



The
Byke

The Byke Hospitality Limited
(Formerly known as Suave Hotels Limited)



The Byke Heritage, Matheran



The Byke Red Wood, Matheran



The Byke Old Anchor, Goa



The Byke Old Anchor, Goa



Hotel Paawana, Shekhawati, Rajasthan



The Byke Old Anchor, Goa



Sunflower Beach Resort, Goa



Goan Holiday Resort, Goa



Sunshine Beach Resort, Goa

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Vision

To be a leader and preferred choice
in the Hospitality industry
while sustaining our Indian culture of

“Atithi Devo Bhavah”

Mission

To deliver a world class experience,
driven by superior strategic marketing, proven leadership,
having presence across the country and extraordinary service
– ultimately providing maximum financial return to owners,
investors and associates.

The Byke — Heritage, Matheran



BOARD OF DIRECTORS

Mr. Anil Patodia
Mr. Satyanarayan Sharma
Mr. Pramod Patodia
CA Ram Ratan Bajaj
Mr. Ramesh Vohra
Mr. Manoj Bhadupota

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mrs. Naina Hemant Kurane

BANKERS

ICICI Bank Limited
HDFC Bank Limited
Axis Bank Limited
State Bank of Bikaner and Jaipur

STATUTORY AUDITOR

M/s. A. P. Sanzgiri & Co.
Chartered Accountants
21/167, Anand Nagar,
Om Co –operative Hsg Society,
Nehru Road, Santacruz (East),
Mumbai – 400 055

Corporate Information

REGISTRAR AND SHARE TRANSFER AGENT

13 A/B, Samhita Warehousing Complex
2nd Floor, Off Andheri Kurla Road,
Sakinaka Telephone Exchange Lane,
Sakinaka, Andheri (East), Mumbai – 400 072.
Tel : +91 22 6772 0331
Website: www.shareproservices.com
E-mail: sharepro@shareproservices.com

REGISTERED OFFICE

Shree Shakambhari Corporate Park,
Plot No. 156-158, Chakravarti Ashok Complex,
J. B. Nagar, Andheri (East),
Mumbai – 400 099.
Tel : +91 22 6707 9666
Fax: + 91 22 6707 9696
Email : investors.care@thebyke.com
Website: www.thebyke.com

BOARD COMMITTEES

Audit Committee
CA Ram Ratan Bajaj – Chairman
Mr. Manoj Bhadupota – Member
Mr. Anil Patodia – Member

Shareholders / Investors Grievance Committee
Mr. Manoj Bhadupota – Chairman
Mr. Satyanarayan Sharma – Member
Mr. Anil Patodia – Member

Remuneration Committee
Mr. Ramesh Vohra – Chairman
Mr. Manoj Bhadupota – Member
CA Ram Ratan Bajaj – Member



The Byke — Old Anchor, Goa

“It is The Byke’s endeavour to emerge as a leader in the hospitality industry by synergising its core competencies and leading towards strong foundation of growth.”

Dear Fellow Shareowners,

It gives me immense pleasure to present the 22nd Annual Report of your Company, for the year ended on March 31, 2012.

The financial year 2011 - 12 has been challenging for the Indian economy. After two years of fairly robust growth of 8.4%, India's GDP growth is 6.5% for the Fiscal Year 2011 - 12. The Long-term fundamentals of the Indian economy remain robust. India's growth prospect arises from factors such as high domestic savings and investment rates, favourable demographics and a stable democratic polity.

December month of the year 2011, proved to be a great month for the tourism in India as roughly 7,15,000 foreign tourists visited India as compared to 6,80,000 tourists visited in the same month of 2010. The Hospitality Sector in India is witnessing stable occupancy levels and steady increase in demand from domestic travellers as well. A Steady rise in domestic tourist spending has also brought cheer to the industry with a 13.7% compound annual growth rate (CAGR) from the Year 2010 to 2012.

Tourism is not only a growth engine but also an employment generator. According to the Economic Survey 2011 - 12, the sector has capacity to create large scale employment both direct and indirect, for diverse sections in society, from the most specialized to unskilled workforce.

While the global economic climate remains volatile, timely utilization of opportunities will ensure that Indian Travel & Tourism continue on their growth trajectory in the services sector. Intelligent strategizing, a progressive outlook, and adequate support from the government and financial institutions will prove to be critical in helping services sector to overcome difficult economic conditions and pave the way for a promising and rewarding future.

Once again, your Company's performance has shown its resilience to economic volatility and proved the credibility of its business model and strategies. It has achieved record income and profits post global financial crisis.

The Byke Hospitality Limited (The Byke) results for the financial Year 2011 - 12 extended the strong progress as compared to the financial Year 2010 - 11. Your Company registered a growth of 48% in turnover over previous year's performance. We continued to focus on our strategic priorities – controlling costs, optimising cash and improving our return on capital employed – to deliver another set of excellent results and further strengthen our financials. The board is proposing a final dividend of 10% i.e., ₹1/- per share, inspite of the background of increasingly tough economic conditions; this performance bears witness to the underlying strength of the business.

The Byke is in a transition phase. The external environment is a challenge for all businesses. With Management succession we have taken the opportunity to review the fundamentals of what we do. Led by our new management team, the group is embracing a new set of strategic priorities which builds on established strengths, recent successes and emerging opportunities. To stimulate sales growth we are enhancing our innovation processes in both established and new markets.

Your Company witnessed a change in the corporate parentage as it has entered into lease contract to operate hotels: The Byke - Old Anchor, Goa, The Byke - Redwood, Matheran. The Byke - Neelkanth, Manali and The Byke, Shimla are the upcoming ventures of your Company thereby increasing the brand presence “The Byke” countrywide. The new Management at the group level is committed to grow the business with a strong focus on breakthrough initiatives on productivity and growth.

We will continue to enhance our record of long-term value creation and thank you for your support over recent times. We as a group strive to build a sustainable, successful business.

In conclusion, I would like to thank the Fellow Shareowners, the Board, the Management and in particular the dedicated team of employees. I would also like to thank the suppliers, customers, bankers and other stakeholders for continued support to your Company in all its endeavours.

I look forward to the year ahead with a sense of confidence to deliver even greater value to all stakeholders.

Best Regards,

Anil Patodia
Managing Director

The Board of Directors



Mr. Anil Patodia
Managing Director



Mr. Satyanarayan Sharma
Whole-Time Director



Mr. Pramod Patodia
Executive Director



Mr. Ram Ratan Bajaj
Non-Executive, Independent Director



Mr. Ramesh Vohra
Non-Executive, Independent Director



Mr. Manoj Bhadupota
Non-Executive, Independent Director



₹ IN LAKHS

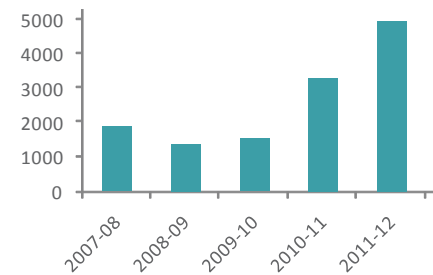
FINANCIAL HIGHLIGHTS	2011-12	2010-11	2009-10
Total Income	4910.72	3345.33	1504.03
Profit Before Tax	354.85	322.57	141.54
Profit After Tax	239.69	226.55	94.97
Retained Earnings	589.67	582.61	582.44
Dividend	200.48	190.48	62.74
Dividend per Equity Share	₹ 1	₹ 1	₹ 0.50
Dividend %	10%	10%	5%
Equity Share Capital	2004.89	1904.89	1254.89
Reserves and Surplus	4699.67	4352.61	2142.44
Net Worth	6704.56	6361.64	3397.33
Borrowings	1733.41	18.30	0.00
Market Capitalization	25973.35	16058.22	5007.01

Key Indicators

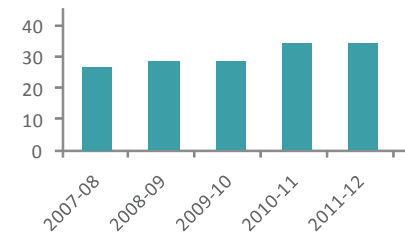
Net Worth per Equity Share of ₹10/- each	33.44	33.40	27.07
Earnings per Equity Share (Basic) – In ₹	1.24	1.60	0.83
Earnings per Equity Share (Diluted) – In ₹	1.24	1.58	0.83
Debt: Equity Ratio	0.14:1	–	–
Net Profit Margin	4.89	6.82	6.31

Performance at a glance

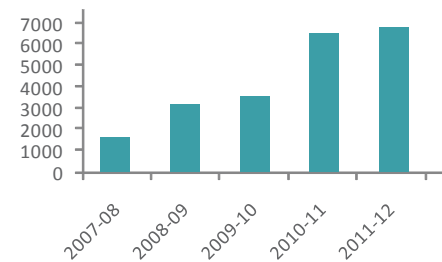
Revenues
(₹ in Lakhs)



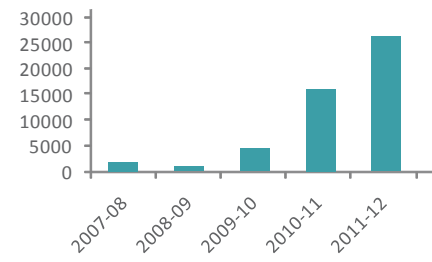
Book Value Per Share (₹)



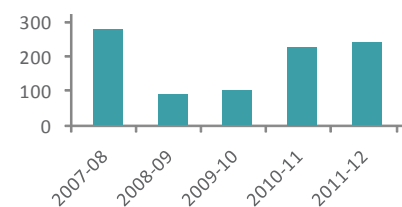
Net Worth
(₹ in Lakhs)



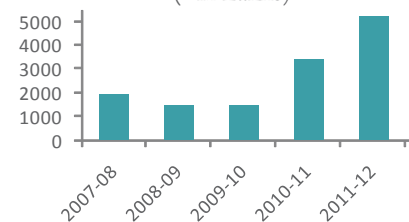
Market Capitalization
(₹ in Lakhs)



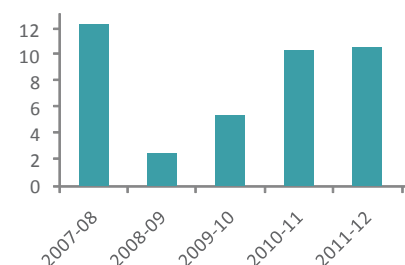
Profit After Tax
(₹ in Lakhs)



Income from Operations
(₹ in Lakhs)



Dividend (%)



Notice

Notice is hereby given that the 22nd ANNUAL GENERAL MEETING of the members of THE BYKE HOSPITALITY LIMITED will be held at the Registered Office of the Company located at Shree Shakambhari Corporate Park, Plot No. 156-158, Chakravarti Ashok Complex, J.B. Nagar, Andheri (East), Mumbai - 400099 on Thursday, September 27, 2012 at 11.00 a.m. to transact the following business:

Ordinary Business:

1. Adoption of Accounts

To receive, consider and adopt the Audited Balance Sheet & the Statement of Profit and Loss Account for the year ended March 31, 2012, together with the Report of the Board of Directors and the Auditors thereon.

2. Declaration of Dividend

To declare a final dividend of 10% i.e., ₹1/- per share on the equity shares of the Company for the financial year 2011-12.

3. Re-appointment of Mr. Ramratan Bajaj

To appoint a Director in place of Mr. Ramratan Bajaj, who retires by rotation and is eligible for reappointment.

4. Resignation of Mr. Manoj Bhadupota

“RESOLVED THAT Mr. Manoj Bhadupota, Director liable to retire by rotation, who does not offer himself for re-appointment, be not re-appointed as a Director of the Company.”

5. Appointment of Statutory Auditor

To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s A. P. Sanzgiri & Co., Chartered Accountants (Registration No. 116293W), be and are hereby appointed as Auditor of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors.”

Special Business:

6. Appointment of Dr. Utpal Kumar Mukhopadhyay as a Director, liable to retire by rotation

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

“RESOLVED THAT Dr. Utpal Kumar Mukhopadhyay, be and is

hereby appointed as a Director of the Company, liable to retire by rotation.”

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy form in order to be effective must be received at the registered office of the company not less than 48 hours before the commencement of the Meeting.
3. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. In terms of Article 125 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Ramratan Bajaj, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment. The Board of Directors of the Company commends his respective re-appointments.
5. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business as set above to be transacted at the Meeting is annexed hereto and forms part of this Notice.
6. The transfer Register and the Register of Members shall remain closed from September 24, 2012 to September 27, 2012(both days inclusive) for the purpose of the Annual General Meeting of the Company and for payment of dividend.
7. All members are requested to intimate changes, if any, in their registered address, immediately to the Registrar & Transfer Agents, Sharepro Services (India) Private Limited or to their depository participants in case shares are held in depository form.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Brief resume of all Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.

10. All documents referred to in the notice are open for inspection at the registered office of the companies during office hours.

11. As a measure to save the cost, copies, of the annual report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the annual report to the meeting.

12. Members desirous of obtaining any information concerning the accounts and operations of the company are requested to send their queries at least seven days before the date of the Meeting of the company so that the information required may be made available at the meeting.

13. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting alongwith photo identity proof.

14. Pursuant to Sections 205A and 205C of the Companies Act, 1956, all dividends remaining unclaimed for seven years from the date they first became due for payment are now required to be transferred to the “Investor Education and Protection Fund” (IEPF) established by the Central Government under the amended provisions of the Companies Act, 1956. Members shall not be able to claim any unpaid dividend from the said Fund nor from the Company thereafter. It may be noted that unpaid dividend for the financial year ended March 31, 2006, is due for transfer to the IEPF on October 27, 2013.

15. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends. Dividend will be credited to the Members’ bank account through NECS wherever complete core banking details are available with the Company. In cases where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company’s records.

16. Pursuant to clause 49 of the Listing Agreement, the particulars of Directors seeking appointment/ reappointment at the meeting are annexed.

17. The Board of Directors request the shareholders to kindly register their email id with the Company /Registrar and Share Transfer Agent to implement the ‘Go Green Initiative’ started by the Ministry of Corporate Affairs and to enable us to send the communications/information’s/Annual Reports to the shareholders thus making the process much faster.

Details of Directors seeking appointment / reappointment at the ensuing Annual General Meeting of the Company (Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges):

Name of Director	Dr. Utpal Kumar Mukhopadhyay	CA Ramratan Bajaj
Date of Birth	January 26, 1944	July 21, 1954
Date of appointment on the Board	-	March 30, 2011
Expertise in specific functional area	Hospitality and Real Estate business	Finance, Taxation , Corporate Law, Accounts, Project Implementation, cost control, etc
Qualification	IAS, Phd.(Economics), M.sc (Geology)	Chartered Accountant
Details of shares held in the Company	NIL	NIL
Directorship in Public Limited Company	3	NIL
Chairman / Member of the Committees* of other Companies on which he is director as on March 31, 2012	1	NIL

*The Committees include the Audit Committee and Shareholders’/ Investor Grievance Committee and Remuneration Committee.

For and On behalf of the Board of Directors

Sd/-

Naina Hemant Kurane
Company Secretary

Mumbai, August 13, 2012

EXPLANATORY STATEMENT:

The Following Explanatory Statement, as required by Section 173 of the Companies Act, 1956, set out all material facts relating to the business under Item No. 6 mentioned in the accompanying notice dated August 13, 2012.

Item No. 6

Dr. Utpal Kumar Mukhopadhyay is proposed to be appointed as the director of the Company.

Notice under Section 257 of the Companies Act, 1956, has been received from a member proposing the candidature of Dr. Utpal Kumar Mukhopadhyay for the office of Director.

Dr. Utpal Kumar Mukhopadhyay holds degree of Ph. D (Economics) from Mumbai University) and M.sc, Geology from Calcutta University. He worked as an IAS officer for the state Government of Maharashtra and the Central Government of India, he was appointed as an Advisor for the World Bank (USA) in the Environment and Energy sectors.

Dr. Utpal Kumar Mukhopadhyay was an Ex-Managing Director of Tata Housing Company Limited. He also worked as Secretary in the Department of Tourism and Chairman of the Board of the School of Catering Technology, Dadar - Mumbai for more than three years.

The Board commends the above appointment and the relevant Resolution at Item No. 6 of the accompanying Notice.

None of the Directors except Dr. Utpal Kumar Mukhopadhyay is interested in the Resolution set out at Item No. 6 of the accompanying Notice.

For and On behalf of the Board of Directors

Sd/-

Naina Hemant Kurane
Company Secretary

Mumbai, August 13, 2012

Invitation to participate in the Green Initiative launched by the Ministry of Corporate Affairs

The Ministry of Corporate Affairs (MCA) has permitted paperless compliances by the Companies; vide its circulars No. 17/2011 and No. 18/2011 dated April 21, 2011 and April 29, 2011 respectively. MCA has clarified that services of documents on Members by e-mail will constitute sufficient compliances with Section 53 of the Companies Act, 1956, provided the Members are given an advance opportunity to register their Email address or changes, if any, therein with the Company.

Pursuant thereto, we once again invite those members who have not registered their Email address to participate in the Green Initiative by registering their Email address with the Company for the purpose of service of documents viz. Annual Report, Notice of General Meetings, Notice of Postal Ballot, Intimation of ECS Credits etc. by email.

Directors’ Report

TO THE MEMBERS

The Directors have pleasure in presenting the 22nd Annual Report of the Company together with its Audited Profit & Loss Account for the financial year ended March 31, 2012 and the Balance Sheet as on that date:

PERFORMANCE OF THE COMPANY

₹ IN LAKHS		
PARTICULARS	YEAR ENDED MARCH 31, 2012	YEAR ENDED MARCH 31, 2011
Total Income	4910.71	3345.33
Profit before Depreciation, Finance Costs and Tax	518.61	409.43
Less: Depreciation	111.92	86.42
Less: Finance Costs	51.84	0.44
Profit before Tax	354.85	322.57
Less: Provision for Tax	145.45	96.02
Add: MAT Credit	30.28	-
Profit after Tax	239.69	226.55
Add: Balance brought forward from the previous year	582.61	582.45
Amount available for Appropriation	822.30	809.00
Appropriations:		
Short /Excess provision of taxes of earlier years (Net)	0.38	5.00
- Dividend	200.49	190.49
A dividend of 10% i.e. ₹ 1/- per Equity Share was recommended by the Board of Directors on August 13, 2012 (In respect of the previous year, a final dividend of 10% i.e. ₹ 1/- per Equity Share was declared and paid to the Members)		
Tax on Dividend	32.52	30.90
Balance carried to Balance Sheet	589.67	582.61

YEAR IN RETROSPECT

The first year of operations after the change in Management of the Company, has recorded significant performance growth during the financial year under review. The total income of the Company has increased as compared to previous financial year. The total turnover of the Company for the year was recorded at ₹4905.97 lakhs as compared to ₹3324.06 lakhs in the previous year an increase of around 48 % over last year. The Company has registered profit after tax of ₹239.69 lakhs as compared to profit of ₹226.55 lakhs in the previous year.

DIVIDEND

Your Directors are pleased to recommend a dividend of 10% i.e. ₹1/- per Equity Share of ₹10 each subject to the approval of the Shareholders at the ensuing Annual General Meeting for the financial year ended March 31, 2012. The dividend would involve a cash outgo of ₹200.49 lakhs towards dividend and ₹32.52 lakhs towards tax on dividend. The dividend, as recommended by the Board, if approved at the Annual General Meeting, will be paid on or after September 27, 2012 to those members or their mandates whose names appear in the register of Members as on September 24, 2012. In respect of

shares held in dematerialised form, it will be paid to members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as beneficial owners as on September 24, 2012.

SHIFTING OF REGISTERED OFFICE

The Company has shifted its registered office from “F/72, Solaris, Opp. L&T Gate No. 6, Off Saki Vihar Road, Andheri (East), Mumbai - 400 072” to “Shree Shakambhari Corporate Park, Plot No.156 - 158, Chakravarti Ashok Complex, J. B. Nagar, Andheri (East) Mumbai - 400 099” w.e.f. October 6, 2011.

AUGMENTATION OF YOUR HOTELS

During the year your Company has entered into a Lease contract to manage hotels i.e, The Byke - Old Anchor, Goa and The Byke – Redwood, Matheran, under ‘The Byke’ brand. The business at “The Byke - Old Anchor, Goa with 240 guest rooms and The Byke – Redwood, Matheran” with 25 guest Rooms in first year of its operation, has been very successful and has secured the brand presence ‘The Byke’ in South Goa and Matheran with the new units.

Although business has taken time to pick up in the first year of operation after change in management of the Company, the hotel has received excellent feedback and accolades from both trade analysts and discerning international travelers, eventually it has reached new heights. With this presently your Company owns and operates seven hotels at the locations viz. The Byke-Heritage and The Byke- Redwood, Matheran, The Byke- Old Anchor, Hotel Sunflower, Hotel Sunshine, Hotel Goan, Goa and The Byke- Paawana, Shekhawati.

CHANGE IN EQUITY SHARE CAPITAL DUE TO CONVERSION OF WARRANTS

During the year under review, the Board of Directors of your Company, at its Board Committee meeting held on January 16, 2012, issued and allotted 10,00,000 Equity Shares pursuant to conversion of Warrant at a price of ₹44/- per share as approved by the shareholders and in accordance with the SEBI (ICDR) Regulations, 2009 on preferential basis. Due to this, the outstanding issued, subscribed and paid up Equity Share capital increased from ₹19,04,89,000 to ₹20,04,89,000 as at March 31, 2012.

EXPANSION / UP-GRADATION PLANS

Tourism industry is growing and bound to grow stronger in India owing to its splendid historical architecture, rich heritage and ancient culture along with beautiful beaches, rural tourism and the inherently rooted concept of hospitality in form of “*Atithi Devo Bhava*”.

Your Company’s upcoming ventures, The Byke – Neelkanth, Manali and The Byke - Shimla will soon commence its operation in the financial year 2012 – 13.

The Company is also in negotiations for management and franchise contracts in various other parts of the country. The Company expects to start its operations of the hotels under the brand “The Byke” at Aronda – Goa, Khopoli – Maharashtra, Kudal – Maharashtra, Jodhpur – Rajasthan and Lavasa – Maharashtra in coming years.

DIRECTORS

Mr. Ramratan Bajaj, Director retire by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting.

Mr. Manoj Bhadupota, a Director liable to retire by rotation, does not offer himself for re-appointment at the ensuing Annual General Meeting.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange in India, is presented in a separate section forming part of the Annual Report.

PUBLIC DEPOSITS

During the year 2011-12, your company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

LISTING AND TRADING OF SHARES

The Equity Shares of your Company are listed and traded on the Bombay Stock Exchange Limited and Madras Stock Exchange Limited, with effect from December 30, 2011 the Equity Shares of your Company are allowed to Trade on National Stock Exchange.

AUDITORS REPORT

The Auditors Report to the Shareholders does not contain any qualifications hence does not require any comments on the same. A company, whose securities are listed on the Stock Exchanges, is compulsorily required to follow the accounting standards prescribed by the Institute of Chartered Accountants of India.

AUDITORS

At the Annual General Meeting, the Members will be requested to re-appoint M/s A.P. Sanzgiri & Co, Chartered Accountants as Statutory Auditors of the Company for the current year and authorize the Board of Directors to fix their remuneration.

CORPORATE GOVERNANCE REPORT

Your Company has complied with the requirements of Clause 49 of the Listing Agreement regarding Corporate Governance. A report on the corporate governance practices, the Auditors Certificate on compliance of mandatory requirements thereof are given as an annexure to this report.

PARTICULARS OF EMPLOYEES

There were no employees drawing remuneration more than prescribed limit under Section 217 (2A) of the Companies Act, 1956.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In view of the nature of activities which are being carried on by the company, Rules 2A and 2B of the companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 concerning conservation of energy and technology absorption respectively are not applicable to the company.

Further, there were no foreign exchange earnings or outgo during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- i. in preparation of the annual accounts for the financial year ended March 31, 2012, the applicable accounting standards have been followed and that there are no material departures from the same;
- ii. the Directors have 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 as at March 31, 2012, and of profit of the Company for the said period;
- iii. the Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for detecting fraud and other irregularities; and
- iv. the Directors have prepared the accounts for the financial year ended March 31, 2012 on a 'going concern' basis.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation to the employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to achieve remarkable growth. The Board also acknowledges the unstinted support of the customers, suppliers, investors, bankers, Central Government and State Governments and other statutory authorities and others associated with the Company.

For and On behalf of the Board of Directors

Sd/-

Anil Patodia
Managing Director

Mumbai
August 13, 2012

Management's Discussion and Analysis Report

ECONOMIC OVERVIEW:

FY 2011-12 was a challenging year. The global economy, barely a year after recession, witnessed lower economic growth, resulting primarily from the Euro Zone debt crisis and high oil prices, which were fuelled by uncertainties of supply. The European economies stagnated and the US witnessed a downgrade in its credit rating, while the growth engines of the global economy, China and India were forced to tighten liquidity to tame rising inflation.

At present, India is experiencing high inflation and a high fiscal deficit. Monetary tightening measures have been instituted to control inflation. Economic growth is likely to slow moderately to about 7.5 per cent in 2012-13. As inflation declines to an acceptable level and interest rates are reduced by the Reserve Bank of India, growth will rebound to over 8 per cent in 2013-14.

These global & domestic events had a negative impact on demand, despite the challenging environment; The Byke Hospitality Limited performed reasonably well and grew its revenues by 48% in the year 2011 - 12. The Company's earnings were essentially at the higher level resulting in increase in PBDIT, PBT and net profit for the Financial Year 2011-2012 as compared to Financial Year 2010- 2011.

INDUSTRY STRUCTURE AND OUTLOOK:

The Hospitality Sector in India is witnessing stable occupancy levels and steady increase in demand from domestic travellers. A steady rise in domestic tourist spending has also brought cheer to the industry with a 13.7 per cent compound annual growth rate (CAGR) from 2010 to 2012, according to a report by World Travel and Tourism Council (WTTC).

The changing preferences of the travellers have resulted in creating many opportunities for the hospitality sector. The Hospitality Sector in India with its diverse product profile is poised for a phenomenal growth. In the last few years, with a higher disposable income, the Indian middle class has been exploring a range of holiday destinations. This has boosted the Indian travel and tourism industry.

Tourism has significantly increased its scope and opportunity in India. India's rich history and its cultural and geographical diversity make its international tourism appeal large and diverse. It presents heritage and cultural tourism along with medical, business and sports tourism. India has one of the largest and fastest growing medical tourism sectors.

The data released by ministry of tourism (MOT) and WTO has verified this prediction, according to which, tourism in Asia has witnessed a double-digit growth despite the worldwide economic slowdown. According to the data released by MOT, foreign tourist arrivals (FTA) to India during January 2012 was 6.81 lakh as compared to FTA of 6.24 lakh during January 2011 - a year-on-year (y-o-y) growth of 9.2%.

The tourism Industry generates a new source of livelihood, jobs, growth of remote areas, preservation of local skills, enterprise development at the micro level and sustainable environment management. The Internet has also added a new dimension to the business of Hospitality sector with websites being used as a primary source of information and booking. The way forward for India tourism would be to have a streamlined approach so that we can widen the scope of the industry.

India's pledge to sustainable Hospitality & tourism development has led to the industry waking up to the need for doing its bit of giving back to society through Corporate Social Responsibility (CSR) and environment protection.

FUTURE OUTLOOK:

According to World Travel and Tourism Council, India will be a tourism hot-spot till 2018, having the highest 10-year growth potential.

India's rich history and its cultural and geographical diversity make its international tourism appeal large and diverse. Indian tourism offers most diverse products globally; it has registered significant growth over the years. This has been led by growth in both leisure and business tourism. Rising incomes, increasing affordability, growing aspirations, increasing globalisation, and a growing airline industry along with improvement in travel-related infrastructure have supported hospitality industry growth. It holds immense potential for the Indian economy.

It can provide impetus to other industries through backward and forward linkages and can contribute significantly to GDP. So the outlook for the Hospitality industry is looking good. At The Byke Hospitality Limited we are planning to expand our presence geographically and further increase our quality of service to meet the growing demand of customers. Therefore, the Company's outlook for 2012-2013 is optimistic.