
- J. Discussions with statutory auditors before the audit commences, about the nature and scope of audit, as well as post audit discussions to ascertain any area of concern.
- K. Reviewing the company's financial and risk management policies.
- L. To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividend) and creditors.
- M. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- N. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- O. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meetings held after the Audit Committee for deliberations and the full minutes of the same are placed before the following Board Meeting for records. The Board of Directors, regularly apprised on the recommendations of the Audit Committee, further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit.

Dates of the Audit Committee Meetings are fixed in advance and agenda is circulated to the Directors at least seven days before the meeting.

As required under Clause 49(III) (E) of the Listing Agreement, the Audit Committee had reviewed the following information:

- Management Discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions submitted by management.
- Management letters/letters of internal controls, weaknesses issued by the Statutory Auditors.
- Internal Auditors Reports relating to internal control weaknesses; and
- The Appointment, removal and terms of remuneration of the internal auditors.

The Audit Committee has the following powers:

1. to investigate any activity within its terms of reference.
2. to seek any information from any employee.
3. to obtain outside legal and professional advice.
4. to secure attendance of outsiders with relevant expertise, if it considers it necessary.

The Audit Committee invites such of the executives as it considers appropriate (Particularly the head of the finance function), representatives of the statutory Auditors. The Company Secretary acts as the Secretary to the Audit Committee.

The previous Annual General Meeting of the Company was held on September 29, 2012 and was attended by Mr. Jayesh Dave, Chairman of the Audit Committee.

During the year under review, the 5 Audit Committee was held during Financial Year 2012-13. The dates on which the said meetings were held as follows:

10/05/2012	13/08/2012	24/08/2012	08/11/2012	13/02/2013
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The necessary quorum was present at the meetings.



### 3.2 Remuneration Committee :

The Remuneration Committee reviewing the overall compensation policy, service agreements and other employments and other employment conditions of Managing / Whole time Directors and Managing Director:

Name	Remuneration ( ` )
Mr. U Champawat <i>Chairman &amp; Managing Director</i>	6,39,836
<b>Total</b>	<b>6,39,836</b>

1. Service Contract, Notice Period and Severance Fees :  
The employment of Shri U Champawat is contractual.
2. Stock Option details, if any : NIL

#### **Non-Executive Director :**

Remuneration by way of sitting fees for attending Board/Board Committee Meetings are paid only to Non-Executive Directors.

Sr. No.	Director	Sitting fees ( ` )
1.	Dr. Praveenkumar R. Patel	2500
2.	Mr. Vishwanath Prasad Singh*	-
3.	Mr. Jayesh Dave	3000
4.	Dr. Ram Prakash Kothari	3000
5.	Mr. Vishwajeetsingh Champawat	3000

\* Resigned on 13/02/2013

#### **Remuneration policy:**

Payment of remuneration to the Managing/Whole Time Director is governed by the respective Agreements executed between them and the company. These agreements were approved by the Board and the Shareholders. Their Remuneration structure comprises salary, perquisites and allowances.

### 3.3 Share Transfer & Shareholders'/Investor Grievance Committee:

The Share Transfer & Shareholders'/Investor Grievance committee comprises as under :

Sr. No.	Name	Position	Category
1.	Mr. U. Champawat	Chairman	Director-Executive(Promoter)
2	Dr. Praveenkumar R Patel	Member	Non- Executive Director
3	Dr. Ram Prakash Kothari	Member	Non -Executive Director

The committee is responsible for approving and monitoring transfers, transmission, splitting and consolidation of shares issued by the Company. In addition to that, the committee also monitors redresses of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet etc., No sitting fees is paid to the committee members.

The status of shareholders' complaints received so far/number not solved to the satisfaction of shareholders/number of pending share transfer transactions (as on 31<sup>st</sup> March, 2013 is given below):-

#### **Complaints Status : 01.04.2012 to 31.03.2013**

Number of complaints received so far	:	03
Number of complaints solved	:	03
Number of pending complaints	:	NIL

#### **Compliance Officer :**

Mr. U. Champawat, Chairman and Managing Director of the Company, is Compliance Officer for the purpose of complying with various provisions of Securities and Exchange Board of India (SEBI), Listing Agreement with Stock Exchanges, Registrar of Companies and for monitoring the share transfer process etc.

**4. GENERAL BODY MEETINGS :**

The location and time, where last three years Annual General Meetings are held as follows :

Year	Venue	Date	Time
2009-2010	Naroda Muthiya Community Hall, B/h. Galaxy Cinema, Naroda, Ahmedabad – 382 330	30 <sup>th</sup> September, 2010	10.30 A.M. (IST)
2010-2011	Ahmedabad Textile Mills' Association (ATMA) Hall, Ashram Road, Ahmedabad – 380 009	30 <sup>th</sup> September, 2011	3.00 P.M. (IST)
2011-2012	Ahmedabad Textile Mills' Association (ATMA) Hall, Ashram Road, Ahmedabad – 380 009	29 <sup>th</sup> September, 2012	3.00 P.M. (IST)

**5. DISCLOSURES :**

There were no significant or material related party transactions that have taken place during the year which have any potential conflict with the interest of the company at large. The detailed related party information and transactions have been provided in Sub-Note 2.4 of Note No. 27 of Notes to Accounts.

No penalties or strictures have been imposed by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during the last three years.

A certificate, in accordance with the requirements of Clause 49 V of the Listing Agreement, duly signed by the Chairman and Managing Director in respect of the year under review was placed before the Board and taken on record by it.

**6. MEANS OF COMMUNICATION :**

The Quarterly Unaudited Financial Results are published in Local English and Vernacular language newspapers and also disclosed on website [www.rmhil.com](http://www.rmhil.com). The presentation as to the Company's performance etc., are made to the Institutional Investors/Financial Analysts as and when felt expedient. The Management Discussions and Analysis Report forms part of the Directors Report and is given separately.

**7. GENERAL SHAREHOLDERS' INFORMATION :**

**7.1 Annual General Meeting :**

Day, date and time : Friday, the 27<sup>th</sup> September, 2013 at 3.00 P. M.  
Venue : Ahmedabad Textile Mills' Association (ATMA) Hall,  
Ashram Road, Ahmedabad - 380 009

**7.2 Financial Year Calendar (2013-14) (Tentative) :**

First Quarter Results : Second week of August, 2013  
Second Quarter Results : Second week of November, 2013  
Third Quarter Results : Second week of February, 2014  
Fourth Quarter Results : Second week of May, 2014

**7.3 Book Closure Date :** Thursday, the 19<sup>th</sup> September, 2013 to Friday, the 27<sup>th</sup> September, 2013 (both days inclusive).

**7.4 Dividend :** Dividend on Optionally Convertible Preference Shares (OCPS) is proposed and to be paid from 21<sup>st</sup> October, 2013. No dividend is proposed on Equity Shares.

**7.5 Listing of Equity Shares on Stock Exchanges are:**

The names and addresses of the Stock Exchanges at which the equity shares of the Company (except 8,00,000 Shares on account of conversion of preferential Warrant) are listed and the respective stock codes are as under :

Sr No.	Name of Stock Exchanges	Stock Codes
1.	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	BSE - 526640
2.	Madras Stock Exchange Limited "Exchange Building", No. 11, Second line beach, Chennai - 600 001.	MSE - N. A.



3. The Calcutta Stock Exchange Association Limited  
7, Lyons Range, Kolkata - 700 001.

CSE - 28151

**7.6. Market Price Data :**

High and low during each month in the (2012-13) financial year on the Stock Exchanges:

Month	High (₹)	Low (₹)
April - 2012	11.75	10.06
May – 2012	10.98	08.80
June – 2012	10.22	08.05
July – 2012	10.99	09.31
August – 2012	10.30	07.80
September -2012	09.44	07.55
October -2012	09.69	08.35
November – 2012	09.98	08.34
December – 2012	09.68	08.35
January – 2013	09.60	08.23
February – 2013	08.78	07.85
March – 2013	08.02	06.31

**7.7 Registrar and Transfer Agent and Address for Correspondence:**

a) Registrar and Transfer Agent of the Company:

**M/s. Sharepro Services (India) Pvt. Ltd**

416-420, 4<sup>th</sup> Floor, Devnandan Mall,

Opp. Sanyas Ashram, Ellisbridge,

Ahmedabad - 380006

Tel. No. : (079) 26582381-84

Fax No. : (079) 26582385

Email : sharepro.ahmedabad@shareproservices.com

b) Registered Office of the Company :

**M/s. Royale Manor Hotels and Industries Limited**

International Airport Circle,

Ahmedabad – 382 475.

Tel. No. : (079) 22868642-43

Fax No. : (079) 22868641

Email : royalemanorhotels@gmail.com

Website : www.rmhil.com

c) Dedicated e-mail for investor Grievance:

For the convenience of our investor, the company has designated an exclusive e-mail id i.e., [royalemanorhotels@gmail.com](mailto:royalemanorhotels@gmail.com).

All investors are requested to avail this facility.

**7.8 Share Transfer System :**

The Registrar and Share Transfer Agent deal with Share transfer both in physical and Demat mode. The Dematerialized shares are transferable through the depository system. Shares in physical form are processed by the Registrar and Share Transfer Agent and approved by the Share Transfer Committee of Directors of the Company. Transfer of physical shares is made within the time stipulated by the Stock Exchanges and in terms of Clause 47 of the Listing Agreement.



**ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**

**7.9 Distribution of Shareholding (as on 31<sup>st</sup> March, 2013) :**

Category	Number of Shareholders	Percentage (%)	Number of Shares	Percentage (%)
1- 500	14403	87.84	2273537	13.43
501-1000	963	5.87	831734	4.91
1001- 2000	472	2.88	759949	4.49
2001- 3000	164	1.00	418815	2.47
3001- 4000	94	0.57	332496	1.96
4001- 5000	73	0.45	343329	2.03
5001- 10000	112	0.68	822296	4.86
10001 and above	116	0.71	11150044	65.85
<b>TOTAL</b>	<b>16397</b>	<b>100.00</b>	<b>16932200</b>	<b>100.00</b>

**7.10 Shareholding Pattern as on March 31, 2013:**

Sr.No.	Category	No. of Shares held	Percentage (%) of shareholding
1.	Promoters, Directors & their Relatives	7708790	45.53
2.	NRI/OCBs	769267	4.54
3.	Banks/Financial Institutions/Mutual Funds	100	0.00
4.	Private Corporate Bodies	1391971	8.22
5.	Others	7062072	41.71
	<b>Total</b>	<b>16932200</b>	<b>100.00</b>

**7.11 Dematerialisation of Shares and Liquidity :**

The particulars of shares in physical and demat mode, held by the share holders as on 31<sup>st</sup> March, 2013:

Particulars	No of Shares	% shareholding
<b>Physical</b>	6484951	38.30
<b>Demat</b>		
NSDL	8009001	47.30
CDSL	2438248	14.40
<b>Total</b>	<b>16932200</b>	<b>100.00</b>

**7.12 Outstanding GDRs / ADRs /Warrants or any Convertible instruments, conversion date and likely impact on equity**

- a. The pending conversion of 45,00,000 warrants issued to Selected Non-promoter investors, in terms of Special Resolution passed at the EGM held on 29<sup>th</sup> April, 2006, the details are as under:

Sr. No.	Name of Investors	No. of Warrants allotted
1	M/s. Standard Unitrade Private Limited	22,50,000
2	M/s. Jodhpur Agriculture Private Limited	22,50,000

- b. The pending conversion of 8,00,000 warrants issued to Promoters and Associates, in terms of Special Resolution passed at the Annual General Meeting held on 28<sup>th</sup> September, 2006, the details are as under:

Sr. No.	Name of Investors	No. of Warrants allotted
1	M/s. Royale Infrastructure & Projects Pvt. Ltd.	5,50,000
2	Mr. Vishwajeetsingh Champawat	2,50,000

- c. The pending conversion of 8,00,000 warrants issued to Promoters and Associates, in terms of Special Resolution passed at the Annual General Meeting held on 28<sup>th</sup> September, 2007, the details are as under:

Sr. No.	Name of Investor	No. of Warrants allotted
1	M/s. Royale Infrastructure & Projects Pvt. Ltd.	8,00,000

**7.13 Hotel Location :**

The Gateway Hotel Umed, Ahmedabad  
International Airport Circle, Ahmedabad-382 475. Gujarat (INDIA)



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## DECLARATION

I, U. Champawat, Chairman and Managing Director of M/s. Royale Manor Hotels and Industries Limited, hereby declare that all the members of the Board of Directors and the Senior Management have affirmed compliance with the Code of Conduct, for the year ended March 31, 2013.

For, **Royale Manor Hotels and Industries Limited**

Place : Ahmedabad  
Date : 13<sup>th</sup> August, 2013

**U Champawat**  
Chairman and Managing Director

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## CERTIFICATE

To,  
The Members of  
**Royale Manor Hotels & Industries Limited**

We have examined the compliance of conditions of Corporate Governance by M/s. Royale Manor Hotels and Industries Limited, for the year ended on 31<sup>st</sup> March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s).

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

We have conducted our review on the basis of the relevant records and documents mentioned by the Company and furnished to us, for the review.

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

**FOR NAIMISH N. SHAH & CO.**  
**CHARTERED ACCOUNTANTS**  
(F.R. No. 106829W)

Place : Ahmedabad  
Date : August 13, 2013

**CA. Pranav N. Shah**  
Proprietor  
Membership No. 033747

**INDEPENDENT AUDITOR'S REPORT**

**TO,  
THE MEMBERS OF  
ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**, which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013; and
- b) in the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date.  
and
- c) in the case of Cash flow statement, of the cash flows of the Company for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.



- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**FOR NAIMISH N. SHAH & CO.  
CHARTERED ACCOUNTANTS  
(F.R. No. : 106829W)**

Place : Ahmedabad  
Date : May 30, 2013

**CA. Pranav N. Shah**  
Proprietor  
Membership No. 033747

#### **ANNEXURE TO AUDITOR'S REPORT**

The annexure referred to in our report to the members of Royale Manor Hotel and Industries Limited on the financial statements as of and for the year ended 31<sup>st</sup> March, 2013. We report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.  
(b) As informed to us, the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.  
(c) During the year substantial part of fixed assets have not been disposed off.
2. (a) As explained to us, inventories have been physically verified by the management at reasonable intervals.  
(b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventory. No material discrepancy was noticed on physical verification of stocks by the management as compared to books records.
3. (a) The Company has not granted any loans to Company, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.  
(b) The Company has not taken any loan from companies covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations to us, there is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and fixed assets and payment for expenses & for the sale of goods and services. Further, there is no continuing failure to correct major weakness in internal control.
5. According to the information and explanations given to us, Company has not entered into any contract or arrangement with any party referred to in section 301 of the Companies Act, 1956 therefore paras (a) and (b) are not applicable.
6. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public covered under section 58A, 58AA of Companies Act, 1956 and the rules made there under are not applicable.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. As per information and explanations given to us by the management, the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the Company. Therefore, no further comments are required to be made.

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**ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**

9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees state insurance, service tax and tax deducted at source, investor education and protection fund, income-tax, sales tax, wealth tax, custom duty and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us, there was no undisputed amount outstanding & payable in respect of statutory dues as at 31<sup>st</sup> March 2013, for a period of more than six months from the date of they become payable.
- (c) According to the information and explanations given to us by the management, there are no dues of income tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute. However according to the records of the Company, an amount of ₹ 1,26,385/- towards the sales tax liability is disputed and not deposited with appropriate authority.
10. The Company does not have accumulated losses as on 31<sup>st</sup> March, 2013. Further it has not incurred cash loss during the year ended on 31<sup>st</sup> March, 2013.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to any financial institution.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore provisions of clause (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. The shares and securities held by the Company as investments are in its own name.
15. According to the information and explanations given to us, the Company has given a corporate guarantee in favour of Housing and Urban Development Corporation Limited (HUDCO) as a security for loans obtained by National Hotels Limited, in which the Company is a share holder, the terms and conditions of whereof; in our opinion are not prima-facie prejudicial to the interest of the company.
16. In our opinion and according to the information and explanations given to us, the term loans raised during the year by the Company have been applied for the purpose for which the said loans were obtained, where such end use has been stipulated by the lender.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as on 31<sup>st</sup> March, 2013, in our opinion, there are no funds raised on a short-term basis which have been used for long term investment.
18. Based on the audit procedures performed and the information and explanations given by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the year and therefore the creation of securities or charge does not arise.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing principles in India for the purpose of reporting the true and fair view of the financial statements, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**FOR NAIMISH N. SHAH & CO.**  
**CHARTERED ACCOUNTANTS**  
**(F.R. No. : 106829W)**

Place : Ahmedabad  
Date : May 30, 2013

**CA. Pranav N. Shah**  
Proprietor  
Membership No. 033747

**BALANCE SHEET AS AT 31ST MARCH, 2013**

Sr. No.	Particulars	Note No.	Amount in `	
			As at 31st March, 2013	As at 31st March, 2012
<b>I</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
<b>1</b>	<b><u>SHAREHOLDERS' FUNDS</u></b>			
	(a) Share Capital	<b>1</b>	<b>188,022,000</b>	193,622,000
	(b) Reserve and Surplus	<b>2</b>	<b>116,305,744</b>	103,382,263
	(c) Money Recd. Against Share Warrants	<b>3</b>	<b>24,135,011</b>	24,135,011
	TOTAL(1)		<b><u>328,462,755</u></b>	<u>321,139,274</u>
<b>2</b>	<b><u>NON-CURRENT LIABILITIES</u></b>			
	(a) Long Term Borrowings	<b>4</b>	<b>68,191,514</b>	43,252,917
	(b) Other Long Term Liabilities	<b>5</b>	<b>18,135,980</b>	13,370,898
	(c) Long Term Provisions	<b>6</b>	<b>879,670</b>	832,142
	TOTAL(2)		<b><u>87,207,164</u></b>	<u>57,455,957</u>
<b>3</b>	<b><u>CURRENT LIABILITIES</u></b>			
	(a) Short Term Borrowings	<b>7</b>	<b>24,931,340</b>	19,152,726
	(b) Trade Payables	<b>8</b>	<b>24,479,267</b>	12,048,895
	(c) Other Current Liabilities	<b>9</b>	<b>40,827,405</b>	37,752,547
	(d) Short Term Provisions	<b>10</b>	<b>3,270,531</b>	4,433,415
	TOTAL(3)		<b><u>93,508,543</u></b>	<u>73,387,583</u>
	<b>TOTAL(1+2+3)</b>		<b><u>509,178,462</u></b>	<u>451,982,814</u>
<b>II</b>	<b><u>ASSETS</u></b>			
<b>1</b>	<b><u>NON-CURRENT ASSETS</u></b>			
	(a) Fixed Assets			
	(i) Tangible Assets	<b>11</b>	<b>278,630,789</b>	270,624,650
	(ii) Capital Work-in-Progress	<b>11</b>	<b>135,404</b>	-
	(b) Non-current Investments	<b>12</b>	<b>38,500,000</b>	38,500,000
	(c) Deferred Tax Assets (Net)	<b>13</b>	<b>6,091,672</b>	6,030,901
	(d) Long Term Loans and Advances	<b>14</b>	<b>59,527,763</b>	45,188,603
	TOTAL(1)		<b><u>382,885,628</u></b>	<u>360,344,154</u>
<b>2</b>	<b><u>CURRENT ASSETS</u></b>			
	(a) Inventories	<b>15</b>	<b>18,490,993</b>	16,775,952
	(b) Trade Receivables	<b>16</b>	<b>17,865,095</b>	13,156,060
	(c) Cash and Cash Equivalents	<b>17</b>	<b>5,716,333</b>	5,525,302
	(d) Short Term Loans and Advances	<b>18</b>	<b>67,424,948</b>	36,221,129
	(e) Other Current Assets	<b>19</b>	<b>16,795,465</b>	19,960,217
	TOTAL(2)		<b><u>126,292,834</u></b>	<u>91,638,660</u>
	<b>TOTAL(1+2)</b>		<b><u>509,178,462</u></b>	<u>451,982,814</u>

**Notes to the accounts forming part of Balance Sheet****27**

As per our audit report of even date attached

**For and on behalf of the Board****For NAIMISH N. SHAH & CO.**Chartered Accountants  
(F.R. No.: 106829W)**CA. Pranav N. Shah**Proprietor  
Membership No. 033747Ahmedabad  
May 30, 2013**U. CHAMPAWAT***Chairman and Managing Director***JAYESH DAVE***Director***DR. RAM PRAKASH KOTHARI***Director*Ahmedabad  
May 30, 2013

**ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

		Amount in `		
Sr. No.	Particulars	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>REVENUE FROM OPERATIONS</b>				
I	Revenue from Operations	20	193,298,718	189,067,769
II	Other Income	21	1,714,709	5,481,040
III	<b>TOTAL REVENUE(I+II)</b>		<b>195,013,427</b>	<b>194,548,809</b>
<b>IV EXPENSES</b>				
a	Cost of Material Consumed	22	13,368,933	14,329,552
b	Employees' Benefits Expenses	23	39,654,142	38,323,418
c	Finance Costs	24	14,852,130	14,318,359
d	Depreciation and Amortization Expenses	25	14,997,863	12,323,255
e	Other Expenses	26	94,772,104	87,388,783
	<b>TOTAL EXPENSES</b>		<b>177,645,172</b>	<b>166,683,367</b>
V	<b>Profit Before Exceptional And Extraordinary Items And Tax (III-IV)</b>		<b>17,368,255</b>	<b>27,865,442</b>
VI	Exceptional Items		-	(16,211,202)
VII	<b>Profit Before Extraordinary Items And Tax (V-VI)</b>		<b>17,368,255</b>	<b>11,654,240</b>
VIII a	Extraordinary Items		-	-
b	Prior Period Items		2,223,628	-
IX	<b>Profit Before Tax (VII-VIII)</b>		<b>19,591,883</b>	<b>11,654,240</b>
X	<b>Tax Expense</b>			
a	Current Tax Expense		3,500,000	2,500,000
b	Earlier Year Tax Expense		1,485,916	1,425,746
c	Deferred Tax Expense / (Income)		(60,771)	441,294
XI	<b>Profit / (Loss) for the year (IX-X)</b>		<b>14,666,738</b>	<b>7,287,200</b>
XII	<b>Earning per equity share</b>			
a	Basic		0.77	0.30
b	Diluted		0.66	0.36

**Notes to the accounts forming part of Statement of Profit & Loss** 27

As per our audit report of even date attached  
**For NAIMISH N. SHAH & CO.**  
 Chartered Accountants  
 (F.R. No.: 106829W)  
**CA. Pranav N. Shah**  
 Proprietor  
 Membership No. 033747  
 Ahmedabad  
 May 30, 2013

**For and on behalf of the Board**  
**U. CHAMPAWAT**  
*Chairman and Managing Director*  
**JAYESH DAVE**  
*Director*  
**DR. RAM PRAKASH KOTHARI**  
*Director*  
 Ahmedabad  
 May 30, 2013



## CASH FLOW STATEMENT

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	19,591,883	11,654,240
Adjustments For :		
Depreciation	14,997,863	12,323,255
Interest & Financial Charges	14,852,130	14,318,359
Loss on Sale of Assets	-	14,000,000
Operating Profit before Working Capital Changes	49,441,876	52,295,854
Adjustments for :		
Trade Receivables	(4,709,035)	4,049,169
Loans & Advances	(42,378,227)	(15,738,698)
Inventories	(1,715,041)	(4,575,268)
Trade Payables & Other Liability	14,342,346	(10,010,543)
Cash Generated from Operations	(34,459,957)	(26,275,340)
Provision for Income Tax	(4,985,916)	(3,925,746)
Net Cash Flow from Operating Activities	9,996,003	22,094,768
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/(Purchase) of Assets	(23,139,406)	(26,760,887)
Net Cash Flow from Investing Activities	(23,139,406)	(26,760,887)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	35,529,821	22,009,484
Interest & Financial Charges	(14,852,130)	(14,318,359)
Proposed Dividend on OCPS	(1,355,380)	(1,950,443)
Tax on Dividend	(219,877)	(316,411)
Redemption of OCPS	(5,768,000)	(11,227,000)
Net Cash Flow from Financing Activities	13,334,434	(5,802,729)
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	191,031	(10,468,848)
<b>OPENING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	5,525,302	15,994,150
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	5,716,333	5,525,302

### For and on behalf of the Board

**U. CHAMPAWAT**  
*Chairman and Managing Director*

**JAYESH DAVE**  
*Director*  
Ahmedabad, May 30, 2013

**DR. RAM PRAKASH KOTHARI**  
*Director*

### AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of Royale Manor Hotels and Industries Limited for the year ended 31st March, 2013. The Statement has been prepared by the company in accordance with the requirements of clause 32 of listing agreement with stock exchanges and is based on and in agreement with the corresponding Statement of Profit and Loss and Balance Sheet of the company covered by our report of 30th May, 2013 to the members of the company.

**FOR NAIMISH N. SHAH & CO.**  
**CHARTERED ACCOUNTANTS**  
(F.R. No. : 106829W)

Place : Ahmedabad  
Date : May 30, 2013

**CA. Pranav N. Shah**  
Proprietor  
Membership No. 033747



**ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**

**NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2013**

Note No.	Sr. No.	Particulars	Amount in `	
			As at 31st March, 2013	As at 31st March, 2012
1		<b>SHARE CAPITAL</b>		
	<b>A</b>	<b>AUTHORISED</b>		
		28,500,000 (P. Y. 28,500,000) Equity Shares of ` 10/- each	<b>285,000,000</b>	285,000,000
		650 (P.Y. 650) Optionally Convertible Preference Shares of ` 100,000/- each	<b>65,000,000</b>	65,000,000
			<u><b>350,000,000</b></u>	<u>350,000,000</u>
	<b>B</b>	<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
		Equity Shares of ` 10/- each, fully paid up		
		At the beginning of the year, No. of Shares 16,932,200 (P.Y. 16,932,200)	<b>169,322,000</b>	169,322,000
		Addition / (Deduction) during the year	-	-
		At the end of the year, No. of Shares 16,932,200 (P.Y. 16,932,200)	<u><b>169,322,000</b></u>	<u>169,322,000</u>
		Optionally Convertible Preference Shares of ` 1,00,000/- each, fully paid up		
		At the beginning of the year, No. of Shares 243 (P.Y. 352)	<b>24,300,000</b>	35,200,000
		Addition/(Deduction) during the year, No. of Shares 56 (P.Y. 109)	<b>(5,600,000)</b>	(10,900,000)
		At the end of the year, No. of Shares 187 (P.Y. 243)	<u><b>18,700,000</b></u>	<u>24,300,000</u>
		<b>GRAND TOTAL</b>	<u><b>188,022,000</b></u>	<u>193,622,000</u>

Footnote The Company has only one class of equity shares having a par value of ` 10/- per share. Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company after distribution/repayment of all creditors and Preference share holders. The distribution will be in proportion to the number of equity shares held by the share holders.

The company has also one class of Optionally Convertible Preference Share (OCPS) of ` 100,000/- each. In the event of Liquidation of the Company, the holders of the OCPS will have preference over equity share holders. For the year ended on 31st March, 2013 @ 6% (P.Y. 6%) dividend on Optionally Convertible Preference Share (OCPS) was recommended.

**C LIST OF SHARE HOLDERS HOLDING 5 % OR MORE EQUITY SHARES**

Sr. No.	Name of Shareholders	Percentage	No. of Shares
1	Shree Bala Finvest Pvt. Ltd.	12.33%	2,087,100
2	Champawat Investment & Consultants Pvt. Ltd.	10.16%	1,720,400
3	Pioneer Buildcon Pvt. Ltd.	8.34%	1,412,860
4	Gujarat Finvest Services Pvt. Ltd.	6.29%	1,065,600
5	Elcon Exports Pvt. Ltd.	5.38%	910,300

**D LIST OF SHARE HOLDERS HOLDING 5 % OR MORE OPTIONALLY CONVERTIBLE PREFERENCE SHARES (OCPS)**

Sr. No.	Name of Shareholders	Percentage	No. of OCPS
1	Tourism Finance Corporation of India Ltd	37.43%	70
2	IDBI Bank Ltd	62.57%	117



Note No.	Sr. No.	Particulars	Amount in `	
			As at 31st March, 2013	As at 31st March, 2012
2		<b>RESERVES &amp; SURPLUS</b>		
	A	<b>CAPITAL REDEMPTION RESERVE</b>		
		At the beginning of the year	30,797,000	19,570,000
		Additions during the year	5,768,000	11,227,000
		Utilised during the year	-	-
		At the end of the year	<u>36,565,000</u>	<u>30,797,000</u>
	B	<b>SECURITIES PREMIUM RESERVE</b>		
		At the beginning of the year	8,703,000	9,030,000
		Additions during the year	-	-
		Utilised during the year	168,000	327,000
		At the end of the year	<u>8,535,000</u>	<u>8,703,000</u>
	C	<b>REPLACEMENT OF FF &amp; E RESERVE</b>		
		At the beginning of the year	4,091,551	1,833,971
		Additions during the year	3,790,641	3,792,639
		Utilised during the year	5,610,802	1,535,059
		At the end of the year	<u>2,271,390</u>	<u>4,091,551</u>
	D	<b>SURPLUS</b>		
		At the beginning of the year	59,790,712	68,254,946
		Additions during the year (Balance in Statement of Profit & Loss)	14,666,738	7,287,200
		Allocations and Appropriations		
		Dividend on OCPS	(1,355,380)	(1,950,443)
		Tax on Dividend	(219,877)	(316,411)
		Transfer (To) / From Reserves	(3,947,839)	(13,484,580)
		At the end of the year	<u>68,934,354</u>	<u>59,790,712</u>
		<b>GRAND TOTAL</b>	<u>116,305,744</u>	<u>103,382,263</u>
3		<b>MONEY RECEIVED AGAINST SHARE WARRANTS</b>		
		Preferential Share Warrants	24,135,011	24,135,011
			<u>24,135,011</u>	<u>24,135,011</u>
4		<b>LONG TERM BORROWINGS</b>		
	A	<b>SECURED TERM LOANS FROM BANKS</b>		
		Punjab National Bank (Foot Note 1)	26,887,170	26,874,990
			<u>26,887,170</u>	<u>26,874,990</u>
	B	<b>SECURED TERM LOANS FROM FINACIAL INSTITUTION</b>		
		Tata Capital Financial Services Limited (Foot Note 2)	-	377,927
			-	<u>377,927</u>
	C	<b>UNSECURED LONG TERM BORROWINGS:</b>		
		Bank of Maharashtra Term Loan (Footnote:3)	41,304,344	-
		Inter Corporate Deposits	-	16,000,000
			<u>41,304,344</u>	<u>16,000,000</u>
		<b>GRAND TOTAL</b>	<u>68,191,514</u>	<u>43,252,917</u>

Footnote 1 : Secured by way of pari passu mortgage & charge on all the immovable properties both present and future of the company and charge by way of hypothecation of all movable assets both present and future, ranking pari passu, excluding block assets financed by Tata Capital Financial Services Ltd. Repayable in 72 monthly installments from October, 2012 to September, 2018.

Footnote 2 : Secured by way of Hypothecation of Equipment and further secured by corporate guarantee and personal guarantee of the director. Repayable in 21 monthly installments from August, 2011 to April, 2013.

Footnote 3 : Repayable in 72 monthly installment including 3 month moratorium period, from April, 2013.

**ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**

		Amount in `	
Note No.	Sr. No. Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>5</b>	<b><u>OTHER LONG-TERM LIABILITIES</u></b>		
	Security Deposits from Contractors	2,128,379	2,128,379
	Security Deposits from Others	5,493,000	2,000
	Others	10,514,601	11,240,519
		<u>18,135,980</u>	<u>13,370,898</u>
<b>6</b>	<b><u>LONG-TERM PROVISIONS</u></b>		
	Provision for Employees Benefits	879,670	832,142
		<u>879,670</u>	<u>832,142</u>
<b>7</b>	<b><u>SHORT TERM BORROWINGS</u></b>		
	<b><u>SECURED - CASH CREDIT FROM BANK</u></b>		
	Working Capital Facility - Punjab National Bank (Footnote 4)	24,931,340	19,152,726
		<u>24,931,340</u>	<u>19,152,726</u>
Footnote 4 : Secured by way of hypothecation of Stock of Raw Materials, Consumable Stocks & such other movables and book debts of the Company, personal guarantee of a director and further secured by second charge on block assets of the Company.			
<b>8</b>	<b><u>TRADE PAYABLES</u></b>		
	Trade Payables	19,418,299	8,388,507
	Advance from Parties	5,060,968	3,660,388
		<u>24,479,267</u>	<u>12,048,895</u>
<b>9</b>	<b><u>OTHER CURRENT LIABILITIES</u></b>		
	Current Year's Other Taxes Payable	1,682,180	1,424,345
	Current Maturity of Long Term Borrowings		
	- From Bank		
	- Punjab National Bank	6,466,191	8,591,941
	- Bank of Maharashtra	8,690,991	-
	- From Financial Institutions		
	- Tourism Finance Corporation of India Ltd (Footnote:5)	-	6,200,000
	- Tata Capital Financial Services Ltd	377,927	4,633,200
	Interest Accrued and due on Borrowings	439,442	429,918
	Interest Accrued but not due on Borrowings	-	341,797
	Proposed Dividends	1,355,380	1,950,443
	Tax on Dividends	536,288	737,030
	Provision for Income Tax	3,500,000	2,500,000
	Statutory Dues	256,865	250,547
	TDS Payable	1,118,800	624,230
	Other Current Liabilities	16,403,341	10,069,096
		<u>40,827,405</u>	<u>37,752,547</u>
Footnote 5 : Secured by way of pari passu mortgage & charge on all the immovable properties, both present and future of the company and charge by way of hypothecation of all movable assets (save & except book debts) both present and future, ranking pari-passu, subject to prior charges created in favour of the Punjab National Bank on the Stock of Raw Materials, Consumable Stocks and such other movables for securing the borrowing for working capital requirement. Repayable in 28 quarterly installments from October, 2005 to July, 2012.			
<b>10</b>	<b><u>SHORT-TERM PROVISIONS</u></b>		
	Provision for Employees Benefits	2,649,026	2,384,000
	Provision for Doubtful Debts	234,798	601,960
	Others	386,707	1,447,455
		<u>3,270,531</u>	<u>4,433,415</u>



**11 : FIXED ASSETS** (Amount in `)

Description	Gross Block			Depreciation			Net Block		
	As at 1st April, 2012	Additions during the year	Deductions during the year	As at 31st March, 2013	As at 1st April, 2012	Additions during the year	Deductions during the year	As at 31st March, 2013	As at 31st March, 2012
Freehold Land	36,971,314	-	-	36,971,314	-	-	-	36,971,314	36,971,314
Buildings	171,212,757	11,873,433	-	183,086,190	34,159,636	2,876,190	-	146,050,364	137,053,121
Electrical Installations	37,593,471	2,891,329	-	40,484,800	24,185,890	1,646,821	-	14,652,089	13,407,581
Plant & Machineries	188,770,766	7,697,936	317,686	196,151,016	115,101,646	8,618,580	317,686	72,748,476	73,669,120
Computers	10,382,312	283,700	-	10,666,012	8,021,963	611,600	-	2,032,449	2,360,349
Furniture & Fittings	1,797,917	121,034	-	1,918,951	1,368,953	92,630	-	457,368	428,964
Office Equipments	1,739,528	136,570	-	1,876,098	601,457	87,855	-	1,186,786	1,138,071
D.G. Set	320,000	-	-	320,000	258,441	15,200	-	46,359	61,559
Vehicles	11,063,329	-	-	11,063,329	5,824,758	1,048,987	-	4,189,584	5,238,571
Live Stock	296,000	-	-	296,000	-	-	-	296,000	296,000
<b>Total</b>	460,147,394	23,004,002	317,686	482,833,710	189,522,744	14,997,863	317,686	278,630,789	270,624,650
Previous Year	424,788,524	37,172,370	1,813,500	460,147,394	178,336,706	12,323,255	1,137,217	270,624,650	
Capital Work in Progress		135,404		135,404				135,404	-

**ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**

				Amount in `	
Note No.	Sr. No.	Particulars		As at 31st March, 2013	As at 31st March, 2012
12		<b><u>NON CURRENT INVESTMENTS</u></b>			
		<b>TRADE INVESTMENTS (At cost)</b>			
		<b>Trade &amp; Unquoted</b>	<b>Face Value</b>	<b>No. of Shares Current Year</b>	<b>No. of Shares Previous Year</b>
		Investment in Shares- National Hotels Ltd	10	3,850,000	3,850,000
				<b>38,500,000</b>	38,500,000
				<b>38,500,000</b>	38,500,000
13		<b><u>DEFERRED TAX ASSETS (NET)</u></b>			
		Deferred Tax Asset (Net)		<b>6,091,672</b>	6,030,901
				<b>6,091,672</b>	6,030,901
14		<b><u>LONG TERM LOANS AND ADVANCES</u></b>			
		(Unsecured, considered good)			
		Capital Advances		<b>56,206,900</b>	41,879,240
		Security Deposits		<b>3,320,863</b>	3,309,363
				<b>59,527,763</b>	45,188,603
15		<b><u>INVENTORIES</u></b>			
		(As valued & certified by the Management)			
		Provisions & Stores		<b>1,221,421</b>	958,668
		Cutlery, Crockery, Chinaware, Glassware & Linen		<b>4,171,468</b>	5,102,155
		Other Stores		<b>13,098,104</b>	10,715,129
				<b>18,490,993</b>	16,775,952
16		<b><u>TRADE RECEIVABLES</u></b>			
		(Unsecured considered good)			
		Debts outstanding for a period exceeding Six months from the date they are due		<b>603,396</b>	1,826,240
		Other Debts		<b>17,261,699</b>	11,329,820
				<b>17,865,095</b>	13,156,060
17		<b><u>CASH &amp; CASH EQUIVALENTS</u></b>			
	<b>A</b>	<b>BALANCE WITH BANKS</b>			
		In Fixed Deposits		<b>299,132</b>	277,456
		In Fixed Deposits (Maturing beyond 12 months)		<b>13,933</b>	12,831
		In Current Accounts		<b>4,738,259</b>	4,489,081
	<b>B</b>	<b>CASH ON HAND</b>			
		Cash on Hand		<b>665,009</b>	745,934
				<b>5,716,333</b>	5,525,302
18		<b><u>SHORT TERM LOANS &amp; ADVANCES</u></b>			
		(Unsecured, considered good)			
		Advance to Suppliers		<b>1,723,890</b>	836,451
		Advance to Staff		<b>300,593</b>	233,855
		Advance recoverable in cash or in kind		<b>45,826,553</b>	14,321,437
		Advance payment and deduction of Income Tax at source		<b>3,845,718</b>	3,939,191
		Others		<b>15,728,194</b>	16,890,195
				<b>67,424,948</b>	36,221,129
19		<b><u>OTHER CURRENT ASSETS</u></b>			
		Prepaid Expenses		<b>1,052,206</b>	1,192,481
		Others		<b>15,743,259</b>	18,767,736
				<b>16,795,465</b>	19,960,217



**NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR  
THE YEAR ENDED 31ST MARCH, 2013**

Note No.	Particulars	Amount in `	
		For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>20</b>	<b><u>REVENUE FROM OPERATIONS</u></b>		
	Rooms	127,558,856	120,060,591
	Food & Beverages	56,398,698	58,235,029
	Wine & Liquor	-	390,429
	Telephone & Internet	3,140,459	2,843,091
	Other Services	6,200,705	7,538,629
		<u>193,298,718</u>	<u>189,067,769</u>
<b>21</b>	<b><u>OTHER INCOME</u></b>		
	Other Non Operating Income	1,714,709	5,481,040
		<u>1,714,709</u>	<u>5,481,040</u>
<b>22</b>	<b><u>COST OF MATERIALS CONSUMED</u></b>		
	Opening Balance of Stock	958,668	736,981
	Add : Purchases of Raw Material	13,631,686	14,551,239
		<u>14,590,354</u>	<u>15,288,220</u>
	Less : Closing Balance of Stock	1,221,421	958,668
		<u>13,368,933</u>	<u>14,329,552</u>
<b>23</b>	<b><u>EMPLOYEES' BENEFITS EXPENSE</u></b>		
	Salary & Wages	30,611,683	28,792,921
	Contribution to Provident Fund and Other Funds	1,871,832	1,728,264
	Other Staff Related Expenses	7,170,627	7,802,233
		<u>39,654,142</u>	<u>38,323,418</u>
<b>24</b>	<b><u>FINANCIAL COSTS</u></b>		
A	<u>Interest Expenses</u>		
	Interest to Bank	8,574,998	5,056,197
	Interest to Financial Institutions	1,085,693	3,564,183
	Interest on Inter Corporate Deposit	1,549,861	1,920,000
	Interest on TDS & Other Taxes	166,736	10,734
B	Other Borrowing Costs	496,301	1,145,513
C	Commission on Credit Card Settlement	2,978,541	2,621,732
		<u>14,852,130</u>	<u>14,318,359</u>
<b>25</b>	<b><u>DEPRECIATION AND AMORTZATION EXPENSE</u></b>		
	Depreciation	14,997,863	12,323,255
		<u>14,997,863</u>	<u>12,323,255</u>

**ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**

Note No.	Particulars	Amount in `	
		For the year ended 31st March, 2013	For the year ended 31st March, 2012
26	<b><u>OTHER EXPENSES</u></b>		
	<b>A <u>OPERATING EXPENSES</u></b>		
	Banquet Expenses	3,557,150	3,810,040
	Power & Fuel	21,396,141	18,599,183
	Repair & Maintenance - Building	13,448,129	1,974,434
	Repair & Maintenance - Machinery	3,479,086	2,322,044
	Repair & Maintenance - Others	2,584,619	1,280,545
	Upkeep & Service Cost	6,147,810	4,669,691
		<u>50,612,935</u>	<u>32,655,937</u>
	<b>B <u>ADMINISTRATIVE EXPENSES</u></b>		
	Rates & Taxes	2,331,816	1,305,215
	Insurance Expenses	1,125,690	1,073,946
	Legal & Professional Expenses	4,106,406	2,840,936
	Operating Fess	12,949,064	13,891,371
	Loss on Sale of Assets	-	14,000,000
	Payment to Auditors	476,389	458,793
	Postage & Courier Expenses	224,412	226,465
	Printing & Stationary	1,093,492	1,074,299
	Rent	554,000	600,000
	Bad & Doubtful Debt	1,091,613	1,214,095
	Travelling & Conveyance	3,156,714	2,437,424
	Director Remunerations & Perquisites	639,836	772,790
	Director Sitting Fees	11,500	10,500
	Donation	111,190	158,543
	General Expenses	5,548,302	4,422,268
	Telephone Expenses	2,453,588	2,270,012
		<u>35,874,012</u>	<u>46,756,657</u>
	<b>C <u>SELLING &amp; DISTRIBUTION EXPENSES</u></b>		
	Advertisement Expenses	467,939	635,099
	Sales Commission & Incentives	1,726,859	972,653
	Sales Promotion Expenses	6,090,359	6,368,437
		<u>8,285,157</u>	<u>7,976,189</u>
	<b>GRAND TOTAL (A+B+C)</b>	<u>94,772,104</u>	<u>87,388,783</u>

**NOTE-27 :SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**

**1. SIGNIFICANT ACCOUNTING POLICIES:-**

**1.1 BASIS OF ACCOUNTING:**

- (i) The Financial Statements have been prepared under the Historical Cost Convention and generally accepted accounting practices followed in India and provisions of Companies Act, 1956 and comply with the mandatory accounting standards and statements issued by the Institute of Chartered Accountants of India(ICAI).
- (ii) The Company generally follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.
- (iii) The presentation of financial statements requires certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which results are known / materialized.



## **1.2 FIXED ASSETS :**

Fixed Assets have been recorded at actual cost inclusive of freights, duties, taxes and other incidental expenses related to acquisition, improvement and installation. Capital Work-in-progress includes Cost of Assets not installed.

## **1.3 DEPRECIATION:**

Depreciation on Fixed Assets other than freehold land & live stocks has been provided on "Straight Line Method (SLM)" at the rates specified in Schedule XIV to the Companies Act 1956, as existing on that date, except in case of Heat Ventilating & Air Conditioning and Plumbing Machineries included in Plant and Machineries which have been depreciated @ 7.42% p.a. on double shift basis.

## **1.4 BORROWING COSTS:**

Borrowing costs directly attributable to the acquisition or construction of fixed assets are capitalized as part of the cost of respective assets. Other borrowing costs are recognized as an expense in the year in which they are incurred.

## **1.5 INVESTMENTS:**

Investments are long term trade investment and are stated at Cost.

## **1.6 INVENTORIES:**

Inventories have been valued at cost on First in First Out (FIFO) basis.

## **1.7 REVENUE RECOGNITION:**

Revenue from sale of Rooms, Food & Beverages and other allied services is recognized when the services are rendered and the same becomes chargeable. Revenue from Banquet, Business Centre, Laundry, Shop Rent & Telephone are included under Other services.

## **1.8 EMPLOYEES BENEFITS:**

The Company accounts for leave encashment benefits on the basis of actuarial valuation. Further, contribution to the Gratuity Fund linked with Life Insurance Corporation of India is charged to Statement of Profit & Loss.

## **1.9 FOREIGN CURRENCY TRANSACTIONS:**

Earnings in foreign currencies are recorded at the exchange rate prevailing on the date of transactions. Gain/Loss arising out of fluctuations in exchange rates are accounted for on settlement and the same is charged to the Statement of Profit & Loss. Payments in foreign currencies are recorded at the rates prevailing on the date of actual remittance.

## **1.10 IMPAIRMENT OF FIXED ASSETS:**

Fixed assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use.

## **1.11 TAXATION:**

Income Tax expense comprises of Current Tax and Deferred Tax expense/credit.

### **(i) Current Tax**

Provision for current income tax is made on the basis of estimated taxable income, in accordance with the provisions of the Income Tax Act, 1961 and rules framed there under.

### **(ii) Deferred Tax**

Consequent to the issuance of AS-22 "Accounting for Taxes on Income" by the ICAI, Deferred Tax is recognized, on timing differences, between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods.

## **1.12 EARNING PER SHARE (EPS):**

Basic earnings per share is computed by dividing the profit/ (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is



## ROYALE MANOR HOTELS AND INDUSTRIES LIMITED

computed by dividing the profit/(loss) after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares viz. OCPS (Optionally Convertible Preference Shares) and Share Warrants.

### 1.13 CONTINGENCIES AND PROVISIONS:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are disclosed after careful evaluation of the facts and legal aspects of the matter, by the management. Contingent Assets are neither recognized nor disclosed in the financial statements.

## 2. NOTES FORMING PART OF ACCOUNTS:-

- 2.1** Some of the balances of sundry creditors, sundry debtors, loans & advances and other liabilities are subject to confirmations and reconciliation.
- 2.2** In the opinion of the Board of Directors, Current Assets, Loans & Advances are approximately of the value at which they are stated in the Balance Sheet, if realized in the ordinary course of business.
- 2.3** As the Company is engaged in only one segment of Hotel business, there are no separate reportable segments as per Accounting Standard (AS)-17 of Segment Reporting.
- 2.4** As per Accounting Standard (AS)-18 issued by the Institute of Chartered Accountants of India the disclosure of transactions with the related parties as defined in the Accounting Standard are given below :-

Name of the Related Party	Relationship	Amount of Transaction Amount in `	Nature of Transaction
Mr U. Champawat	Chairman & Managing Director	639,836/-	Managerial Remuneration

**Note:** Related party relationship is as identified by the Company and relied upon by the Auditors.

- 2.5** Earnings per share (EPS) required to be disclosed as per Accounting Standard (AS) 20 issued by the Institute of Chartered Accountants of India is as follows:

Particulars	Current Year 2012-13 Amount in `	Previous Year 2011-12 Amount in `
Earnings Per Share has been computed as under:-		
Profit After Tax (PAT)	<b>14,666,738</b>	7,287,200
Add/(Less): Preference Dividend & Tax thereon.	<b>(1,575,257)</b>	(2,266,854)
Profit	<b>13,091,481</b>	5,020,346
Number of Equity Shares of ` 10/- each	<b>16,932,200</b>	16,932,200
Weighted Average Number of Equity Shares of ` 10/- each	<b>19,843,064</b>	20,405,915
Basic EPS	<b>0.77</b>	0.30
Diluted EPS	<b>0.66</b>	0.36
<b>2.6 Contingent Liabilities :</b>		
In respect. of guarantee given to HUDCO on behalf of National Hotels Ltd towards security for term loan	<b>72,572,509</b>	89,093,728
<b>2.7</b> Estimated amount of contracts remaining to be executed on capital account (Net of Advances) not provided for:	<b>2,255,100</b>	2,255,100



<b>Particulars</b>	<b>Current Year 2012-13 Amount in `</b>	<b>Previous Year 2011-12 Amount in `</b>
<b>2.8 Payment to Auditors :</b>		
a) Audit Fees	<b>1,79,776</b>	176,480
b) Other Services	<b>1,12,360</b>	69,940
c) Tax Audit Fees	<b>1,12,360</b>	55,150
d) Taxation Work	<b>1,12,360</b>	110,300
e) Out of Pocket Expenses	<b>27,943</b>	49,369
Total	<b>5,44,799</b>	461,239

**2.9** Capital Work- in- progress is ` 135,404/- (P.Y. NIL) as at 31st March 2013.

**2.10** The Company has pledged 3,850,000 Equity Shares of ` 10 each aggregating to ` 38,500,000/- with Housing & Urban Development Corporation Ltd. (HUDCO) as a security against the term loans obtained by the National Hotels Ltd.

**2.11** Expenditure & Earnings in Foreign Currency

a. Expenditure in Foreign Currencies :

- Payments in Foreign Currencies	<b>10,47,119</b>	<b>2,11,378</b>
- Advance payment for Capital Goods (As certified by the Management)	<b>NIL</b>	<b>5,72,340</b>

b. Earnings in Foreign Currencies  
(As certified by the Management)

**52,302,506**      **51,813,767**

c. Value of Imports calculated on CIF  
Basis of Capital Goods

**NIL**                      **NIL**

**2.12** The Company has entered into The Hotel Operating Agreement (HOA) with Indian Hotel Company Limited (IHCL) on 18th April, 2000. Subsequently, the terms of compensation under HOA dated 18th April, 2000 were modified w.e.f. 1st April, 2001, by supplemental agreement dated 4th April, 2002. But, it is observed that compensation reimbursed to IHCL is over and above to the compensation payable as per modified terms and conditions under supplemental agreement. The Company has taken up the matter with IHCL for refund of such excess reimbursement.

**2.13** The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosure relating to amounts unpaid as at year end together with interest paid/payable under this Act has not been given.

**2.14** The company has re grouped and re-classified the previous year's figures in accordance with the requirements applicable in the current year. In view of this, certain figures of the current years are not strictly comparable with those of the previous year.

**2.15** Notes 1 to 27 form integral part of accounts.

As per our audit report of even date attached

**For NAIMISH N. SHAH & CO.**

Chartered Accountants

(F.R. No.: 106829W)

**CA. Pranav N. Shah**

Proprietor

Membership No. 033747

Ahmedabad

May 30, 2013

**For and on behalf of the Board**

**U. CHAMPAWAT**

*Chairman and Managing Director*

**JAYESH DAVE**

*Director*

**DR. RAM PRAKASH KOTHARI**

*Director*

Ahmedabad

May 30, 2013



**ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**  
**Regd. Office :** International Airport Circle, Ahmedabad - 382 475. (India)  
 Phone : (079) 22868642-43 Fax : (079) 22868641

**ATTENDANCE SLIP**

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall. It helps us to make proper arrangements. Failure to bring this Attendance Slip create unnecessary inconvenience to you.

Please write below

DP Id*	
Client Id*	

Registered Folio No	
No of Shares held	

Full Name of the Member \_\_\_\_\_

Full Name of the Proxy \_\_\_\_\_

(In Block Letters, to be filled in if the proxy attends instead of the Member)

I hereby record my presence at the **22nd ANNUAL GENERAL MEETING** of the Company held at Ahmedabad Textile Mills' Association (ATMA) Hall, Ashram Road, Ahmedabad - 380 009 on Friday, the 27th Day of September, 2013 at 3.00 p.m.

\_\_\_\_\_  
 Member's / Proxy Signature

\* Applicable to the members holding shares in electronic form.

**NOTES :**

- Members/Proxy holders are requested to bring their copy of the Notice with them at the Meeting.
- Please carry with you this Attendance Slip and hand over the same duly completed, stamped and signed at the space provided, at the entrance of the Meeting Hall.

----- Tear here -----



**ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**  
**Regd. Office :** International Airport Circle, Ahmedabad - 382 475. (India)  
 Phone : (079) 22868642-43 Fax : (079) 22868641

**PROXY FORM**

DP Id*	
Client Id*	

Registered Folio No	
No of Shares held	

I/We \_\_\_\_\_ of \_\_\_\_\_

being Member/ Members of above-named company, hereby appoint Shri / Smt. \_\_\_\_\_

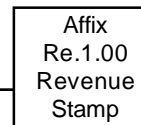
\_\_\_\_\_ of \_\_\_\_\_ or failing him Shri/Smt.

\_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us and on

my/us behalf at the 22nd Annual General Meeting of the Company to be held on Friday, the 27th Day of September, 2013 at 3.00 p.m. or at any adjournment thereof.

Signed by the said \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Signature : \_\_\_\_\_



\* Applicable to the members holding shares in electronic form.

**NOTE :**

The proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

**BOOK-POST**  
**(PRINTED MATTER)**

To,

*If undelivered, please return to :*



**ROYALE MANOR**  
**Hotels and Industries Limited**

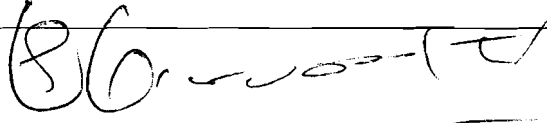

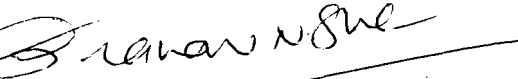
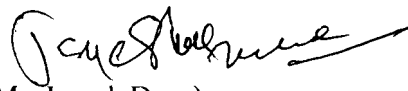
**Regd. Office :** International Airport Circle, Ahmedabad - 382 475. (India)  
Phone : (079) 22868642-43 Fax : (079) 22868641  
Email : royalemanorhotels@rediffmail.com  
website: www.rmhil.com

Pratiksha, Phone : 98252 62512

**FORM A**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

**[Clause 31 (a) of the Listing Agreement]**

1.	Name of the Company	Royale Manor Hotels and Industries Limited
2.	Annual financial statement for the year ended	31 <sup>st</sup> March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by- • CEO & Managing Director	 (Mr. U. Champawat) Chairman & Managing Director
	• CFO	The Company does not have CFO.
	• Auditor of the Company	For Naimish N. Shah & Co. Chartered Accountants (F. R. No. : 106829W)   CA Pranav N. Shah Proprietor Membership No. 033747
	• Audit Committee Chairman	 (Mr. Jayesh Dave) Chairman of Audit Committee