

**BALAJI HOTELS AND ENTERPRISES LIMITED**

**29<sup>th</sup>**  
**Annual Report**  
**2017-2018**



## **TWENTY NINTH ANNUAL REPORT 2017 - 2018**

**Board of Directors**

M Sreenivasulu Reddy  
D Balakoteswara Rao  
V Sujatha

**Statutory Auditors**

M/s SRISPOORTHY & ASSOCIATES,  
Chartered Accountants

**Bankers**

Indian Bank  
Bank of Baroda

**Registered Office**

New No.34, Old No.76  
Bazullah Road  
T Nagar Chennai 600 017.

**Registrars and Share Transfer Agents**

Cameo Corporate Services Limited  
Subramanian Building  
No.1, Club House Road  
Chennai 600 002.

### **CONTENTS**

	<b>PAGE</b>
Notice	3
Board's Report with Annexures	6
Corporate Governance Report	20
Auditors' Report	25
Notes on Financial Statements	31
Balance Sheet	35
Profit & Loss Account	40
Cash Flow Statement	43
Attendance Slip	45



## NOTICE OF THE TWENTY NINTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Twenty Ninth Annual General Meeting** of **Balaji Hotels and Enterprises Limited** will be held on **Monday, September 17, 2018 at 10.30 a.m** at **M.R. Maaligai, 84, SRP Koil Street, Agaram, Chennai – 600 082** to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the Financial Year Ended March 31, 2018 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Shri M Sreenivasulu Reddy who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration. In this connection, to consider and if thought fit, to pass the following resolution as an ordinary resolution.

“RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under M/s SRISPOORTHY & ASSOCIATES., Chartered Accountants, Chennai who submitted their consent and eligibility letter for appointment and who were appointed till the conclusion of the 33rd Annual General Meeting at 28th Annual General Meeting be and are hereby ratified as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company on a remuneration as may be decided by the Board of Directors.”

By Order of the Board  
For BALAJI HOTELS AND ENTERPRISES LIMITED

Place : Chennai  
Dated: May 28, 2018

**V SUJATHA**  
Director (DIN: 07422606)

## NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint, a proxy to attend, and on poll, to vote instead of himself. A proxy need not be a member of the company.
2. The instrument appointing proxy, in order to be effective, should be lodged at the registered office of the company not less than 48 hours before the commencement of the meeting. A blank proxy form is enclosed.
3. The Register of Members and Share Transfer Books of the company will remain closed from 11.09.2018 to 17.09.2018 (both days inclusive).
4. Members are requested to send queries, if any, on the accounts, at least seven days prior to the date of the forthcoming Annual General Meeting so that the information can be made available at the meeting.
5. In terms of provisions of the Companies Act, 2013, Members are requested to download the Annual Report for the FY 2017 - 18, inter-alia, containing notice of AGM, Directors' Report, Auditor's Report, Financial Statements by clicking on the link: [www.bhel.info](http://www.bhel.info)
6. However, if you are desirous of receiving a physical copy of the Annual Report, the same will be provided free of cost after receipt of physical request in this behalf to the share transfer agents of the company.
7. Members / Proxies are requested to bring the Attendance slip sent with the Annual Report duly filled in for attending the Meeting. Members who hold shares in the dematerialized form are requested to indicate their DP ID and Client ID Numbers in the Attendance slip.
8. **Distribution of Gifts at AGM:**

The Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India prohibits distribution of gifts, gift coupons or cash in lieu of gifts to the members at or in connection with any general meeting of shareholders. The same is also notified by the Ministry of Corporate Affairs, Government of India.

Pursuant to the above your company decided not to distribute any gifts to the members attending the forthcoming Annual General Meeting.



## 9. E-voting

The businesses as set out in the Notice may be transacted through electronic voting system and the Company will provide a facility for voting by electronic means. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically. Please note that the voting through electronic means is optional for shareholders.

10. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on September 10, 2018, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Eligible members who have acquired shares after the dispatch of the Annual Report may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.
11. The Company has appointed Mr. V Nagarajan, Practicing Company Secretary, (CP No. 3288), to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.
12. Members are requested to follow e-voting instructions as mentioned in the overleaf and on website [www.evotingindia.com](http://www.evotingindia.com).

### INSTRUCTIONS TO MEMBERS FOR ELECTRONIC VOTING

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in De-mat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes::

	For Members holding shares in Demat Form	For Members holding shares in 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)	
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.	

\* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the sequence number in the PAN Field. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. (Sl. No. mentioned in your address label can be used as Sequence No. for this purpose)

# Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the <Default Value> in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in de-mat 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.



- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on <Company Name> on which you choose to vote.
- (xi) 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.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same..

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting through electronic means will commence on September 14, 2018 at 09.00 a.m. and will end on September 16, 2018 at 5.00 p.m. The members will not be able to cast their vote electronically envisaged herein above beyond the date and time mentioned above.
- (C) 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Members who do not have access to e-voting facility have been additionally provided the facility of voting on a Ballot form. They may send duly completed Ballot Form (enclosed with the EGM notice) to the Scrutinizer, Practising Company Secretary, referred above at the Registered Office of the Company on or before the date of closure of e-voting.

Members have the option to request for physical copy of the Ballot Form by sending an e-mail to [balajihotelsandenterprisesltd@gmail.com](mailto:balajihotelsandenterprisesltd@gmail.com) by mentioning their Folio / DP ID and Client ID No.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

By Order of the Board  
For BALAJI HOTELS AND ENTERPRISES LIMITED

Place : Chennai  
Dated: May 28, 2018

**V SUJATHA**  
Director (DIN: 07422606)



## BOARD'S REPORT

To the Members,

The Board of Directors of your company have pleasure in presenting before you the 29th Annual Report of the Company together with the Audited Statements of Accounts for the financial year ended 31st March, 2018.

### 1. FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS: (In ₹)

S. No.	Particulars	2017-2018	2016-2017
1	Profit before Exceptional & Extraordinary items	37,055,440	(439,817)
2	Exceptional & Extraordinary items	--	--
3	Profit(Loss) before tax	37,055,440	(439,817)
4	Income Tax expense for the year/earlier years	--	--
5	Profit (Loss) for the year	37,055,440	(439,817)
6	Deficit brought Forward from Previous Years	(3,152,327,434)	(3,151,887,617)
7	Loss carried to Balance Sheet	(3,115,271,993)	(3,152,327,434)

There were no operations during the year. However the profit shown is mainly due to a liability written back. There is no cash inflow out of the said transaction.

The Company is exploring possibility of tying up with strategic partners for infusion of funds into the company to take up any business operation subject to obtaining shareholders and necessary government approvals, if any. The Company is also looking at possibilities of merger.

### 2. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There are no material events that have occurred after the date of closure of financial statements which may adversely impact the business of the Company.

### 3. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There has been no change in the nature of business of the Company during the Financial Year.

### 4. DIVIDEND:

The Company is not recommending any dividend for this financial year in view of losses incurred by the company during earlier years.

### 5. AMOUNT, IF ANY, CARRIED FORWARD TO RESERVES:

There are no amounts transferred to reserves by the company in view of the losses incurred during earlier years.

### 6. BOARD MEETINGS:

The Board of Directors met 5 times during this financial year on 17-04 -2017, 27-05-2017, 10-07-2017, 10-10-2017, and 10-01-2018.

### 7 DIRECTORS AND KEY MANAGERIAL PERSONNEL :

Mr. M Sreenivasulu Reddy Non Executive Director and Promoter Director is the director who retires at this annual general meeting and is being recommended for reappointment.

### 8. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received necessary declarations from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6) and the extract of the Declaration is given in Annexure I

### 9. COMPOSITION OF AUDIT COMMITTEE:

The Company has a qualified and independent Audit Committee comprising of three directors as members of which Two-thirds of the members are independent directors. All members of audit committee are financially literate with the Chairman of the Committee having the experience in finance, accounting, having requisite professional certification in accounting, financial management experience.

None of the members receive, directly or indirectly, any consulting, advisory or compensatory fees from the Company.

Mr. D Balakoteswara Rao	Chairman
Mrs. V. Sujatha	Member
Mr. M. Sreenivasalu Reddy	Member

Meetings and Attendance for the year ended 2017 - 2018.



The audit committee met 4 times during the year ended 31st March 2018. The Meetings held during the year were on 27-05-2017, 10-07-2017, 10-10-2017, and 10-01-2018.

Name of Director	No. of Meetings	Meetings attended
Mr. D Balakoteswara Rao	4	4
Mrs. V. Sujatha	4	4
Mr. M. Sreenivasalu Reddy	4	2

## 10. VIGIL MECHANISM:

Vigil Mechanism cum Whistle Blower Policy is set in place and attached in ANNEXURE III

## 11. DIRECTOR'S RESPONSIBILITY STATEMENT:

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis; and
- the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 12. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JV

The company does not have any subsidiaries, associates or joint ventures.

## 13. AUDITORS:

M/s SRISPOORTHY & ASSOCIATES., Chartered Accountants, Chennai, Statutory Auditors of the Company, whose appointment is required to be ratified at the ensuing Annual General Meeting as per section 139 of the Companies Act 2013 and the Rules made there under. The said auditors have submitted their consent and eligibility letter for their appointment.

Board recommends the ratification of the appointment of the above said auditors as statutory auditors of the company.

## 14. SECRETARIAL AUDIT:

Secretarial audit report as provided by Mr.V. Nagarajan, Practicing Company Secretary, is annexed to this Report as ANNEXURE V.

## 15. COMMENTS ON INDEPENDENT AUDIT REPORT AND SECRETARIAL AUDIT REPORT:

### (a) STATUTORY AUDIT REPORT :

The company is negotiating with the lender for one time settlement hence no interest is provided.

### (b) SECRETARIAL AUDIT REPORT :

- The company did not have any operations during the year under review. Board felt that it is imprudent to have key managerial personnel when there is no business. The company will consider appointing the KMP when the operations are started.
- The company has got no operations during the year. Board feels that the company cannot afford listing fee and other listing agreement (SEBI (LODR), 2015) compliances at this juncture. The company shall consider initiating remedial measures when the company starts commercial operations.

## 16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

The Company informs that the disclosure of particulars under section 134(3)(m) of the Companies act, 2013 read with Rule 8 (3) of Companies (Accounts) Rules, 2014 relating to conservation of Energy etc is not applicable to the Company as no operations are undertaken by the company during the relevant financial year.

Particulars relating to Technology Absorption etc., have not been furnished as the Company has





neither undertaken any Research & Development activities in any Field of operations nor imported any technology thereto.

There are no foreign exchange earnings or outgo.

## 17.DETAILS RELATING TO DEPOSITS, IF ANY:

The Company has not accepted any deposits during the Financial Year.

## 18.PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has duly complied with the provisions of Section 186 of the Companies Act, 2013 as it has not given any loans, guarantees and investments during the financial year.

## 19.RISK MANAGEMENT :

The Company has a well defined Risk Management Policy in place. The fact that the Risks and Opportunities are inevitably intertwined is a well recognised policy by the Company and thus aims to identify, manage and minimize risks strategically. It is committed to embedding risk management throughout the organisation and its systems and controls are designed to ensure that exposure to significant risk is properly managed. With the predefined risk management principles and policy, the Company identifies, categorizes, assess and addresses risks.

### Key Elements of Risks:

- (i) Global Economic Situation: The Economic environment around the world is showing sign of growth. Growth in the hotel industry has been fairly positive.
- (ii) Cost pressure: Increasing operating cost may create a pressure on margin. The Company is focusing to put up framework for cost management.
- (iii) Regulatory risks: Any Change in regulations in the field of our operations would have an impact on the operations. The Company is vigilant on such changes for easy adaptability.
- (iv) Emerging Trend: New services, products, technologies and trends used in hotel industry may impact consumers' behaviour. The Company continuously scan business environment for early detection of emerging trend.

## 20.RELATED PARTY TRANSACTIONS :

There are no related party transactions during the financial year under review under section 188 of the

Companies Act 2013.

## 21.FORMAL ANNUAL EVALUATION:

Criteria for evaluation of performance of Independent Directors, Committees and the Board has been laid by the Nomination and Remuneration Committee for their formal evaluation using various professional attributes, including expertise, skills, behaviour, experience, leadership qualities, knowledge, performance culture, responsibility, etc. Evaluation of Directors' performance based on the criteria is done periodically, or as decided by the Nomination and Remuneration Committee and the same is reported to the Board, in case of challenging situations.

## 22.DISCLOSURE ABOUT COST AUDIT :

Provisions relating to Cost Audit are not applicable to the Company as there are no business operations during the financial year.

## 23.RATIO OF REMUNERATION TO EACH DIRECTOR:

At present Directors are not receiving any remuneration from the company in view of the financial constraints. Nomination and Remuneration Policy of the company is given in Annexure II.

## 24.LISTING WITH STOCK EXCHANGES:

The shares of the Company are listed on BSE Limited, Madras Stock Exchange and Hyderabad Stock Exchanges. Presently Madras Stock Exchange and Hyderabad Stock Exchange are closed and not doing any business. However trading is suspended by the Bombay Stock Exchange for non-payment of listing fee due to company's financial position.

## 25.SECRETARIAL STANDARDS :

The company confirms that the Secretarial Standards, as applicable on the date of this report are followed by the Company.

## 26.CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):

### i) Terms of reference:

The terms of reference of the CSR Committee are as follows:

Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company; Recommend the amount of expenditure to be incurred on the activities referred to in above; and monitor the Corporate Social Responsibility Policy of the Company from time to time.





The company has not undertaken any CSR activity during the financial year in view of the accumulated losses in earlier years.

**27. DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Internal Complaints Committee ("ICC") has been set up to redress the complaints received

regarding sexual harassment. All employees are covered under this policy. The following is the summary of the complaints received and disposed off during the financial Year 2017-18:

a) No. of complaints received: NIL

b) No. of complaints disposed off: NIL

**28. ACKNOWLEDGEMENT:**

Your directors thank and acknowledge the continuous co-operation and assistance extended by Bank of Baroda and Indian Bank, BSE Limited, Cameo Corporate Services Ltd., employees, shareholders who are patronizing the well being of the company.

By Order of the Board  
For BALAJI HOTELS AND ENTERPRISES LIMITED

Place : Chennai  
Dated: May 28, 2018

**V SUJATHA**  
Director (DIN: 07422606)



## ANNEXURE INDEX

Annexure No:	Details of annexure
I	Declaration of Independent Directors
II	Nomination and Remuneration Policy
III	Vigil Mechanism
IV	Secretarial Audit Report

## ANNEXURE I

### DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

To the shareholders of **Balaji Hotels and Enterprises Limited**

Dear Sir,

I undertake to comply with the conditions laid down in section 149 and Schedule IV of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to conditions of independence and in particular:

- (a) I declare that up to the date of this certificate, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

D Balakoteswara Rao  
Director (DIN: 00777408)

V Sujatha  
Director (07422606)

Date: 28/05/2018  
Place : Chennai