



# 7<sup>th</sup> Annual Report for the Financial Year 2015-2016 of Arambhan Hospitality Services Limited

(formerly known as Cawasji Behramji Catering Services Limited)





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**\*As On 25.08.2016**

#### **BOARD OF DIRECTORS**

Alfred Micheal Arambhan, *Chairman & Managing Director*

Nalini Maria Arambhan, *Executive Director*

Aarathi Arambhan\*, *Executive Director*  
(Resigned w.e.f. 31.03.2016)

Pooja Alfred Arambhan, *Executive Director*

Yateen Madhukar Chodnekar, *Executive Director*

Abhijit Pradhan, *Independent Director*

John Philipose, *Independent Director*

Shashank More, *Independent Director*

#### **CHIEF FINANCIAL OFFICER**

Rajiv V. Mudaliar (Resigned w.e.f. August 24, 2016)

#### **COMPANY SECRETARY & COMPLIANCE OFFICER**

Sagar Shah

#### **STATUTORY AUDITOR**

H.R.Jagannath & Co - Chartered Accountants (Resigned w.e.f. 18.08.2016)

#### **AUDIT COMMITTEE**

Shashank More, *Chairman*

Abhijit Pradhan

Alfred Micheal Arambhan

#### **BANKERS**

Bank of India

HDFC Bank

#### **STAKEHOLDER/ INVESTOR RELATIONSHIP COMMITTEE:**

Abhijit Pradhan- *Chairman*

Shashank More

Alfred Micheal Arambhan

#### **REGISTRAR AND TRANSFER AGENT**

Sharex Dynamic (India) Pvt. Ltd.

Unit no.1, Luthra Ind.Premises, Safed Pool,

Andheri Kurla Road, Andheri (East),

Mumbai - 400072 | T: 2851 5606/ 5644/ 6338 |

F: 28512885 | Web: <http://www.sharexindia.com>

#### **NOMINATION & REMUNERATION COMMITTEE**

Abhijit Pradhan- *Chairman*

John Philipose

Shashank More

#### **REGISTERED OFFICE**

201/202, 2nd Floor, Benston-B Wing, Near Rizvi

College, Sherly Rajan Road, Bandra (West)

Mumbai - 400 050

Tel: 022-65650232, Fax: 022 2204 2080

Website: [www.arambhanhospitality.com](http://www.arambhanhospitality.com)

E-mail: [investor@cbcspl.com](mailto:investor@cbcspl.com)

CIN: U55101MH2009PLC191462



## **MANAGEMENT TEAM**



**ALFRED MICHEAL ARAMBHAN**  
**Chairman & Managing Director**

Mr. Alfred Micheal Arambhan is the Chairman & Managing Director of our Company. He is a first generation entrepreneur, having over 29 years of experience in ship chandelling & catering industry and is one of the Promoter and first Director of our Company. He is responsible for the expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company.



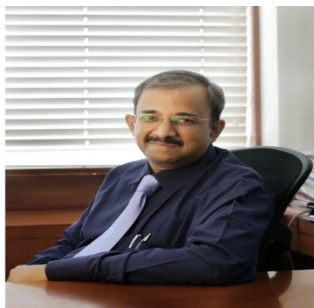
**NALINI MARIA ARAMBHAN**  
**Executive Director**

Mrs. Nalini Maria Arambhan is the Executive Director of our Company. She has over 23 years of experience in the field of business operations and administration. She has been instrumental in establishing the procurement & quality assurance standard for the Company and has been actively involved in the administrative affairs of our Company.



**POOJA ALFRED ARAMBHAN**  
**Executive Director**

Ms. Pooja Alfred Arambhan is the Executive Director of our Company. She has been actively involved in the business of our company. She is responsible for Onshore catering services business & restaurant business of our Company & is actively engaged in the business of our Company.



**YATEEN CHODNEKAR**  
**Executive Director**

Yateen Chodnekar is an Executive Director in Arambhan Group with responsibilities of Corporate Governance, Human Resource and Technology. He is member of the Board of Directors. Yateen has 22 years of work experience in global organisations like HSBC Japan, Merrill Lynch, Deutsche Bank, Morgan Stanley, Writer Corporation, Boston Consulting Group. His strengths are in grooming Multi-country, multi-culture team and supporting multi- industry businesses. He has a bachelors degree in Electronic Engineering.



**MUKESH SHENAI**  
**VP, QP & Training**

Mr. Mukesh Shenai, is the Vice President – Quality & Assurance of our Company. He has a total work experience of over 25 years in the area of radio communication, quality health safety and environment issues and human resource training. He has been actively involved in setting up Quality Health Safety and Environment (—QHSE) department in our Company.



**ABHIJIT PRADHAN**  
**Non- Executive & Independent Director**

Mr. Abhijit Pradhan is the Non-Executive & Independent Director of our Company. He is also certified Project Management Professional from the Project Management Institute, Pennsylvania, USA. He has over 30 years of experience in manufacturing, SAP consultancy and project management for various industries.



**JOHN PHILIPOSE**  
**Non- Executive Director & Independent Director**

Mr. John Philipose is the Non- Executive & Independent Director of our Company. He has over 26 years of experience in various capacities such as Command Works Officer, Flag Officer Commanding-in-chief, Chief Executive Officer of Ships etc. His area of expertise includes HRD and administration, project management, budgeting and work services, safety security and vigilance and qualitative equipment management.



**SHASHANK MORE**  
**Non-Executive & Independent Director**

Mr. Shashank More is the Non-Executive & Independent Director of our Company. He has over 13 years of experience in the field of finance, audit & risk advisory. Mr. Shashank is presently the Chairman of Audit Committee of our Company.



## Chairman's Message

It is my great pleasure to present our annual Report for the financial year ended 31st March 2016.

There is a growth in revenue of 12.51% over previous year, mainly due to increase in offshore business by 11.21% and restaurant business by 31.65%.

The offshore business has registered a profit of 17.35% in the year compared to 4.57% last year.

However, the FY 2015-2016 also continued to be under stress as far as the Oil & Gas Sector with the global oil prices remaining subdued and under pressure. The Company provides offshore catering & House-keeping services to the Company's engaged in Oil Exploration Sector. The year 2015-16 was a year of significant upheavals for the oil exploration industry. This decline in crude oil prices was the sharpest since 2009 and has steeply impacted the capital expenditure spending by oil exploration companies and, in turn, depressed rig charter rates and industry utilization towards the end of the year under review.

Accordingly, the offshore sector saw no new notable Catering & Housekeeping contracts and no major projects were declared nor undertaken both in Indian and Foreign Waters. Despite the above constraints we were able to get new clients in Rajasthan and few supply contracts in Mumbai and were also able to succeed in winning a tender for Catering & Housekeeping Contract on 3 rigs of the Oil & Natural Gas Company, India (ONGC). The contract is for a 3 year duration and is totally valued at INR 20.67 Crores. This added to the turnover and profit.

Domestically the Governments policy supported by harsh strictures by the Reserve Bank of India saw the Banking Sector Lending slowing down completely. This has resulted little or no progress in the Manufacturing Sector. Continuous drought in Maharashtra has played havoc in the Whole Sale price Index of the Food Sector.

Existing Clients like Great Ship Ltd; Great Offshore Limited; and other Foreign clients have been demanding discounts and reduced services to control costs and expenditure. This has further pressured the total turnover outlook for the next year.

Going ahead, there is a possibility that lower oil prices may sustain for the next few years. However, the Company is optimistic of managing industry downtrends on account of the robustness of its business model. The Company believes that it is attractively positioned to address the slowdown on the back of its operational effectiveness and incipient ability to rein in costs.

Your company decided to broad base itself and foray into the Onshore retail catering market. Accordingly, continued with the services at the Willingdon Catholic Gymkhana (WCG) and the Catholic Gymkhana (CGS) in Mumbai. Sales in both these gymkhanas dipped tremendously due to internal differences between committee members and a section of the members. In WCG there were several raids from the Municipality, Health, Fire and Excise departments for irregularities resulting in the closure of





two outlets for service and severe restriction on the bar sale areas. In CGS, similar fights and differences lead to closure of a banquet hall and severe restrictions placed on guest members entries. During this entire period not only was overall sales effected but there was no increase in menu sale prices despite inflation.

Your company further, expanded into the restaurant space, again with a view to enter the cash sale business and broad base its revenue base. The Fun Dining brand “MeSoHappi” (MSH) was curated and very well received by the food critics, bloggers and media. The first outlet was established on the high street area of Linking Road, Khar at a considerable high rental for establishing the brand. Food sales was encouraging even without a Bar Licence. Weekly licence has not shown any significant growth prospects for Bar Sales.

A Quick Service Restaurant format (QSR) was also established in the upmarket opposite sea face promenade of Carter Road, Bandra.

A third outlet for MSH alongside a new Fine Dine, Sea Food Speciality restaurant “The Captain’s Table” (TCT) was curated at BandraKurla Complex (BKC), Bandra. This outlet has a Licence to operate a full fledged bar.

Your company successfully listed in the SME platform of the Bombay Stock Exchange with a modest Offer for Sale of Rupees One Crore and Eighty six Lacs and twenty thousand. The stock was oversubscribed by two times for a premium of Rupees Four per share. In a few weeks time the market pushed the price to a high of Rupees Forty Four per share. Your scrip was the proud recipient of the Bombay Stock Exchange award for exceptional performance of a new entrant in the SME sector.

Your Company has taken on long lease an independent Ground plus two-storey structure with open land and it is planning to establish a warehouse cum food processing unit in Taloja in New Mumbai.

As a part of our growth plans, the Company is exploring various possibilities to expand into the Catering, Housekeeping, Facilities Management and Restaurant space including Offshore and Remote sites in the Middle-east . Accordingly, Your company has established an 100% subsidiary “CBCS International Ltd.” In the Jebel Ali Free Zone Area (JAFZA) of the UAE. CBCS International has entered into a Joint Venture with a local catering company “Mohammed Al Neyadi Catering Services” with a 49% shareholding in the JV. The name of the company is proposed to be changed to “Arambhan Al Neyadi Catering Services”

All above growth plans into diversified segments and geography of the food sector itself is planned to achieve stability and alternate lines of revenue. However, a close watch will be maintained for profitability, stability and growth.

Continuous improvement in Human Resource development, efficiency in processes and controls will be at the centre stage of activity lead by a dedicated and experienced management.





## Vision and Mission Statements

### CORPORATE VISION

We believe in creating invaluable relationship with all our Stakeholders viz; Suppliers, Customers, Lenders, Shareholders and Employees We also aspire to emerge as the partner of choice by providing high quality products and services in a time bound manner by understanding the requirements and executing them effectively and efficiently.

### MISSION

To retain and reinforce our market leadership to meet the aspirations of our customers which will be achieved through time bound zero defect supplies supported by responsive service & empowered employees.

### CREDO

We build lasting relationships with customers based on trust and mutual benefit.

We uphold highest ethical standards in conduct of our business.

We create and nurture a culture that supports flexibility, learning that is proactive to change.

We chart a challenging career for employees with opportunities for advancement and rewards.

We value the opportunity and responsibility to make a meaningful difference in people's life.

### VALUES

|                     |                                    |
|---------------------|------------------------------------|
| <b>INTEGRITY</b>    | Honesty in every action            |
| <b>COMMITMENT</b>   | Deliver on the promise             |
| <b>SEAMLESSNESS</b> | Boundary less in letter and spirit |
| <b>PASSION</b>      | Energized action                   |
| <b>SPEED</b>        | One step always ahead.             |



## CLIENTELE

The company caters to a wide array of clients some of which include:

