



THE GRAND BHAGWATI

HOTELS • BANQUETS • CONVENTIONS • CLUB



GOLDEN YEARS
of great service & taste.

ANNUAL REPORT 2018-19

TGB BANQUETS AND HOTELS LIMITED



Dear Shareholder TGBians,

It gives me immense pleasure to share with you some important insights about your company, The indigenous food and hospitality industry and the overall status of the same.

There are extremely challenging times for our industry and also for TGB. the industry saw a slow growth rate in recent part due to our Surat project and some measures in government policies. Also, we witnessed increasing pressure on the food and hospitality industry- regulatory and compliance issuance getting more demanding intellectual rights increasingly have become more complex and pricing pressures are intensifying.

We always focus to continue growing as a responsible organisation, inspiring progress in the lives we touch last year we did all R&D on frozen food business which indicate a trend towards rapid growth.

This year we are coming up with frozen foods in the first phase with B2B and by next financial year 2020-2021 we start exporting to USA, Canada. Secondly, We are coming up with cloud kitchen for take away in Ahmedabad market first phase and take it to all Gujarat in second phase.

I would like to thank the board of directors for their valuable time, guidance and support given to our company during this financial year. Along with that I would like to thank the Management team for their co-operation, co-ordination and support which leads to furtherance of TGB Banquets and Hotels Ltd. Last but not the least I would like to thank all the members of TGB family for their efforts, contributions, loyalty and belief by working together and delighting our customers.

Sincerely,

Shree Narendra Somani
Chairman & Managing Director

Always remember this.
People who change after the change - will survive.
People who change with the change - will succeed.
People who cause the change - will lead.

20th Annual Report

Contents

Corporate Information	2
• Notice of Meeting	3-11
• Board's Report	12-18
• Annexure to Board Report	19-45
- Management Discussion and Analysis	(19-20)
- Report on Corporate Governance	(34-43)
Standalone Financial Statements	
• Independent Auditors' Report	46-50
• Balance Sheet	51
• Statement of Profit and Loss	52
• Cash Flow Statement	53-54
• Statement of Change in Equity	55
• Notes to Standalone Financial Statements	56-74
Consolidated Financial Statements	
• Independent Auditors' Report	75-77
• Balance Sheet	78
• Statement of Profit and Loss	79
• Cash Flow Statement	80-81
• Statement of Change in Equity	82
• Notes to Consolidated Financial Statements	83-101
FORM AOC - 1	102

Annual General Meeting	:	<i>Friday, 27th September, 2019</i>
Time	:	<i>10.30 A.M.</i>
Venue	:	<i>"AGRASEN FOUNDATION"</i> <i>Near Club O7, Opposite Sky City</i> <i>Agrasen Road, Shela, Ahmedabad - 382465</i>
Book Closure Dates	:	<i>Thursday, 19th September, 2019 to</i> <i>Friday, 27th September, 2019 (Both days Inclusive)</i> <i>for the purpose of 20th AGM</i>

CORPORATE INFORMATION**BOARD OF DIRECTORS**

Mr. Narendra G. Somani (DIN : 00054229)	-	Chairman & Managing Director
Mr. Devanand G. Somani (DIN : 00515959)	-	Whole-time Director
Mr. Hemant G. Somani (DIN : 00515853)	-	Whole-time Director
Mr. Mahendra Kumar Bhandari (DIN: 03035629)	-	Independent Director
Ms. Anjali Tolani (DIN: 06958982)	-	Independent Director
Mr. Shilam S. Vora (DIN: 08285124) (w.e.f. 26 th November, 2018)	-	Additional Director Independent Director

COMPANY SECRETARY**Ms. Priyanka K. Gola****AUDITORS**

Suresh R. Shah & Associates
Chartered Accountants
(Firm Registration Number: 110691W)
(Statutory Auditors)

Umesh Ved & Associates
Practising Company Secretary
C.P. No.: 2924
(Secretarial Auditors)

REGISTERED OFFICE**"The Grand Bhagwati"**

Plot No. 380, S. G. Road,
Bodakdev, Ahmedabad-380054
E-mail: info@tgbhotels.com
Website: www.tgbhotels.com
CIN: L55100GJ1999PLC036830

REGISTRAR & SHARE TRANSFER AGENT**Link Intime India Private Limited**

5th floor, 506 to 508
Amarnath Business Center- 1 (ABC-1),
Beside Gala Business Center, Nr. St. Xavier's
College Corner
Off C. G. Road, Navrangpura, Ahmedabad- 380009
Email: ahmedabad@linkintime.co.in

CHIEF FINANCIAL OFFICER**Mr. Ashish R. Thakkar (w.e.f. 12th May, 2018)****BANKERS**

Indian Overseas Bank

LISTED ON

Bombay Stock Exchange Limited
SCRIP ID : 532845

National Stock Exchange of India Limited
Code: TGBHOTELS

EQUITY SHARES

ISIN DEMAT CODE : INE797H01018

NOTICE

NOTICE is hereby given that the **20th Annual General Meeting** of the members of **TGB BANQUETS AND HOTELS LIMITED** will be held on **Friday, September 27, 2019 at 10:30 AM** at **"AGRASEN FOUNDATION", Near Club O7, Opposite Sky City, Agrasen Road, Shela, Ahmedabad - 382465** to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

To receive, consider and adopt the Financial Statements of the Company including Audited Balance Sheet as at and the Statement of Profit and Loss [including Consolidated Balance Sheet and Statement of Profit and Loss] for the year ended on 31st March, 2019 together with the reports of the Board of Directors and Auditors thereon

2. Appointment of Director Retiring by Rotation

To appoint a director in place of Mr. Hemant G. Somani (DIN: 00515853), who retire by rotation and being eligible, offer himself for re- appointment.

SPECIAL BUSINESS:

3. Regularization of Mr. Shilam Vora (DIN: 08285124) as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there-under, read with Schedule IV to the Act and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent of the Members of the Company be and is hereby accorded to appoint Mr. Shilam Vora (DIN: 08285124), who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 26, 2018, in terms of section 161(1) of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of independence under Section 149 of the Companies Act, 2013 and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company, to hold office for five (5) consecutive years up to the conclusion of 25th Annual General Meeting of the Company, not liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things and give such directions as may be necessary, in the best interest of the Company, for giving effect to the aforesaid Resolution, including but not limited to signing and execution of necessary forms and documents as may be deemed necessary and expedient in its discretion."

4. Re-appointment of Mr. Narendra G. Somani (DIN : 00054229) as Whole time Director designated as Managing Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule- V and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or re-enactments thereof, for the time being in force and the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Narendra G. Somani (DIN:00054229) as a Whole-time Director designated as Managing Director of the Company for a period of Three (3) year commencing from October 01, 2019 on a remuneration as may be recommended by the Nomination and Remuneration Committee based on his performance evaluation and as approved by the Board of Directors, which shall be within the overall limits prescribed under the provisions of the Companies Act, 2013 from time to time, out of the profits of the Company of the respective financial year as calculated under the provisions of Sections 197 and 198 of the Companies Act, 2013 in any financial year and on the terms and conditions, benefits and perquisites, as set out in the draft agreement proposed to be entered into between the Company and Mr. Narendra G. Somani (DIN: 00054229) with an authority to the Board of Directors to finalize and execute it."

"RESOLVED FURTHER THAT notwithstanding anything to the contrary contained hereinabove, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, remuneration by way of salary and perquisites shall not exceed the aggregate of the annual remuneration as provided above or maximum remuneration payable as per the limits set out in Section II of Part II of Schedule V of the Companies Act, 2013 whichever is lower as the Minimum Remuneration, unless otherwise determined by the Nomination and Remuneration Committee and the Board of Directors."

"RESOLVED FURTHER THAT in case of no profits or if profits of the Company in any financial year is inadequate, in addition to the above, the Chairman & Managing Director shall also be entitled to the following perquisites, which shall not be included in the computation of the ceiling on remuneration stated herein above:

- a) Contribution to provident fund to the extent not taxable under the Income Tax Act, 1961,
- b) Gratuity payable at the rate not exceeding half a month's salary for each completed years of service and
- c) Encashment of leave at the end of the tenure.

"RESOLVED FURTHER THAT Mr. Narendra G. Somani, (DIN: 00054229) shall not be liable to retire by rotation and his terms and conditions of the appointment, including remuneration shall be governed as per the Agreement to be entered into for a period of three years."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient and proper in the best interest of the Company."

5. Re-appointment of Ms. Anjali Tolani, (DIN: 06958982), as an Independent Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), the consent of the Members of the Company by way of special resolution be and is hereby accorded to re-appoint Ms. Anjali Tolani, (DIN:06958982) as an independent director of the company, in respect of whom the Company has received a recommendation from the Nomination and Remuneration Committee constituted under Section 178(1) of the Companies Act, 2013, Ms. Anjali Tolani, (DIN:06958982) being an independent director shall not liable to retire by rotation and to hold office for a second term of five (5) consecutive years on the Board of the Company i.e. upto September 30, 2024."

**By Order of the Board of Directors
For, TGB Banquets and Hotels Limited**

**Place: Ahmedabad
Date: 14th August, 2019**

**Priyanka K. Gola
Company Secretary
ACS No. A51147**

Registered Office:
"The Grand Bhagwati"
Plot No. 380, S. G. Road,
Bodakdev, Ahmedabad-380054
CIN: L55100GJ1999PLC036830

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Members. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting.
2. Details under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/reappointment at the Annual General Meeting are annexed to the Notice.
3. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
4. In case of joint holders attending the Annual General Meeting, only such joint holder who is higher in the order of

names will be entitled to vote

5. Relevant documents referred to in the accompanying Notice are open for inspection by members at the Company's Registered Office on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 AM to 1.00 PM upto the date of this Annual General Meeting.
6. **The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 19th September, 2019 to Friday, 27th September, 2019 (both days inclusive).**
7. Members are requested to notify immediately any change in their addresses and/or the email ids details to the Company's Registrars and Share Transfer Agents, Link Intime India Pvt. Ltd. for shares held in physical form and to their respective Depository Participants (DP) for shares held in electronic form.
8. **Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of Electronic Voting) as on the cut- off date i.e. 20th September , 2019.**
9. The remote e-voting period will commence on Tuesday, 24th September, 2019 [9:00 AM] and ends on Thursday, 26th September, 2019 [5:00 PM]. During this period, Members holding shares either in physical form or demat form, as on cut-off date i.e. Friday, 20th September, 2019 may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, he/ she shall not be allowed to change it subsequently or cast vote again.
10. The members intending to seek any information on Annual Accounts at the meeting are requested to kindly inform the Company at least 7 days before the date of meeting.
11. **Transfer of unclaimed/unpaid amount to the Investor Education and Protection Fund ("IEPF").**
Members are requested to note that dividends if not encashed for a consecutive seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to transfer to Investor Education and Protection Fund (IEPF). Pursuant to Sections 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account notified by the Authority. The Members whose unclaimed/unpaid shares have been transferred to IEPF, may claim the same by making an application to the IEPF authority in Form no. IEPF- 5 available on www.iepf.gov.in. Members can file only one consolidated claim in a financial year as per IEPF Rules.
12. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management.
13. **Updation of member's details**
The format of the register of members prescribed by the Ministry of Corporate Affairs under the Act, requires the Company to records additional details of the Members, including their PAN details, email address, bank details for payment of dividend, etc.
The Securities and Exchange Board of India (SEBI) has also mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agent.
14. Pursuant to Section 101 and 136 of the Companies Act, 2013 read with relevant rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository.
To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with Link Intime India Pvt. Ltd. /Depositories and update the same if there is any change in e-mail id.
15. The Notice of the 20th Annual General Meeting along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail 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 e-mail addresses, physical copies are being sent by the permitted mode.
16. Members may also note that the Notice of the 20th Annual General Meeting and the Annual Report for the financial year 2018-19 will also be available on the Company's website www.tgbhotels.com and also on the website of the Stock Exchanges at www.bseindia.com and www.nseindia.com for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the shareholder may also send request to the Company's investor e-mail id: cs@tgbhotels.com
17. The Route Map for the venue of the Annual General Meeting is enclosed with this Notice.
18. **Voting through electronic means:**

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide its members the facility of Voting by electronic means which includes remote e-voting the facility of casting votes by a member using an electronic voting system from a place other than venue of Annual General Meeting to exercise their right

to vote at the 20th Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL). The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 20th Annual General Meeting. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the Annual General Meeting.

19. The Company has appointed Mr. Umesh Ved, Practicing Company Secretary, Ahmedabad as the Scrutinizer for conducting the remote e-voting and the voting process at the 20th Annual General Meeting in a fair and transparent manner.
20. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company and on the website of agency (CDSL) www.evotingindia.com. The results shall simultaneously be communicated to the Stock Exchanges.
21. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Friday, 27th September, 2019.
22. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

The instructions for shareholders voting electronically are as under:

- (i) The remote e-voting will commence on Tuesday, 24th September, 2019 [9:00 AM] and ends on Thursday, 26th September, 2019 [5:00 PM]. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 20th September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Members holding share in physical or in demat form as on Friday, 20th September, 2019 shall only be eligible for e-voting.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iv) Click on Shareholders.
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (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/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number will be intimated to such member by way of letter. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 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 the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatory 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 (190829086) TGB BANQUETS AND HOTELS 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) If demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non - Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF and NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - 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 favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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 e-mail to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENTS;

Pursuant to Section 102(1) of the Companies Act, 2013, The Following Explanatory Statements set out all material facts relating to the Special Business mentioned at item No. 03 , 04, and 05 of the accompanying Notice dated August 14, 2019:

Item No: 3

Regularization of Appointment of Mr. Shilam Vora (DIN: 08285124) as an Independent Director:

Mr. Shilam Vora (DIN: 08285124) was appointed as an Additional Director by the Board of Directors on November 26, 2018. In accordance with the provisions of Section 161 of the Companies Act, 2013, pursuant to the said section the above director holds office up to the date of the ensuing Annual General Meeting. The Company has received a recommendation from the Nomination and Remuneration Committee constituted under Section 178(1) of the Companies Act, 2013 for regularization of Mr. Shilam Vora (DIN: 08285124) as an Independent Director of the company. The appointment is subject to the approval of the shareholders at the General Meeting to be held immediately after the said appointment.

The company proposes to appoint Mr. Shilam Vora (DIN: 08285124) as Independent Director of the company. The Company also received from Mr. Shilam Vora (DIN: 08285124) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014. Intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified as per Section 164(2) of the Companies Act, 2013, declaration to the effect that he meets the criteria of independence as provided under Section 149 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Shilam Vora (DIN: 08285124) fulfills the conditions specified in the Companies Act, 2013 and the Rules framed there under and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director and he is independent of the management.

The Resolution set out at Item No.3 of the notice is put forth for consideration of the members as an Ordinary Resolution pursuant to Section 149 read with Schedule IV of the Companies Act, 2013 for appointment of Mr. Shilam Vora (DIN: 08285124) as an Independent Director of the Company. The terms and conditions of appointment of Mr. Shilam Vora (DIN: 08285124) shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

Brief profile of Mr. Shilam Vora (DIN: 08285124) together with other details as required under SEBI (LODR) Regulation is provided as an annexure to the notice calling 20th Annual General Meeting. The Board feels that presence of Mr. Shilam Vora (DIN: 08285124) on the Board is desirable and would be beneficial to the company and hence recommend the resolution for adoption.

Except Mr. Shilam Vora (DIN: 08285124), None of the other Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested in the proposed resolution.

Item No: 4

Re-appointment of Mr. Narendra G. Somani (DIN: 00054229) as Managing Director of the Company:

Mr. Narendra G. Somani (DIN: 00054229), who was appointed as Managing Director of the Company by the members on September 30, 2016 for a period of (3) three years from the October 01, 2016, the present term of Mr. Narendra G. Somani (DIN: 00054229) is ending on September 30, 2019. Keeping in view that Mr. Narendra G. Somani (DIN: 00054229) has rich and varied experience in the catering and hotel industry and has been involved in the operations of the Company over a long period of time. It would be in the interest of the Company to continue the employment of Mr. Narendra G. Somani as Managing Director. Mr. Narendra G. Somani (DIN: 00054229) guided the Company through his Three decades of experience in the catering and hotel Industry to emerge the Company as a leader in the catering and hotel Industry.

Pursuant to recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company passed a resolution on August 14, 2019 approving re-appointment of Mr. Narendra G. Somani as whole time director designated as Managing Director (DIN: 00054229) for a further period of three years commencing from October 01, 2019 to September 30, 2022 which is subject to the approval of the members of the Company at this 20th Annual General Meeting.

This explanatory statement may also be read and treated as disclosure in compliance with requirement of Section 196 and as a written memorandum setting out the terms of appointment of Mr. Narendra G. Somani (DIN:00054229) , pursuant to Section 190 of the Companies Act, 2013.

The Details of the remuneration payable to Mr. Narendra G. Somani (DIN: 00054229) and the terms and conditions of the re-appointment are given below:

1. **Salary: ₹ 4,00,000/-** (₹ Four Lakhs) per month which is eligible for revision on a date to be determined by the Nomination and Remuneration Committee.
2. **Commission:** The commission will be calculated and payable on the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013.
3. **Perquisites:** The Managing Director shall be entitled to all the perquisites listed herein below in addition to the salary and commission mentioned above;
 - a. **Housing:** The Company shall provide rent free furnished residential accommodation, with free gas, electricity and water as per Company policy. In case no accommodation is provided by the Company, the Managing Director shall be entitled to such house rent allowance as may be decided by the Board of Directors from time to time.
 - b. **Medical Re-imbursement:** Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization, surgical charges, nursing charges and domiciliary charges for self and for family.
 - c. **Leave Travel Concession:** For self and family every year incurred in accordance with the rules of the Company applicable to its senior managers.
 - d. **Club Fees:** Fees of clubs, subject to a maximum of three clubs.
 - e. **Personal Accident Insurance/Group Life Insurance:** As per Company's rules.
 - f. **Provident Fund/Pension:** as per Company's rules.
 - g. **Gratuity:** Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act.
 - h. **Use of Car with Driver:** The Company shall provide a car with driver for business and personal use. In addition, the Company shall also reimburse running and maintenance expenses of another car owned by, or leased/ rented to the Managing Directors for business and personal use.
4. **Telephone facility at residence:** Telephone facility shall be provided at the residence. All personal long distance calls shall be billed by the Company to the Managing Directors.
5. **Servant:** Reimbursement of servant's salary, subject to a maximum of two servants.
6. **Watchman:** Reimbursement of watchman's salary, subject to a maximum of two watchmen.

Other terms and conditions:

- a. In the event of absence or inadequacy of profits in any financial year during the tenure of Mr. Narendra G. Somani as Managing Director, salary and perquisites subject to the limits stipulated under Schedule - V read with Section 196 and 197 of the Companies Act, 2013, are payable.
- b. "Family" means the spouse and dependent children of Mr. Narendra G. Somani.
- c. Leave with full pay and allowances shall be allowed as per the Company's rules.
- d. Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed.