



30th Annual Report 2011-2012

JiJi-Kitchen & Bakery
Éclair-Cakes & Bakes
Kasturi - Royal Taste of India
Vault - The Bar

TOTAL HOSPITALITY LIMITED
(FORMERLY TOTAL EXPORTS LIMITED)

BOARD OF DIRECTORS

Divya Seengal	Managing Director
Siddharth Seengal	Non Executive Director
Kanad Kashyap	Independent Director
Anil Kumar	Independent Director

COMMITTEES OF BOARD

Audit Committee
Remuneration Committee
Investor's Grievance and Securities Transfer Committee

REGISTERED OFFICE

Saanvi Restaurant,
Narsinha Vihar, Katulbod,
Bhilai-490020, Chhattisgarh

CORPORATE OFFICE

204, Deenar Bhawan,
44, Nehru Place,
New Delhi-110019

REGISTRAR AND TRANSFER AGENTS

Beetal Financial & Computer Services Pvt. Ltd.
Beetal House, 3rd Floor, 99, Madangir,
Behind Local Shopping Centre,
New Delhi-110062
Phone: +91-11-29961281
Fax: +91-11-29961284

STATUTORY AUDITOR

M/S Rahul Kapoor & Associates

BANKERS

South Indian Bank Limited

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NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the shareholders of Total Hospitality Limited (formerly known as Total Exports Limited) will be held on Friday, the 21st day of September, 2012 at 12:00 Noon at the Registered Office of the Company at Saanvi Restaurant, Narsinha Vihar, Katulbod, Bhilai-490020 Chhattisgarh to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date, the Reports of the Directors and the Auditors thereon
2. To appoint a Director in place of Ms. Divya Seengal, who retires from office by rotation and being eligible, offers herself for reappointment
3. To appoint the Statutory Auditor of the Company to hold office from the conclusion of ensuing Annual General Meeting until the conclusion of next Annual General Meeting at a remuneration to be decided by the Board of Directors.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 16, 94, Articles of Association of the Company and all other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 6,00,00,000/- (Rupees Six Crore only) divided into 60,00,000 (Sixty Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each to Rs.7,00,00,000/- (Rupees Seven Crore Only) divided into 70,00,000 (Seventy Lacs) Equity Shares of Rs. 10/- each, by creation of 10,00,000 (Ten lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each.

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company be and is hereby altered by substitution of the following new Clause in place of the existing Clause V:

“V. The Authorised Share Capital of the Company is Rs. 7,00,00,000/- (Seven crore only) divided into 70,00,000 (Seventy lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to sign, execute and file all such forms, papers and documents with the Registrar of Companies and with other Statutory Authorities, as may be required and to do all such acts, deeds, things and matters including appointing attorney(ies) or authorised representative(s), as may be considered necessary or expedient, to give effect to this Resolution.”

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

“RESOLVED THAT pursuant to the provisions of section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof), the enabling provisions of the Memorandum & Articles of Association of the Company, the Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the company are listed subject to applicable Regulations / Rules/ Guidelines issued by Securities & Exchange Board of India (SEBI), Govt. of India, Reserve Bank of India (RBI), Foreign Exchange and Management Act, 1999 (FEMA), Foreign Investment and Promotion Board (FIPB) , Secretarial for Industrial Assistance (SIA), Financial Institution(s), Stock Exchanges, all other bodies and institutions, if any, as may be relevant (hereinafter singly or collectively referred as “the Appropriate Authorities”) and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting any such consents, permissions, approvals and/or sanctions (hereinafter singly or collectively referred as “the requisite approvals”) and which may be agreed by the Board of Directors of the company (hereinafter referred to as “the Board” which term shall be deemed to include any committee(s) consisting one or more members of the Board and/or one or more officials of the company appointed by the Board in this behalf, which the board may constitute to exercise power of the Board), the consent of the company be and is hereby

accorded to offer, issue and allot up to 9,50,000 Equity Shares of Rs. 10/- each based on relevant date i.e.22.08.2012 on preferential basis by private placement, in one or more tranches, on such terms and conditions and in such manner as the Board may think fit, without offering the same to any other persons who at the date of offer are holders of the equity shares in accordance with Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 and other relevant authorities as may be applicable on such terms and conditions as may be decided and deemed appropriate by the Board of Directors of the Company at the time of issue/allotment of equity shares to the following body corporate:

Sr. No.	Name of Allottee	Category	No. of Equity Shares
1.	Kartigya Trading Private Limited	Non-Promoter	9,50,000

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted in one or more tranches and that the said Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu with the existing Equity Shares of the Company.

FURTHER RESOLVED THAT the Board/Committee be and is hereby authorized to accept the terms, conditions and stipulations made by the regulatory authorities while granting approval to the Company for the issue of securities as aforesaid.

FURTHER RESOLVED THAT for purpose of giving effect to this resolution, the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors, or to any committee of director(s) or any other officer or officers of the Company and to do all such acts, matters, deeds and things to take all such steps and do all such things and give all such directions as the Board may consider necessary, expedient, or desirable and also to settle any questions or difficulties or doubt that may arise in regard to the offer/issue, allotment and utilization of the proceeds and further to do all such acts, deeds, matters and things and to finalize and execute all documents and writings as may be necessary, proper, desirable or expedient as the Board, in its absolute discretion may deem fit and take all such steps which are incidental and ancillary in this regard.”

**By the order of the board
For Total Hospitality Limited**

Place : New Delhi
Date : 13.08.2012

Sd/-
Divya Seengal
(Managing Director)

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- Members / Proxies should fill in the attendance slip for attending the Meeting.
- The relevant explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 relating to the special business to be transacted at the Meeting is annexed hereto.
- Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
- The Register of Directors' shareholding maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the members at the Annual General Meeting.

6. The Register of Contracts maintained under Section 301 of the Companies Act, 1956, will be available for inspection by the Members at Registered Office of the Company.
7. The Register of Members and Share Transfer Books of the Company shall remain closed from 10th August 2012 to 13th August 2012 (both days inclusive)
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. Shareholders desirous of obtaining any information/ clarification on the accounts and operations of the Company are requested to send in written queries to the Company, at least one week before the date of the meeting.
10. Shareholders are requested to notify any change of address (i) to their Depository Participants (DPs) in respect of the shares held in demat form, and (ii) to the Company to its Share Department at Registered Office in respect of the shares held in physical form.
11. Members who are registered under two or more folios are requested to write to company for consolidation of folios.
12. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Beetal Financial & Computer Services Pvt. Ltd., for assistance in this regard.
13. Members are requested to bring the copy of Annual Report along with them to the meeting as copies of Annual Report shall not be distributed at the meeting.
14. Pursuant to the requirement of the Listing Agreement of the Stock Exchanges on Corporate Governance, relating to appointment of the Directors/ reappointment of the retiring Directors, a statement containing the required details of the concerned Directors forms part of the Annual Report.
15. The Ministry of Corporate Affairs(vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering/ updating their e-mail address for receiving electronics communications.

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956****ITEM NO. 4**

The current Authorised Share Capital of the Company is Rs. 6 crore divided into 60,00,000 (Sixty lacs) Equity Shares of Rs. 10 (Rupees ten only) each.

The Company has decided to diversify in hospitality business. Keeping in view the expansion plans, the Company proposes to increase its Authorised Share Capital to Rs. 7 Crore (Rupees Seven Crore only) by creation of additional 10,00,000 (Ten lacs) Equity Shares of Rs.10 (Rupees Ten Only) each ranking pari-passu with the existing Equity Shares by creation of additional equity share as the present Authorized Share Capital is inadequate to meet the expansion plans.

Consequent upon the proposed increase of Authorised Share Capital, Clause V (a) of the Memorandum of Association of the Company will require corresponding alteration.

Your approval is sought in terms of the provisions of the Companies Act, 1956. The members are requested to pass necessary resolution set out in the notice as an Ordinary Resolution to carry out the necessary amendments in the Memorandum.

Your Directors recommend the resolution no. 4 for your approval.

None of the Directors of the Company is in any way concerned or interested in the said resolution except to the extent of their shareholding held in the Company, if any.

ITEM NO. 5

The Company has decided to diversify in the business of hospitality. To finance the capital expansion and long term working capital requirements, your company proposes to raise funds by private placement through preferential issue of 9,50,000 Equity Shares of Rs. 10/- each as per the Rules and Regulation of SEBI. The resolution as proposed will enable the company to raise funds not exceeding Rs. 1,33,09,500/- (Rupees One crore thirty three lakhs nine thousand five hundred only)

In terms of Section 81(1A) of the Companies Act, 1956, and provisions of SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2009 (SEBI ICDR Regulations), approval of the shareholders of the company be sought to issue and allot further shares in the share capital of the company. Thus, consent of the members of the company by way of a Special Resolution, is required for item No. 5 in the notice.

Disclosures which are required to be given in the Explanatory Statement to notice of Annual General Meeting in terms of Clause 73(1) of the SEBI Regulations for preferential Issue (as amended from time to time) and as are in force on the date of notice are given below.

a) Object of the issue:

The object of the proposed issue of equity shares, on preferential allotment by private placement basis has already been discussed above.

b) Proposal of the promoters, directors, or key management personnel to subscribe to the offer:

None of the director / promoters / key management persons has any intention to subscribe to the offer.

c) Shareholding pattern before and after the proposed issue:

Category	Pre Issue		Post Issue	
	No. of Equity Shares	%	No. of Equity Shares	%
A. Promoter Holding				
1. Indian	1220382	22.12	1220382	18.87
2. Foreign	0	0	0	0
Total A	1220382	22.12	1220382	18.87
B. Public Shareholding				
1. Institutions				
(a) Mutual Funds/UTI	119500	2.17	119500	1.85
(b) Financial Institutions, Banks, Insurance Companies, Venture Capital Funds	0	0	0	0
(c) Central Govt./ State Govt.(s)	0	0	0	0
(d) Foreign Institutional Investors/ Foreign Venture Capital Investors	0	0	0	0
2. Non Institutions				
(a) Bodies Corporate	1335620	24.21	2285620	35.34
(b) Individuals	2830830	51.31	2830830	43.78
(c) Others-(Clearing Members)(HUF)	10400	00.19	10400	00.16
Total B	4296350	77.82	5246350	81.13
C. Total (A+B)	5516732	100	6466732	100
GRAND TOTAL	5516732	100	6466732	100

d) Proposed time within which the allotment shall be complete:

The Board proposed to allot equity shares within a period of 15 days from passing of the Special Resolution. Provided where the allotment of such Equity Shares on preferential basis is pending on account of pendency of any approval by any Regulatory Authority including the Central Government, the allotment shall be counted from the date of approval or the permission as the case may be.

e) The identity of the proposed allottees and the percentage of post preferential issued capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue:

The allotment of 9,50,000 equity shares on preferential basis is being made to M/s Kartigya Trading Pvt. Ltd. a private company incorporated under the Companies Act, 1956. The total post issue capital comes out to be Rs. 6,46,67,320. The post preferential issued capital to be held by allottee will be as under:

Name of Body Corporate	Category	Previous Shareholding		Proposed Allotment	Post Issue Capital	
		No. of Shares	%	No. of Shares	No. of Shares	%
Kartigya Trading Pvt. Ltd.	Non-Promoter	644520	11.68	950000	1594520	24.66
Total		644520	11.68		1594520	24.66

The allotment would not result in any change in the control or management of the affairs of the Company or in the Board of Directors of the Company. However, there will be consequential changes in the voting rights/shareholding of the Company.

(f) The company shall recompute the price of the above securities in terms of the provision of these regulations where it is required to do so.**(g) If the amount payable on account of re-computation of price is not paid within the time stipulated in these regulations, the above securities shall continue to be locked- in till the time such amount is paid by the allottee.****(h) Pricing of the issue**

Equity Shares of Rs. 10/- each is issued at a price of Rs. 14.01/- each (including premium). This price is calculated on the basis of relevant date as on 22.08.2012, which is the date 30 days prior to the date on which the Annual General Meeting is to be held in terms of Section 81(1A) of the Companies Act, 1956 to consider the proposed issue and is determined in accordance with Regulation 76(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

(i) As required by the SEBI (Issue of Capital and Disclosure Requirements) Guidelines, 2009 on preferential issue certificate from the Statutory Auditors to the effect that the proposed allotment will be made in accordance with the said guidelines will be placed at the meeting.

The members are, therefore, requested to accord their approval to the proposed resolution set out at Item No. 5 by way of Special Resolution.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

**By the order of the board
For Total Hospitality Limited**

Place : New Delhi
Date : 13.08.2012

Sd/-
Divya Seengal
(Managing Director)

DIRECTORS' REPORT

Dear Shareholders,

Your directors have pleasure in presenting the 30th Annual Report and Audited Accounts of the Company for the year ended 31 March 2012.

CONSOLIDATED FINANCIAL HIGHLIGHTS

(Rupees in lakhs)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Total Income	136.81	31.53
Total Expenditure	192.47	20.47
Profit /(Loss) before Tax	(55.65)	11.05

OPERATIONAL PERFORMANCE AND FUTURE OUTLOOK

Born from the notion "something for everyone", Total Hospitality Ltd. through its subsidiary SKD Restaurants Private Limited is focusing on designing the company's model to suit every style, taste and pocket. The company is focusing on creating a fine balance between our traditions and today's progressive market.

Your directors are pleased to inform you that during the year your company through its subsidiary has started Kitchen & Bakery-Jiji, Indian Fine Dining –Kasturi and The Bar-Vault and achieved a turnover of around Rs. 137 lacs in the very first year of its starting the operations.

As you are aware the restaurant industry is an important component of our nation's economy. Indian consumers spend only 2.4 percent of their food expenditure in hotels and restaurants. American and British consumers, by comparison spend 46 percent and 29 percent respectively, of their food expenditure on away from-home meals. This indicates that there is significant scope for the growth of food service sector in India in the years to come. Hotel industry in India has witnessed tremendous boom in recent years. Hotel Industry is inextricably linked to the tourism industry and growth in Indian Tourism industry has fuelled the growth of Indian Hotel Industry also.

The restaurant industry is a key driver for the overall retail business. Restaurants are fast emerging as one of the most significant contributors to the economy in terms of VAT contribution, direct and indirect employment and other government levies.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Ms. Divya Seengal is liable to retire by rotation as Director at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment.

Brief resume of the Director proposed to be re-appointed, nature of expertise in specific functional areas and names of companies in which she hold directorships and memberships/chairmanships of Board Committees and number of shares held in the company as stipulated under Clause 49 of Listing Agreement entered into with Stock Exchanges are provided in the Report on Corporate Governance forming part of the Annual Report.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As required under the Listing Agreements entered into with the Stock Exchanges, a consolidated financial statement of the Company and its subsidiary is attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed under Section 211(3C) of the Act.

Pursuant to the provisions of Section 212(8) of the Act, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the balance sheet, statement of profit & loss

and other documents of the subsidiary companies with the balance sheet of the Company. A statement containing brief financial details of the Company's subsidiary for the financial year ended March 31, 2012 is included in the Annual Report. The annual accounts of the subsidiary and the related detailed information will be made available to any member of the Company/its subsidiary seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiary at the registered office of the Company. The annual accounts of the said subsidiary will also be available for inspection, as above, at the head offices/registered office of the subsidiary company. The Company shall furnish a copy of the details of annual accounts of subsidiary to any member on demand.

CORPORATE GOVERNANCE

Corporate Governance Report and Management Discussion and Analysis statement are attached to this Report.

FIXED DEPOSITS

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

DIVIDEND

In view of the losses incurred by the Company during the year under review, your directors do not recommend any dividend for the financial year ended on 31 March 2012.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, wherever applicable;
- (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 31 March, 2012, and of the profit of the Company for the year;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The Directors have prepared the annual accounts on a 'going concern' basis.

PREFERENTIAL ALLOTMENT

During the year, your directors have made allotment of 196666 no. of equity shares of Rs. 10/- each to M/s Seengal Capital Advisors Private Limited (Promoter) on conversion of 196666 no. of warrants. In term of Section 81(1A) of the Companies Act, 1956 and provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

LISTING WITH STOCK EXCHANGES

The Equity Shares of the Company are listed on Bombay Stock Exchange, Delhi Stock Exchange and Madhya Pradesh Stock Exchange. The annual listing fees for the year 2012-13 have been paid to these Stock Exchanges.

AUDITORS AND AUDITORS REPORT

M/s. Rahul Kapoor & Associates, Chartered Accountants, who are the statutory auditors of the Company, hold office, in accordance with the provisions of the Act up to the conclusion of the forthcoming AGM.

The Observations of the Auditors in their report read together with the Notes on Accounts are self explanatory and therefore in the opinion of the Directors, do not call for any further explanation.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956 read with Companies' (Disclosures of Particulars in the

Report of the Board of Directors) Rules, 1988 regarding Conservation of Energy and Technology Absorption are not applicable to the Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Company has neither earned nor used any foreign exchange.

PARTICULARS OF EMPLOYEES

There is no employee in the company whose particulars are required to be given under section 217 (2A) of the Companies Act, 1956.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the stakeholders and business associates who have extended their valuable sustained support and encouragement during the year under review.

Your Directors take this opportunity to recognize and place on record their gratitude and appreciation for the commitment displayed by staff at all levels of the Company. We look forward for your continued support in the future.

By the order of the board
For Total Hospitality Limited

Place : New Delhi
Date : 30.05.2012

Sd/-
Divya Seengal
(Managing Director)

Sd/-
Kanad Kashyap
(Director)