



**TOTAL**  
HOSPITALITY LTD.



**Annual Report**  
**2012 -13**

**BOARD OF DIRECTORS**

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

**BOARD COMMITTEES****Audit Committee**

Mr. Kanad Kashyap  
Mr. Siddharth Seengal  
Mr. Anil Kumar

**Share Transfer & Investors' Grievance Committee**

Mr. Kanad Kashyap  
Mr. Siddharth Seengal  
Ms. Divya Seengal  
Mr. Anil Kumar

**Remuneration Committee**

Mr. Kanad Kashyap  
Mr. Siddharth Seengal  
Mr. Anil Kumar

**REGISTERED OFFICE**

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

**CORPORATE OFFICE**

Unit No. 1152, B-2,  
Spaze I Tech Park,  
Sector-49, Sohna Road,  
Gurgaon-122018

**WEBSITE**

[www.totalhospitality.in](http://www.totalhospitality.in)

**REGISTRAR AND TRANSFER AGENTS**

Beetal Financial & Computer Services Pvt. Ltd.  
Beetal House, 3<sup>rd</sup> Floor, 99, Madangir,  
Behind Local Shopping Centre,  
New Delhi-110062  
Phone: +91-11-2996 1281, 82, 83  
Fax: +91-11-29961284

**STATUTORY AUDITORS**

M/s Om Harendra & Co.

**BANKERS**

South Indian Bank Limited

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**NOTICE** is hereby given that the 31<sup>st</sup> Annual General Meeting of the shareholders of **Total Hospitality Limited** (Formerly *Total Exports Limited*) will be held on Wednesday, the 25<sup>th</sup> day of September, 2013 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 31<sup>st</sup> March, 2013 and the Profit & Loss Account for the year ended on that date, the Report of the Directors and the Auditors thereon
2. To appoint a Director in place of Mr. Siddharth Seengal, who retires from office by rotation and being eligible, offers himself for reappointment
3. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting and to authorize Board of Directors to fix their remuneration. M/s Om Harendra & Co., the retiring Auditors are eligible for re-appointment.

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

Place : Gurgaon  
Date : 26.08.2013

Sd/-  
**Divya Seengal**  
(Managing Director)

Sd/-  
**Kanad Kashyap**  
(Director)

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, 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.**
2. Members / Proxies should fill in the attendance slip for attending the Meeting.
3. 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.
4. 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.
5. 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.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from 20<sup>th</sup> September 2013 to 25<sup>th</sup> September 2013 (both days inclusive)
7. 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.
8. 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.
9. Members are requested to notify any change in their address immediately to Beetal Financial & Computer Services Private Limited, the Share Registrar of the Company for shares held in physical form. For shareholders who hold their shares in dematerialized form, please lodge your request for change of address, if any, with your respective depository participants.
10. Members who are registered under two or more folios are requested to write to company for consolidation of folios.

11. 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.
12. 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.
13. 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.
14. For shares held in physical form, you may initiate action to get your shares dematerialized since trading of shares is done compulsorily in the dematerialized mode. Dematerialized not only provides easy liquidity, but also safeguards from any possible physical loss.
15. You are requested to inform your current email ID to us in compliance of Green Initiative as per Ministry of Corporate Affairs circular in this subject.

**Pursuant to Clause 49 of the listing agreement with stock exchanges, following information is furnished about Directors proposed to be appointed/re-appointed.**

Particulars	Appointment/Re-appointment
Name of the Director	Mr. Siddharth Seengal
Date of Birth	31.01.1989
Date of Appointment	12.01.2011
Expertise in specific functional area	Siddharth Seengal, Purdue University alumni, has worked with the world's 3 <sup>rd</sup> largest communications group, Publicis Group. With his inclination towards marketing he is sure to add his passion and knowledge in making the Company brand recognition.
Directorship in other Companies*	• Radiant Films Limited
Membership of Committees in other Public Companies (includes Audit & Investor's Grievance Committees)	None
No. of Shares held in the Company	413800

\* excludes Directorships in Private Limited Companies, Section 25 Companies, Foreign Companies and Government Bodies.

**Dear Shareholders,**

Your Directors have pleasure in presenting the 31<sup>st</sup> Annual Report and Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2013.

**CONSOLIDATED FINANCIAL HIGHLIGHTS**

(Rupees in lakhs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Total Income	576.11	136.81
Total Expenditure	643.19	192.47
Profit / (Loss) before Tax	(67.08)	(55.66)

**OPERATIONAL PERFORMANCE AND FUTURE OUTLOOK**

Global economic uncertainties have affected India's economy including the Hospitality Sector. Macro – economic indicators are not healthy. Fiscal Deficit and interest rates are high and the rupee has been depreciating continuously. All this does not go well for any industry especially the Hospitality Sector.

The Restaurant Industry in India has undergone significant changes. The standard of living of people in India has also increased. The eating habits and preferences of people in India have seen a shift from typical Indian food to continental and various other cuisines. The industry is experiencing a new era because of change in the attitude of the consumers who wishes to try a new variety of dishes and food items.

In spite of losses in Current year, your Company is expecting their sales to be higher in coming months. The Company has put forward a strong foothold in Hospitality Sector. This would enable effective utilization of immovable properties and will provide a larger asset base to the Company. The company prospects are promising.

**DIRECTORS**

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

Appropriate resolutions for their re-appointment are being placed before you for your approval at the ensuing Annual General Meeting

Brief resume of the Director proposed to be re-appointed, nature of expertise in specific functional areas and names of companies in which he 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 Notice of proposed Annual General Meeting.

**SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS**

Your Company has a wholly owned subsidiary, SKD Restaurants Private Limited. The Consolidated Financial Statements have been prepared by your Company in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Listing Agreement with the Stock Exchanges.

The statement relating to the above company as specified in sub-section (3) of Section 212 of the Companies Act, 1956 is attached to the Report and Accounts of the Company.

The Ministry of Corporate Affairs vide General Circular No. 2/2011, dated 8<sup>th</sup> February, 2011 has granted general exemption to companies from seeking approval of Central Government under section 212 of the Companies Act, 1956 from annexing to this Report. Hence, the Annual Report of subsidiary company has not been annexed herewith. The Consolidated Financial Statement includes the results of these subsidiary company duly audited by their respective statutory auditors. Annual Accounts of the subsidiary company and related

detailed other information shall be made available to the members seeking such information and shall also kept open for inspection at the Head Office of the Company by any investor during working hours and also being uploaded on the website of your Company viz. [www.totalhospitality.in](http://www.totalhospitality.in). The Company shall furnish a copy of the details of annual accounts of subsidiary to any member on demand.

### CORPORATE GOVERNANCE

Your Directors reaffirm their continued commitment to good corporate governance practices. Your Company fully adheres to the standards set out by the Securities and Exchange Board of India for Corporate Governance practices, and has implemented all of its stipulations.

As required by Clause 49 of the Listing Agreement of Stock Exchange, a separate section on Corporate Governance together with a certificate from Company's Statutory Auditors, forms part of this Annual 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 year 2012-13.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### SHARE CAPITAL

- **Increased in Authorized Capital**

During the year, Company has increased the Authorized Capital from Rs. 6,00,00,000 divided into 60,00,000 no. of equity shares of Rs. 10/- each to Rs. 7,00,00,000 divided into 70,00,000 no. of equity shares of Rs. 10/- each.

- **Issue and Allotment of equity shares during the year 2012-13**

**Conversion of Warrants:** During the year under review, your company has allotted 196668 no. of equity shares having face value of Rs. 10/- each at Rs. 10/- per equity shares on 24<sup>th</sup> August, 2012 to M/s Seengal Capital Advisors Private Limited, Promoter, of the Company on conversion of equal number of warrants on receipt of balance amount payable on these warrants.

**Issue and allotment of equity shares on preferential basis:** In terms of Section 81(1A) of the Companies Act, 1956 and provision of SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009. The Company had issued and allotted 950000 no. of equity shares having face value of Rs. 10/- each at a premium Rs. 4.01/- per share to M/s Kartigya Trading Private Limited (Non Promoter).

Consequently, the paid up equity share capital of the Company has increased from 5516732 no. of equity shares as at March 31, 2012 to 6663400 no. of equity shares as at March 31, 2013.

The above said 6663400 no. of equity shares were duly admitted for trading in the Stock Exchanges, where the equity shares of the Company are listed.

### 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 2013-14 have been paid to these Stock Exchanges.

### AUDITORS AND AUDITORS REPORT

M/s OM Harendra & Co., Chartered Accountants, who retire at the conclusion of this Annual General Meeting



and being eligible for reappointment, have expressed their willingness to be re-appointed as Statutory Auditors of the Company. They have given certificate to the effect that the appointment, if made, would be within the limit prescribed under section 224(1B) of the Companies Act, 1956. Your directors recommend their appointment for another one year.

The Statutory Auditors of the Company has submitted their Auditor's Report on the account of the Company, for the financial year ended 31<sup>st</sup> March 2013. The observations and comments given by the Auditors in their report, together with notes to Accounts are self explanatory and hence do not call for any other further comments under section 217 of the Companies Act, 1956.

#### **STATUTORY DISCLOSURE**

Your Directors have made necessary disclosure, as required under various provisions of the Act and Clause 49 of the Listing Agreement.

#### **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<sup>st</sup> March, 2013, 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.

#### **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.

#### **INVESTOR RELATIONS**

Your Company always endeavors to keep the timely response to shareholder's request/grievances at a minimum. Priority is accorded to address all the issues raised by the shareholders and provide them satisfactory reply at the earliest possible time. The Shareholder's and Investor Grievances committee of Board meets periodically and review the status of redresses of investor's grievances.

#### **COMPANY'S WEBSITE- REJUVENATED**

Company's official website has been revived in such a way to be a center of information; it is now more of a depiction of your Company on the web. It demonstrates all the relevant information relating to your Company, its story of growth, achievements till date, information of the core business of your Company and also an Investor relation corner, for existing and prospective investors/shareholders etc.

The new website of the Company is trendier and user friendly, it is prepared keeping in mind the layman ship of general users and the relevant information to be obtained by them. It is also ensured that the website is updated with its various progresses, achievements and in terms of investor's information, took place in the Company.

#### **HUMAN RESOURCES**

Your Company continues to believe that Human resources would be a critical factor for its growth. The key focus of the business remained retaining and helping talent grow so as to meet the growth aspirations of the business. The emphasis was on grooming in-house talent enabling them to take higher responsibilities.

The Senior Management Team spent considerable time in reviewing the existing talent base and Processes used for honing the skills of the members in the Talent Pool and assessing their preparedness for shouldering higher responsibilities.

#### **ACKNOWLEDGEMENT**

Directors take this opportunity to acknowledge sincere appreciation of all investors, banks, distributions, customers, vendors and other business associates for the excellent support received from them during the year.

Directors also recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its progress.

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

Place : Gurgaon  
Date : 30.05.2013

Sd/-  
**Divya Seengal**  
(Managing Director)

Sd/-  
**Kanad Kashyap**  
(Director)



**Statement under Section 212 of Companies Act, 1956 relating to subsidiary Company**

Particulars	SKD Restaurants Private Limited
Date from which they became subsidiary	29th September, 2011
Financial year of the subsidiary ended on	31st March, 2013
Shares of the subsidiary held by Total Hospitality Limited on the above date 1. Number and face value of shares	1611700 equity shares of Rs. 10 each, fully paid
2. Extent of holding	100%
Net aggregate Profit/ (Loss) for the current year (in Rs.)	
Net aggregate amounts of the profits or losses of the subsidiary so far it concerns the members of the holding company and is dealt with in the accounts of holding company : 1. for the financial year of the subsidiary 2. for the previous financial years of the subsidiary since it became its subsidiary	Nil Nil
Net aggregate amounts of the profits or losses of the subsidiary so far it concerns the members of the holding company and is not dealt with in the accounts of holding company : 1. for the financial year of the subsidiary 2. for the previous financial years of the subsidiary since it became its subsidiary	(2976463) Nil

**For OM Harendra & Co.**  
(Chartered Accountants)

Sd/-  
**Harendra Kumar**  
Partner  
M.No. 518078

Place : Gurgaon  
Date : 30.05.2013

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

Sd/-  
**Divya Seengal**  
(Managing Director)

Sd/-  
**Kanad Kashyap**  
(Director)

**OVERVIEW OF INDIAN ECONOMY**

The Restaurant Industry in India is an important industry to the Indian Economy. It is one of the highest foreign exchange earners to the country as well as one of the largest employers both directly and indirectly.

The Restaurant Industry in India is a very profitable business. It is directly linked to tourism industry and growth in the tourism industry leads to growth of Restaurant Industry. The government initiatives and varied business opportunities have acted as boon to Restaurant Business in India. Some initiatives undertaken by the government are "Athithi Devo Bhava" & "Incredible India".

The diverse culinary habit, wide range of Cuisines and diverse cooking techniques are some of the main factors which contribute to this industry.

**INDUSTRY OVERVIEW**

The financial year 2012-13 has been challenging for the world at large. The corporate world had been engaged in cost cutting via drastic cut backs on non essential expenses; this drop in corporate travel had adversely affected the Indian Hospitality Sector. The government too is making conscious effort to revive the industry through a slew of policy decisions as many new and ongoing hotel projects had stalled during the downturn. The Indian Hospitality Industry is beginning to show a few signs of recovery.

India's huge population and its increasing purchasing power, growing consumer aspirations, increasing urbanization and lifestyle changes have led to a slow but safety transformation of the Indian cities, specifically in the food sector. Not only the metros, but even Tier II and Tier III cities are being increasingly dotted with a variety of fast food chains, take-away, quality fine dining restaurants, speciality Quick Service Restaurant (QSR) and more contemporary eating options.

According to the NRAI Report 2013, the size of total food service market (organized and unorganized) is currently INR 247,680 crore and is projected to grow to INR 408,040 crore by 2018 at 11%. In terms of market segments, QSR and casual Dine-in format account for 74% of the total chain market, while Cafes make up for 12% with Fine Dining and Pub Bars Club & Lounges comprising rest.

Due to the burgeoning middle-class population in cities, the fine dining culture is fast evolving. It has been increasingly paying utmost attention to the quality of food served as well as the ambience which is in line with the changing lifestyle and high standard of living.

Industry trend has been on spending more resources on branding, improving efficiencies and growing economies of scale in order to maintain competitiveness and increase market presence by the industry players.

**OPPORTUNITIES**

Indian QSR Industry is growing very rapidly. It is a reflection of the change in the lifestyle, food habits and consumption pattern of the population. The incidence of Dining Out, ordering from home as well as takeaways is rising creating an opportunity to cater to a wide mass of population. The incidence and value differ substantially, but penetration of such consumption habits is wide spread and is on the increase. Although largely an urban phenomenon, the pattern is also emerging in rural areas with better road connectivity, increased vehicle ownership and rise in income levels.

**I. Changing consumer preferences**

The Restaurant Industry in India has undergone significant changes. The standard of living of people in India has also increased. The eating habits and preferences of people in India have seen a shift from typical Indian food to continental and various other cuisines. The industry is experiencing a new era because of change in the attitude of the consumers who wishes to try a new variety of dishes and food items. Thus, the Restaurant Industry now has opportunity for expansion and diversification.

**II. Growth in tourism sector**

The growth of the tourism industry has also been a positive factor behind the growth of restaurants in India. An increasing number of foreign tourists prefer going restaurants. Foreigners enjoy the local and authentic traditional food and as a result they can be credited to the tremendous increase in the number of eating joints, restaurants and fast food centres at prime locations throughout the country.