

T W E N T Y  
N I N T H

ANNUAL  
REPORT  
2017-18



**H S INDIA LIMITED**

## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS & KMP**

Mr. Ramesh Bansal	- Managing Director / CFO
Mrs. Sangita Bansal	- Director
Mr. Pradeep Dhawan	- Director
Mr. Nilkanth Barot	- Director
Mr. Dinesh Mistry	- Director
Mr. Pushpendra Bansal	- Chief Executive Officer

### **COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Hitesh Limbani

### **AUDITORS**

M/s. PARY & Co.  
Chartered Accountants  
9005, World Trade Centre,  
Ring Road,  
Surat – 395 002, Gujarat

### **BANKERS**

Syndicate Bank  
Punjab National Bank  
State Bank of India  
Kotak Mahindra Bank Ltd.  
HDFC Bank Ltd.

### **REGISTERED OFFICE**

A-1, Manish Kaveri, Building No. 18,  
Manish Nagar, J. P. Road,  
Andheri (West),  
Mumbai - 400 053, Maharashtra

### **REGISTRAR & SHARE TRANSFER AGENT**

Bigshare Services Pvt. Ltd.  
1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis Apartments (Next To Keys Hotel),  
Marol Maroshi Road, Andheri (East),  
Mumbai - 400059,  
Maharashtra

**NOTICE**

**NOTICE** is hereby given that the **29<sup>TH</sup> ANNUAL GENERAL MEETING** of **H S INDIA LIMITED** will be held at 'Kalash', Dhake Colony, J. P. Road, Andheri (W), Mumbai-400053, Maharashtra on Tuesday, the 25<sup>th</sup> day of September, 2018 at 12:30 p.m. to transact the following business:

**ORDINARY BUSINESS:****1. Adoption of Financial Statements:**

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018 together with the Report of the Board of Directors and the Auditors thereon.

**2. Appointment of Director:**

To appoint a Director in the place of Mr. Ramesh Bansal (DIN – 00086256), who retires by rotation and being eligible, offers himself for re-appointment.

**3. Appointment of Auditor:**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 read with Companies (Audit and Auditors) Rules, 2014, M/s. Pary & Co., Chartered Accountants, Surat (F.R. No. 007288C), be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors.”

**SPECIAL BUSINESS:****4. Re-appointment of Mr. Ramesh Bansal as Managing Director:**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 198 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Ramesh Bansal (DIN: 00086256) as a Managing Director of the Company, for a further period of 3 (Three) years with effect from 1<sup>st</sup> August, 2019 to 31<sup>st</sup> July, 2022, on the following terms and conditions:

- (a) Duration : 3 Years (1<sup>st</sup> August, 2019 to 31<sup>st</sup> July, 2022).
- (b) Salary: ₹ 1,20,000 (Rupees One Lakh Twenty Thousand) per month as per Remuneration Policy of the Company.
- (c) Perquisites and Allowances : In addition to the salary as outlined above, the Managing Director shall be entitled to following perquisites/allowances which shall not be included in the computation of limits for the remuneration:
  - (i) contribution to provident fund, superannuation or annuity funds, to the extent these either singly or put together are not taxable under the Income Tax Act;
  - (ii) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
  - (iii) encashment of leave at the end of the tenure.

Explanation:

- (a) The said perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable; in absence of any such Rules, perquisites and allowances shall be evaluated at actual cost or hire charges.

RESOLVED FURTHER THAT the Board of Directors is entitled to revise the remuneration payable to Mr. Ramesh Bansal as a Managing Director at any time, such that the aggregate of the salary (inclusive of annual increments, If any) in any financial year shall not exceed the overall ceiling laid down in Sections 197 of the Act read with the Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT notwithstanding the above, in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Mr. Ramesh Bansal, Managing Director of the Company, remuneration payable to him shall be within the limits of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution or otherwise considered by it in the best interest of the Company."

**5. ALTERATION IN MEMORANDUM OF ASSOCIATION OF THE COMPANY AS PER 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 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with the Table A of the Schedule I of the Act, consent of the Shareholders be and is hereby accorded for alteration in the Memorandum of Association of the Company by deleting Clause III (C) – Other Objects and accordingly Memorandum of Association will no longer carry other objects.

RESOLVED FURTHER THAT in accordance with the Table A of the Schedule I of the Act, the Clause III (A), III (B) and Clause IV of the Memorandum of Association of the Company, be renamed and read as under:

Clause III (A) - The objects to be pursued by the Company on its incorporation are:

Clause III (B) - Matters which are necessary for furtherance of the objects specified in Clause III (A) are:

Clause IV - The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

RESOLVED FURTHER THAT the words "Companies Act, 1956" be substituted with the words "Companies Act, 2013" whenever appears in the existing Memorandum of Association of the Company."

**NOTES:**

**(a) PROXY:**

**A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY(IES) TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM/HER AND THE PROXY(IES) NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY(IES) SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Corporate members and other incorporated bodies members inter alia Trust, HUF, etc. intending to send their authorized representative to attend the meeting are requested to bring along with them, a certified true copy of resolution of the board of directors or its committee thereof/ power of attorney, authorizing such person to attend and vote on its behalf at the meeting.

- (b) Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
- (c) In order to enable us to register your attendance at the venue of the Annual General Meeting, we request you to bring your folio number/demat account number/DP ID-Client ID to enable us to give you a duly filled attendance slip for your signature and participation at the meeting.
- (d) 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.
- (e) Members may please note that no gifts will be distributed at meeting, in compliance with Section 118(10) of the Companies Act, 2013 and the Secretarial Standards issued by the Institute of Company Secretaries of India.
- (f) The register of members and share transfer books of the Company will remain closed from 19<sup>th</sup> September, 2018 to 25<sup>th</sup> September, 2018 (both days inclusive).
- (g) Members are requested to:
  - (i) Intimate to the Company's Registrar & Share Transfer Agent M/s. Bigshare Services Pvt. Ltd., 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments (Next To Keys Hotel), Marol Maroshi Road, Andheri (E), Mumbai – 400 059, Maharashtra/their Depository Participant ("DP"), changes, if any, in their registered addresses and their E-mail ID at an early date.
  - (ii) Quote their Registered Folio Numbers and/or DP Identity and Client Identity number in their correspondence.
  - (iii) Bring their copy of Annual Report and the Attendance Slip with them at the 29<sup>th</sup> Annual General Meeting ("AGM"). As a measure of economy, extra copies of the Annual Report will not be available at AGM.
- (h) Members are requested to affix their signature at the space provided on the attendance slip annexed to the proxy form and hand over the slip at the entrance of the meeting hall.
- (i)
  - a) Members holding shares in electronic form should notify any change in their residential address or bank details directly to their respective Depository Participants.
  - b) Members holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR code of the branch, type of account and account number to our Registrar and Share Transfer Agent "Bigshare Services Pvt. Ltd.", 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai- 400059, Maharashtra, India.
- (j) Non-Resident Indian Shareholders are requested to inform the Registrar & Share Transfer Agent/ Company/respective Depository Participant:
  - a) Particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not already intimated.
  - b) Change, if any, in their Residential status.
- (k) In terms of SEBI gazetted notification SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018, listed securities in physical form will not be transferred (except in case of

- transmission or transposition of securities) with effect from 5<sup>th</sup> December, 2018. Hence, members are requested to get physical shares converted into Demat form at the earliest.
- (l) Pursuant to the provisions of Section 72 of the Companies Act, 2013, members holding shares in physical mode are advised to file a Nomination Form in respect of their shareholding. Any member wishing to avail of this facility may submit the prescribed statutory Form SH-13 to the Company's Share Transfer Agent, Bigshare Services Pvt. Ltd., 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments (Next To Keys Hotel), Marol Maroshi Road, Andheri (E), Mumbai – 400 059, Maharashtra.
  - (m) Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the particulars of Directors seeking appointment and re-appointment at the meeting are annexed.
  - (n) The Members desirous of obtaining any information/ clarification concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at least ten days before the AGM, so that the information required may be made available at the AGM.
  - (o) Relevant documents referred to in the accompanying Notice and the explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 are available for inspection at the Registered Office of the Company during working hours upto the date of the AGM.
  - (p) 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 Regulation 44 of the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) for the time being in force), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting Services.
  - (q) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - (r) The remote e-voting period commences on Saturday, 22<sup>nd</sup> September, 2018 (9:00 am) and ends on Monday, 24<sup>th</sup> September, 2018 (5:00 pm). During this period, members of the Company holding shares either in physical form or in dematerialized form as on the cut-off date of Tuesday, 18<sup>th</sup> September, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- I. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
    - (i) Open email and open PDF file viz; "HSIL remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting then you can use your existing password for casting the vote. If you have forgot your password, you can reset your password by using "Forget User Details / Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
    - (iii) Click on Shareholder –Login.
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of "H S India Limited".
  - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [csmanishpatel@gmail.com](mailto:csmanishpatel@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
- (i) Initial password is provided as below at the bottom of the Attendance Slip.
  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) as mentioned in A above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- III. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 18<sup>th</sup> September, 2018.
- VI. Any person, who acquires shares of the Company and becomes member of the Company after the dispatch of the notice and holding shares as on the cut-off date i.e. 18<sup>th</sup> September, 2018 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA.
- VII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- IX. Mr. Manish R Patel (C.P. No. 9360), Company Secretary in Practice at Surat has been appointed as a Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF  
THE COMPANIES ACT, 2013**

**ITEM NO. 4**

The Board of Directors of the Company (the 'Board'), at its meeting held on 10<sup>th</sup> August, 2018 has, subject to the approval of members, re-appointed Mr. Ramesh Bansal (DIN – 00086256) as a Managing Director, for a further period of 3 (Three) years from the expiry of his present term, which is going to expire on 31<sup>st</sup> July, 2019.

Mr. Ramesh Bansal satisfy all the conditions set out in Schedule V to the Act and also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for their

re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Information required under Schedule V of the Companies Act, 2013:

#### I. GENERAL INFORMATION :

1. Nature of Industry – Hospitality Business
2. Date or expected date of commencement of Commercial Production – The Company was incorporated in the year 1989 and started its business since then.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in prospectus – Not applicable.
4. Financial performance based on given indicators as per audited financial statements as at 31.03.2018:

Particulars	31.03.2018 (₹ in Lakh)
Total Revenue	2743.83
Net Operating Profit	632.70
Less: Interest & Finance Charges	249.47
Less: Depreciation	210.99
<b>Net Profit Before Tax &amp; Exceptional Items</b>	<b>172.24</b>
Add: Exceptional Items	3.75
<b>Net Profit Before Tax</b>	<b>175.99</b>
Less : Provision for Taxation	
- Net Current Tax	73.50
- Deferred Tax	(90.23)
<b>Net Profit After Tax</b>	<b>192.72</b>

5. Foreign Investments or collaborations, if any – The Company has not made foreign investment and not entered into any foreign collaboration.

#### II. INFORMATION ABOUT THE APPOINTEE:

1. Background details: Mr. Ramesh Radheyshyam Bansal is a promoter of the Company having vast experience of more than 3 decades in the Export-Import and Hospitality Business. Also, he is Managing Director and Chief Financial Officer of the company.
2. Past remuneration: The appointment of Mr. Ramesh Radheyshyam Bansal as Managing Director was duly approved by the shareholders for a period of five years, w.e.f. 1<sup>st</sup> August, 2014 till 31<sup>st</sup> July, 2019 at a remuneration of ₹ 100,000/- per month. The remuneration has changed from ₹ 100,000/- to ₹ 120,000/- per month w.e.f. 16<sup>th</sup> July, 2016 which was ratified by shareholders in 27<sup>th</sup> Annual General Meeting of the Company.
3. Recognition or awards: No.
4. Job profile and his suitability: He has worked as Managing Director of the Company for about 15 years, in which capacity he has been devoting whole time attention to the affairs of the Company and is suitable for this position.
5. Remuneration proposed: ₹ 1,20,000/- per month.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and Person (in case of expatriates the relevant details would be with respect to the country of his origin): Considering the size of the Company, the profile of Mr. Ramesh Radheyshyam Bansal, the responsibilities entrusted upon him in his capacity as Managing Director, and also considering the industrial benchmarks, the remuneration proposed is commensurate with the remuneration packages paid to similar appointees in other companies.



7. Pecuniary relationship directly or indirectly with the company, relationship with the managerial personnel, if any: Besides the remuneration proposed, Mr. Ramesh Radheyshyam Bansal does not have any pecuniary relationship with the Company. Mr. Pushpendra Bansal and Mrs. Sangita Bansal are relatives of Mr. Ramesh Bansal. No other managerial personnel are concerned or interested.

**III. OTHER INFORMATION**

1. Reasons of loss or inadequate profits: Due to global slowdown and present scenario of the country and other reasons beyond the control of management of the Company, the Company has inadequate profits.
2. Steps taken or proposed to be taken for improvement: The Company is in continuous efforts to take appropriate steps for improvement of its business.
3. Expected increase in productivity and profits in measurable terms: The Company is very conscious about improvement in productivity and is undertaking constant measures to improve it.

**IV. DISCLOSURES**

The following disclosures are mentioned in the Boards' Report under the heading "Corporate Governance" attached to the financial statement:

- (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions, etc., of all the directors;
- (ii) Details of fixed component and performance linked incentive alongwith the performance criteria;
- (iii) Service contracts, notice period, severance fees; and
- (iv) Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

Accordingly, your Directors recommend the Ordinary Resolution mentioned in item no. 4 for approval of the shareholders.

Mr. Ramesh Bansal is related to Mr. Pushpendra Bansal and Mrs. Sangita Bansal.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Ramesh Bansal, Mrs. Sangita Bansal and Mr. Pushpendra Bansal are considered to be interested or concerned in the above resolution.

**ITEM NO. 5**

The Companies Act, 2013 has prescribed a new format of Memorandum of Association ("MOA") for Company limited by shares. Accordingly, with a view to align existing MOA of the Company with Table A of Schedule I of the Act and in accordance with Section 4 and 13 of the Act, it is proposed to alter MOA of the Company by deleting Clause III (C) Other Objects and also to rename the Clause III (A), III (B) and Clause IV of the Memorandum of Association.

The words "Companies Act, 1956" in the existing Memorandum of Association is substituted with the words "Companies Act, 2013" wherever required under the applicable provisions.

Accordingly, your Directors recommend the Special Resolution mentioned in item no. 5 for approval of the shareholders.

None of the Directors or Key Managerial Personnel of the Company or their relatives are considered to be interested or concerned in the above resolution.

By Order of the Board of Directors  
**FOR H S INDIA LIMITED**

Place: Mumbai  
Date: 10<sup>th</sup> August, 2018  
**Registered Office:**  
A-1, Manish Kaveri, Building No. 18,  
Manish Nagar, J. P. Road, Andheri (West),  
Mumbai - 400 053, Maharashtra.

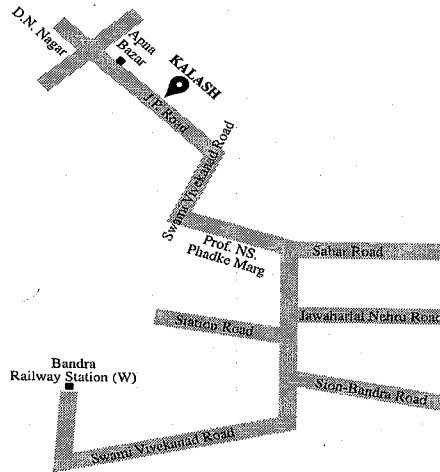
**HITESH LIMBANI**  
Company Secretary  
ACS-31531

**ANNEXURE TO NOTICE OF 29<sup>TH</sup> ANNUAL GENERAL MEETING**

Details of Directors seeking re-appointment at the 29<sup>th</sup> Annual General Meeting  
[In pursuance of Regulation 36 (3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

Name of Director	Mr. Ramesh Bansal (DIN: 00086256)
Designation	Managing Director/CFO
Date of Birth (Age)	04/10/1950 (67 Years)
Date of Appointment	29/09/2005
Terms and conditions of appointment / reappointment	Director liable to retire by rotation and Re-appointment as a Managing Director
Qualifications	B.Sc.
Expertise in specific functional area	Export-Import & Hospitality Business
No. of Shares held	151520 Equity Shares
Remuneration last drawn	₹ 1,20,000/- per month
Directorship in other Companies	1. Global Granimarmo Ltd. 2. Stone Designs (India) Pvt. Ltd.
Membership of committee in other Public Limited Company	NIL
No. of Board Meetings attended during the financial year 2017-18	6
Mr. Pushpendra Bansal and Mrs. Sangita Bansal are relatives of Mr. Ramesh Bansal	

**ROUTE MAP:**



NOTE : MAP NOT TO SCALE

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors are pleased to present the 29<sup>th</sup> Annual Report of your Company together with the Audited Financial Statements and Auditors' Report for the year ended 31<sup>st</sup> March, 2018.

**FINANCIAL RESULTS:**

Particulars	₹ in Lakh	
	2017-18	2016-17
Total Revenue	2743.83	2338.02
Net Operating Profit	632.70	711.55
Less: Interest & Finance Charges	249.47	291.21
Less: Depreciation	210.99	260.80
<b>Net Profit Before Tax &amp; Exceptional Items</b>	<b>172.24</b>	<b>159.54</b>
Add: Exceptional Items	3.75	--
<b>Net Profit Before Tax</b>	<b>175.99</b>	<b>159.54</b>
Less : Provision for Taxation		
- Net Current Tax	73.50	87.00
- Deferred Tax	(90.23)	(32.44)
<b>Net Profit After Tax</b>	<b>192.72</b>	<b>104.98</b>

**OPERATIONS:**

The total revenue of your Company for the year 2017-18 was increased to ₹ 2743.83 Lakh as against ₹ 2338.02 Lakh of the previous year. Net profit after tax of the Company was increased to ₹ 192.72 Lakh as against ₹ 104.98 Lakh of the previous year.

During the year, there is no change in nature of business.

**TRANSFER TO RESERVE:**

For the financial year ended 31<sup>st</sup> March, 2018, the Board has not proposed to transfer any amount to Reserves.

**DIVIDEND:**

In order to conserve resources, your Directors have not recommended any dividend on equity shares of the Company.

**PUBLIC DEPOSITS:**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year ended 31<sup>st</sup> March, 2018.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Mr. Ramesh Bansal, Managing Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment and re-appointment as a Managing Director w.e.f. 1<sup>st</sup> August, 2019.

Mr. Pushpendra Bansal was resigned from the post of Chairman and Joint Managing Director of the company w.e.f. 28<sup>th</sup> September, 2017. Further, Mr. Pushpendra Bansal was appointed as a Chief Executive Director (CEO) of the company w.e.f. 13<sup>th</sup> November, 2017.

Particulars as per Regulation 36(3) of the Listing Regulations are enclosed as an Annexure with the Notice of 29<sup>th</sup> Annual General Meeting.

**DECLARATION BY INDEPENDENT DIRECTORS:**

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 (1)(b) and Regulation 25 of the Listing Regulations.

**FAMILIARISATION PROGRAM TO INDEPENDENT DIRECTORS:**

As per Regulation 25 (7) of the Listing Regulations, Familiarisation Program has been carried out by the Company for the Independent Directors details of which has been posted on Company's website [www.hsindia.in](http://www.hsindia.in).

**MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and analysis as required under Regulation 34 (2) (e) of the Listing Regulations is annexed as **Annexure-1** herewith and forms a part of this report.

**CORPORATE GOVERNANCE:**

In compliance with Regulation 34 (3) of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance is annexed as **Annexure-2**, forms an integral part of this report.

**RATIO OF DIRECTORS' REMUNERATION TO MEDIAN EMPLOYEES' REMUNERATION AND OTHER DISCLOSURES:**

The table containing the names and other particulars of ratio of Directors' Remuneration to Median Employees' Remuneration in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure-3**.

**PARTICULARS OF EMPLOYEES:**

There are no employees drawing remuneration as per limits prescribed in Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**EXTRACT OF ANNUAL RETURN:**

As per Section 134 (3) (a) of the Companies Act, 2013, the extract of the Annual Return in Form MGT-9 is annexed as **Annexure-4** and the same has been posted on the Company's website [www.hsindia.in](http://www.hsindia.in).

**BOARD MEETINGS:**

During the year under review, 7 (Seven) Board Meetings were held and the intervening gap between the meetings did not exceed the period prescribed under the Act, Listing Regulation as well as Secretarial Standard, the details of which are given in the Corporate Governance Report.

Besides the above, several Committee Meetings of the Board were held during the financial year 2017-18, the details of which are given in the Corporate Governance Report.

**AUDIT COMMITTEE:**

Details pertaining to the composition of Audit Committee are included in the Corporate Governance Report.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 134 (3) (c) of the Companies Act, 2013, the Board of Directors hereby confirms that:

- (i) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2018, the applicable accounting standards have been followed and no material departures have been made for 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 at the end of the financial year ended 31<sup>st</sup> March, 2018 and of the profit of the Company for the year ended on that date.
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2018, on a 'going concern' basis.
- (v) the Directors had laid down internal financial control to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**REMUNERATION POLICY:**

The Company's policy relating to Nomination and Remuneration of Directors, Key Managerial Personnel and other Employees as stipulated under Section 178 (4) of the Companies Act, 2013, has been disclosed in the Corporate Governance report.

**STATUTORY AUDITORS:**

M/s. PARY & Co., Chartered Accountants (FR. No.-007288C), Statutory Auditors of the Company, holds office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for re-appointment. The report of the Statutory Auditors along with the notes to Schedules is enclosed to this report and does not contain any qualification, reservation or adverse remark or disclaimer.

**INTERNAL AUDITOR:**

M/s. J. Bhavsar & Co., Chartered Accountants at Surat, the internal auditors of the Company have conducted periodic audit of all operations of the Company. The Audit Committee has reviewed the findings of Internal Auditors regularly and their reports have been well received by the Audit Committee.

**SECRETARIAL AUDITOR:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, your Company had appointed Mr. Manish R Patel, Company Secretary in Practice at Surat to undertake the Secretarial Audit of the Company for the Financial Year 2017-18. The Secretarial Audit Report (Form MR-3) is annexed herewith as **Annexure-5**. The report does not contain any qualifications, reservation or adverse remarks.

**SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES:**

During the year, your Company does not have any Subsidiaries, Joint Ventures or Associate Companies.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT:**

Your Company has not given any loans or guarantees covered under the Provisions of Section 186 of the Companies Act, 2013. The details of the Investment made by the Company are given in the notes to the financial statements.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY:**

All related party transactions that were entered into during the financial year were at arm's length basis and were in the ordinary course of business. All related Party Transactions were placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee has been obtained for the transactions which are of a foreseen and in repetitive nature. Policy on Transactions with Related Parties as approved by the Board is uploaded on the Company's website [www.hsindia.in](http://www.hsindia.in).

During the year, your Company were not entered into any material related party transactions. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

Suitable disclosure as required under AS-18/Ind-AS-24 has been made in Note to the Financial Statement.

**LISTING ON STOCK EXCHANGE:**

The Company's shares are listed with the BSE Limited and the Company has paid the necessary listing fees for the Financial Year 2018-19.

**MATERIAL CHANGES AND COMMITMENTS:**

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this report.

**REPORT ON CONSERVATION OF ENERGY, ABSORPTION OF TECHNOLOGY AND FOREIGN EXCHANGE EARNING AND OUTGO:**

In accordance with the requirement of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, your Directors furnish hereunder the additional information as required.

**A. Conservation of Energy:**

Your Company has made all possible efforts to closely monitor power consumption on daily basis so as to reduce wastage. The Company is also trying to find ways and means to reduce power consumption and thus reduce the overall energy cost.

Your Company is using PNG (Pipelines Natural Gas) in the Kitchen and other operational areas. Your Company is also using power savers in electric panels and in Guest Rooms with CFL fittings. Your Company is also using DG set for utilising alternate sources of energy. During the year, your company does not have any capital investment on energy conservation equipment.

**B. Technology Absorption:**

The project of your Company has no technology absorption, hence no particulars are offered.

**C. Total Foreign Exchange Earning and Outgo:**

Particulars	2017-18 Amount (₹)	2016-17 Amount (₹)
Total Foreign Exchange used	--	196,115
Total Foreign Exchange earned	3,700,742	6,084,820

**RISK MANAGEMENT POLICY:**

Although not mandatory, the Company has constituted a Risk Management Committee as a measure of good governance. The details of the Committee and its terms of reference are set out in the Corporate Governance Report.

A Risk Management Policy was framed and approved by the Board. The objective of this policy is to minimize the adverse impact of various risks attached with the business goals and objectives and to enhance the value of stakeholders.

**BOARD EVALUATION:**

Pursuant to the provisions of Companies Act, 2013 and Regulation 17 (10) of the Listing Regulations, Board has carried out an annual performance evaluation of its own performance, Committees and the Directors individually. The manner in which the evaluation has been carried out, detailed below:

The performance evaluation of the Board as a whole, Chairman and Non Independent Directors was carried out by the Independent Directors. The Independent directors evaluated the parameters viz., level of engagement, duties, responsibilities, performance, obligations and governance safeguarding the interest of the Company. The performance evaluation of Independent directors was carried out by the entire Board.

**BOARD DIVERSITY:**

A diverse Board enables efficient functioning through differences in perspective and skill, and also fosters differentiated thought process at the back of varied industrial and management expertise, gender and knowledge. The Board recognizes the importance of diverse composition and has adopted a Board Diversity Policy which sets out the approach to diversity. The Board Diversity Policy is available on our website [www.hsindia.in](http://www.hsindia.in).

**INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organisation. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has adopted Vigil Mechanism / Whistle Blower Policy in accordance with Section 177 (9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations to deal with instances of fraud and mismanagement, if any. The Vigil Mechanism / Whistle Blower Policy is available on the Company's website [www.hsindia.in](http://www.hsindia.in).

**SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

During the year, no written complaints have been received by the Company pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS:**

During the year, no significant and material order has been passed by the Regulators, Courts and Tribunals impacting the going concern status and Company's operations in future.

**FIRST-TIME ADOPTION OF IND AS:**

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1<sup>st</sup> April, 2017. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements for the year ended 31<sup>st</sup> March, 2018, be applied retrospectively and consistently for all financial years presented.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31<sup>st</sup> March, 2018, together with the comparative period data as at and for the year ended 31<sup>st</sup> March, 2017. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1<sup>st</sup> April, 2016, the Company's date of transition to Ind AS.

**INDUSTRIAL RELATIONS:**

During the period under review, the relations with the most valuable human resources of the Company remained cordial and peaceful. Your Directors wish to place on record their appreciation for the devoted services rendered by the staff of the Company.

**MAINTAINANCE OF COST RECORDS:**

Your Company is not required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013.



**ACKNOWLEDGEMENTS:**

Your Directors would like to express their appreciation for the assistance and co-operation received from the Financial Institutions, the Bankers, Government authorities, customers, vendors and shareholders during the year under review. Your Directors also wish to record their recognition of the customer support and patronage by the corporate houses in and around Surat.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, which enable the Company to deliver a good all-round record performance.

For and on behalf of the Board of Directors

Place: Mumbai  
Date : 10<sup>th</sup> August, 2018

<b>RAMESH BANSAL</b>	<b>SANGITA BANSAL</b>
Managing Director	Director
DIN-00086256	DIN-01571275

**Registered Office:**  
A-1, Manish Kaveri, Building No. 18,  
Manish Nagar, J. P. Road,  
Andheri (West), Mumbai - 400 053,  
Maharashtra

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

ANNEXURE- 1

**1. BUSINESS ENVIRONMENT, INDUSTRY STRUCTURE AND DEVELOPMENTS:**

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country.

India's travel and tourism sector ranks 7<sup>th</sup> in the world in terms of its total contribution to the country's GDP, according to a new report of the World Travel and Tourism Council (WTTC). India is the most digitally-advanced traveler nation in terms of digital tools being used for planning, booking and experiencing a journey, India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism.

**2. OPPORTUNITIES, THREATS, RISK AND CONCERNS:**

Your Company is in well position to take advantage of the following situations:

- Healthy economy having positive support of Tourism Sector.
- Well framed State and Central Government policies to attract tourists.
- Proximity to Railway station and Bus station.
- Healthy Competition in the city.
- Extending the product portfolio by offering various types of facilities.
- Demand between the national and the inbound tourists can be easily managed due to difference in the period of holidays.

There are many regional, domestic and international factors which reduce tourist traffic and the business of the hotels. Lack of training man power is also a threat for the hotel industry. High tax structure as per GST does not appear to be conducive for the Hotel industry as it may affect the revenues of the Hotels.

Indian Government has realized the country's potential in the tourism industry and takes several steps to make India a global tourism hub. The launch of several branding and marketing initiatives by the Government of India such as 'Incredible India!' and 'Athiti Devo Bhava' has provided a focused impetus to growth.

**3. FINANCIAL AND OPERATIONAL PERFORMANCE:**

The total revenue of your Company for the year 2017-18 was increased to ₹ 2743.83 Lakh as against ₹ 2338.02 Lakh of the previous year. Net profit after tax of the Company was increased to ₹ 192.72 Lakh of the current year as against ₹ 104.98 Lakh of the previous year.

**4. FUTURE PROSPECTS:**

The growth in the hospitality sector and its contributions to the GDP will continue to be substantially higher than other sectors of the economy on the back of huge tourism potential in the country. India's travel and tourism industry has huge growth potential. The Government has also been making serious efforts to boost investments in tourism sector. India has been recognized as a destination for spiritual tourism for domestic and international tourists.

However, your company to believe that the long term prospects for the travel and tourism industry in India are more attractive. As mid market faces very little disturbances, your company is at locations where they are targeting the mid-market segment, provide comfort and look as per guests' requirements. Your Directors look forward to the future with confidence.

**5. ADEQUACY OF INTERNAL CONTROL SYSTEM:**

The Company has proper, strong, independent and adequate internal control systems to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly. The internal control systems are supplemented by an extensive programme of internal audits reviewed by management and documented policies, guidelines and procedures. The internal control systems of the Company are designed to ensure that the financial and other records are reliable, for preparing financial statements and other data, and for maintaining accountability of assets.

**6. HUMAN RESOURCE DEVELOPMENT:**

The manpower employed in your Company for 2017-18 was 195 employees.

The Company depends extensively on its human assets and consider this as one of the most precious asset and not affordable to lose.

Your Company has a team of able and experienced industry professionals. Your company always believe to invest in human resources by means of providing various facilities, with a view to strengthen its presence in existing business and for taking advantage of the emerging growth opportunities in the hospitality sector. Your Company seeks regular feedback from its employees to ascertain their levels of satisfaction and to ensure that employees' morale and motivation are constantly improved. Critical human resource issues are analysed, corrective actions initiated and results monitored regularly. In order to preserve competent employees and to provide homely environment, your Company has arranged monthly staff function, religious programs, picnic tours, etc. Human resource is drawn from diverse academic backgrounds and the Company has placed emphasis on recruiting people with formal training that matches their job profile.

**7. CAUTIONARY STATEMENT:**

Certain statements made in the Management discussion and analysis report, describing the Company's objectives, projections, estimates, predictions and expectations may be forward looking statements, within the meaning of applicable securities law and regulations and actual results may differ materially from those expressed or implied. Significant factors that make differences to Company's operations include competition, changes in Government policies and regulations, tax regimes and economic development within India. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

**CORPORATE GOVERNANCE REPORT**

ANNEXURE- 2

**1. COMPANY'S PHILOSOPHY**

Your Company strongly believes in adopting and adhering to good corporate governance practices. Company's philosophy of Corporate Governance is to ensure:

- (i) that the Board and top management of the company are fully apprised of the affairs of the company that is aimed at assisting them in the efficient conduct of the company so as to meet company's obligation to the shareholders.
- (ii) that the Board exercise its fiduciary responsibilities towards shareholders and creditors so as to ensure high accountability.
- (iii) that all disclosure of information to present and potential investors are maximized.
- (iv) that the decision making process in the organization is transparent and are backed by documentary evidence.

**2. BOARD OF DIRECTORS**

The present strength of the Board of Directors of the Company is 5 Directors out of which 1 Director is Executive Promoter Director, 1 is Non-executive Promoter Director and 3 Directors are Non-executive Independent Directors. The more than half of the Board has Non Executive Independent Directors.

**Number of Board Meetings held and the dates of the Board Meetings:**

7 (Seven) Board Meetings were held during the financial year 2017-18. The dates on which the said meetings were held are as follows:

1. 30 <sup>th</sup> May, 2017	2. 12 <sup>th</sup> August, 2017	3. 12 <sup>th</sup> September, 2017
4. 6 <sup>th</sup> October, 2017	5. 11 <sup>th</sup> November, 2017	6. 13 <sup>th</sup> December, 2017
7. 13 <sup>th</sup> February, 2018		

The maximum gap between any two board meetings was less than one hundred and twenty days. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board.

**The last Annual General Meeting of the Company was held on 26<sup>th</sup> September, 2017.**

Details of attendance at the Board Meetings, Last Annual General Meeting and Shareholding of each Director are as follows:

Name	Designation	Category	Attendance Particulars		No. of Equity Shares held as on 31.03.2018
			Board Meetings	Last AGM	
*Mr. Pushpendra Bansal	Chairman & Joint Managing Director	ED	3	Yes	2851198
Mr. Ramesh Bansal	Managing Director /CFO	ED	6	Yes	151520
Mrs. Sangita Bansal	Director	NED	7	Yes	2686480
Mr. Pradeep Dhawan	Director	NED (I)	7	Yes	7453
Mr. Nilkanth Barot	Director	NED (I)	3	No	Nil
Mr. Dinesh Mistry	Director	NED (I)	7	No	Nil

ED - Executive Director / NED - Non-Executive Director / NED(I) - Non Executive Director Independent

\* Ceased as a Chairman and Joint Managing Director of the Company w.e.f. 28.09.2017 and appointed as a Chief Executive Officer of the Company w.e.f. 13.11.2017

Number of other companies or committees of which the Director is a Director / Member / Chairman:

Name of the Director	No. of other Public Limited Companies in which Director \$\$	No. of Committees in which Member \$\$	No. of Committees in which Chairman \$\$
Mr. Ramesh Bansal	1	--	--
Mrs. Sangita Bansal	3	--	--
Mr. Pradeep Dhawan	--	--	--
Mr. Nilkanth Barot	--	--	--
Mr. Dinesh Mistry	--	--	--

\$\$In accordance with the Regulation 26(1) of the Listing Regulations, The number of directorship excludes directorship of private companies, foreign companies and companies under Section 8 of the Companies Act, 2013. Membership/Chairmanship of only Audit Committees and Stakeholders' Relationship Committees of all Public Limited Company (excluding H S India Limited) have been considered.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 Committees across all the Companies in which they are Directors. All the Directors have made necessary disclosures in this regards to the Company.

The Company has a process to provide, inter-alia, the minimum information to the Board as required under Part A of Schedule II of Regulation 17(7) of the Listing Regulations pertaining to Corporate Governance.

Mr. Ramesh Bansal and Mr. Pushpendra Bansal are brothers. Mrs. Sangita Bansal is wife of Mr. Pushpendra Bansal. No other director is related to any other director of the Company.

The Company has not entered into any materially significant transactions during the year under report with promoter directors, senior management staff etc. that could have potential conflict of interest with the Company at large.

#### Meeting of Independent Directors:

During the year 2017-18, the separate meeting of the Independent Directors was held on 13<sup>th</sup> February, 2018, as required under Schedule IV of the Companies Act, 2013 and Regulation 25 (3) of the Listing Regulations without the presence of non-independent directors and other members of the management.

#### Familiarisation Program to Independent Directors:

As per Regulation 25 (7) of the Listing Regulations, Familiarisation Program has been carried out by the Company for the Independent Directors details of which has been posted on Company's website [www.hsindia.in](http://www.hsindia.in).

#### Note on Directors seeking appointment/re-appointment:

Mr. Ramesh Bansal, Managing Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment and re-appointment as a Managing Director w.e.f. 1<sup>st</sup> August, 2019.

Particulars as per Regulation 36(3) of the Listing Regulations are enclosed as an Annexure with the Notice of 29<sup>th</sup> Annual General Meeting.

**3. AUDIT COMMITTEE:**

The Audit Committee acts as a link between the management, the statutory and internal auditors and the Board of Directors and oversees the financial reporting process.

5 (Five) Audit Committee Meetings were held during the financial year 2017-18, the date on which the said meetings were held are as follows:

1	30 <sup>th</sup> May, 2017	2	12 <sup>th</sup> August, 2017	3	12 <sup>th</sup> September, 2017
4	13 <sup>th</sup> December, 2017	5	13 <sup>th</sup> February, 2018		

The details of composition of the Committee and their attendance at the meetings are given below:

Name	Designation	Category	No. of Meetings attended
Mr. Pradeep Dhawan	Chairman	NED (I)	5
Mr. Ramesh Bansal	Member	ED	4
Mr. Nilkanth Barot	Member	NED (I)	3
Mr. Dinesh Mistry	Member	NED (I)	5

The Company Secretary acts as a Secretary to the Committee.

**4. NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee was formed with the responsibility for determining the remuneration for all executive directors and Key Management Personnel, including any compensation payments, such as retirement benefits or stock options and also to determine principles, criteria and the basis of remuneration policy of the company and shall also recommend the appointment/removal and monitor the level and structure of pay for senior management, i.e. one level below the Board.

3 (Three) Nomination and Remuneration Committee Meetings were held during the financial year 2017-18, The date on which the said meetings were held are as follows:

1	6 <sup>th</sup> October, 2017	2	11 <sup>th</sup> November, 2017	3	13 <sup>th</sup> February, 2018
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The details of composition of the Committee and their attendance at the meetings are given below:

Name	Designation	Category	No. of Meetings attended
Mr. Pradeep Dhawan	Chairman	NED (I)	3
Mr. Nilkanth Barot	Member	NED (I)	0
Mr. Dinesh Mistry	Member	NED (I)	3

Presently, the Company is not paying any sitting fees to its Non-Executive Directors for attending meetings of the Board, Audit Committee and other Committees. However, during the year ended 31<sup>st</sup> March, 2018, your Company has paid remuneration to its Executive Director is as under:

Name & Designation of Director	Tenure upto	Salary (₹ in Lakh)	Perquisites (₹ in Lakh)
*Mr. Pushendra Bansal, Chairman & Jt. Managing Director	--	5.90	Nil
Mr. Ramesh Bansal, Managing Director/CFO	31 <sup>st</sup> July, 2019	14.40	Nil

\* Ceased as a Chairman and Joint Managing Director of the Company w.e.f. 28.09.2017 and appointed as a Chief Executive Officer of the Company w.e.f. 13.11.2017.

The Company has formulated the Nomination and Remuneration Policy to lay down criteria and terms & conditions with regards to identifying persons who are qualified to become Directors (Executive & Non-Executive) and persons who are qualified to be appointed in Senior Management and Key Managerial Positions and to determine their remuneration. Brief description of the said policy as below:

➤ **Remuneration Policy:**

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the Executive and Non – Executive Directors. This will be then approved by the Board and shareholders. Prior approval of shareholders will be obtained wherever applicable.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) to Managing Director(s), Whole time Director. Remuneration is paid within the ceiling approved by the Shareholders.

The remuneration paid to Executive Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company policy as applicable to all employees.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals. Independent Non- Executive Directors shall be received sitting fees for at ending the meeting of the Board and Board Committees as may be decided by the Board and/or approved by the Shareholders from time to time.

➤ **Directors, KMPs and Senior management personnel:**

The remuneration of Directors, KMPs and senior management largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company policy, subject to prescribed statutory ceiling.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry.

The Nomination and Remuneration Policy is uploaded on the Company's website [www.hsindia.in](http://www.hsindia.in).

➤ **Performance Evaluation:**

Pursuant to the provisions of Companies Act, 2013 and Regulation 17 (10) of the Listing Regulations, The Board has carried out an annual performance evaluation of its own performance, Committees and the Directors individually. The manner in which the evaluation has been carried out, detailed below:

The performance evaluation of the Board as a whole, Chairman and Non Independent Directors was carried out by the Independent Directors. The Independent directors evaluated the parameters viz., level of engagement, duties, responsibilities, performance, obligations and governance safeguarding the interest of the Company. The performance evaluation of Independent directors was carried out by the entire Board.

**5. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee was constituted for Redressal of stakeholders' complaints like transfer of shares, non-receipt of annual report, etc.

4 (Four) Stakeholders Relationship Committee Meeting were held during the financial year 2017-18, The date on which the said meetings were held are as follows:

1	30 <sup>th</sup> May, 2017	2	12 <sup>th</sup> August, 2017	3	13 <sup>th</sup> December, 2017
4	13 <sup>th</sup> February, 2018				

The details of composition of the Committee and their attendance at the meetings are given below:

Name	Designation	Category	No. Of Meetings attended
Mr. Pradeep Dhawan	Chairman	NED (I)	4
Mr. Nilkanth Barot	Member	NED (I)	3
Mr. Dinesh Mistry	Member	NED (I)	4

Mr. Hitesh Limbani, Company Secretary is a Compliance Officer of the Company.

During the financial year, the Company had not received any investor complaints. No complaints were pending as on 31<sup>st</sup> March, 2018.

**6. RISK MANAGEMENT COMMITTEE:**

Risk Management Committee comprises viz., Mrs. Sangita Bansal (Chairman) and Mr. Dinesh Mistry (Member), Mr. Pushpendra Bansal (Member). The Risk Management Committee was constituted for risk assessment and risk minimization in the Company. During the year, 1 (one) Risk Management Committee meeting was held on 13<sup>th</sup> December, 2017.

**7. GENERAL BODY MEETINGS:****(A) General Meeting****(i) Annual General Meeting:**

Details	Date	Time	Venue
28 <sup>th</sup> Annual General Meeting 2016-17	26 <sup>th</sup> September, 2017	9.30 A.M.	'Kalash', Dhake Colony, J. P. Road, Andheri (W), Mumbai – 400 053, Maharashtra.
27 <sup>th</sup> Annual General Meeting 2015-16	24 <sup>th</sup> September, 2016	9.30 A.M.	
26 <sup>th</sup> Annual General Meeting 2014-15	24 <sup>th</sup> September, 2015	9.30 A.M.	

(ii) Extra-ordinary General Meeting: During the year, no Extra-ordinary General Meeting was held.

**(B) Special Resolution**

A. At the 26<sup>th</sup> Annual General Meeting of the Company held on 24<sup>th</sup> September, 2015, one Special Resolution was passed –

(i) For Approval of Related Party Transactions under provisions of Section 188 of the Companies Act, 2013.

B. At the 27<sup>th</sup> Annual General Meeting of the Company held on 24<sup>th</sup> September, 2016, no Special Resolution was passed.



- C. At the 28<sup>th</sup> Annual General Meeting of the Company held on 26<sup>th</sup> September, 2017, no Special Resolution was passed.

**(C) Postal Ballot**

During the year, no Postal Ballot was conducted.

**8. OTHER DISCLOSURES:**

- (i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the company at large: NIL  
Transactions with the related parties are disclosed in the notes to the accounts forming part of the accounts.
- (ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by SEBI, ROC, Stock Exchange or any statutory authority, on any matter related to capital markets, during the last 3 financial years: NIL
- (iii) Vigil Mechanism/Whistle Blower Policy is uploaded on the Company's website [www.hsindia.in](http://www.hsindia.in) and during the year under review, no personnel has been denied access to the audit committee.
- (iv) The Company has complied with all mandatory requirements of Corporate Governance under Regulations 34 of the Listing Regulations.
- (v) Policy on dealing with related party transactions is uploaded on the Company's website [www.hsindia.in](http://www.hsindia.in).
- (vi) Pursuant to Regulation 17 (8) of the Listing Regulations, the Board has received Managing Director/CFO and CEO certificate for the Financial Year ended 31<sup>st</sup> March, 2018.

**9. MEANS OF COMMUNICATION:**

The quarterly financial results are generally published in the Financial Express in English and Mumbai Lakshadip in Marathi. All other official news releases are first forwarded to the stock exchanges and subsequently released to the media. Further, all periodic statutory reports and other official news releases are also uploaded on the company's website [www.hsindia.in](http://www.hsindia.in).

**10. GENERAL SHAREHOLDER INFORMATION:**

1.	Annual General Meeting		
	Date and Time	:	September 25, 2018 at 12:30 p.m.
	Venue	:	'Kalash', Dhake Colony, J. P. Road, Andheri (W), Mumbai – 400053
2.	Financial Year	:	1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018
3.	Dividend Payment Date	:	No Dividend has been recommended
4.	Registered Office of the company	:	A-1, Manish Kaveri, Building No. 18, Manish Nagar, J. P. Road, Andheri (West), Mumbai – 400 053, Maharashtra. E-mail: <a href="mailto:hsindialimited@gmail.com">hsindialimited@gmail.com</a> Website : <a href="http://www.hsindia.in">www.hsindia.in</a>
5.	Listing on Stock Exchange	:	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, Maharashtra
6.	Annual listing fees	:	Duly paid for the year 2017-18 and 2018-19
7.	Stock Code		
	(a) Trading Symbol at	:	BSE Limited, Mumbai
	(b) Demat ISIN Numbers in NSDL & CDSL	:	Equity Shares <b>INE731B01010</b> 532145/HOTLSILV
8.	Stock Market Data	:	BSE Limited

	High (₹)	Low (₹)
April, 2017	11.44	7.05
May, 2017	10.45	8.21
June, 2017	8.98	7.43
July, 2017	11.49	8.08
August, 2017	12.10	8.55
September, 2017	12.60	9.91
October, 2017	12.99	9.25
November, 2017	13.80	9.78
December, 2017	17.00	11.36
January, 2018	16.00	11.80
February, 2018	14.50	9.25
March, 2018	12.20	8.23

9. Share Price Performance compared with broad based indices

	H S India Limited	BSE
As on 1 <sup>st</sup> April, 2017	7.05	29910.22
As on 31 <sup>st</sup> March, 2018	9.02	32968.68
Change (%)	27.94%	10.23%

10. A. Distribution of Shareholding as on 31<sup>st</sup> March, 2018:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 500	1654	66.29	333378	2.05
501-1000	353	14.15	312781	1.93
1001-2000	200	8.02	324200	2.00
2001-3000	68	2.73	176152	1.08
3001-4000	34	1.36	119562	0.74
4001-5000	34	1.36	162526	1.00
5001-10000	59	2.36	425432	2.62
10001 & above	93	3.73	14384369	88.58
<b>GRAND TOTAL</b>	<b>2495</b>	<b>100.00</b>	<b>16238400</b>	<b>100.00</b>
Physical Mode	221	8.86	815800	5.02
Electronic Mode	2274	91.14	15422600	94.98

B. Category of Shareholders as on 31<sup>st</sup> March, 2018:

Category Code	Category of Shareholders	Total Number of Shares	As a Percentage of (A+B+C)
<b>(A)</b>	<b>Shareholding of Promoter &amp; Promoter Group</b>		
(1)	Indian	6333728	39.00
(2)	Foreign	0	0.00
	<b>Sub-Total (A)</b>	<b>6333728</b>	<b>39.00</b>
<b>(B)</b>	<b>Public Shareholding</b>		
(1)	Institutions	0	0.00
(2)	Non-Institutions		
	- Bodies Corporate	368800	2.27
	- Individuals	9501385	58.51
	- Independent Director	7453	0.05
	- NRI's/OBC's/Foreign National	24271	0.15
	- Trust	1	0.00
	- Clearing Members	2762	0.02
	<b>Sub-Total (B)</b>	<b>9904672</b>	<b>61.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipt has been issued</b>		
		0	0.00
	<b>Sub-Total (C)</b>	<b>0</b>	<b>0.00</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>16238400</b>	<b>100.00</b>

11.	Dematerialization of Shares	: As on March 31, 2018, 15,422,600 equity shares constituting 94.98% of the Equity Share Capital of the Company stand dematerialized.
12.	Outstanding GDRs/ ADRs/Warrants or any Convertible Instruments	: The Company has not issued GDRs/ADRs. As on 31 <sup>st</sup> March, 2018, no Warrants/Convertible Instruments outstanding for conversion.
13.	Hotel Location	: Lords Plaza Opp. Linear Bus Stand, Nr. Delhi Gate, Ring Road, Surat – 395 003. E-mail : <a href="mailto:hsindialimited@gmail.com">hsindialimited@gmail.com</a>
14.	Share Transfer System	: The transfer of shares in physical form is affected by the Registrar and Transfer Agents mentioned as above within the prescribed time period from the date of its receipt subject to the documents being in order and complete in all respects. The Stakeholder Relationship Committee of the Board of Directors observes this transfer system quarterly and takes note of the statement/register of Share transfer received from the Registrar and Transfer Agents. A half yearly compliance certificate under Regulation 7 (3) of the Listing Regulations, jointly signed by compliance officer and RTA, certifying that all the above stated activities are being carried out by RTA, is regularly submitted to BSE Ltd.
15.	Share Transfer Agent & Address for Correspondence	: M/s. Bigshare Services Private Limited Unit: (H S India Limited) 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments (Next To Keys Hotel), Marol Maroshi Road, Andheri (East), Mumbai – 400059, Maharashtra E-mail : <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> Tel. No. (022) 62638200, Fax No. (022) 62638299 Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>  <b><u>H S India Limited</u></b> A-1, Manish Kaveri, Building No. 18, Manish Nagar, J. P. Road, Andheri (W), Mumbai – 400053, Maharashtra E-mail: <a href="mailto:hsindialimited@gmail.com">hsindialimited@gmail.com</a> Tel. No. (022) 26396768, Fax No. (022) 26396768 Website: <a href="http://www.hsindia.in">www.hsindia.in</a>

**11. RECONCILIATION OF SHARE CAPITAL AUDIT:**

In keeping with the requirements of the SEBI and BSE Ltd., an audit by a qualified Practicing Company Secretary carried out to reconcile the total admitted capital with NSDL and 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.

**12. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:**

Compliance Certificate from Auditors regarding compliance of conditions of corporate governance is annexed as **Annexure-6**.

**13. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT: Not Applicable****14. NON-MANDATORY REQUIREMENTS:**

- (i) The Company has published quarterly and half yearly financial results in newspapers as mentioned and uploaded the same in website of the Company. Hence, the same results are not separately circulated to the members.
- (ii) The Financial Statements are free from any audit qualifications.
- (iii) Reporting of the Internal Auditors: The Internal Auditor may report directly to the Audit Committee.

**RATIO OF DIRECTORS' REMUNERATION TO MEDIAN EMPLOYEES'  
REMUNERATION AND OTHER DISCLOSURE**  
[PURSUANT TO SUB-SECTION (12) OF SECTION 197 OF THE COMPANIES ACT, 2013 AND RULE  
5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL  
PERSONNEL) RULES, 2014]

- (i) The percentage increase in remuneration of each Director and Company Secretary during the financial year 2017-18 and ratio of each director to the median remuneration of the employees of the Company for the financial year 2017-18 are as under:

(₹ In Lakh)

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2017-18	% increase in Remuneration in the financial year 2017-18	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Ramesh Bansal Managing Director/CFO	14.40	34.05%	13.71
2	Mr. Pushendra Bansal Chief Executive Officer	10.50	(23.59%)	N.A.
3	Mr. Hitesh Limbani Company Secretary	5.57	9.85%	N.A.

- (ii) The Median Remuneration of employees of the Company during the financial year was ₹ 1.05 Lakh.
- (iii) In the financial year 2017-18, there was an increase of 13.64 % in the median of remuneration of employees.
- (iv) As on 31.03.2018, there were 195 permanent employees on the rolls of the Company.
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and points out if there are any exceptional circumstances for increase in the managerial remuneration: Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year 2017-18 was 7.40 %.
- (vi) Affirmation that the remuneration is as per the Remuneration policy of the Company: It is hereby affirmed that the remuneration is as per the remuneration policy for Directors, Key Managerial Personnel and other employees.

## FORM NO. MGT 9

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014.

**EXTRACT OF ANNUAL RETURN**  
As on the financial year ended on 31/03/2018

## I. REGISTRATION &amp; OTHER DETAILS

i	CIN	L55100MH1989PLC053417
ii	Registration Date	12-09-1989
iii	Name of the Company	H S INDIA LIMITED
iv	Category of the Company	Public Company
	Sub-Category of the Company	Limited by Shares

v	<b>Address of Registered office &amp; contact details</b>	
	Address:	A-1, Manish Kaveri, Buliding No. 18, Manish Nagar, J. P. Road, Andheri (W),
	Town / City:	Mumbai
	State:	Maharashtra
	Pin Code:	400053
	Country Name:	India
	Telephone (with STD Code):	(022) 26396768
	Fax Number:	(022) 26396768
	Email Address:	<a href="mailto:hsindialimited@gmail.com">hsindialimited@gmail.com</a>
	Website, if any:	<a href="http://www.hsindia.in">www.hsindia.in</a>
vi	Whether listed company	Yes

vii	<b>Name and Address of Registrar &amp; Transfer Agents ( RTA ):-</b>	
	Name of RTA:	BIGSHARE SERVICES PVT. LTD.
	Address:	E-3, Ansa Industrial Estate, Saki-vihar Road, Sakinaka, Andheri (E), • <b>Corporate Office:</b> 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments (Next To Keys Hotel), Marol Maroshi Road, Andheri (East), Mumbai – 400059, Maharashtra
	Town / City:	Mumbai
	State:	Maharashtra
	Pin Code:	400072
	Telephone:	(022) 40430200
	Fax Number:	(022) 28475207
	Email Address:	<a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>

## II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Rooms	55101	48.55
2	Restaurants	56101	7.61
3	Wine and Liquor	47221	32.70
4	Banquets and others	56210	11.14

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:- Nil

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

## i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	5935298	0	5935298	36.55	5935274	0	5935274	36.55	0.00
b) Central Govt.									
c) State Govt.(s)									
d) Bodies Corp.	398454	0	398454	2.45	398454	0	398454	2.45	0.00
e) Banks / FI									
f) Any other									
<b>Sub-total (A) (1)</b>	<b>6333752</b>	<b>0</b>	<b>6333752</b>	<b>39.00</b>	<b>6333728</b>	<b>0</b>	<b>6333728</b>	<b>39.00</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRI - Individual									
b) Other - Individual									
c) Bodies Corp.									
d) Banks / FI									
e) Any Others									
<b>Sub-total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A) (1)+(A) (2)</b>	<b>6333752</b>	<b>0</b>	<b>6333752</b>	<b>39.00</b>	<b>6333728</b>	<b>0</b>	<b>6333728</b>	<b>39.00</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	366540	800	367340	2.26	368000	800	368800	2.27	0.01
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1721883	119620	1841503	11.34	1632231	108431	1740662	10.72	-0.62
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	6954196	706569	7660765	47.18	7054154	706569	7760723	47.79	0.61

c) Others Specify									
(c-i) Independent Directors	10354	0	10354	0.06	7453	0	7453	0.05	-0.01
(c-ii) Clearing Members	0	0	0	0.00	2762	0	2762	0.02	0.02
(c-iii) Non-Residence (Non-Rep)	2500	0	2500	0.02	2183	0	2183	0.01	-0.01
(c-iv) Non-Residence (Rep)	22185	0	22185	0.14	22088	0	22088	0.14	0.00
(c-v) Trust	1	0	1	0.00	1	0	1	0.00	0.00
Sub-total B(2):-	9077659	826989	9904648	61.00	9088872	815800	9904672	61.00	0.00
<b>Total Public Shareholding (B)=(B(1)+ (B)(2)</b>	<b>9077659</b>	<b>826989</b>	<b>9904648</b>	<b>61.00</b>	<b>9088872</b>	<b>815800</b>	<b>9904672</b>	<b>61.00</b>	<b>0.00</b>
C. Shares held by Custodian for GDRs & ADRs									
<b>Grand Total (A+B+C)</b>	<b>15411411</b>	<b>826989</b>	<b>16238400</b>	<b>100.00</b>	<b>15422600</b>	<b>815800</b>	<b>16238400</b>	<b>100.00</b>	<b>0.00</b>

## ii. Shareholding of Promoters

Sl. No.	Name of the Promoter	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Pushpendra R Bansal	2851198	17.56	15.40	2851198	17.56	15.40	0.00
2	Sangita P Bansal	2838000	17.48	0.00	2686480	16.54	0.00	-0.93
3	Ramesh R Bansal	0	0.00	0.00	151520	0.93	0.00	0.93
4	SSSP Consultant and Techno Services Ltd.	398454	2.45	0.00	398454	2.45	0.00	0.00
5	Suresh T Patel	144640	0.89	0.00	144640	0.89	0.00	0.00
6	Hansaben S Patel	45920	0.28	0.00	45920	0.28	0.00	0.00
7	Rahul S Patel	29620	0.18	0.00	29596	0.18	0.00	0.00
8	Trushar S Patel	25920	0.16	0.00	25920	0.16	0.00	0.00
	<b>TOTAL</b>	<b>6333752</b>	<b>39.00</b>	<b>15.40</b>	<b>6333728</b>	<b>39.00</b>	<b>15.40</b>	<b>0.00</b>

## iii. Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.	Name of the Promoter	Shareholding at the beginning of the year (01-04-2017)		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year(01-04-2017 to 31-03-2018)	
		No. Of Shares	% of Total Shares of the Company				No. Of Shares	% of Total Shares of the Company
1	Pushpendra R Bansal	2851198	17.56	--	--	No Change	2851198	17.56
2	Sangita P Bansal	2838000	17.48	--	--	--	--	--
				12.04.2017	151520	Sale	2686480	16.54
3	Ramesh R Bansal	0	0.00	31.03.2018	--	--	2686480	16.54
				12.04.2017	151520	Purchase	151520	0.93



				31.03.2018	--	--	151520	0.93
4	SSSP Consultant and Techno Services Ltd.	398454	2.45	--	--	No Change	398454	2.45
5	Suresh T Patel	144640	0.89	--	--	No Change	144640	0.89
6	Hansaben S Patel	45920	0.28	--	--	No Change	45920	0.28
7	Rahul S Patel	29620	0.18	--	--	--	--	--
				17.11.2017	24	Sale	29596	0.18
8	Trushar S Patel	25920	0.16	31.03.2018	--	--	29596	0.18
				--	--	No Change	25920	0.16

**iv. Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name of the Shareholder (For Each of the Top 10 Shareholders)	Shareholding at the beginning of the year (01-04-2017)		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. Of Shares	% of Total Shares of the Company				No. Of Shares	% of Total Shares of the Company
1	Mehinder Sharma	650000	4.00	--	--	No Change	650000	4.00
2	Poonam Sharma	650000	4.00	--	--	No Change	650000	4.00
3	Vinod Dalvi	650000	4.00	--	--	No Change	650000	4.00
4	Vikash Suri	650000	4.00	--	--	No Change	650000	4.00
5	Shabnam Motihar	355497	2.19	--	--	--	--	--
				01.09.2017	225	Purchase	355722	2.19
				22.12.2017	47147	Sale	308575	1.90
				29.12.2017	11360	Sale	297215	1.83
				31.03.2018	--	--	297215	1.83
6	Ajay Sahoo	296496	1.83	--	--	No Change	296496	1.83
7	Anil Dhimmarr	278800	1.72	--	--	No Change	278800	1.72
8	Shrirang Jadhav	271289	1.67	--	--	No Change	271289	1.67
9	Virendra Mistry	250000	1.54	--	--	No Change	250000	1.54
10	Uma Gupta	234300	1.44	--	--	No Change	234300	1.44

**v. Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Shareholding of Directors and KMPs	Shareholding at the beginning of the year (01-04-2017)		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. Of Shares	% of Total Shares of the Company				No. Of Shares	% of Total Shares of the Company
1	Mr. Ramesh Bansal (Managing Director/CFO)	0	0.00	--	--	--	--	--
				12.04.2017	151520	Purchase	151520	0.93
				31.03.2018	--	--	151520	0.93
2	Mrs. Sangita Bansal (Director)	2838000	17.48	--	--	--	--	--
				12.04.2017	151520	Sale	2686480	16.54
				31.03.2018	--	--	2686480	16.54
3	Mr. Pradeep Dhawan (Director)	10354	0.06	--	--	--	--	--
				14.07.2017	899	Purchase	11253	0.07
				04.08.2017	2000	Sale	9253	0.06
				08.09.2017	1000	Purchase	10253	0.07
				10.11.2017	500	Purchase	10753	0.07
				15.12.2017	2300	Sale	8453	0.05
				22.12.2017	1000	Sale	7453	0.05
				31.03.2018	--	--	7453	0.05

4	Mr. Nilkanth Barot (Director)	0	0.00	--	--	No Change	0	0.00
5	Mr. Dinesh Mistry (Director)	0	0.00	--	--	No Change	0	0.00
6	*Mr. Pushpendra Bansal (Chief Executive Officer)	2851198	17.56	--	--	No Change	2851198	17.56
7	Mr. Hitesh Limbani (Company Secretary)	0	0.00	--	--	No Change	0	0.00

\* Ceased as a Chairman and Joint Managing Director of the Company w.e.f. 28.09.2017 and Appointed as a Chief Executive Officer of the Company w.e.f. 13.11.2017

#### V. INDEBTEDNESS

##### Indebtedness of the Company including interest outstanding/accrued but not due for payment (In ₹)

Indebtedness at the beginning of the financial year (As on 01.04.2017)	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	233324546	0	0	233324546
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	2337534	0	0	2337534
<b>Total (i+ii+iii)</b>	<b>235662080</b>	<b>0</b>	<b>0</b>	<b>235662080</b>
Change in Indebtedness during the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
* Addition	1000000	0	0	1000000
* Reduction	-35254875	0	0	-35254875
<b>Net Change</b>	<b>-34254875</b>	<b>0</b>	<b>0</b>	<b>-34254875</b>
Indebtedness at the end of the financial year (As on 31.03.2018)	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	199434171	0	0	199434171
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	1973034	0	0	1973034
<b>Total (i+ii+iii)</b>	<b>201407205</b>	<b>0</b>	<b>0</b>	<b>201407205</b>

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Pushpendra Bansal (Chairman & Jt. Managing Director)*	Mr. Ramesh Bansal (Managing Director/CFO)	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	590,000	1,440,000	2,030,000
	(b) Value of perquisites under Section 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>590,000</b>	<b>1,440,000</b>	<b>2,030,000</b>

Remuneration to Managing Directors was paid within the Ceiling as per the Companies Act, 2013.

\* Ceased as a Chairman and Joint Managing Director of the Company w.e.f. 28.09.2017.

B. Remuneration to other directors: The Company has not paid any remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Pradeep Dhawan	Mr. Nilkanth Barot	Mr. Dinesh Mistry	
1	<b>Independent Directors</b>				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	<b>Other Non-Executive Directors</b>	Mrs. Sangita Bansal			
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	<b>Total Managerial Remuneration (A+B)</b>	-	-	-	<b>2,030,000</b>

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD :

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO #	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	460,000	557,500	-	1,017,500
	(b) Value of perquisites under Section 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	<b>460,000</b>	<b>557,500</b>	<b>-</b>	<b>1,017,500</b>

# Mr. Pushpendra Bansal appointed as a Chief Executive Officer of the Company w.e.f. 13.11.2017.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:** There were no penalties, punishment or compounding of offences under the Companies Act, 2013, during the financial year ended 31<sup>st</sup> March, 2018.

For and on behalf of the Board of Directors

Place: Mumbai  
Date : 10<sup>th</sup> August, 2018

**RAMESH BANSAL**      **SANGITA BANSAL**  
Managing Director      Director  
DIN-00086256      DIN-01571275

**FORM NO. MR-3****ANNEXURE- 5****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**H S India Limited**  
CIN: L55100MH1989PLC053417  
A-1, Manish Kaveri, Building No. 18,  
Manish Nagar, J. P. Road, Andheri (W),  
Mumbai – 400 053, Maharashtra

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **H S India Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2018**, complied with the statutory provisions of the applicable acts listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March, 2018** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009 (Not applicable as the Company has not issued any securities);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable as the Company has not formulated any Employee Stock Option Scheme and Employee Stock Purchase Scheme);

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable as the Company has not issued any debts securities which were listed);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client (Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent) ;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not opted for delisting); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable as the Company has not done any Buyback of Securities).
- (vi) Other laws as applicable specifically to the Company:
- (a) Food Safety and Standards Act, 2006 and the Rules framed there under.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (with respect to Board and General Meetings) issued by The Institute of Company Secretaries of India,
- (ii) The Listing Agreement entered into by the Company with Stock Exchanges read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and proper system is in place which facilitates/ensure to capture and record the dissenting member's views, if any, as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the year, the Company has not taken specific actions/decisions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above.

Place: Surat  
Date: 10<sup>th</sup> August, 2018

**MANISH R. PATEL**  
Company Secretary in Practice  
ACS No: 19885  
COP No. : 9360

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

**Annexure A**

To,  
The Members,  
**H S India Limited**  
CIN: L55100MH1989PLC053417  
A-1, Manish Kaveri, Building No. 18,  
Manish Nagar, J. P. Road, Andheri (W),  
Mumbai – 400 053, Maharashtra

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Surat  
Date: 10<sup>th</sup> August, 2018

**MANISH R. PATEL**  
Company Secretary in Practice  
ACS No: 19885  
COP No. : 9360

**COMPLIANCE CERTIFICATE**

(Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Board of Directors  
H S India Limited  
A-1, Manish Kaveri, Building No. – 18,  
Manish Nagar, J. P. Road,  
Andheri (W), Mumbai – 400 053.

We hereby certify that:

- (a) We have reviewed the financial statements and cash flow statement for the year ended 31<sup>st</sup> March, 2018 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) 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.
- (b) No transaction is entered into by the Company during the year which is fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

**FOR H S INDIA LIMITED**

Place: Mumbai  
Date : 10<sup>th</sup> August, 2018

**PUSHPENDRA BANSAL**  
Chief Executive Officer

**RAMESH BANSAL**  
Managing Director/CFO  
DIN - 00086256

**DECLARATION ON CODE OF CONDUCT**

(Pursuant to Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
H S INDIA LIMITED

It is hereby certified and confirmed that all Board Members and Senior Management Personnel of the Company have affirmed compliance for the financial year ended 31<sup>st</sup> March, 2018 with the Code of Conduct of the Company. The code is posted on the Company's website [www.hsindia.in](http://www.hsindia.in).

**FOR H S INDIA LIMITED**

Place: Mumbai  
Date: 10<sup>th</sup> August, 2018

**PUSHPENDRA BANSAL**  
Chief Executive Officer

**ANNEXURE - 6**

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

(Pursuant to Part E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
H S INDIA LIMITED

1. We have examined the compliance of conditions of Corporate Governance by H S INDIA LIMITED for the period ended 31<sup>st</sup> March, 2018, as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring 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.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
4. 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 PARY & CO.**  
Chartered Accountants  
FRN: 007288C

**AKASH GAGLANI**  
Partner  
Membership No.: 114255  
9005, World Trade Centre,  
Ring Road, Surat – 395002 (Gujarat)

Place : Mumbai  
Date : 10<sup>th</sup> August, 2018



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**Independent Auditor's Report**

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To,  
The Members of  
**H S INDIA LIMITED**

**Report on the Financial Statement**

We have audited the accompanying Ind-AS financial statements of **H S INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at **31<sup>st</sup> March, 2018**, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in the Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive Income, cash flows and changes in Equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform 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 amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 principles generally accepted in India:

- a) of the state of affairs of the Company as at **31<sup>st</sup> March, 2018**;
- b) of the **Profit** including other comprehensive income for the year ended on that date;
- c) of the cash flows for the year ended on that date; and
- d) the changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) we have sought and 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 account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
    - i. The company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For PARY & CO.**  
Chartered Accountants  
FRN: 007288C

Place : Mumbai  
Date : 30<sup>th</sup> May, 2018

**Akash Gaglani**  
Partner  
Membership No.: 114255

**Annexure A to the Independent Auditor's Report to the Members of the H S India Limited dated 30<sup>th</sup> May, 2018**

**Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirement' section. We report that:**

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) The title deeds of Immovable properties are held in the name of the company.
- II. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
- III. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- IV. According to the Information and Explanation given to us and on the basis of our examination of the books of accounts, the Company has duly complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities.
- V. Based on the audit procedures applied by us and according to the information and explanations provided by the management, the Company has not accepted deposits from public within the meaning of directives issued by the Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder are not applicable.
- VI. As per information and explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 for the Company's activities. Hence, the provisions of clause 3(vi) of the Order are not applicable to the company.
- VII. (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Employees' Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess, Goods and Services Tax and any other statutory dues applicable to it.  
(b) No undisputed amount payable in respect of Provident fund, employees state insurance, Income Tax, Service Tax, Sales Tax, duty of customs, duty of excise, value added tax, Goods and Service Tax, cess and other statutory dues were outstanding as on 31<sup>st</sup> March, 2018 for a period of more than six months from the date they became payable.  
(c) According to the information and explanations given to us, there is no amounts payable in respect of Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, Value Added Tax, Goods and Services Tax or cess on account of any dispute.
- VIII. Based on our audit procedures and on the basis of 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, bank, government or debenture holders.

- IX.** According to the information and explanation given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year under consideration. The Company has not availed any fresh term loan facility during the year under consideration.
- X.** Based on our audit procedures and on the basis of information and explanation given by the management, we are of the opinion that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- XI.** According to the information and explanation given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- XII.** In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and therefore the provisions of clause 3(xii) of the Order are not applicable to the company.
- XIII.** Based on the information and explanations given to us, the Company has complied with Section 177 and 188 of the Companies Act, 2013 wherever applicable and the details have been disclosed in the financial statement etc. as required by the applicable accounting standards.
- XIV.** In our opinion and according to the information and explanations given to us, the Company has not made any preferential Allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- XV.** Based on the information and explanations given to us, the Company has not entered in to any non-cash transaction with directors or persons connected with him as per Section 192 of the Companies Act, 2013.
- XVI.** According information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For PARY & CO.**  
Chartered Accountants  
FRN: 007288C

Place : Mumbai  
Date : 30<sup>th</sup> May, 2018

**Akash Gaglani**  
Partner  
Membership No.: 114255

**Annexure B to the Independent Auditor's Report to the Members of H S India Limited****Report on the Internal Financial Controls under Clause (i) of Sub Section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of "Report on Other Legal and Regulatory Requirement" section.**

We have audited the internal financial controls over Financial Reporting of H S India Limited ("the Company") as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial control based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the adequacy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance note require that we comply with ethical requirements and plan and perform audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exist, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend upon the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- a) Pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
- b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorization of management and directors of the company; and
- c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to the error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the company has in all material respects, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

**For PARY & CO.**  
Chartered Accountants  
FRN: 007288C

Place: Mumbai  
Date: 30<sup>th</sup> May, 2018

**Akash Gaglani**  
Partner  
Membership No.: 114255

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018

PARTICULARS	Note No.	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
		₹	₹	₹	₹	₹	₹
<b>I ASSETS</b>							
<b>1 Non-Current Assets</b>							
(a) Property, Plant & Equipment	2	177,402,514		197,325,645		221,446,032	
(b) Financial Assets							
(i) Investments	3	58,439,260		58,439,260		58,439,260	
(ii) Others	4	4,936,675		4,754,876		4,571,010	
			240,778,449		260,519,781		284,456,302
<b>2 Current assets</b>							
(a) Inventories	5	6,779,695		9,821,637		11,323,767	
(b) Financial Assets							
(i) Trade receivables	6	22,362,534		14,355,226		12,837,390	
(ii) Cash and cash equivalents	7	47,776,295		52,415,789		38,564,058	
(iii) Loans	8	305,163		414,111		421,282	
(c) Current Tax Assets (Net)	9	192,396		-		-	
(d) Other Current Assets	10	211,346,836		210,416,665		211,055,172	
			288,762,919		287,423,428		274,201,669
<b>TOTAL</b>			529,541,368		547,943,209		558,657,971
<b>II EQUITY AND LIABILITIES</b>							
<b>1 Equity</b>							
(a) Equity Share Capital	11	162,384,000		162,384,000		162,384,000	
(b) Other Equity	12	117,177,028		97,637,372		87,350,010	
			279,561,028		260,021,372		249,734,010
<b>2 Liabilities</b>							
<b>Non Current Liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings	13	147,844,136		189,464,813		225,000,000	
(ii) Others	14	763,985		1,686,722		743,070	
(b) Deferred tax liabilities (Net)	15	14,617,000		23,621,000		26,884,000	
			163,225,121		214,772,535		252,627,070
<b>3 Current Liabilities</b>							
(a) Financial Liabilities							
(i) Trade Payables	16	18,656,359		13,651,236		13,198,462	
(ii) Others	17	57,123,025		51,972,802		35,126,866	
(b) Other Current Liabilities	18	10,975,835		7,043,915		7,329,743	
(c) Provisions	19	-		51,799		51,799	
(d) Current Tax Liabilities (Net)	20	-		429,550		590,021	
			86,755,219		73,149,302		56,296,891
<b>TOTAL</b>			529,541,368		547,943,209		558,657,971
<b>III</b> The significant accounting policies and accompanying notes forming an integral part of the financial statement	1-37						

As per our report of even date

For PARY &amp; Co.

Chartered Accountants

Firm Reg. No. 007288C

For and on behalf of the Board of Directors

**Akash Gaglani**  
Partner  
Membership No. 114255

**Ramesh Bansal**  
Managing Director/CFO  
DIN:00086256

**Sangita Bansal**  
Director  
DIN: 01571275

Place : Mumbai  
Date: 30<sup>th</sup> May, 2018

**Pushpendra Bansal**  
Chief Executive Officer

**Hitesh Limbani**  
Company Secretary  
ACS-31531

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

PARTICULARS	Note No.	2017-18	2016-17
		₹	₹
<b>I Revenue from operations</b>	21	268,200,084	227,672,488
<b>II Other Income</b>	22	6,183,010	6,129,540
<b>III Total Income</b>		274,383,094	233,802,028
<b>IV Expenses</b>			
Food and Beverages Consumed	23	14,497,897	13,779,566
Purchase of Stock in Trade	24	43,933,467	36,224,548
Changes in Inventories of Stock In Trade	25	1,950,500	269,847
Employee benefit expense	26	41,778,200	37,223,217
Finance Costs	27	24,946,568	29,120,641
Depreciation and amortization expense		21,098,762	26,079,787
Other operating and general expenses	28	108,953,976	75,150,987
<b>Total Expenses</b>		257,159,370	217,848,593
<b>V Profit before exceptional and extraordinary items and tax</b>		17,223,724	15,953,435
<b>VI Exceptional Items</b>	29	375,343	-
<b>VII Profit before extraordinary items and tax</b>		17,599,067	15,953,435
<b>VIII Extraordinary items</b>		-	-
<b>IX Profit before tax</b>		17,599,067	15,953,435
<b>X Tax expense:</b>			
(a) Current tax expense	15	7,350,000	8,700,000
(b) Less: MAT credit		-	-
(c) Net current tax expense		7,350,000	8,700,000
(d) Deferred tax	15	(9,023,000)	(3,244,000)
<b>XI Profit/(Loss) for the period after tax (A)</b>		19,272,067	10,497,435
<b>XII Other Comprehensive Income</b>			
(i) Items that will not be reclassified to Profit or Loss			
Remeasurement of Defined Benefit Liability		133,390	(343,746)
(ii) Income Tax relating to Items that will not be reclassified to Profit or Loss		-	-
<b>Other Comprehensive Income for the year (B)</b>		133,390	(343,746)
<b>XIII Total Comprehensive Income for the year (A+B)</b>		19,405,457	10,153,689
<b>XIV Earnings per equity share:</b>	30		
(1) Basic		1.20	0.63
(2) Diluted		1.20	0.63
<b>XV The significant accounting policies and accompanying notes forming an integral part of the financial statements</b>	1-37		

As per our report of even date  
For PARY & Co.  
Chartered Accountants  
Firm Reg. No. 007288C

For and on behalf of the Board of Directors

Akash Gagliani  
Partner  
Membership No. 114255

Ramesh Bansal  
Managing Director/CFO  
DIN:00086256

Sangita Bansal  
Director  
DIN: 01571275

Place : Mumbai  
Date: 30<sup>th</sup> May, 2018

Pushendra Bansal  
Chief Executive Officer

Hitesh Limbani  
Company Secretary  
ACS-31531



CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018

	31/03/2018		31/03/2017	
	₹	₹	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit as per Statement of Profit & Loss before tax		17,599,067		15,953,435
<b>Adjustments for:</b>				
Depreciation	21,098,762		26,079,787	
(Profit)/Loss on sale of assets	(375,343)		-	
OCI Impact of Defined Benefit Obligation	133,390		(343,746)	
Remeasurement of Defined Benefit Plan Assets	-		(28,598)	
Interest paid	24,946,568		29,120,641	
		45,803,377		54,828,084
Operating Profit Before Working Capital Changes		63,402,444		70,781,519
<b>Working Capital Changes:</b>				
(Increase)/Decrease in inventories	3,041,942		1,502,130	
(Increase)/Decrease in trade receivables	(8,007,308)		(1,517,836)	
(Increase)/Decrease in Other Financial Assets	(181,799)		(183,866)	
(Increase)/Decrease in Loans	108,948		7,171	
(Increase)/Decrease in Other Current Assets	(930,171)		638,507	
Increase/(Decrease) in Other Financial Liabilities	(922,737)		943,652	
Increase/(Decrease) in trade payables	5,005,123		452,774	
Increase/(Decrease) in other current financial liabilities	5,150,223		16,845,936	
Increase/(Decrease) in other current liabilities	3,931,920		(285,828)	
Increase/(Decrease) in Provisions	(51,799)		-	
		7,144,342		18,402,640
Cash Generated from Operations		70,546,786		89,184,159
Taxes Paid (Net)		(7,818,747)		(8,717,200)
<b>Net Cash Flow from Operating Activities</b>		62,728,039		80,466,959
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets / capital work-in-progress		(1,275,288)		(1,959,400)
Sale Proceeds of Assets		475,000		-
<b>Net Cash Flow From Investing Activities</b>		(800,288)		(1,959,400)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds/(Repayments) from/of long-term borrowings		(42,000,000)		(36,000,000)
Proceeds from Car Loan net off re-payments		379,323		464,813
Interest paid		(24,946,568)		(29,120,641)
<b>Net Cash Flow From Financing Activities</b>		(66,567,245)		(64,655,828)
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>		(4,639,494)		13,851,731
<b>OPENING CASH AND CASH EQUIVALENTS</b>		52,415,789		38,564,058
<b>CLOSING CASH AND CASH EQUIVALENTS</b>		47,776,295		52,415,789

Components of Cash and Cash Equivalents as at	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
Cash on Hand	2,546,526	1,699,050
Balances with Banks	45,229,769	50,716,739
<b>Total</b>	<b>47,776,295</b>	<b>52,415,789</b>

As per our report of even date  
**For PARY & Co.**  
Chartered Accountants  
Firm Reg. No. 007288C

For and on behalf of the Board of Directors

**Akash Gaglani**  
Partner  
Membership No. 114255

**Ramesh Bansal**  
Managing Director/CFO  
DIN:00086256

**Sangita Bansal**  
Director  
DIN: 01571275

Place : Mumbai  
Date: 30<sup>th</sup> May, 2018

**Pushpendra Bansal**  
Chief Executive Officer

**Hitesh Limbani**  
Company Secretary  
ACS-31531

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018

## A Equity Share Capital

Equity Shares of ₹10/- each, issued, subscribed and fully paid up

	Equity Shares	
	No	₹
As at 1 <sup>st</sup> April, 2016	16,238,400	162,384,000
Increase/(Decrease) during the year	-	-
As at 31 <sup>st</sup> March, 2017	16,238,400	162,384,000
Increase/(Decrease) during the year	-	-
As at 31 <sup>st</sup> March, 2018	16,238,400	162,384,000

## B Other Equity

For the year ended 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2018

Particulars	Reserves and Surplus			Items of Other Comprehensive Income (OCI)	Total
	Securities Premium Reserve	General Reserve	Surplus in P & L	Employee Benefits	
Balance as at 1 <sup>st</sup> April, 2016	21,752,000	32,500,000	31,427,302	1,670,708	87,350,010
Add: Total Comprehensive Income for the year	-	-	10,497,435	(343,746)	10,153,689
Less: Remeasurement of Defined Benefit Plan Assets	-	-	(28,598)	-	(28,598)
Add: Provision for Income Tax Written off	-	-	162,271	-	162,271
Balance as at 31 <sup>st</sup> March, 2017	21,752,000	32,500,000	42,058,410	1,326,962	97,637,372
Add: Total Comprehensive Income for the year	-	-	19,272,067	133,390	19,405,457
Add: Provision for Income Tax Written off	-	-	134,199	-	134,199
Balance as at 31 <sup>st</sup> March, 2018	21,752,000	32,500,000	61,464,676	1,460,352	117,177,028

As per our report of even date  
For PARY & Co.  
Chartered Accountants  
Firm Reg. No. 007288C

For and on behalf of the Board of Directors

Akash Gaglani  
Partner  
Membership No. 114255

Ramesh Bansal  
Managing Director/CFO  
DIN:00086256

Sangita Bansal  
Director  
DIN: 01571275

Place : Mumbai  
Date: 30<sup>th</sup> May, 2018

Pushendra Bansal  
Chief Executive Officer

Hitesh Limbani  
Company Secretary  
ACS-31531

**Note 1:- SIGNIFICANT ACCOUNTING POLICIES****A. Corporate Information:**

These financial Statements comprise financial statements of H S India Limited ("the Company") for the year ended 31<sup>st</sup> March, 2018. The Company was incorporated on 12<sup>th</sup> September, 1989 under the provisions of Companies Act, 1956. The company is into the business of operating hotels and restaurants. The company is listed on BSE Ltd.

**B. Basis of Preparation:**

The Financial Statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under the companies (India Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

For all periods up to and including the year ended 31<sup>st</sup> March, 2017, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31<sup>st</sup> March, 2018 are the first the Company has prepared in accordance with Ind AS. The date of transition to Ind AS is 1<sup>st</sup> April, 2016.

**C. Use of Estimates and Judgements:**

The preparation of the financial statements requires that the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

**D. Property, Plant and Equipment:****Property, Plant and Equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Costs include freight, import duties, non-refundable purchase taxes and other expenses directly attributable to the acquisition of the asset.

**Depreciation and Amortisation**

Depreciation is provided on straight line method applying the useful lives as prescribed in part C of the schedule II to the Companies Act, 2013.

Gains/Losses on disposals/de-recognition of property, plant and equipment are determined by comparing proceeds with carrying amount and these are recognized in statement of Profit & Loss.

**E. Revenue Recognition:**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Service tax, luxury tax, Sales tax/ value added tax (VAT), Goods and Service Tax (GST) and other applicable taxes on behalf of the Company is not received by the Company on its own account. Rather, it is tax collected on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

**Rendering of services**

Revenue from rendering of hospitality services is recognised when the related services are rendered.

**Rooms, food, beverages, banquet and other services**

Income from guest accommodation is recognized on a day to day basis after the guest checks into the Hotels and are stated net of allowances. Sale of food and beverages are recognized at the point of serving these items to the guests. Revenue from other services is recognized as and when services are rendered. The company collects service tax, value added tax (VAT), luxury tax and GST on behalf of guests, and therefore, these are not economic benefits flowing to the company, hence, these are excluded from revenue.

**Interest Income**

Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest.

**F. Inventories:**

Inventories of food and beverages, liquor / wine & other operating supplies are valued at the lower of cost and net realisable value.

**G. Financial Instruments:**

Financial Assets and liabilities are recognised when the Company becomes party to the contractual provisions of the instrument. Financial Assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability.

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the entity's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

**(a) Measured at amortised cost:**

A financial asset is measured at amortised cost, if it is held within a business model whose objective is to hold the assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

**(b) Measured at fair value through other comprehensive income (FVOCI):**

A financial asset is measured at FVOCI, if it is held within a business model whose objective is achieved by both contractual cash flows and selling such financial asset and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

**(c) Measured at fair value through profit or loss (FVTPL):**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

**Equity Instruments**

All equity instruments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in "Other Comprehensive Income". If sufficient more recent information is not available to measure the fair value of the equity instrument or where the cost represents the best estimate of fair value, in such cases, such equity instruments has been measured at cost.

**Impairment**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL is used.

**Financial Liabilities****Initial Recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**Subsequent measurement**

All financial liabilities are recognized at fair value except when the effect of applying it is immaterial and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**De-recognition of Financial Instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**H. Fair Value Measurement :**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**I. Employee Benefits :**

The Company has following post-employment plans:

- (a) Defined benefit plans such a gratuity ;
- (b) Defined contribution plans such as Provident fund & Superannuation fund; and
- (c) Other Employee Benefits

**a) Defined-benefit plan:**

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring cost or termination benefits.

The retirement benefit obligations recognised in the Balance Sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

**b) Defined-contribution plan:**

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

**c) Other employee benefits:**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date.

**J. Taxes on Income :**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Company offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. The Company reviews the same at each balance sheet date and writes down

the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

**K. Provisions and Contingencies :**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

**L. Cash and Cash Equivalents :**

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

**M. Cash Flow Statement :**

Cash flows are reported using the indirect method where by the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**N. Borrowing Cost :**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized-as a part of cost of that assets, during the period till all the activities necessary to prepare the qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**O. Earnings Per Share :**

Basic EPS is arrived at based on net profit after tax available to equity shareholders to the weighted average number of equity shares outstanding during the year. The company did not have any potentially dilutive securities in any of the years' represented.

**P. Exceptional Items :**

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.



**ANNUAL REPORT 2017-18**

**H S INDIA LIMITED**

(Amount in ₹)

Note-2/  
Property, plant and equipment (owned, unless otherwise stated)

	Freehold Land	Borewell	Building	Plant and Equipment	Vehicles	Computer	Electrical Installations	Furniture & Fixtures	Total
<b>Gross Block</b>									
Deemed Cost as at 1 <sup>st</sup> April, 2016 (Refer Footnote)	21,767,000	74,330	131,292,133	120,113,590	4,125,908	4,152,133	44,158,093	57,753,123	383,436,310
Additions	-	-	-	82,500	1,608,400	268,500	-	-	1,959,400
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 <sup>st</sup> March, 2017	21,767,000	74,330	131,292,133	120,196,090	5,734,308	4,420,633	44,158,093	57,753,123	385,395,710
Additions	-	-	-	-	1,275,288	-	-	-	1,275,288
Disposals	-	-	-	-	(1,993,143)	-	-	-	(1,993,143)
Balance as at 31 <sup>st</sup> March, 2018	21,767,000	74,330	131,292,133	120,196,090	5,016,453	4,420,633	44,158,093	57,753,123	384,677,855
<b>Accumulated Depreciation</b>									
As at 1 <sup>st</sup> April, 2016	-	70,614	29,499,104	69,426,846	3,545,557	2,485,741	23,181,976	33,780,440	161,990,278
Additions	-	-	5,386,548	5,453,926	546,738	1,367,550	5,144,066	8,180,959	26,079,787
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 <sup>st</sup> March, 2017	-	70,614	34,885,652	74,880,772	4,092,295	3,853,291	28,326,042	41,961,399	188,070,065
Additions	-	-	5,386,548	5,287,004	220,998	258,889	3,775,034	6,170,289	21,098,762
Disposals	-	-	-	-	(1,893,486)	-	-	-	(1,893,486)
Balance as at 31 <sup>st</sup> March, 2018	-	70,614	40,272,200	80,167,776	2,419,807	4,112,180	32,101,076	48,131,688	207,275,341
<b>Net Block</b>									
Balance as at 1 <sup>st</sup> April, 2016	21,767,000	3,716	101,793,029	50,686,744	580,351	1,666,392	20,976,117	23,972,683	221,446,032
Balance as at 31 <sup>st</sup> March, 2017	21,767,000	3,716	96,406,481	45,315,318	1,642,013	567,342	15,832,051	15,791,724	197,325,645
Balance as at 31 <sup>st</sup> March, 2018	21,767,000	3,716	91,019,933	40,028,314	2,596,646	308,453	12,057,017	9,621,435	177,402,514

Footnote:  
(i) The company has availed deemed cost exemption and used the previous GAAP carrying value of Property, Plant and Equipment as deemed cost. The Gross Block and Accumulated Depreciation of such items of Property, Plant and Equipment as on 1<sup>st</sup> April, 2016 are as follows:

Particulars	Gross Block	Accumulated Depreciation	Net Block
Freehold Land	21,767,000	-	21,767,000
Borewell	74,330	70,614	3,716
Building	131,292,133	29,499,104	101,793,029
Plant and Equipment	120,113,590	69,426,846	50,686,744
Vehicles	4,125,908	3,545,557	580,351
Computer	4,152,133	2,485,741	1,666,392
Electrical Installations	44,158,093	23,181,976	20,976,117
Furniture & Fixtures	57,753,123	33,780,440	23,972,683
<b>Total</b>	<b>383,436,310</b>	<b>161,990,278</b>	<b>221,446,032</b>

Significant Accounting Policies & Notes on Ind-AS Financial Statement  
for the year ended on 31<sup>st</sup> March, 2018

	As at 31/03/2018 ₹	As at 31/03/2017 ₹	As at 01/04/2016 ₹
<b>NOTE '3'</b>			
<b>INVESTMENTS- NON CURRENT</b>			
Investments measured at Cost			
Others			
Investment in Unquoted Equity Shares			
Kesar Motels Pvt. Ltd. of ₹100/- each 67,250 Shares, (Previous Year 67,250 Shares)	26,900,000	26,900,000	26,900,000
Naroli Resorts Pvt. Ltd. of ₹10/- each 65,625 Shares (Previous Year 65,625 Shares)	31,500,000	31,500,000	31,500,000
Japan Market Co-operative Service Society Ltd. of ₹50/- each 260 Shares, (Previous Year 260 Shares)	39,260	39,260	39,260
<b>TOTAL</b>	<b>58,439,260</b>	<b>58,439,260</b>	<b>58,439,260</b>
Aggregate Book Value of Unquoted Investment	58,439,260	58,439,260	58,439,260
<b>NOTE '4'</b>			
<b>OTHER FINANCIAL ASSETS</b>			
Unsecured, Considered Good unless otherwise stated			
Fixed Deposits	2,587,444	2,405,645	2,209,779
Security Deposits	2,349,231	2,349,231	2,361,231
<b>TOTAL</b>	<b>4,936,675</b>	<b>4,754,876</b>	<b>4,571,010</b>
<b>NOTE '5'</b>			
<b>INVENTORIES</b>			
Valued At lower of cost and net realizable value			
Traded Goods			
Wine & Liquor	5,286,205	7,236,705	7,506,552
Stores & Spares			
Provision, Stores, Food and Beverages	446,677	548,781	444,482
Other Consumables and Operating Supplies	1,046,813	2,036,151	3,372,733
<b>TOTAL</b>	<b>6,779,695</b>	<b>9,821,637</b>	<b>11,323,767</b>
<b>NOTE '6'</b>			
<b>TRADE RECEIVABLES</b>			
Unsecured, considered good:			
Trade Receivables	22,362,534	14,355,226	12,837,390
<b>TOTAL</b>	<b>22,362,534</b>	<b>14,355,226</b>	<b>12,837,390</b>
<b>NOTE '7'</b>			
<b>CASH AND CASH EQUIVALENTS</b>			
Cash on Hand	2,546,526	1,699,050	1,021,663
Balance with Banks			
-In Current Accounts	45,229,769	50,716,739	37,542,395
<b>TOTAL</b>	<b>47,776,295</b>	<b>52,415,789</b>	<b>38,564,058</b>
<b>NOTE '8'</b>			
<b>LOANS</b>			
Unsecured, Considered Good unless otherwise stated			
Advance to Employees	305,163	414,111	421,282
<b>TOTAL</b>	<b>305,163</b>	<b>414,111</b>	<b>421,282</b>
<b>NOTE '9'</b>			
<b>CURRENT TAX ASSETS (NET)</b>			
Advance Tax, TDS and TCS (Net off Provision)	192,396	-	-
<b>TOTAL</b>	<b>192,396</b>	<b>-</b>	<b>-</b>
<b>NOTE '10'</b>			
<b>OTHER CURRENT ASSETS</b>			
Unsecured, Considered Good unless otherwise stated			
Capital Advances	35,300,000	35,300,000	36,550,000
Security Deposits-With Related Parties	172,700,000	172,700,000	172,700,000
Advances to Suppliers	908,606	1,497,343	1,142,283
Prepaid Expense	494,113	362,138	106,872
Balances with GST and State Authorities	1,944,117	557,184	556,017
<b>TOTAL</b>	<b>211,346,836</b>	<b>211,416,665</b>	<b>211,055,172</b>

**Significant Accounting Policies & Notes on Ind-AS Financial Statement**  
for the year ended on 31<sup>st</sup> March 2018

NOTE '11'	As at 31/03/2018 ₹	As at 31/03/2017 ₹	As at 01/04/2016 ₹
<b>SHARE CAPITAL</b>			
-Authorised Share Capital			
17,000,000 Equity Shares of ₹10/- each	170,000,000	170,000,000	170,000,000
(Previous year 17,000,000 Equity Shares of ₹10/- each)			
<b>TOTAL</b>	<u>170,000,000</u>	<u>170,000,000</u>	<u>170,000,000</u>
-Issued, Subscribed and Paid up Share Capital			
16,238,400 Equity Shares of ₹10/- each fully paid up	162,384,000	162,384,000	162,384,000
(Previous year 16,238,400 Equity Shares of ₹10/- each fully paid up)			
<b>TOTAL</b>	<u>162,384,000</u>	<u>162,384,000</u>	<u>162,384,000</u>

**Footnote:**

(i) Reconciliation of Equity Shares with voting rights outstanding at the beginning and at the end of the year:

Particulars	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
	Number of shares	Amount ₹	Number of shares	Amount ₹	Number of shares	Amount ₹
As at the beginning of the year	16,238,400	162,384,000	16,238,400	162,384,000	16,238,400	162,384,000
Add: Shares issued during the year	-	-	-	-	-	-
Less: Shares cancelled during the Year	-	-	-	-	-	-
As at the end of the year	<u>16,238,400</u>	<u>162,384,000</u>	<u>16,238,400</u>	<u>162,384,000</u>	<u>16,238,400</u>	<u>162,384,000</u>

(ii) Terms &amp; Rights of Shareholders:

The Company has one class of equity shares having par value of ₹10/- each. Each shareholder is eligible for one vote per Share held.

(iii) Shareholders holding more than 5% shares in the company:

Name of Shareholders	As at 31/03/2018		As at 31/03/2017	
	Number of shares	% of holding	Number of shares	% of holding
Pushpendra Bansal	2,851,198	17.56%	2,851,198	17.56%
Sangita Bansal	2,686,480	16.54%	2,838,000	17.48%

**NOTE '12'****OTHER EQUITY**

<b>Securities Premium Reserve</b>			
Opening and Closing Balance	21,752,000	21,752,000	21,752,000
<b>General Reserve</b>			
Opening and Closing Balance	32,500,000	32,500,000	32,500,000
<b>Surplus in Statement of Profit and Loss</b>			
Opening Balance	42,058,410	31,427,302	22,247,854
Add: Surplus during The Year	19,272,067	10,497,435	9,412,536
Less: Short Provision of Income Tax	-	-	(222,299)
Less: Remeasurement of Defined Benefit Plan Assets	-	(28,598)	-
Add: Provision for Income Tax Written off	134,199	162,271	-
Less: Other Adjustments	-	-	(10,789)
Closing Balance	<u>61,464,676</u>	<u>42,058,410</u>	<u>31,427,302</u>
<b>Other Reserve- Other Comprehensive Income</b>			
Opening Balance	1,326,962	1,670,708	-
Add: Transfer from Statement of Profit and Loss	133,390	-	1,670,708
Less: Transfer from Statement of Profit and Loss	-	(343,746)	-
Closing Balance	<u>1,460,352</u>	<u>1,326,962</u>	<u>1,670,708</u>
<b>TOTAL</b>	<u>117,177,028</u>	<u>97,637,372</u>	<u>87,350,010</u>

**NOTE '13'****BORROWINGS**

<b>Term Loan from Banks</b>			
-Secured	147,000,000	189,000,000	225,000,000
<b>Vehicle Loan from Banks</b>			
-Secured	844,136	464,813	-
<b>TOTAL</b>	<u>147,844,136</u>	<u>189,464,813</u>	<u>225,000,000</u>

**Significant Accounting Policies & Notes on Ind-AS Financial Statement  
for the year ended on 31<sup>st</sup> March, 2018**

**Footnote:**

**(i) Current and Non Current Components of Long-Term Borrowings:**

	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
<b>Secured</b>						
(a) Term Loan from banks						
a) Term Loan from Bank	147,000,000	51,000,000	189,000,000	43,500,000	225,000,000	30,000,000
	147,000,000	51,000,000	189,000,000	43,500,000	225,000,000	30,000,000

**(ii) Maturity Profile:**

	(Amount in ₹)			
	2018-19	2019-20	2020-21	2021-22
a) Term Loan Bank	42,000,000	45,000,000	48,000,000	54,000,000

(iii) Term Loan from Bank is secured by 1<sup>st</sup> & exclusive charge by way of registered mortgage over Hotel Land and Building and exclusive charge on all movable fixed assets (both present and future) of the company. Further, it is also secured by way of personal guarantee from Director. The aforesaid term loan is obtained at the interest rate of 11.75% p.a.

**(b) Vehicle Loan from bank**

	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Vehicle Loan from Bank	844,136	590,035	464,813	359,733	-	-
	844,136	590,035	464,813	359,733	-	-

**NOTE '14'**

**OTHER LONG-TERM LIABILITIES**

	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
Security Deposit			
-Unsecured	500,000	500,000	500,000
Provision for Employee Benefit	263,985	1,186,722	243,070
<b>TOTAL</b>	<b>763,985</b>	<b>1,686,722</b>	<b>743,070</b>

**NOTE '15'**

**INCOME TAX**

(A) Major Components of Income Tax Expense:

	For the Year Ended 31 <sup>st</sup> March, 2018	For the Year Ended 31 <sup>st</sup> March, 2017
<b>Profit and Loss Section:</b>		
<b>Current Income Tax:</b>		
-Current Income Tax Charges	7,350,000	8,700,000
<b>Deferred Tax</b>		
-Relating to Origination and reversal of temporary differences	(9,023,000)	(3,244,000)
<b>Income Tax Expenses reported in Statement of Profit and Loss</b>	<b>(1,673,000)</b>	<b>5,456,000</b>

(B) Deferred Tax:

Deferred Tax Related to the following:

	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
<b>Deferred Tax Liability:</b>			
Impact due to Property, Plant and Equipment	14,931,000	27,498,000	30,910,000
Provision for Gratuity	-	14,000	-
<b>Total (A)</b>	<b>14,931,000</b>	<b>27,512,000</b>	<b>30,910,000</b>

**Deferred Tax Assets:**

Provision for Gratuity	70,000	-	327,000
Provision for Bonus	244,000	173,000	-
Long Term Capital Loss	-	3,699,000	3,699,000
Remeasurement of Employee Benefit Expense as per Ind-AS	-	19,000	-
<b>Total (B)</b>	<b>314,000</b>	<b>3,891,000</b>	<b>4,026,000</b>

**Net Deferred Tax Liability (A-B)** 14,617,000 23,621,000 26,884,000

Deferred Tax Assets not recognised:

Particulars	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
Deferred Tax on Long Term Capital Loss (Pertaining to AY 2012-13 expiring in AY 2020-21)	3,699,000	-	-
<b>Total</b>	<b>3,699,000</b>	<b>-</b>	<b>-</b>

Note: Deferred Tax Asset on Long Term Capital Loss is not recognised in absence of virtual certainty to realize the assets in future.

**Significant Accounting Policies & Notes on Ind-AS Financial Statement  
for the year ended on 31<sup>st</sup> March, 2018**

<b>NOTE '16'</b>	<b>As at 31/03/2018 ₹</b>	<b>As at 31/03/2017 ₹</b>	<b>As at 01/04/2016 ₹</b>
<b>TRADE PAYABLES</b>			
Dues to Micro, Small and Medium Enterprises (Refer to footnote)	-	-	-
Trade Payables	18,656,359	13,651,236	13,198,462
<b>TOTAL</b>	<b>18,656,359</b>	<b>13,651,236</b>	<b>13,198,462</b>
<b>Footnote:</b> In view of the large number of accounts and in absence of segregated information, total outstanding dues to Small Scale Industrial Undertakings as defined under Micro, Small and Medium Enterprises Development Act, 2006 have not been disclosed separately.			
However, based on the details available with the company, in respect of transactions incurred during the year, there are no overdue as such to Micro, Small and Medium Enterprises as at 31 <sup>st</sup> March, 2018 on account of principal amount together with interest for delayed payment under the Act. The Company has not received any claim for interest from any suppliers under the "Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertaking Act, 1993.			
<b>NOTE '17'</b>			
<b>OTHER FINANCIAL LIABILITIES</b>			
Current Maturities of Long-term borrowings (Refer Note - 13, Footnote i)	51,590,035	43,859,733	30,000,000
Interest Accrued but not due on borrowings	1,973,034	2,337,534	-
Employee and Ex-Employee Related Liabilities	3,460,305	5,502,995	5,126,866
Director Remuneration Payable	99,651	272,540	-
<b>TOTAL</b>	<b>57,123,025</b>	<b>51,972,802</b>	<b>35,126,866</b>
<b>NOTE '18'</b>			
<b>OTHER CURRENT LIABILITIES</b>			
Advances from Customers	992,953	867,130	1,256,089
Statutory Dues	9,982,882	6,176,785	6,073,654
<b>TOTAL</b>	<b>10,975,835</b>	<b>7,043,915</b>	<b>7,329,743</b>
<b>NOTE '19'</b>			
<b>PROVISIONS</b>			
Provision for Others	-	51,799	51,799
<b>TOTAL</b>	<b>-</b>	<b>51,799</b>	<b>51,799</b>
<b>NOTE '20'</b>			
<b>CURRENT TAX LIABILITIES (NET)</b>			
Income Tax Provision (Net off Advance Tax, TDS and TCS)	-	429,550	590,021
<b>TOTAL</b>	<b>-</b>	<b>429,550</b>	<b>590,021</b>
		<b>Year Ended 31<sup>st</sup> March, 2018</b>	<b>Year Ended 31<sup>st</sup> March, 2017</b>
<b>NOTE '21'</b>			
<b>REVENUE FROM OPERATION</b>			
Revenue From Operations			
Room Sale		130,224,271	109,348,547
Food & Beverage Sale		43,998,855	42,664,634
Wine & Liquor Sale		87,691,149	70,558,800
Other Services		6,285,809	5,100,507
<b>TOTAL</b>		<b>268,200,084</b>	<b>227,672,488</b>
<b>NOTE '22'</b>			
<b>OTHER INCOME</b>			
Interest Income			
- From Bank		257,144	314,893
- From Others		86,800	135,430
Other non-operating income		5,839,066	5,679,217
<b>TOTAL</b>		<b>6,183,010</b>	<b>6,129,540</b>
<b>NOTE '23'</b>			
<b>FOOD AND BEVERAGES CONSUMED</b>			
Stock at Commencement		548,781	444,482
Add: Purchases		14,395,793	13,883,865
		14,944,574	14,328,347
Less : Stock at Close		446,677	548,781
<b>TOTAL</b>		<b>14,497,897</b>	<b>13,779,566</b>
<b>NOTE '24'</b>			
<b>PURCHASE OF STOCK IN TRADE</b>			
Purchase of Wine & Liquor		42,560,296	34,854,306
Add: Excise Duty/Import Fee		1,373,171	1,370,242
<b>TOTAL</b>		<b>43,933,467</b>	<b>36,224,548</b>
<b>NOTE '25'</b>			
<b>CHANGES IN INVENTORIES OF STOCK IN TRADE</b>			
Opening Stock		7,236,705	7,506,552
Less: Closing Stock		5,286,205	7,236,705
<b>TOTAL</b>		<b>1,950,500</b>	<b>269,847</b>

Significant Accounting Policies & Notes on Ind-AS Financial Statement  
for the year ended on 31<sup>st</sup> March, 2018

	Year Ended 31 <sup>st</sup> March, 2018 ₹	Year Ended 31 <sup>st</sup> March, 2017 ₹
<b>NOTE '26'</b>		
<b>EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, Wages, Bonus etc.	32,472,180	27,761,341
Contribution to P.F., E.S.I.C. and Other Statutory Funds	2,409,368	2,112,178
Workmen and Staff Welfare Expenses	4,866,652	4,901,311
Directors Remuneration	2,030,000	2,448,387
<b>TOTAL</b>	<b>41,778,200</b>	<b>37,223,217</b>
<b>NOTE '27'</b>		
<b>FINANCE COSTS</b>		
Interest on Term Loan	24,867,239	29,039,405
Interest on Vehicle Loan	79,329	81,236
<b>TOTAL</b>	<b>24,946,568</b>	<b>29,120,641</b>
<b>NOTE '28'</b>		
<b>OTHER OPERATING AND GENERAL EXPENSES</b>		
Power and Fuel	16,595,762	15,103,570
Repairs To - Building	8,953,381	7,109,616
- Machinery	6,183,918	4,521,486
- Others	5,834,928	4,757,704
Renewal & Replacements	2,565,536	1,103,340
Insurance	376,129	257,717
Rates and Taxes	7,332,433	7,289,813
Linen, Uniform & Washing	8,000,862	6,883,765
Housekeeping Expenses	6,968,900	6,258,207
Advt., Publicity & Promotional Expenses	1,264,957	1,125,307
Commission Expense	17,500,542	2,829,850
Travelling & Conveyance	2,386,236	1,888,952
Freight, Cartage & Transportation	2,769,737	2,604,454
Management & Franchise Fees	9,761,250	5,427,000
Legal & Professional Fees	5,297,493	4,135,453
Payment to Auditor (Refer Footnote i)	100,000	100,000
Miscellaneous Expense	7,061,912	3,754,753
<b>TOTAL</b>	<b>108,953,976</b>	<b>75,150,987</b>
<b>Footnote:</b>		
(i) Payment to Auditors:		
As auditors - statutory audit	40,000	40,000
For taxation matters	30,000	30,000
For other services	30,000	30,000
<b>TOTAL</b>	<b>100,000</b>	<b>100,000</b>
<b>NOTE '29'</b>		
<b>EXCEPTIONAL ITEMS</b>		
Profit on Sale of assets	375,343	-
<b>TOTAL</b>	<b>375,343</b>	<b>-</b>
<b>NOTE '30'</b>		
<b>EARNINGS PER SHARE</b>		
Profit after Tax (PAT) available for equity shareholders (before exceptional items)	19,780,800	10,153,689
Profit after Tax (PAT) available for equity shareholders (after exceptional items)	19,405,457	10,153,689
Weighted average number of equity shares (In Nos.)	16,238,400	16,238,400
Nominal value of Equity Shares (In ₹)	10.00	10.00
Basic & Diluted Earning per share (before exceptional income/loss)	1.22	0.63
Basic & Diluted Earning per share (after exceptional income/loss)	1.20	0.63
<b>NOTE '31'</b>		
<b>ADDITIONAL INFORMATION</b>		
<b>Expenditure in Foreign Currency:</b>		
Commission	-	196,115
<b>TOTAL</b>	<b>-</b>	<b>196,115</b>
<b>Earnings in foreign exchange :</b>		
Payment Received from Foreign Customers	3,700,742	6,084,820
<b>TOTAL</b>	<b>3,700,742</b>	<b>6,084,820</b>

**Note `32'- First Time Adoption of Ind-As**

These financial statements, for the year ended 31<sup>st</sup> March, 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31<sup>st</sup> March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "previous GAAP").

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31<sup>st</sup> March, 2018, together with the comparative period data as at and for the year ended 31<sup>st</sup> March, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1<sup>st</sup> April, 2016, the Company's date of transition to Ind AS. This note explains exemptions availed by the Company in restating its Previous GAAP financial statements, including the balance sheet as at 1<sup>st</sup> April, 2016 and the financial statements as at and for the year ended 31<sup>st</sup> March, 2017.

**A. Exemptions applied:**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions.

**a) Property, plant and equipment and intangible assets**

Since there is no change in the Company's functional currency on the date of transition to Ind ASs, it has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

**b) Estimates**

The estimates as at 1<sup>st</sup> April, 2016 and at 31<sup>st</sup> March, 2017 are consistent with those made for the same dates in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1<sup>st</sup> April, 2016, the date of transition to Ind AS and as of 31<sup>st</sup> March, 2017.

**B. Transition to Ind AS - Reconciliations**

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

I. Reconciliation of Balance sheet year as at 1<sup>st</sup> April, 2016 and 31<sup>st</sup> March, 2017

II. Reconciliation of Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2017

III. Reconciliation of Equity as at 1<sup>st</sup> April, 2016 and 31<sup>st</sup> March, 2017

The presentation requirements under Previous GAAP differ from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

Note: 32(I)

(Amount in ₹)

**(a) Reconciliation of Balance Sheet as at 1<sup>st</sup> April, 2016 (Date of Transition to Ind AS)**

Sr. No.	Particulars	Footnote	Indian GAAP	Ind AS Adjustment	Ind AS
<b>I</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non-Current Assets</b>				
	(a) Property, Plant & Equipment		221,446,032	-	221,446,032
	(b) Financial Assets				
	(i) Investments		58,439,260	-	58,439,260
	(ii) Others		4,571,010	-	4,571,010
<b>2</b>	<b>Current assets</b>				
	(a) Inventories		11,323,767	-	11,323,767
	(b) Financial Assets				
	(i) Trade receivables		12,837,390	-	12,837,390
	(ii) Cash and cash equivalents		38,564,058	-	38,564,058
	(iii) Loans		421,282	-	421,282
	(c) Other Current Assets		211,055,172	-	211,055,172
	<b>TOTAL</b>		<b>558,657,971</b>	<b>-</b>	<b>558,657,971</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Equity</b>				
	(a) Equity Share Capital		162,384,000	-	162,384,000
	(b) Other Equity		87,350,010	-	87,350,010
<b>2</b>	<b>Liabilities</b>				
	<b>Non Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings		225,000,000	-	225,000,000
	(ii) Others		743,070	-	743,070
	(b) Deferred tax liabilities (Net)		26,884,000	-	26,884,000
<b>3</b>	<b>Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Trade Payables		13,198,462	-	13,198,462
	(ii) Others		35,126,866	-	35,126,866
	(b) Other Current Liabilities		7,329,743	-	7,329,743
	(c) Provisions		51,799	-	51,799
	(d) Current Tax Liabilities (Net)		590,021	-	590,021
	<b>TOTAL</b>		<b>558,657,971</b>	<b>-</b>	<b>558,657,971</b>

**(b) Reconciliation of Balance Sheet as at 31<sup>st</sup> March, 2017**

Sr. No.	Particulars	Footnote	Indian GAAP	Ind AS Adjustment	Ind AS
<b>I</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non-Current Assets</b>				
	(a) Property, Plant & Equipment		197,325,645	-	197,325,645
	(b) Financial Assets				
	(i) Investments		58,439,260	-	58,439,260
	(ii) Others		4,754,876	-	4,754,876
<b>2</b>	<b>Current assets</b>				
	(a) Inventories		9,821,637	-	9,821,637
	(b) Financial Assets				
	(i) Trade receivables		14,355,226	-	14,355,226
	(ii) Cash and cash equivalents		52,415,789	-	52,415,789
	(iii) Loans		414,111	-	414,111
	(c) Other Current Assets		210,416,665	-	210,416,665
	<b>TOTAL</b>		<b>547,943,209</b>	<b>-</b>	<b>547,943,209</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Equity</b>				
	(a) Equity Share Capital		162,384,000	-	162,384,000
	(b) Other Equity	(a)	97,868,162	(230,790)	97,637,372
<b>2</b>	<b>Liabilities</b>				
	<b>Non Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings		189,464,813	-	189,464,813
	(ii) Others	(a)	1,624,899	61,823	1,686,722
	(b) Deferred tax liabilities (Net)	(b)	23,640,000	(19,000)	23,621,000
<b>3</b>	<b>Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Trade Payables		13,651,236	-	13,651,236
	(ii) Others	(a)	51,803,835	168,967	51,972,802
	(b) Other Current Liabilities		7,043,915	-	7,043,915
	(c) Provisions		51,799	-	51,799
	(d) Current Tax Liabilities (Net)		410,550	19,000	429,550
	<b>TOTAL</b>		<b>547,943,209</b>	<b>-</b>	<b>547,943,209</b>



## Note : 32 (II)

(II) Reconciliation of Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2017

Sr. No.	Particulars	Footnote	Indian GAAP	Ind AS Adjustment	Ind-AS
I	Revenue from operations		227,827,544	-	227,672,488
II	Other Income		5,974,484	-	6,129,540
III	<b>Total Income</b>		<b>233,802,028</b>	<b>-</b>	<b>233,802,028</b>
IV	Expenses				
	Food and Beverages Consumed		13,779,566	-	13,779,566
	Purchase of Stock in Trade		36,224,548	-	36,224,548
	Changes in Inventories of Stock In Trade		269,847	-	269,847
	Employee benefit expense	(a)	37,291,992	(68,775)	37,223,217
	Finance Costs		29,120,641	-	29,120,641
	Depreciation and amortization expense		26,079,787	-	26,079,787
	Other operating and general expenses	(a)	75,223,766	(72,779)	75,150,987
	<b>Total Expenses</b>		<b>217,990,147</b>	<b>(141,554)</b>	<b>217,848,593</b>
V	Profit before exceptional and extraordinary items and tax		15,811,881	141,554	15,953,435
VI	Exceptional Items		-	-	-
VII	Profit before extraordinary items and tax		15,811,881	141,554	15,953,435
VIII	Extraordinary items		-	-	-
IX	Profit before tax		15,811,881	141,554	15,953,435
X	Tax expense:				
	(a) Current tax expense		8,700,000	-	8,700,000
	(b) Less: MAT credit		-	-	-
	(c) Net current tax expense		8,700,000	-	8,700,000
	(d) Deferred tax		(3,244,000)	-	(3,244,000)
XI	Profit/(Loss) for the period after tax (A)		<b>10,355,881</b>	<b>141,554</b>	<b>10,497,435</b>
XII	Profit/(Loss) for the period from discontinued operations		-	-	-
XIII	Tax expense of discontinued operations		-	-	-
XIV	Profit/(Loss) from discontinued operations (after tax) (XII-XIII)		-	-	-
XV	Profit for the period (XI + XIV)		10,355,881	141,554	10,497,435
XVI	Other Comprehensive Income				
	(i) Items that will not be reclassified to Profit or Loss				
	Remeasurement of Defined Benefit Liability	(a)	-	(343,746)	(343,746)
	(ii) Income Tax relating to Items that will not be reclassified to Profit or Loss		-	-	-
	<b>Other Comprehensive Income for the year (B)</b>		<b>-</b>	<b>(343,746)</b>	<b>(343,746)</b>
XVII	<b>Total Comprehensive Income for the year (A+B)</b>		<b>10,355,881</b>	<b>(202,192)</b>	<b>10,153,689</b>

As per our report of even date

For PARY &amp; Co.

Chartered Accountants

Firm Reg. No. 007288C

For and on behalf of the Board of Directors

Akash Gaglani  
Partner  
Membership No. 114255

Ramesh Bansal  
Managing Director/CFO  
DIN:00086256

Sangita Bansal  
Director  
DIN: 01571275

Place : Mumbai  
Date: 30<sup>th</sup> May, 2018

Pushpendra Bansal  
Chief Executive Officer

Hitesh Limbani  
Company Secretary  
ACS-31531

**Note : 32 (III)****(III) Reconciliations****(a) Equity Reconciliation Statement**

Particulars	Notes	As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
Amount of Equity Under IGAAP (Net Assets)			260,252,162	-	249,734,010
<b>Add:</b>					
<b>Adjustment relating to Remeasurement of Defined Benefit Plan</b>					
Decrease in Employee Benefit Expenses	(a)	68,775	68,775	-	-
<b>Less:</b>					
<b>Adjustment relating to Remeasurement of Defined Benefit Plan</b>					
Actuarial Loss on Defined Benefit Plan	(a)	299,565	299,565	-	-
<b>Amount of Equity as per Ind-AS</b>			<b>260,021,372</b>		<b>249,734,010</b>

**(b) Profit Reconciliation Statement**

Particulars	Notes	For the year ended 31 <sup>st</sup> March, 2017	
Profit/(Loss) after tax as per India GAAP for the year ended			10,355,881
<b>Add:</b>			
<b>Adjustment relating to Remeasurement of Defined Benefit Plan</b>			
Decrease in Employee Benefit Expense	(a)	68,775	-
Remeasurement of Defined Benefit Plan assets	(a)	28,598	97,373
<b>Less:</b>			
<b>Adjustment relating to Remeasurement of Defined Benefit Plan</b>			
Less: Actuarial Loss on Defined Benefit Plan	(a)	299,565	299,565
<b>Total Comprehensive Income as per Ind-AS</b>			<b>10,153,689</b>

**(IV) Footnotes to the reconciliation of Equity and Reconciliation of Profit and Loss:****a. Defined Benefit Liabilities:**

Both under Indian GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, Remeasurements are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit cost is reduced by ₹ 68,775 and Remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

**b. Deferred Tax:**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach would have resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. Further, deferred tax has been recognized on Ind AS transition adjustments.

**Note '33'- Fair Values**

The carrying amount and fair values of financial instruments by category are as follows:

**a. Financial Assets**

Particulars	Note	Instruments carried at			Total Carrying	
		Fair Value		Amortized Cost	Value	Total Fair Value
		At Cost	FVTPL	Carrying Amount		
<b>As at 1<sup>st</sup> April, 2016</b>						
Investment in Unquoted Equity Shares	3	58,439,260	-	-	58,439,260	58,439,260
Fixed Deposit	4	-	-	2,209,779	2,209,779	2,209,779
Security Deposit	4	-	-	2,361,231	2,361,231	2,361,231
Trade Receivables	6	-	-	12,837,390	12,837,390	12,837,390
Cash & Cash Equivalents	7	-	-	38,564,058	38,564,058	38,564,058
Loans	8	-	-	421,282	421,282	421,282
<b>TOTAL</b>		<b>58,439,260</b>	<b>-</b>	<b>56,393,740</b>	<b>114,833,000</b>	<b>114,833,000</b>

<b>As at 31<sup>st</sup> March, 2017</b>						
Investment in Unquoted Equity Shares	3	58,439,260	-	-	58,439,260	58,439,260
Fixed Deposit	4	-	-	2,405,645	2,405,645	2,405,645
Security Deposit	4	-	-	2,349,231	2,349,231	2,349,231
Trade Receivables	6	-	-	14,355,226	14,355,226	14,355,226
Cash & Cash Equivalents	7	-	-	52,415,789	52,415,789	52,415,789
Loans	8	-	-	414,111	414,111	414,111
<b>TOTAL</b>		<b>58,439,260</b>	<b>-</b>	<b>71,940,002</b>	<b>130,379,262</b>	<b>130,379,262</b>

<b>As at 31<sup>st</sup> March, 2018</b>						
Investment in Unquoted Equity Shares	3	58,439,260	-	-	58,439,260	58,439,260
Fixed Deposit	4	-	-	2,587,444	2,587,444	2,587,444
Security Deposit	4	-	-	2,349,231	2,349,231	2,349,231
Trade Receivables	6	-	-	22,362,534	22,362,534	22,362,534
Cash & Cash Equivalents	7	-	-	47,776,295	47,776,295	47,776,295
Loans	8	-	-	305,163	305,163	305,163
<b>TOTAL</b>		<b>58,439,260</b>	<b>-</b>	<b>75,380,667</b>	<b>133,819,927</b>	<b>133,819,927</b>

**a. Financial Liabilities**

Particulars	Note	Instruments carried at			Total Carrying	
		Fair Value		Amortized Cost	Value	Total Fair Value
		At Cost	FVTOCI	Carrying Amount		
<b>As at 1<sup>st</sup> April, 2016</b>						
Borrowings	13	-	-	225,000,000	225,000,000	225,000,000
Security Deposit	14	-	-	500,000	500,000	500,000
Provision for Employee Benefit	14	-	243,070	-	243,070	243,070
Trade Payables	16	-	-	13,198,462	13,198,462	13,198,462
Other Financial Liabilities	17	-	-	35,126,866	35,126,866	35,126,866
<b>TOTAL</b>		<b>-</b>	<b>243,070</b>	<b>273,825,328</b>	<b>274,068,398</b>	<b>274,068,398</b>
<b>As at 31<sup>st</sup> March, 2017</b>						
Borrowings	13	-	-	189,464,813	189,464,813	189,464,813
Security Deposit	14	-	-	500,000	500,000	500,000
Provision for Employee Benefit	14	-	1,186,722	-	1,186,722	1,186,722
Trade Payables	16	-	-	13,651,236	13,651,236	13,651,236
Other Financial Liabilities	17	-	-	51,972,802	51,972,802	51,972,802
<b>TOTAL</b>		<b>-</b>	<b>1,186,722</b>	<b>255,588,851</b>	<b>256,775,573</b>	<b>256,775,573</b>
<b>As at 31<sup>st</sup> March, 2018</b>						
Borrowings	13	-	-	147,844,136	147,844,136	147,844,136
Security Deposit	14	-	-	500,000	500,000	500,000
Provision for Employee Benefit	14	-	263,985	-	263,985	263,985
Trade Payables	16	-	-	18,656,359	18,656,359	18,656,359
Other Financial Liabilities	17	-	-	57,123,025	57,123,025	57,123,025
<b>TOTAL</b>		<b>-</b>	<b>263,985</b>	<b>224,123,520</b>	<b>224,387,505</b>	<b>224,387,505</b>

**Note `34'- Financial Risk Management Objectives and Policies**

The Company's principal financial liabilities comprise loans and borrowings, security deposits taken, employee related payables, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, security deposits given, employee advances, trade and other receivables, cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors reviews and sets out policies for managing these risk and monitors suitable actions taken by management to potential adverse effects of such risks on company's operational and financial performance.

**A. Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, payables and loans and borrowings.

**a. Interest Rate Risk:**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk changes in the market interest rates relates primarily to the Company's long-term debt obligation.

The borrowings in terms of fixed and floating rate are as follows: (Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Floating Rate of Borrowings	14,70,00,000	18,90,00,000
Fixed Rate of Borrowings	8,44,136	4,64,813

**B. Credit risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligation as agreed. Customer credit risk is managed by each business unit subject to Company's established policy, procedure and control relating to customer risk management. Further, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

Financial assets are written off when there is no reasonable expectations of recovery, such debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised as income in the statement of profit and loss.

Ageing of Accounts Receivables: (Amount in ₹)

Particulars	As as 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
More than 180 days	2,77,517	5,79,975
Up to 180 days	85,32,663	1,37,75,251

**C. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible that it will

have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company's reputation.

The Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank loans and inter-corporate loans.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	Up to One Year	More than One Year	Total
<b>Year Ended 1<sup>st</sup> April, 2016</b>			
Borrowings	30,000,000	225,000,000	255,000,000
Trade Payables	13,198,462	-	13,198,462
Other Financial Liabilities	5,126,866	743,070	5,869,936
Total	48,325,328	225,743,070	274,068,398
<b>Year Ended 31<sup>st</sup> March, 2017</b>			
Borrowings	46,197,267	189,464,813	235,662,080
Trade Payables	13,651,236	-	13,651,236
Other Financial Liabilities	5,775,535	1,686,722	7,462,257
Total	65,624,038	191,151,535	256,775,573
<b>Year Ended 31<sup>st</sup> March, 2018</b>			
Borrowings	53,563,069	147,844,136	201,407,205
Trade Payables	18,656,359	-	18,656,359
Other Financial Liabilities	3,559,956	763,985	4,323,941
Total	75,779,384	148,608,121	224,387,505

#### **Note `35'- Segment Information**

Information regarding primary segment reporting as per Ind-AS 108.

The company is engaged in only one segment of Hotel Business. Accordingly, the segment revenue, segment results, segment assets and segment liabilities are reflected by the financial statement themselves as at and for the financial year ended 31<sup>st</sup> March, 2018.

#### **Note `36'- Gratuity and other post employment benefit plans:**

##### **A. Defined benefit Plans- General Description**

The Company operates gratuity plan wherein every employee is entitled to a benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death, whichever is earlier. The benefit vests after five years of continuous service. Gratuity benefits are valued in accordance with the Payment of Gratuity Act, 1972.

**Amount Recognized in Statement of Profit and Loss****Net Employee Benefit expense recognized in the Statement of Profit and Loss:**

Particulars	Year Ended 31 <sup>st</sup> March, 2018	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 1 <sup>st</sup> April, 2016
Current Service Cost	462,870	397,091	570,825
Net Interest Cost	(16,563)	(68,775)	298,719
<b>Net Employee Benefit Expense recognized in the Statement of Profit and Loss</b>	<b>446,307</b>	<b>328,316</b>	<b>869,544</b>

**Amount recognized in Other Comprehensive Income:**

Particulars	Year Ended 31 <sup>st</sup> March, 2018	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 1 <sup>st</sup> April, 2016
Actuarial (Gains)/Losses on Obligation for the period	(173,010)	293,579	(1,408,544)
Return on Plan Assets, Excluding Interest Income	39,620	50,167	(262,164)
<b>Amount Recognized in Other Comprehensive Income</b>	<b>(133,390)</b>	<b>343,746</b>	<b>(1,670,708)</b>

**Balance Sheet****Benefit Asset/Liability:**

Particulars	Year Ended 31 <sup>st</sup> March, 2018	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 1 <sup>st</sup> April, 2016
Present Value of Benefit Obligation at the end of the Period	(3,714,682)	(3,282,749)	(2,794,033)
Fair Value of Plan Assets at the end of the period	3,668,217	3,301,406	3,484,752
Funded Status (Surplus/(Deficit))	(46,465)	18,657	690,719
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(46,465)</b>	<b>18,657</b>	<b>690,719</b>

**Fair Value of Plan Assets:**

Particulars	Year Ended 31 <sup>st</sup> March, 2018	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 1 <sup>st</sup> April, 2016
Fair Value of Plan Assets at the beginning of the period	3,301,406	3,484,752	3,493,794
Return on Plan Assets	213,268	228,613	262,164
Benefits Paid from the Fund	(94,252)	(440,557)	(271,205)
Contribution by the Employer	247,795	28,598	-
<b>Fair Value of Plan Assets at the end of the period</b>	<b>3,668,217</b>	<b>3,301,406</b>	<b>3,484,753</b>

**B. The Principal assumptions used in determining gratuity and compensated absences are as follows:**

Particulars	Year Ended 31 <sup>st</sup> March, 2018	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 1 <sup>st</sup> April, 2016
Rate of Discounting	7.66%	8.00%	8.00%
Rate of salary Increase	7.00%	7.00%	7.00%
Rate of Employee Turnover	2.00%	2.00%	2.00%
Expected Return on Plan Assets	7.87%	7.66%	8.00%

**C. A Quantitative Sensitivity Analysis for significant assumptions as at 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 is as shown below:**

Assumptions	Sensitivity Level	Defined Benefit Obligation			
		31 <sup>st</sup> March, 2018		31 <sup>st</sup> March, 2017	
		Increase	Decrease	Increase	Decrease
Discount Rate	1% Increase/Decrease	(251,752)	299,544	(250,335)	299,831
Increase in Salary	1% Increase/Decrease	299,152	(255,824)	298,796	(253,919)
Employee Turnover	1% Increase/Decrease	9,440	(12,716)	4,994	(7,484)

The sensitivity analysis as above has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**D. Maturity Profile of Defined Benefit Obligations:**

Particulars	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
Within the next 12 months	948,170	697,651
Between 2 to 5 years	574,979	593,240
Between 6 to 10 years	1,435,426	1,244,516
Beyond 10 years	5,845,438	5,661,397

**Note '37'- Related Party Disclosure****(A) Nature of Relationship**

(I) Enterprises in which Key Management Personnel (KMP) have significant influence, with whom the company had transactions:

Kesar Motels Pvt. Ltd.  
Lords Inn Hotels and Developers Ltd.  
Sai Ram Krupa Hotels Pvt. Ltd.  
Naroli Resorts Pvt. Ltd.  
Lords Sai Ma Hotels Pvt. Ltd.

(II) Key Management Personnel:

Pushpendra Bansal  
Ramesh Bansal

**(B) Transactions with Related Parties**

(Amount in ₹)

Sr. No.	Nature of Transaction (Excluding Reimbursement)	Enterprises in which KMP have significant influence	Key Management Personnel	Total
1	Receiving of services	97,61,250 (59,11,750)	24,90,000 (24,48,387)	1,22,51,250 (83,60,137)
2	Rendering of Services	42,00,000 (42,00,000)	Nil (Nil)	42,00,000 (42,00,000)

**(C) Balance as at 31.03.2018**

3	Investment	5,84,00,000 (5,84,00,000)	Nil (Nil)	5,84,00,000 (5,84,00,000)
4	Trade & Other Receivable	1,27,75,410 (91,01,390)	Nil (Nil)	1,27,75,410 (91,01,390)
5	Trade & Other Payables	Nil (4,75,750)	1,68,000 (2,72,540)	1,68,000 (7,48,290)
6	Security Deposit	17,27,00,000 (17,27,00,000)	Nil (Nil)	17,27,00,000 (17,27,00,000)

(Figures in brackets are for previous year)

As per Our Report of Even Date

**For PARY & Co.**

Chartered Accountants

Firm Reg No: 007288C

For and on behalf of the Board of Directors

**Akash Gaglani**  
Partner  
Membership No: 114255

**Ramesh Bansal**  
Managing Director/CFO  
DIN: 008626

**Sangita Bansal**  
Director  
DIN: 01571275

Place: Mumbai  
Date: 30<sup>th</sup> May, 2018

**Pushpendra Bansal**  
Chief Executive Officer

**Hitesh Limbani**  
Company Secretary  
ACS: 31531

**H S INDIA LIMITED**

CIN: L55100MH1989PLC053417

Reg. Off.: A-1, Manish Kaveri, Building No.18, Manish Nagar, J. P. Road, Andheri (W), Mumbai – 400 053, Maharashtra  
 Tel: 022-26396768, Fax: 022-26396768, Email: [hsindialimited@gmail.com](mailto:hsindialimited@gmail.com), Website: [www.hsindia.in](http://www.hsindia.in)

**FORM NO. MGT-11**  
**PROXY FORM**

DPID:-----  
 Regd. Folio No.-----

CLIENT ID:-----

I/We being the member(s) of ----- shares of the above named Company hereby appoint:

1. Name:-----  
 Address:-----  
 E-mail Id:-----  
 Signature:----- or failing him/her
2. Name:-----  
 Address:-----  
 E-mail Id:-----  
 Signature:----- or failing him/her
3. Name:-----  
 Address:-----  
 E-mail Id:-----  
 Signature:----- or failing him/her

as my/our proxy to attend and vote for me/us and on my/our behalf at the 29<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, the 25<sup>th</sup> September, 2018 at 12.30 p.m. and any adjournment thereof in respect of such resolutions as are indicated below.

Resolution No.	Resolution
<b>Ordinary Business</b>	
1	Adoption of financial statement
2	Appointment of Director
3	Appointment of auditor
<b>Special Business</b>	
4	Re-appointment of Mr. Ramesh Bansal as a Managing Director
5	Alteration in Memorandum of Association of the Company as per Companies Act, 2013

As witness my / our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Affix  
 ₹ 1  
 Revenue  
 Stamp

Signature of Shareholder:----- Signature of Proxy:-----

**NOTE:**

The proxy form duly stamped, completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding of the aforesaid meeting. The Proxy need not be a member of the Company.





**H S INDIA LIMITED**

CIN: L55100MH1989PLC053417

Reg. Off.: A-1, Manish Kaveri, Building No.18, Manish Nagar, J. P. Road, Andheri (W), Mumbai – 400 053, Maharashtra  
Tel: 022-26396768, Fax: 022-26396768, Email: [hsindialimited@gmail.com](mailto:hsindialimited@gmail.com), Website: [www.hsindia.in](http://www.hsindia.in)**ATTENDANCE SLIP**

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

DPID \_\_\_\_\_

CLIENT ID \_\_\_\_\_

Regd. Folio No. \_\_\_\_\_

I hereby record my presence at the 29<sup>th</sup> ANNUAL GENERAL MEETING of the Company held on Tuesday, 25<sup>th</sup> September, 2018 at 12.30 p.m. at 'Kalash', Dhake Colony, J. P. Road, Andheri (W), Mumbai - 400 053, Maharashtra.

Name of Shareholder/Proxy \_\_\_\_\_ Signature of Shareholder/Proxy \_\_\_\_\_

**ELECTRONIC VOTING PARTICULARS**

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD
109009		







If undelivered, please return to :  
**H S INDIA LIMITED**  
CIN: L55100MH1989PLC053417  
A-1, Manish Kaveri, Building No. 18,  
Manish Nagar, J. P. Road, Andheri (West),  
Mumbai - 400 053, Maharashtra.