



JINDAL HOTELS LIMITED

[www.suryapalace.com](http://www.suryapalace.com)



*"A recipe has no soul, the chef brings soul to the recipe." "Good Food is Good Mood"*

33<sup>rd</sup>  
Annual Report  
2017-18

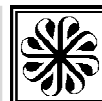






# JINDAL HOTELS LIMITED, VADODARA

GRAND MERCURE Vadodara Surya Palace, Sayajigunj, Vadodara-390020



## CORPORATE INFORMATION

**Name:** JINDAL HOTELS LIMITED

**CIN:** L18119GJ1984PLC006922

### Registered Office

GRAND MERCURE Vadodara Surya Palace,  
Sayajigunj,  
Vadodara- 390 020.

**Ph.:** (0265)2363366/2226000/2226044

**Fax:** (0265) 2363388

**E-mail:** [share@suryapalace.com](mailto:share@suryapalace.com)

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

## REGISTRAR & SHARE TRANSFER AGENTS

LINK INTIME INDIA PVT LTD.

B-102 & 103, Shangrila Complex,  
First floor, Opp. HDFC Bank,  
Near Radhakrishna Char Rasta,  
Akota, Vadodara - 390020 Gujarat

**Tel. No:** 0265-2356573

**E-Mail:** [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in)

## COMPANY SECRETARY

Ms. Karuna V Advani

## AUDITORS

M/s.Modi & Joshi  
Chartered Accountants,  
301, Sumangal Chambers,  
Kharivav Road, Jambubet,  
Dandia Bazar, Vadodara - 390 001

## AUDIT COMMITTEE

Name of Director	Category
Mr. Jatil Patel	Chairman
Ms. Chanda Agrawal	Member
Mr. Ambalal Patel	Member
Mr. Mukund Bakshi	Member

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Name	Designation
Mrs. Chanda Agrawal	Chairperson
Mr. Piyush Shah	Member
Mr. Satvik Agrawal	Member

## NOMINATION & REMUNERATION COMMITTEE

Name	Designation
Mr. Mukund Bakshi	Chairman
Mr. Ambalal Patel	Member
Mr. Jatil Patel	Member

## BANKER

HDFC BANK LTD.

Ground Floor, Productivity House, Productivity Road Alkapuri,  
Vadodara-390005, Gujarat

## SECRETARIAL AUDITOR

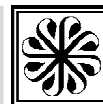
Kashyap Shah & Co., Vadodara

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## BOARD OF DIRECTORS

Sr. No.	Name	Designation
01	Mr. Ambalal Patel	Chairman Non Executive Independent Director
02	Mr. Piyush Shah	Managing Director
03	Ms. Chanda Agrawal	Non Executive Director
04	Mr. Jatil Patel	Non Executive Independent Director
05	Mr. Mukund Bakshi	Non Executive Independent Director
06	Mr. Satvik Agrawal	Non Executive Non Independent Director
07	Ms. Shagun Mehra	Whole Time Director



**NOTICE OF 33<sup>rd</sup> AGM**

**Dear Members,**

You are cordially invited to attend the **33<sup>rd</sup> Annual General Meeting (AGM)** of members of Jindal Hotels Limited to be held at the Registered Office of the Company: GRAND MERCURE Vadodara Surya Palace, Sayajigunj, Vadodara, Gujarat on **Tuesday, 4<sup>th</sup> September, 2018 at 2:30 p.m.**

We are glad to inform you that in compliance with provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015, the Company is to provide its Members facility of remote e-voting (to cast their vote electronically from a place other than the venue of the AGM), through e-voting services provided by Link Intime India Private Limited (LIPL) [Linkintime: InstaVote] on all resolutions set forth in this Notice. **The process of e-voting to be followed forms part of Notice (i.e. Please refer point No: 15 on Page no: 4).**

**NOTICE**

Notice is hereby given that the **33<sup>rd</sup> Annual General Meeting** of the members of Jindal Hotels Limited will be held on Tuesday, the **4<sup>th</sup> day of September, 2018 at 2:30 p.m.**, at Company's **Registered Office** at: GRAND MERCURE Vadodara Surya Palace, Sayajigunj, Vadodara - 390020, Gujarat, to transact the following business:

**ORDINARY BUSINESS:**

**Item No. 1. Adoption of Financial Statements**

To consider and adopt the Audited Financial Statements of the Company for the Financial year ended 31<sup>st</sup> March, 2018, together with the Report of the Board of Directors' and Auditors' and in this regard pass the following resolution as Ordinary Resolution:

**"RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon laid before this meeting be and are hereby adopted."

**Item No.2. Re-appointment of Director**

To appoint a Director in place of Ms. Chanda Agrawal

(DIN: 00010909), who retires by rotation at this Annual General Meeting, in terms of section 152(6) of the Companies Act, 2013 and, being eligible, has offered herself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 (6) of the Companies Act, 2013, Ms. Chanda Agrawal (DIN : 00010909), who retires by rotation at this Annual General Meeting and being eligible has offered herself for reappointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

**Registered Office:**

**GRAND MERCURE Vadodara  
Surya Palace,  
Sayajigunj, Vadodara 390 020  
CIN: L18119GJ1984PLC006922  
E-mail: [share@suryapalace.com](mailto:share@suryapalace.com)**

**Place: Vadodara**

**Date: 29<sup>th</sup> May, 2018**

**Notes:**

1. A member entitled to attend and vote at the Annual General Meeting (The "meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
2. Brief resume of Director proposed to be re-appointed, nature of expertise in specific functional areas, names of companies in which she holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36(3) of the SEBI (LODR), Regulations 2015, with the Stock Exchange, are provided in the Corporate Governance Report forming part of the Annual Report. (Please refer page No. 27 for details)
3. The requirement to place the matter relating to appointment of auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7th, 2018 issued by Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors. Subject to requirement of provisions of Companies Act, 2013, M/s Modi & Joshi, Chartered Accountant, Vadodara, have been appointed as Statutory Auditors of company at 32nd Annual General Meeting held on 12.09.2017 for a period of 5 years. They are eligible for reappointment and they have given their confirmation that they are not disqualified from continuing as Auditors of the Company.

**4. Members are requested**

- To bring duly filled attendance slip (page No. 63) along with the copy of Annual Report to the Meeting and **PHOTO ID Proof** for attending the meeting.
- To notify immediately, changes in their address, mandate/ Income Tax Permanent Account Number (PAN) / bank details if any, to the Company/RTA : Link Intime India Pvt. Ltd. and if shares held in dematerialized form then to their respective Depository Participants.
- To Update Details:

The format of the Register of Members prescribed by the Ministry of Corporate Affairs (MCA) under the Act requires the Company to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. Members





holding shares in physical form are requested to submit the details to the Company and Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

- To **DEMATERIALIZ** their Shares Certificates through Depository Participants (DP).
- Remittance of Dividend through Electronic Mode** :Members who have not yet availed NECS/RTGS/NEFT facility and wish to avail the same may have their Bank Account details (name of Bank & Branch A/c no., IFSC(Indian Financial System Code), MIRC (Magnetic Ink Character Recognition), for the purpose along with photocopy of Cheque of the same account bearing MIRC Code), updated with their respective Depository Participants (DPs) or Company's Registrar and Transfer Agents, Link Intime India Pvt. Ltd, Baroda, where shares are held in dematerialized form and in physical form, respectively. Please refer NECS mandate at Company's website.

5. (a) **TRANSFER OF UNCLAIMED/UNPAID DIVIDEND AND SHARES TO INVESTORS EDUCATION AND PROTECTION FUND (IEPF):**

In terms of the provisions of Section 124 and other applicable provisions of the Companies Act, 2013, the amount of dividend not encashed or claimed within 7(seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund set up by the Central Government. Accordingly, the unclaimed dividend in respect of financial year 2010-11 is due for transfer to the said Fund on 26<sup>th</sup> October, 2018. Members who have not yet encashed their dividend warrant(s) pertaining to the dividend for the Financial Year 2010-11 onwards, are requested to lodge their claims with the company/ or Share Transfer Agents for the same.

- (b) Attention of Members is invited to the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund ) Rules, 2016 amended from time to time, which inter alia requires the Company to transfer the equity shares on which the dividend has remained unpaid or unclaimed for a continuous period of seven years, to a special demat account to be opened by Investor Education and Protection Fund Authority ('IEPF Authority'). The said Shares, once transferred to the said demat account of the IEPF Authority can be claimed after following due procedure prescribed under the said IEPF rules.

**The Company has intimated individually to all such shareholders, dividend on whose shares has remained unpaid for a continuous period of seven years and a notice in this regard has also been published in the Indian Express (English) and the Financial Express (Gujarati) Ahmedabad edition on 30.06. 2018** was given to the shareholders that the Company will proceed to initiate action for transmission of shares of the shareholders whose Dividend unclaimed for financial year 2010-11 onwards ,will be transferred to the Investor Education and Protection Fund set up by the Central Government. Accordingly, the such shares are due for transfer to the said Fund on 26<sup>th</sup> October, 2018. **The Statement of Unclaimed Dividend amount for 7 consecutive years and Shares due for transfer to IEPF Demat Suspense Account is placed on the website of the company at [www.suryapalace.com](http://www.suryapalace.com) .Members are therefore requested to approach the Registrar and Share Transfer Agent (Link Intime India Pvt Ltd) / Company to claim their unpaid dividend, if any.**

- (c) The Company has transferred the unpaid / unclaimed dividends for the financial year 2009-2010 to the **Investor Education and Protection Fund (the IEPF)**.

- (d) **UPDATE: FILING OF IEPF 4 (STATEMENT OF SHARES TRANSFERRED TO IEPF AUTHORITY, MCA):** IEPF -4 Form filled on 19/12/2017 , SRN-G70527239 and approved by MCA. The Company had transferred 86151 shares to IEPF Authority, MCA.Details of shares transferred/transmitted to the IEPF Authority as mentioned below:

Shares held in	Number of records	Number of shares (Quantity)
NSDL	3	111
CDSL	1	200
Physical Form	477	85840
<b>Total</b>	<b>481</b>	<b>86151</b>

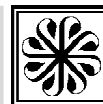
**The Company has intimated individually to all such shareholders, dividend on whose shares has remained unpaid for a continuous period of seven years and a notice in this regard has also been published in the Indian Express (English) and the Financial Express (Gujarati) Ahmedabad edition on 29.11. 2016 and also on 18.11.2017** was given to the shareholders that the Company will proceed to initiate action for transmission of shares of the shareholders whose Dividend unclaimed for financial year 2009-10 onwards.

6. SEBI notification SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018 stating that requests for effecting transfer of securities ( except in case of transmission or transposition of securities) shall not be processed after 5<sup>th</sup> December 2018, unless the securities are held in the dematerialized form with the depositories. **Hence, you will not be able to transfer securities held in physical form, after 5<sup>th</sup> December, 2018. You are requested to dematerialize your physical securities at the earliest.**

In order to implement the aforementioned Amendments in the Regulation and as advised by SEBI, the Company/RTAs had send letter under Registered/Speed post to the holders of physical certificates appraising them about the amendment and sensitise them about the impact of the regulation on the transfer of shares held by them in physical form w.e.f December 5, 2018 .

The Company /RTA will send two reminders, preferably at a gap of 30 days, to such shareholders who continue to hold their shares in physical form, advising them to get the same dematerialized.The Company had prominently placed information on its website intimating the investors about the proposed change and provided appropriate guidance on how to dematerialize their shares

7. SEBI circular No SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20<sup>th</sup> April 2018 directing all the listed companies to record the PAN and Bank account details of all their shareholders. Accordingly, **your Company has initiated steps for registering the PAN details (including joint holders if any) and the BANK ACCOUNT details of all the registered shareholders. We would also like to register other KYC details** such as email id, mobile number, specimen signature and nomination. The Company /RTA had send reminders for registration of details.
8. Members desirous of making a nomination in respect of their shareholding, as permitted under Section 72 of the Companies Act, 2013, are requested to submit the prescribed **Form SH 13 (Nomination Form) & SH 14 (Cancellation or Variation of Nomination)**, accordingly to the Share Department of the Company or to the office of the Registrar & Share Transfer Agent. The said forms can be downloaded from the Company's website [www.suryapalace.com](http://www.suryapalace.com) under the section "Corporate Information".



9. In order to maintain decorum amidst the proceedings, members are requested to attend the Meeting without accompanying guests or children.
10. **GREEN INITIATIVE:** Members are requested to register/ update email address for receiving electronic communication.
11. The Notice of the AGM along with the Annual Report of 2017-18 is being sent by electronic mode to those Members whose email addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copy is being sent by permitted mode.
12. Members desiring any relevant information or clarifications on the accounts at the AGM are requested to write to the Company Secretary at least 10 days in advance of the meeting, so as to enable the management to compile the information and provide details at the meeting.
13. Relevancy of questions and the order of speakers at the meeting shall be decided by the Chairman.
14. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, during business hours, upto the date of AGM.
15. **The Process for e-voting:** (E voting)

The Company is offering remote e-voting facility as an alternate, to all the shareholders of the Company to cast their votes electronically on all resolutions set forth in the Notice here in for this purpose, Linkintime: InstaVote shall provide facility for Remote E-voting to enable the Shareholders to cast their votes electronically. **Remote E-voting is optional. Please note that the Event No:180093.**

The Company has appointed **Mr. Kashyap Shah, Practicing Company Secretary (Membership No. FCS 7662 and CP No. 6672)** (Address: B 203, Manubhai Tower, Sayajigunj, Baroda - 390005) as Scrutinizer for conducting the e-voting process in fair and transparent manner. Copy of the notice (Annual Report) has been placed on the website of the Company viz. [www.suryapalace.com](http://www.suryapalace.com) and the website of Link In Time India Pvt Ltd. The result of voting will be announced by the Chairman of the Meeting on or after the 33<sup>rd</sup> Annual General Meeting to be held on Tuesday, 4<sup>th</sup> September, 2018. The result of the voting will be communicated to the Stock Exchange and will be placed on the website of the Company [www.suryapalace.com](http://www.suryapalace.com).

**The instructions for shareholders voting electronically are as under:**

- ❖ The voting period begins on **10:00 a.m. on Saturday, 01<sup>st</sup> September, 2018 and ends at 6:00 p.m. on Monday, 3<sup>rd</sup> September, 2018.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **28<sup>th</sup> August, 2018** may cast their vote electronically. The e-voting module shall be disabled by **Link Intime India Private Limited (LIPL)** for voting thereafter.
- ❖ **Log-in to e-Voting website of Link Intime India Private Limited (LIPL)**
  1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
  2. Click on "Login" tab, available under 'Shareholders' section.
  3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
  4. Your User ID details are given below:
    - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
    - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
    - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company
  5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form or 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"> <li>Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Address sticker / Ballot Form / Attendance Slip indicated in the PAN Field.</li> </ul>
DOB/DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number 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 number. <ul style="list-style-type: none"> <li>Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (4 c).</li> </ul>

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

**If Shareholders holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one



special character, at least one numeral, at least one alphabet and at least one capital letter)

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ **Cast your vote electronically**

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting. Cast your vote by selecting appropriate option i.e. Favour/Against as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.
8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

❖ **General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us :- Tel : 022 - 49186000.

**16. Voting through polling paper:**

In addition, the facility for voting through Polling Paper shall be made available at the Meeting and the Members attending the Meeting who have not cast their vote by remote e-Voting shall be able to exercise their right at the Meeting through Polling Paper.

**17. EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:** The following statement sets out all material facts relating to certain Ordinary Business mentioned in the accompanying Notice:

These explanatory statements are provided though strictly not required as per Section 102 of the Act.

**Item No. 1 & 2**

**Ms. Chanda Agrawal and her relatives may be deemed to be interested in the Ordinary Resolution pertaining to her appointment as set out in Item No. 2 of the Notice.**

**Save and except the above, none** of the Directors / Key Managerial Personnel of the Company / their relatives are concerned or interested, financially or otherwise, in the Ordinary Resolutions set out under Item No.1 & 2 of the Notice.

**Registered Office:**  
GRAND MERCURE Vadodara  
Surya Palace,  
Sayajigunj, Vadodara 390 020  
CIN: L18119GJ1984PLC006922  
E-mail: [share@suryapalace.com](mailto:share@suryapalace.com)

**Place: Vadodara**  
**Date: 29<sup>th</sup> May, 2018**

**By Order of the Board of Directors of**  
**JINDAL HOTELS LIMITED**

**Karuna Advani**  
**Company Secretary**

# JINDAL HOTELS LIMITED, VADODARA

GRAND MERCURE Vadodara Surya Palace, Sayajigunj, Vadodara-390020



**Venue of AGM** : Route Map : Pursuant to SS-2:Secretarial Standard on General Meeting

**Landmark** : Opp. Parsi Agiari



Pursuant to SS-2: Secretarial standard on general meeting.



**Grand Mercure Vadodara Surya Palace**  
Sayajigunj, Vadodara.





## **BOARD'S REPORT**

**Dear Members,**

The Board of Directors are pleased to present the **Company's Thirty Third Annual Report** and the Company's financial statements for the financial year ended **March 31<sup>st</sup>, 2018**.

I am pleased to report that your Company performed justifiably well in the financial year 2017-18 despite the few ebbs and flows and the impact of demonetisation that the whole economy was facing and is poised for long term sustainable growth and looks to stabilize and grow further in the near future.

### **1. FINANCIAL HIGHLIGHTS**

Your Company's financial performance for the year ended March 31, 2018 is as below:

(Rs. In Lakhs)

<b>Financial Performance</b>	<b>Year ended 31.03.2018</b>	<b>Year ended 31.03.2017</b>
Turnover & Other Income	3480.71	3637.04
Less: Expenditure	2289.77	2298.66
Profit before Depreciation, Interest and Taxation	1190.94	1338.38
Interest	484.18	599.39
Depreciation & Amortization	675.54	616.30
Profit before Taxation	31.22	122.69
Provision for Income Tax / Deferred Tax	(60.56)	101.76
Net Profit after Taxation	91.78	20.93
Other comprehensive Income (OCI)	(3.96)	(3.53)
Net Profit after OCI	87.81	24.46

### **INDIAN ACCOUNTING STANDARDS (IND AS)**

Effective April 1, 2017, the Company has adopted all the Ind AS Standards and the adoption was carried out in accordance with IND AS 101 "First time adoption of Indian Accounting Standards" with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) rules, 2014 (IGAAP), which was the previous GAAP.

### **2. REVIEW OF OPERATIONS**

Coming on the back of demonetisation at the end of 2016 and GST (Goods and Services Tax) implementation in July 2017, hotel performance slowed down, but the sector has weathered the storm cautiously. The sales and other income of Financial Year 2017-18 was recorded at Rs.3480.70 lakhs (PY Rs.3637.09 lakhs ).During the year under review, the quantum of sales and turnover had gone down as compared to previous financial year due to the impact of demonetisation on leisure room demand & restaurant spending ; applicability of GST rate at 18% on Rooms as well as Banquet business and also Competition by few new hotels. Moreover the big fat Indian weddings being replaced with more muted and cautious ceremonies with an emphasis on digital transactions and conservative spending. Some of the country's renowned wedding planners, caterers, decor artists said spending is down by 30-40%, and business has taken a knock. People have given up on the lavish, carefree spends, and have settled for low-key affairs with pruned guest lists. In respect of Room Sales, the Hotel has witnessed nearly same occupancy level. The average room rates (ARR) decreased by 6 percent in FY 2017-18.

### **3. MANAGEMENT DISCUSSION & ANALYSIS**

#### **BRAND DEVELOPMENT**

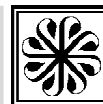
Since June 2017 onwards your Company is being managed and operated by ACCOR group of hotels, an international brand that is compatible with the character and culture of our Company to increase business prospects and strengthen the marketing network. It was thought of, that as part of business strategy and brand development, collaboration or tie up with an international brand will strengthen our brand equity as well as marketing network. But in real scenario things did not turned out to be advantageous as company had to invest on upgradation & renovation of the property and operating cost increased substantially on hiring qualified/professional manpower, marketing, insurance, software installation & allied expenditures and in turn overall sales and profitability not realised as per the expectations due to various factors cited above.

#### **Prospects & Concerns**

In times to come, it is assured by Hotel Operator [ACCOR] that these global players have not only strong National but also International Sales and Marketing Set up. With growing number of hotels in each chain, they are also able to tie up with many Airlines, Credit Card Companies and offer attractive loyalty programmes for the customers. The management continues to expect that there will be increment in Online business and improvement in room occupancy rate due to renovation, refurbishment and up gradation of guest rooms, supported by prevalent personalized service and provision of special amenities for guest comfort and also VLU Cards. As a token of love and affection, Company has introduced VLU card for all those who have ever visited Surya Palace in the last 30 years. This card is absolutely free and comes with a host of benefits. A special banquet bonanza wherein VLU card holders can host a wedding and upto half of the guests could dine free subject to certain conditions and discounts at the restaurants, cake shop, takeaway and rooms.

India is the most digitally-advanced traveler nation in terms of digital tools being used for planning, booking and experiencing a journey.India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism. The tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Wellness and medical tourism in India is just not limited to few cities. The country has a history in the field of wellness and health as it is home to world's two oldest, safest, and most effective health and wellness traditions, Ayurveda and Yoga. There are numbers of destinations in India that are important for wellness tourism for both domestic as well as international tourists and they are indeed some of the finest in the country.

With ample market supply and increasing competition from formidable rivals there is bound to be pressure. The telecom revolution coupled



with the emergence of the hotel aggregation startups has changed the Indian travel industry. Booked through online room aggregator sites and marketed through the medium of Facebook posts and hotel review sites. As per ICRA estimates, one in every four hotel rooms in India is booked by online means. This is low as compared to a 70 percent online booking rate in Europe, leaving a huge opportunity for innovation in the sector. Even as occupancies have increased ARR's (Average room rentals) have remained constant, as per ICRA. This indicates to a clear case of disruption. While the sites such as MakeMyTrip, Expedia, Booking, Yatra, ClearTrip, Golbibo have existed for over a decade, the entry of startups such as Oyo Rooms, Treebo, FabHotels, GoStays, etc has disrupted the segment, pricing even the upper segment hotels as budget stays, and increasing occupancy rates. It has made even five-star and four-star properties list on budget room aggregation sites.

Further the Industry has observed that Room rentals have declined: Sales and marketing are the biggest pain points for a property owner. The entry of the likes of Airbnb has opened doors of vacant rooms inside houses of city dwellers to travellers. In big cities and tourist / travel destinations, people have started vacating their homes to make way for budget hotels. The entry of a FabHotels, Treebo have led to a standardisation of room linen, to staff behaviour to bathroom toiletries at such properties. The same model is being witnessed in India's emerging co-working startups which take a well-furnished property and market it on their platform in a revenue share arrangement with the property owner. Some, try to lure the customer into paying them online first, by offering a discount for pre-payment than the 'pay at hotel' option. Room rental prices in India's central business districts of big towns have fallen, despite inflationary pressures on the property owner. Often aggregation sites discount the room rates from their own pocket. At other times, they offer a minimum guarantee to the property owner, offering them a minimum occupancy rate, at all times. All because of the young startups, room occupancy rates have improved and even corporates prefer to make their staff stay in such properties than the heavily priced luxury hotels.

Townhouse is a hotel brand launched by Oyo to cater to the premium mid-market segment. The online disruption has changed the industry and changed the way Indian traveller books a room. Of course, the online aggregators also try and keep a check on the quality of inventory through user reviews, which is one of the first ways to check, if anything is a miss in the property.

In India, the only threat to this industry is the lack of new entrepreneurs and consolidation amongst existing ones. In 2016, MakeMyTrip bought out its second biggest rival Golbibo. OyoRooms had acquired its smaller rival ZoRooms in 2016, while Stayzila and RoomsTonite shutdown due to lack of funds. More shutdowns in this nascent space will only impede the disruption. Lesser competition would again start pushing prices up for rooms, even as quality could deteriorate.

The hospitality industry, like every other sector in the Indian economy, was liable to pay multiple taxes (VAT, luxury tax, and service tax) under the previous tax regime. GST, the biggest indirect reform in India, India was rolled out effective July 1, 2017, a four-tier structure of 5, 12, 18 and 28% for various categories in the hospitality industry. This transitional reform significantly impacted all areas of businesses across sectors including the hotel industry. GST is a mixed bag of better and easier rules and regulations and increased costs and compliances. The biggest issue for the hospitality industry has been the high rate of 18 per cent GST for hotels charging room rentals upto Rs. 7,500. Before GST, the guest used to pay 15% Tax (Service Tax 9% + Luxury Tax 6%) on Rooms Sales and 10.5% of Service Tax on Banquet Sales. Now, post GST the customer has to be 18% of Tax on Rooms as well as Banquet Sales. One of the biggest hurdles for the Indian hospitality and tourism industry, in terms of attracting international tourists is that of not having a competitive tax structure. There should be flat tax as room rates are dynamic and based on demand, and the cost of real estate and labour cost varies across the country. There is lack of Parity with Asian Counterparts. As India becomes an even bigger player in the global hospitality and tourism industry, we need services to be at par with global rates. Our Asian neighbours such as Japan and Singapore have very low tax rates for their hospitality sector (8% and 7% respectively) which is an important reason for them ranking high on tourist wish lists.

The Hotel and Restaurant Association of Western India had been lobbying for a GST rate of 5% as it believed that a lower rate will bring in more tourists and allow Indian businesses to compete with global chains. The GST Council is under process to provide certain relaxations to Hotel Industry.

## Current Year

During the Current year in first two months the sales and turnover is on upward trend as compared to previous corresponding period. Your Company continues in its quest for excellence by constant improvement of the guest experience through better service levels, innovative concepts, product upgrades, sales and marketing initiatives. etc. We are focusing on regaining social events which will contribute in Food & Beverage and Room business.

Our main forte and focus has been the popularity of Food and beverages facilities. The foray of Indian restaurants into a variety of global cuisines and food fusion is having a positive impact on the F&B sector. Customers are more willing to experiment with different cuisines because it is now easily accessible in the cities they live in, and this trend had increased Indian consumers' frequency of eating out.

Demand is likely to surge in the current year. We expect to have increase in market share with the ACCOR brand - several advantages because of its Central Reservation System (CRS). A strong Guest Relations Management (GRM) (Le-Club Loyalty Programme) and VLU cards initiative has been activated through personalized services, collection and analysis of guest information, effective communication and proper networking system. This will ensure that we retain as well as build upon current businesses and consolidate our market positions. Meetings, Incentives, Conventions and Events' (MICE) is an innovative and challenging concept which many hospitality companies are adapting to and there is an ample room for growth.

Your Hotel's communication campaign is through leading dailies, magazines, hoardings and social networking (Facebook, Instagram, Twitter along with other social media options ) also. The management has taken active steps to promote the property with some effective marketing initiatives. We are launching some new services to add to the brand portfolio. Internal skill sets are being honed and developed for better utilization and implementation of available resources. With these efforts, we hope to increase the profitability of your Company in the coming years.

We are indeed proud to share that your Company has been recognized and duly awarded Certificate of Excellence for the year 2018 by its guests by TRIP ADVISOR. in world's most trusted travel advice portal

## 4. DIRECTORS AND KEY MANAGERIAL PERSONNEL

There was no change in the Composition of Board of Directors during the Financial Year 2017-18. Ms. Chanda Agrawal retires by rotation at the forthcoming Annual General Meeting and being eligible offer herself for re-appointment. The Directors recommend re-appointment of Ms. Chanda Agrawal as a Director on the Board.