



ROYALE MANOR
Hotels and Industries Ltd.

RMHIL/BSE/1016/180
Date: 19th October, 2016

To,
The Secretary
BSE Limited
Ground Floor, P. J. Tower,
Dalal Street,
Mumbai - 400 001.

Ref: Scrip Code: 526640

Dear Sir,

Sub:- Annual Report for the Financial Year 2015-16:

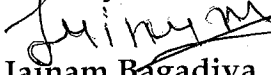
With reference to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, we send herewith 25th Annual Report for the Financial Year 2015-16.

Please take on your record.

Thanking you,

Yours faithfully,

For Royale Manor Hotels and Industries Limited


Jainam Bagadiya
Company secretary





ROYALE MANOR
Hotels & Industries Limited

25th
ANNUAL REPORT
2015-16

CORPORATE INFORMATION

BOARD OF DIRECTORS

| | |
|--------------------------------------|---------------------------------------|
| MR. U. CHAMPAWAT | <i>Chairman and Managing Director</i> |
| DR. RAM PRAKASH KOTHARI | <i>Director</i> |
| MR. VISHWAJEETSINGH CHAMPAWAT | <i>Director</i> |
| MR. JAYESH DAVE | <i>Director</i> |
| MRS. RAGINI HARSH TOSHNIWAL | <i>Director</i> |
| MR. RAMARAO NUTHAKKI | <i>Additional Director</i> |
| MR. KAMALKISHORE C. JANI | <i>Additional Director</i> |

CHIEF FINANCIAL OFFICER

MR. YOGESHKUMAR MEHTA

COMPANY SECRETARY

MR. JAINAM BAGADIYA

STATUTORY AUDITORS

M/S. NAIMISH N. SHAH & CO.

Chartered Accountants
Ahmedabad

REGISTRARS AND SHARE TRANSFER AGENTS

M/S. MCS SHARE TRANSFER AGENT LIMITED.

12/1/5, Manohar Pukur Road,
Kolkatta-700026

Ahmedabad office:

201, Shatdal Complex, Opp. Bata Show Room,
Ashram Road, Ahmedabad – 380 009
Tele. No.: 079 26580461 / 62 / 63
E-mail : mcssta@rediffmail.com,
mcsahmd@gmail.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

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NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the members of Royale Manor Hotels and Industries Limited will be held on Friday, the 30th day of September, 2016 at 3.00 p.m. at Ahmedabad Textile Mills' Association (ATMA) Hall, Ashram Road, Ahmedabad - 380 009 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016 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 Champawat (DIN: 00519755), Director of the Company who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Statutory Auditors and fix their remuneration.

SPECIAL BUSINESS:

5. **Appointment of Mr. Ramarao Nuthakki (DIN: 00612411) as an Independent 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, Mr. Ramarao Nuthakki (DIN: 00612411), who was appointed as an Additional Director by the Board of Directors w.e.f. 07/12/2015, who is eligible to be appointed as an Independent Director of the Company u/s 149 of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the company whose term of office shall not be liable to determination for retire by rotation."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Act, read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time including

applicable Regulations under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ramarao Nuthakki (DIN: 00612411) who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of one year with effect from September 30, 2016 up to September 29, 2017."

6. **Re-appointment of Mr. Jayesh Dave (DIN: 01808753) as an Independent Director of the company:**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Act, read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time including applicable Regulations under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Jayesh Dave (DIN: 01808753) who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years with effect from August 13, 2016 up to August 12, 2021."

7. **Appointment of Mrs. Ragini Harsh Toshniwal (DIN: 07098164) as an Independent Director of the company:**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Act, read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time including applicable Regulations under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Ragini

Harsh Toshniwal (DIN: 07098164) who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years with effect from July 20, 2016 up to July 19, 2021.”

8. Alteration in Articles of Association of the Company.

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

“**RESOLVED THAT** pursuant to Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, the consent of shareholders of the company being accorded for Alteration of the articles of association of the company be and are hereby altered in the following manner:

The Existing Article 76(ii) of the articles of association of the company be and is hereby deleted and the following new article 76(ii) be and is hereby substituted in lieu of the deleted Article.

“76 (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one director or such other person as the Board may appoint for the purpose; and this one director or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.”

“**RESOLVED FURTHER THAT** the board of directors of the company or any committee thereof be and

is hereby authorized to do, perform and execute all such acts, matters, deeds and things as it may consider necessary, expenditure, usual or proper to give effect to this resolution, including but not limited to filing of necessary forms with the Registrar of Companies and to comply with all other requirement in this regard and for any matters connected herewith or incidental hereto.”

By Order of the Board of Directors

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

Place : Ahmedabad
Date : 20th July, 2016

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

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 24th day of September, 2016 to Friday, the 30th day of September, 2016 (both days inclusive).
3. The Company has appointed M/s. MCS Share Transfer Agent Limited, as its Registrars and Share

Transfer Agents for rendering the entire range of services to the Shareholders of the Company. Accordingly, all documents, transfers, Demat request, change of address intimation and other communication in relation thereto with respect to shares in electronic and physical form should be addressed to the Registrars directly quoting Folio No., full name and name of the Company as Royale Manor Hotels and Industries Ltd.

4. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.
5. Members are requested to bring their copies of the Annual Report to the Meeting.
6. 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. MCS Share Transfer Agent Limited 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 13th 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).

A. The instructions for members for voting electronically are as under:-

- (i) The remote e-voting period begins on 27th September, 2016 (9.00 a.m.) and ends on 29th September, 2016 (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 23rd September, 2016, 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
- (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 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:

| | For Members holding shares in Demat Form and Physical Form |
|-----------------------|---|
| 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"> • 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). • In case the folio number is less than 8 digits enter the applicable number of 0's (zeros) before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field. |
| DOB | 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"> • 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). |

- (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 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.
 - 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 and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cDSLindia.com.
- 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 23rd September 2016.
- C. A copy of this notice has been/ shall be placed on the website of the Company and the website of CDSL.
- D. Mrs. 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 the terms of regulation 44 of SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015, 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 her on or before 29th September, 2016 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 along with 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:

| | | |
|---|---|--|
| Name | : | Mr. Vishwajeetsingh Umedsingh Champawat |
| Date of birth | : | 18/05/1988 |
| Qualification | : | B.Sc. (Honours), Business Management from Brunel University, U.K |
| Expertise | : | 5 years of Experience in Management and Finance |
| Director of the Company since | : | 09/12/2006 |
| Directorship in other public limited companies | : | Nil |
| Membership of Committees of other public limited companies | : | Nil |
| No. of Shares held in the Company | : | 2300 |

Items No. 5

Mr. Ramarao Nuthakki (DIN: 00612411), Additional 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 there under for appointment as an Independent Directors and they are independent of the management.

Mr. Ramarao Nuthakki 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.

As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr. Ramarao Nuthakki has given declarations to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Act.

In the opinion of the Board, they fulfil the conditions specified in the Act and the Rules made there under for appointment as an Independent Directors and are independent of the management.

The terms and conditions of appointment of the above Directors shall be opened 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.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointments of Mr. Ramarao Nuthakki are now being placed before the Members for their approval.

Mr. Ramarao Nuthakki is deemed to be interested in the resolutions set out respectively at Item No. 5 of the Notice with regard to their respective appointments.

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:

| | | |
|---|---|---|
| Name | : | Mr. Ramarao Nuthakki |
| Date of birth | : | 05/07/1947 |
| Qualification | : | M.A. English (Language & Literature), M.A. (Economics) UK |
| Expertise | : | Experience in the field of Management Administration, Finance and Infrastructure. |
| Director of the Company since | : | 07/12/2015 |
| Directorship in other public limited companies | : | WESTERN COALFIELDS LIMITED |
| Membership of Committees of other public limited companies | : | Nil |
| No. of Shares held in the Company | : | Nil |

Item No. 6 & 7

The Company had, pursuant to the Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, entered with the Stock Exchanges, appointed Mr. Jayesh Dave and Mrs. Ragini Harsh Toshniwal as an Independent Directors at various times, in compliance with the requirements of the Regulation.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 (Act), which came in to effect from 1st April, 2014, every listed public company is required to have at least one-third of the total number of directors as an Independent Director, who are not liable to retire by rotation, Pursuant to Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as an Independent Director cannot hold office for more than two consecutive terms of five years each and any tenure of an Independent Directors are proposed to be appointed for a period as mentioned in the respective resolutions from the conclusion of the AGM.

Mr. Jayesh Dave and Mrs. Ragini Harsh Toshniwal, Independent 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 Act, in the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as an Independent Directors and they are independent of the management.

Mr. Jayesh Dave and Mrs. Ragini Harsh Toshniwal are 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 an Independent Directors is now being placed before the members for their approval.

The terms and conditions of appointment of the above Directors shall be opened 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.

Mr. Jayesh Dave and Mrs. Ragini Harsh Toshniwal are deemed to be interested in the resolutions set out respectively at Item No. 6 and 7 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.

Item No. 8

Pursuant to Companies Amendment Act, 2015 use of Common seal has now become optional for companies. Further Company has to execute various agreements, documents, deeds, contracts etc. towards its business matters including administrative, Marketing and financial necessities. In view of the same and to facilitate and ease of administrative convenience and Secretarial convenience for execution of such documents on behalf of the Company, there is requirement to alter the existing Articles of Association (“AOA”) of the Company by removing the existing Article 76(ii) of Articles of Association of the company and the new article 76(ii) substituted in lieu of the deleted Article in AOA.

A copy of the existing Articles of Association of the company as well as the specimen of the amended Articles of Association of the company is available for inspection by Members at the registered office of the company on any working day during office hours of the company.

As per provision of the Companies Act, 2013, approval of the shareholders is required for amending the Articles of Association of the company.

Your Board recommends the above Resolutions for your approval.

None of the Directors/Key Managerial Personnel of the company is in any way interested in the Resolutions, except to the extent of their respective shareholding and the shareholding of their relatives in the Company.

**By Order of the Board
of Directors**

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

Place: Ahmedabad

Date : 20th July, 2016

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

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 25th Annual Report on the business and operations of the Company together with its Audited Accounts for the year ended 31st March, 2016. The Management Discussion and Analysis is also included in this Report.

1. FINANCIAL RESULTS:

The highlights of the financial results of the Company for the financial year ended March 31, 2016 are as under:

(Amount ₹ in Lacs)

| Particulars | 2015-2016 | 2014-2015 |
|--|-----------|-----------|
| Total Income | 2117.74 | 2,485.05 |
| Profit/(Loss) Before Financial Charges, Depreciation and Income Tax | 451.64 | 690.22 |
| Less : Financial Charges | 196.11 | 211.28 |
| Less : Depreciation | 118.49 | 296.30 |
| Profit before Income Tax and Exceptional Item | 137.04 | 182.63 |
| Add/(Less) : Extra ordinary/ Prior Period Items | (25.00) | 54.93 |
| Profit before Income Tax | 112.04 | 237.56 |
| Provision for Income Tax | (30.56) | (48.00) |
| Deferred Tax Income/(Expense) | 2.58 | 55.07 |
| Profit For the Year after Income Tax | 84.06 | 244.63 |
| Profit Available for Appropriation | 84.06 | 244.63 |
| Appropriation | | |
| Reserve for Replacement of FF & E (Net) | (35.46) | (25.11) |
| Proposed Dividend | (7.02) | (7.23) |
| Tax on Dividend | (1.43) | (1.44) |
| Balance of Profit/(Loss) brought forward | 966.23 | 769.79 |
| Transfer to Capital Redemption Reserve | — | (14.42) |
| Balance carried to Balance Sheet | 1006.37 | 966.23 |

2. BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIR:

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 2015-16 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 2015-16 has decreased to 59% from 63% and the Average Room Rates of the hotel for the year 2015-16 has been noted as ₹5,187 as compared to ₹ 5,587 in the previous year 2014-15.

However, during the financial year 2015-16, Company had been in a position to achieve a turnover of ₹2117.74 Lacs in comparison to ₹2485.05 Lacs in the previous year 2014-15. The profit before tax and profit after tax for the year under review were ₹112.04 Lacs and ₹ 84.06 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 name of hotel unit of the company changed from "the Gateway Hotel Umed, Ahmedabad" to "The Umed Ahmedabad" pursuant to departure of the Indian Hotels Company Limited from the operation of the Gateway Hotel Ahmedabad w.e.f. May 09, 2016 midnight.

The hotel unit of the Company "The Umed Ahmedabad" is an ISO 22000:2005 certified hotel with the highest levels of Hygiene and Food Safety criteria. Further, the hotel has established 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. CHANGE IN THE 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, 2016 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 a dividend of 6% on Optionally Convertible Preference Shares (OCPS) for the year 31st March, 2016, aggregating to ₹ 7.02 Lacs (Previous Year: ₹7.23 Lacs) During the year under Review.

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) Key Managerial Personnel:

The following are the Key Managerial Personnel of the Company.

| | |
|-----------------------|---|
| Mr. U. Champawat | Chairman and Managing Director |
| Mr. Yogeshkumar Mehta | Chief Financial Officer |
| Mr. Jainam Bagadiya | Company Secretary cum Compliance officer. |

b) Changes in Directors and Key Managerial Personnel:

Mr. Vishwajeetsingh Champawat will retire at the forthcoming Annual General Meeting of

the Company and being eligible, offer himself for reappointment.

During the year under review, Company has accepted resignation of Mr. Kalpesh B. Baraiya from the post of Company Secretary cum Compliance officer and appointed Mr. U. Champawat as a compliance officer of the Company on 06/11/2015.

During the year under review, company has appointed Mr. Jainam Bagadiya, for the post of Company Secretary cum Compliance officer of the Company on 27/02/2016.

The Board at his meeting held on 16th July, 2015 has appointed Mr. Yogeshkumar Mehta as Chief Financial Officer with effect from 01st June, 2015.

The Company has appointed Mr. Ramarao Nuthakki as an additional director of the Company pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, section 161 of Companies Act, 2013 as on 07/12/2015.

The Company has appointed Mr. Kamalkishore Chandravadan Jani (DIN: 02535299) as an Additional Director of the Company pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, section 161 of Companies Act, 2013 as on 08/10/2015.

c) 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 Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 MEETINGS OF THE BOARD:

During the year the Board of Directors met Ten times (10). 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, 2016, 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, 2016 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 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

11. AUDITORS:

A. Statutory Auditors:

The Company's Auditors, M/S. NAIMISH N. SHAH & CO., Chartered Accountants, 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 Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

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 Rupal Patel, Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as “Annexure -B”.

Reply for qualification Remark in Secretarial Audit Report:

The company has informed to the promoter holding 6.41% of the total paid up capital in physical mode about the requirement of their respective holding in dematerialized mode only.

12. TRANSFER TO RESERVES:

It is proposed to transfer ₹35.46 Lacs to reserves out of the profits earned during FY 2015-16.

13. FIXED DEPOSITS:

The Company has not accepted or renewed any deposits during the year. There are no outstanding and overdue deposits as at 31st March, 2016.

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. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

18. 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 Ummid- Ahmedabad Hotel. “**THE UMMED- AHMEDABAD**” has obtained **Earth Check Gold Certification** from Earth Check, on International Environment body during the year 2015-16. 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.

19. 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.

20. 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.

21. 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.

22. 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.

23. CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT:

The Company has been proactive in the following principles and practices of good corporate governance. A report in line with the requirements of Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report 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 Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are complied with.

As per 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

24. 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".

25. PARTICULARS OF EMPLOYEES:

None of the top ten employees of the Company drew remuneration of ₹1,02,00,000/- or more per annum or ₹ 8,50,000/- or more per month during the year as per amendment by Ministry of Corporate Affairs dated 30th June, 2016. 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.

26. 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**

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

**Place : Ahmedabad
Date : 20th July, 2016**

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 FINANCIAL YEAR ENDING ON 31-03-2016

I REGISTRATION & OTHER DETAILS:

| | | |
|----|--|---|
| 1. | CIN | L55100GJ1991PLC015839 |
| 2. | Registration Date | 19/06/1991 |
| 3. | Name of the Company | Royale Manor Hotels And Industries Limited |
| 4. | Category/Sub-category of the Company | Public Company Company Limited by Shares |
| 5. | Address of the Registered office & contact details | Address: International Airport Circle, Ahmedabad-382475 Contact No. : (079)22868642/43 Fax No. : (079)22868641 E-mail id : royalemanorhotels@rediffmail.com Website : www.rmhil.com |
| 6. | Whether listed company | Yes |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Name: M/S Sharepro Services (India) Pvt Ltd Address: 416-420, 4th Floor, Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, Ahmedabad-380006 Contact No.: 079 26582381 to 84 Fax No.: 079 26582385 E-mail id: 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 accomodation Activities, Resturant without Bars, Event Catering | 5510, 56101, 5621 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:
(No. of Companies for which information is being filled)

| Sr. NO | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY /ASSOCIATE | % of shares held | Applicable Section |
|--------|---------------------------------|---------|--------------------------------|------------------|--------------------|
| 1 | Not Applicable | | | | |
| 2 | | | | | |

VI. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 01-April-2015] | | | | No. of Shares held at the end of the year [As on 31-March-2016] | | | | % 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 |
| b) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Bodies Corp. | 6625160 | 800000 | 7425160 | 43.85 | 6625160 | 800000 | 7425160 | 43.85 | 0 |
| e) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total shareholding of Promoter (A) (1) | 6625160 | 1083630 | 7708790 | 45.53 | 6625160 | 1083630 | 7708790 | 45.53 | 0 |
| B. Foreign | | | | | | | | | |
| a) NRIs – Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Other – Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any Other... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total(A) (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 6625160 | 1083630 | 7708790 | 45.53 | 6625160 | 1083630 | 7708790 | 45.53 | 0 |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Banks / FI | 100 | 0 | 100 | 0 | 100 | 0 | 100 | 0 | 0 |
| c) Central Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt.(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) FIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(1):- | 100 | 0 | 100 | 0 | 100 | 0 | 100 | 0 | 0 |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 01-April-2015] | | | | No. of Shares held at the end of the year [As on 31-March-2016] | | | | % Change during the year |
|---|--|----------------|-----------------|-------------------|--|----------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (B) (2) Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | 1044243 | 60100 | 1104343 | 6.52 | 951487 | 60100 | 1011587 | 5.97 | (0.55) |
| i) Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 3946313 | 1277021 | 5223334 | 30.85 | 3897061 | 1256821 | 5153882 | 30.44 | (0.41) |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 2085527 | 26100 | 2111627 | 12.47 | 2214427 | 26100 | 2240527 | 13.23 | 0.76 |
| c) Others (HUF) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non Resident Indians | | | | | | | | | |
| Employees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non Resident Indian Repatriates | 126246 | 311600 | 437846 | 2.59 | 114696 | 311600 | 426296 | 2.52 | (0.07) |
| Non Resident Indian Non Repatriates | 335965 | 0 | 335965 | 1.98 | 387889 | 0 | 387889 | 2.29 | 0.31 |
| Foreign Nationals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Clearing Members | 10195 | 0 | 10195 | 0.06 | 3129 | 0 | 3129 | 0.02 | (0.04) |
| Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Foreign Bodies-D R | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(2):- | 7548489 | 1674821 | 9223310 | 54.47 | 7568689 | 1654621 | 9223310 | 54.47 | 0 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 7548589 | 1674821 | 9223410 | 54.47 | 7568789 | 1654621 | 9223410 | 54.47 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 14173749 | 2758451 | 16932200 | 100 | 14193949 | 2738251 | 16932200 | 100 | 0 |

B. Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding 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 | Champawat Investments And Consultants Private Limited | 1720400 | 10.16 | 0.00 | 1720400 | 10.16 | 0.00 | 0.00 |
| 2 | Pioneer Buildcon Private Limited | 1412860 | 8.34 | 0.00 | 1412860 | 8.34 | 0.00 | 0.00 |
| 3 | Shree Bala Finvest Private Limited | 2087100 | 12.33 | 5.76 | 2087100 | 12.33 | 5.76 | 0.00 |
| 4 | Gujarat Finvest Services Private Limited | 1065600 | 6.29 | 0.00 | 1065600 | 6.29 | 0.00 | 0.00 |
| 5 | Elcon Exports Private Limited | 910300 | 5.38 | 4.13 | 910300 | 5.38 | 4.13 | 0.00 |
| 6 | Royale Infrastructure And Projects Private Limited | 228900 | 1.35 | 0.00 | 228900 | 1.35 | 0.00 | 0.00 |
| 7 | Ummedsingh Champawat Joint With Laxmikanwar Champawat | 200300 | 1.18 | 1.18 | 200300 | 1.18 | 1.18 | 0.00 |
| 8 | Ummedsingh Champawat | 19800 | 0.12 | 0.12 | 19800 | 0.12 | 0.12 | 0.00 |
| 9 | Dilipsingh Bhati | 60010 | 0.35 | 0.35 | 60010 | 0.35 | 0.35 | 0.00 |
| 10 | Vishwajeetsingh Champawat | 2300 | 0.01 | 0.00 | 2300 | 0.01 | 0.00 | 0.00 |
| 11 | Ramkaran Saini | 1000 | 0.01 | 0.00 | 1000 | 0.01 | 0.00 | 0.00 |
| 12 | Mahendrasingh Bhati | 100 | 0.00 | 0.00 | 100 | 0.00 | 0.00 | 0.00 |
| 13 | Laxmikanwar Champawat | 100 | 0.00 | 0.00 | 100 | 0.00 | 0.00 | 0.00 |
| 14 | Khuman Singh Solanki | 10 | 0.00 | 0.00 | 10 | 0.00 | 0.00 | 0.00 |
| 15 | Anant Vaseta | 10 | 0.00 | 0.00 | 10 | 0.00 | 0.00 | 0.00 |
| | Total | 7708790 | 45.53% | 11.54% | 7708790 | 45.53% | 11.54% | 0.00 |

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 | 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 Top 10 Shareholders | Shareholding at the beginning of the year | | Date | Reason | Increase/ Decrease in share holding | Cumulative Shareholding during the year | |
|---------|--------------------------------------|---|----------------------------------|------------|----------|-------------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| 1 | Ajay Ajitkumar Karsandas Hamalai | 290000 | 1.71 | — | — | — | 290000 | 1.71 |
| 2 | Jasmin Kishor Ajmera | — | — | — | — | — | 213770 | 1.26 |
| 3 | Parshottam Jeomal Daswani | 132883 | 0.78 | | | | 132883 | 0.78 |
| | | | | 07/08/2015 | Transfer | -3000 | 129883 | 0.76 |
| | | | | 21/08/2015 | Transfer | 3438 | 133321 | 0.79 |
| | | | | 31/12/2015 | Transfer | -220 | 133101 | 0.78 |
| | | | | 22/01/2016 | Transfer | -3354 | 129747 | 0.77 |
| | | | | 29/01/2016 | Transfer | 1295 | 131042 | 0.77 |
| | 19/02/2016 | Transfer | 12 | 131054 | 0.77 | | | |
| 4 | Pravin V. Mehta | 121500 | 0.72 | — | — | — | 121500 | 0.72 |
| 5 | Malini Mehta | 117500 | 0.69 | — | — | — | 117500 | 0.69 |
| 6 | Ajmera Associates Ltd | 115000 | 0.68 | | | | 115000 | 0.68 |
| | | | | 27/11/2016 | Transfer | -200 | 114800 | 0.68 |
| 7 | Shivswaroop Hotels & Resorts Pvt Ltd | 108501 | 0.64 | — | — | — | 108501 | 0.64 |
| 8 | Radhey Shyam Agarwal | 83635 | 0.49 | | | | 83635 | 0.49 |
| | | | | 23/10/2015 | Transfer | 10000 | 93635 | 0.55 |
| | | | | 13/11/2015 | Transfer | 9450 | 103085 | 0.61 |
| | | | | 18/12/2015 | Transfer | 2547 | 105632 | 0.62 |
| 9 | Revati Infra Projects Pvt Ltd | 103452 | 0.61 | — | — | — | 103452 | 0.61 |
| 10 | Narendra Prasad | 95000 | 0.56 | — | — | — | 95000 | 0.56 |

E. Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Shareholding of each Directors and each Key Managerial Personnel | 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 | Ummedsingh Padamsingh Champawat | | | | |
| | At the beginning of the year | 220100 | 1.30 | 220100 | 1.30 |
| | Date wise Increase / Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | 220100 | 1.30 | 220100 | 1.30 |
| 2 | Vishwajeetsingh Ummedsingh Champawat | | | | |
| | At the beginning of the year | 2300 | 0.01 | 2300 | 0.01 |
| | Date wise Increase / Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | 2300 | 0.01 | 2300 | 0.01 |
| 3 | Ramprakash Ramvallabh Kothari | | | | |
| | At the beginning of the year | 0 | 0.00 | 0 | 0.00 |
| | Date wise Increase / Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | 0 | 0.00 | 0 | 0.00 |
| 4 | Jayesh Vasudevbbhai Dave | | | | |
| | At the beginning of the year | 0 | 0.00 | 0 | 0.00 |
| | Date wise Increase / Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | 0 | 0.00 | 0 | 0.00 |
| 5 | Ragini Harsh Toshniwal | | | | |
| | At the beginning of the year | 0 | 0.00 | 0 | 0.00 |
| | Date wise Increase / Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | 0 | 0.00 | 0 | 0.00 |
| 6 | Ramarao Nuthakki | | | | |
| | At the beginning of the year | 0 | 0.00 | 0 | 0.00 |
| | Date wise Increase / Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | 0 | 0.00 | 0 | 0.00 |
| 7 | Kamalkishore Chandravadan Jani | | | | |
| | At the beginning of the year | 0 | 0.00 | 0 | 0.00 |
| | Date wise Increase / Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | 0 | 0.00 | 0 | 0.00 |
| 8 | Yogeshkumar Mehta | | | | |
| | At the beginning of the year | 100 | 0.00 | 100 | 0.00 |
| | Date wise Increase / Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | 100 | 0.00 | 100 | 0.00 |
| 9 | Jainam Bagadiya | | | | |
| | At the beginning of the year | 0 | 0.00 | 0 | 0.00 |
| | Date wise Increase / Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | 0 | 0.00 | 0 | 0.00 |

F) INDEBTEDNESS (Amount in ₹)
Indebtedness of the Company including interest outstanding/accrued but not due for payment

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|--------------------|----------|---------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 2,83,04,110 | 5,70,85,953 | 0 | 8,53,90,063 |
| ii) Interest due but not paid | 5,60,785 | 21,17,644 | 0 | 26,78,429 |
| iii) Interest accrued but not due | 34,157 | 5,18,945 | 0 | 5,53,102 |
| Total (i+ii+iii) | 2,88,99,052 | 5,97,22,542 | 0 | 8,86,21,594 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 50,00,000 | 0 | 0 | 50,00,000 |
| * Reduction | 1,10,48,736 | 91,09,149 | 0 | 2,01,57,885 |
| Net Change | -60,48,736 | -91,09,149 | 0 | -1,51,57,885 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 2,22,55,374 | 4,79,76,804 | 0 | 7,02,32,178 |
| ii) Interest due but not paid | 4,48,599 | 41,25,442 | 0 | 45,74,041 |
| iii) Interest accrued but not due | 18,741 | 4,00,878 | 0 | 4,19,619 |
| Total (i+ii+iii) | 2,27,22,714 | 5,25,03,124 | 0 | 7,52,25,838 |

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL- (Amount in ₹)
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sr. No. | Particulars of Remuneration | Name of Managing Director | Total |
|---------|---|---------------------------|-----------------|
| | | Mr. U. Champawat | |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 3,60,000 | 3,60,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 3,87,554 | 3,87,554 |
| | (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 | 0 |
| | - as % of profit | 0 | 0 |
| | others, specify... | 0 | 0 |
| 5 | Others, please specify | 0 | 0 |
| | Total | 7,47,554 | 7,47,554 |
| | Ceiling as per the Act | - | - |

B. Remuneration to other directors:
(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | | Total Amount |
|---------|---|--------------------------------------|------------------------|-----------------------|----------------------|----------------------|--------------|
| | | Mr. Jayesh Dave | Mr. Ramprakash Kothari | Mrs. Ragini Toshniwal | Mr. Kamalkishor Jani | Mr. Ramarao Nuthakki | |
| 1 | Independent Directors | | | | | | |
| | Fee for attending board/ committee meetings | 5500 | 5500 | 5500 | 500 | 0 | 17,000 |
| | Commission | 0 | 0 | 0 | | | |
| | Others, please specify | | | | | | |
| | Total (1) | 5,500 | 5,500 | 5,500 | 500 | 0 | 17,000 |
| 2 | Other Non-Executive Directors | Mr. Vishwajeetsingh Champawat | | | | | |
| | Fee for attending board/ committee meetings | 4,000 | | | | | 4,000 |
| | Commission | | | | | | |
| | Others, please specify | | | | | | |
| | Total (2) | 4,000 | | | | | 4,000 |
| | Total (1+2) | | | | | | 21,000 |
| | Total Managerial Remuneration | | | | | | 21,000 |
| | Overall ceiling as per the act | | | | | | |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD
(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total |
|---------|---|---|---|--|----------|
| | | Company Secretary Mr. Jainam Bagadiya (w.e.f from 27/02/2016) | Company Secretary Mr. Kalpesh Baraiya (Till 06/11/2015) | CFO Mr. Yogeshkumar Mehta (w.e.f from 1,06/2015) | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 22,069 | 1,68,000 | 2,75,000 | 4,65,069 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0 | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 0 | 0 | 0 | 0 |
| 2 | Stock Option | 0 | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 | 0 |
| 4 | Commission | 0 | 0 | 0 | 0 |
| | - as % of profit | 0 | 0 | 0 | 0 |
| | others, specify... | 0 | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 | 0 |
| | Total | 22,069 | 1,68,000 | 2,75,000 | 4,65,069 |
| | Ceiling as per the Act | - | - | - | |

XII 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) |
|-------------------------------------|------------------------------|-------------------|---|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |

ANNEXURE - B
FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2016

*[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

We 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 31st March, 2016. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 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. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2016, according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956, to the extent it is applicable.
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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 (effective upto 14th May 2015 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May 2015);
 - (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;
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (effective from 1st December, 2015)

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

- (i). Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (effective from 1st July, 2015); under the provisions of Companies Act, 2013; and
- (ii). The Listing Agreement entered into by the Company with Stock Exchange(s) (effective upto 30th November 2015) ; and

We 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, as identified and confirmed by the management of the company and listed in **Annexure -A** to this report..

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) Out of the total 45.53% of the promoters shareholding of the Company, only 39.12% of total paid up equity share capital of the Company as held by promoters, are in dematerialized mode and 6.41% of total paid up equity share capital of the Company as held by promoters are still held in physical mode as on 31st March, 2016. However, it has been mentioned under Regulation 31(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to have entire promoters' holding of the Company in demate form only.

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

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review 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.

We 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.

We 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 adopted new set of articles of association of the company containing regulation in conformity with companies act, 2013 and obtained approval from members of the Company in its Annual General Meeting which was held on 30/09/2015:
- (b) The Company has received letter from BSE Limited on 21st April, 2015 vide letter no. DCS/PREF/FR/FIP/059/2015-16 that the exchange is unable to grant listing approval for 8,00,000 Equity Shares of ₹ 10/- each issued at a price of ₹ 22/- per share to the promoter of the company against the conversion of warrants which were issued on a preferential basis. The said matter is under consideration with the office of BSE Limited.

Signature:

Name of Practicing Company Secretary:

Rupal Patel

C. P. No.: 3803

FC No.: 6275

Date: 20th July, 2016

Place: Ahmedabad

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

ANNEXURE I

List of applicable laws to the Company

1) Hotel Industries Development:

1. Fire & Explosive Act read with Bombay Provincial Municipal Corporation Act, 1949, Gujarat Town Planning and Urban Development Act, 1976,
2. Food Safety and Security Act
3. Prevention of Food Adulteration Act
4. The Air (Prevention and Control of Pollution) Act, 1981
5. The Water (Prevention and Control of Pollution) Act, 1974
6. Bombay Shops and Establishment Act, 1948

As amended from time to time till date.

- 2) Property related Acts: Since no transaction for sale/purchase/transfer/ lease of has been incurred during the year, the property related acts seems not applicable and hence not verified for the year review.
- 3) All General Laws such Direct and Indirect Taxation related, Labour Laws and other incidental laws of respective States;

Signature:

Name of Practicing Company Secretary:

Rupal Patel

C. P. No.: 3803

FCS No.: 6275

Date: 20th July, 2016

Place: Ahmedabad

ANNEXURE II

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.

Signature:

Name of Practicing Company Secretary:

Rupal Patel

C. P. No.: 3803

FCS No.: 6275

Date: 20th July, 2016

Place: Ahmedabad

ANNEXURE –C
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERALL REVIEW

2015-16 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 4.4% in 2015, reaching a record of 1,184 million from 1,138 million last year.

Results from the UNWTO Confidence Index remain largely positive for 2016, though at a slightly lower level as compared to the previous two years. Based on the current trend and this outlook, UNWTO projects international tourist arrivals to grow by 4% worldwide in 2017.

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 8.01 million in 2015-16.

FUTURE TRENDS

World Travel & Tourism estimates GDP growth at 3.5% 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 coming financial year. In 2015-16 Travel & Tourism directly supported 107,833,000 jobs (3.6% of total employment). This is expected to rise by 1.9% in coming financial year and rise by 2.1% pa to 135,884,000 jobs.

The total contribution of Travel & Tourism to GDP in year 2015 was 6.3% of total GDP of India which is risen by 7.5% in 2016. In 2015 Travel & Tourism directly supported 23,454,500 jobs (5.5% of total employment). This is risen by 3.2% in 2016. Moreover, Travel & Tourism investment in 2015 was INR 2, 264.1bn, or 6.0% of total investment. It should rise by 4.8% in coming year.

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 7.9% in 2016-17.

The year 2015-16 witnessed a growth of 4.5 % in Foreign Tourist Arrivals (FTAs) in India; this growth is equivalent to the medium growth rate of 4.5 % witnessed in International Tourist Arrivals, globally. FTAs during 2015-16 were 80.27 lakh as compared to the FTAs of 76.79 lakh during 2014-15. The Foreign Exchange Earnings (FEEs) from tourism in rupee terms during 2015-16 were Rs.1,35,193 crore with a growth of 9.6 %.

For the fifth successive year, the growth of the Travel & Tourism sector in 2015-16 (2.8%) outpaced that of the global economy (2.3%) and a number of other major sectors such as manufacturing and retail. In total, Travel & Tourism generated US \$7.2 trillion (9.8% of global GDP) and supported 284 million jobs, equivalent to 1 in 11 jobs in the global economy. The outlook for Travel & Tourism in 2016 remains robust, despite economic fragilities and other sources of volatility in the wider market. The sector's GDP growth contribution is accelerated and again outpaces growth of the wider economy. Stronger growth in 2016 is underpinned by an improving global economy. The lowest oil prices in more than a decade will continue to boost demand through lower transport costs, whilst household finances and disposable income will benefit from reduced energy costs.

As per a report by ICRA, the domestic hotel industry is estimated to touch US\$ 1.8 billion by 2016-17, from US\$ 0.8 billion presently. The growth is expected to come from the rise in online bookings. Hotel bookings is one of the least penetrated segments in the travel categories in India. Online bookings account for 16% of the hotel bookings currently and is expected to grow to 25% in 2016-17. It is estimated that 8.4 million Indians are likely to book hotels online by December 2016, up from 3.5 million.

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 tourism industry is also looking forward to the expansion of E-visa scheme which is expected to double the tourist inflow to India. Rating agency ICRA Ltd estimates the revenue growth of Indian hotel industry strengthening to 9-11% in 2015-16, which is the good sign for the Hotel Industry.

SWOT ANALYSIS

Strength

- A major strength for our Hotel is its preferred owned brands with its vast portfolio commanding leadership in their market segments. Quality service from the said brand strengthens 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 “Kuch Din to Gujaro 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.

- Your Company continuously renovates its properties to meet the increasing competition in the market and insured its property against natural and men made disasters.
- The Umed Ahmedabad, Ahmedabad’s first Five star hotel is been fruitfully proceeding its successful journey with all its pride even after era of giant groups such as TAJ and Oberoi at this property.
- The hotel property of the company is situated just 1km from the airport and in close proximity to the government and developing industrial areas makes this location an apt choice for all the business travelers. The property is surrounded with greenery and perfectly manicured lawns compliment the city’s biggest open-air swimming pool. Enjoy the tranquility of our guest rooms and suites, explore local and global cuisines at the 24-hour coffee shop and fine dining restaurant. The hotel is known for patronizing the who’s who of the worlds in recent days.

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.
- With the increase in the demand of Gujarati Film and Entertainment Industry, the related visitors also increased, who prefer our location only.
- The Hotel is well established and the promoters with their experience have passed through such phases without many adversities.
- Encapsulated in an oasis of warm and soothing surroundings, the Ummed Ahmedabad is a low-rise property spread over four acres of manicured gardens. Feel welcomed in all of the 91 rooms and suites, tastefully appointed using subtle tones, styled with custom made teak furniture and convenient amenities. Elegantly appointed rooms and suites overlook the landscaped gardens and tall trees around the hotel or provide breathtaking views of the turquoise waters of the poolside. Classic Indian and regional art adorn the rooms along with thoughtful amenities to ensure guests feel at home (www.ummedhotels.com).

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 2015-16 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 2015-16 are 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 2015-16, the company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31st March, 2016.

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.

ANNEXURE –D
CORPORATE GOVERNANCE REPORT

In Accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) (the ‘Listing Regulations’) with BSE Limited the Report Containing the Details of Corporate governance Systems and processes at Royale Manor and Industries Limited is as follows:

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 Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, is set out below.

2. Board of Directors:
2.1 Composition of the Board:

The Board of Directors as at 31st March, 2016 comprises of seven directors including of One Executive and Six 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, 2016:

| Sr. No. | Name of Director | Category | No. of Directorship(s) held in Indian public & private Limited Companies |
|---------|--------------------------------------|---|--|
| 1 | Mr. U. Champawat | Chairman Managing Director - Executive (Promoter) | 1 |
| 2 | Mr. Jayesh Dave | Non-Executive Director (Independent) | 1 |
| 3 | Dr. Ram Prakash Kothari | Non-Executive Director (Independent) | Nil |
| 4 | Mr. Vishwajeetsingh Champawat | Non-Executive Director (Non-Independent) | Nil |
| 5 | Mrs. Ragini Harsh Toshniwal | Non-Executive Director (Independent) | Nil |
| 6 | Mr. Ramarao Nuthakki** | Non-Executive Director (Independent) | 3 |
| 7 | Mr. Kamalkishore Chandravadan Jani * | Non-Executive Director (Independent) | 4 |

** Appointed as on 07/12/2015

*Appointed as on 08/10/2015

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 Ummed, 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:

| | | | |
|------------|------------|------------|------------|
| 14/05/2015 | 29/05/2015 | 16/07/2015 | 14/08/2015 |
| 08/10/2015 | 06/11/2015 | 07/12/2015 | 13/02/2016 |
| 27/02/2016 | 31/03/2016 | | |

| Sr. No. | Name of Director | No of Meetings held | No. of Meetings Attended | Attendance at the Last AGM held on 30/09/2015 |
|---------|--------------------------------------|---------------------|--------------------------|---|
| 1 | Mr. U. Champawat | 10 | 08 | Yes |
| 2 | Mr. Jayesh Dave | 10 | 10 | Yes |
| 3 | Dr. Ram Prakash Kothari | 10 | 10 | No |
| 4 | Mr. Vishwajeetsingh Champawat | 10 | 08 | Yes |
| 5 | Mrs. Ragini Harsh Toshniwal | 10 | 10 | No |
| 6 | Mr. Ramarao Nuthakki** | 10 | 00 | No |
| 7 | Mr. Kamalkishore Chandravadan Jani * | 10 | 01 | No |

** Appointed as on 07/12/2015

* Appointed as on 08/10/2015

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 Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 31st March, 2016 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. | Mr. Jayesh Dave | NIL | — | — |
| 3. | Dr. Ram Prakash Kothari | NIL | — | — |
| 4. | Mr. Vishwajeetsingh Champawat | NIL | — | — |
| 5. | Mrs. Ragini Harsh Toshniwal | NIL | — | — |
| 6. | Mr. Ramarao Nuthakki** | 1 | — | — |
| 7. | Mr. Kamalkishore Chandravadan Jani * | 3 | 2 | 1 |

** Appointed as on 07/12/2015

* Appointed as on 08/10/2015

2.6 INDEPENDENT DIRECTORS' MEETING:

During the year under review, the Independent Directors met on March 27, 2016, 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.

Out of Five Directors, there were three directors present at the meeting of Independent Directors.

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 familiarization program. The programme also provides awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarization Programme also provides information relating to the financial performance of the Company and budget and control process of the Company.

This policy is displayed on <http://www.rmhil.com/pdf/stakeholder-information/familiarization-programme-for-independent-director.pdf>

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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:

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulation, 2015 ("The PIT Regulations"). The PIT regulations has come into effect from May 15, 2015 and replaced the earlier Regulations. The object of the PIT Regulation is to curb the practice of insider trading in the securities of a listed company.

The company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by insiders' ("the code") in accordance with the requirements of the PIT regulations.

The Code is applicable to promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations.

The company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII)' in compliance with SEBI (Prohibition of Insider Trading) Regulation, 2015. This Code is displayed on the Company's website viz. www.rmhil.com

3. COMMITTEE OF BOARD:

The Company has three Board Committees. These are:-

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

Moving with various committees formed and reported in the previous Annual Report and in line with the requirements of SEBI and Stock Exchanges, the Board has formally constituted the following committees of Directors.

3.1 AUDIT COMMITTEE:

The Audit committee constituted by the Board of directors as per the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as in Section 177 of the Companies Act, 2013, comprises of three members viz.

| Sr. No. | Name | Position | Category |
|---------|-------------------------|----------|------------------------------------|
| 1 | Mr. Jayesh Dave | Chairman | Non-Executive Independent Director |
| 2 | Dr. Ram Prakash Kothari | Member | Non-Executive Independent Director |
| 3 | Mr. U. Champawat | Member | Executive Director |

who are aware with finance, accounts, management and corporate affairs. Two independent members constitute the quorum of the said Audit Committee Meeting.

The Audit Committee of the Board of Directors of the Company, Inter-aila, 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.

BRIEF DESCRIPTION OF TERMS OF REFERENCE:

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

1. Overseeing 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. Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment of any other Consultancy services provided by the statutory auditor.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - 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 utilization 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 a 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 (f): The term “related party transactions” shall have the same meaning as provided in Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 appraised 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 Regulation 18(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 30, 2015 and was attended by Mr. Jayesh Dave, Chairman of the Audit Committee.

During the year under review, the 4 Audit Committee meeting were held during Financial Year 2015-16. The dates on which the said meetings were held as follows:

| | 29/05/2015 | 14/08/2015 | 06/11/2015 | 13/02/2016 |
|---------|-------------------------|----------------------|--------------------------|------------|
| Sr. No. | Name of Director | No. of Meetings held | No. of Meetings Attended | |
| 1 | Mr. Jayesh Dave | 4 | 4 | |
| 2 | Dr. Ram Prakash Kothari | 4 | 4 | |
| 3 | Mr. U. Champawat | 4 | 3 | |

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 | Dr. Ramprakash Kothari | Chairman | Non-Executive Independent Director |
| 2 | Mr. Jayesh Dave | Member | Non-Executive Independent Director |
| 3 | Mrs. Ragini Harsh Toshniwal | Member | Non-Executive Independent Director |

During the year under review Mr. K.C. Jani appointed as a member of Nomination and Remuneration Committee in the place of Mr. Vishwajeetsingh Champawat in the meeting of the board of Director held on 07/12/2015.

During the year under review Mrs. Ragini S Toshniwal appointed as a member of Nomination and Remuneration Committee in the place of Mr. K. C. Jani in the meeting of the board of Director held on 13/02/2016.

During the year under review, the 2 Remuneration Committee Meeting was held during Financial Year 2015-2016. The dates on which the said meetings were held as follows:

| | |
|------------|------------|
| 14/08/2015 | 06/11/2015 |
|------------|------------|

| Sr. No. | Name of Director | No. of Meetings held | No. of Meetings Attended |
|---------|-------------------------------|----------------------|--------------------------|
| 1. | Mr. Vishwajeetsingh Champawat | 2 | 2 |
| 2 | Mr. Jayesh Dave | 2 | 2 |
| 3 | Dr. Ram Prakash Kothari | 2 | 2 |
| 4 | Mr. K.C. Jani | 2 | 0 |
| 5 | Mrs. Ragini Harsh Toshniwal | 2 | 0 |

Details of remuneration paid to Directors for the year ended March, 2016:

The Company has paid Remuneration of ₹7,47,554/- p.a to the Mr. U. Champawat During the year under review.

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 followings:

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 AND REMUNERATION 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 Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The purpose of this Policy is to establish and govern the procedure applicable:

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015."

"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 there under or in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and Mentioned as above.

4. Role of the Committee:

The Committee shall:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

- 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.
- f) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

5. Criteria for Determining the followings:-

A. 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 there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

B. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

C. 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 the SEBI (LODR) Regulation, 2015 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 SEBI (LODR) Regulation, 2015.

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 there on and the SEBI (LODR) Regulation 2015.

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.

D. 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

E. Term:

The Term of the Directors including Managing / Whole time Director / Independent Director shall be governed as per the provisions of the Act and Rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

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

F. 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.

G. Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations there under 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 / Whole time 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 authorized to decide the remuneration of KMP (other than Managing / Whole time Director) and Senior Management based on the standard market practice and prevailing HR policies of the Company.

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 there under for the time being in force or as may be decided by the Committee / Board / shareholders.

The Company has Paid of ₹ 21,000/- as Sitting Fees to Non-Executive Director/ Independent Director of the company.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

3.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE:

(Share Transfer & Shareholders/Investor Grievance Committee)

The Stakeholders' Relationship Committee comprises as under:

| Sr. No. | Name | Position | Category |
|---------|-----------------------------|----------|-------------------------------------|
| 1 | Dr. Ram Prakash Kothari | Chairman | Non -Executive Independent Director |
| 2 | Mr. U. Champawat | Member | Executive Director |
| 3 | Mrs. Ragini Harsh Toshniwal | Member | Non -Executive Independent Director |

The Share holders' Relationship Committee was reconstituted as on 07/12/2015, and Mr. K.C. Jani appointed as member of the Committee in the place of Mr. Vishwajeetsingh Champawat during the year under review.

The Share holders' Relationship Committee was reconstituted as on 13/02/2016, and Ms. Ragini Harsh Toshniwal appointed as member of the Committee in the place of Mr. K. C. Jani during the year under review.

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 redressal 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 Committee reviewed redressal of investors Grievances pertaining to share transfer, dematerialization of shares, replacement of lost, mutilated and old share certificates, change of address etc. The committee has also taken steps to strengthening investors relations.

During the year under review, the 11 Share Transfer & Shareholders'/Investor Grievance Committee were held during Financial Year 2015-2016. The dates on which the said meetings were held as follows:

| | | | |
|------------|------------|------------|------------|
| 30/06/2015 | 10/07/2015 | 31/08/2015 | 20/10/2015 |
| 31/10/2015 | 06/11/2015 | 10/11/2015 | 09/01/2016 |
| 20/02/2016 | 19/03/2016 | 31/03/2016 | |

| Sr. No. | Name of Director | No. of Meetings held | No. of Meetings Attended |
|---------|-------------------------------|----------------------|--------------------------|
| 1. | Mr. Vishwajeetsingh Champawat | 11 | 07 |
| 2 | Mr. U. Champawat | 11 | 11 |
| 3 | Dr. Ram Prakash Kothari | 11 | 11 |
| 4 | Mr. K.C. Jani | 11 | 00 |
| 5 | Mrs. Ragini Harsh Toshniwal | 11 | 03 |

The status of shareholders' complaints received so far/number not solved to the satisfaction of shareholders/number of pending share transfer transactions (as on 31st March, 2016) is given below:-

| Complaints Status: 01.04.2015 to 31.03.2016 | |
|--|----|
| Number of complaints received so far | 00 |
| Number of complaints solved | 00 |
| Number of pending complaints | 00 |

Compliance Officer:

Mr. Jainam Bagadiya, 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 :

| Year | Venue | Date | Time |
|-----------|--|----------------------|-----------------|
| 2012-2013 | Ahmedabad Textile Mills' Association (ATMA) Hall, Ashram Road, Ahmedabad – 380 009 | 27th September,2013 | 3.00 P.M. (IST) |
| 2013-2014 | Ahmedabad Textile Mills' Association (ATMA) Hall, Ashram Road, Ahmedabad – 380 009 | 29th September,2014 | 3.00 P.M. (IST) |
| 2014-2015 | Ahmedabad Textile Mills' Association (ATMA) Hall, Ashram Road, Ahmedabad – 380 009 | 30th September, 2015 | 3.00P.M. (IST) |

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

The company has not passed any resolution through postal ballot procedure.

Extraordinary General Meeting (EGM)

No Extra Ordinary General Meeting held during the financial year under review.

5. DISCLOSURES:

a. Materially significant related party transactions:

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 Notes to Accounts.

b. During the last three Years, there were no penalties, strictures imposed by either SEBI or stock Exchange or any statutory authority for non- Compliance of any matter related to the capital market.

6. MEANS OF COMMUNICATION:

(a) **Quarterly results:** The Company's quarterly / half yearly / annual financial results are sent to the Stock Exchanges and Local English and Vernacular language newspapers and are simultaneously displayed on its website (www.rmhil.com).

(b) **Media Releases:** Official media releases are sent to Stock Exchanges and are displayed on the Company's website (www.rmhil.com).

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

The Management Discussions and Analysis Report forms part of the Directors Report and is given separately.

7. VIGIL MECHANISM:

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Regulations, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail or a letter to the Task Force or to the Chairman of the Audit Committee. The Vigil Mechanism and Whistle Blower Policy may be accessed on the Company's website at the link: <http://www.rmhil.com/pdf/policy/whistel-blower-policy.pdf>

8. GENERAL SHAREHOLDERS' INFORMATION:

8.1 Annual General Meeting:

| | |
|---------------------------|---|
| Day, date and time | : Friday, the 30th September, 2016 at 3.00 P. M. |
| Venue | : Ahmedabad Textile Mills' Association (ATMA) Hall, Ashram Road, Ahmedabad - 380 009 |

8.2 Financial Year Calendar

: 1st April 2015 to 31st March, 2016.

8.3 The tentative dates for board meetings for consideration of quarterly financial results are as follows:

| <u>Particular</u> | <u>Tentative Dates</u> |
|------------------------|--------------------------------|
| First Quarter Results | Second Week of August, 2016. |
| Second Quarter Results | Second Week of October, 2016. |
| Third Quarter Results | Second Week of February, 2017. |
| Fourth Quarter Results | Second Week of May, 2017. |

8.4 Book Closure

Saturday, the 24th September, 2016 to Friday, the 30th September, 2016 (both days inclusive).

8.5 Dividend

Dividend on Optionally Convertible Preference Shares (OCPS) is proposed and to be paid from 21st October, 2016. No dividend is proposed on Equity Shares.

8.6 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:

BSE Limited has informed to company that BSE Limited not granted listing approval for 8,00,000 Equity Shares of ₹ 10/- each issued at a price of ₹ 22/- per share to the Promoter group against the conversion of warrants vide BSE letter no. DCS/PREF/FR/FIP/059/2015-16 dated 21st April, 2015. The same is reconsidered by the office of the BSE Limited and pending for further process.

8.7 Market Price Data:

High and low during each month in the (2015-16) financial year on the Stock Exchanges:

| Month | BSE | |
|-----------------|----------|---------|
| | High (₹) | Low (₹) |
| April – 2015 | 10.70 | 8.22 |
| May – 2015 | 9.90 | 8.46 |
| June – 2015 | 10.79 | 8.76 |
| July – 2015 | 12.87 | 8.85 |
| August – 2015 | 14.75 | 10.00 |
| September -2015 | 11.71 | 9.42 |
| October -2015 | 11.76 | 9.96 |
| November – 2015 | 11.81 | 9.72 |
| December – 2015 | 12.94 | 9.55 |
| January – 2016 | 16.82 | 11.52 |
| February – 2016 | 15.88 | 11.01 |
| March – 2016 | 12.12 | 10.06 |

8.8 Annual Listing Fees:

Annual Listing fees for Financial Year 2016-2017 has been paid to BSE Limited.

8.9 Registrar and Share Transfer Agent and Address for Correspondence:

- a) The company has changed Registrar and Share Transfer Agent form M/s. Sharepro Services (India) Pvt. Ltd to Mcs Share Transfer Agent Limited dated 16th June, 2016.

M/S. MCS SHARE TRANSFER AGENT LIMITED.

12/1/5, Manohar Pukur Road, Kolkatta-700026

Ahmedabad office:

201, Shatdal Complex, Opp. Bata Show Room, Ashram Road, *Ahmedabad* – 380 009

Tele. No.: 079 26580461/62/63

E-mail: mcssta@rediffmail.com, mcsahmd@gmail.com

- b) Registered Office of the Company:

M/s. Royale Manor Hotels and Industries Limited

International Airport Circle, Ahmedabad – 382 475

Tele. No. : 079 - 22868642-43

Fax : 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.

8.10 Share Transfer System:

The transfer of shares in physical form is processed and completed by registrar & Transfer Agent within a period of Seven days from the date of receipt thereof provided all the documents are in order. In case of the shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In Compliance with the Listing Regulation, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

8.11 Distribution of Shareholding (as on 31st March, 2016):

| Category | Number of Shareholders | Percentage(%) | Number of Shares | Percentage(%) |
|--------------|------------------------|---------------|------------------|---------------|
| 1- 500 | 13593 | 88.03 | 2118393 | 12.51 |
| 501-1000 | 896 | 5.80 | 775479 | 4.58 |
| 1001- 2000 | 385 | 2.49 | 629610 | 3.66 |
| 2001- 3000 | 156 | 1.01 | 399927 | 2.36 |
| 3001- 4000 | 90 | 0.58 | 316508 | 1.87 |
| 4001- 5000 | 89 | 0.58 | 418820 | 2.47 |
| 5001- 10000 | 115 | 0.75 | 859706 | 5.08 |
| 10001-20000 | 56 | 0.36 | 751837 | 4.44 |
| Above 20000 | 62 | 0.40 | 10671920 | 63.03 |
| TOTAL | 15442 | 100 | 16932200 | 100 |

8.12 Shareholding Pattern (as on 31st March, 2016):

| 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 |
| | Total | 16932200 | 100.00 |

8.13 Dematerialization of shares and Liquidity:

The particulars of shares in physical and demat mode, held by the shareholders as on 31st March, 2016:

| Particulars | No. of Shares | % Shareholding |
|-----------------|-----------------|----------------|
| Physical | 2738251 | 16.17 |
| Demat | | |
| NSDL | 11338227 | 66.96 |
| CDSL | 2855722 | 16.87 |
| Total | 16932200 | 100.00 |

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

THERE IS NO WARRANTS IS OUTSTANDING.

8.15 Hotel Location:

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

DECLARATION

Compliance with the Code of Business Conduct and Ethics

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Royale Manor Hotels and Industries Limited Code of Business Conduct and Ethics for the year ended March 31, 2016.

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

Place : Ahmedabad
Date : 20th July, 2016

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

AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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

We have examined the compliance of condition of Corporate Governance by **Royale Manor Hotels and Industries Limited**, for the year ended March 31, 2016 as stipulated in Regulation 17,18,19,20,21,22,23,24,25,26,27 and clauses (b) to (i) of sub- regulation (2) of regulation 46 and para C, D and E of schedule V of the securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 (collectively referred to as "SEBI Listing Regulation, 2015).

The compliance of conditions of corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance note on certification of corporate Governance, issued by the institute of Chartered Accountant of Indian and was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions 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 basis of the relevant records and documents mentioned by company and furnished to us, for the review.

In our opinion and to the best of our information and according to the explanations given to us, we certify that such compliance is neither as assurance as to the future viability of the company nor the efficient with which the management has conducted the affairs of the company.

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

**CA PRANAV N. SHAH
PROPRIETOR
Membership No. 033747**

**Place : Ahmedabad
Date : 20th July, 2016**

CEO/CFO CERTIFICATION

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

- a. We have reviewed the financial statements and the cash flow statement for the year 2015-16 and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2015-16 which are fraudulent, illegal or violative of the Company's code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee -
 - Significant changes in internal control over the financial reporting during the year 2015-16;
 - Significant changes in accounting policies during the year 2015-16 and that the same have been disclosed in the notes to the financial statements; and
 - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

For, Royale Manor Hotels and Industries Limited

**Place : Ahmedabad
Date : 20th July, 2016**

**Yogeshkumar Mehta
Chief Financial Officer**

ANNEXURE –E
TO THE DIRECTORS' REPORT FOR THE YEAR 2015-2016

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.

a) Conservation of energy

| | | |
|-------|--|---|
| (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 | NIL |

(b) Technology absorption

| | | |
|-------|--|-----|
| (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 |

(c) Foreign exchange earnings and Outgo

During the year, the total foreign exchange used was ₹ 19,79,225/- and the total foreign exchange earned was 3,15,96,913.

INDEPENDENT AUDITOR'S REPORT

To the members of
Royale Manor Hotels and Industries Limited

Report on the Standalone 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, 2016, 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 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, 2016, 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, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations 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 M/S. NAIMISH N. SHAH & CO.
(CHARTERED ACCOUNTANTS)
(F.R. No. : 106829W)

CA PRANAV N. SHAH
PROPRIETOR
Membership No. 033747

Place : Ahmedabad
Date : 16th May, 2016

“ANNEXURE A” 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 31st March, 2016. 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.
 - (c) As per the information provided by the Company, Title Deeds of the immovable properties are held in the name of Company.
2. According to information and explanations provided to us, inventories have been physically verified by the management at reasonable intervals and no discrepancies found during the physical verification.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore further comments are not applicable.
4. As per the information furnished to us, the Company has not given any loans to its Directors and has not advanced any loans or made any investments or given any guarantees or provided any securities in terms of provisions of the section 185 and 186 of the Companies Act, 2013.
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 to 76 or any other relevant provisions of the 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, 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 2016, for a period of more than six months from the date, they became payable.
- (b) According to the information and explanations given to us by the management, there are no dues of income 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.
8. 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.
9. In our opinion and according to the information and explanations given to us, the Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) during the year. As per the information furnished by the Company it has raised the Term Loan during the year and in our opinion the said term loan has been applied for the purpose for which it was obtained.
10. According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers/employees has been noticed or reported during the course of our audit.
11. According to the information and explanation given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
12. The Company is not a Nidhi Company therefore, further comments are not applicable.
13. According to information and explanations provided to us, there are no related party transactions under section 188 of the Companies Act, 2013 and the Company has complied with provisions of section 177 of the Companies Act, 2013 and details have been disclosed in the Financial Statements etc. as required by the accounting standards.
14. As per the information and explanations provided to us and on the basis of verification of records the Company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures during the year under review.
15. According to the information and explanations given to us, the company has not entered into any non-cash transactions with Directors or persons connected with him.
16. As per the information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

CA PRANAV N. SHAH
PROPRIETOR
Membership No. 033747

Place : Ahmedabad
Date : 16th May, 2016

“ANNEXURE B” TO AUDITOR’S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Royale Manor Hotels and Industries Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place : Ahmedabad
Date : 16th May, 2016**

**CA PRANAV N. SHAH
PROPRIETOR
Membership No. 033747**

BALANCE SHEET AS AT 31ST MARCH, 2016

| | | | Amount in ₹ | |
|-----------|---|-----------|---------------------------|---------------------------|
| Sr. No. | Particulars | Note No. | As at 31st March, 2016 | As at 31st March, 2015 |
| I | EQUITY AND LIABILITIES | | | |
| 1 | SHAREHOLDERS' FUNDS | | | |
| | (a) Share Capital | 1 | 181,022,000 | 181,022,000 |
| | (b) Reserve and Surplus | 2 | 175,241,554 | 167,680,731 |
| | (c) Money Received Against Share Warrants | | - | - |
| | TOTAL(1) | | 356,263,554 | 348,702,731 |
| 2 | NON-CURRENT LIABILITIES | | | |
| | (a) Long Term Borrowings | 3 | 46,810,426 | 62,253,726 |
| | (b) Other Long Term Liabilities | 4 | 5,738,886 | 5,863,999 |
| | (c) Long Term Provisions | 5 | 1,201,213 | 1,031,737 |
| | TOTAL(2) | | 53,750,525 | 69,149,462 |
| 3 | CURRENT LIABILITIES | | | |
| | (a) Short Term Borrowings | 6 | 35,610,117 | 30,358,310 |
| | (b) Trade Payables | 7 | 35,537,508 | 38,697,573 |
| | (c) Other Current Liabilities | 8 | 38,322,847 | 42,904,296 |
| | (d) Short Term Provisions | 9 | 2,986,140 | 4,134,061 |
| | TOTAL(3) | | 112,456,612 | 116,094,240 |
| | TOTAL(1+2+3) | | 522,470,691 | 533,946,433 |
| II | ASSETS | | | |
| 1 | NON-CURRENT ASSETS | | | |
| | (a) Fixed Assets | | | |
| | (i) Tangible Assets | 10 | 228,753,091 | 239,413,450 |
| | (ii) Capital Work-in-Progress | | - | - |
| | (b) Non-current Investments | 11 | 28,500,000 | 38,500,000 |
| | (c) Deferred Tax Assets (Net) | 12 | 11,697,907 | 11,439,999 |
| | (d) Long Term Loans and Advances | 13 | 111,119,070 | 111,109,270 |
| | TOTAL(1) | | 380,070,068 | 400,462,719 |
| 2 | CURRENT ASSETS | | | |
| | (a) Inventories | 14 | 19,064,739 | 19,748,639 |
| | (b) Trade Receivables | 15 | 28,594,917 | 39,440,945 |
| | (c) Cash and Cash Equivalents | 16 | 5,143,351 | 4,858,620 |
| | (d) Short Term Loans and Advances | 17 | 88,159,378 | 65,967,646 |
| | (e) Other Current Assets | 18 | 1,438,238 | 3,467,864 |
| | TOTAL(2) | | 142,400,623 | 133,483,714 |
| | TOTAL(1+2) | | 522,470,691 | 533,946,433 |

Notes forming part of Financial Statements
26

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)

U. Champawat
Chairman &
Managing Director
DIN-00294184

Jayesh Dave
Director
DIN-01808753

Dr. Ram Prakash Kothari
Director
DIN-00294060

CA Pranav N. Shah
Proprietor
Membership No. 033747
Ahmedabad
May 16, 2016

Jainam Bagadiya
Company Secretary

Ahmedabad
May 16, 2016

Yogesh Mehta
Chief Financial Officer

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH, 2016

| | | | Amount in ₹ | |
|---|---|-----------|-------------------------------------|-------------------------------------|
| Sr. No. | Particulars | Note No. | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
| REVENUE FROM OPERATIONS | | | | |
| I | Revenue from Operations | 19 | 203,683,212 | 242,442,799 |
| II | Other Income | 20 | 8,090,409 | 6,062,342 |
| III | TOTAL REVENUE(I+II) | | 211,773,621 | 248,505,141 |
| EXPENSES | | | | |
| a | Cost of Material Consumed | 21 | 26,830,968 | 29,036,082 |
| b | Employees' Benefits Expenses | 22 | 49,201,042 | 44,561,534 |
| c | Finance Costs | 23 | 19,610,641 | 21,128,906 |
| d | Depreciation and Amortization Expenses | 24 | 11,849,028 | 29,630,768 |
| e | Other Expenses | 25 | 90,578,268 | 105,884,584 |
| TOTAL EXPENSES | | | 198,069,947 | 230,241,874 |
| V | Profit Before Exceptional And Extraordinary Items And Tax (III-IV) | | 13,703,674 | 18,263,267 |
| VI | Exceptional Items | | - | - |
| VII | Profit Before Extraordinary Items And Tax (V-VI) | | 13,703,674 | 18,263,267 |
| VIII | a Extraordinary Items | | (2,500,000) | - |
| | b Prior Period Items | | - | 5,493,000 |
| IX | Profit Before Tax (VII-VIII) | | 11,203,674 | 23,756,267 |
| X | Tax Expense | | | |
| a | Current Tax Expense | | 2,300,000 | 4,800,000 |
| b | Earlier Year Tax Expense | | 755,846 | - |
| c | Deferred Tax Expense / (Income) | | (257,908) | (5,507,476) |
| XI | Profit / (Loss) for the year (IX-X) | | 8,405,736 | 24,463,743 |
| XII | Earning Per Equity Shares | | | |
| a | Basic | | 0.45 | 1.39 |
| b | Diluted | | 0.42 | 1.30 |
| Notes forming part of Financial Statements | | 26 | | |

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)

U. Champawat
Chairman &
Managing Director
DIN-00294184

Jayesh Dave
Director
DIN-01808753

Dr. Ram Prakash Kothari
Director
DIN-00294060

CA Pranav N. Shah
Proprietor
Membership No. 033747
Ahmedabad
May 16, 2016

Jainam Bagadiya
Company Secretary

Ahmedabad
May 16, 2016

Yogesh Mehta
Chief Financial Officer

CASH FLOW STATEMENT

| Particulars | Year ended 31st March, 2016 ₹ | Year ended 31st March, 2015 ₹ |
|---|-------------------------------------|-------------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax | 11,203,674 | 23,756,267 |
| Adjustments For : | | |
| Depreciation | 11,849,028 | 29,630,768 |
| Interest & Financial Charges | 19,610,641 | 21,128,906 |
| Loss/(Profit) on sale of Investment | 2,500,000 | - |
| Loss/(Profit) on sale of Fixed Assets | - | 66,914 |
| Operating Profit before Working Capital Changes | 45,163,343 | 74,582,855 |
| Adjustments for : | | |
| Trade Receivables | 10,846,028 | (24,426,197) |
| Loans & Advances | (20,171,907) | (12,783,967) |
| Inventories | 683,900 | (2,275,190) |
| Trade Payables & Other Liability | (3,637,628) | 4,786,757 |
| Cash Generated from Operations | (12,279,607) | (34,698,597) |
| Provision for Income Tax | (3,055,846) | (4,800,000) |
| Net Cash Flow from Operating Activities | 29,827,890 | 35,084,258 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Assets | (1,188,669) | (1,257,849) |
| Sale of Investment | 7,500,000 | - |
| Sale of Fixed Assets | - | 7,500 |
| Net Cash Flow from Investing Activities | 6,311,331 | (1,250,349) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Borrowings | (15,398,938) | 839,472 |
| Interest & Financial Charges | (19,610,641) | (21,128,906) |
| Repayment of Share Warrants | - | (10,283,352) |
| Proposed Dividend on OCPS | (702,000) | (722,449) |
| Provision for Tax on Dividend | (142,911) | (144,448) |
| Redemption of OCPS | - | (1,442,000) |
| Net Cash Flow from Financing Activities | (35,854,490) | (32,881,683) |
| NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C) | 284,731 | 952,226 |
| OPENING BALANCE OF CASH & CASH EQUIVALENTS | 4,858,620 | 3,906,394 |
| CLOSING BALANCE OF CASH & CASH EQUIVALENTS | 5,143,351 | 4,858,620 |

For and on behalf of the Board

| | | |
|--|--|--|
| U. Champawat Chairman & Managing Director DIN-00294184 | Jayesh Dave Director DIN-01808753 | Dr. Ram Prakash Kothari Director DIN-00294060 |
| Jainam Bagadiya Company Secretary | Yogesh Mehta Chief Financial Officer | |

Ahmedabad
May 16, 2016

AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of Royale Manor Hotels and Industries Limited for the year ended 31st March, 2016. 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 16th May 2016 to the members of the company.

For Naimish N. Shah & Co
Chartered Accountants
(F. R. No. 106829W)

CA Pranav N. Shah
Proprietor
Membership No. 033747

Ahmedabad
May 16, 2016

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2016

Amount in ₹

| Note No. | Sr. No. | Particulars | Amount in ₹ | |
|----------|---------|--|------------------------|------------------------|
| | | | As at 31st March, 2016 | As at 31st March, 2015 |
| 1 | | SHARE CAPITAL | | |
| | A | AUTHORISED | | |
| | | 28,500,000 (P. Y. 28,500,000) Equity Shares of ₹ 10/- each | 285,000,000 | 285,000,000 |
| | | 650 (P.Y. 650) Optionally Convertible Preference Shares of ₹ 100,000/- each | 65,000,000 | 65,000,000 |
| | | | 350,000,000 | 350,000,000 |
| | B | ISSUED, SUBSCRIBED & PAID UP | | |
| | | 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) | 169,322,000 | 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) | 169,322,000 | 169,322,000 |
| | | Optionally Convertible Preference Shares of ₹ 1,00,000/- each, fully paid up | | |
| | | At the beginning of the year, No. of Shares 117 (P.Y. 131) | 11,700,000 | 13,100,000 |
| | | Addition/(Deduction) during the year, No. of Shares NIL (P.Y. 14) | - | (1,400,000) |
| | | At the end of the year, No. of Shares 117 (P.Y. 117) | 11,700,000 | 11,700,000 |
| | | GRAND TOTAL | 181,022,000 | 181,022,000 |

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, 2016 @ 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, 2016 | | As at 31st March, 2015 | |
|---------|--|------------------------|---------------|------------------------|---------------|
| | | 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, 2016 | | As at 31st March, 2015 | |
|---------|----------------------|------------------------|-------------|------------------------|-------------|
| | | Percentage | No. of OCPS | Percentage | No. of OCPS |
| 1 | IDBI Bank Ltd | 100.00% | 117 | 100.00% | 117 |

| | | | Amount in ₹ | |
|----------|----------|---|---------------------------|---------------------------|
| Note No. | Sr. No. | Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
| 2 | | <u>RESERVES & SURPLUS:</u> | | |
| | A | <u>CAPITAL REDEMPTION RESERVE</u> | | |
| | | At the beginning of the year | 43,775,000 | 42,333,000 |
| | | Additions during the year | - | 1,442,000 |
| | | Utilised during the year | - | - |
| | | At the end of the year | 43,775,000 | 43,775,000 |
| | B | <u>SECURITIES PREMIUM RESERVE</u> | | |
| | | At the beginning of the year | 8,325,000 | 8,367,000 |
| | | Additions during the year | - | - |
| | | Utilised during the year | - | 42,000 |
| | | At the end of the year | 8,325,000 | 8,325,000 |
| | C | <u>REPLACEMENT OF FF & E RESERVE</u> | | |
| | | At the beginning of the year | 5,106,196 | 2,595,184 |
| | | Additions during the year | 4,883,567 | 4,087,760 |
| | | Utilised during the year | 1,337,292 | 1,576,748 |
| | | At the end of the year | 8,652,471 | 5,106,196 |
| | D | <u>CAPITAL RESERVE</u> | | |
| | | At the beginning of the year | 13,851,659 | 13,851,659 |
| | | Additions during the year | - | - |
| | | Utilised during the year | - | - |
| | | At the end of the year | 13,851,659 | 13,851,659 |
| | E | <u>SURPLUS</u> | | |
| | | At the beginning of the year | 96,622,874 | 76,979,042 |
| | | Additions during the year | 8,405,736 | 24,463,743 |
| | | (Balance in Statement of Profit & Loss) | | |
| | | Allocations and Appropriations | | |
| | | Dividend on OCPS | (702,000) | (722,449) |
| | | Tax on Dividend | (142,911) | (144,448) |
| | | Transfer (To) / From Reserves | (3,546,275) | (3,953,012) |
| | | At the end of the year | 100,637,424 | 96,622,876 |
| | | GRAND TOTAL | 175,241,554 | 167,680,731 |
| 3 | | <u>LONG TERM BORROWINGS</u> | | |
| | A | <u>SECURED TERM LOANS FROM BANKS</u> | | |
| | | Punjab National Bank (Footnote:1) | 9,282,570 | 15,177,450 |
| | | Axis Bank Ltd (Footnote : 2) | 2,145,519 | - |
| | | | 11,428,089 | 15,177,450 |
| | B | <u>SECURED TERM LOANS FROM FINANCIAL INSTITUTION</u> | | |
| | | Tata Capital Financial Services Ltd (Footnote:3) | - | 1,248,900 |
| | | | - | 1,248,900 |
| | C | <u>UNSECURED LONG TERM BORROWINGS:</u> | | |
| | | Bank of Maharashtra Term Loan (Footnote:4) | 20,382,337 | 29,951,505 |
| | | Intec Capital Ltd (Footnote:5) | - | 875,871 |
| | | Inter Corporate Deposit | 15,000,000 | 15,000,000 |
| | | | 35,382,337 | 45,827,376 |
| | | GRAND TOTAL | 46,810,426 | 62,253,726 |

- 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. Repayable in 72 monthly installments from October, 2012.
- Footnote : 2 Secured by way of subservient charge over Credit/Debit Card receivables as per Hypothecation Deed. Repayable in 36 monthly installments from September 2015.
- Footnote : 3 Secured by way of pledge of shares, personal guarantee of director & corporate guarantee. Repayable in 36 monthly installments from July, 2013.
- Footnote : 4 Repayable in 72 monthly installment including 3 month moratorium period, from April, 2013.
- Footnote : 5 Repayable in 24 monthly installment from August 2014.

| Note No. | Sr. No. | Particulars | Amount in ₹ | |
|----------|---------|--|------------------------|------------------------|
| | | | As at 31st March, 2016 | As at 31st March, 2015 |
| 4 | | <u>OTHER LONG-TERM LIABILITIES:</u> | | |
| | | Security Deposits from Contractors | 2,128,379 | 2,128,379 |
| | | Security Deposits from Others | 1,000,000 | 1,000,000 |
| | | Others | 2,610,507 | 2,735,620 |
| | | | 5,738,886 | 5,863,999 |
| 5 | | <u>LONG TERM PROVISIONS</u> | | |
| | | Provision for Employees Benefits | 1,201,213 | 1,031,737 |
| | | | 1,201,213 | 1,031,737 |
| 6 | | <u>SHORT TERM BORROWINGS</u> | | |
| | | SECURED - CASH CREDIT FROM BANK | | |
| | | Working Capital Facility - Punjab National Bank (Footnote:6) | 30,610,117 | 30,358,310 |
| | | SECURED - OVERDRAFT FROM BANK | | |
| | | Axis Bank Ltd. (Footnote:7) | 5,000,000 | - |
| | | | 35,610,117 | 30,358,310 |
| | | Footnote : 6 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. | | |
| | | Footnote : 7 Secured by way of subservient charge over Credit/Debit Card receivables as per Hypothecation Deed. | | |
| 7 | | <u>TRADE PAYABLES</u> | | |
| | | Trade Payables | 34,195,934 | 29,649,355 |
| | | Advance from Parties | 1,341,574 | 9,048,218 |
| | | | 35,537,508 | 38,697,573 |

Amount in ₹

| Note No. | Sr. No. | Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
|----------|---------|--|------------------------|------------------------|
| 8 | | <u>OTHER CURRENT LIABILITIES</u> | | |
| | | Current Year's Other Taxes Payable | 1,694,886 | 1,663,909 |
| | | Current Maturity of Long Terms Borrowings | | |
| | | - From Bank | 21,314,727 | 15,823,042 |
| | | - From Financial Institutions | 2,107,025 | 7,313,295 |
| | | Interest Accrued and due on Borrowings | 1,144,041 | 967,443 |
| | | Interest Accrued but not due on Borrowings | 419,619 | 553,102 |
| | | Proposed Dividends | 702,000 | 722,449 |
| | | Tax on Dividend | 287,359 | 144,448 |
| | | Provision for Income Tax | 2,443,499 | 8,900,000 |
| | | Statutory Dues | 343,012 | 381,329 |
| | | TDS Payable | 1,131,003 | 1,095,685 |
| | | Other Current Liabilities | 6,735,676 | 5,339,594 |
| | | | 38,322,847 | 42,904,296 |
| 9 | | <u>SHORT-TERM PROVISIONS</u> | | |
| | | Provision for Employees Benefits | 1,658,814 | 2,451,156 |
| | | Provision for Doubtful Debts | 234,798 | 234,798 |
| | | Others | 1,092,528 | 1,448,107 |
| | | | 2,986,140 | 4,134,061 |

10 FIXED ASSETS

(Amount in ₹)

| Description | Gross Block | | | | Depreciation | | | | Net Block | |
|--------------------------|-----------------------|---------------------------|----------------------------|------------------------|-----------------------|---------------------------|----------------------------|------------------------|------------------------|------------------------|
| | As at 1st April, 2015 | Additions during the year | Deductions during the year | As at 31st March, 2016 | As at 1st April, 2015 | Additions during the year | Deductions during the year | As at 31st March, 2016 | As at 31st March, 2016 | As at 31st March, 2015 |
| Freehold Land | 36,971,314 | - | - | 36,971,314 | - | - | - | - | 36,971,314 | 36,971,314 |
| Buildings | 183,086,190 | - | - | 183,086,190 | 43,048,894 | 3,028,763 | - | 46,077,657 | 137,008,533 | 140,037,296 |
| Electrical Installations | 40,762,991 | - | - | 40,762,991 | 29,949,153 | 2,086,332 | - | 32,035,485 | 8,727,506 | 10,813,838 |
| Plant & Machineries | 199,476,287 | 702,207 | - | 200,178,494 | 151,050,200 | 4,724,555 | - | 155,774,755 | 44,403,739 | 48,426,087 |
| Computers | 11,466,077 | 137,302 | - | 11,603,379 | 10,791,477 | 335,120 | - | 11,126,597 | 476,782 | 674,600 |
| Furniture & Fittings | 1,946,326 | 315,960 | - | 2,262,286 | 1,738,072 | 39,348 | - | 1,777,420 | 484,866 | 208,254 |
| Office Equipments | 2,255,298 | 33,200 | - | 2,288,498 | 1,826,593 | 163,687 | - | 1,990,280 | 298,218 | 428,705 |
| D.G. Set | 320,000 | - | - | 320,000 | 316,800 | - | - | 316,800 | 3,200 | 3,200 |
| Vehicles | 8,314,619 | - | - | 8,314,619 | 6,760,463 | 1,471,223 | - | 8,231,686 | 82,933 | 1,554,156 |
| Live Stock | 296,000 | - | - | 296,000 | - | - | - | - | 296,000 | 296,000 |
| Total | 484,895,102 | 1,188,669 | - | 486,083,771 | 245,481,652 | 11,849,028 | - | 257,330,680 | 228,753,091 | 239,413,450 |
| Previous Year | 483,733,937 | 1,257,849 | 96,684 | 484,895,102 | 215,873,154 | 29,630,768 | 22,270 | 245,481,652 | 239,413,450 | |

| Note No. | Sr. No. | Particulars | | | Amount in ₹ | |
|----------|---------|--|-------------------|-----------------------------------|------------------------------------|------------------------|
| | | | | | As at 31st March, 2016 | As at 31st March, 2015 |
| 11 | | <u>NON CURRENT INVESTMENTS:</u> | | | | |
| | | TRADE INVESTMENTS (At Cost) | | | | |
| | | Trade & Unquoted | Face Value | No. of Shares Current Year | No. of Shares Previous Year | |
| | | Investment in Shares- National Hotels Ltd | 10 | 2,850,000 | 3,850,000 | 28,500,000 |
| | | | | | | 38,500,000 |
| | | | | | | 28,500,000 |
| | | | | | | 38,500,000 |
| 12 | | <u>DEFERRED TAX ASSETS (NET):</u> | | | | |
| | | Deferred Tax Asset (Net) | | | | 11,697,907 |
| | | | | | | 11,439,999 |
| | | | | | | 11,697,907 |
| | | | | | | 11,439,999 |
| 13 | | <u>LONG TERM LOANS AND ADVANCES:</u> | | | | |
| | | (Unsecured, considered good) | | | | |
| | | Capital Advances | | | | 59,269,900 |
| | | Security Deposits | | | | 3,849,170 |
| | | Others | | | | 48,000,000 |
| | | | | | | 111,119,070 |
| | | | | | | 111,109,270 |
| 14 | | <u>INVENTORIES:</u> | | | | |
| | | (As valued & certified by the Management) | | | | |
| | | Provisions & Stores | | | | 996,244 |
| | | Cutlery, Crockery, Chinaware, Glassware & Linen | | | | 2,148,541 |
| | | Other Stores | | | | 15,919,954 |
| | | | | | | 19,064,739 |
| | | | | | | 1,506,831 |
| | | | | | | 2,627,104 |
| | | | | | | 15,614,704 |
| | | | | | | 19,748,639 |
| 15 | | <u>TRADE RECEIVABLES:</u> | | | | |
| | | (Unsecured, considered good) | | | | |
| | | Debts outstanding for a period exceeding Six months from the date they are due | | | | 1,034,590 |
| | | Other Debts | | | | 27,560,327 |
| | | | | | | 28,594,917 |
| | | | | | | 371,344 |
| | | | | | | 39,069,601 |
| | | | | | | 39,440,945 |

| Note No. | Sr. No. | Particulars | Amount in ₹ | |
|----------|---------|---|------------------------|------------------------|
| | | | As at 31st March, 2016 | As at 31st March, 2015 |
| 16 | | <u>CASH & CASH EQUIVALENTS :</u> | | |
| | A | BALANCE WITH BANKS | | |
| | | In Fixed Deposits | 418,082 | 540,767 |
| | | In Fixed Deposits (Maturing beyond 12 months) | 1,771,648 | 1,765,875 |
| | | In Current Accounts | 2,425,467 | 2,133,359 |
| | B | CASH ON HAND | | |
| | | Cash on Hand | 528,154 | 418,619 |
| | | | 5,143,351 | 4,858,620 |
| 17 | | <u>SHORT TERM LOANS & ADVANCES:</u> | | |
| | | (Unsecured, considered good) | | |
| | | Advance to Suppliers | 1,139,426 | 1,826,972 |
| | | Advance to Staff | 171,927 | 352,553 |
| | | Advance recoverable in cash or in kind | 77,782,193 | 61,409,893 |
| | | Advance payment and deduction of Income Tax at source | 1,015,112 | 1,912,656 |
| | | Others | 8,050,720 | 465,572 |
| | | | 88,159,378 | 65,967,646 |
| 18 | | <u>OTHER CURRENT ASSETS:</u> | | |
| | | Prepaid Expenses | 1,265,243 | 1,284,060 |
| | | Others | 172,995 | 2,183,804 |
| | | | 1,438,238 | 3,467,864 |

NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

| | | | Amount in ₹ | |
|----------|---------|--|-------------------------------------|-------------------------------------|
| Note No. | Sr. No. | Particulars | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
| 19 | | REVENUE FROM OPERATIONS | | |
| | | Rooms | 103,283,631 | 119,182,759 |
| | | Food & Beverages | 71,424,953 | 94,541,450 |
| | | Wine & Liquor | 15,741,321 | 14,651,805 |
| | | Telephone & Internet | 802,490 | 1,887,799 |
| | | Other Services | 12,430,817 | 12,178,986 |
| | | | 203,683,212 | 242,442,799 |
| 20 | | OTHER INCOME: | | |
| | | Other Non Operating Income | 8,090,409 | 6,062,342 |
| | | | 8,090,409 | 6,062,342 |
| 21 | | COST OF MATERIALS CONSUMED | | |
| | | Opening Balance of Stock | 1,506,831 | 1,218,264 |
| | | Add : Purchases of Raw Material | 26,320,381 | 29,324,649 |
| | | | 27,827,212 | 30,542,913 |
| | | Less : Closing Balance of Stock | 996,244 | 1,506,831 |
| | | | 26,830,968 | 29,036,082 |
| 22 | | EMPLOYEES' BENEFITS EXPENSE | | |
| | | Salary & Wages | 40,096,871 | 35,692,916 |
| | | Contribution to Provident Fund and Other Funds | 2,216,682 | 2,267,009 |
| | | Other Staff Related Expenses | 6,887,489 | 6,601,609 |
| | | | 49,201,042 | 44,561,534 |
| 23 | | FINANCIAL COSTS | | |
| | A | Interest Expenses | | |
| | | Interest to Bank | 13,165,514 | 14,779,932 |
| | | Interest to Financial Institutions | 691,500 | 1,264,843 |
| | | Interest on Inter Corporate Deposit | 2,700,000 | 1,901,096 |
| | | Interest on TDS & Other Taxes | 488,009 | 573,209 |
| | B | Other Borrowing Costs | 591,555 | 231,802 |
| | C | Commission on Credit Card Settlement | 1,974,063 | 2,378,024 |
| | | | 19,610,641 | 21,128,906 |
| 24 | | DEPRECIATION AND AMORTIZATION EXPENSE | | |
| | | Depreciation | 11,849,028 | 29,630,768 |
| | | | 11,849,028 | 29,630,768 |

| Note No. | Sr. No. | Particulars | Amount in ₹ | |
|----------|----------|---|-------------------------------------|-------------------------------------|
| | | | For the year ended 31st March, 2016 | For the year ended 31st March, 2015 |
| 25 | | OTHER EXPENSES | | |
| | A | OPERATING EXPENSES | | |
| | | Banquet Expenses | 4,029,289 | 9,130,968 |
| | | Power & Fuel | 21,584,644 | 22,712,530 |
| | | Repair & Maintenance - Building | 3,368,280 | 3,856,893 |
| | | Repair & Maintenance - Machinery | 2,190,345 | 2,809,291 |
| | | Repair & Maintenance - Others | 1,132,543 | 3,441,085 |
| | | Upkeep & Service Cost | 4,864,663 | 8,098,879 |
| | | | 37,169,764 | 50,049,646 |
| | B | ADMINISTRATIVE EXPENSES | | |
| | | Rates & Taxes | 6,528,827 | 6,893,651 |
| | | Insurance Expenses | 1,164,110 | 1,106,696 |
| | | Legal & Professional Expenses | 3,389,445 | 3,837,221 |
| | | Operating Fess | 12,260,962 | 17,280,096 |
| | | Payment to Auditors | 600,101 | 577,879 |
| | | Postage & Courier Expenses | 174,611 | 354,004 |
| | | Printing & Stationary | 892,683 | 1,094,093 |
| | | Rent | 632,515 | 578,600 |
| | | Travelling & Conveyance | 6,514,463 | 5,435,846 |
| | | Director Remunerations & Perquisites | 747,554 | 752,916 |
| | | Director Sitting Fees | 21,000 | 10,500 |
| | | Donation | 624,363 | 424,680 |
| | | Telephone Expenses | 2,917,666 | 2,358,794 |
| | | General Expenses | 7,174,229 | 7,103,111 |
| | | | 43,642,529 | 47,808,087 |
| | C | SELLING & DISTRIBUTION EXPENSE | | |
| | | Advertisement Expenses | 3,098,659 | 1,223,630 |
| | | Sales Commission & Incentives | 2,603,507 | 1,884,642 |
| | | Sales Promotion Exp. | 4,063,809 | 4,918,579 |
| | | | 9,765,975 | 8,026,851 |
| | | GRAND TOTAL (A+B+C) | 90,578,268 | 105,884,584 |

NOTE-26 : SIGNIFICANT ACCOUNTING POLICES AND 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 differ 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).

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 in ₹ | Nature of Transaction |
|---------------------------|------------------------------|----------------------------|-------------------------|
| Mr. U. Champawat | Chairman & Managing Director | 7,47,554/- | Managerial Remuneration |

3.5 Earning Per Share

| | Current Year 2015-16 Amount in ₹ | Previous Year 2014-15 Amount in ₹ |
|---|--|---|
| Profit After Tax (PAT) | 84,05,736 | 2,44,63,743 |
| Less: Preference Dividend & Tax | (8,44,911) | (8,66,897) |
| Profit | 75,60,825 | 2,35,96,846 |
| Number of Equity Shares of ₹ 10/- each | 1,69,32,200 | 1,69,32,200 |
| Weighted Average Number of Equity Shares of ₹ 10/- each | 1,81,02,200 | 1,81,02,200 |
| Basic EPS | 0.45 | 1.39 |
| Diluted EPS | 0.42 | 1.30 |

2.14 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.

| | Current Year 2015-16 Amount in ₹ | Previous Year 2014-15 Amount in ₹ |
|--|---|---|
| 3.6 Contingent Liabilities: | | |
| In respect of guarantee given to HUDCO on behalf of National Hotels Ltd towards security for term loan | NIL | 3,79,80,402 |
| 3.7 Estimated amount of contracts remaining to be executed on capital account (Net of Advances) not provided for: | NIL | NIL |
| 3.8 Payment to Auditors: | | |
| a) Audit Fees | 2,05,000 | 2,05,000 |
| b) Other Services | 1,43,326 | 1,12,150 |
| c) Tax Audit Fees | 1,00,000 | 1,00,000 |
| d) Taxation Work | 1,50,000 | 1,45,000 |
| e) Out of Pocket Expenses | 1,775 | 15,729 |
| Total | 6,00,101 | 5,77,879 |
| 3.9 Foreign Currency Transactions: | | |
| a. Expenditure in Foreign Currencies (As certified by the Management) | 19,79,225 | 11,30,948 |
| b. Earnings in Foreign Currencies (As certified by the Management) | 3,15,96,913 | 4,26,16,563 |
| c. Value of Imports calculated on CIF basis of Capital Goods | NIL | NIL |

3.10 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.

3.11 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.

3.12 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 year are not strictly comparable with those of the previous year.

3.13 Notes 1 to 26 form integral part of accounts.

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)

U. Champawat
Chairman &
Managing Director
DIN-00294184

Jayesh Dave
Director
DIN-01808753

Dr. Ram Prakash Kothari
Director
DIN-00294060

CA Pranav N. Shah
Proprietor
Membership No. 033747
Ahmedabad
May 16, 2016

Jainam Bagadiya
Company Secretary
Ahmedabad
May 16, 2016

Yogesh Mehta
Chief Financial Officer

ROYALE MANOR HOTELS AND INDUSTRIES LIMITED

Regd. Office: International Airport Circle, Ahmedabad-382 475. (India)
Phone No.: (079) 22868641 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 : _____

[P.T.O.]

ROYALE MANOR HOTELS AND INDUSTRIES LIMITED

Regd. Office: International Airport Circle, Ahmedabad-382 475. (India)
Phone No.: (079) 22868641 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* | | Registered Folio No | |
| Client id* | | 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 25th **ANNUAL GENERAL MEETING** of the Company held at Ahmedabad Textile Mills' Association (ATMA) Hall, Ashram Road, Ahmedabad - 380009 on Friday, the 30th Day of September, 2016 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.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual general meeting of the company, to be held on the Friday 30th day of September, 2016 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:

Ordinary Resolution

1. Adoption of Audited Balance sheet and P&L a/c with Directors and Auditors' report for financial year 31st March, 2016
2. To declare dividend on optionally convertible preference shares (OCPS).
3. Re-appointment of Mr. Vishwajeetsingh Champawat, who retires by rotation and being eligible, offers himself for re-appointment.
4. Re-Appointment of Auditors and fix their Remuneration.

Special Resolution

5. Appointment of Mr. Ramarao Nuthakki (DIN: 00612411), as an Independent Director of the Company.
6. Re-appointment of Mr. Jayesh Dave (DIN: 01808753) as an Independent Director
7. Appointment of Mrs. Ragini Harsh Toshniwal (DIN: 07098164) as an Independent Director
8. Alteration in Article of Association of the Company

Signature of shareholder _____

Signature of Proxy holder(s) _____

**Affix
Revenue
Stamp**

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

(PRINTED MATTER)

To,

If undelivered, please return to:



ROYALE MANOR HOTELS AND INDUSTRIES LIMITED

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