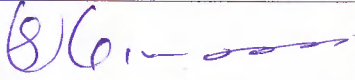
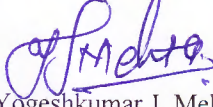

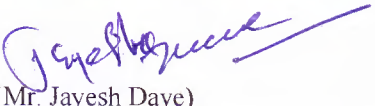


## FORM A

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	<b>Royale Manor Hotels and Industries Limited</b>
2.	Annual financial statement for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by- <ul style="list-style-type: none"><li>• CEO &amp; Managing Director</li></ul>	 (Mr. U. Champawat) Chairman & Managing Director
	<ul style="list-style-type: none"><li>• CFO</li></ul>	 Mr. Yogeshkumar J. Mehta (Chief Financial Officer)
	<ul style="list-style-type: none"><li>• Auditor of the Company</li></ul>	For Naimish N. Shah & Co. Chartered Accountants (F. R. No. : 106829W)  CA Pranav N. Shah Proprietor Membership No. 033747
	<ul style="list-style-type: none"><li>• Audit Committee Chairman</li></ul>	 (Mr. Jayesh Dave) Chairman of Audit Committee

24<sup>th</sup> Annual Report  
2014-2015



**ROYALE MANOR**

**Hotels and Industries Limited**

**BOARD OF DIRECTORS****MR. U. CHAMPAWAT***Chairman and Managing Director***DR. RAM PRAKASH KOTHARI***Director***MR. VISHWAJEET SINGH CHAMPAWAT***Director***MR. JAYESH DAVE***Director***MRS. RAGINI HARSH TOSHWAL***Additional Director***MR. YOGESHKUMAR JAYANTILAL MEHTA***Chief Financial Officer***STATUTORY AUDITORS****M/s. NAIMISH N. SHAH & CO.**

Chartered Accountants

Ahmedabad

**COMPANY SECRETARY****MR. KALPESH BHUPATBHAI BARAIYA****REGISTRARS AND  
SHARE TRANSFER AGENTS**

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

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

Opp. Sanyas Ashram, Ellisbridge,

Ahmedabad - 380006

Tele. No. : (079) 26582381-84

Fax No. : (079) 26582385

E-mail : sharepro.ahmedabad@shareproservices.com

**REGISTERED OFFICE**

International Airport Circle,

Ahmedabad - 382 475

Phone - (079) 22868642-43

Fax - (079) 22868641

CIN: L55100GJ1991PLC015839

Email : royalemanorhotels@rediffmail.com

Website: www.rmhil.com

<b>CONTENTS</b>	<b>PAGE NOS.</b>
Notice	2-6
Directors' Report	7-10
Extract of Annual Return	11-18
Secretarial Auditors Report	19-21
Management discussion and Analysis Report	22-23
Corporate Governance Report	24-38
Auditors' Report	39-41
Balance Sheet	42
Profit & Loss Account	43
Cash Flow Statement	44
Notes on Accounts	45-54



## NOTICE

**NOTICE** is hereby given that the 24<sup>th</sup> Annual General Meeting of the members of Royale Manor Hotels and Industries Limited will be held on Wednesday, the 30<sup>th</sup> day of September, 2015 at 3.00P.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, 2015 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. Vishwajeetsingh Ummedsingh Champawat (DIN: 00519755), Director of the Company who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Statutory Auditor and fix their remuneration.

### SPECIAL BUSINESS:

5. **Regularize the Appointment of Mrs. Ragini Harsh Toshniwal (DIN:07098164), Additional Director of the Company**

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

**"RESOLVED THAT** pursuant to provisions of Section 161 and all other applicable provisions of the Companies Act 2013 and Articles of Association of the Company, Mrs. Ragini Harsh Toshniwal (DIN: 07098164), who was appointed as an Additional Director by the Board of Directors w.e.f. 19/02/2015, who is eligible to be appointed as Director of the Company u/s 152 of the Companies Act, 2013 be and is hereby appointed as Director of the company whose term of office liable to determination for retire by rotation."

**"RESOLVED FURTHER THAT** any of the Director of the company be and is hereby authorised to file Form DIR-12 and make necessary entries in the Statutory register and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution."

6. **Adoption of new articles of association of the company containing regulation in conformity with Companies Act, 2013:**

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

**"RESOLVED THAT** pursuant to provision of section 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies

(Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), rules and regulations made there under, the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the requisite approvals, consents, permissions and/or sections as may be required if any, the draft regulations containing the Articles of Associations submitted to this meeting and duly initial be and are hereby approved and adopted in substitution and to the entire exclusion, of the regulations containing the existing Articles of Association of the Company;

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution"

**By Order of the Board of Directors**

Place : Ahmedabad  
Date : 14<sup>th</sup> August, 2015

**U. Champawat**  
*Chairman and*  
*Managing Director*  
**(DIN-00294184)**

### 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 Saturday, the 26<sup>th</sup> day of September, 2015 to Wednesday, the 30<sup>th</sup> day of September, 2015 (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, Dematrequest, 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. Members desiring any information on accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready for reply.

7. 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.

8. 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.

9. Corporate Members intending to send their authorized representatives under Section 113 of the Companies Act, 2013, are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote at the Meeting.

10. In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.

**11. Voting through Electronic means:**

Pursuant to Section 108 of the Companies Act, 2013, read with the Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014 in

pursuance with the directions issued by SEBI vide Circular No. CIR/CFD/DIL/6/2012 dated 13<sup>th</sup> July, 2014, the Company is pleased to provide the facility to Members to exercise their right at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).

**The instructions for members for voting electronically are as under:-**

- (i) The remote e-voting period begins on 26<sup>th</sup> September, 2015 (9.00 a.m.) and ends on 29<sup>th</sup> September, 2015 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on "Shareholders" tab.
- (iv) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 character DP ID followed by 8 digits client ID,
  - c. Members holding shares in physical form should enter folio number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If Demat account holder has forgotten his/her existing password then enter the User ID and the image verification code and click on 'Forgot Password' and enter the details as prompted by the system.
- (viii) If you are a first time user follow the steps given below:

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



- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for 'Royale Manor Hotels and Industries Limited'.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) Note for Non-Individual Shareholders & Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates and Custodians respectively.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.Voting@cdslindia.com](mailto:helpdesk.Voting@cdslindia.com).
  - After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s) / folio numbers on which they wish to vote.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- B. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 23, 2015.
- C. A copy of this notice has been/ shall be placed on the website of the Company and the website of CDSL.
- D. Ms. Rupal Patel, Practicing Company Secretary (Membership No. FCS 6275) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- E. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of

- the Company or a person authorized by him in writing who shall countersign the same.
- F. In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Ballot Form is sent along with this Notice. A member desiring to exercise vote by Ballot shall complete the said Ballot Form with assent (for) or dissent (against) and send it to Mrs. Rupal Patel, Scrutinizer, having office address at 303, Prasad Apt., Opp. Jain Derasar, S.M. Road, Nehrunagar Cross Road, Ahmedabad-380015, Tel. No: 079-26420603, E-mail: roopalcs2001@gmail.com so as to reach him on or before 29<sup>th</sup> September, 2015 by 5.00 p.m. Any Ballot Form received after the said date and time shall be treated as if the reply from the Members has not been received.
- G. The facility for voting through ballot shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting/ ballot shall be able to exercise their voting right at the meeting.
- H. The members who have casted their votes by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- I. The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.rmhil.com within 3 (three) days of conclusion of the annual general meeting and will be communicated to BSE Limited, who are required to place them on their website. The same shall also be placed on the website of CDSL.

### ANNEXURE TO THE NOTICE

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

##### Items No. 3

##### Details of Director seeking reappointment at Annual General Meeting:

<b>Name</b>	:	Mr. Vishwajeetsingh Ummedsingh Champawat
<b>Date of birth</b>	:	18/05/1988
<b>Qualification</b>	:	B.Sc. (Honours), Business Management from Brunel University, U.K
<b>Expertise</b>	:	5 years of Experience in Management and Finance
<b>Director of the Company since</b>	:	09/12/2006
<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>	:	2300

##### Items No. 5

Mrs. Ragini Toshniwal (DIN: 07098164), Director of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Directors and they are independent of the management.

Mrs. Ragini Toshniwal is not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act and have given their consent to act as Directors.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the members at the registered office of the company during normal business hours on any working day, excluding Saturday.

Brief resume and other details of the Independent Directors whose appointment is proposed are provided in the annexure to the Explanatory statement attached herewith.



Mrs. Ragini Toshniwal is deemed to be interested in the resolutions set out respectively at Item No. 5 of the Notice with regard to their respective appointments.

The Board recommends the said resolutions for your approval.

Save and except the above, none of the other Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolutions.

Profile of the Directors being Appointed/Re-appointed:

<b>Name</b>	Mrs. Ragini Harsh Toshniwal
<b>Date of birth</b>	13/03/1961
<b>Qualification</b>	M.D.
<b>Expertise</b>	10 years of experience in administration
<b>Director of the Company since</b>	19/02/2015
<b>Directorship in other public limited companies</b>	Indo Credit Capital Limited
<b>Membership of Committees of other public limited companies</b>	NIL
<b>No. of Shares held in the Company</b>	NIL

#### Item No. 6

The existing Articles of Association ("Articles") of the Company are based on the Companies Act, 1956 and several regulations in the existing articles contain reference to the sections of Companies Act, 1956. Some regulations in the existing articles are no longer in conformity with the provisions of Companies Act, 2013 ("Act")

With the enactment of Companies Act, 2013, several regulations of the existing articles of the Company required alteration and/or deletion. Given this position, it is considered expedient to wholly replace the existing articles by new set of articles.

The draft articles shall be open for inspection by the members at the registered office of the Company on all working days (except Saturdays, Sundays and public holidays) between 11:00 a.m. to 1:00 p.m. upto the date of this Annual General Meetings.

None of the directors or Key managerial personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the said resolution.

The Board of the Directors recommends the special resolution set out at item no. 6 of the notice for approval by members.

Place : Ahmedabad

Date : 14<sup>th</sup> August, 2015

**Regd Office:**

International Airport Circle,

Ahmedabad - 382 475

Phone - (079) 22868642-43

Fax - (079) 22868641

CIN: L55100GJ1991PLC015839

Email : [royalemanorhotels@rediffmail.com](mailto:royalemanorhotels@rediffmail.com)

**Website:** [www.rmhil.com](http://www.rmhil.com)

**By Order of the Board of Directors**

**U. Champawat**

*Chairman and Managing Director*

**(DIN-00294184)**

#### **Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respects of electronics holding with the Depository through their concerned Depository Participants.



## DIRECTORS' REPORT

To the Members,

Your directors have pleasure in presenting their 24<sup>th</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, 2015.

### 1. FINANCIAL RESULTS

The highlights of the financial results of the Company for the financial year ended March 31, 2015 are as under:

Particulars	2014-2015	2013-2014
Total Income	2,485.05	2106.49
Profit/(Loss) before Financial Charges, Depreciation and Income Tax	690.22	541.27
Less : Financial Charges	211.28	201.87
Less : Depreciation	296.30	137.75
<b>Profit before Income Tax and Exceptional Item</b>	<b>182.63</b>	201.65
Add/(Less) : Extra Ordinary/Prior Period Item	54.93	0.00
<b>Profit Before Income Tax</b>	<b>237.56</b>	201.65
Provision for Income Tax	(48.00)	(47.12)
Deferred Tax Income/(Expense)	(55.07)	(1.59)
<b>Profit For the Year after Income Tax</b>	<b>244.63</b>	152.94
<b>Profit Available for Appropriation</b>	<b>244.63</b>	152.94
<b>Appropriation</b>		
Reserve for Replacement of FF&E (Net)	(25.11)	(3.24)
Proposed dividend	(7.23)	(9.89)
Tax on dividend	(1.44)	(1.68)
Balance of Profit/(Loss) brought forward	769.79	689.34
Transfer to Capital	(14.42)	(57.68)
Redemption Reserve		
<b>Bal. carried to Balance Sheet</b>	<b>966.23</b>	769.79

### 2. 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 2014-15 the demand picked up. Also, in the Ahmedabad city, Hotel business became more competitive due to commencing of new Hotels. The Average Occupancy of the hotel for 2014-15 has decreased to 63% from 66% and the Average Room Rates of the hotel for the year 2014-15 has been

noted as ` 5,587 as compares to ` 5,337 in the previous year 2013-14.

However, during the financial year 2014-15, Company had been in a position to achieve a turnover of ` 2485.05 Lacs, in comparison to ` 2106.49 Lacs, in the previous year 2013-14. The profit before tax and profit after tax for the year under review were ` 237.56 Lacs and ` 244.63 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 Fifteen 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.

### 3. NATURE OF BUSINESS

The Company is engaged in the activities of Hotels and Restaurants.

There was no change in the nature of the business of the Company during the year under review.

### 4. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2015 was ` 18.10 Crores.

#### A) Issue of equity shares with differential rights:

During the year under review, the Company has not issued any shares with differential voting rights.

#### B) Issue of sweat equity shares

During the year under review, the Company has not issued any sweat equity shares.

#### C) Issue of employee stock options

During the year under review, the Company has not issued any sweat equity shares.

#### D) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees

The Company has no scheme of provision of money for purchase of its own shares by employees or by trustees for the benefit of employees. Hence the details under rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not required to be disclosed.



## 5. DIVIDEND

Your directors are pleased to recommend 6% dividend on Optionally Convertible Preference Shares (OCPS) for the year ended 31<sup>st</sup> March, 2015, aggregating ₹ 7.23 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.

## 6. REPORT ON PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company does not have Subsidiaries, Associate and Joint Venture Companies. Hence, details for the same are not required to mention here.

## 7. DIRECTORS AND KMP:

### a) Changes in Directors and Key Managerial Personnel:

Mr. Vishwajeetsingh Ummedsingh Champawat will retire at the forth coming Annual General Meeting of the Company and being eligible, offer himself for reappointment.

During the year under review, Company has accepted resignation of Mr. Satish Sharma from the post of Company Secretary cum Compliance officer and appointed Mr. U. Champawat as a compliance officer of the Company on 16/10/2014.

During the year under review, company has appointed Mr. Kalpesh Bhupatbhai Baraiya for the post of Company Secretary cum Compliance officer of the Company on 01/12/2014.

The Company has appointed Mrs. Ragini Toshniwal as an additional independent woman director of the Company pursuant to section 149 of Companies Act, 2013 on 19/02/2015.

### b) Declaration by an Independent Director(s) and reappointment, if any

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

## 8. EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure-A".

## 9. NUMBER OF BOARD MEETING

During the year the Board of Directors met 10 times. The details of the board meetings are provided in Corporate Governance Report.

## 10. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## 11. AUDITORS

### A. Statutory Auditors

The Company's Auditors, M/S. NAIMISH N. SHAH & CO., Chartered Accountant, Ahmedabad who retire at the ensuing Annual General Meeting of the Company are eligible for reappointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for reappointment as Auditors of the Company. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

### B. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed CS Zalak Dodiya, Practicing

Company Secretary, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure -B".

**Report for qualification Remark in Secretarial Audit Report:**

Though, the Company has not given intimation for trading window closure as required under clause 3.2.1 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 during the year under review, It is hereby clarified that the Company has complied with SEBI (Prohibition of Insider Trading) Regulations, 2015 and adopted Code of Conduct for Prohibition of Insider Trading and keep in adherence with the same.

However Directors or promoters of the Company have not traded in securities of the Company during the year under review.

**12. TRANSFER TO RESERVES**

It is proposed to transfer ` 374.06 Lacs to reserves out of the profits earned during FY 2014-15.

**13. FIXED DEPOSITS**

The Company has not accepted or renewed any deposits during the year. There are no outstanding and overdue deposits as at 31<sup>st</sup> March, 2015.

**14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**15. RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

**16. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

**17. 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 2014-15. 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.

**18. BUSINESS RISK MANAGEMENT**

The Company has laid down a Risk Management Policy and identified threat of such events which if occurs will adversely affect either /or, value to shareholders, ability of company to achieve objectives, ability to implement business strategies, the manner in which the Company operates and reputation as "Risks". Further such Risks are categorized in to Strategic Risks, Operating Risks & Regulatory Risks. A detailed exercise is carried out to identify, evaluate, manage and monitoring all the three types of risks.

**19. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. During the year under review, the company retained external audit firm to review its existing internal control system with a view of tighten the same and introduce system of self-certification by all the process owners to ensure that internal controls over all the key business processes are operative. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby



strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

**20. VIGIL MECHANISM /WHISTLE BLOWER POLICY**

The Company has a vigil mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

**21. EMPLOYEE RELATIONS**

Employee relations throughout the Company were harmonious. The Board wishes to place on record its sincere appreciation of the devoted efforts of all employees in advancing the Company's vision and strategy to deliver good performance.

**22. CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS:**

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 "C & D" respectively to this report.

Your Company is committed to the tenets of good Corporate Governance and has taken adequate steps to ensure that the requirements of Corporate Governance as laid down in Clause 49 of the Listing Agreement are complied with.

As per Clause 49 of the Listing Agreement with the Stock Exchanges, the Corporate Governance Report, Management Discussion and Analysis and the Auditor's Certificate regarding compliance of conditions of Corporate Governance are attached separately and form part of the Annual Report.

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

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

**24. PARTICULARS OF EMPLOYEES**

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 Rule, 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**24. ACKNOWLEDGMENT**

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

**By Order of the Board of Directors**

Place : Ahmedabad  
Date : 14<sup>th</sup> August, 2015

**U. Champawat**  
*Chairman &  
Managing Director*  
**(DIN-00294184)**

**ANNEXURE - A**

**FORM NO. MGT 9**

*Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.*

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31/03/2015**

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L55100GJ1991PLC015839
ii	Registration Date	19-06-1991
iii	Name of the Company	ROYALE MANOR HOTELS AND INDUSTRIES LIMITED
iv	Category of the Company	Public Company Company Limited by shares
v	<b>Address of the Registered office &amp; contact details</b>	INTERNATIONAL AIRPORT CIRCLE AHMEDABAD GUJARAT - 382475 India Phone : 22868645-43 Fax : (079) 22868641 E-mail : royalemanorhotels@rediffmail.com Website : www.rmhil.com
vi	Whether listed company	YES
vii	<b>Name and Address of Registrar &amp; Transfer Agents ( RTA ):-</b>	SHAREPRO SERVICES (India) PVT LTD 416-420, 4TH FLOOR, DEVNANDAN MALL, OPP. SANYAS ASHRAM, ELLISBRIDGE AHMEDABAD GUJARAT 380006 Telephone : 079 26582381/84 Fax Number : 079 26582385 Email : sharepro.ahmedabad@shareproservices.com

**II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product / service	% to total turnover of the Company
1	Short term Accommodation Activities, Restaurants Without Bars, Event Catering	5510, 56101, 5621	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : NA**



#### IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

##### A. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	283630	283630	1.68%	0	283630	283630	1.68%	0.00%
b) Central Govt			0	0.0%			0	0%	0%
c) State Govt(s)			0	0%			0	0%	0%
d) Bodies Corp.	6625160	800000	7425160	43.85%	6625160	800000	7425160	43.85%	0.00%
e) Banks / FI			0	0%			0	0%	0%
f) Any other			0	0%			0	0%	0%
(2) Foreign									
a) NRI-Individual/			0	0%			0	0%	0%
b) Other-Individual/			0	0%			0	0%	0%
c) Bodies Corp.			0	0%			0	0%	0%
d) Banks / FI			0	0%			0	0%	0%
e) Any Others			0	0%			0	0%	0%
<b>Total shareholding of Promoter (A)</b>	6625160	1083630	7708790	45.53%	6625160	1083630	7708790	45.53%	0%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds			0	0%			0	0%	0%
b) Banks / FI	100	0	100	0%	100	0	100	0.00%	0%
c) Central Govt			0	0%			0	0%	0%
d) State Govt(s)			0	0%			0	0%	0%
e) Venture Capital Funds			0	0%			0	0%	0%
f) Insurance Companies			0	0%			0	0%	0%
g) FIs			0	0%			0	0%	0%
h) Foreign Venture Capital Funds			0	0%			0	0%	0%
i) Others (specify)			0	0%			0	0%	0%
<b>Sub-total (B)(1):-</b>	100	0	100	0%	100	0	100	0%	0%
2. Non-Institutions									
a) Bodies Corp.	878063	60300	938363	5.54%	1044243	60100	1104343	6.52%	-0.98%
i) Indian			0	0%			0	0%	0%
ii) Overseas			0	0%			0	0%	0%

**ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**

b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4009635	1296221	5305856	31.34%	3946313	1277021	5223334	30.85%	0.49%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2106854	26100	2132954	12.60%	2085527	26100	2111627	12.47%	0.13%
c) Others (specify)			0	0.00%			0	0%	0%
i) non resident indian rept.	146896	311600	458496	2.71%	126246	311600	437846	2.59%	0.12%
ii) non resident indian Non-rept.	308446	0	308446	1.82%	335965	0	335965	1.98%	-0.16%
iii) clearing member and Clearing House	79195	0	79195	0.47%	10195	0	10195	0.06%	0.41%
<b>Sub-total (B)(2):-</b>	<b>7529089</b>	<b>1694221</b>	<b>9223310</b>	<b>54.53%</b>	<b>7548489</b>	<b>1674821</b>	<b>9223310</b>	<b>54.47%</b>	<b>0.00%</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>7529189</b>	<b>1694221</b>	<b>9223410</b>	<b>54.53%</b>	<b>7548589</b>	<b>1674821</b>	<b>9223410</b>	<b>54.47%</b>	<b>0.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>			0	0%			0	0%	0%
Grand Total (A+B+C)	14154349	2777851	16932200	100%	14173749	2758451	16932200	100%	-

**B. Shareholding of Promoters**

Sr No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Ummedsingh Champawat	220100	1.30%	1.30	220100	1.30%	1.30	
2	Mrs. Laxmikanwar Champawat	100	0.00%	0.00	100	0.00%	0.00	
3	Mr. Mahendra Singh Bhati	100	0.00%	0.00	100	0.00%	0.00	
4	Mr. Dilipsingh Bhati	60010	0.35%	0.35	60010	0.35%	0.35	
5	Mr. Anant Vaseta	10	0.00%	0.00	10	0.00%	0.00	
6	Mr. Ramkaran Saini	1000	0.01%	0.00	1000	0.01%	0.00	
7	Mr. Vishwajeetsingh Champawat	2300	0.01%	0.00	2300	0.01%	0.00	
8	Mr. Khumansingh Solanki	10	0.00%	0.00	10	0.00%	0.00	
9	Gujarat Finvest Services Private Limited	1065600	6.29%	0.00	1065600	6.29%	0.00	
10	Champawat Investment & Consultants Pvt. Ltd.	1720400	10.16%	0.00	1720400	10.16%	0.00	
11	Shree Bala Finvest Private Limited	2087100	12.33%	5.76	2087100	12.33%	5.76	
12	Elcon Exports Pvt Ltd	910300	5.38%	4.13	910300	5.38%	4.13	
13	Pioneer Buildcon Pvt Ltd	1412860	8.34%	0.00	1412860	8.34%	0.00	
14	Royale Infrastructure and Projects Private Limited	228900	1.35%	0.00	228900	1.35%	0.00	
	<b>TOTAL</b>	<b>7708790</b>	<b>45.53%</b>	<b>11.54</b>	<b>7708790</b>	<b>45.53%</b>	<b>11.54</b>	<b>0</b>



C. Change in Promoters' Shareholding ( please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	7708790	45.53%	7708790	45.53%
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
3	At the End of the year	7708790	45.53	7708790	45.53

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/ Decrease In share-holding	Reason	Date	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	NISHA S JAIN	373404	2.21%	-	-	-	<b>373404</b>	2.21%
				-16567	Transfer	13/06/2014	<b>356837</b>	2.11%
				-48643	Transfer	20/06/2014	<b>308194</b>	1.82%
				-29092	Transfer	30/06/2014	<b>279102</b>	1.65%
				-49849	Transfer	04/07/2014	<b>229253</b>	1.35%
				-10321	Transfer	11/07/2014	<b>218932</b>	1.29%
				-30139	Transfer	18/07/2014	<b>188793</b>	1.11%
				-4571	Transfer	25/07/2014	<b>184222</b>	1.09%
				-29053	Transfer	29/08/2014	<b>155169</b>	0.92%
				-10445	Transfer	05/09/2014	<b>144724</b>	0.85%
				-21372	Transfer	12/09/2014	<b>123352</b>	0.73%
				-11198	Transfer	30/09/2014	<b>112154</b>	0.66%
				-1	Transfer	10/10/2014	<b>112153</b>	0.66%
				-3401	Transfer	05/12/2014	<b>108752</b>	0.64%
				-31588	Transfer	13/03/2015	<b>77164</b>	0.46%
2	AJAY AJITKUMAR KARSANDAS HAMLAI	290000	1.71%	-	-	-	<b>290000</b>	1.71%
3	PRAVIN V. MEHTA	121500	0.72%	-	-	-	121500	0.72%
4	MALINI MEHTA	117500	0.69%	-	-	-	117500	0.69%
5	SHIVSWAROOP HOTELS & RESORTS PVT LTD	108501	0.64%	-	-	-	108501	0.64%
6	REVATI INFRA PROJECTS PVT LTD	103452	0.61%	-	-	-	103452	0.61%
7	ROYALE TRAVEL HOUSE LIMITED	91000	0.54%	-	-	-	91000	0.54%
8	NARENDRA PRASAD	80000	0.47%	-	-	-	80000	0.47%
				8691	Transfer	12/09/2014	<b>88691</b>	0.52%
				6309	Transfer	19/09/2014	<b>95000</b>	0.56%
9	GIRISH CHIMANLAL DOSHI	65000	0.38%	-	-	-	65000	0.38%
10	MADAN BHAGCHAND MELWANI	62800	0.37%	-	-	-	62800	0.37%



**ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**

11	RADHEY SHYAM AGARWAL	51681	0.31%	-	-	-	51681	0.31%
				3320	Transfer	25/07/2014	<b>55001</b>	0.32%
				5089	Transfer	29/08/2014	<b>60090</b>	0.35%
				2999	Transfer	05/09/2014	<b>63089</b>	0.37%
				11546	Transfer	19/12/2014	<b>74635</b>	0.44%
				2000	Transfer	31/12/2014	<b>76635</b>	0.45%
				7000	Transfer	02/01/2015	<b>83635</b>	0.49%
12	HEM SECURITIES LIMITED	50334	0.30%	-	-	-	50334	0.30%
				-700	Transfer	04/04/2014	<b>49634</b>	0.29%
				-2250	Transfer	11/04/2014	<b>47384</b>	0.28%
				-4000	Transfer	18/04/2014	<b>43384</b>	0.26%
				-2450	Transfer	25/04/2014	<b>40934</b>	0.24%
				-1950	Transfer	23/05/2014	<b>38984</b>	0.23%
				-3025	Transfer	30/05/2014	<b>35959</b>	0.21%
				1758	Transfer	06/06/2014	<b>37717</b>	0.22%
				4713	Transfer	13/06/2014	<b>42430</b>	0.25%
				1400	Transfer	20/06/2014	<b>43830</b>	0.26%
				5475	Transfer	30/06/2014	<b>49305</b>	0.29%
				9145	Transfer	04/07/2014	<b>58450</b>	0.35%
				3450	Transfer	11/07/2014	<b>61900</b>	0.37%
				-1575	Transfer	18/07/2014	<b>60325</b>	0.36%
				-2900	Transfer	25/07/2014	<b>57425</b>	0.34%
				990	Transfer	01/08/2014	<b>58415</b>	0.34%
				1850	Transfer	08/08/2014	<b>60265</b>	0.36%
				950	Transfer	15/08/2014	<b>61215</b>	0.36%
				-705	Transfer	22/08/2014	<b>60510</b>	0.36%
				100	Transfer	29/08/2014	<b>60610</b>	0.36%
				910	Transfer	05/09/2014	<b>61520</b>	0.36%
				1718	Transfer	12/09/2014	<b>63238</b>	0.37%
				48493	Transfer	19/09/2014	<b>111731</b>	0.66%
				-4847	Transfer	30/09/2014	<b>106884</b>	0.63%
				299	Transfer	03/10/2014	<b>107183</b>	0.63%
				368	Transfer	17/10/2014	<b>107551</b>	0.64%
				-800	Transfer	24/10/2014	<b>106751</b>	0.63%
				4195	Transfer	31/10/2014	<b>110946</b>	0.66%
				-6060	Transfer	07/11/2014	<b>104886</b>	0.62%
				2021	Transfer	14/11/2014	<b>106907</b>	0.63%
				-11051	Transfer	21/11/2014	<b>95856</b>	0.57%
				4112	Transfer	28/11/2014	<b>99968</b>	0.59%
				-3446	Transfer	05/12/2014	<b>96522</b>	0.57%
				-6906	Transfer	12/12/2014	<b>89616</b>	0.53%
				2696	Transfer	19/12/2014	<b>92312</b>	0.55%
				14013	Transfer	31/12/2014	<b>106325</b>	0.63%
				-5000	Transfer	02/01/2015	<b>101325</b>	0.60%
				-9268	Transfer	09/01/2015	<b>92057</b>	0.54%
				-551	Transfer	16/01/2015	<b>91506</b>	0.54%
				2300	Transfer	23/01/2015	<b>93806</b>	0.55%
				-3213	Transfer	30/01/2015	<b>90593</b>	0.54%
				2776	Transfer	06/02/2015	<b>93369</b>	0.55%
				-40441	Transfer	13/02/2015	<b>52928</b>	0.31%
-15700	Transfer	20/02/2015	<b>37228</b>	0.22%				
2231	Transfer	27/02/2015	<b>39459</b>	0.23%				
1400	Transfer	06/03/2015	<b>40859</b>	0.24%				
-22000	Transfer	13/03/2015	<b>18859</b>	0.11%				
-1000	Transfer	20/03/2015	<b>17859</b>	0.11%				
3700	Transfer	31/03/2015	<b>21559</b>	0.13%				
13	PARSHOTTAM JEOMAL DASWANI	20564	0.12%	-	-	-	20564	0.12%
				101	Transfer	04/04/2014	<b>20665</b>	0.12%
				352	Transfer	25/04/2014	<b>21017</b>	0.12%
				-500	Transfer	16/05/2014	<b>20517</b>	0.12%



				-3062	Transfer	23/05/2014	<b>17455</b>	0.10%
				3087	Transfer	30/05/2014	<b>20542</b>	0.12%
				705	Transfer	06/06/2014	<b>21247</b>	0.13%
				609	Transfer	13/06/2014	<b>21856</b>	0.13%
				116	Transfer	20/06/2014	<b>21972</b>	0.13%
				290	Transfer	30/06/2014	<b>22262</b>	0.13%
				2391	Transfer	04/07/2014	<b>24653</b>	0.15%
				67603	Transfer	19/09/2014	<b>92256</b>	0.54%
				-3015	Transfer	30/09/2014	<b>89241</b>	0.53%
				-374	Transfer	28/11/2014	<b>88867</b>	0.52%
				-603	Transfer	05/12/2014	<b>88264</b>	0.52%
				30	Transfer	30/01/2015	<b>88294</b>	0.52%
				12873	Transfer	06/02/2015	<b>101167</b>	0.60%
				1458	Transfer	27/02/2015	<b>102625</b>	0.61%
				6699	Transfer	06/03/2015	<b>109324</b>	0.65%
				23559	Transfer	27/03/2015	<b>132883</b>	0.78%
<b>14</b>	<b>AJMERA ASSOCIATES LTD.</b>	<b>0</b>	<b>0.00%</b>	-	-	-	<b>0</b>	0.00%
				2365	Transfer	11/04/2014	<b>2365</b>	0.01%
				4282	Transfer	18/04/2014	<b>6647</b>	0.04%
				25571	Transfer	16/05/2014	<b>32218</b>	0.19%
				19812	Transfer	23/05/2014	<b>52030</b>	0.31%
				13110	Transfer	30/05/2014	<b>65140</b>	0.38%
				6029	Transfer	06/06/2014	<b>71169</b>	0.42%
				1	Transfer	13/06/2014	<b>71170</b>	0.42%
				17401	Transfer	20/06/2014	<b>88571</b>	0.52%
				21429	Transfer	30/06/2014	<b>110000</b>	0.65%
				5000	Transfer	12/09/2014	<b>115000</b>	0.68%
<b>15</b>	<b>ASHVINKUMAR KANTILAL VYAS</b>	<b>0</b>	<b>0.00%</b>	-	-	-	<b>0</b>	0.00%
				77001	Transfer	04/04/2014	<b>77001</b>	0.45%
				-2001	Transfer	23/05/2014	<b>75000</b>	0.44%
				1000	Transfer	22/08/2014	<b>76000</b>	0.45%
				576	Transfer	31/10/2014	<b>76576</b>	0.45%
				4424	Transfer	07/11/2014	<b>81000</b>	0.48%
				-9000	Transfer	19/12/2014	<b>72000</b>	0.43%
				-72000	Transfer	31/12/2014	<b>0</b>	0.00%

E. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Director/KMP	Shareholding at the beginning of the year		Increase/Decrease in share-holding	Reason/Date	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of Shares of Company
1	MR. UMMEDSINGH CHAMPPAWAT	220100	1.30%	-	-	220100	1.30%
2	MR. VISHWAJEETSINGH CHAMPAWAT	2300	0.01%	-	-	2300	0.01%
3	MR. JAYESH DAVE	0	0.00%	-	-	0	0.00%
4	DR. RAM PRAKASH KOTHARI	0	0.00%	-	-	0	0.00%
5	MS. RAGINI HARSH TOSHNIWAL	0	0.00%	-	-	0	0.00%
6	MR. KALPESH BHUPATBHAI BARAIYA	0	0.00%	-	-	0	0.00%

**V. INDEBTEDNESS**

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

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	39199390	46570169	0	85769559
ii) Interest due but not paid	579539	1045926	0	1625465
iii) Interest accrued but not due	61488	584935	0	646423
<b>Total (i+ii+iii)</b>	<b>39840417</b>	<b>48201030</b>	<b>0</b>	<b>88041447</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	5225551	27861155	0	33086706
* Reduction	16166916	16831886	0	32998802
<b>Net Change</b>	<b>-10941365</b>	<b>11029269</b>	<b>0</b>	<b>87904</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	28304110	57085953	0	85390063
ii) Interest due but not paid	560785	2117644	0	2678429
iii) Interest accrued but not due	34157	518945	0	553102
<b>Total (i+ii+iii)</b>	<b>28899052</b>	<b>59722542</b>	<b>0</b>	<b>88621594</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**1 Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. no.	Particulars of Remuneration	Name of MD/WTD/ Manager Mr. U. Champawat	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	360000	360000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	392916	392916
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission	0	
	- as % of profit	0	0
	- others, specify	0	0
5	Others, please specify	0	0
	<b>Total</b>	<b>752916</b>	<b>752916</b>
	Ceiling as per the Act	-	-

**2 Remuneration to other directors:**

Sr. no.	Particulars of Remuneration	Name of Directors			Total Amount
1	<b>Independent Directors</b>	<b>Mr. Jayesh Dave</b>	<b>Mr. Ramprakash Kothari</b>	<b>Mrs. Ragini Toishniwal</b>	
	Fee for attending board/ committee meetings	4000	3000	500	7500
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	<b>Total (1)</b>	<b>4000</b>	<b>3000</b>	<b>500</b>	<b>7500</b>



Sr. no.	Particulars of Remuneration	Name of Directors	Total Amount
2	<b>Other Non-Executive Directors</b>	<b>Mr. Vishwajeetsingh Champawat</b>	
	Fee for attending board/ committee meetings	3500	3500
	Commission	0	-
	Others, please specify	0	-
	<b>Total (2)</b>	<b>3500</b>	<b>3500</b>
	<b>Total (1+2)</b>		<b>11000</b>
	Total Managerial Remuneration		11000
	Overall Ceiling as per the Act	-	-

3 REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
1	Gross salary	NA		0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	252656	NA	252656
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	NA	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	NA	0
2	Stock Option	0	NA	0
3	Sweat Equity	0	NA	0
4	Commission	0	NA	0
	- as % of profit	0	NA	0
	- others, specify...	0	NA	0
5	Others, please specify	0	NA	0
	Total	252656	NA	252656

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b> Penalty Punishment Compounding			NONE		
<b>B. DIRECTORS</b> Penalty Punishment Compounding			NONE		
<b>C. OTHERS OFFICERS IN DEFAULT</b> Penalty Punishment Compounding			NONE		

ANNEXURE –B

Form MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2015

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
**Royale Manor Hotels and Industries Limited (CIN: L55100GJ1991PLC015839)**  
International Airport Circle,  
Ahmedabad - 382475

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Royale Manor Hotels and Industries Limited**. (hereinafter called “the company”) for the audit period covering the financial year ended on 31<sup>st</sup> March, 2015. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31<sup>st</sup> March, 2015, according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder for specified sections notified and came into effect from 12th September, 2013 and sections and Rules notified and came into effect from 1st April, 2014;
  - (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-**
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

I have also examined compliance of the following to the extent applicable:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange;

I have relied upon the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under applicable Acts, Laws and Regulations to the Company.



On the basis of our examination and representation made by the Company we report that during the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above and there are no material non-compliances that have come to our knowledge except non compliance in respect of:

- a) Non filing/serving of notice for trading window closure as required under clause 3.2.1 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 during the year under review. The Company has informed BSE that the Company has complied the requirement of the regulation 8 (Code of Fair Disclosure) and regulation 9 (Code of Conduct) of the SEBI (Prohibition of Insider Trading) Regulation, 2015 on 15th May, 2015.
- b) During the year under review, the Company has not appointed Chief Financial Officer of the Company as a KMP as required under section 203 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. And the company has appointed the same on 1st June, 2015.

We Further Report that, there were no actions/ events in pursuance of:

- a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014.

Requiring compliance thereof by the Company during the period under review

**I further report that** The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period there were no specific events / actions having a major bearing on the company's affairs except the following:

- a) The company has obtained approval from members of the company in its Annual General Meeting which was held on 29<sup>th</sup> September, 2014 to increase the borrowing limits upto ` 200 crores under section 180(1)(c) and creation of mortgage and/or charge on the immovable and movable properties of the company in favour of lenders to secure the financial assistance under section 180(1)(a) of the Companies Act, 2013;
- b) Company has pending listing application with BSE Limited for allotment of 8,00,000 Equity shares of ` 10/- each to Shree Bala Finvest Private Limited, belongs to promoter group of the Company on preferential basis during the Financial year ended on 31<sup>st</sup> March, 2015.
- c) Moreover, I have relied on the certified true copy of board resolution and intimation of the same to office of BSE Limited on 23<sup>rd</sup> June, 2014 for forfeiture of all outstanding and pending warrants due to expiry of issue terms.

**Name of Practicing Company Secretary:**

**Date : 14th August, 2015**  
**Place: Ahmedabad**

**Zalak Dodiya**  
**C. P. No.: 14262**

**Note: This report is to be read with our letter of even date which is annexed as ANNEXURE I and forms an integral part of this report.**

To,  
The Members,  
**Royale Manor Hotels and Industries Limited**  
**(CIN: L55100GJ1991PLC015839)**  
International Airport Circle,  
Ahmedabad – 382475

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Name of Practicing Company Secretary:**

**Date : 14th August, 2015**  
**Place: Ahmedabad**

**Zalak Dodiya**  
**C. P. No.: 14262**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****OVERALL REVIEW**

2014 proved to be yet another successful year for the Travel & Tourism sector, off the back of a modestly stronger economic environment. The United Nations World Tourism Organization (UNWTO) estimates that international tourist arrivals globally grew by 4.7% in 2014, reaching a record of 1,138 million from 1,087 million last year.

The long term outlook for the Indian hospitality business continues to be positive, both for the business as well as the leisure segments with the potential for economic growth, increases in disposable incomes and the burgeoning middle class.

In India, foreign tourist arrivals (FTAs) have grown steadily in the last three years reaching around 7.46 million in 2014.

**Future Trends**

During 2015, the industry's contribution to global GDP is likely to grow by 3.7% and employment by 2.6%. By the end of 2015, the Travel & Tourism sector will contribute US\$ 7,860 billion, 10% of global GDP, once all direct, indirect and induced impacts are taken into account. The sector is estimated to account for 284 million jobs, representing 9.5% of total employment.

World Travel & Tourism estimates GDP growth at 3.7% is expected to exceed the overall GDP growth in over half of the 184 countries covered by the World Travel & Tourism Council (WTTC) annual economic impact research. South Asia is expected to experience the highest growth in 2015 at 6.9%. In 2015, Travel & Tourism is expected to generate in the region of 7.2 million new jobs in total, with 2.1 million new jobs directly created within the sector.

The key drivers for international travel demand growth to India include the easier e-visa regime, Swachh Bharat Abhiyan, Make in India, Incredible India and other similar initiatives, which are expected to build a positive global image for the country and will have a long term impact for the travel and tourism industry. WTTC predicts that the travel and tourism industry in India will grow by 7.6-8% in 2015.

During the year, the Ministry of Tourism India has recorded growth of 10.6% in Foreign Tourist Arrivals (FTAs) in India and Foreign Exchange Earnings (FEEs) have grown by 11.5% .

**SECTOR OUTLOOK**

The Indian tourism and hospitality industry is fast emerging as one of the key drivers of growth in the services sector in India. The government of India is laying great emphasis on the growth of tourism. This is in view of the fact that Indian Tourism Industry is a potential game changer. The advantage is that the industry is an employment generator for people with different skills, a significant source of foreign

exchange earnings and it promotes economic activities benefitting the local communities. The government has taken several steps to make India a global tourism hub.

The Government has allowed 100% foreign investments under the automatic route in the hospitality industry according to the Consolidated FDI Policy released by the Ministry of Commerce and Industry, Government of India.

The Government has constituted a Steering Committee with representatives of all sectors of tourism and hospitality industry for promotion of tourism in a sustainable manner. The Government has set up a Hospitality Development Board, with the main function of the Board being monitoring and facilitating the clearances/approvals of hotel projects at both - Central/ State government levels.

The electronic Visa on Arrival (VOA) scheme launched by the Government in November 2014 for nationals of 43 countries has since been expanded to 155 countries. This has led to a massive growth in tourist arrivals. For example, in the month of January 2015, a total of 25,023 tourists arrived by availing VOA as compared to 1,903 VOA in the same month of last year.

**SWOT ANALYSIS****Strengths**

- A major strength for our Hotel is its preferred brands with its vast portfolio commanding leadership in their market segments. Quality service from these brands strengthen the market position of hotels giving it its competitive edge as it seeks to take advantage of increasing business.
- The Government of Gujarat strongly initiated the promotion of tourism in Gujarat with the slogan like "kabhi to aao Gujarat mein".
- The Indian Government organized many types of International exhibitions and Celebration in Gujarat like, "Plast India-2015", "Pravasi Bharatiya Divas" and "Agritech Asia" providing impetus to hospitality industry.
- 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 19 years.
- A loyal clientele base of corporate 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.

#### **Weaknesses**

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**

- Ahmedabad is emerging as a global city with a confluence of various culture, positive political circumstances and values and also being a leading industrial city of India, the Company will be able to exploit the business travel potential offered by the city.
- 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
- The Government of Gujarat has declared and initiated many automobile projects resulting into increase in foreign corporate visitors.
- The Hotel is well established and the promoters with their experience have passed through such phases without many adversities.

#### **Threats**

- Guest houses replace the hotels. This is a growing trend in the west and is now catching up in India also, thus diverting the hotel traffic.
- Changing trends in the west demand similar changes in India, which here are difficult to implement due to high project costs.
- Fluctuation in foreign tourist arrival. The total dependency on foreign tourists can be risky, as there are wide fluctuations in international tourism.

#### **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The financial performance of the Company for the year 2014-15 is described in the Directors Report under the head of 'Operation'.

#### **SEGMENT WISE PERFORMANCE**

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

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Internal Control Systems and Their Adequacy of the company for the year 2014-15 is described in the Directors Report under the head of '*INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY*'.

#### **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.

During the financial year 2014-15, the company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31 March, 2015.

#### **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.

**REPORT ON CORPORATE GOVERNANCE**

(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, 2015 comprises of five directors including of two Executive and three 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. The following is the Composition of the Board as at 31st March, 2015:

<b>Sr No.</b>	<b>Name of Director</b>	<b>Category</b>	<b>No. of Directorship(s) held in Indian public &amp; private Limited Companies</b>
1	Mr. U. Champawat	Chairman Managing Director - Executive (Promoter)	Nil
2	Dr. Praveenkumar R. Patel*	Non-Executive Director (Independent)	Nil
3	Mr. Jayesh Dave	Non-Executive Director (Independent)	Nil
4	Dr. Ram Prakash Kothari	Non-Executive Director (Independent)	Nil
5	Mr. Vishwajeetsingh Champawat	Non-Executive Director (Non-Independent)	Nil
6	Mrs. Ragini Harsh Toshniwal**	Non-Executive Director (Independent)	1

\* Resigned on 29<sup>th</sup> September 2014

\*\* Appointed as on 19/02/2015

## 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.

During the year under review, the Board met 10 (Ten) times on the following dates:

28/05/2014	23/06/2014	13/08/2014	27/09/2014	13/10/2014
14/11/2014	14/12/2014	04/02/2015	19/02/2015	30/03/2015

Sr.No.	Name of Director	No. of Meetings held	No. of Meetings Attended	Attendance at the last AGM held on 29.09.2014
1.	Mr. U. Champawat	10	8	Yes
2.	Dr. Praveenkumar R. Patel*	10	0	No
3.	Mr. Jayesh Dave	10	8	Yes
4.	Dr. Ram Prakash Kothari	10	6	No
5.	Mr. Vishwajeet Singh Champawat	10	7	Yes
6	Ms. Ragini Harsh Toshniwal**	10	1	-

\* Resigned on 29/09/2014

\*\* Appointed as on 19/02/2015

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

As per the provisions of the Companies Act, 2013, 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. Vishwajeetsingh Champawat, retire by rotation at the ensuing Annual General Meeting and being eligible, 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, 2015 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	Nil	—	—
2.	Dr. Praveenkumar R. Patel*	Nil	—	—
3.	Mr. Jayesh Dave	Nil	—	—
4.	Dr. Ram Prakash Kothari	Nil	—	—
5.	Mr. Vishwajeet Singh Champawat	Nil	—	—
6.	Mrs. Ragini Harsh Toshniwal**	1	—	—

\* Resigned on 29/09/2014

\*\* Appointed as on 19/02/2015

## 2.6 INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on March 31, 2015, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

## 2.7 FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

On appointment of an individual as Independent Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a formal familiarisation program. The programme also provides awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Programme also provides information relating to the financial performance of the Company and budget and control process of the Company.

## 2.8 EVALUATION OF THE BOARD'S PERFORMANCE

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

## **2.9 CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

In terms of Clause 49 of the Listing Agreement, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The Chairman & Managing Director of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code.

## **2.10 PREVENTION OF INSIDER TRADING**

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board has adopted the said codes and same has been placed at website of the Company i.e. [www.rmhil.com](http://www.rmhil.com).

## **3. COMMITTEES OF BOARD :**

The Company has three Board Committees. These are:-

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship 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 177 of the Companies Act, 2013, 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:

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;



- d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions;
  - g) Qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights 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 rights issue and making appropriate recommendations to the Board to take up steps in this matter;
  7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors of any significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To review the functioning of the Whistle Blower mechanism;
  19. 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 and background, etc. of the candidate;
  20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  21. Explanation (j): The term "related party transactions" shall have the same meaning as provided in Clause 49(VII) of the Listing Agreement.

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:

- a) To investigate any activity within its terms of reference.
- b) To seek any information from any employee.
- c) To obtain outside legal and professional advice.
- d) 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, 2014 and was attended by Mr. Jayesh Dave, Chairman of the Audit Committee.

During the year under review, the 4 Audit Committee meetings were held during Financial Year 2014-15. The dates on which the said meetings were held as follows:

28/05/2014	13/08/2014	14/11/2014	04/02/2015
------------	------------	------------	------------

### **3.2 NOMINATION AND 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:

**Composition of Nomination and Remuneration Committee:**

Sr. No.	Name	Position	Category
1	Mr.Vishwajeet Singh Champawat	Chairman	Non -Executive Director
2	Mr. Jayesh Dave	Member	Independent Director
3	Dr. Ramprakash Kothari	Member	Independent Director

Mr. PraveenKumar Patel ceased to be a member of Nomination and Remuneration committee. Mr. Vishwajeetsingh Champawat appointed as member of the committee in place of Mr. PraveenKumar Patel.

**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.

**Terms of reference of the Committee inter alia, include the following:**

**Nomination of Directors / Key Managerial Personnel / Senior Management\***

1. To evaluate and recommend the composition of the Board of Directors;
2. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee;
3. Consider and recommend to the Board appointment and removal of directors, other persons in senior management and key managerial personnel (KMP);



4. Determining processes for evaluating the effectiveness of individual directors and the Board as a whole and evaluating the performance of individual Directors;
5. To administer and supervise Employee Stock Options Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS;
6. Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
7. To review HR Policies and Initiatives.

**REMUNERATION OF DIRECTORS / KEY MANAGERIAL PERSONNEL / SENIOR MANAGEMENT\*/ OTHER EMPLOYEES:**

1. Evolve the principles, criteria and basis of Remuneration policy and recommend to the Board a policy relating to the remuneration for all the Directors, KMP, Senior Management and other employees of the Company and to review the same from time to time.
2. The Committee shall, while formulating the policy, ensure the following:
  - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) Remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

\* Senior Management for the above purpose shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

**NOMINATION POLICY:**

**1. Purpose of this Policy:**

The company has adopted this Policy on appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (the "Policy") as required by the provisions of Section 178 of the Companies Act, 2013 (the "Act") and the provisions of Clause 49.

The purpose of this Policy is to establish and govern the procedure applicable:

- a) To evaluate the performance of the members of the Board.
- b) To ensure that remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Committee should ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

**2. Definitions:**

**"Independent Director"**, means a director referred to in Section 149(6) of the Act and the Clause 49, as amended from time to time.

**"Key Managerial Personnel"** (the "KMP") shall mean "Key Managerial Personnel" as defined in Section 2(51) of the Act.

**"Nomination and Remuneration Committee"**, by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the Clause 49.

**"Remuneration"**, means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.



**“Senior Management”** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all functional heads.

Words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed thereunder or in the Clause 49 or the Accounting Standards shall have the meanings assigned to them in these regulations.

**3. Composition of the Committee:**

The composition of the Committee is / shall be in compliance with the Act, Rules made thereunder and the Clause 49, as amended from time to time.

**4. Role of the Committee:**

The Committee shall:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- b) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;
- c) Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;
- d) Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;
- e) To devise a Policy on Board diversity.

**5. Criteria for Determining the followings:-**

**5.1 Qualifications for appointment of Directors (including Independent Directors)**

- a) Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service;
- b) Their financial or business literacy/skills;
- c) Their hotel industry experience;
- d) Other appropriate qualification/experience to meet the objectives of the Company;
- e) As per the applicable provisions of Companies Act, 2013, Rules made thereunder and Clause 49 of Listing Agreement.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

**5.2 Positive attributes of Directors (including Independent Directors):**

- a) Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively and the willingness to address issues proactively;
- b) Actively update their knowledge and skills with the latest developments in the railway/heavy engineering/infrastructure industry, market conditions and applicable legal provisions;
- c) Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities;
- d) To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- e) Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company;
- f) To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees;



- g) Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and Clause 49 of the Listing Agreement as amended from time to time.

### **5.3 Independence Standards**

The following would be the independence review procedure and criteria to assist the Committee to evaluate the independence of Directors for recommending to the Board for appointment. A Director is independent if the Board affirmatively determines that the Director does not have a direct or indirect material relationship with the Company, including its affiliates or any member of senior management. "Affiliate" shall mean any company or other entity that controls, is controlled by, or is under common control with the Company.

Also, the candidate shall be evaluated based on the criteria provided under the applicable laws including Companies Act, 2013 read with Rules thereon and the Listing Agreement with the Stock Exchanges. In addition to applying these guidelines, the Board will consider all relevant facts and circumstances in making its determination relating to a director's independence.

#### **Independence Review Procedures**

##### **a) Annual Review**

The director's independence for the independent director will be determined by the Board on an annual basis upon the declaration made by such director as per the provisions of the Companies Act, 2013 read with Rules thereon and the Listing Agreement.

##### **b) Individual Director's Independence Determinations**

If a director nominee is considered for appointment to the Board between Annual General Meetings, a determination of independence, upon the recommendation of the Committee, shall be made by the Board prior to such appointment.

All determinations of independence shall be made on a case-by-case basis for each director after consideration of all the relevant facts and circumstances and the standards set forth herein. The Board reserves the right to determine that any director is not independent even if he or she satisfies the criteria set forth by the provisions of the Companies Act, 2013 read with Rules thereon and the Listing Agreement.

##### **c) Notice of Change of Independent Status**

Each director has an affirmative obligation to inform the Board of any change in circumstances that may put his or her independence at issue.

### **5.4 Criteria for appointment of KMP/Senior Management**

- a) To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities;
- b) To practice and encourage professionalism and transparent working environment;
- c) To build teams and carry the team members along for achieving the goals/objectives and corporate mission;
- d) To adhere strictly to code of conduct

### **5.5 Term**

The Term of the Directors including Managing / Wholetime Director / Independent Director shall be governed as per the provisions of the Companies Act, 2013 and Rules made thereunder and the Clause 49, as amended from time to time.

Whereas the term of the KMP (other than the Managing / Wholetime Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

### **5.6 Evaluation**

The Committee shall carry out evaluation of performance of every Director.

The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

**5.7 Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder and /or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

**6. Remuneration of Managing / Whole-time Director, KMP and Senior Management**

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Wholetime Director will be governed by the relevant provisions of the Companies Act, 2013 and applicable Rules and Regulations and will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required. Further, the Chairman & Managing Director of the Company is authorised to decide the remuneration of KMP (other than Managing / Wholetime Director) and Senior Management based on the standard market practice and prevailing HR policies of the Company.

**7. Remuneration to Non-executive / Independent Director**

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the Clause 49, as amended from time to time.

**3.3 Stakeholders' Relationship Committee:**

(Share Transfer & Shareholders/Investor Grievance Committee)

The Board of Directors of the Company in its meeting held on 31<sup>st</sup> March, 2015 changed the nomenclature of "Share Transfer & Shareholders'/Investor Grievance Committee" to Stakeholders' Relationship Committee" and also modified its terms of reference to comply with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Stakeholders' Relationship Committee comprises as under:

Sr. No.	Name	Position	Category
1.	Mr. Vishwajeet Singh Champawat	Chairman	Non -Executive Director
2	Mr. U. Champawat	Member	Director-Executive(Promoter)
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, 2015 is given below):-

**Complaints Status: 01.04.2014 to 31.03.2015**

Number of complaints received so far	:	1
Number of complaints solved	:	1
Number of pending complaints	:	NIL

**Compliance Officer :**

Mr. Kalpesh Baraiya, Company Secretary 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 :

<b>Year</b>	<b>Venue</b>	<b>Date</b>	<b>Time</b>
2011-2012	Ahmedabad Textile Mills' Association (ATMA) Hall, Ashram Road, Ahmedabad – 380 009	29 <sup>th</sup> September, 2012	3.00 P.M. (IST)
2012-2013	Ahmedabad Textile Mills' Association (ATMA) Hall, Ashram Road, Ahmedabad – 380 009	27 <sup>th</sup> September, 2013	3.00 P.M. (IST)
2013-14	Ahmedabad Textile Mills' Association (ATMA) Hall, Ashram Road, Ahmedabad – 380 009	29 <sup>th</sup> September, 2014	3.00 P.M. (IST)

#### **RESOLUTION PASSED THROUGH POSTAL BALLOT PROCEDURE DURING THE YEAR UNDER REVIEW:**

The company has obtained approval from members of the company pursuant to Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 for increase the limit upto Rupees 500 Crores (Rupees Five Hundred Crores Only) through postal ballot procedure which was ended on 23/03/2015.

#### 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 3.4 of Note 3 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. 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 : **Wednesday, the 30<sup>th</sup> September, 2015 at 3.00 P. M.**  
Venue : Ahmedabad Textile Mills' Association (ATMA) Hall, Ashram Road, Ahmedabad - 380 009

##### 7.2 **Financial Year Calendar (2015-16) (Tentative) :**

First Quarter Results : Second week of August, 2015  
Second Quarter Results : Second week of November, 2015  
Third Quarter Results : Second week of February, 2016  
Fourth Quarter Results : Second week of May, 2016

##### 7.3 **Book Closure Date :**

Saturday, the 26<sup>th</sup> September, 2015 to Wednesday, the 30<sup>th</sup> September, 2015 (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, 2014. 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 :

<b>Sr No.</b>	<b>Name of Stock Exchanges</b>	<b>Stock Codes</b>
1.	<b>BSE Ltd.</b> 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 (2014-15) financial year on the Stock Exchanges:

<b>Month</b>	<b>High ( )</b>	<b>Low ( )</b>
April - 2014	9.42	6.35
May - 2014	11	7.6
June - 2014	11.42	9.31
July - 2014	10.5	8.12
August - 2014	9.39	7.76
September -2014	9.69	8.21
October -2014	9.35	7.95
November - 2014	9.45	8.05
December - 2014	9.54	7.69
January - 2015	9.06	7.76
February - 2015	8.5	7.41
March - 2015	9.75	7.5

**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

CIN : L55100GJ1991PLC015839

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.

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.

## 7.9 Distribution of Shareholding (as on 31<sup>st</sup> March, 2015) :

Category	Number of Shareholders	Percentage (%)	Number of Shares	Percentage (%)
1- 500	13808	87.91	2154587	12.73
501-1000	896	5.70	777738	4.59
1001- 2000	421	2.68	676276	4.00
2001- 3000	167	1.06	425498	2.51
3001- 4000	91	0.58	321863	1.90
4001- 5000	85	0.54	401423	2.37
5001- 10000	114	0.73	837972	4.95
10001 and above	125	0.80	11336843	66.95
<b>TOTAL</b>	<b>15707</b>	<b>100.00</b>	<b>16932200</b>	<b>100.00</b>

## 7.10 Shareholding Pattern as on March 31, 2015:

Sr.No.	Category	No. of Shares held	Percentage (%) of shareholding
1.	Promoters, Directors & their Relatives	7708790	45.53
2.	NRI/OCBs	773811	4.57
3.	Banks/Financial Institutions/Mutual Funds	100	0.00
4.	Private Corporate Bodies	1104343	6.52
5.	Others	7345156	43.38
	<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, 2015:

Particulars	No of Shares	% shareholding
<b>Physical</b>	2758451	16.30
<b>Demat</b>		
NSDL	11642130	68.75
CDSL	2531619	14.95
<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

**THERE IS NO WARRANTS IS OUTSTANDING.**

## 7.13 Hotel Location :

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

## 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, 2015.

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

Place : Ahmedabad  
Date : 14<sup>th</sup> August, 2015

**U Champawat**  
Chairman and Managing Director  
(DIN-00294184)

---

## 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, 2015, 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 14, 2015

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



**ANNEXURE –E**

**TO THE DIRECTORS' REPORT FOR THE YEAR 2014-2015**

**Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.**

<b>a)</b>	<b>Conservation of energy</b>	
	(i) the steps taken or impact on conservation of energy	Company has created energy saving culture among the employees, Shut down of Guest Floor AC in low occupancy, Constant monitoring of HSD Consumption and to control usage. Physical Monitoring of Back Area and non-operational areas to prevent usage of electricity.
	(ii) the steps taken by the company for utilizing alternate sources of energy	Company is using Solar Water Heater system for Hot Water usage. Company is having STP Plant hence using treated water for Garden and back of the area usage.
	(iii) the capital investment on energy conservation equipment's	<b>NIL</b>
<b>(b)</b>	<b>Technology absorption</b>	
	(i) the efforts made towards technology absorption	NIL
	(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	NIL
	(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NIL
	(a) the details of technology imported	NIL
	(b) the year of import;	NIL
	(c) whether the technology been fully absorbed	NIL
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NIL
	(iv) the expenditure incurred on Research and Development	NIL
<b>(c)</b>	<b>Foreign exchange earnings and Outgo</b>	
	During the year, the total foreign exchange used was ` 11,30,948 and the total foreign exchange earned was ` 4,26,16,563.	



## INDEPENDENT AUDITOR'S REPORT

**TO,  
THE MEMBERS OF  
ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**  
**Report on the Financial Statements**

We have audited the accompanying standalone financial statements of **ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### **Auditor's Responsibility**

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

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

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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Ministry of Corporate Affairs in terms of sub section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the order.
2. As required by section 143(3) of the Act, we report that:



- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The company does not have any pending litigation which would impart its financial position.
  - (ii) The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the company.

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

Place : Ahmedabad  
Date : May 29, 2015

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

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

***The annexure referred to in our report to the members of Royale Manor Hotels and Industries Limited on the financial statements as of and for the year ended 31<sup>st</sup> March, 2015. We report that:***

1.
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (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.
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. The Company has not granted any loans, secured or unsecured to companies, firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore further comment are not applicable.
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 for the sale of goods and services. Further, there is no continuing failure to correct major weakness in internal control system.

5. According to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 73 and 74 of Companies Act, 2013 and the rules framed there under to the extent notified.
6. As per information and explanations given to us by the management, the Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for the Company.
7. (a) 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, sales tax, wealth tax, duty of custom, duty of excise, value added tax, CESS and other statutory dues as applicable with the appropriate authorities during the year. There was no undisputed amount outstanding & payable in respect of statutory dues as at 31st March 2015, for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanation given to us by the management, there are no dues of income tax or wealth tax or service tax or duty of custom or duty of excise or value added tax or 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.  
  
(c) There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the company.
8. The Company does not have accumulated losses as on 31<sup>st</sup> March, 2015. Further it has not incurred cash losses during the year ended on 31<sup>st</sup> March, 2015 and in the immediately preceding financial year.
9. 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 or bank.
10. 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, the terms and conditions of whereof; in our opinion are not prima-facie prejudicial to the interest of the company.
11. 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.
12. According to the information and explanation given to us, no material fraud on or by the company has been noticed or reported during the course of our audit.

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

**CA PRANAV N. SHAH**  
Proprietor  
M. No. 033747

Place : Ahmedabad  
Date : May 29, 2015



## BALANCE SHEET AS AT 31ST MARCH, 2015

Sr. No.	Particulars	Note No.	Amount in `	
			As at 31st March, 2015	As at 31st March, 2014
<b>I</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
<b>1</b>	<b><u>SHAREHOLDERS' FUNDS</u></b>			
	(a) Share Capital	1	181,022,000	182,422,000
	(b) Reserve and Surplus	2	167,680,731	130,274,226
	(c) Money Recd. Against Share Warrants	3	-	24,135,011
	TOTAL(1)		<u>348,702,731</u>	<u>336,831,237</u>
<b>2</b>	<b><u>NON-CURRENT LIABILITIES</u></b>			
	(a) Long Term Borrowings	4	47,253,726	65,578,367
	(b) Other Long Term Liabilities	5	7,124,243	11,809,885
	(c) Long Term Provisions	6	1,031,737	1,034,626
	TOTAL(2)		<u>55,409,706</u>	<u>78,422,878</u>
<b>3</b>	<b><u>CURRENT LIABILITIES</u></b>			
	(a) Short Term Borrowings	7	45,358,310	21,505,666
	(b) Trade Payables	8	37,437,329	24,562,395
	(c) Other Current Liabilities	9	42,904,296	51,338,277
	(d) Short Term Provisions	10	4,134,061	3,788,257
	TOTAL(3)		<u>129,833,996</u>	<u>101,194,595</u>
	<b>TOTAL(1+2+3)</b>		<u>533,946,433</u>	<u>516,448,710</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	11	239,413,450	267,860,783
	(ii) Capital Work-in-Progress	11	-	-
	(b) Non-current Investments	12	38,500,000	38,500,000
	(c) Deferred Tax Assets (Net)	13	11,439,999	5,932,523
	(d) Long Term Loans and Advances	14	88,609,270	88,039,763
	TOTAL(1)		<u>377,962,719</u>	<u>400,333,069</u>
<b>2</b>	<b><u>CURRENT ASSETS</u></b>			
	(a) Inventories	15	19,748,639	17,473,449
	(b) Trade Receivables	16	39,440,945	15,014,748
	(c) Cash and Cash Equivalents	17	4,858,620	3,906,394
	(d) Short Term Loans and Advances	18	88,467,646	59,022,144
	(e) Other Current Assets	19	3,467,864	20,698,906
	TOTAL(2)		<u>155,983,714</u>	<u>116,115,641</u>
	<b>TOTAL(1+2)</b>		<u>533,946,433</u>	<u>516,448,710</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. 033747

**Kalpesh B. Baraiya**  
Company Secretary

**Jayesh Dave**  
Director  
DIN-01808753

**U. Champawat**  
Chairman and Managing Director  
DIN-00294184

**Dr. Ram Prakash Kothari**  
Director  
DIN-00294060

Ahmedabad  
May 29, 2015

Ahmedabad  
May 29, 2015

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

Sr. No.	Particulars	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>Amount in `</b>				
<b>REVENUE FROM OPERATIONS</b>				
I	Revenue from Operations	20	242,442,799	203,835,535
II	Other Income	21	6,062,342	6,813,214
III	<b>TOTAL REVENUE(I+II)</b>		<b>248,505,141</b>	<b>210,648,749</b>
IV	<b>EXPENSES</b>			
a	Cost of Material Consumed	22	29,036,082	20,509,234
b	Employees' Benefits Expenses	23	44,561,534	43,270,555
c	Finance Costs	24	21,128,906	20,187,322
d	Depreciation and Amortization Expenses	25	29,630,768	13,774,991
e	Other Expenses	26	105,884,584	92,741,628
	<b>TOTAL EXPENSES</b>		<b>230,241,874</b>	<b>190,483,730</b>
V	<b>Profit Before Exceptional And Extraordinary Items And Tax (III-IV)</b>		<b>18,263,267</b>	20,165,019
VI	Exceptional Items		-	-
VII	<b>Profit Before Extraordinary Items And Tax (V-VI)</b>		<b>18,263,267</b>	20,165,019
VIII a	Extraordinary Items		-	-
b	Prior Period Items		5,493,000	-
IX	<b>Profit Before Tax (VII+VIII)</b>		<b>23,756,267</b>	20,165,019
X	<b>Tax Expense</b>			
a	Current Tax Expense		4,800,000	4,100,000
b	Earlier Year Tax Expense		-	612,349
c	Deferred Tax Expense / (Income)		(5,507,476)	159,149
XI	<b>Profit / (Loss) for the year (IX-X)</b>		<b>24,463,743</b>	<b>15,293,521</b>
XII	<b>Earning per equity share</b>			
a	Basic		<b>1.39</b>	0.83
b	Diluted		<b>1.30</b>	0.73

**Notes to the accounts forming part of Statement of Profit & Loss** 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. 033747

Ahmedabad  
May 29, 2015

**Kalpesh B. Baraiya**  
Company Secretary

**Jayesh Dave**  
Director  
DIN-01808753

Ahmedabad  
May 29, 2015

**U. Champawat**

Chairman and Managing Director  
DIN-00294184

**Dr. Ram Prakash Kothari**  
Director  
DIN-00294060



## CASH FLOW STATEMENT

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	23,756,267	20,165,019
Adjustments For :		
Depreciation	29,630,768	13,774,991
Interest & Financial Charges	21,128,906	20,187,322
Loss/(Profit) on sale of Fixed Assets	66,914	(78,820)
Operating Profit before Working Capital Changes	74,582,855	54,048,512
Adjustments for :		
Trade Receivables	(24,426,197)	2,850,347
Loans & Advances	(12,783,967)	(24,012,637)
Inventories	(2,275,190)	1,017,544
Trade Payables & Other Liability	4,786,757	11,111,726
Cash Generated from Operations	(34,698,597)	(9,033,020)
Provision for Income Tax	(4,800,000)	(4,712,349)
Net Cash Flow from Operating Activities	35,084,258	40,303,143
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Assets	(1,257,849)	(3,513,533)
Sale of Fixed Assets	7,500	722,772
Net Cash Flow from Investing Activities	(1,250,349)	(2,790,761)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	839,472	(12,209,960)
Interest & Financial Charges	(21,128,906)	(20,187,322)
Repayment of Share Warrants	(10,283,352)	-
Proposed Dividend on OCPS	(722,449)	(988,964)
Provision for Tax on Dividend	(144,448)	(168,075)
Redemption of OCPS	(1,442,000)	(5,768,000)
Net Cash Flow from Financing Activities	(32,881,683)	(39,322,321)
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	952,226	(1,809,939)
<b>OPENING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	3,906,394	5,716,333
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	4,858,620	3,906,394

### For and on behalf of the Board

**U. Champawat**  
Chairman and Managing Director  
DIN-00294184

**Jayesh Dave**  
Director  
DIN-01808753

**Dr. Ram Prakash Kothari**  
Director  
DIN-00294060

**Kalpesh B. Baraiya**  
Company Secretary

Ahmedabad, May 29, 2015

### AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of Royale Manor Hotels and Industries Limited for the year ended 31st March, 2015. 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 29th May 2015 to the members of the company.

**FOR, Naimish N. Shah & Co.**  
Chartered Accountants  
(F.R. No. : 106829W)

Place : Ahmedabad  
Date : May 29, 2015

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

**NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015**

			Amount in `	
Note No.	Sr. No.	Particulars	As at 31st March, 2015	As at 31st March, 2014
1		<b><u>SHARE CAPITAL</u></b>		
	<b>A</b>	<b><u>AUTHORISED</u></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
			<b><u>350,000,000</u></b>	<b><u>350,000,000</u></b>
	<b>B</b>	<b><u>ISSUED, SUBSCRIBED &amp; PAID UP</u></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)	<b><u>169,322,000</u></b>	<b><u>169,322,000</u></b>
		Optionally Convertible Preference Shares of ` 1,00,000/- each, fully paid up		
		At the beginning of the year, No. of Shares 131 (P.Y. 187)	<b>13,100,000</b>	18,700,000
		Addition/(Deduction) during the year, No. of Shares 14 (P.Y. 56)	<b>(1,400,000)</b>	<b>(5,600,000)</b>
		At the end of the year, No. of Shares 117 (P.Y. 131)	<b><u>11,700,000</u></b>	<b><u>13,100,000</u></b>
		<b>GRAND TOTAL</b>	<b><u>181,022,000</u></b>	<b><u>182,422,000</u></b>

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, 2015 @ 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	As at 31st March, 2015		As at 31st March, 2014	
		Percentage	No. of Shares	Percentage	No. of Shares
1	Shree Bala Finvest Pvt. Ltd.	12.33%	2,087,100	12.33%	2,087,100
2	Champawat Investment & Consultants Pvt. Ltd.	10.16%	1,720,400	10.16%	1,720,400
3	Pioneer Buildcon Pvt. Ltd.	8.34%	1,412,860	8.34%	1,412,860
4	Gujarat Finvest Services Pvt. Ltd.	6.29%	1,065,600	6.29%	1,065,600
5	Elcon Exports Pvt. Ltd.	5.38%	910,300	5.38%	910,300

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

Sr. No.	Name of Shareholders	As at 31st March, 2015		As at 31st March, 2014	
		Percentage	No. of OCPS	Percentage	No. of OCPS
1	Tourism Finance Corporation of India Ltd	-	-	10.69%	14
2	IDBI Bank Ltd	100.00%	117	89.31%	117



**NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015**

Note No.	Sr. No.	Particulars	Amount in `	
			As at 31st March, 2015	As at 31st March, 2014
2		<b>RESERVES &amp; SURPLUS</b>		
	A	<b>CAPITAL REDEMPTION RESERVE</b>		
		At the beginning of the year	42,333,000	36,565,000
		Additions during the year	1,442,000	5,768,000
		Utilised during the year	-	-
		At the end of the year	43,775,000	42,333,000
	B	<b>SECURITIES PREMIUM RESERVE</b>		
		At the beginning of the year	8,367,000	8,535,000
		Additions during the year	-	-
		Utilised during the year	42,000	168,000
		At the end of the year	8,325,000	8,367,000
	C	<b>REPLACEMENT OF FF &amp; E RESERVE</b>		
		At the beginning of the year	2,595,184	2,271,390
		Additions during the year	4,087,760	3,876,244
		Utilised during the year	1,576,748	3,552,450
		At the end of the year	5,106,196	2,595,184
	D	<b>CAPITAL RESERVE ACCOUNT</b>		
		At the beginning of the year	-	-
		Additions during the year	13,851,659	-
		Utilised during the year	-	-
		At the end of the year	13,851,659	-
	E	<b>SURPLUS</b>		
		At the beginning of the year	76,979,042	68,934,354
		Additions during the year (Balance in Statement of Profit & Loss)	24,463,743	15,293,521
		Allocations and Appropriations		
		Proposed Dividend on OCPS	(722,449)	(988,964)
		Provision for Tax on Dividend	(144,448)	(168,075)
		Transfer (To) / From Reserves	(3,953,012)	(6,091,794)
		At the end of the year	96,622,876	76,979,042
		<b>GRAND TOTAL</b>	<b>167,680,731</b>	<b>130,274,226</b>
3		<b>MONEY RECEIVED AGAINST SHARE WARRANTS</b>		
		Preferential Share Warrants	-	24,135,011
			-	24,135,011
4		<b>LONG TERM BORROWINGS</b>		
	A	<b>SECURED TERM LOANS FROM BANKS</b>		
		Punjab National Bank (Footnote : 1)	15,177,450	21,072,330
			15,177,450	21,072,330
	B	<b>SECURED TERM LOANS FROM FINACIAL INSTITUTION</b>		
		Tata Capital Financial Services Limited (Footnote : 2)	1,248,900	6,249,300
			1,248,900	6,249,300
	C	<b>UNSECURED LONG TERM BORROWINGS:</b>		
		Bank of Maharashtra (Footnote : 3)	29,951,505	38,256,737
		Intec Capital Ltd (Footnote:4)	875,871	-
			30,827,376	38,256,737
		<b>GRAND TOTAL</b>	<b>47,253,726</b>	<b>65,578,367</b>



**NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015**

- 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 pledge of shares, personal guarantee of director and corporate guarantee. Repayable in 36 monthly installments from July 2013 to June 2016.
- Footnote 3 : Repayable in 72 monthly installments including 3 month moratorium period, from April, 2013.
- Footnote 4 : Repayable in 24 monthly installments from August, 2014.

<b>Note No.</b>	<b>Sr. No.</b>	<b>Particulars</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
<b>5</b>		<b><u>OTHER LONG-TERM LIABILITIES</u></b>		
		Security Deposits from Contractors	<b>2,128,379</b>	2,128,379
		Security Deposits from Others	<b>1,000,000</b>	6,493,000
		Others	<b>3,995,864</b>	3,188,506
			<u><b>7,124,243</b></u>	<u>11,809,885</u>
<b>6</b>		<b><u>LONG-TERM PROVISIONS</u></b>		
		Provision for Employees Benefits	<b>1,031,737</b>	1,034,626
			<u><b>1,031,737</b></u>	<u>1,034,626</u>
<b>7</b>		<b><u>SHORT TERM BORROWINGS</u></b>		
	<b>A</b>	<b>SECURED</b>		
		Working Capital Facility - Punjab National Bank (Footnote:5)	<b>30,358,310</b>	21,505,666
	<b>B</b>	<b>UNSECURED</b>		
		Inter Corporate Deposit	<b>15,000,000</b>	-
			<u><b>45,358,310</b></u>	<u>21,505,666</u>
Footnote 5 :		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	<b>31,270,931</b>	19,818,477
		Advance from Parties	<b>6,166,398</b>	4,743,918
			<u><b>37,437,329</b></u>	<u>24,562,395</u>
<b>9</b>		<b><u>OTHER CURRENT LIABILITIES</u></b>		
		Current Year's Other Taxes Payable	<b>1,663,909</b>	1,286,098
		Current Maturity of Long Term Borrowings		
		- From Bank	<b>15,823,042</b>	15,190,792
		- From Financial Institutions	<b>7,313,295</b>	5,000,400
		Interest Accrued and due on Borrowings	<b>967,443</b>	1,625,465
		Interest Accrued but not due on Borrowings	<b>553,102</b>	646,423
		Proposed Dividends on OCPS	<b>722,449</b>	988,964
		Provision for Tax on Dividend	<b>144,448</b>	387,952
		Provision for Income Tax	<b>8,900,000</b>	4,100,000
		Statutory Dues	<b>381,329</b>	267,004
		TDS Payable	<b>1,095,685</b>	605,340
		Other Current Liabilities	<b>5,339,594</b>	21,239,839
			<u><b>42,904,296</b></u>	<u>51,338,277</u>
<b>10</b>		<b><u>SHORT-TERM PROVISIONS</u></b>		
		Provision for Employees Benefits	<b>2,451,156</b>	2,319,189
		Provision for Doubtful Debts	<b>234,798</b>	234,798
		Others	<b>1,448,107</b>	1,234,270
			<u><b>4,134,061</b></u>	<u>3,788,257</u>



11 : FIXED ASSETS (Amount in `)										
Description	Gross Block				Depreciation				Net Block	
	As at 1st April, 2014	Additions during the year	Deductions during the year	As at 31st March, 2015	As at 1st April, 2014	Additions during the year	Deductions during the year	As at 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
Freehold Land	36,971,314	-	-	36,971,314	-	-	-	36,971,314	36,971,314	36,971,314
Buildings	183,086,190	-	-	183,086,190	40,020,131	3,028,763	-	140,037,296	143,066,059	143,066,059
Electrical Installations	40,762,991	-	-	40,762,991	26,953,939	2,995,214	-	10,813,838	13,809,052	13,809,052
Plant & Machineries	198,747,041	825,930	96,684	199,476,287	131,448,008	19,624,462	22,270	48,426,087	67,299,033	67,299,033
Computers & Software	11,165,533	300,544	-	11,466,077	9,152,151	1,639,326	-	674,600	2,013,382	2,013,382
Furniture & Fittings	1,923,951	22,375	-	1,946,326	1,559,035	179,037	-	208,254	364,916	364,916
Office Equipments	2,146,298	109,000	-	2,255,298	786,472	1,040,121	-	428,705	1,359,826	1,359,826
D.G. Set	320,000	-	-	320,000	288,841	27,959	-	3,200	31,159	31,159
Vehicles	8,314,619	-	-	8,314,619	5,664,577	1,095,886	-	1,554,156	2,650,042	2,650,042
Live Stock	296,000	-	-	296,000	-	-	-	296,000	296,000	296,000
<b>Total</b>	<b>483,733,937</b>	<b>1,257,849</b>	<b>96,684</b>	<b>484,895,102</b>	<b>215,873,154</b>	<b>29,630,768</b>	<b>22,270</b>	<b>239,413,450</b>	<b>267,860,783</b>	<b>267,860,783</b>
Previous Year	482,833,710	3,648,937	2,748,710	483,733,937	204,202,921	13,774,991	2,104,758	215,873,154	267,860,783	

**ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**

					Amount in `	
Note No.	Sr. No.	Particulars			As at 31st March, 2015	As at 31st March, 2014
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>11,439,999</b>	5,932,523
					<b>11,439,999</b>	5,932,523
14		<b><u>LONG TERM LOANS AND ADVANCES</u></b>				
		(Unsecured, considered good)				
		Capital Advances			<b>59,269,900</b>	59,269,900
		Security Deposits			<b>3,839,370</b>	3,269,863
		Others			<b>25,500,000</b>	25,500,000
					<b>88,609,270</b>	88,039,763
15		<b><u>INVENTORIES</u></b>				
		(As valued & certified by the Management)				
		Provisions & Stores			<b>1,345,870</b>	1,218,264
		Cutlery, Crockery, Chinaware, Glassware & Linen			<b>5,896,006</b>	3,583,457
		Other Stores			<b>12,506,763</b>	12,671,728
					<b>19,748,639</b>	17,473,449
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>371,344</b>	630,509
		Other Debts			<b>39,069,601</b>	14,384,239
					<b>39,440,945</b>	15,014,748
17		<b><u>CASH &amp; CASH EQUIVALENTS</u></b>				
	<b>A</b>	<b>BALANCE WITH BANKS</b>				
		In Fixed Deposits			<b>540,767</b>	320,653
		In Fixed Deposits (Maturing beyond 12 months)			<b>1,765,875</b>	1,768,165
		In Current Accounts			<b>2,133,359</b>	1,517,693
	<b>B</b>	<b>CASH ON HAND</b>				
		Cash on Hand			<b>418,619</b>	299,883
					<b>4,858,620</b>	3,906,394
18		<b><u>SHORT TERM LOANS &amp; ADVANCES</u></b>				
		(Unsecured, considered good)				
		Advance to Suppliers			<b>1,826,972</b>	566,452
		Advance to Staff			<b>352,553</b>	397,200
		Advance recoverable in cash or in kind			<b>61,409,893</b>	56,814,402
		Advance payment and deduction of Income Tax at source			<b>1,912,656</b>	478,281
		Others			<b>22,965,572</b>	765,809
					<b>88,467,646</b>	59,022,144
19		<b><u>OTHER CURRENT ASSETS</u></b>				
		Prepaid Expenses			<b>1,284,060</b>	1,244,103
		Others			<b>2,183,804</b>	19,454,803
					<b>3,467,864</b>	20,698,906



**NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR  
THE YEAR ENDED 31ST MARCH, 2015**

Note No.	Sr. No.	Particulars	Amount in `	
			For the year ended 31st March, 2015	For the year ended 31st March, 2014
20		<b><u>REVENUE FROM OPERATIONS</u></b>		
		Rooms	119,182,759	119,149,291
		Food & Beverages	94,541,450	69,523,007
		Wine & Liquor	14,651,805	6,417,742
		Telephone & Internet	1,887,799	3,207,107
		Other Services	12,178,986	5,538,388
			<b><u>242,442,799</u></b>	<b><u>203,835,535</u></b>
21		<b><u>OTHER INCOME</u></b>		
		Other Non Operating Income	6,062,342	6,813,214
			<b><u>6,062,342</u></b>	<b><u>6,813,214</u></b>
22		<b><u>COST OF MATERIALS CONSUMED</u></b>		
		Opening Balance of Stock	1,218,264	1,221,421
		Add : Purchases of Raw Material	29,324,649	20,506,077
			<b><u>30,542,913</u></b>	<b><u>21,727,498</u></b>
		Less : Closing Balance of Stock	1,506,831	1,218,264
			<b><u>29,036,082</u></b>	<b><u>20,509,234</u></b>
23		<b><u>EMPLOYEES' BENEFITS EXPENSES</u></b>		
		Salary & Wages	35,692,916	32,953,292
		Contribution to Provident Fund and Other Funds	2,267,009	2,435,202
		Other Staff Related Expenses	6,601,609	7,882,061
			<b><u>44,561,534</u></b>	<b><u>43,270,555</u></b>
24		<b><u>FINANCIAL COSTS</u></b>		
	A	<b><u>Interest Expenses</u></b>		
		Interest to Bank	14,779,932	16,024,783
		Interest to Financial Institutions	1,264,843	1,469,430
		Interest on Inter Corporate Deposit	1,901,096	-
		Interest on TDS & Other Taxes	573,209	1,362
	B	Other Borrowing Costs	231,802	699,652
	C	Commission on Credit Card Settlement	2,378,024	1,992,095
			<b><u>21,128,906</u></b>	<b><u>20,187,322</u></b>
25		<b><u>DEPRECIATION AND AMORTZATION EXPENSE</u></b>		
		Depreciation	29,630,768	13,774,991
			<b><u>29,630,768</u></b>	<b><u>13,774,991</u></b>

Note No.	Sr. No.	Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
				Amount in `
26		<b>OTHER EXPENSES</b>		
	<b>A</b>	<b><u>OPERATING EXPENSES</u></b>		
		Banquet Expenses	9,130,968	5,322,270
		Power & Fuel	22,712,530	21,523,599
		Repair & Maintenance - Building	3,856,893	3,913,197
		Repair & Maintenance - Machinery	2,809,291	4,417,754
		Repair & Maintenance - Others	3,441,085	2,638,959
		Upkeep & Service Cost	8,098,879	6,491,380
			<u>50,049,646</u>	<u>44,307,159</u>
	<b>B</b>	<b><u>ADMINISTRATIVE EXPENSES</u></b>		
		Rates & Taxes	6,893,651	2,406,499
		Insurance Expenses	1,106,696	1,069,274
		Legal & Professional Expenses	3,837,221	3,284,138
		Operating Fess	17,280,096	14,260,584
		Payment to Auditors	577,879	577,630
		Postage & Courier Expenses	354,004	224,564
		Printing & Stationary	1,094,093	1,046,111
		Rent	578,600	577,000
		Travelling & Conveyance	5,435,846	3,325,408
		Directors' Remuneration & Perquisites	752,916	750,841
		Directors' Sitting Fees	10,500	6,000
		Donation	424,680	383,721
		General Expenses	7,103,111	9,691,982
		Telephone Expenses	2,358,794	2,928,025
			<u>47,808,087</u>	<u>40,531,777</u>
	<b>C</b>	<b><u>SELLING &amp; DISTRIBUTION EXPENSES</u></b>		
		Advertisement Expenses	1,223,630	1,551,703
		Sales Commission & Incentives	1,884,642	2,179,605
		Sales Promotion Expenses	4,918,579	4,171,384
			<u>8,026,851</u>	<u>7,902,692</u>
		<b>GRAND TOTAL (A+B+C)</b>	<u><b>105,884,584</b></u>	<u><b>92,741,628</b></u>

**NOTE-27 :NOTES FORMING PART OF FINANCIAL STATEMENTS**

**1. CORPORATE INFORMATION**

Royale Manor Hotels and Industries Limited is a listed public limited company incorporated in 1991. Its shares are listed on Bombay, Madras and Calcutta Stock Exchanges. Company established first five star hotel of Ahmedabad and is primarily engaged in the business of Hotel & Restaurant.

**2. SIGNIFICANT ACCOUNTING POLICIES:-**

**2.1 BASIS OF ACCOUNTING:** These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis, unless otherwise stated hereinafter and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to Sec 129 & 133 of the Companies Act, 2013. The accounting policies applied by the Company are consistent with those used in previous year.

**2.2 USE OF ESTIMATES:** The preparation of financial statements requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accounting estimates could change from period to period and actual results could differs from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes. Changes in estimates are reflected in the financial statements in the period in which changes are made.

**2.3 REVENUE RECOGNITION:** Revenue is recognized upon rendering of the services provided pervasive evidence of an arrangement exists. Revenue comprises Sale of Rooms, Food & Beverages and other allied services relating to hotel operations including Banquet, Business Center, Laundry, Shop Rent and Telephone are included under other services.



#### **2.4 FIXED ASSETS :**

Fixed Assets have been recorded at actual cost inclusive of duties, taxes and other incidental expenses related to acquisition, improvement and installation.

#### **2.5 DEPRECIATION:**

Depreciation on tangible assets other than freehold land & live stocks has been provided on the straight-line method over the useful life of assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on assets purchased/sold during the year has been proportionately charged.

#### **2.6 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.

#### **2.7 INVESTMENTS:**

Investments are Long Term Investments and are stated at cost and provision is made for diminution, other than temporary, in value of the investments.

#### **2.8 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 is accounted for on settlement and the same is charged to the Statement of Profit and Loss. Payments in foreign currencies are recorded at the rates prevailing on the date of actual remittance.

#### **2.9 BORROWING COST:**

Borrowing costs directly attributable to the acquisition or construction of qualifying fixed assets and are capitalized as a part of cost of that assets till such time the fixed assets are substantially ready for their intended use. Qualifying fixed asset is an asset that necessarily takes a substantial period of time to get ready for their intended use or sale. All other borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

#### **2.10 INVENTORIES:**

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

#### **2.11 EMPLOYEES' BENEFITS:**

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.

#### **2.12 TAXES ON INCOME:**

Taxes on Income are accounted in the same period to which the revenue and expenses relate. 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.

Deferred tax is the tax effect of timing differences. The timing differences are differences between the taxable income and accounting income for a period that originate in one period and are capable of reversal in one or more subsequent periods.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

#### **2.13 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 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 OCPS (Optionally Convertible Preference Shares).

**2.24 CONTINGENCIES AND PROVISIONS:**

Provisions are recognized when there is a present legal obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of obligation cannot be made. Contingent assets are not recognized in the financial statements.

**2.15 CASH FLOW STATEMENT:**

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

**3. NOTES TO ACCOUNTS:-**

- 3.1 Some of the balances of sundry creditors, sundry debtors, loans & advances and other liabilities are subject to confirmation and reconciliation.
- 3.2 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.
- 3.3 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.
- 3.4 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	7,52,916/-	Managerial Remuneration

**3.5 Earning Per Share**

Particulars	Current Year	Previous Year
	2014-15 Amount in `	2013-14 Amount in `
Profit After Tax (PAT)	<b>24,463,743</b>	15,293,521
Less : Preference Dividend & Tax	<b>(866,897)</b>	(1,157,039)
Profit	<b>23,596,846</b>	14,136,482
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>18,102,200</b>	19,283,064
Basic EPS	<b>1.39</b>	0.83
Diluted EPS	<b>1.30</b>	0.73

**3.6 Contingent Liabilities :**

In respect. of guarantee given to HUDCO on behalf of National Hotels Ltd towards security for term loan

**37,980,402**      55,406,784

- 3.7 Estimated amount of contracts remaining to be executed on capital account (Net of Advances) not provided for:

**NIL**      2,255,100



Particulars	Current Year	Previous Year
	2014-15	2013-14
	Amount in `	Amount in `
<b>3.8 Payment to Auditors :</b>		
a) Audit Fees	205,000	179,776
b) Other Services	112,150	137,445
c) Tax Audit Fees	100,000	140,450
d) Taxation Work	145,000	140,450
e) Out of Pocket Expenses	15,729	10,299
Total	<u>577,879</u>	<u>608,420</u>
<b>3.9 Foreign Currency Transactions:</b>		
a. <u>Expenditure in Foreign Currencies :</u> (As certified by the Management)	1,130,948	1,065,407
b. <u>Earnings in Foreign Currencies</u> (As certified by the Management)	42,616,563	41,538,221
c. Value of Imports calculated on CIF Basis of Capital Goods	NIL	NIL
<b>3.10</b> The Company has pledged 3,850,000 Equity Shares of Rs. 10 each aggregating to Rs.38,500,000/- with Housing & Urban Development Corporation Ltd. (HUDCO) as a security against the term loans obtained by the National Hotels Ltd.		
<b>3.11</b> 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.		
<b>3.12</b> 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.		
<b>3.13</b> 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.		
<b>3.14</b> 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 29, 2015

**Kalpesh B. Baraiya**  
Company Secretary

**For and on behalf of the Board**

**U. Champawat**

Chairman and Managing Director  
DIN-00294184

**Jayesh Dave**  
Director

DIN-01808753

Ahmedabad  
May 29, 2015

**Dr. Ram Prakash Kothari**  
Director

DIN-00294060





**ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**

Regd. Office : International Airport Circle, Ahmedabad-382 475. (India)  
Phone No.: (079) 22868642-3 Fax – (079)-22868641 CIN: L55100GJ1991PLC015839  
Email: royalemanorhotels@rediffmail.com Website : www.rmhil.com

**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 24<sup>th</sup> **ANNUAL GENERAL MEETING** of the Company held at Ahmedabad Textile Mills' Association (ATMA) Hall, Ashram Road, Ahmedabad - 380 009 on Wednesday, the 30<sup>th</sup> Day of September, 2015 at 3.00 P.M.

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

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

**NOTES :**

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



**ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**

Regd. Office : International Airport Circle, Ahmedabad-382 475. (India)  
Phone No.: (079) 22868642-3 Fax – (079)-22868641 CIN: L55100GJ1991PLC015839  
Email: royalemanorhotels@rediffmail.com Website : www.rmhil.com

**PROXY FORM**

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

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

I/we, being the member (s) of .....shares of the above named company, hereby appoint

1. Name.....Address :.....  
E-mail Id :.....Signature :....., or failing him
2. Name.....Address :.....  
E-mail Id :.....Signature :....., or failing him
3. Name.....Address :.....  
E-mail Id :.....Signature :.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24<sup>th</sup> Annual general meeting of the company, to be held on the 30<sup>th</sup> day of September, 2015 At 03.00 p.m. at Ahmedabad Textile Mills' Association (ATMA) Hall, Ashram Road, Ahmedabad - 380 009 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of Audited Balance sheet and P&L a/c with Directors and Auditors' report for Financial year 31<sup>st</sup> March, 2015
2. To declare dividend on optionally convertible preference shares (OCPS).
3. Re-appointment of Mr. Vishwajeetsingh Ummedsingh Champawat, who retires by rotation and being eligible, offers himself for re-appointment.
4. Re-Appointment of Auditors of the Company.
5. Regularize appointment of Mrs. Ragini Harsh Toshniwal.
6. Adoption of New set of Articles of Association.

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**(PRINTED MATTER)**

To,

*If undelivered, please return to :*



**ROYALE MANOR HOTELS AND INDUSTRIES LIMITED**

International Airport Circle, Ahmedabad-382 475. (India)

Phone No.: (079) 22868642-3 Fax – (079)-22868641 CIN: L55100GJ1991PLC015839

Email: royalemanorhotels@rediffmail.com Website : www.rmhil.com

Pratiksha : 98252 62512