

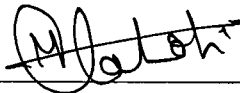

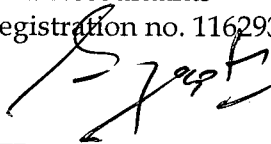

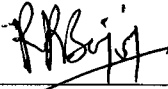


## FORM A

1.	Name of the Company	The Byke Hospitality Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit observation	Un - qualified
4.	Frequency of observation	N.A
5.	Signed By • Managing Director	Mr. Anil Patodia  
	• CFO	Mr. Manish Lahoti  
	• Auditor of the company	For M/ s. A.P. Sanzgiri & Co. Chartered Accountants Firm Registration no. 116293W   Satish Kumar Gupta Partner M.No. 101134
	• Audit Committee Chairman	CA Ram Ratan Bajaj 



24TH ANNUAL  
**REPORT**  
2013-2014

The Byke Hospitality Limited





Place to Create Moments



## VISION

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

“**Atithi Devo Bhavah**”

## MISSION

“Providing excellent contemporary Hospitality services with a touch of tradition across the country and Optimal returns to stakeholders with an extraordinary & unmatched strategies.”

# CORPORATE INFORMATION

## Board of Directors:

Mr. Anil Patodia  
Mr. Satyanarayan Sharma  
Mr. Pramod Patodia  
CA Ram Ratan Bajaj  
Mr. Ramesh Vohra  
Mr. Bharat Thakkar

## Bankers:

ICICI Bank Limited  
HDFC Bank Limited  
Axis Bank Limited  
State Bank Of Bikaner And Jaipur  
Union Bank Of India  
Kotak Mahindra Bank Limited

## Company Secretary And Compliance Officer:

Mrs. Swati Gupta

## Registered & Corporate 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](mailto:investors.care@thebyke.com)  
Website: [www.thebyke.com](http://www.thebyke.com)

## Registrar and Share Transfer Agent:

Sharepro Services (India) Private Limited  
13 A/B, Samhita Warehousing Complex  
2nd Floor, Off Andheri Kurla Road,  
Sakinaka Telephone Exchange Lane  
Sakinaka, Andheri (East), Mumbai – 400 072  
Tel: +91 2267720331  
Website: [www.shareproservices.com](http://www.shareproservices.com)  
E-mail: [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com)

## 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

# CONTENTS

Letter To The Shareholders **08**

Performance At Glance **09**

Board Of Directors **10**

## STATUTORY REPORTS

Directors' Report **12**

Management Discussion And Analysis **17**

Corporate Governance Report **22**

Auditor's Report **40**

Financial Statements **45**

Notice **66**

# THE BYKE JOURNEY... SO FAR

**2004**

JOURNEY STARTED IN HOSPITALITY SERVICES WITH ONE HOTEL IN GOA



**2007**

MR. ANIL PATODIA'S PASSION TO PROVIDE THE CONTEMPORARY SERVICES WITH A TOUCH OF TRADITION LED TO ACQUIRING A HERITAGE PROPERTY IN MATHERAN



**2010**

"THE BYKE" BRAND WAS ESTABLISHED ACROSS INDIA UNDER STEWARD LEADERSHIP OF MR. ANIL PATODIA



**2011**

UNIQUE CONCEPT OF ROOM CHARTERING BUSINESS WAS SUCCESSFULLY LAUNCHED AND ALSO ADDED LARGEST PREMIUM PROPERTY IN GOA



# THE BYKE JOURNEY... SO FAR

**2012**

ADDED HERITAGE PROPERTY IN RAJASTHAN AND A SECOND PROPERTY IN MATHERAN



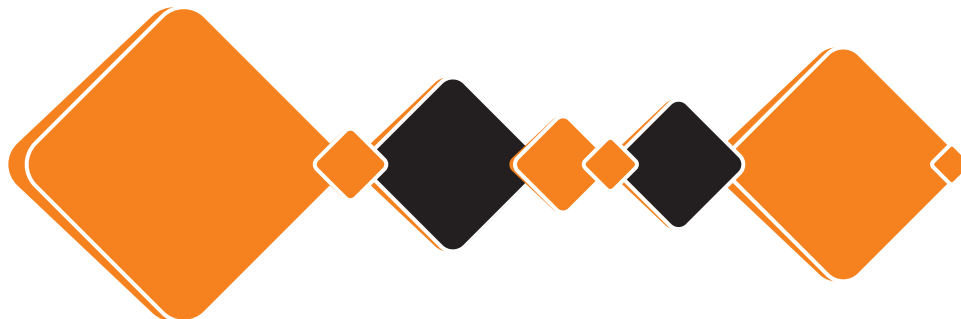
**2013**

ADDED SCENIC PROPERTY AT THE FOOTHILLS OF "THE HIMALAYAS" AND A BEACH RESORT AT GOA



**2014**

ADDED ANOTHER LUXURY PROPERTY IN "PINK CITY OF INDIA - JAIPUR" AND SCALED THE ROOM CHARTERING BUSINESS TO NEW HEIGHTS







# RESORTS



# LETTER TO THE SHAREHOLDERS



At this address to the Stakeholders, I would like to thank the Board of Directors for placing their confidence in me as a Managing Director of the company. I am delighted to inform our members that Byke has delivered another year of strong performance despite challenging macro economic conditions prevailed across the Economy and Hospitality Industry. We delivered on our strategy and reported good upside in our operating profit and earning per share. I am deeply impressed by the skills, dedication and energy of our people who relentlessly focused on delivering as per Company's goals and strategy.

FY 2013-14 embarks as the 24th year of the Company and the fourth year under the leadership of new management & establishment of "The Byke" brand in the hospitality industry. During these 4 years the company operations have grown over 5 times from operating a modest 100 rooms to 539 rooms now. The unique concept of "Room Chartering", allows "The Byke" to offer its customers, 400 properties at 27 locations with more than 10,000 rooms. In a very short span of time the company has managed to maintain around 69% occupancy against an industry average of 40%. The key to our growth in the last 4 years, we believe, is attributable to our focus on continued customer satisfaction on the back of service delivery through our dedicated team, strong operations and disciplined execution. This has resulted into a strong brand loyalty for "The Byke" with about 30% repeat customers. The Award for Excellence, Moscow 2014 in the category of "Gold Standard Hotel for Youth Holiday" from Russian Tourism Department reinforces our excellence in services.

I am pleased to communicate the results achieved by Byke during the financial year under review in a business environment that was even more difficult than the previous years. The company has posted revenue from operations of Rs 155.71 Crores as compared to last years' of Rs 100.92 crores thereby registering growth of 54%. From a Financial perspective what was particularly heartening that the operating profit has grown to Rs 21.25 Crores as compared to last year of Rs 11.56 Crores and net profit for the company has grown to Rs 15.89 Crores as compared to last year of Rs 7.75 Crores and Earning per share of the current year has doubled to Rs 7.93 per share from Rs 3.87 per share as of last year.

The uncompromising attitude of the team towards customer satisfaction has resulted in driving-up Average Room Revenue, Occupancy Ratio and increased margins thereby creating higher value and wealth for its stakeholders. In the last four years, our investors has grown multifold and we are committed to continue, maintain and sustain growth in wealth creation for our stakeholders even in future.

In the next 3 years we are committed to embark on an expansion program to offer 1,500 rooms under our brand, spread across around 25 properties and reach 50,000 rooms through room chartering. In addition, segments like professional management contract and web portal will add fuel to our growth plans.

To conclude, I express my sincere appreciation to all the personnel for their formidable effort in these difficult times to produce the excellent results, to the members of the Board of directors for their precious contribution and to all other stakeholders and Bankers of the company for their continued trust and confidence.

**Best wishes,**

**Anil Patodia**  
**Managing Director**  
(DIN: 00073993)

# PERFORMANCE AT GLANCE

## REVENUE

(2013-14) RS. **1557.14 MN**

(2012-13) RS. **1009.25 MN**

The Revenue from operation has increased by 54.29% due to increase in Average Occupancy rate & Room rates for hotel business and Increase of tourist destinations under room chartering segment.

### GROWTH (Y-o-Y)

**54.29%**

## EBDITA

(2013-14) RS. **287.14 MN**

(2012-13) RS. **180.45 MN**

The EBDITA of the company has grown by 59.13% in absolute term, Wherein EBDITA Margin of the company has increased to 18.44% as compare to 17.88% of last year which indicates improved operational performance of the company

### GROWTH (Y-o-Y)

**59.13%**

## PAT

(2013-14) RS. **158.92 MN**

(2012-13) RS. **77.56 MN**

The PAT of the company has grew 2 times in absolute term, wherein PAT margin as 10.20% in comparison to 7.65% of last year.

### GROWTH (Y-o-Y)

**104.90%**

## MARKET CAPITALISATION

(2013-14) RS. **6412.60 MN**

(2012-13) RS. **4498.04 MN**

The Market Capitalisation of the company has increased by 43% indicating strong value belief of shareholders in the company

### GROWTH (Y-o-Y)

**42.56%**

## NET WORTH

(2013-14) RS. **848.31 MN**

(2012-13) RS. **724.57 MN**

With the Continuous increase in profitability of the company, Networth has been doubled in last 4 years.

### GROWTH (Y-o-Y)

**17.08%**

## EPS

(2013-14) RS. **7.93**

(2012-13) RS. **3.87**

The EPS of the Company has doubled which exhibits strong business performance of the company.

### GROWTH (Y-o-Y)

**2 TIMES**

## DIVIDEND

2013-2014	15%
2012-2013	10%
2011-2012	10%
2010-2011	10%
2009-2010	5%

The Company is paying dividend consistently since 2006.

# BOARD OF DIRECTORS



**MR. ANIL PATODIA**  
(MANAGING DIRECTOR)

Mr. Anil Patodia a Commerce Graduate from the University of Rajasthan, having an experience in the Hospitality and Service Industries of more than 20 years has taken over the management of The Byke in the year 2010 as a Managing Director of the company. Mr. Patodia is acknowledged for his vision and commitment, Leveraging the significant learning of sustainable excellence within Byke. He has formulated many value-based strategies to create niche for the Byke as a brand. A career Hotelier, Mr. Anil Patodia brings extensive hotel experience to The Byke in operations and marketing and is playing a key role in the global expansion and development of future hotels. He is also actively involved in the social activities. He is a member of Lions Club International and a working committee member of Mumbai Vaish Federation.

Mr. Satyanarayan Sharma being an Electrical Engineer by education has made successful career in Hospitality Industry. Mr Sharma's 25 years in hospitality industry provides an edge to Byke Operations and Management. He is one of the visionary founder promoter of The Byke Hospitality Limited. His professional guidance and expert proficiency in understanding the holiday needs of the tourists and providing quality tailor – made products in the holiday space is an instrumental factor for the so far growth story of the company.



**MR. SATYANARAYAN SHARMA**  
(DIRECTOR)



**MR. PRAMOD PATODIA**  
(EXECUTIVE DIRECTOR)

Mr. Pramod Patodia's experience in Hospitality industry spans across two decades. He has over 25 years of extensive experience in the field of management, administration, extensive hotel experience to the The Byke Hospitality in operations and management. Currently, he is overseeing the operations of all the hotels of the company.

# BOARD OF DIRECTORS

Mr. Thakkar is a post graduate in Commerce and has cleared ICWA Intermediate. Mr. Bharat Thakkar is an experienced professional with expertise in all the facets of Insurance business with exposure across various geographies. During his professional journey at New India Assurance and United India Insurance Company, Mr Thakkar's portfolio comprised of Credit Insurance & Investments in Equity & Debt. At United India Insurance, Mr Thakkar was Deputy General Manager for Investments & Accounts and was looking after Investments Strategies of the company and At New India Assurance, he was Head of Department for Investments and Credit Insurance. Mr Thakkar as an Independent Director of our company brings an edge to the company in its Investment decision making strategies.



**MR. BHARAT THAKKAR**  
(INDEPENDENT DIRECTOR)



**CA RAM RATAN BAJAJ**  
(INDEPENDENT DIRECTOR)

Mr. Ram Ratan Bajaj is a fellow member of the Institute of Chartered Accountants of India with over 35 years of post – qualification experience in handling finance, taxation, corporate law, accounts, project implementation, cost control and related matters. He has been associated with the company since March 30, 2011. His expertise has been significant in making the financial decisions of the company. He has an active involvement in social activities. He was a member of Bharat Vikas Parishad – a unique organisation for socio – cultural activities having around 1300 branches.

Mr. Ramesh Vohra, aged 73 years, is in the business of supply and service of engineering products to provide global solutions to the Oil, Gas, Exploration Marine and Construction companies for more than four decades. Some of the major clients include ONGC and the Indian Railways. He is actively involved in the social activities. He is a member of Lions Club for over a decade.



**MR. RAMESH VOHRA**  
(INDEPENDENT DIRECTOR)

# DIRECTORS' REPORT

## TO THE MEMBERS

Your Company's Directors are pleased to present this 24th Annual Report of the Company together with the Audited Balance Sheet, Profit & Loss Account and Cash Flow Statement for the financial year ended March 31st, 2014.

## FINANCIAL HIGHLIGHTS

(₹ IN LAKHS)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>Income:</b>		
Income from Operations	15571.40	10092.53
Other Income	14.98	50.16
<b>Total Income</b>	<b>15586.38</b>	<b>10142.69</b>
<b>Expenditure:</b>		
Less: Operating & Other Expenses	12714.96	8338.22
<b>Profit before Depreciation, Finance Costs and Tax</b>	<b>2871.42</b>	<b>1804.47</b>
Less: Depreciation	538.34	418.75
Less: Finance Costs	207.87	229.74
<b>Profit before Tax</b>	<b>2125.20</b>	<b>1155.97</b>
Less Provision For Taxes	535.96	380.31
<b>Profit after Tax</b>	<b>1589.24</b>	<b>775.66</b>
Add: Surplus brought forward from the previous year	1130.77	589.67
<b>Amount available for appropriation</b>	<b>2720.02</b>	<b>1365.33</b>
<b>Appropriations:</b>		
Dividend A dividend of 15% i.e. ₹ 1.50/- per Equity Share was recommended by the Board of Directors on May 29, 2014 (In respect of the previous year, a final dividend of 10% i.e. ₹ 1/- per Equity Share was declared and paid to the Members)	300.73	200.49
Tax on Dividend	51.10	34.07
Amount transferred to General Reserve	80.00	-
<b>Surplus Carried Forward</b>	<b>2288.17</b>	<b>1130.77</b>

# DIRECTORS' REPORT

## OPERATIONS AND FINANCIAL OVERVIEW

Global economic growth in FY 2013-14 has remained subdued at about 3%. This is largely due to weak domestic demand and slow growth in several key emerging market economies coupled with a protracted recession in the Euro zone. Furthermore, the year 2013-2014 has not been a year of economic recovery in India. GDP growth in India is estimated at 4.9% for the financial year. This lower GDP growth is driven by high inflation, low industrial production and investment.

Despite the tough macroeconomic conditions that have prevailed last year, Company has performed impressively well to achieve its financial targets with its strategy of "Asset light business model" in highly capital intensive sector to achieve its growth objectives. Company has taken strides towards making itself market leader in hospitality industry. The total income (including other income) of the company has grown at 54% from Rs 10142.69 lakhs in FY 2012-13 to Rs 15586.38 lakhs in FY 2013-14. The profit after tax (PAT) of the Company has grown at 104.89 % from Rs.775.66 lakhs in 2012-13 to Rs. 1589.25 lakhs in 2013-14. As a result, Diluted Earnings Per share of the company has increased to Rs 7.93 per share in FY 2013-14, from Rs 3.87 per share in previous year.

## DIVIDEND

Considering the Company's financial performance, your Directors are pleased to recommend a dividend of 15% i.e. ₹ 1.50/- 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, 2014. The dividend would involve a cash outgo of ₹ 300.73 lakhs towards dividend and ₹ 51.11 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 October 6th 2014 to those members or their mandates whose names appear in the register of Members as on September 5th, 2014. 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 5th, 2014.

## TRANSFER TO RESERVES

We propose to transfer ₹ 80 Lacs to the General Reserve. An amount of ₹ 2288.17 Lacs is proposed to be retained in the Surplus.

## ISSUE OF BONUS SHARES

The Directors have, subject to the approval of the shareholders, declared a bonus issue of equity shares in the ratio of one equity share of the company of Rs. 10/- each fully paid up for every one equity shares held by the shareholder of the Company as on the Record Date to be determined by the Board of Directors. Necessary resolution for obtaining the approval of shareholders has been incorporated in the Notice for the forthcoming Annual General Meeting of the Company.

## EXPANSION /AUGMENTATION OF HOTELS

During the year, the Company added another luxury property on lease basis "The Byke Grassfield" in "Pink city of India – Jaipur" under its asset light business expansion plan. This Property is located just 15 mins away from Jaipur airport and consist of 74 rooms equipped with modern amenities and facilities, 3 banquet halls and 2 open lawns, making it a spectacular venue for perfect wedding. Thus making total room size of 539 rooms under byke inventory of owned & leased model.

With this presently your Company operates its hotels on unique pure vegetarian concept at eight locations viz.



# DIRECTORS' REPORT

S. NO.	NAME OF THE HOTEL	LOCATION
1.	The Byke - Heritage	Matheran (Maharashtra)
2.	The Byke - Redwood	Matheran (Maharashtra)
3.	The Byke - Old Anchor	South Goa
4.	The Byke- Hidden Paradise	North Goa
5.	The Byke- Sunflower	North Goa
6.	The Byke - Neelkanth	Manali (Himachal Pradesh)
7.	The Byke - Paawana	Mandawa, (Rajasthan)
8.	The Byke- Grassfield	Jaipur (Rajasthan)

The Company has a plan to increase its presence gradually to 17 locations over the next two years. Accordingly, it has already acquired land at three locations:

- 3.75 acres land near proposed Navi Mumbai airport for Business class Hotel.
- 10 acres land at Aronda on the banks of Sindhudurg river in Maharashtra for a premium spa rejuvenation center cum resort.
- 2 acres land near Ashtamudi lake at Kollam, Kerala for premium beach view resort.

## CORPORATE SOCIAL RESPONSIBILITY

We dedicated ourselves to striking a balance between profitability and social conscience. We continue to believe that the ultimate way to scale the power of brand is to share the good we do so that The Byke and everyone we touch – can endure and thrive.

Pursuant to Section 135 of the Companies Act, 2013 the Company has constituted the Corporate Social Responsibility (CSR) Committee of the Board of Directors. The terms of reference of the CSR Committee are as per the provisions of the Companies Act, 2013.

Corporate Social Responsibility efforts of your Company are focused around sustainable livelihood with key beneficiaries being the aged, women and children. Your Company continued to carry out initiatives aimed at contributing to the socio-economic well being and development of the communities and the ecosystem that it interacts with. These are discussed in detail in the Management Discussion and Analysis Report forming part of this Annual Report.

## CORPORATE GOVERNANCE REPORT

Your Company has always practiced sound corporate governance and takes necessary actions at appropriate times for meeting stakeholders expectations while continuing to comply with the mandatory provisions of corporate governance. Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company regarding the compliance of Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

## MANAGEMENT DISCUSSION AND ANALYSIS

A detailed analysis of the Company's operational and financial performance are separately discussed in the Management Discussion and Analysis Report which is presented in a separate section forming part of this Annual Report.

## DIRECTORS: APPOINTMENT / RE-APPOINTMENT / CHANGE IN DESIGNATION.

Details regarding Directors proposed to be appointed and re-appointed at the Annual General Meeting to be held on Saturday, September 27, 2014, due to changes arising from implementation of the Companies Act, 2013 are mentioned in the Notice convening the Annual General Meeting. Pursuant to completion of his tenure as Whole Time Director w.e.f August 1, 2014, Mr. Satyanarayan Sharma ceased to act as Whole Time Director of the Company. However, he continues to act as Director of the Company.

## DIRECTORS' RESPONSIBILITY

# DIRECTORS' REPORT

## 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 the preparation of the annual accounts for the financial year ended March 31, 2014, 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, 2014, 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, 2014 on a 'going concern' basis.

## PUBLIC DEPOSITS

During the year 2013-14, 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 continue to remain 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 as well.

The Listing fee payable under the Listing Agreement for the financial year 2014-2015 has been duly paid to the Bombay Stock Exchange Limited and Madras Stock Exchange Limited. There are no arrears on account of payment of listing

fees to the Stock Exchanges.

## 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.

## APPOINTMENT OF AUDITORS

M/s A.P. Sanzgiri & Co, Chartered Accountants, the present auditors of the Company, retires at the forthcoming Annual General Meeting and is eligible for re-appointment as auditors and has confirmed their eligibility and willingness to accept office, if re-appointed. Members are requested to re-appoint them at the ensuing Annual General Meeting. The Audit Committee of the Board has recommended their re-appointment.

The notes on accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

## PARTICULARS OF EMPLOYEES

During the year 2013-14, there were no employees drawing remuneration more than prescribed limit under Section 217 (2A) of the Companies Act, 1956.

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND 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 is no expenditure on R&D, Technology absorption, adoption & innovation during the financial year under review. Also, there were no foreign exchange earnings or outgo during the year under review.

# DIRECTORS' REPORT

## AWARDS AND RECOGNITIONS

The Byke Hospitality Limited has continued its growth story during the year under review. Our Hotel "THE BYKE OLD ANCHOR – Goa" has received an "AWARD FOR EXCELLENCE in the category of GOLD STANDARD HOTEL FOR YOUTH HOLIDAY- 2013 " at Moscow - Russia.



## ACKNOWLEDGMENT AND APPRECIATION

Your Directors place on record their deep appreciation and sincere thanks to shareholders, bankers, various regulatory authorities and central and state government officials for the continued support and confidence in the management of the Company. Your Directors are pleased to place on record their appreciation of the consistent contribution made by employees at all levels through their hard work, dedication, solidarity and cooperation and acknowledge that their efforts have enabled the Company to achieve new heights of success.

Particulars as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2014.

### A. CONSERVATION OF ENERGY

- a. Energy Conservation measures taken: The operations of your company are not energy-intensive. However, adequate measures have been initiated to reduce energy consumption.
- b. Additional investments and proposals, if any, are being implemented for reduction of consumption of energy:
  1. Installation and retrofitting of energy efficient CFL/LED lights.
  2. Solar hot water system in large resorts.
  3. Installation of motion and time control for lighting systems.
  4. Energy audits were being conducted for identification and reductions.
- c. Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: The above measures have resulted in reduction of energy consumption.
- d. Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of industries specified in the schedule: Not Applicable

### B. TECHNOLOGY ABSORPTION

#### Research & Development (R&D)

1. Areas in which R&D is carried out during the year.	: The Company has not carried any R&D activities
2. Benefits derived as a result of the above efforts	: Not Applicable
3. Future plan of action	: Not Applicable
4. Expenditure on R&D	: Nil
5. Technology absorption, adaptation and innovation	: Nil
6. Imported technology for last 5 years	: Nil

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There is Foreign Exchange Earnings or Outgo for the Year.

Mumbai  
August 13, 2014

For and on behalf of the Board  
Sd/-

Anil Patodia  
Managing Director  
(DIN: 00073993)

# MANAGEMENT'S DISCUSSION & ANALYSIS

## INDUSTRY STRUCTURE, DEVELOPMENT AND OUTLOOK

The Indian Tourism & Hospitality Industry has emerged as one of the fastest growing sectors contributing significantly to the Indian economic growth and development. It grew at an impressive CAGR of 36% during the last 5 year period 2009-2013 and continues to show strong momentum ahead. India has significant potential to become a preferred tourist destination globally. Its rich and diverse cultural heritage, abundant natural resources and biodiversity provides numerous tourist attractions. The total tourist visits in India have been growing at a steady rate of about 16 per cent over the past five years. According to a travel report, India ranks 11th in the Asia Pacific region and 65th on travel and tourism Competitiveness Index. The Indian hospitality sector has been growing at an annual rate of 14 per cent every year adding significant amount of foreign exchange to the economy. Travel and tourism's contribution to capital investment is estimated to grow at 6.5 per cent per annum during 2013-2023, above the global average of five per cent. The total market size of tourism and hospitality industry in India stood at US\$ 117.7 billion and is anticipated to touch US\$ 418.9 billion by 2022.

Foreign tourist arrivals (FTA) during the period January–December 2013 stood at 68.48 lakh as compared to FTAs of 65.78 lakh during 2012, registering a growth of 4.1 per cent. FTAs during December 2013 were 8.00 lakh as compared to 7.53 lakh during December 2012, growth of 6.3 per cent. Foreign exchange earnings (FEE) during January–December 2013 stood at US\$ 18.133 billion as compared to FEEs of US\$ 17.737 billion during 2012, registering a growth of 2.2 per cent.

FEEs during December 2013 were US\$ 1.886 billion. The number of tourists availing of the tourist Visa on Arrival (VOA) Scheme during January–December 2013 have recorded a growth of 26.2 percent. During the period, a total number of 20,294 VOAs have been issued as compared to 16,084 VOAs during the corresponding period of 2012. The foreign direct investment (FDI) inflows in hotel and tourism sector during April 2000 to

November 2013 stood at US\$ 6,825.56 million, as per the data released by Department of Industrial Policy and Promotion (DIPP). India is one of the fastest growing medical tourism destination. Indian medical tourism industry is anticipated to register a compound annual growth rate (CAGR) of more than 20 per cent during 2013-2015. The Government of India has allowed 100 per cent FDI under the automatic route in hotel and tourism sector, according to a report by DIPP.

## OPPORTUNITIES, THREATS, RISKS & CONCERNS

The hospitality sector of India is growing at an extremely fast pace. The country's hospitality industry is considered as one of the highly profitable industries, contributing significant amount of foreign exchange to the economy. Hotels are extremely important component of tourism industry and they contribute to the sector by offering services and facilities of extremely high standard. The size of the hospitality sector of India is considered as a sum of market share of two segments. The first segment is revenue obtained from travel businesses while second is revenues acquired from hotel businesses.

One of the most remarkable features of the Indian hospitality sector is that it has attracted significant amount of foreign inflows in the last few years. According to statistics released by the Department of Industrial Policy and Promotion (DIPP), the amount of FDI inflow in Indian hospitality and tourism industry during the last couple of years was more than US\$6000 million.

However, during the last couple of years, there has been tremendous increase in number of Hotels in India. With the increase in the supply of hotel rooms and sluggish occupancy levels, sustenance of rates are immediate concerns for Indian hotel industry. Less corporate demand for conference and group business are also major woes of the hotel industry. Operating costs specially food cost, labour and utilities have skyrocketed creating pressures on margins. Escalating real estate prices, increasing cost of energy, inadequate infrastructure development and lack of trained manpower are some of the challenges that will need to be addressed

# MANAGEMENT'S DISCUSSION & ANALYSIS

urgently. It looks that hotels will be struggling to be profitable with some having to restructure their debt to stay in the business. The industry revolves around customer service and satisfaction. Accordingly, the hotels must be constantly aware of the changing attitudes and behaviour of their customers. Hotels that meet and exceed the expectations of their guests will always be in high demand.

Management of the hotels has to ensure branding of properties, products, innovations in product development, sales strategies, daily operations and advance technology in the food & beverage portion of the hotel industry to control cost and reduce waste with an ultimate aim to add to revenue and reduce costs.

## COMPANY'S EXPONENTIAL GROWTH STRATEGY

The Byke Hospitality Ltd (Byke), is a fast growing hospitality services company. The company has two broad business segments (a) managing properties/hotels contributing 52% to total revenue having 22.3% of EBDITA margin and (b) room chartering, contributing 48% to total revenue and having 14.3% of EBDITA margin.

Currently, Byke operates hotels at popular holiday destinations such as Goa(3), Matheran(2), Mandawa(1), Jaipur(1) and Manali(1) with average occupancy level of around 69%. This business has grown by 4.8 times in just three years and the company reported a revenue of ₹ 807 mn in FY14 from these 8 hotels comprising 539 rooms.

Under the room chartering business the company manages room inventory at various locations. This business has also grown 4.6 times in last three years to reach at ₹ 750 mn in FY14. Company has sold 345,000 room nights during FY14 under this segment.

With a vision of operating on asset light model under the leadership of Mr. Anil Patodia, the company has grown smartly even in the slow down phase in the hospitality sector. The company has maintained high operating margin (~15%) and grown its net profit 16 times from mere ₹ 9 mn in

FY10 to ₹ 159 mn in FY14.

In the next leg of growth, the company aims to increase its presence in 17 holiday destinations and has already acquired land at three locations. It aims to increase its portfolio of hotels and resorts from current 8 hotels to 25 by 2017 and subsequently to 50 by 2020.



## COMPANY'S KEY MODELS TO ACHIEVE GROWTH

### •Asset Light Business Model

Our cornerstone for future growth & anchor during turbulent times, the model works on the principle of long leasing properties, thereby avoiding large capex, leveraging and associated cost burden.

### •Room Chartering

The Company books third-party hotel rooms at strategically identified Cultural & Religious tourist destination on bulk basis and let-out them to tourists during peak seasons and thus capitalises on the diverse peak seasons across India and offers unparalleled choice to guests.

### •Largest Marketing Network

The Company has one of the widest sales and marketing network, reaching out to the target audience through its 27 owned sales offices and 350 registered Travel Agents. We have a unique third party marketing tie-up through which we are present at 8000 locations.

# MANAGEMENT'S DISCUSSION & ANALYSIS

## GOING WAY FORWARD STRATEGY TO ACHIEVE GROWTH.

### •Professional Management Contract

The management of the company is actively discussing with various state tourism departments for operational management of its 150 prime properties spread across most sought after tourist destinations thereby enhancing its capacity by additional 6,000 rooms.

### •Web Portal: [www.Tripdeal.co.in](http://www.Tripdeal.co.in)

Upcoming web portal to provide customised end to end solutions for catering all travel needs of the guests. It shall add another revenue stream which will be vital for expanding the marketing base of the company.

### •Membership & Time Sharing Model

The Company plans to provide the quality family holiday packages under the membership model with a range of services designed to meet the diverse holiday needs of the customer. Model will boost the operating margin of the company.

## BUSINESS PERFORMANCE / FINANCIAL RESULTS

The Byke has a great competitive edge as the Company's resorts are large, well located and command stunning views of some of India's most scenic leisure destinations. The Company has, over the last couple of years, been investing in strengthening its competitive edge by renovating and refurbishing its resorts to contemporary, best-in-class standards. The efforts made to substantially raise the standards of the Company's resorts and holiday experience delivered have also led to a substantial increase in customer satisfaction ratings across resorts and improved business performance.

The key highlights of the Company's performance and progress are as follows:

- The Company added another luxury property on lease basis "The Byke Grassfield" in "Pink city of India – Jaipur" taking the total room inventory to 539 across 8 resorts.

- During the year, the Company continued to invest in upgrading its existing resorts to global, best-in-class standards. The investments in renovated resorts and facilities accompanied by significantly enhanced service standards have resulted in a clear increase in customer satisfaction ratings, which the Company monitors through ongoing Guest Service Tracking Systems (GSTS) at the resorts, post-holiday surveys, and analysis of Company's reputation in social media networks and other online forums.

### The key financial results for 2013-14 were:

- Total income (including other income) grew by 54% over the previous year from INR 10142.69 lakhs to INR 15586.38 lakhs.
- The profit after tax (PAT) of the Company has grown by 104.89 % from Rs.775.66 lakhs in 2012-13 to Rs. 1589.25 lakhs in 2013-14.
- Diluted Earning Per share of the company increased to Rs 7.93 per share in FY 2013-14, as compared to Rs 3.87 per share in previous year.

The significant improvement in the Company's performance in FY14 is a result of the strategic turnaround initiatives taken over the last couple of years leading to a strong resurgence of "The Byke" brand in the market. Going forward, the Company will continue to focus on delivering Great Holiday experiences whilst simultaneously looking at innovation and productivity, enabling the Company to strengthen its market position.

Though the macroeconomic environment in India has been a cause of concern in the last few years, it is encouraging that the Travel & Tourism industry continues to see positive trends world over, and especially in India with strong favourable trends in Domestic Tourism.



# MANAGEMENT'S DISCUSSION & ANALYSIS

## HUMAN RESOURCES MANAGEMENT

Your Company, growing in a competitive and dynamic environment, recognises the significance of training and development of its employees, who make the decisive difference in the hotel industry. The company has formulated systems to continuously monitor the performance of employees based on guest satisfaction.



Every year the company celebrates Annual Day at one of its resort where all associates actively participate, making this the most happening event of the year. Various activities mark this occasion and the awards are presented to employees for their motivation which is very good way of employee recognition. This makes them feel conceited and acts as catalyst for others to do better and get recognised, thus marking healthy competition which benefits both the organisation as well as associates.



The Company has also initiated various welfare initiatives for the staff, which includes free education and health care facilities for staff and their family members. The Company organises “Free Health Check-ups” for the employees and their family members in its premises on a regular basis.

The company also undertakes “Free Education programme” for its employees and their children, in line with its guiding principle which is changing lives by empowering individuals through Education. The Company also provides assistance to its staff in form of short term loans in case of emergency.

## RISK MANAGEMENT SYSTEM

The Managing Board is responsible for risk management in the company; it has implemented a risk management system. The aim of the system is to ensure that the extent to which the company’s strategic and operational objectives are being achieved is understood, that the company’s reporting is reliable and that the company complies with relevant laws and regulations.

Risk Management System has been designed to achieve maximum integration of the risk management process in the normal business processes. It provides for risk assessment tools, controls for risks that commonly occur in the company and monitoring and reporting procedures and systems.

## INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The large size and nature of the business demands the Company to maintain a proper internal control system. Efforts are made by the Management to maintain a sound financial and commercial practice capable of improving the efficiency of the operation and sustainability of the business.

In FY 2013-2014, the company strengthened Company’s internal control systems. The systems provide for adequate checks and balances; adherence to applicable statutes, accounting policies and approval procedures; and for ensuring optimum use of available resources. The system are regularly reviewed and improved upon. Regular assessments and audits help ensure that every operating unit consistently implements the controls and standards. Your Company has robust internal control systems and procedures. The Audit Committee of the Board

# MANAGEMENT'S DISCUSSION & ANALYSIS

oversees the adequacy of the internal control environment through regular reviews of the audit findings and monitoring implementations of internal audit recommendations through the compliance reports submitted to them.

## CORPORATE SOCIAL RESPONSIBILITY

The management of The Byke Hospitality Limited believes in taking the environment and social responsibility sincerely and undertakes to play an active role in contribution towards the society. It endeavours to integrate community development, social responsibility and environmental sustainability into its CSR strategy and formalize the integration of sustainability into its business practices.

During the current year, the Company in association with The Lions Club, a Non profit organisation, Shri Durgarmal Patodia Trust and Navsrushti International Trust took several initiatives for the betterment of the society. Some of these initiatives are:

- Mid-Day Meal Project - Abhinav Dhyan Mandir School, Mumbai.



It is a struggle for economic, social and moral freedoms of India initiated by Dharma Bharathi Mission with a motto – “ Begin with self – Begin today – Begin small”.

The Company is regularly sponsoring Mid-Day Meals to around 550 students of Abhinav Dhyan Mandir School which specifically enrolls children of Leprosy infected patients of Govandi, Mankhurd and Trombay areas of Mumbai.

- Contribution towards Floor Donation to a Girls Hostel in Mumbai

Education is one of the most critical areas of empowerment for women. Women might have the chance of a healthier and happier life should be reason enough for promoting girls' education. With goal of promoting girls education the Company is contributing periodically to “Rajasthan Vidyarthi Griha”, a residential hostel for girls pursuing Chartered Accountancy Course in Mumbai.

- Lunch to cancer patients - Sarvodaya Hospital, Mumbai.

The Company undertake a wide range of initiative for economic improvement as also for spreading health and hygiene awareness. The Company is providing lunch to 100 cancer patients of Sarvodaya Hospital, LBS Marg, Ghatkopar on every Sunday as a support to patients in their struggle against this dreadful disease.



# CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchanges)

## Company's practice on Corporate Governance

The Company believes in adopting the well accepted Corporate Governance practices and strive to improve them continuously. For the Company, adherence to Corporate Governance stems not only from the letter of law but also from our inherent belief in doing fair business the right way. Your Company is committed to benchmark itself with the best standards of Corporate Governance, not only in form but also in spirit. Corporate Governance rests upon the four pillars of transparency, disclosure, monitoring and fairness to all. The Company has always strived to promote Good Governance practices which ensure that:

- A competent management team at the helm of affairs and employees have a stable environment and
- Board is strong enough with good combination of Executive and Non-Executive Directors, including Independent Directors, who represent the interest of all stakeholders;

The Byke Hospitality Limited is in full compliance with the Corporate Governance norms and

**Composition of the Board of Directors, categories, number of outside directorships, committee memberships and Committee chairmanships of the Directors of the Company in other public limited companies as on March 31, 2014 is as follows:**

Name	Category	Committee Memberships	Committee Chairmanships	Outside Directorships#
Mr. Anil Patodia (DIN: 00073993)	Managing Director	2	Nil	Nil
Mr. Satyanarayan Sharma (DIN: 00798388)	Whole –Time Director	1	Nil	Nil
Mr. Pramod Patodia (DIN: 03503728)	Executive and Non Independent Director	Nil	Nil	Nil
CA. Ramratan Bajaj (DIN: 03502832)	Non Executive and Independent Director	1	1	Nil
Mr. Ramesh Vohra (DIN: 03502651)	Non Executive and Independent Director	Nil	1	Nil
Mr. Bharat Thakkar (DIN: 03187892)	Non Executive and Independent Director	2	1	Nil

# Subsidiary Companies, Private Companies, Foreign Companies and Companies under sec 25 of the Companies Act, 1956 are excluded for the above purpose.

disclosures of Clause 49 of the Listing Agreement with the Stock Exchanges. We report our financial results and other relevant disclosures/ developments in a clear and timely manner through print and electronic media. The Company files its quarterly, half yearly, annual results, quarterly shareholding patterns in the manner and within such time as prescribed in the Listing Agreement.

Our guiding principles and practices are summarised in this Corporate Governance Report.

## Board of Directors:

### 1. Board Structure:

The Company believes that an active, well informed and independent Board of Directors is vital to achieve the apex standard of Corporate Governance. The policy of the Company is to induct an appropriate combination of executive, non executive and independent directors so as to preserve and maintain the independence of the Board. As on March 31, 2014, the Board of Directors of the Company consisted of Six (6) Directors each being eminent persons with professional experience in varied fields. These Six Directors comprise of 1 (one) Managing Director, 1(one) Whole Time Director, 1 (one) Executive Director and 3 (three) Non- Executive and Independent Directors. Brief profile of all the Directors of the Company has been furnished separately in the Annual Report.

# CORPORATE GOVERNANCE REPORT

## 2. Board Meeting Schedules and Agenda

The Board meets at least once in a quarter to consider among the other business, the quarterly performance and the financial results of the Company. To enable the Board to discharge its responsibilities effectively and take informed decisions, the Board is provided with all the relevant information on important matters affecting the working of the Company as well as all the related details that require deliberation by the members of the Board. The details of the Board Meetings held during the financial year 2013-14 and directors attendance record are as follows:

Sr. No.	Date of Board Meeting	For the Quarter	Total Strength of Board on date of Meeting	Number of Directors present at the Board Meeting
1.	May 29, 2013	April to June	7	5
2.	August 05, 2013	July to September	6	4
3.	November 13, 2013	October to December	6	5
4.	February 13, 2014	December to March	6	5

The calendar for the Board Meeting in which financial results will be considered in the ensuing year is fixed in advance as a practice and has also been disclosed later in the report. All the agenda items are backed by necessary supporting information and documents to enable the Board to take informed decisions.

Board Meetings are held within 45 days from the end of the quarter in the manner that it coincides with the announcement of quarterly results. Time gap between two consecutive meetings does not exceed 4 months. In case of urgent necessity additional Board Meetings are called. Meetings are held at the registered office of the Company. The agenda along with the explanatory notes are sent in advance to the Directors.

As required under Annexure I to Clause 49 of the Listing Agreement with the Stock Exchanges, all the necessary information was placed before the Board from time to time.

The Board periodically reviews compliance reports of all laws applicable to the Company. Proper steps are taken by the Company to rectify instances of non-compliance, if any.

Name of the Director	Category	No of Meetings Attended & Held	Attendance at Last AGM
Mr. Anil Patodia	Managing Director	4/4	Yes
Mr. Satyanarayan Sharma	Whole –Time Director	3/4	Yes
Mr. Pramod Patodia	Executive & Non Independent Director	3/4	No
CA. Ramratan Bajaj	Non Executive & Independent Director	4/4	No
Mr. Ramesh Vohra	Non Executive & Independent Director	4/4	Yes
Mr. Bharat Thakkar	Non Executive & Independent Director	3/4	Yes
Dr. Utpal Kumar Mukhopadhyay*	Non Executive & Independent Director	0/1	NA

# CORPORATE GOVERNANCE REPORT

\* Dr. Utpal Kumar Mukhopadhyay resigned from the office of Directorship w.e.f May 29, 2013.

## **4. Non-Executive Directors' compensation and disclosures**

The Non-Executive Directors are paid sitting fee within the limits prescribed under the Companies Act, 1956. No stock options were granted to Non-Executive Directors during the year under review. The Non-Executive Directors did not have any material pecuniary relationship or transactions with the Company except the payment of sitting fees to them during the year 2013-14.

## **5. Other provisions as to Board and Committees**

The Board constantly evaluates the contribution of its members and recommends to shareholders their re-appointment periodically as per the provisions of the Companies Act, 1956. Executive Director is to be appointed by the shareholders for a maximum period of upto five years at a time, but is eligible for re-appointment upon completion of his term. Under the erstwhile provisions of the Companies Act, 1956 Non-executive Independent Director does not have a specified term, but retire by rotation however under the Companies Act, 2013 Non- executive Independent Director shall be appointed for a term of five years with effect from date of this Annual General Meeting i.e. September 27, 2014." whose term shall not be subject to retirement by rotation. The details of Directors seeking appointment have been attached along with the Notice of the Annual General Meeting.

6. All the relevant information, as recommended by the Securities and Exchange Board of India (SEBI)/Stock Exchanges, is promptly furnished to the Board from time to time in a structured manner.

7. The Company has adopted a Code of Conduct for its Executive and Non Executive Directors and all Non-Executive Directors have affirmed compliance with the said code. All the Senior Management of the Company has affirmed compliance with "The Byke Hospitality Limited Code of Conduct". The Code of Conduct is also displayed on the Company's website. The Annual Report of the Company contains a Certificate duly signed by the Managing Director (CEO) in this regard.

8. None of the Directors on the Board is a member of more than ten committees and does not act as Chairman of more than five committees across all companies in which they are Directors.

9. Other than transactions entered into in the normal course of business, the Company and its Promoters, Directors, Management and /or relatives has not entered into any materially significant related party transactions during the year, that may have a potential conflict of interest of the Company at large.

10. The Company has a well defined risk management framework in place. The risk Management framework adopted by the Company is discussed in the Management Discussion and Analysis chapter of this Annual Report. The Board assesses the risk and the procedures being followed by the Company and steps taken by it to mitigate these risks.

## **Committees of the Board**

The Board has currently established the following Committees.

- Audit Committee
- Stakeholders Relationship Committee
- Nomination & Remuneration Committee
- Corporate Social Responsibility Committee  
(See Table)

# CORPORATE GOVERNANCE REPORT

Sr. No.	Members (Position)	Category	Total Strength of Board on date of Meeting
1.	Audit Committee	CA Ram Ratan Bajaj Chairman* Mr. Bharat Thakkar Mr. Anil Patodia	Non Executive, Independent Non Executive, Independent Executive
2.	Stakeholders Relationship Committee	Mr. Bharat Thakkar Chairman* Mr. Satyanarayan Sharma Mr. Anil Patodia	Non Executive, Independent Non Executive** Executive
3.	Nomination and Remuneration Committee	Mr. Ramesh Vohra Chairman* Mr. Bharat Thakkar Mr. Anil Patodia	Non Executive, Independent Non Executive, Independent Executive
4.	Corporate Social Responsibility Committee	Mr. Anil Patodia Chairman* Mr. Satyanarayan Sharma Mr. Ramesh Vohra	Executive Non Executive** Non Executive, Independent

\* Chairman of the respective Committee.

\*\* On Completion of tenure as Whole Time Director w.e.f August 1, 2014, Mr. Satyanarayan Sharma ceased to act as Whole Time Director.

The Board is responsible for constituting, assigning, co-opting and fixing of terms of service for committee members of various committees. The Chairman of the Board, in consultation with the Company Secretary and the Committee Chairman, determines the frequency and duration of the committee meetings. Recommendations of the committees are submitted to the Board for approval. The quorum for meetings is either two members or one-third of the members of the committees, whichever is higher. In the case of all the above committees of The Byke Hospitality Limited, two members constitute the quorum.

Details on the role and composition of these Committees are provided below:

## 1) Audit Committee

The Audit Committee has been constituted by the Board of Directors of the company, in accordance with Section 292A of the Companies Act, 1956.

## I. Terms of Reference

a) Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b) Recommending the appointment and removal of statutory auditors, fixation of audit fee and also approval for payment for any other services.

c) Reviewing with management the annual financial statements before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Board's Report in terms of clause 2AA of Section 217 of the Companies Act, 1956.
- Any changes in accounting policies and practices and reasons thereof.
- Major accounting entries based on the exercise of judgement by the Management.
- Qualifications in the draft audit report.
- Significant adjustments made in the financial statements, arising out of audit findings.
- Compliance with Accounting Standards.
- Compliance with listing and other legal requirements relating to financial statements.
- Any related party transactions i.e. transactions of the Company of material nature, with Promoters or the Management and relatives etc., that may have potential conflict with the interests of the Company at large.

d) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

e) Reviewing with the management, performance of statutory and internal auditors and the adequacy of internal control systems.

f) Discussion with internal auditors on any significant findings and follow-up thereon.

# CORPORATE GOVERNANCE REPORT

g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

h) Discussion with external / statutory auditors before the audit commences, nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.

I) Reviewing the Company's financial and risk management policies.

j) To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors.

## II. Composition, Meeting and Attendance:

The Committee comprises of two Non-Executive Independent Directors (NEID) and one executive Director (ED). The Committee met four times viz. May 29, 2013, August 05, 2013, November 13, 2013 and February 13, 2014 during the year. The particulars of members and their attendance at the meetings are given below:

Name of the Member	Designation	Category of Directorship	No. of Meetings Attended & Held during the year
CA Ram Ratan Bajaj	Chairman	Non Executive and Independent	4/4
Mr. Bharat Thakkar	Member	Non Executive and Independent	3 /4
Mr. Anil Patodia	Member	Executive Director	4/4

All the members of the Audit Committee possess sound knowledge on accounts, audit, finance, internal controls etc. The Chairman of the Audit Committee, CA. Ram Ratan Bajaj, a Chartered Accountant, is a renowned financial professional in the industry and possesses strong accounting and financial management expertise. The Company Secretary and Compliance officer of the Company acts as Secretary to the Committee.

## 2) Stakeholders Relationship Committee

Shareholders/Investor Grievance Committee of Directors constituted for redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices/annual reports, etc has been renamed as Stakeholders Relationship Committee by the Board of Directors of the Company at its meeting held on 13th August 2014 as

per the provisions of the Companies Act, 2013.

### I. Terms of Reference

The committee oversees performance of the Registrars and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

### II. Composition, Meeting and Attendance:

The Committee comprises of One Non-Executive Independent Directors (NEID) and two Executive Directors (ED). The committee had five meetings during the year under consideration i.e. April 02, 2013, June 29, 2013, August 05, 2013, November 13, 2013 and February 13, 2014. The quorum of the shareholders grievance committee meeting is two members personally present.

The particulars of members and their attendance at the meetings are given below:

Name of the Member	Designation	Category of Directorship	No. of Meetings Attended & Held during the year
Dr. Utpal Kumar Mukhopadhyay*	Chairman	Non Executive and Independent	1/1
Mr. Bharat Thakkar*	Chairman	Non Executive and Independent	3/4
Mr. Anil Patodia	Member	Executive Director	5/5
Mr. Satyanarayan Sharma	Member	Executive Director	4/5

# CORPORATE GOVERNANCE REPORT

\* Dr. Utpal Kumar Mukhopadhyay resigned from the office of Directorship w.e.f May 29, 2013 and accordingly ceased to be Chairman of the Shareholders' Grievance Committee. Pursuant to cessation of Dr. Mukhopadhyay from the Chairmanship of Committee, w.e.f. May 29, 2013, Mr. Bharat Thakkar has been appointed as Chairman of the Committee.

The Company Secretary and Compliance officer of the Company acts as Secretary to the Committee.

### 3) Nomination and Remuneration Committee

The 'Remuneration / Compensation Committee' has been renamed as the 'Nomination and Remuneration Committee' w.e.f. 13th August, 2014 and its constitution, composition, quorum requirements, frequency of meetings, terms of reference, role, powers, rights, authority and obligations are in conformity with the applicable provisions of the Companies Act, 2013 and the listing agreement (including any statutory modification(s) or re-enactment or amendments thereof). The Remuneration Committee has been constituted by the Board of Directors to review and/or recommend the remuneration of the Executive Directors of the Company in accordance with the guidelines laid out by the statute and the Listing Agreement with Stock Exchanges.

#### I. Terms of Reference

The broad terms of reference of the Committee are to appraise the performance of Managing/Executive Directors and recommend to the Board about the Company's policy on remuneration package for them and to attend to any other responsibility as may be entrusted to them by the Board within the terms of reference. The details of remuneration paid to the Executive Directors during the year are included in this report.

#### II. Composition, Meeting and Attendance:

The Committee comprises of three Non – Executive Independent Directors (NEID). During the year the members met on May 29, 2013.

The particulars of members and their attendance at the meeting are given below:

Name of the Member	Designation	Category of Directorship	No. of Meetings Attended & Held during the year
Mr. Ramesh Vohra	Chairman	Non Executive and Independent Director	1/1
Dr. Utpal Kumar Mukhopadyay*	Member	Non Executive and Independent Director	0/1
Mr. Bharat Thakkar	Member	Non Executive and Independent Director	0/0
CA Ram Ratan Bajaj	Member	Non Executive and Independent Director	1/1

\*Pursuant to resignation of Dr. Utpal Kumar Mukhopadyay from Directorship of the Company w.e.f. May 29, 2013, he ceased to be a member of Remuneration Committee and currently Mr. Bharat Thakkar is a member of Remuneration Committee."

#### III. Remuneration Policy

##### a) Non –Executive Directors:

Non-Executive Directors were paid a sitting fee of Rs. 10,000 for attending each Board Meeting. The details of the remuneration paid to the Non Executive Directors by way of sitting fee during the financial year ended on March 31, 2014 are as under:

# CORPORATE GOVERNANCE REPORT

Name	Sitting Fees
CA. Ramratan Bajaj	Rs. 40,000
Mr. Ramesh Vohra	Rs. 40,000
Mr. Bharat Thakkar	Rs. 30,000

## b) Managing and Executive Directors

4. The company pays remuneration to its Managing Director by way of salary, commission and perquisites and to its Executive Directors by way of salary, executive allowance, and performance linked pay and perquisites. The remuneration is approved by the Nomination and Remuneration Committee and is within the overall limits approved by the shareholders.

## IV. Remuneration:

a) Managing Director and Executive Directors:

The detail of the remuneration paid to the Executive Directors during the year is as under:

Names of the Director	Salary & Perquisites
Mr. Anil Patodia	Rs. 12,00,000
Mr. Satyanarayan Sharma	Rs. 12,00,000

b) Remuneration paid to Non Executive Directors is Nil.

Shares and convertible instruments held by the Non-Executive Directors.

None of the Non – Executive Directors hold any shares in the Company as on March 31, 2014.

## 5. Corporate Social Responsibility Committee

As per the Companies Act, 2013, all companies having net worth of Rs. 500 crore or more, or turnover of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more during any financial year are required to constitute a Corporate Social Responsibility (CSR) Committee of the Board of Directors consisting of three or more directors, atleast one of whom will be an independent director. Accordingly, the Board of Directors on May 29, 2014 constituted the CSR Committee comprising of the following Directors:

Mr. Anil Patodia- Chairman (Executive Director)  
Mr. Satyanarayan Sharma (Non Executive Director)  
Mr. Ramesh Vohra (Independent Non- Executive Director)

The constitution, composition, quorum requirements, terms of reference, role, powers, rights, obligations of ‘Corporate Social Responsibility Committee [CSR Committee] are in conformity with the provisions of Section 135 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and all other applicable rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment or amendments thereof).

### Terms of reference of the Committee inter alia include to:

- Formulate and recommend to the Board of Directors (Board), a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013
- Approve CSR activities
- Recommend to the Board the amount of expenditure to be incurred on the CSR activities
- Monitor the CSR Policy of the Company from time to time.
- Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

# CORPORATE GOVERNANCE REPORT

- Carry out any other functions as authorized by the Board of Directors from time to time or as enforced by statutory/ regulatory authorities

## Compliance Officer

Mrs. Swati Gupta, Company Secretary, is the Compliance Officer and can be contacted at:

Shree Shakambhari Corporate Park,  
Plot No 156-158, Chakravarti Ashok Complex,  
J.B. Nagar, Andheri (East)  
Mumbai - 400 099  
Tel: +91 2267079666 Fax: +912267079696  
E-mail: swati.gupta@thebyke.com  
Website: www.thebyke.com

The Company Secretary has been designated as Compliance Officer of the Company in line with the requirement of Listing Agreement with the Stock Exchanges.

## Status Report of Investor Complaints for the year ended March 31, 2014.

No of Complaints Received -Nil

No of Complaints Resolved -Nil

No of Complaints Pending -Nil

## General Body Meetings:

The details of the Annual General Meetings held in the past three years and the special resolutions passed there at are as follows:

Year	Date & Venue	Time	No. of Special Resolution Passed
2010-2011	July 21, 2011 Anchorage Hall, Hotel Suba International, 211, Chakala Sahar Road, Andheri (East), Mumbai-400 099	11.00 hrs	Five
2011-2012	September 27, 2012 Shree Shakambhari Corporate Park, Plot No. 156-158, Chakravarti Ashok Complex, J. B Nagar, Andheri (East), Mumbai – 400 099	11.00 hrs	NIL
2012-2013	September 16, 2013 Anchorage Hall, Hotel Suba International, 211, Chakala Sahar Road, Andheri (East), Mumbai-400 099	11.30 hrs	NIL



# CORPORATE GOVERNANCE REPORT

All special resolutions passed in the previous three Annual General Meetings of the Company were passed by a show of hands by the Members of the Company present and voting at the said meetings.

## Postal Ballot

The Company did not pass any resolution vide Postal Ballot during the year.

## Disclosures:

- a. The transactions between the Company and the Directors and Companies in which the Directors are interested have been disclosed in notes to the Annual Accounts in compliance with the Accounting Standard relating to “Related Party Disclosures”. There is no materially significant Related Party Transaction that may have potential conflict with the interests of the Company.
- b. The financial statements have been prepared in accordance with the accounting standards and policies generally accepted in India.
- c. In terms of the requirement of Clause 49 (V) of the listing agreement, the CEO/CFO Certification of the financial statements for the year is enclosed.
- d. The Company has implemented the mandatory requirements of Corporate Governance as set out in the Listing Agreement. In respect of compliance with the non-mandatory requirements, the Company has constituted a Nomination & Remuneration Committee, the details whereof are given under the heading “Nomination & Remuneration Committee”. The quarterly and half yearly financial results are displayed on the Company’s website and are published in the newspapers.
- e. As required by Clause 49 of the Listing Agreement, a certificate from Auditor certifying the compliance by the Company with the provisions of Corporate Governance of the Listing Agreement is given as at the end of this Report.

## Reconciliation of Share Capital Audit

In keeping with the requirements of SEBI and the Stock Exchanges, a Secretarial Audit by a practicing Company Secretary is carried out to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The said audit confirms that the total issued / paid - up capital tallies with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

## Means of Communication

Quarterly, half-yearly and annual results of the Company are published in leading English and vernacular newspapers viz. Business Standard/Financial Express and Apla Mahanagar. Additionally, these results along with Annual Reports, Shareholding Patterns etc. pursuant to Clause 52 and Clause 54 of the Listing Agreement with the Stock Exchanges are simultaneously posted on Corporate Filing and Dissemination System (CFDS) viz. [www.corpfiling.co.in](http://www.corpfiling.co.in) website maintained by SEBI and on the website of the Company viz. [www.thebyke.com](http://www.thebyke.com), which also contains a separate dedicated section “Investor Relations”. Moreover, the Company also gives important Press Releases from time to time.

## Extensive Business Reporting Language (XBRL)

XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyze such information which aids better

# CORPORATE GOVERNANCE REPORT

analysis and decision making. Ministry of Corporate Affairs (MCA) vide its circular No. 37 / 2011 dated June 7, 2011, had mandated certain companies to file their Annual Accounts vide this mode. The Company has filed its Annual Accounts on MCA through XBRL.

## **Ministry of Corporate Affairs (MCA)**

The Company has periodically filed all the necessary documents with the MCA.

## **SEBI Complaints Redress System (SCORES)**

A centralized web based complaints redress system which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by the investors of actions taken on the complaint and its current status.

## **Annual Report**

The Annual Report containing inter alia the Audited Accounts, Directors' Report, Auditors' Report, Cash Flow Statement and other important information is circulated to the investors.

Pursuant to the Green Initiative launched by the MCA, the Company also sends e-copies of the Annual Report to Members who have registered for the same.

The Annual Reports are also available in the Investor Relations section on the Company's web site [www.thebyke.com](http://www.thebyke.com).

## **Website**

The Company's website is a comprehensive reference on Company's management, vision, mission, policies, corporate governance, investor relations, and updates. The section on 'Investor Relations' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, registrars and share transfer agents.

## **Management Discussion and Analysis**

The Management Discussion and Analysis Report, in compliance with the requirements of Clause 49 of the Listing Agreement is annexed to the Directors' Report and forms part of this Annual Report being sent to all the members of the Company. All matters pertaining to industry structure and developments, opportunities and threats, outlook, existing and proposed ventures, internal control and systems, etc. are discussed in the said report.

# CORPORATE GOVERNANCE REPORT

## General Shareholders' Information

- 1) Annual General Meeting  
Day, Date and Time : Saturday, September 27, 2014 ; 11:00 a.m.  
Venue : Anchorage Hall, Hotel Suba International, 211, Chakala Sahar Road, Andheri (E), Mumbai- 400099
- 2) Financial Calendar (Tentative)  
Financial reporting for the quarter ending June 30, 2014 : 2nd week of August, 2014  
Financial reporting for the half year ending September 30, 2014 : 2nd week of November, 2014  
Financial reporting for the quarter ending December 31, 2014 : 2nd week of February, 2015  
Financial reporting for the year ending March 31, 2015 : 4th week of May, 2015
- 3) Date of Book Closure : September 5th, 2014
- 4) Dividend Payment Date : On or after October 6, 2014
- 5) Registered Office : Shree Shakambhari Corporate Park  
156/158 Chakravarti Ashok Complex,  
J. B. Nagar, Andheri (East),  
Mumbai – 400 099  
Email : investors.care@thebyke.com  
Website: www.thebyke.com
- 6) Listed on Stock Exchanges : Bombay Stock Exchange Limited  
: Madras Stock Exchange Limited
- 7) Traded on Stock Exchanges : National Stock Exchange Limited  
: Bombay Stock Exchange Limited
- 8) Stock Code : BSE – 531373  
: NSE – THEBYKE
- 9) Payment of Annual Listing fees : Listing fees for the financial year 2014-15 has been paid to both the exchanges i. e The BSE Limited and Madras Stock exchange Limited.
- 10) Payment of Annual Custody/Issuer fees : The Company has paid the annual custody/issuer fee to NSDL and CDSL for the financial year 2014-15.
- 11) Corporate Identity Number (CIN) : L67190MH1990PLC056009

# CORPORATE GOVERNANCE REPORT

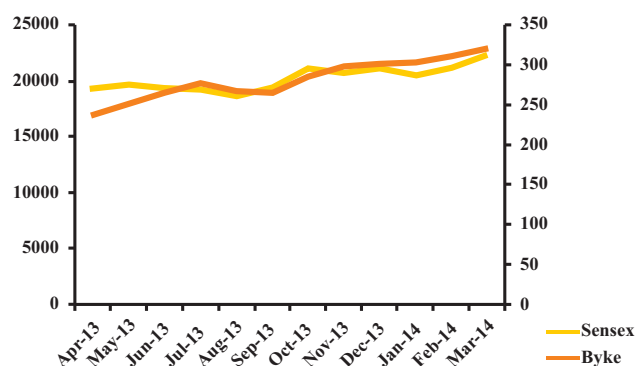
## Stock Data

Table 1 and 2 respectively give the monthly high & low prices and volumes of equity shares of the Company at the BSE Limited ("BSE") and National Stock Exchange of India Ltd. (NSE) for the financial year March 31, 2014.

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Sensex
Apr-13	266.90	224.50	238.45	19504.20
May-13	253.45	239.05	250.95	19760.30
Jun-13	287.95	250.10	264.90	19395.80
Jul-13	277.00	262.45	276.85	19345.70
Aug-13	277.70	265.55	266.30	18619.70
Sep-13	270.20	263.05	264.35	19379.80
Oct-13	315.00	264.30	285.65	21164.50
Nov-13	298.60	284.80	298.00	20791.90
Dec-13	310.00	296.20	301.60	21170.70
Jan-14	307.75	299.50	303.10	20513.90
Feb-14	366.85	297.75	310.00	21120.10
Mar-14	322.00	309.30	320.05	22386.30

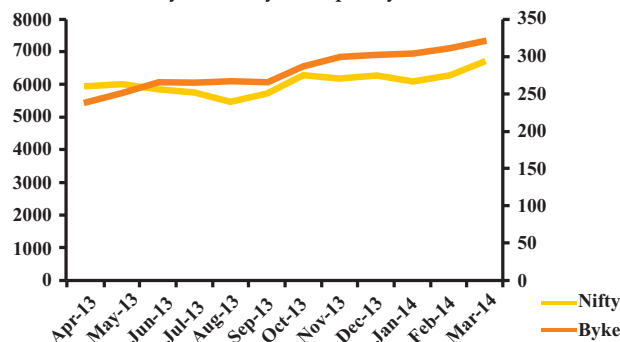
Month	High (Rs.)	Low (Rs.)	Close (Rs.)	CNX Nifty
Apr-13	267.00	224.55	238.55	5930.20
May-13	253.45	239.05	251.10	5985.95
Jun-13	298.00	250.05	264.80	5842.20
Jul-13	277.00	262.40	276.90	5742.00
Aug-13	277.65	265.50	266.35	5471.80
Sep-13	270.25	263.00	264.35	5735.30
Oct-13	325.00	264.35	285.65	6299.15
Nov-13	298.60	284.75	298.05	6176.10
Dec-13	310.00	296.25	301.65	6304.00
Jan-14	307.75	299.50	303.10	6089.50
Feb-14	348.00	297.80	309.95	6276.95
Mar-14	322.20	309.20	320.10	6704.20

Bse Sensex VS The Byke Hospitality Limited



Source: www.bseindia.com

Nse Nifty VS The Byke Hospitality Limited



Source: www.nseindia.com

## Equity Dividend History of the Company for Last Four Years

Financial Year	Date of Declaration	Equity Dividend per share (Rs.)
2009-2010	September 30, 2010	Re 0.50 /-
2010-2011	July 21, 2011	Re 1.00/-
2011-2012	September 27, 2012	Re 1.00/-
2012-2013	September 16, 2013	Re 1.00/-

# CORPORATE GOVERNANCE REPORT

Transfer to Investor Education and Protection Fund (IEPF):

As per the provisions of Section 205A read with Section 205C of the Companies Act, 1956, the Company is required to transfer unpaid dividends, matured deposits and interest accrued thereon remaining unclaimed and unpaid for a period of 7 years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

Given below are the proposed dates for transfer of the unclaimed dividend to the IEPF by the Company:

Financial Year	Date of declaration of Dividend	Proposed Date of transfer to IEPF*
2006-07	September 29, 2007	October 28, 2014
2007-08	September 30, 2008	October 29, 2015
2008-09	September 30, 2009	October 29, 2016
2009-10	September 30, 2010	October 29, 2017
2010-11	July 21, 2011	August 20, 2018
2011-12	September 27, 2012	October 26, 2019
2012-13	September 16, 2013	October 15, 2020

\*Indicative dates, actual dates may vary.

It may be noted that no claims will lie against the Company nor the IEPF in respect of the said unclaimed amounts transferred to the Fund.

## Distribution Schedule of The Byke Hospitality Limited Shareholding as on March 31, 2014

Number of Shares	Number of Shareholders	% to total No. of Shareholders	No. of Shares	% to total Share Capital
1-100	2131	72.95	173316	0.86
101-200	198	6.78	37716	0.19
201-500	224	7.67	87826	0.44
501-1000	121	4.14	101893	0.51
1001-5000	117	4.01	305998	1.53
5001-10000	28	0.96	207509	1.03
10001-100000	69	2.36	2556653	12.75
100001 to Above	33	1.13	16577989	82.69
<b>Total</b>	<b>2921</b>	<b>100.00</b>	<b>20048900</b>	<b>100.00</b>

## Categories of Shareholders as on March 31, 2014

Sr. No.	Description	No. of Shares (as on March 31, 2014)	% to capital
A.	Promoters	8822918	44.00
B.	Public Shareholding		
	-NRI/ OCBs	145486	0.73
	-Bodies Corporate	8148579	40.64
	-Individuals	2446201	12.20
	-Bank	485716	2.43
	<b>Total</b>	<b>2,00,48,900</b>	<b>100.00</b>

# CORPORATE GOVERNANCE REPORT

## Registrar and Transfer Agent

M/s. Sharepro Services (India) Private Limited, acts as the Registrar and Share Transfer Agents of the Company to handle all share transfers and related processes. They provide the entire range of services to the Shareholders of the Company relating to share transfers, change of address or mandate and dividend. The electronic connectivity with both the depositories – National Securities Depository Limited and Central Depository Services (India) Limited is also handled by M/s. Sharepro Services (India) Private Limited. Shareholders may correspond with the Registrar and Transfer Agent, at the following address:

### **M/s Sharepro Services (India) Pvt. Ltd**

13AB, 2nd Floor, Samhita Warehousing Complex,  
Sakinaka Telephone Exchange Lane,  
Off Andheri–Kurla Road, Sakinaka,  
Andheri (East), Mumbai – 400072  
Tel: 022-67720300

## Share Transfer System

Share transfers received by the Company are registered within 15 days from the date of receipt in most of the cases, provided the documents are complete and valid in all respects. A summary of the transfer / transmission so approved is placed at every Board Meeting.

The Board has delegated the authority for approving transfer, transmission, etc. of the Company's Equity shares to a Stakeholders Relationship Committee. The Registrar and Share Transfer Agent, Sharepro Services (India) Private Limited is authorized by the Board for processing of share transfers which are approved by the Company's Stakeholders Relationship Committee.

The Company obtains from a Company Secretary in Whole-time practice, a half yearly Certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges concerned.

## Dematerialization of Shares

All valid requests for dematerialization of shares are processed and confirmation given to all the depositories within 21 days.

Also, pursuant to Regulations 55A of SEBI (Depositories and Participants) Regulations, 1996, certification is done by a Company Secretary in Whole-time Practice regarding timely dematerialization of the shares of the Company. Further secretarial audit is done on a quarterly basis for reconciliation of the Share Capital of the Company.

As on March 31, 2014, 98.10% of the paid-up Equity Share Capital is held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The market lot is one share, as trading in the Equity Shares of the Company on exchanges is permitted only in dematerialized form.

# CORPORATE GOVERNANCE REPORT

The distribution of shares in physical and electronic modes as at March 31, 2014 is as under:

Shares held through	Percentage of Holding
NSDL	20.39
CDSL	77.71
Physical	1.90
Total	100.00

## Investor Services:

Shareholders may correspond with the Registrar and Transfer Agent, for the entire range of services with regard to share transfer, change of address, change of mandate, dividend, etc. at the address mentioned here in above. Members may contact Mrs. Swati Gupta, Company Secretary and Compliance Officer for all investor related matters at the registered office of the company at the following address:

### The Byke Hospitality Limited

Shree Shakambhari Corporate Park,  
156-158, Chakravarty Ashok Society,  
J. B. Nagar, Andheri (East)  
Mumbai – 400099  
Tel. : +91-22-67079666  
Fax. : +91-22-67079696  
E-mail: investors.care@thebyke.com

## National Electronic Clearing Service (NECS)

RBI vide it's Circular No. DPSS. (CO). EPPD. No. 191.04.01.01 / 2009-2010 dated July 29, 2009, has instructed banks to move to the NECS platform w.e.f. October 1, 2009.

Investors are requested to kindly provide their new bank account particulars after implementation of Core Banking System by their respective bank(s) by quoting their reference folio number(s), in case shares are held in physical form.

In case shares are held in dematerialised form, investors may kindly provide the details to their Depository Participant, to avoid ECS credit to the old account being either rejected or returned and to ensure that future dividend payments are correctly credited to the respective account.

## For and on Behalf of Board of Directors

Sd/-  
Anil Patodia  
Managing Director  
(DIN: 00073993)

Mumbai, August 13, 2014

# CORPORATE GOVERNANCE REPORT

## **Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement**

To  
The Members of  
The Byke Hospitality Limited

We have examined the compliance of conditions of Corporate Governance by The Byke Hospitality Limited for the year ended on March 31, 2014, as stipulated in clause 49 of the listing agreement of the said company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For A. P. Sanzgiri & Co  
Chartered Accountants  
Firm Registration No. 116293W

Sd/-  
Satish Kumar Gupta  
Partner  
M. No. 101134  
Mumbai, August 13, 2014



# CORPORATE GOVERNANCE REPORT

## **DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT**

In accordance with sub-clause I (D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2014.

For The Byke Hospitality Limited

Sd/-  
Anil Patodia  
Managing Director  
(DIN: 00073993)

Mumbai,  
August 13, 2014

# CORPORATE GOVERNANCE REPORT

## CHIEF EXECUTIVE OFFICER CERTIFICATE

I, Anil Patodia, Managing Director & Chief Executive Officer, responsible for the finance function certified that:

- 1) I have reviewed the financial statements & cash flow statement for the year ended March 31, 2014 and to best of my knowledge and belief I state that:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) To the best of our knowledge and belief, no transactions entered in to by the company during the year ended March 31, 2014 are fraudulent, illegal or violating of the company's code of conduct.
- 3) I accept the responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware, have been disclosed to the auditors and the Audit Committee and the steps have been taken to rectify these deficiencies.
- 4) There has not been any significant change in internal control over financial reporting during the year under reference;

There has not been any significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

I am not aware of any instances during the year of significant fraud with involvement therein of the management or any employee having a significant role in Company's internal control system over financial reporting.

Sd/-

Anil Patodia  
Managing Director & CEO  
(DIN: 00073993)

Mumbai  
May 29, 2014

# AUDITOR'S REPORT

## INDEPENDENT AUDITORS' REPORT

To,  
The Members of  
THE BYKE HOSPITALITY LIMITED

### Report on Financial Statements

1. We have audited the accompanying financial statement of THE BYKE HOSPITALITY LIMITED (Formerly known as Suave Hotel Limited), which comprise the Balance sheet as at March 31, 2014, and the Statement of Profit & Loss and the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory statements.

### 2. Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statement that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting standard referred to in sub-section (3C) of section 211 of the Companies act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to preparation and presentation of the financial statement that give a true and fair view and free from material misstatement , whether due to fraud or error.

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirement and plan and performance the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosure in financial statements. The procedure selected depends on the auditor's judgment, including the assessment of risk of the material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimate made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for audit opinion.

### 4. Opinion

(I) In our opinion to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principal generally accepted in India

- a. In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2014; and
- b. In the case of the statement of profit & Loss, of the profit for the year ended on that date.
- c. In the case of the Cash flow Statement, of the cash flows for the year ended on that date.

## 5. Report on other legal and regulatory requirement:-

1. As required by the Companies (Auditors Report) Order, 2003 as amended by Companies (Auditor's report) Amendment order, 2004 issued by Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.

2. As required by section 227(3) of the act, we report that:

a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;

c. The Balance Sheet and Statement of Profit & Loss dealt with by this report are in agreement with the books of account;

d. Also comply with the accounting standards referred to in sub-section (3c) of section 211 of the Companies Act, 1956;

e. On the basis of written representations received from the directors, as on 31st March 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

For A.P. Sanzgiri & Co.  
Chartered Accountants  
FRN – 116293W

Sd/-  
Satish Kumar Gupta  
Partner (M.N. 101134)  
Place: Mumbai  
Date : 29th May, 2014

# AUDITOR'S REPORT

## THE BYKE HOSPITALITY LIMITED

Annexure to Auditors Report referred to in paragraph 5(1) of our report of even date.

### (I) FIXED ASSETS

- a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us, all the assets have been physically verified by the management once during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. In our opinion the company has not disposed off a substantial part of its fixed assets during the year.

### (II) INVENTORIES

- a. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- b. On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. We have been informed that no material discrepancies were noticed on such verification.

### (III) LOANS AND ADVANCES

- a. The company has granted unsecured loans to four parties covered in the register maintained under section 301 of the Companies Act, 1956, the maximum amount involved during the year was Rs. 21.25 (Nil) Lakhs and the year-end balance of loans given to such parties was Rs. 15.20 (Nil) Lakhs.
- b. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the rate of interest and other terms and conditions of unsecured loans given by the company, are not prima facie prejudicial to the interest of the company, and
- c. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that receipt of the principal is on demand; and no overdue amount receivable from the party.
- d. The company has taken unsecured loan from four parties covered in the register maintained under section 301 of the Companies Act, 1956, the maximum amount involved during the year was Rs. 335.04 (Nil) lakhs and the the year – end balance of loan taken from such parties was Rs. 298.16 Lakhs(Nil).
- e. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the rate of interest and other terms and conditions of unsecured loans taken by the company, are not prima facie prejudicial to the interest of the company; and
- f. Based on the audit procedures applied by us and according to the information and explanation provided by the management, the company is regular in repaying the principal amounts.

### (IV) INTERNAL CONTROLS

In our opinion and according to the information and explanation given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regards to the sale of goods and services. During the course of our audit, we noticed no major weaknesses in the internal controls system in respect of the said areas.

### (V) RELATED PARTIES

- a. According to the information and explanation given to us and audit procedure performed by us, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in register required to be maintained in that section.
- b. The Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

## **(VI) FIXED DEPOSITS**

In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public. Therefore, the provision of Clause (vi) of paragraph 4 of the Order are not applicable to the company.

## **(VII) INTERNAL AUDIT**

The company does not have any formal internal audit system but its financial and internal checks ensure proper recording of financial transactions.

## **(VIII) COST RECORDS**

We are informed that the Central Government has not prescribed under section 209(1)(d) of the Companies Act, 1956 maintenance of cost records for any of the products manufactured by the company.

## **(IX) STATUTORY DUES**

- a. According to the information and explanations provided to us, the company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, income – tax, sales - tax, wealth – tax , service tax, custom duty, excise – duty, cess and other applicable statutory dues with the appropriate authorities. No undisputed statutory dues payable were in arrears as at March 31, 2014, for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there are no amount in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited with the concerned authorities on account of dispute.

**(X)** The company has no accumulated losses at the end of the financial year and it has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

**(XI)** Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution and banks. The company has not borrowed any amount by issuing of debenture.

**(XII)** Based on our examination of documents and records, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

# AUDITOR'S REPORT

- (xiii)** In our opinion and according to the information and explanation given to us the nature of the activities of the company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.
- (xiv)** In our opinion and according to the information and explanation given to us the company is not dealing or trading in shares, securities, debentures, and other Investments.
- (xv)** According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xvi)** In our opinion and according to the information and explanation given to us, and as on the basis are we report that, the term loans, taken by the company from banks and financial institutions, have generally been applied by the company for the purpose for which they were raised.
- (xvii)** In our opinion and according to the information and explanations given to us, in overall examinations of balance sheet of the company we report that no fund raised as short term basis have been used for long term investments.
- (xviii)** The company has not made any preferential allotment of shares during the year to parties and companies covered in the registers maintained under section 301 of the Act.
- (xix)** During the year, the company did not have any outstanding debentures.
- (xx)** The company has not raised any money through public issue during the year.
- (xxi)** Based upon the audit procedures adopted and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For A.P. Sanzgiri & Co.  
Chartered Accountants  
FRN – 116293W

Sd/-  
Satish Kumar Gupta  
Partner (M.N. 101134)  
Place: Mumbai  
Date : 29th May, 2014

# BALANCE SHEET AS AT MARCH 31, 2014

(Amount in ₹)

Particulars	Note No.	As at March 31, 2014		As at March 31, 2013	
<b>I Equity and Liabilities</b>					
<b>1. Shareholders' Funds</b>					
(a) Share Capital	2(1)	200,489,000		200,489,000	
(b) Reserves and Surplus	2(2)	647,817,409		524,076,900	
			<b>848,306,409</b>		<b>724,565,900</b>
<b>2. Non - Current Liabilities</b>					
(a) Long -Term Borrowings	2(3)	60,232,973		83,387,679	
(b) Deferred Tax Liabilities (Net)	2(4)	49,468,181		38,644,841	
(c) Other Long - Term Liabilities	2(5)	130,000		75,000	
(d) Long - Term Provisions	2(6)	575,857		158,921	
			<b>110,407,011</b>		<b>122,266,441</b>
<b>3. Current Liabilities</b>					
(a) Short - Term Borrowings	2(7)	61,085,592		92,194,287	
(b) Trade Payables	2(8)	64,124,366		91,156,077	
(c) Other Current Liabilities	2(9)	97,096,309		44,739,451	
(d) Short - Term Provisions	2(10)	72,630,613		61,492,878	
			<b>294,936,880</b>		<b>289,582,693</b>
<b>TOTAL</b>			<b>1,253,650,300</b>		<b>1,136,415,034</b>
<b>II Assets</b>					
<b>1. Non - Current Assets</b>					
(a) Fixed Assets	2(11)				
(i) Tangible Assets		784,283,580		726,786,796	
(ii) Capital Work-in-Progress		35,523,753		31,034,385	
(b) Long - Term Loans and Advances	2(12)	39,744,896		40,721,829	
(c) Other Non - Current Assets	2(13)	16,100,000		14,110,000	
			<b>875,652,229</b>		<b>812,653,010</b>
<b>2. Current Assets</b>					
(a) Inventories	2(14)	60,385,238		59,898,048	
(b) Trade Receivables	2(15)	107,073,284		119,323,335	
(c) Cash and Bank Balances	2(16)	19,889,133		10,477,337	
(d) Short - Term Loans and Advances	2(17)	188,370,544		133,128,138	
(e) Other Current Assets	2(18)	2,279,872		935,166	
			<b>377,998,071</b>		<b>323,762,024</b>
<b>TOTAL</b>			<b>1,253,650,300</b>		<b>1,136,415,034</b>

See accompanying notes to the financial statements, as under

Significant Accounting Policies	1
Notes to the Balance Sheet	2
Other Notes	4

In terms of our report of even date

**For A P Sanzgiri & Co.**

Chartered Accountants

**Firm's Registration No. : 116293W**

Sd/-

**Satish Kumar Gupta**

Partner

**Membership No. : 101134**

Mumbai.

May 29, 2014

**For and on behalf of the Board of Directors**

Sd/-

**Anil Patodia**

Managing Director

(DIN: 00073993)

Mumbai.

May 29, 2014

Sd/-

**Satyanarayan Sharma**

Director

(DIN: 00798388)

Mumbai.

May 29, 2014

Sd/-

**Swati Gupta**

Company Secretary

Mumbai.

May 29, 2014



# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in ₹)

Particulars		Note No.	For the year ended March 31, 2014		For the year ended March 31, 2013	
<b>I</b>	<b>Revenue</b>					
	Revenue from Operations	3(1)	1,557,140,401		1,009,253,637	
	Other Income	3(2)	1,497,528		5,015,859	
	<b>Total Revenue</b>			<b>1,558,637,929</b>		<b>1,014,269,496</b>
<b>II</b>	<b>Expenses</b>					
	Cost of Material Consumed	3(3)	93,875,238		73,972,680	
	Employee Benefits Expenses	3(4)	32,025,370		27,642,644	
	Finance Costs	3(5)	20,787,138		22,974,283	
	Depreciation Expenses	2(11)	53,834,098		41,875,388	
	Operating and General Expenses	3(6)	1,145,595,845		732,207,272	
	<b>Total Expenses</b>			<b>1,346,117,689</b>		<b>898,672,267</b>
<b>III</b>	<b>Profit before Tax (I-II)</b>			<b>212,520,240</b>		<b>115,597,229</b>
<b>IV</b>	<b>Tax Expense:</b>					
	Current Tax Expense		42,772,075		27,485,386	
	Deferred Tax	2(5)	10,823,340		10,545,470	
				<b>53,595,415</b>		<b>38,030,856</b>
<b>V</b>	<b>Profit for the Year (III-IV)</b>			<b>158,924,825</b>		<b>77,566,374</b>
<b>VI</b>	<b>Earnings Per Equity Share (Face Value ₹ 10 Per Share):</b>	3(7)				
	(1) Basic (₹)			<b>7.93</b>		<b>3.87</b>
	(2) Diluted (₹)			<b>7.93</b>		<b>3.87</b>

See accompanying notes to the financial statements, as under

Significant Accounting Policies	1
Notes to Statement of Profit and Loss	3
Other Notes	4

In terms of our report of even date

**For A P Sanzgiri & Co.**

Chartered Accountants

**Firm's Registration No. : 116293W**

Sd/-

**Satish Kumar Gupta**

Partner

**Membership No. : 101134**

Mumbai.

May 29, 2014

**For and on behalf of the Board of Directors**

Sd/-

**Anil Patodia**

Managing Director

(DIN: 00073993)

Mumbai.

May 29, 2014

Sd/-

**Satyanarayan Sharma**

Director

(DIN: 00798388)

Mumbai.

May 29, 2014

Sd/-

**Swati Gupta**

Company Secretary

Mumbai.

May 29, 2014

# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Amount in ₹)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>A. Cash flow from Operating Activities</b>		
Net profit before taxation	212,520,240	115,597,229
<u>Adjustments for:</u>		
Interest expenses	20,787,138	22,974,283
Depreciation on fixed assets	53,834,098	41,875,388
Interest income	(1,497,528)	(1,361,961)
Provision for gratuity	416,936	144,789
<b>Operating profit before Working Capital changes</b>	<b>286,060,884</b>	<b>179,229,728</b>
<u>Changes in Working Capital</u>		
(Increase)/decrease in Trade and Other Receivables	12,250,051	(90,037,336)
(Increase)/decrease in Other Current Assets	(6,639)	(707,706)
(Increase)/decrease in Long-Term Loans and Advances	(23,067)	-
(Increase)/decrease in short term	(55,242,406)	(11,955,651)
(Increase)/decrease in Inventories	(487,190)	324,240
Increase/(decrease) Non- Other Current Liabilities	55,000	-
Increase/(decrease) Other Current Liabilities	27,733,934	23,304,101
Increase/(decrease) In Short Term Provision	6,535,029	-
Increase/(decrease) in Trade and Other Payables	(27,031,711)	61,021,861
<b>Cash generated from operations</b>	<b>249,843,885</b>	<b>161,179,237</b>
Income Taxes (paid)/ refund	(49,897,475)	(4,359,753)
<b>Net cash inflow from/(outflow) from Operating Activities</b>	<b>199,946,410</b>	<b>156,819,485</b>
<b>B. Cash flow from Investing Activities</b>		
Acquisition of Fixed Assets (including Capital Work in Progress and Capital Advances)	(89,756,651)	(158,303,655)
Sale of Fixed Asset	-	23,087,144
(Increase)/decrease in Fixed Deposits	(1,990,000)	(10,110,000)
Movement in Loans and Advances		(1,009,470)
Interest received	159,461	1,361,961
<b>Net cash inflow from/(outflow) from Investing Activities</b>	<b>(91,587,190)</b>	<b>(144,974,020)</b>
<b>C. Cash flow from Financing Activities</b>		
Interest paid	(20,787,138)	(22,974,283)
Dividend paid (including dividend distribution tax)	(24,941,488)	(15,591,072)
long term borrowing	(22,110,102)	(12,872,321)
Money/(repaid) from/to borrowings	(31,108,695)	30,112,836
<b>Net cash inflow from/(outflow) from Financing Activities</b>	<b>(98,947,423)</b>	<b>(21,324,840)</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>9,411,796</b>	<b>(9,479,375)</b>
<b>Opening Cash and Cash Equivalents</b>	<b>10,477,337</b>	<b>19,956,713</b>
<b>Closing Cash and Cash Equivalents</b>	<b>19,889,133</b>	<b>10,477,337</b>

In terms of our report of even date

**For A P Sanzgiri & Co.**

Chartered Accountants

**Firm's Registration No. : 116293W**

Sd/-

**Satish Kumar Gupta**

Partner

**Membership No. : 101134**

Mumbai.

May 29, 2014

Sd/-

**Anil Patodia**

Managing Director

(DIN: 00073993)

**For and on behalf of Board of Directors**

Sd/-

**Satyanarayan Sharma**

Director

(DIN: 00798388)

Mumbai.

May 29, 2014

Sd/-

**Swati Gupta**

Company Secretary

# ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

## NOTE 1: Significant Accounting Policies

### 1.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### 1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

### 1.3 Inventories

Inventories are valued at the lower of cost (on weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

### 1.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 1.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### 1.6 Depreciation and amortisation

Depreciation on tangible assets has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:

- a). Leasehold Building Improvements is amortised over the duration of lease
- b). Plant & machinery installed at Leasehold Building Premises is amortised over the duration of lease

Depreciation on additions to fixed assets is provided on pro-rata basis from the date of put to use of assets.

# ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

## 1.7 Tangible fixed assets

Tangible Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.

### **Capital work-in-progress:**

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

## 1.8 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

## 1.9 Revenue recognition

Revenue / Income and Cost/Expenditure are generally accounted on accrual as they earned or incurred, except in case of significant uncertainties. Interest and other income are accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

## 1.10 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties etc.

## 1.11 Employee benefits

(a) All employee benefits falling due within twelve months of rendering the services are classified as short term employee benefits. Benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

(b) Retirement benefits in the form of Provident Fund and Employees State Insurance Scheme are defined contribution schemes and the contributions are charged to the Statement of Profit & Loss of the period when the contributions to the respective funds are due.

(c) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial period.

(d) Actuarial gains and losses in respect of gratuity is charged to the Statement of Profit & Loss.

# ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

## 1.12 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit & Loss.

## 1.13 Segment reporting

Based on the guiding principles stated in Accounting Standard 17 "Segment Reporting", the management does not recognise any distinguishable component of the Company. Hence the disclosure requirements of AS-17 in this regard is not applicable.

## 1.14 Leases

"Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment. Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis."

## 1.15 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

## 1.16 Taxes on income

"Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that

# ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

future economic benefit associated with it will flow to the Company. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability. "

## 1.17 Provision and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

# ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2014

## NOTE 2: Notes to the Balance Sheet

### 1. SHARE CAPITAL

Details of authorised, issued and subscribed share capital

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Authorised Capital 2,10,00,000 (PY 2,10,00,000) Equity Shares of ₹10/- each	210,000,000	210,000,000
Issued Capital 2,00,48,900 (PY 2,00,48,900) Equity Shares of ₹10/- each	200,489,000	200,489,000
Subscribed and Paid up Capital 2,00,48,900 (PY 2,00,48,900) Equity Shares of ₹10/- each fully paid up	200,489,000	200,489,000
Total	200,489,000	200,489,000

- (a) The Company has only one class of equity shares having a par value of ₹ . 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distributing of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each shareholder.

- (b) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

(No. of Shares)

Particulars	As at March 31, 2014	As at March 31, 2013
No. of shares at the beginning of the year	20,048,900	20,048,900
Add: Issued during the year	-	-
No. of shares at the end of the year	20,048,900	20,048,900

- (c) Details of Shareholders holding more than 5% equity shares in the Company:

(No. of Shares)

Name of the Shareholder	Relationship	As at March 31, 2014	As at March 31, 2013
Hotel Relax Pvt. Ltd.	Promoter	4,462,549 22.26%	4,462,549 22.26%
Vinita Patodia	Promoter	2,284,170 11.39%	2,034,170 10.15%
Modern Trading Business Pvt. Ltd.	Shareholder	1,640,651 8.18%	1,100,000 5.49%

# NOTES TO THE BALANCE SHEET

## 2. RESERVES AND SURPLUS

Particulars	(Amount in ₹)	
	As at March 31, 2014	As at March 31, 2013
<b>Securities Premium Account</b>		
Opening Balance	401,000,000	401,000,000
Add: Addition during the year	-	-
Closing Balance	<b>401,000,000</b>	<b>401,000,000</b>
<b>General Reserve</b>		
Opening Balance	10,000,000	10,000,000
Add: Addition during the year	8,000,000	-
Closing Balance	<b>18,000,000</b>	<b>10,000,000</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Opening Balance	113,076,900	58,966,737
Add: Profit for the Year	158,924,825	77,566,374
Less: Proposed Dividend (Refer Note Below)	30,073,350	20,048,900
Less: Dividend Distribution tax on Proposed Dividend.	5,110,966	3,407,311
Less: Transfer to General Reserve	8,000,000	-
Closing Balance	<b>228,817,409</b>	<b>113,076,900</b>
<b>Grand Total</b>	<b>647,817,409</b>	<b>524,076,900</b>

Note:- The Board of Directors at their meeting held on May 29, 2014 recommended Dividend of ₹ 1.5/- per equity share having nominal value of ₹ 10/- per share.

## 3. LONG-TERM BORROWINGS

Particulars	(Amount in ₹)	
	As at March 31, 2014	As at March 31, 2013
Secured:		
Term Loans	59,221,898	81,133,924
- From Bank (Refer to Note (a) Below).		
Vehicle Loan	1,011,075	2,253,755
-From NBFC (Refer to Note (b) Below).		
<b>Total</b>	<b>60,232,937</b>	<b>83,387,679</b>

### Notes:

- (a) Term Loan from Banks is secured by way of first charge on all fixed assets of the Company and assignments of rights under lease agreements for hotels taken on lease basis, personal guarantee of promoters and corporate guarantee of Hotel Relax Pvt. Ltd. Rate of Interest is 13.40% p.a.

Maturity Profile of Secured term loan is as set out below :

	Maturity Profile			
	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
Term Loan				
-State Bank Of Bikaner Jaipur	22,000,000	22,000,000	15,221,898	-

- (b) Vehicle Loan from NBFC is secured by hypothecation of Motor Vehicle Purchased there against. Rate of Interest on Car Loan is 9.36% p.a.

	Maturity Profile			
	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
Vehicle Loan				
-Kotak Mahindra Prime	1,011,075	-	-	-



# NOTES TO THE BALANCE SHEET

## 4. DEFERRED TAX LIABILITIES (NET)

The major components of deferred tax liabilities/assets as recognized in the financial statements is as follows:

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Deferred Tax Liabilities		
On difference between book balance and tax balance of fixed assets	54,957,519	41,189,752
	<b>54,957,519</b>	<b>41,189,752</b>
Deferred Tax Assets		
Provision for Gratuity	195,734	46,977
Difference in Lease Rent as per Lease Agreement & AS-19	5,293,604	2,497,934
	<b>5,489,338</b>	<b>2,544,911</b>
Net	<b>49,468,181</b>	<b>38,644,841</b>

## 5. NON CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Security Deposits	130,000	75,000
Total	<b>130,000</b>	<b>75,000</b>

## 6. LONG-TERM PROVISIONS

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Provision For Gratuity	575,857	158,921
Total	<b>575,857</b>	<b>158,921</b>

## 7. SHORT-TERM BORROWINGS

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Secured:		
Cash Credit facility with Banks (Refer Note (a) below)	60,525,857	60,407,201
Overdraft Facility (Refer Note (b) below)	559,735	-
	61,085,592	60,407,201
Unsecured:		
From Related Party (Refer Note (c) below)	-	29,816,660
Others (Refer Note (c) below)	-	1,970,426
	-	31,787,086
<b>Grand Total</b>	<b>61,085,592</b>	<b>92,194,287</b>

### Notes:

- Cash Credit facility is secured by way of first charge on all current assets of the Company including hypothecation of inventory/book debts/consumable stores & spares and extension of assignments of rights under lease agreements for hotels taken on lease basis, personal guarantee of promoters & corporate guarantee of Hotel Relax Pvt. Ltd. Rate of interest is 13.15% p.a.
- Overdraft facility is secured against fixed deposit receipt of ₹ 20,00,000 (PY ₹ 44,00,000).
- Unsecured Loan from related party and others are interest free and repayable on demand.

# NOTES TO THE BALANCE SHEET

## 8. TRADE PAYABLES

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Trade Payables (Refer Below Note)	64,124,366	91,156,077
<b>Total</b>	<b>64,124,366</b>	<b>91,156,077</b>

Note:- Based on the information available with the Company, there are no parties who have been identified as micro, small medium and enterprises based on the confirmations circulated and responses received by the management.

## 9. OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Current Maturity of Long Term Debt from Banks (Refer Note No.3)	22,933,964	22,000,000
Current Maturity of Long Term Debt NDFC (Refer Note No.3)	1,242,680	1,132,040
Deposits	-	1,562,000
Statutory Dues (including indirect taxes)	4,668,959	3,177,261
Advance from Customers	12,507,354	9,766,718
Other Payables	54,579,631	4,452,433
Unclaimed Dividend (Refer Note below)	1,163,721	2,648,999
<b>Total</b>	<b>97,096,309</b>	<b>44,739,451</b>

Note:- There are no amounts due as at March 31, 2014, which needs to be credited into the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956.

## 10. SHORT-TERM PROVISIONS

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Provision For Taxation	20,072,075	27,197,475
Provision For Expenses	17,374,221	10,839,192
Proposed Dividend	30,073,350	20,048,900
Tax on Proposed Dividend	5,110,966	3,407,311
<b>Total</b>	<b>72,630,612</b>	<b>61,492,878</b>

# NOTES TO THE BALANCE SHEET

## 11. FIXED ASSETS

Description	(Amount in ₹)									
	As at April 1, 2013	Gross Block Additions	Deductions/Adj ustments	As at March 31, 2014	As at April 1, 2013	Depreciation Block Charged For the year	Deductions/A djustments	As at March 31, 2014	Net Block As at March 31, 2014	Net Block As at March 31, 2013
(i) Tangible Assets :										
Freehold Land	57,245,250	11,250,000	-	68,495,250	-	-	-	-	68,495,250	57,245,250
Buildings Owned	148,462,667	-	-	148,462,667	8,588,888	2,419,941	-	11,008,829	137,453,838	139,873,779
Leased *	232,680,515	40,213,012	-	272,893,527	18,972,681	23,204,796	-	42,177,477	230,716,050	213,707,834
Plant and Machinery	282,563,149	54,967,113	-	337,530,262	21,947,272	19,009,476	-	40,956,748	296,573,514	260,615,877
Furnitures and Fixtures	48,775,412	2,477,440	-	51,252,852	8,777,721	3,183,980	-	11,961,701	39,291,151	39,997,691
Vehicles	10,905,610	-	-	10,905,610	1,571,935	1,036,033	-	2,607,968	8,297,642	9,333,675
Office Equipments	2,988,956	37,200	-	3,026,156	846,360	142,852	-	989,212	2,036,944	2,142,596
Computer	28,680,270	2,386,116	-	31,066,386	24,810,175	4,837,018	-	29,647,193	1,419,193	3,870,095
<b>TOTAL</b>	<b>812,301,829</b>	<b>111,330,881</b>	<b>-</b>	<b>923,632,710</b>	<b>85,515,032</b>	<b>53,834,098</b>	<b>-</b>	<b>139,349,130</b>	<b>784,283,580</b>	<b>726,786,797</b>
Previous Year	511,101,878	324,287,095	23,087,144	812,301,829	44,015,966	41,875,388	376,320	85,515,033	726,786,796	467,085,912
(ii) Capital Work-In-Progress	31,034,385	44,702,380	40,213,012	35,523,753					35,523,753	31,034,385
<b>Grand Total</b>	<b>843,336,214</b>	<b>156,033,261</b>	<b>40,213,012</b>	<b>959,156,463</b>	<b>85,515,032</b>	<b>53,834,098</b>	<b>-</b>	<b>139,349,130</b>	<b>819,807,333</b>	<b>757,821,182</b>

\* Building includes improvements made in the hotels taken on lease basis for 10 to 15 years.

# NOTES TO THE BALANCE SHEET

## 12. LONG-TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured, considered good		
Capital Advance	-	1,000,000
Other loans and advances	907,066	887,359
VAT Deposit	25,000	25,000
Other Deposit (Security Deposits Placed for Hotel Properties)	38,812,830	38,809,470
<b>Total</b>	<b>39,744,896</b>	<b>40,721,829</b>

## 13. OTHER NON-CURRENT ASSETS

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Other Bank Balances		
-Fixed Deposits with more than 12 month Maturity (Refer Note below)	16,100,000	14,110,000
<b>Total</b>	<b>16,100,000</b>	<b>14,110,000</b>

Note:- Fixed deposits of ₹ 20,00,000 (PY ₹ 44,00,000) is pledged with the Bank against the Overdraft Facilities.

## 14. INVENTORIES

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Food , Beverages , Smokes & Others (At Lower of Cost and Net Realisable Value)	60,385,238	59,898,048
<b>Total</b>	<b>60,385,238</b>	<b>59,898,048</b>

## 15. TRADE RECEIVABLES

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured, considered good		
Trade Receivable Outstanding for a Period Exceeding Six Months from the date they are due for payment	-	-
Other Debts	107,073,284	119,323,335
<b>TOTAL</b>	<b>107,073,284</b>	<b>119,323,335</b>

## 16. CASH AND BANK BALANCES

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Cash and Cash Equivalents:		
Cash on Hand	7,674,814	8,801,133
Balance with bank		
-In Current Account*	12,214,319	1,676,205
<b>Grand Total</b>	<b>19,889,133</b>	<b>10,477,337</b>

\* Balance with banks includes Unclaimed Dividend of ₹ 1,163,721/- (Previous Year ₹ 9,55,897/-)

# NOTES TO THE BALANCE SHEET

## 17. SHORT-TERM LOANS AND ADVANCES

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured, considered good		
Advances to related parties	8,623,277	1,521,418
Loans and advances to employees	2,682,804	1,704,689
Prepaid expenses	57,265	87,205
Balance With Government Authorities:		
Services Tax Credit Receivable	448,556	-
Other Advances	176,558,642	129,814,826
<b>Total</b>	<b>188,370,544</b>	<b>133,128,138</b>

## 18. OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Credit Card Receivable	36,332	29,694
Accrued Interest		
-On Fixed Deposits	2,243,539	885,765
-On Others	-	19,707
<b>Total</b>	<b>2,279,872</b>	<b>935,166</b>

# NOTES TO THE PROFIT & LOSS STATEMENT

## NOTE 3: Notes to Statement of Profit and Loss

### 1. REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Income from Operations		
Room Rent	1,178,628,500	769,435,897
Income from Food, Beverages & Other Services	378,511,900	239,817,740
<b>Total</b>	<b>1,557,140,401</b>	<b>1,009,253,637</b>

### 2. OTHER INCOME

(Amount in ₹)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Income on Fixed Deposits	1,497,528	1,361,961
Miscellaneous Income	-	3,653,898
<b>Total</b>	<b>1,497,528</b>	<b>5,015,859</b>

### 3. COST OF MATERIAL CONSUMED

(Amount in ₹)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening Stock	59,898,048	60,222,288
Add : Net Purchases (Food, Beverages, Smokes & Others)	94,373,400	73,648,440
	154,271,448	133,870,728
Less : Closing Stock	60,396,210	59,898,048
<b>Cost of Material Consumed</b>	<b>93,875,238</b>	<b>73,972,680</b>

### 4. EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries, Wages and Allowances	30,529,465	26,441,733
Contribution to Provident and Other Funds	262,082	256,385
Staff Welfare Expenses	681,888	799,737
Gratuity Expenses	551,935	144,789
<b>Total</b>	<b>32,025,370</b>	<b>27,642,644</b>

### 5. FINANCE COST

(Amount in ₹)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Expense :		
-On Term Loan	12,219,698	14,988,777
-On Working Capital Loans	7,914,236	7,677,964
-Other Interest	653,204	307,542
<b>Total</b>	<b>20,787,138</b>	<b>22,974,283</b>

# NOTES TO THE PROFIT & LOSS STATEMENT

## 6. OPERATING AND GENERAL EXPENSES

(Amount in ₹)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Accommodation Expenses	600,324,975	394,184,696
Operating Supplies	60,493,460	41,268,903
Freight and forwarding	4,202,346	668,970
Power and Fuel Charges	20,923,345	14,062,633
Water Charges	4,314,623	855,659
Rent including lease rentals - Hotels	45,876,321	41,671,981
Staff Contractual Expenses	86,904,990	42,150,796
Other Operating Expenses	16,174,247	11,129,334
Bank Charges	357,572	712,722
Sales Promotion Expenses	197,157,180	129,133,160
Communication Expenses	2,567,320	645,342
Legal and professional charges	5,442,470	1,230,404
Advertisement Expenses	9,628,306	5,787,835
Office Expenses	5,520,180	3,936,908
Rent, Rates and taxes	8,847,420	8,680,123
Insurance Expenses	1,553,737	1,426,591
Printing and Stationery Expenses	1,591,617	788,833
Repairs and maintenance- Building	16,544,901	6,114,232
Repairs and maintenance- Others	23,623,274	9,703,695
Travelling and Conveyance Expenses	5,032,592	3,212,454
Computer & Software Expenses	13,625,942	6,243,850
Discount	14,539,027	8,248,150
<b>Payment to Auditors:</b>		
- Statutory and Tax Audit Fees	350,000	350,000
<b>Grand Total</b>	<b>1,145,595,845</b>	<b>732,207,272</b>

## 7. EARNING PER EQUITY SHARE

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Profit attributable to Equity shareholders (₹)	158,924,825	77,566,374
Weighted average number of equity shares (Nos.)	20,048,900	20,048,900
Basic Earnings Per Share (₹)	7.93	3.87
Face value per Share (₹)	10	10
Weighted average number of equity share after considering potential equity shares (No.)	20,048,900	20,048,900
Dilutive Earnings per Share (₹)	7.93	3.87

# ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

## NOTE 4: Other Notes

### 1. Corporate Information

The Byke Hospitality Limited "TBHL" or the "Company", is a listed public limited company incorporated in 1990. It is promoted by Hotel Relax Pvt. Ltd., which holds a significant stake in the company. The Company is primarily engaged in the business of owning, operating & managing hotels & resorts.

2. Balances of the debtors, creditors, advances and deposits are subject to confirmation, reconciliation and adjustments, if any. The management does not expect any material difference affecting the current year's financial statements.

3. In the opinion of the management, all the assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

### 4. Details of Leasing Arrangements

	(Amount in ₹)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
<u>As Lessee</u>		
The Company has entered into operating lease arrangements for certain hotel premises. The leases are non-cancellable and are for a period of 10 to 15 years and may be renewed for a further period based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments on year to year basis.		
Future minimum lease payments		
not later than one year	3,97,55,000	3,82,53,33
later than one year and not later than five years	17,05,48,750	17,22,29,460
later than five years	23,25,18,390	28,23,85,461
	44,28,22,140	49,28,68,254.00
Lease payments recognised in the Statement of Profit and Loss	5,18,76,321	4,16,71,981

## 5. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD – 15 'EMPLOYEE BENEFITS'

### EMPLOYEE BENEFIT PLANS

#### Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 2,62,082 (Year ended 31 March, 2013 ₹ 2,56,385) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.



# ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

## Defined benefit plans

The following tables set out the disclosure prescribed by AS-15 in respect of company's unfunded status of the defined benefit schemes and the amount recognised in the financial statements:

a. Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:

(Amount in ₹)

Particulars	2013-14 Gratuity (Unfunded)	2012-13 Gratuity (Unfunded)
Present value of obligation as at the beginning of the year:	158,921	50,092
Interest cost	7,497	2,730
Current service cost	135,307	112,550
Benefits paid	134,999	35,960
Prior Year Change	351,088	-
Actuarial (gain) / loss on obligation	58,043	29,509
Closing Present value of obligation*	575,857	158,921

\*Closing Present value of obligation ₹ 5,75,857/- consist of ₹ 5,75,857/- as non-current liability.

b. The amounts recognised in the Balance Sheet are as follows:

(Amount in ₹)

Particulars	2013-14 Gratuity (Unfunded)	2012-13 Gratuity (Unfunded)
Present value of obligation as at the end of the year	575,857	158,921
Fair Value of Plan Assets	-	-
Unrecognised Past Service Cost	-	-
Unrecognised Actuarial Loss	-	-
Unfunded Liability recognised in Balance Sheet	575,857	158,921

c. The amounts recognised in the Statement of Profit and Loss are as follows:

(Amount in ₹)

Particulars	2013-14 Gratuity (Unfunded)	2012-13 Gratuity (Unfunded)
Current service cost	135,307	112,550
Past service cost	-	-
Interest cost	7,497	2,730
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the year	58,043	29,509
Prior Year Change	351,088	-
Adjustment to opening balance	-	-
Expenses recognised in the statement of profit and loss*	551,935	144,789

\* Included in Note 3 (4) "Employee benefits expenses".

# ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

## d. Actuarial assumption:

Particulars	2013-14 Gratuity (Unfunded)	2012-13 Gratuity (Unfunded)
Salary Growth	6.00%	6.00%
Discount Rate	9.10%	8.20%

\* The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. Estimates of future salary increases, considered in an actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Since the company was not obliged to fund for its gratuity liability, there is no returns on the planned assets and hence the details related to changes in fair value of assets have not been given.

## 6. Related Party Disclosure

### a. Details of Related Parties

Description of Relationship	Names of Related Parties
(a) Key Management Personnel (KMP) and their relatives	Anil Patodia (Managing Director) Satyanarayan Sharma (Director)
(b) Individuals owning directly or indirectly interest in voting power that gives them control and their relatives	Archana Patodia Vinita Patodia Kamal Poddar Arun Poddar Hemlata Poddar
© Enterprises over which (a) & (b) are able to exercise significant influence	Hotel Relax Pvt. Ltd. Manbhari Biofuels Pvt. Ltd. Aqua Pumps Pvt. Ltd. Anil Patodia HUF Sunil Patodia HUF Choice International Ltd. Choice Capital Advisors Pvt. Ltd. Choice Equity Broking Pvt. Ltd. Choice Merchandise Broking Pvt Ltd. Choice Business Services Pvt Ltd. Choice Wealth Management Pvt Ltd. Choice Corporate Services Pvt Ltd. Choice Insurance Brokers Pvt Ltd. S.K.Patodia & Associates Ms. Shree Shakambhari Exims

**Note: Related parties have been identified by the management**

# ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

## a. Details of Related Party transactions during the year ended March 31, 2014

(Amount in ₹)

Particulars	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Lease Rent paid - Hotel Relax Pvt. Ltd.	-	-	3,204,000	3,204,000
	-	-	(3,600,000)	(3,600,000)
Lease Rent Paid - Choice International Ltd.	-	-	6,000,000	6,000,000
	-	-	(6,000,000)	(6,000,000)
Director's Remuneration - Anil Patodia	1,200,000	-	-	1,200,000
	(1,200,000)	-	-	(1,200,000)
Director's Remuneration - Satyanarayan Sharma	1,200,000	-	-	1,200,000
	(1,200,000)	-	-	(1,200,000)
Salary - Manorama Sharma	-	600,000	-	600,000
	-	(600,000)	-	(600,000)
Salary - Sandeep Sharma	-	600,000	-	600,000
	-	(600,000)	-	(600,000)
Loan taken - Anil Patodia	20,350,061	-	-	20,350,061
	(19,654,786)	-	-	(19,654,786)
Loan repaid - Anil Patodia	40,004,847	-	-	40,004,847
	-	-	-	-
Advances taken - Ms. Shree Shakambhari Exims	-	-	67,553,043	67,553,043
	-	-	(7,768,874)	(7,768,874)
Advances repaid - Ms. Shree Shakambhari Exims	-	-	75,321,917	75,321,917
	-	-	-	-
<b><u>Balances outstanding at the end of the year</u></b>				
Deposits - Hotel Relax Pvt. Ltd.	-	-	12,500,000	12,500,000
	-	-	(12,500,000)	(12,500,000)

\* Previous year figures are in brackets

# ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

## 8. Previous Year's Figures

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report of even date

**For A.P. Sanzgiri & Co.**

*Chartered Accountants*

*Firm's Registration No. : 116293W*

**For and on behalf of Board of Directors**

Sd/-

**Satish Kumar Gupta**

*Partner*

**Membership No. : 101134**

Sd/-

**Anil Patodia**

*Managing Director*  
(DIN: 00073993)

Sd/-

**Satyanarayan Sharma Swati Gupta**

*Director*  
(DIN: 00798388)

Sd/-

**Swati Gupta**  
*Company Secretary*

Mumbai.

May 29, 2014

Mumbai.

May 29, 2014

# NOTICE OF AGM

## THE BYKE HOSPITALITY LIMITED

Registered Office: Shree Shakambhari Corporate Park, Plot No. 156-158, Chakravarti Ashok Society, J.B. Nagar, Andheri (East), Mumbai- 400 099  
CIN: L67190MH1990PLC056009

Notice is hereby given that the **24th ANNUAL GENERAL MEETING of the members of THE BYKE HOSPITALITY LIMITED** will be held at the Anchorage Hall, Hotel Suba International, 211, Chakala, Sahar Road, Andheri (East) Mumbai - 400099 on Saturday, 27th September, 2014 at 11:00 A.M. to transact the following business:

### ORDINARY BUSINESS:

#### Item No. 1 - Adoption of Financial Statements

To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2014, the Profit and Loss Account (the Statement of Profit and Loss) and the Cash Flow Statement for the financial year ended on that date, together with the Report of the Board of Directors and the Auditors thereon.

#### Item No. 2 - Declaration of Dividend

To declare a final dividend of 15% i.e. ₹ 1.50/- per share on the equity shares of the Company for the financial year 2013 - 14.

#### Item No. 3 - Re - appointment of Mr. Satyanarayan Sharma

To appoint a Director in place of Mr. Satyanarayan Sharma (DIN: 00798388), who retires by rotation and who is not disqualified to become a director under the Companies Act, 2013 and being eligible, offer himself for re-appointment.

#### Item No. 4 - 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** pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s A. P. Sanzgiri & Co., Chartered Accountants (Registration No. 116293W), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of next Annual General Meeting and that the Board of Directors be and are hereby authorised to fix such remuneration as may be determined by the audit committee.”

### SPECIAL BUSINESS:

#### Item No. 5- Appointment of Mr. Bharat Thakkar as an Independent Director.

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 Section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 and all other applicable rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force (hereinafter referred to as “the Act” and Clause 49 of the Listing Agreement as amended from time to time, Mr. Bharat Thakkar (DIN: 03187892) , a non – executive independent director of the Company whose period of office is liable to determination by retirement of directors by rotation at the Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956 and who is not disqualified to become a Director under the Act and who is eligible for appointment as an independent director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term of five years with effect from date of this Annual General Meeting i.e. September 27, 2014”

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of its powers to any of its committee(s) or any director or officer or person and to do all such acts, deeds, matter and things for giving effect to this resolution.”

**Item No. 6- Appointment of C.A. Ram Ratan Bajaj as an Independent Director.**

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 Section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 and all other applicable rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force (hereinafter referred to as “the Act” and Clause 49 of the Listing Agreement as amended from time to time, C.A. Ram Ratan Bajaj (DIN: 03502832) , a non – executive independent director of the Company whose period of office is liable to determination by retirement of directors by rotation at the Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956 and who is not disqualified to become a Director under the Act and who is eligible for appointment as an independent director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term of five years with effect from date of this Annual General Meeting i.e. September 27, 2014.”

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of its powers to any of its committee(s) or any director or officer or person and to do all such acts, deeds, matter and things for giving effect to this resolution.”

**Item No. 7- Appointment of Mr. Ramesh Vohra as an Independent Director.**

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 Section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 and all other applicable rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force (hereinafter referred to as “the Act” and Clause 49 of the Listing Agreement as amended from time to time, Mr. Ramesh Vohra (DIN: 03502651), a non – executive independent director of the Company whose period of office is liable to determination by retirement of directors by rotation at the Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956 and who is not disqualified to become a Director under the Act and who is eligible for appointment as an independent director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term of five years with effect from date of this Annual General Meeting i.e. September 27, 2014.”

# NOTICE OF AGM

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of its powers to any of its committee(s) or any director or officer or person and to do all such acts, deeds, matter and things for giving effect to this resolution.”

## **Item No. 8 Appointment of Mr. Sandeep Singh as Independent Director**

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 Section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 and all other applicable rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force (hereinafter referred to as “the Act” and Clause 49 of the Listing Agreement as amended from time to time, Mr. Sandeep Singh (DIN: 02814440), who is not disqualified to become a Director under the Act and who is eligible for appointment as an independent director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term of five years with effect from date of this Annual General Meeting i.e. September 27, 2014.”

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of its powers to any of its committee(s) or any director or officer or person and to do all such acts, deeds, matter and things for giving effect to this resolution.”

## **Item No. 9- Appointment of Mrs. Archana Anil Patodia as a Director**

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 Section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 and all other applicable rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force (hereinafter referred to as “the Act” and Clause 49 of the Listing Agreement as amended from time to time, Mrs. Archana Anil Patodia (DIN: 00795826), who is not disqualified to become a Director under the Act and who is eligible for appointment as a director and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of a Director, be and is hereby appointed as a Director of the Company, whose term shall be subject to retirement by rotation.

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of its powers to any of its committee(s) or any director or officer or person and to do all such acts, deeds, matter and things for giving effect to this resolution.”

## **Item No.10- Adoption of new set of Articles of Association of the Company in accordance with the provisions of the Companies Act 2013.**

To consider and if thought fit to pass the following Resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the

# NOTICE OF AGM

Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, as may be amended, from time to time, the draft set of Articles of Association of the Company, a copy of which is placed before the meeting, be and is hereby approved and adopted as the new Articles of Association of the Company, in substitution of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

## **Item No.11- Increase in Authorised Share Capital of the Company**

To consider and if thought fit to pass with or without modification the following resolution as Special Resolution

“ **RESOLVED THAT** pursuant to provisions of section 13 , 61 , 64 and all other applicable provisions of Companies Act, 2013(hereinafter referred to as “ACT”) and including all other statutory amendment(s) or re-enactment(s) as may be in force for the time being and all other provisions applicable , if any, of Companies Act, 1956 consent of the members be and is hereby granted to increase the Authorised Share Capital of the Company from ₹ 21,00,00,000/- (Rupees Twenty One Crores only) divided into 2,10,00,000 (Two Crores and Ten Lacs ) Equity Shares of ₹ 10/-(Rupees Ten) each to ₹ 41,00,00,000/- (Rupees Forty One Crores only) divided into 4,10,00,000 (Four Crores and Ten Lacs ) equity shares of ₹ 10/- each ranking pari passu with the existing shares of the Company.”

“**RESOLVED FURTHER THAT** Clause V i.e. Capital Clause of Memorandum of Association of the company be and is hereby amended to substitute the following in place of existing clause;

“The Authorised Share Capital of the Company is ₹ 41,00,00,000/- (Rupees Forty One Crores only) divided into 4,10,00,000 (Four Crores and Ten Lacs) Equity Shares of ₹ 10/- (Rupees Ten) each .”

**RESOLVED FURTHER THAT** the Board of Directors of the company be and are hereby authorised to do all acts, deeds and things as are necessary to give effect to increase in authorised share capital and necessary alterations in memorandum of association”

## **Item No. 12 Issue of Bonus Shares**

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

“**RESOLVED THAT** in accordance with the provisions of Sec 63 and other applicable provisions, if any of the Companies Act, 2013, or any amendment or re-enactment thereof and Article 172 of the Articles of Association of the Company and subject to the regulations issued by the Securities and Exchange Board of India (SEBI) in this behalf and subject to such approvals, consents, permissions and sanctions as may be necessary from appropriate authorities, consent be and is hereby accorded to the Board of Directors of the Company (‘the Board’, which term shall be deemed to include any Committee thereof) for capitalization of a sum not exceeding ₹ 20,04,89,000/- (Rupees Twenty Crores, Four Lac and Eighty Nine Thousand Only) from the Securities Premium Account, General Reserves or any other permitted reserves/ surplus of the Company for the purpose of issue of Bonus Shares of ₹ 10/- (Rupees Ten Only) each, credited as fully paid-up to the holders of the Equity Shares of the Company whose names shall appear on the Register of Members on the ‘Record Date’ determined by the Board or a Committee thereof for the purpose, in the proportion of 1 (One) Bonus Equity Share of ₹ 10/- for every 1 (One) fully paid-up Equity Shares of ₹ 10/- each held by them and



# NOTICE OF AGM

that the Bonus Shares so distributed shall, for all purposes, be treated as an increase in the paid up Capital of the Company held by each such Member, and not as income.”

“**FURTHER RESOLVED THAT** the Bonus Shares so allotted shall rank pair passu in all respects with the fully paid – up equity shares of the Company as existing on the record date determined by the Board or a Committee thereof for the purpose of issue of Bonus Shares save and except that they shall not be entitled to any dividend that may be declared before such Record Date.”

“**RESOLVED FURTHER THAT** the Bonus Shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company.”

“**RESOLVED FURTHER THAT** no letter of allotment shall be issued in respect of the Bonus Shares and in the case of Members who hold Shares or opt to receive the Shares in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of Members who hold Equity Shares in certificate form, the share certificates in respect of the Bonus Shares shall be despatched, within such time as prescribed by law and the relevant authorities.”

“**RESOLVED FURTHER THAT** the issue and allotment of the Bonus Shares to Non-Resident Members, Foreign Institutional Investors (FIIs) & other foreign investors, be subject to the approval of the Reserve Bank of India, as may be necessary.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of such shares on the Stock Exchanges where the securities of the Company are listed as per the provisions of the Listing Agreements with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient, and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

## 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.** The proxy form in order to be effective should be duly completed and deposited at the registered office of the company not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for other person or member.
- 2. Members / Proxies should bring the duly filled Attendance Slip attached herewith to attend the meeting.**
- 3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special**

# NOTICE OF AGM

Business as set above to be transacted at the Meeting is annexed hereto and forms part of this Notice.

4. The Register of Members of the Company will remain closed on September 5, 2014 (Book Closure Date) for determining the names of members eligible for final dividend on Equity Shares, if declared, at the meeting.
5. The dividend, if declared at the Annual General Meeting, will be payable on and from 6th October, 2014 as follows:
  - a. For shares held in physical form – to those members whose names appear in the Register of Members on the close of the day on September 5, 2014; and
  - b. For shares held in dematerialised form to those beneficiaries, whose names are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners on September 5, 2014
6. 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.
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. All documents referred to in the notice are open for inspection at the registered office of the company during office hours.
9. 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.
10. 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.
11. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting along with photo identity proof.
12. Pursuant to provisions of Section 205A of the Companies Act, 1956, (corresponding Section 124 of the Companies Act, 2013) all dividends remaining unclaimed for seven years from the date they first became due for payment will be transferred to the “Investor Education and Protection Fund” (IEPF). 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, 2007, is due for transfer to the IEPF on October 28, 2014.
13. 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.
14. 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

# NOTICE OF AGM

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 annexed.

**15.** 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.

**16.** Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, 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. Members who have not registered their e-mail address with the Company are requested to submit their request with their valid e-mail address to M/s Sharepro Services (India) Private Limited. Members holding shares in demat form are requested to register/update their e-mail address with their Depository Participant(s) directly. Members of the Company, who have registered their email-address, are entitled to receive such communication in physical form upon request.

**17.** Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the listing agreement, the Company is pleased to provide members facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting services provided by Central Depository Services (India) Limited (CDSL).

The process and instructions for e-Voting are as under:

**I The instructions for members for voting electronically are as under:-**

**A In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DPID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

# NOTICE OF AGM

	For Members holding shares in Demat Form and Physical Form
PAN*	<ul style="list-style-type: none"> <li>•Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>•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 last 8 digits of the demat account/folio number in the PAN field.</li> <li>•In case the folio 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 folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB#	<ul style="list-style-type: none"> <li>•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.</li> </ul>
Dividend Bank Details#	<ul style="list-style-type: none"> <li>•Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</li> <li>•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 number of shares held by you as on the cut off date in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

# NOTICE OF AGM

- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(B) In case of members receiving the physical copy:

- (i) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
  - (ii) The voting period begins on Tuesday, September 23, 2014 at 9.00 am and ends on Thursday, September 25, 2014 at 6.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, August 29, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (iii) 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - (iv) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date August 29, 2014.
  - (v) Ms. Suman Sureka (Membership No. 6842) has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
  - (vi) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-Voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - (vii) The results shall be declared on or after the annual general meeting of the Company. The results declared along with the Scrutinizer's report shall be placed on the Company's website [www.thebyke.com](http://www.thebyke.com) and on the website of CDSL within two (2) days of passing of the resolutions at this annual general meeting of the Company and communicated to BSE and MSE .
18. Member(s) can opt for only one mode of voting i.e. either physically voting at the Annual General Meeting, or voting through E-voting / Ballot. A member, who has voted through E-voting mechanism, is not debbarred from participating in the general meeting physically. However, he shall not be allowed to vote in the meeting again and his earlier vote (cast through e-means) shall be treated as final.
19. Note that in terms of Clause 35B of the Listing Agreement, those members, who do not have access to E-voting facility, may send their assent or dissent in writing on the ballot form sent along with this AGM Notice so as to reach the Scrutinizer at the address Ms. Suman Sureka (Membership No. 6842),

# NOTICE OF AGM

C/o The Byke Hospitality Limited, Shree Shakambhari Corporate Park, Plot No. 156-58, Chakravarti Ashok Complex, J.B. Nagar, Andheri (E), Mumbai - 400 099, email-id - investors.care@thebyke.com on or before September 25, 2014(6.00 P.M.). Any Ballot Form received after this time and date will be treated as if reply from the members has not been received.

By order of the Board of Directors  
for The Byke Hospitality Limited

Sd/-  
**Swati Gupta**  
Company Secretary

**Mumbai, August 13, 2014**

# NOTICE OF AGM

## EXPLANATORY STATEMENT

### (Pursuant to Section 102 of the Companies Act, 2013)

#### Item No 5 to 7

Pursuant to the provision of Section 149 and other applicable provisions of Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from April 01, 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The term shall be effective prospectively.

The Board of Directors of the Company have decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and amended Listing Agreement.

All the Directors proposed to be appointed under these resolutions are Non-Executive Independent Directors of the Company. The period of office of these Directors was liable to determination by retirement by rotation under the erstwhile applicable provisions of the Companies Act, 1956.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Bharat Thakkar, CA. Ram Ratan Bajaj and Mr. Ramesh Vohra, non – executive independent directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013. In the opinion of the Board, each of these Directors fulfil the conditions specified in the Companies Act, 2013 and Rules made thereunder for their appointment as Independent Director of the Company and they are Independent of management. These Directors are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and they have given their consent to act as Director.

Notices have been received from member(s) signifying their intention to proposed appointment of these Directors along with requisite deposit.

These Directors do not hold any shares in the Company. None of the Directors of the Company except the Directors, to whom the resolution relates, is in any way concerned or interested in this Resolution.

The Board of Directors of your Company is of the opinion that their appointment would be beneficial to the Company and hence recommend to pass the proposed resolutions at Item no. 5 to 7 as Ordinary Resolution.

#### Item No 8

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Sandeep Singh, has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mr. Sandeep Singh fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as Independent Director of the Company and he is Independent of management. Mr. Sandeep Singh is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director.

Notice has been received from a member signifying his intention to the proposed appointment of Mr. Sandeep Singh along with the requisite deposit.

Mr. Sandeep Singh does not hold any shares in the Company. None of the Directors of the Company except the Director, to whom the resolution relates, is in any way concerned or interested in this Resolution.

The Board of Directors of your Company is of the opinion that his appointment would be beneficial to the Company and hence recommend to pass the proposed resolution at Item no. 8 as an Ordinary Resolution.

## Item No 9

Pursuant to the provisions of Section 149 and other applicable provisions of Companies Act, 2013 which came into effect from April 01, 2014, and the amended Listing Agreement, every listed company should have at least one Woman Director.

The Board of Directors of the Company have decided to adopt the provisions with respect to appointment of Woman Director which is consistent with the Companies Act, 2013 and amended Listing Agreement.

A notice under section 160(1) of the Companies Act, 2013, along with the requisite deposit has been received from the member of the Company proposing the name of Mrs. Archana Anil Patodia for appointment as a Director of the Company. Mrs. Archana Anil Patodia has given a declaration to the Board that she is not disqualified from being appointed as a Director of the Company under Section 164(2) of the Companies Act, 2013 and has given her consent to act as a Director.

Mrs. Archana Anil Patodia holds 274575 equity shares in the Company. Except Mr. Anil Patodia and Mr. Pramod Patodia, none of the Directors of the Company, is in any way concerned or interested in this Resolution.

The Board of Directors of your Company is of the opinion that her appointment would be beneficial to the Company and hence recommend to pass the proposed resolution at Item no. 9 as an Ordinary Resolution.

## Item No. 10

The existing Articles of Association (AOA) of the Company is based on Companies Act, 1956 and several regulations in the existing AOA contains specific reference of the Companies Act, 1956 and some of the regulations are not in conformity with the Companies Act, 2013.

Pursuant to the notification of the substantive sections of the Companies Act, 2013, several regulations of the existing AOA of the Company require alteration or deletion. It is, therefore, proposed to replace the existing AOA with the new set of AOA. The revised set of AOA shall be placed at the meeting and also available for the inspection at the Registered office of the Company during business hours on all working days except Saturdays and Sundays.

None of the Directors/Key Managerial Personnel and their relatives is in any way, interested or concerned in the passing of the resolution.

The Board recommends the special resolution set forth in Item No.10 of the Notice for approval of the Shareholders.

## Item No 11

The present Authorised Share Capital of the Company is ₹ 21,00,00,000 (Rupees Twenty one Crore Only) divided into 2,10,00,000(Two Crore and Ten Lacs) equity shares of ₹ 10/- (Rupees Ten) each. It is proposed to increase the Authorised Share Capital to ₹ 41,00,00,000 (Rupees Forty one Crore Only) divided into 4,10,00,000(Four Crore and Ten Lacs) equity shares of ₹ 10/- (Rupees Ten) each. The increase in the Authorised Share Capital will enable the Company to issue further shares by Bonus Issue, as recommended by the Board of Directors of the Company in its meeting held on August 13, 2014, subject to approval of shareholders in general meeting. Also this will help the company in achieving its growth targets.

The Company is also required to alter its Memorandum of Association by altering the existing clause V to enable to accommodate the increase in Authorized Share Capital of the Company.



# NOTICE OF AGM

Accordingly, your Directors recommend passing of this resolution as a Special Resolution as set out in item no. 11 of the notice.

None of the Directors of your Company is interested or concerned in this Resolution.

## Item No 12

The Board of Directors of the Company in its meeting held on August 13, 2014, has recommended for approval of the shareholders, issue of bonus shares to the holders of equity shares of the Company in the ratio of 1:1 (i.e. One bonus equity share of ₹ 10/- for every One fully paid up equity shares of ₹ 10/- each held) by increasing the Issued, Subscribed and Paid-up Share Capital of the Company to a sum not exceeding ₹ 40,09,78,000/- (Forty Crores, Nine Lakhs and Seventy Eight Thousand) after capitalising a sum not exceeding ₹ 20,04,89,000/- (Twenty Crores Four Lakhs and Eighty Nine Thousand) from the Securities Premium Account, as per the Audited Accounts of the Company for the financial year ended March 31, 2014, and the same is proposed to be applied in paying up in full not exceeding 20,048,900 Equity Shares of ₹ 10/- each.

The fully paid-up Bonus Shares shall be distributed to the Members of your Company, whose names shall appear on its Register of Members on the Record Date to be determined by the Board of Directors of your Company (which term shall be deemed to include any Committee thereof) for the purpose of issue of Bonus Shares, in the proportion of 1(One) Bonus Share of ₹ 10/- for every 1 (One) Equity Shares of ₹ 10/- each held by them on the Record Date.

The Bonus Shares so allotted shall rank pari passu in all respects with the fully paid-up Equity Shares of the Company as existing on the Record Date fixed for the purpose of issue of such Bonus shares, save and except that they shall not participate in any dividend that may be declared before the 'Record Date'.

Directors of your Company are interested in this Resolution to the extent of their respective shareholdings in the Company.

The Board of Directors of your Company recommends this Resolution for your approval.

**By order of the Board of Directors**  
for The Byke Hospitality Limited

Sd/-

Swati Gupta  
Company Secretary

**Mumbai, August 13, 2014**

# NOTICE OF AGM

## 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	Mr. Satyanarayan Sharma	Mr. Bharat Thakkar	CA. Ramratan Bajaj	Mr. Ramesh Vohra	Mr. Sandeep Singh	Mrs. Archana Anil Patodia
DIN	00798388	03187892	03502832	03502651	02814440	00795826
Date of Birth	15/03/1954	01/06/1953	21/07/1954	27/12/1941	01/07/1971	28/12/1972
Date of appointment on the Board	29/03/1990	14/02/2013	03/03/2011	30/05/2011	NA	NA
Expertise in specific functional area	Hospitality Industry	Insurance business & Investments	Finance, Taxation, Corporate Law, Accounts, Project Implementation, Cost Control, etc	Supply and Service of Engineering product	Media Planning & General Business Management	Administration and Human Resource Management
Qualification	Electrical Engineer	ICWA( Inter), M.Com	C.A	B.Com	Post Graduate	B.A
Details of shares held in the Company	105610	Nil	Nil	Nil	Nil	274575
Board Membership of other Companies as on March 31, 2014	Nil	1. Emerge Insurance Broker And Consultancy Services Private Limited	Nil	Nil	1. World Hindu Economic Forum 2. Packaging India Private Limited 3. Bhageria Dye-Chem Limited	1. Manbhari Biofuel Private Limited 2. Aqua Pumps Private Limited 3. S. K. Patodia Advisory Services Private Limited
Chairman / Member of the Committees * of other Companies on which he is director as on March 31, 2014	Nil	Nil	Nil	Nil	Nil	Nil

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

# ATTENDANCE SLIP



## THE BYKE HOSPITALITY LIMITED

Registered Office: Shree Shakambhari Corporate Park, Plot No. 156-158,  
Chakravarti Ashok Society, J.B. Nagar, Andheri (East), Mumbai- 400 099 CIN: L67190MH1990PLC056009

### ATTENDANCE SLIP

(Please complete this Attendance slip and hand it over at the entrance of the Meeting Hall)

Regd. Folio No. \_\_\_\_\_ DP ID\* \_\_\_\_\_

No. of Shares Held : \_\_\_\_\_ Client ID\* \_\_\_\_\_

Name and Address of the Shareholder \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I hereby record my presence at the 24th ANNUAL GENERAL MEETING of the Company held on Saturday, September 27, 2014 at 11.00 a.m. Anchorage Hall, Hotel Suba International, 211, Chakala Sahar Road, Andheri (East), Mumbai- 400 099

\_\_\_\_\_  
Signature of Shareholder/ Proxy\* Applicable for investors holding shares in electronic form

----- Cut Here -----

# FORM OF PROXY



## THE BYKE HOSPITALITY LIMITED

Registered Office: Shree Shakambhari Corporate Park, Plot No. 156-158,  
Chakravarti Ashok Society, J.B. Nagar, Andheri (East), Mumbai- 400 099  
Form No. MGT-11  
**FORM OF PROXY**

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014.

Venue of the meeting : Anchorage Hall, Hotel Suba International, 211, Chakala, Sahar Road, Andheri (East)  
Mumbai - 400099.

Date & Time : September 27, 2014 at 11.00 am

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

<b>Name</b>	
<b>Registered Address</b>	
<b>Email ID</b>	
<b>DP ID*</b>	
<b>Client ID*</b>	
<b>Folio No</b>	

\*Applicable for investors holding shares in Electronic form.

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a member/members of The Byke Hospitality Limited hereby appoint the following as my/our Proxy to attend  
vote (for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on September  
27, 2014 at 11.00 am and at any adjournment thereof) in respect of such resolutions as are indicated below;

1. Mr/Mrs \_\_\_\_\_ (Name & Signature of the Proxy) or failing him/her  
Registered address \_\_\_\_\_  
Email id \_\_\_\_\_ Signature \_\_\_\_\_

2. Mr/Mrs \_\_\_\_\_ (Name & Signature of the Proxy) or failing him/her  
Registered address \_\_\_\_\_  
Email id \_\_\_\_\_ Signature \_\_\_\_\_

3. Mr/Mrs \_\_\_\_\_ (Name & Signature of the Proxy) or failing him/her  
Registered address \_\_\_\_\_  
Email id \_\_\_\_\_ Signature \_\_\_\_\_

# FORM OF PROXY

\*\* I/We direct my/our Proxy to vote on the Resolutions in the manner as indicated below:

Sl.No.	Resolution	Number of shares held	For	Against
--------	------------	-----------------------	-----	---------

## Ordinary Business

1	Adoption of audited Financial Statements for the financial year ended March 31, 2014 and reports of the Board of Directors and the Auditors thereon			
2	Conformation of final dividend of 15% i.e. Rs 1.50/- per share on the equity shares of the Company for the financial year 2013 - 14.			
3	Re-appointment of Mr Satyanarayan Sharma, who retires by rotation			
4	Re-appointment of M/s A.P. Sanzgiri & Co., Chartered Accountants, as Auditors			

## Special Business

5	Appointment of Mr Bharat Thakkar as an Independent Director			
6	Appointment of CA Ramratan Bajaj as an Independent Director			
7	Appointment of Mr Ramesh Vohra as an Independent Director			
8	Appointment of Mr Sandeep Singh as an Independent Director			
9	Appointment of Mrs. Archana Anil Patodia as a Director			
10	Adoption of new draft Articles of Association of the Company			
11	Increase in Authorised Share Capital of the Company			
12	Issue of Bonus Shares			

\*\* This is optional. Please put a tick mark (✓) in the appropriate column against the resolutions indicated in the box. If a member leaves the “For” or “Against” column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write “Abstain” across the boxes against the Resolution.

# FORM OF PROXY

Signature (s) of Member(s)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

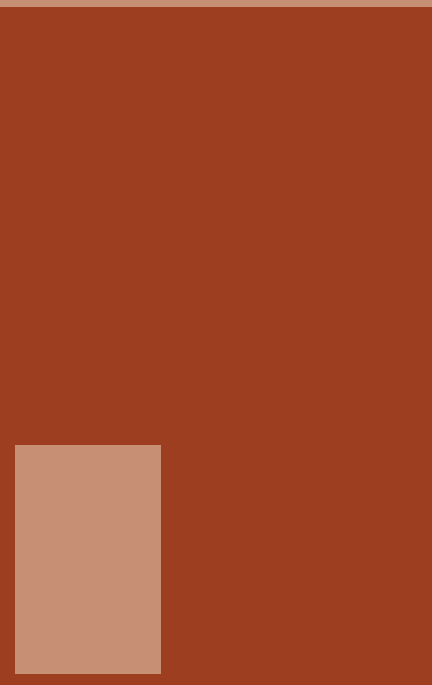
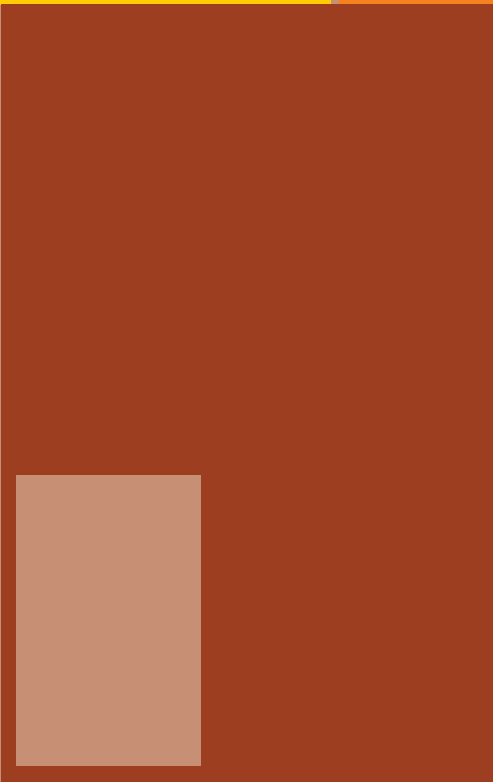
**Affix One  
Rupee  
Revenue  
Stamp**

Signed this ----- day of ----- 2014.

Notes:

1. The Proxy to be effective should be deposited at the Registered office of the company not less than FORTY EIGHT HOURS before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
4. The form of Proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
6. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.









**Registered Office**

Shree Shakambhari Corporate Park, Plot No. 156-158 Chakravarty Ashok Society,  
J B Nagar, Andheri(E), Mumbai – 400 099.

Tel: +91 22 6707 9666 Telexfax: 022-67079696

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