

Udaipur

Ahmedabad

Indore

Rajkot

Vadodara

Surat

Nagpur

"I want to see the light in the eyes of my guests and my team."



Dear Shareholder TGBians,

It gives much pleasure to welcome you to the Annual General Meeting of your company.

I am sure you share my sense of satisfaction at yet another year of robust growth of your company. The performance is heartening given the challenging circumstances in the economy, especially in our industry & slow-down in India. Though we have consistently shown growth in top line, what concerns me is the bottom line of your company.

As mentioned earlier, we have stuck to our positive business strategy by focusing on Banqueting – our 'niche' business model and will continue to pursue our goals by focusing more on M I C E (Meeting – Incentives - Conferences - Exhibitions) segment too, this coming year & the years to come too.

Your company this year is slated to open its managed and operated property in Nagpur – Maharashtra. As promised last year, you will be soon able to boast that we will have our TGB flags hoisted in Indore – MP (2014) and Udaipur – Rajasthan too.

One another business model TGB Express will soon be opening in Ahmedabad City – Gujarat as well as Vadodara – Gujarat. All these will be our franchisee associates, who have shown interest and faith in our management and hospitality.

I am sure this new vertical in expanding through franchise / managing operating model, will positively contribute to our bottom line.

I am eagerly looking ahead to good times with great enthusiasm & zeal as always. It is my belief that the tomorrows world belongs to those who create & nurture.

Though world class hospitality brands have checked-in in India, but your company is at safe crossroads that we have created a niche for ourselves in banqueting & conventions, and as a pioneer, we will ensure to remain ahead.

The journey to create a great banquet model will remain extremely challenging. MNC's have the benefit of vast resources that lend staying power over the long run. Yet it is important, not to relent & not to give up. Your company's abilities are second to none. It is important to harness there energies and stay ahead in this segment.

Your company has left no stone unturned to move ahead on this journey based on the strength of its convictions.

As we move towards new horizons, I draw strength from Team TGB & from their dedication to take your company to even greater glory in coming years.

As I conclude, I on behalf of the board and the employees of your company once again thank you, our valued shareholders for your continued support & encouragement.

Narendra Somani

Chairman & Managing Director

CORPORATE INFORMATION**BOARD OF DIRECTORS**

Narendra G. Somani	<i>Chairman & Managing Director</i>
Devanand G. Somani	<i>Whole-time Director</i>
Hemant G. Somani	<i>Whole-time Director</i>
Ramesh K. Motiani	<i>Whole-time Director</i>
Bakul R. Parikh	<i>Director</i>
Mangharam Sumani	<i>Director</i>
Rajratan Singhvi	<i>Director</i>
Balveermal Singhvi	<i>Director</i>

CHIEF FINANCIAL OFFICER

Vishal Palkhiwala

COMPANY SECRETARY

Kalpesh Kumar Mehta

AUDITORS

O.P. Bhandari & Co.

Chartered Accountants

BANKERS

State Bank of India

ICICI Bank Limited

Indian Overseas Bank

Kotak Mahindra Bank

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited

Unit No. 303, 3rd floor, Shopper Plaza V,

Opp Municipal Market, Behind Shoppers Plaza II,

Off C.G. Road, Ahmedabad - 380009

The ISIN of the company's equity shares is INE797H01018

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NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of **TGB BANQUETS AND HOTELS LIMITED** (formerly known as BHAGWATI BANQUETS AND HOTELS LIMITED) will be held on **Wednesday, 25th September, 2013** at **10:30 A.M.** at **"SINDHUBHAVAN", Plot No.173, 100 ft. Ring Road, off. S.G.Highway, Judges Bungalow Cross Road, Bodakdev, Ahmedabad – 380 054** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss for the year ended on that date together with the notes forming part of Final Accounts and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Devanand G. Somani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ramesh K. Motiani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the company to hold office from conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration. M/s O. P. Bhandari & Co., the retiring Auditors are eligible for re-appointment.

SPECIAL BUSINESS:

5. Re-appointment of Shri Narendra G. Somani as Managing Director of the company:

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

"RESOLVED THAT pursuant to provisions of section 198, 269, 309, and all other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956 (including any statutory modification(s) or re-enactments thereof), subject to all such approvals and/or sanctions as may be necessary, the consent of the company be and is hereby accorded to re-appoint Mr. Narendra G. Somani as Chairman & Managing Director of the company for a period of five years commencing from 1st October, 2013 upon the terms and conditions set out in the draft agreement to be entered into between the company and Shri Narendra G. Somani, whereof is placed before this meeting and for the purpose of identification, subscribed by the Chairman which agreement is hereby sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement as may be agreed to between the Board and Shri Narendra G. Somani, provided however that the remuneration payable to Shri Narendra G. Somani, shall not exceed the maximum limits as specified in Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT in the event of there being losses or inadequacy of the profits for the financial year, the remuneration payable to Shri Narendra G. Somani shall be paid in accordance with the terms of the provisions of Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT Shri Narendra G. Somani shall be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses, incurred by him in connection with the company's business and such other benefits/amenities and other privileges, as may be from time to time, be available to other senior executives of the company at terms and condition as set out in the explanatory statement annexed to the notice."

"RESOLVED FURTHER THAT Shri Narendra G. Somani will not be liable to retire by rotation during the tenure of his appointment as Chairman & Managing Director."

"RESOLVED FURTHER THAT Shri Narendra G. Somani, Chairman & Managing Director and Mr. Kalpesh Kumar Mehta, Company Secretary of the company be and are hereby authorised to file necessary forms in this regard with the Registrar of Companies, Gujarat, and to do all the acts, things, deed which may be necessary in this regard."

By Order of the Board of Directors
For **TGB BANQUETS AND HOTELS LIMITED**

Place : Ahmedabad
Date : 5th August, 2013
Registered Office:
"The Grand Bhagwati"
Plot No. 380, Sarkhej Gandhinagar Highway,
Bodakdev, Ahmedabad-380054.

Kalpesh Kumar Mehta
Company Secretary

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- Proxies, in order to be effective must be duly filled, stamped, signed and deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting. A proxy form is enclosed.
- The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956 in respect of the item of special business given in this Notice is annexed hereto.
- The details of Directors seeking re-appointment, in terms of Clause 49 of the Listing Agreement(s), are annexed hereto and form part of this Notice.
- The Register of Members and the Share Transfer Books of the company will remain closed from **Monday, 16th September, 2013 to Wednesday, 25th September, 2013** (both days inclusive), pursuant to clause 16 of Listing Agreement and also in compliance of section 154 of the Companies Act, 1956.
- Members are requested to inform the company's Registrar and Share Transfer Agent M/s Link Intime India Private Ltd. of any change in their postal address/ email address and any other changes in respect of the equity shares held in physical form.
- For any assistance or information about Shares, members may contact the company's Registrar and Share Transfer Agent, Link Intime India Private Limited Unit No 303, 3rd floor Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Ahmedabad -380009 Tel: 079-26465179 Email: ahmedabad@linkintime.co.in;
- Members who wish to obtain information concerning the accounts or operation of the company may send their queries at least seven days before the Annual General Meeting to the Company Secretary at the Registered Office of the company, so that the same may be attended appropriately.
- Members / Proxies / Representatives are requested to bring the enclosed Attendance Slip, duly filled in, for attending the meeting.
- As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the meeting.
- Pursuant to section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the company shall be transferred to the Investor Education and Protection Fund (the fund) set up by the Government of India and no payments shall be made in respect of any such claims by the fund. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2008 onwards, are requested to make their claims to the company accordingly, without any delay.

**Details of Directors seeking Re-appointment at the Annual General Meeting
(In pursuance of Clause 49 of the Listing Agreement/s)**

Name of Director	Mr. Devanand G. Somani	Mr. Ramesh K. Motiani
Date of Birth	22 nd April, 1971	22 nd May, 1949
Date of Appointment	13 th April, 2000	22 nd July, 2002
Qualifications	F.Y. B.Com	9 th pass
Expertise in specific functional areas	Experience of over 18 years in catering and hotel industry.	Enriched and multifarious experience of about 38 years in retail and wholesale business.
Directorship held in other companies (excluding private & foreign companies)	1	Nil
Membership/ Chairmanship of committees in other public companies	Nil	Nil
Details of share held in the company	909800	491500

EXPLANATORY STATEMENT

As Required by Section 173(2) of the Companies Act, 1956, the following explanatory statement sets out the material facts relating to the business under item no. 5 of the accompanying Notice dated 5th August 2013.

Item No. 5:

At the Annual General Meeting held on 29th September, 2010, the members of the company had approved the appointment and remuneration of Shri Narendra G. Somani as Managing Director of the company. The present tenure of Mr. Narendra G. Somani as the Managing Director of the company ends on 30th September, 2013.

The Board of Directors at its meeting held on 5th August, 2013 have recommended that it is in the interest of the company that Mr. Narendra G. Somani be re-appointed as the Managing Director of the company for a period of 5 years from 1st October, 2013 upto 30th September, 2018. Accordingly, the Board of Directors had subject to the approval of the Members, approved the re-appointment of Mr. Narendra G. Somani as the Managing Director of the company.

The principal terms and conditions of re-appointment of Mr. Narendra G. Somani as Managing Director are as under:

Period	1 st October, 2013 to 30 th September, 2018 (5 Years)
Nature of Duties	Mr. Narendra G. Somani shall devote his whole time and attention to the business of the company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the Boards of such associated companies or subsidiaries or any other executive body or any committee of such a company.
Remuneration	Basic Salary upto a maximum of ₹ 5 Lacs per month with annual increments which will be effective from 1 st April each year or as may be decided by the Board, based on merit and taking into account company's performance, incentive remuneration, if any, and/or commission based on certain performance criteria to be laid down by the Board; benefits, perquisites and allowances including expatriate allowance, as may be determined by the Board from time to time.
Minimum Remuneration	Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Narendra G. Somani, the company has no profits or its profits are inadequate, the company will pay to Mr. Narendra G. Somani remuneration by way of basic salary, benefits, perquisites, allowances and incentives remuneration as per the Schedule XIII of the Companies Act, 1956.

Except Mr. Narendra G. Somani, Chairman & Managing Director, Mr. Hemant G. Somani, Whole Time Director & Mr. Devanand G. Somani, Whole Time Director of the company none of the Directors of the company are interested in passing the said resolution.

By Order of the Board of Directors
For TGB BANQUETS AND HOTELS LIMITED

Place : Ahmedabad
Date : 5th August, 2013

Kalpesh Kumar Mehta
Company Secretary

DIRECTORS' REPORT

To,
The Members,
TGB BANQUETS AND HOTELS LIMITED
(Formerly Known as Bhagwati Banquets And Hotels Limited)

Your Directors have pleasure in presenting their Fourteenth Annual Report on the business and operations of the company together with the audited results for the financial year ended 31st March, 2013.

FINANCIAL RESULTS

(₹ in Lacs)

Particulars	FY 2012-13	FY 2011-12
Revenue From Operation	16401.10	15254.75
Other Income	275.10	154.48
Total Revenue	16676.20	15409.23
Less : Operating Expenditure	12529.03	12045.11
Profit from Operations	4147.17	3364.12
Less : Financial Charges	2095.64	1547.70
Less : Depreciation and Amortization	1292.77	1278.21
Profit before tax	758.76	538.21
Less : Provision for taxation	147.00	77.06
Less : Deferred tax Liability	315.55	428.98
Profit after tax	296.21	32.17
Add : Profit brought forward from previous year	3496.43	3464.26
Profit Available for appropriation	3792.64	3496.43
Profit Carried forward to the Balance Sheet	3792.64	3496.43

* Previous year figures have been regrouped and re arranged wherever considered necessary.

Review of Operations

The year under review was a sluggish year in terms of the economic growth, largely because of lower GDP growth and higher interest rates & fluctuation in the currencies, inflation impacting sentiments and investor's interest across businesses. This year your company booked total revenue of ₹ 16676.20 lacs in compared to ₹ 15409.23 Lacs in the previous year, registering a growth rate of 8.22%. Profit from operations stood at ₹ 4147.17 lacs during the year compare to previous financial year ₹ 3364.12 lacs.

Name Change

During the year under review, the name of your company has been changed from Bhagwati Banquets And Hotels Limited to TGB Banquets And Hotels Limited w.e.f. 19th April, 2013, pursuant to the resolution passed by the members at the Extra Ordinary General Meeting held on 9th March, 2013

Consequent upon the name change, the scrip id of the company on trading platform of the National Stock Exchange Limited has been changed from BHAGWATIHO to TGBHOTELS, scrip id on Bombay Stock Exchange remains the same.

Dividend

Looking to the requirement of the funds for the activities of the company, the Board of Directors of the company have decided not to recommend any dividend for the year ended on 31st March, 2013.

Management Discussion & Analysis Report

The Management Discussion and Analysis Report, as required under Clause 49 of the Listing Agreement with the stock exchanges, forms parts of this report.

Corporate Governance Report

The Corporate Governance Report, as stipulated under Clause 49 of the Listing Agreement, forms part of this Report. The requisite certificate from the Statutory Auditors of the company M/s. O.P. Bhandari & Co., Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to Corporate Governance Report.

Directors

Pursuant to Section 255 & 256 of the Companies Act, 1956 and Articles of Association of the company, Mr. Devanand G. Somani and Mr. Ramesh K. Motiani, Directors, who retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Brief profiles of the directors proposed to be re- appointed and other details as stipulated under Clause 49 of the Listing Agreement are provided in the Notice for convening the Annual General Meeting. All other directors continue to hold their office.

Public Deposits

During the year under review, the company has not accepted any deposits within the meaning of Section 58-A of the Companies Act, 1956

Consolidated Financial Statements

The Consolidated Financial Statements of the company and its subsidiaries, prepared in accordance with applicable accounting standards issued by the Institute of Chartered Accountants of India, forms part of the Annual Report. The Audited Consolidated Financial Statements along with the Auditors' Report have been annexed to this Annual Report.

Conservation of Energy & Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars required to be disclosed under section 217(1)(e) of the Companies Act, 1956 read with rules made there under, the company is not required to give the particulars of energy, since the hotel industry is not covered under the list of industries required to provide such information. However the details regarding it are mentioned in "Annexure A" given at the end of the report.

Auditors

The Auditors, M/s. O. P. Bhandari & Co, Chartered Accountants, hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. Certificate from the Auditors has been received to the effect that their re- appointment, if approved, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956 and they are not disqualified for re-appointment within the meaning of Section 226 of the said Act.

The Auditors' report for the year ended 31st March, 2013 and the notes forming part of the accounts referred to in the Auditors' Report are self-explanatory and it does not contain any reservation, qualification or adverse remarks.

Particulars of Employees

In term of the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are as under:

Sr. No	Name, Qualification and Age (in years)	Designation & Nature of Duty	Remuneration (in ₹ p.m.)	Date of Commencement of Employment	Experience (in Years)	Particulars of Last Employment	% of share holding
1.	Narendra G. Somani, F.Y. B.com (47 yrs)	Chairman & Managing Director	5 Lacs	1 st October, 2005	26	N.A.	26.97

Directors' Responsibility Statement

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors confirmed:

- That in the preparation of Annual Accounts for the financial year ended 31st March, 2013, the applicable Accounting Standards had been followed and there are no material departures;
- That appropriate accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give true & fair view of the state of affairs of the company as at 31st March, 2013 and of the profit of the company for that period
- That the Directors had taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the company and for preventing & detecting frauds and other irregularities.
- That the Annual Accounts have been prepared on a going concern basis.

Insurance

All insurable assets of the company, including buildings, furniture and fixtures and other insurable assets are adequately insured by the company.

Listing

The Equity Shares of the company are presently listed at the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The company has duly paid the annual listing fees as required by the Listing Agreement up to 31st March, 2014 to BSE and NSE. Adequate care is being taken to comply with all the norms and guidelines as per applicable provisions of the Listing Agreement with the company.

Acknowledgments

Your directors would like to express their sincere appreciation for assistance and co-operation received from the vendors and stakeholders including financial institutions, banks, Central and State Government authorities, customers and other business associates, who have extended their valuable and sustained support to encouragement during the year under review.

Your directors place on record their deep sense of appreciation to its valued clients and customers and to all the employees whose outstanding professionalism, commitment and initiative has made the organisation's growth and success possible and continue to drive its progress. Finally, the directors wish to express their gratitude to the members for their trust and support.

For and on behalf of the Board of Directors

Place : Ahmedabad

Date : 5th August, 2013

Narendra G. Somani
(Chairman & Managing Director)

ANNEXURE TO THE DIRECTORS REPORT
"Annexure – A"

Particulars pursuant to Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.

1. Conservation of Energy

Keeping with the company's commitment to be an environmentally responsible entity and in view of the increasing cost of energy, the company makes continuous efforts towards conservation of energy. In financial year 2012-13 total energy generation forms the 1.25 MW Windmill situated at the Village - Panchetiya, District - Kutch, Gujarat was 2041401 MW and the credit of the same is available to company as per the norms.

2. Technology Absorption

a. Research and Development

Your company continues to test and work with technologies and engage in research & development program. Efforts of the company are directed towards quality control and improvement of in-house expertise.

b. Benefits derived as a result of the above R & D

The above R&D activities have resulted in improvement of service quality & cost effectiveness. The company has been putting emphasis to train its technical personnel by way of providing training to them for the latest technology available. It has resulted in a better quality of product which has been brought to the International Standard, besides improving the productivity and reducing the wastages.

3. Foreign Exchange Earnings / Outgo

(₹ in lacs)

Particulars	2012-13	2011-12
Earning in foreign exchange	94.58	131.60
CIF value of import	-	-

MANAGEMENT DISCUSSION AND ANALYSIS**HOTEL INDUSTRY'S POTENTIAL & GROWING PAN INDIA**

The hotel industry comprises a major part of the tourism industry. Historically viewed as an industry providing luxury services valuable to economy only as a foreign exchange earner, the industry today contributes massively to direct and indirect employment generation.

Gujarat offers a model for economic progress and development for the developing nations, with Luxurious Lifestyle of leisure, pleasure, business and sports. Gujarat's six percent of total Industrial Production comes from textile industry. It is the largest producer (35%) and exporter (60%) of cotton and is the third largest Denim producer in the world. Hence there is certainly a great potential for footfalls in hospitality.

Gujarat is one of the fastest growing sectors in the State's economy is the Chemical sector. Well diversified, it has a complete portfolio of chemical products, including petrochemicals and downstream products, dyes and Intermediates. Also Gujarat is the hub of Pharmaceutical Industry; the most developed and cost competitive Sector with over 3245 manufacturing licenses and 42% of India's pharmaceutical turnover and 22 % of India's Exports.

Event based tourism, Adventure tourism and Eco tourism are the theme based tourism attractions with travel circuits, pilgrimage, theme parks, coastal cruises, health tourism, recreational, urban and rural tourism with culture and tradition.

TGB'S OUTLOOK AND OPPORTUNITIES

Today hospitality has evolved from the basic food and accommodation industry and taken a very important position in almost all businesses. In fact, it has become a huge industry and drives economies across the globe. The scope of hospitality/ service industry today is far more than one could have ever imagined a few years back. It includes hotels, motels, restaurants, bars, ships, airlines and railways. In the same breadth, catering can also regarded as an industry of its own, even though, it is a part of hotel industry. No wonder TGB has created a niche for itself by setting up a great, ever growing business model in catering.

Hospitality is deep-rooted in our traditions and comes as an integral part of our heritage. TGB brings over a decade of hospitality knowledge in developing, owning and operating room business, banqueting facilities, outdoor catering and foods & beverages. TGB also provides leisure / banquet hotels in Ahmedabad, Rajkot, and Surat and now on the anvil are grand expansion of 5 star hotels in Nagpur, Indore, Vadodara & Udaipur. It has also extended its business in metros like Mumbai & Delhi and endowed with executing outdoor catering services in foreign shores like Bangkok, Macau etc.

TGB has come up with a new concept of providing "Franchisee" after creating brand equity for itself. Furthermore, company is planning to come up with new projects in Ahmedabad – Mid-Town, "Lake City Udaipur", Nagpur, Indore, Nadiad & Vadodara.

The company has always concentrated on enhancing its quality standards in all varied services thereby attracting huge loyal customers in India and abroad. In spite of enormous competition, your company has coped up considerably with a budding hospitality sector, gaining admiration for expertise services throughout the country and abroad. By catering to sizeable quantity of clientele, it has expanded significantly and progression is continuous.

BUSINESS OUTLOOK

The hotel industry in India is having a tremendous opportunity in the future because of increasing trends in the tourism industry and government promoting the "Incredible India" campaign and other tourism promotion measures. The hotel industry in India is mix of many brand internationally established hotels having the scope to attract shares in the brand hotels which will help to expand the industry and the innovations in the industry is helping the hotels to retain the customers with them.

Though "Meetings, Incentives, Conferences and Exhibitions (MICE) tourism has not developed in the state because of the existing prohibition laws. We also lose out on domestic tourism which should be the mainstay of the tourism industry. At present, Gujarati tourists head to Daman and Silvassa in the south, Diu in the west and Mount Abu in the northern precincts of the state. The hospitality business is by and large only patronized by the corporate sector," But we at TGB are upbeat and confident about getting over this ambiguity too by enticing guests from corporate by providing the best of services to service this important MICE component and augment our sales, thereby profits.

RISKS AND CONCERNS**A. Dearth of skilled manpower & its solution**

The hospitality industry has failed to retain good professionals because unavailability of quality workforce in different skill levels. Most of the hotel management graduates opt for other sectors like retail and aviation. Therefore, your company believes in nurturing its employees and encourages them to thrive and exhibit their abilities to the best and plans to create a platform of its own by venturing into in-house training.

QUEST knowledge Centre**Quality. Understanding. Essential. Service. Training.**

Quest is an initiative by veterans in Hospitality the TGB, who will assist in identifying and helping prospective work force to acquire these basic skills and are committed to achieve this mission by imparting, research and industry collaboration, thereby providing gainful confidence and then employment.

Its faculty members are recognized experts in hospitality deliverance. We explore critical trends in hospitality, undertake research regularly, and shape operating and strategic practices. Through our wide scope, we impart basic skills TO STAND TALL, and thereby create skilled work force for the world's largest and dynamic industry. It is the TGB's way of giving back to the Industry through QUEST!!! A Community Social Responsibility initiative by TGB!!

With Gujarat gaining popularity as a tourist as well as commercial destination, the industry is poised for a tremendous growth. To reinforce the growth in hospitality and to supplement its need for dynamic and skilled work force, Quest aspires to provide the trained manpower and set a benchmark. It has very unique teaching methodology like 'Role Playing', 'Live It Up', Enjoy as U Learn, B/L Method, and Attitude- Aptitude- Action and so on.

Quest looks forward to working collectively with the Industry, the teaching fraternity, the new aspirants who want to join this dynamic industry and of course, the already employed work force who wish to upgrade their knowledge and skills.

B. Upsurge in Hotel Keys

The number of rooms too has shot up substantially. There are total 64,000 rooms in the state today as compared to 48,000 in 2010. "This has been the highest increase in tourists for any state. Considering the inflow of tourists, total number of hotel rooms in the state is expected to go up to 1 lakh by 2017,"

The initiative by the Government to bring in investments and tourists to the state has not benefited the hotel industry. Hotel occupancy rates have dipped by almost 15 per cent this year as compared to the previous year. According to the Federation of Hotel & Restaurant Associations of India (FHRAI), hotel occupancy rates have fallen to 52 per cent as compared to 67.6 per cent in last year.

We at TGB will continue our determined focus in our forte - The Food & Beverage segment, and target the unmanned segment of MICE.

FINANCIAL REVIEW

During the financial year 2012-13, the company's total income is ₹ 16676.20 Lacs as compared to ₹ 15409.23 Lacs in the previous year. This represents growth of 8.22%.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

An internal control system of your company is very well ordered which consists of qualified and independent Audit Committee managed by our Board of Directors. It ensures the compliance with listing and other legal requirements relating to financial statements. It also ensures that all the assets of the company are fruitful as well as secured against loss from unauthorized use or disposition. The company keeps on developing its systems and procedures on continual basis for effective internal control. Adequate internal control measures are in the form of various policies & procedures issued by the Management covering all critical and important activities viz. Revenue Management, Hotel Operations, Purchase, Finance, Human Resources, Safety, etc.

INDUSTRIAL RELATIONS AND HUMAN RESOURCE

Hospitality sector emphasizes on good quality of services which requires well behaved employees and warmly welcoming managerial staff, this increases value and reputation of the hotels. Hence, your company believes "The Grass is Greener where you water it". Therefore company ensures its privileged employees' comfortable workplace, security, safety, nourishment, encouragement, freedom to express their innovative ideas, etc.

In essence, the human relations approach sees the organization as a cooperative enterprise wherein workers' morale is a primary contributor to productivity, and so seeks to improve productivity by modifying the work environment.

CORPORATE SOCIAL RESPONSIBILITY

Your company is inherently associated to the society and environment in which it operates. It upholds the business of TGB with trust, transparency and commitment to human values. It is conscious of its corporate social responsibilities and pursues its social responsibilities intensely. During the year, company with the support and mutual aid of its staff pursued several social activities.

The company took forward a step to save many lives by organizing a blood donation camp at TGB- Ahmedabad unit simultaneously at Changodar unit and Surat and plan to give the GIFT A PLANT to all donors partnering with Prathma "Go Green with Blood".

Also, an effort was undertaken by your company to put smiles on the frown faces by making a visit at an Old Age home and spending time with them. Collecting money from all employees, company visited to charity of missionary at Mother Teresa orphanage to help underprivileged children. With the donation collected, we bought several eatables and other useful items for kids and distributed the same among them.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be "forward looking statement" within the meaning of applicable securities laws and regulations. The actual results may differ from those expected depending upon the economic conditions, changes in Government Regulations and amendments in tax laws and other internal and external factors.

REPORT ON CORPORATE GOVERNANCE**I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

The company's Corporate Governance Philosophy is based on trusteeship, transparency, empowerment, control and ethical corporate citizenship. The company believes that the practice of each of these create a right culture and fulfills the true purpose of Corporate governance. The company remained committed towards protection and enhancement of overall long term value for its entire stakeholders - customer, lenders, employee and society.

Your company has consistently aimed at developing and internalizing such policies and implementing best-in-class actions that make it a good model of corporate governance. To that effect your company has adopted practice mandated in Clause 49 of Listing Agreement & has established procedure & systems to be fully compliant with it.

II. BOARD OF DIRECTORS:**Composition**

The Board of Directors of the company has an optimum combination of executive and non-executive directors as per Clause 49 of the Listing Agreement. The total strength of the board is eight members, comprising of four executive directors and four non-executive directors. All non-executive directors are independent directors. The board thus has an adequate combination of executive, non-executive and independent directors. The active participation of the independent directors at the board and committee meetings adds value in decision & gives immense benefits to the company.

Attendance & Other Directorship

As on 31st March, 2013 the details of composition of board, category of directors as well as their directorship/membership in other companies/committees are given below:

Name and Designation	Financial Year 2012-13 Attendance at		Number of other Directorship & Committee member / Chairmanship*		
	Board Meeting	Last AGM	Other Directorships	Committee Membership	Committee Chairmanship
A. Executive Director					
Mr. Narendra G. Somani - Chairman & Managing Director	10	Yes	1	-	-
Mr. Devanand G. Somani - Whole time Director	10	Yes	1	-	-
Mr. Hemant G. Somani - Whole time Director	10	Yes	1	-	-
Mr. Ramesh K. Motiani - Whole time Director	10	Yes	-	-	-
B. Non-executive Director					
Mr. Bakul R. Parikh - Independent Director	10	Yes	-	-	-
Mr. Mangharam Sumani - Independent Director	04	No	-	-	-
Mr. Rajratan Singhvi - Independent Director	10	Yes	1	1	-
Mr. Balveermal Singhvi - Independent Director	08	Yes	-	-	-

*Directorships and Committee member/Chairmanship in other companies mentioned above excludes directorships in private limited companies, unlimited companies, foreign companies and companies incorporated under section 25 of the Companies Act, 1956.

**While calculating the number of Membership / Chairmanship in Committees of other companies, Membership / Chairmanship of only Audit Committee and Shareholders' / Investors' Grievance Committee have been considered pursuant to Clause 49 of the Listing Agreement. None of the Director is a member in more than ten committees and act as a Chairman in more than five committees across all companies in which he is a Director.

Board Meetings:

During the financial year 2012-13, ten board meetings were held on 12th May, 2012, 14th August, 2012, 28th September, 2012, 6th October, 2012, 12th October, 2012, 6th November, 2012, 9th November, 2012, 06th December, 2012, 23rd January, 2013 & 11th February, 2013. The maximum gap between any two board meetings is not more than 120 days .

III. COMMITTEES OF THE BOARD:

A. AUDIT COMMITTEE

The Audit Committee constituted as per the, Clause 49 of the Listing Agreement read with provisions of Section 292A of the Companies Act 1956, comprises three independent directors. Mr. Rajratan Singhvi is the Chairman of the committee who is an Accounting Consultant, also an independent non-executive director. Mr. Bakul Parikh, independent non-executive director who is a legal advisor in direct and indirect taxes and Mr. Mangharam Sumani, independent non-executive director who is a Member of Institute of Chartered Accountants of India are other member of the committee. All members of the committee are financially literate as per meaning of explanation to Clause 49(II) (A) of the Listing Agreement.

The Chief Financial Officer is a permanent invitee to the meeting. The Company Secretary is the Secretary of the Committee.

Terms of Reference

Terms of reference of Audit Committee are given here under:

1. To oversee the company's financial reporting, process and disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. To review financial statements and pre-publication announcements before submission to the Board.
3. To recommend the appointment of statutory auditors and fixation of their remuneration. To review and discuss with the auditors about internal control system, the scope of audit including observations of auditors, major accounting entries, practice and policies, compliance with accounting standards & Listing Agreement, related party transactions.
4. To review the company's risk management policies and discussion with auditors any significant findings and follow up thereon.

Meetings and attendance

During the financial year 2012-13, four meetings of the Audit Committee were held on 12th May, 2012, 14th August, 2012, 9th November, 2012 and 11th February, 2013. During these meetings, the committee, inter alia, reviewed the financial statements including changes in accounting policies and practices before submission to the board, recommended the appointment of statutory and internal auditors including fixation of audit fee, discussed the internal auditors findings and reviewed the company's financial and risk management policies. Generally all items listed in Clause 49 (IID) of the Listing Agreement are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Clause 49 (IIC).

Necessary information as required by Clause 49(IIE) of the Listing Agreement is reviewed by the Audit Committee.

Details of Attendance at the Audit Committee Meeting:

Name	Designation	Attendance
Mr. Rajratan Singhvi	Chairman	4
Mr. Bakul R. Parikh	Member	4
Mr. Mangharam Sumani	Member	4

B. REMUNERATION COMMITTEE

Composition

The Remuneration Committee consists of three non-executive independent directors, to comply with and meet the requirements of the Listing Agreement and Schedule XIII of the Companies Act, 1956. Mr. Bakul Parikh is the Chairman and Mr. Balveermal Singhvi & Mr. Rajratan Singhvi are members of the Remuneration Committee.

Terms of Reference

The Remuneration Committee has been constituted to recommend and review remuneration package of Executive Directors by reference to performance, experience and responsibilities.

Meetings and attendance

The committee met once during the financial year 2012-13 on 2nd September, 2012.

Details of Remuneration of Directors

The details of remuneration paid to the directors during the financial year ended on 31st March, 2013 are as under:

Name	Remuneration	Commission	Sitting Fees
Mr. Narendra G. Somani	₹ 60 Lacs	NIL	NIL
Mr. Devanand G. Somani	₹ 24 Lacs	NIL	NIL
Mr. Hemant G. Somani	₹ 24 Lacs	NIL	NIL
Mr. Ramesh K. Motiani	₹ 06 Lacs	NIL	NIL
Mr. Mangharam Sumani	NIL	NIL	₹ 0.20 Lacs
Mr. Bakul R. Parikh	NIL	NIL	₹ 0.50 Lacs
Mr. Rajratan Singhvi	NIL	NIL	₹ 0.50 Lacs
Mr. Balveermal Singhvi	NIL	NIL	₹ 0.40 Lacs

Shares held by Non-executive Directors

Mr. Mangharam Sumani, non-executive director of the company holds 494 (0.02%) shares of the company. No other non-executive directors hold any shares of the company.

C. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE**Composition**

The committee comprising three members namely Mr. Mangharam Sumani, who is the Chairman of the committee, Mr. Ramesh K. Motiani and Mr. Bakul R. Parikh. The Company Secretary acts as secretary to the committee.

Terms of Reference

The committee inter-alia, oversees and review all matters connected with transfer of shares, the committee also reviews performance of the Registrar and Share Transfer Agents and recommends measures for overall improvement in the quality of investor services, with a view to expedite the process of share transfer / transmission etc. on fast track basis.

Meetings

During the financial year 2012-13, four meetings of the Shareholders' / Investors' Grievance Committee were held, and care has been taken to comply with various Clauses of Listing Agreement.

Details of Shareholders Complaints

The company addresses all complaints, suggestions, grievances and other correspondence expeditiously and replies are sent usually within 7-10 days except incase of legal impediments. The company endeavours to implement suggestions as and when received from shareholders.

During the year under review a total of three investor's complaints were received and resolved.

IV. SUBSIDIARY COMPANIES:

During the year, the audit committee reviewed the financial statements of Lov Kush Properties Pvt. Ltd., an unlisted subsidiary company. Copies of the minutes of the Board Meetings of the subsidiary company were regularly placed before the Board of the company.

V. GENERAL BODY MEETING:**a) Particulars of past three Annual General Meetings (AGM)**

Year	Venue	Date & Time	Special Resolution Passed
2009-10	Sindhu Bhavan, Plot No. 173, 100 Ft. Ring Road, Off S.G. Highway, judges Bungalow cross Road, Bodakdev, Ahmedabad- 380 054	29.09.2010 10.30 A.M.	1. for re-appointment of Mr. Narendra G. Somani, as Chairman & Managing Director 2. for re- appointment of Mr. Hemant G. Somani, as a Whole-time Director of the company. 3. for re- appointment of Mr. Devanand G. Somani, as a Whole-time Director of the company. 4. for re- appointment of Mr. Ramesh K. Motiani, as a Whole-time Director of the company.
2010-11	Sindhu Bhavan, Plot No. 173, 100 Ft. Ring Road, Off S.G. Highway, judges Bungalow cross Road, Bodakdev, Ahmedabad- 380 054	30.09.2011 10.30 A.M.	
2011-12	Sindhu Bhavan, Plot No. 173, 100 Ft. Ring Road, Off S.G. Highway, judges Bungalow cross Road, Bodakdev, Ahmedabad- 380 054	29.09.2012 10.30 A.M.	

b) Particulars of Extra-ordinary General Meeting:

Year	Venue	Date & Time	Special Resolution Passed
2012-13	"The Grand Bhagwati" Plot No. 380, S.G. Road, Bodakdev, Ahmedabad -380054	09.03.2013 10.30 A.M.	For change of name form Bhagwati Banquets And Hotels Limited to TGB Banquets And Hotels Limited

Postal Ballot:

The company has not put any resolution through postal ballot in previous Annual General Meeting. In ensuing Annual General Meeting there is no business requiring postal ballot.

VI. DISCLOSURE:

- a) During the year under review, besides the transactions reported in the Notes to the Accounts for the year, there were no other related party transactions of material nature by the company with its promoters, directors, management and subsidiaries or relatives etc.
- b) No penalties/strictures have been imposed on the company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to Capital Markets during the last three years.
- c) The company has duly complied with all the mandatory requirements. Compliance with non-mandatory requirements is furnished separately under the heading "Non-mandatory Requirements."
- d) The company has adopted a Whistle Blower Policy, which affords protection and confidentiality to Whistle Blower. The Audit Committee Chairman is authorized to receive Protected Disclosure under this Policy. The Audit Committee is also authorized to supervise the conduct of investigation of any disclosure made by whistle blowers in accordance with policy. No personnel have been denied access to the Audit Committee during the year.
- e) Company has laid down Risk Management and Administration procedure to inform the Board members about the risk areas relating to the Organization and steps to minimize such risks. These procedures are periodically reviewed to ensure the risk control and minimization by means of properly defined framework.
- f) In preparing the Annual Accounts in respect of the financial year ended on 31st March, 2013 no accounting treatment was different from that prescribed in the Accounting Standard.
- g) The company has a Code of Conduct for prevention of insider trading in the shares of the company for directors and promoters in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992.

VII. MEANS OF COMMUNICATION:

Company's quarterly, half yearly and annual results are being published in Economic Times (Gujarati and English) Newspaper. Management Discussion and Analysis Report forms part of this annual report. The annual report in respect of each financial year is sent to all the shareholders.

VIII. CODE OF CONDUCT:

The company has a Code of Conduct for prevention of insider trading in place, as prescribed by the Securities and Exchange Board of India. The Code of Conduct is available on the website of the company: www.thegrandbhagwati.com. All board members and senior management personnel have affirmed compliance with the Code of Conduct. Declaration by Managing Director regarding Code of Conduct is annexed hereto.

XI. GENERAL SHAREHOLDER'S INFORMATION:**a) Annual General Meeting**

Date : Wednesday, 25th September, 2013

Time : 10.30 A.M.

Venue : "Sindhu Bhavan", Plot No. 173, 100 Ft. Ring Road, Off. S.G.Highway, Judges Bungalow Cross Road, Bodakdev, Ahmedabad - 380 054.

b) Financial Calendar (tentative) : Financial Year 1st April, 2013 to 31st March, 2014

Adoption of Quarterly Results for the Quarter ending:

June 30, 2013	1 st / 2 nd week of August, 2013
September 20, 2013	1 st / 2 nd week of November, 2013
December 31, 2013	1 st / 2 nd week of February, 2014
March 31, 2014	4 th week of May, 2014

c) Book Closure Date : From 16th September, 2013 to 25th September, 2013 (Both Days Inclusive)**d) Listing :**

The Equity Shares of the company having face value of ₹ 10 is listed on the Following Stock Exchanges:

- i) The Bombay Stock Exchange Limited, P. J. Tower, Dalal Street, Mumbai – 400001
- ii) The National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai – 400051

Stock Code :

Bombay Stock Exchange (BSE) : "532845"

National Stock Exchange (NSE) : "TGBHOTELS"

ISIN with NSDL & CDSL is INE797H01018

Listing Fees : Listing Fees for the financial year 2013-14 has been paid to the concerned stock exchanges within the prescribed time.

e) Stock Market Data:

Market price data of Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) for the financial year 2012-13 are given below:

Month/price	BSE		NSE	
2012	High	Low	High	Low
April	84.80	72.25	84.70	72.40
May	77.40	58.00	77.00	57.70
June	69.70	57.10	64.80	57.95
July	75.60	60.70	75.75	60.10
August	69.50	60.50	69.00	61.10
September	77.35	62.75	77.50	62.70
October	81.55	67.25	81.50	67.55
November	84.00	67.30	84.00	66.50
December	88.55	75.00	89.00	75.10
2013				
January	102.35	80.25	102.90	81.55
February	88.95	41.75	89.00	40.90
March	60.00	37.75	60.05	36.90

- f) Registrar and Share Transfer Agent: The company has appointed Link Intime India Pvt. Ltd. having their office at Unit No. 303, 3rd floor, Shoppers Plaza - V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C.G. Road, Ahmedabad-380009 as the Registrar & Share Transfer Agent.
- g) Share Transfer System: The Share transfer requests are processed by the company's Registrar and Share Transfer Agents as mentioned above.
- h) Distribution of shareholding as on 31st March, 2013:

Category	No. of Shareholders	% of Total Shareholders	Total No. of Shares held	% of Shares
1-500	3537	83.09	457601	1.56
501-1000	334	7.84	274454	0.94
1001-2000	171	4.02	259952	0.89
2001-3000	45	1.06	117373	0.40
3001-4000	34	0.80	122509	0.42
4001-5000	26	0.61	120644	0.41
5001-10000	27	0.63	205136	0.70
10001 & Above	83	1.95	27728731	94.68
Total	4257	100	29286400	100

- i) Categories of Shareholding as on 31st March, 2012:

Sr. No.	Category	No. of Shares	% to Share Capital
A.	PROMOTERS SHAREHOLDING		
1	Promoters and Promoters Group	10982280	37.50
2	Director and their Relatives	2426623	8.29
B.	PUBLIC SHAREHOLDING		
1	Mutual Funds / UTI / Trusts	2	0.00
2	Banks/Financial Institutions	0	0.00
3	Foreign Institutional Investors	0	0.00
4	Bodies Corporate	9499183	32.44
5	NRI's	756729	2.58
6	Clearing Members	395354	1.35
7	Indian Public	5226229	17.85
	Total	29286400	100

- j) Dematerialization of shares and facility of simultaneous transfer:
Approximately 99.99% of the paid-up equity share capital of the company has been dematerialized as on 31st March, 2013. Trading in equity shares of the company is permitted only in dematerialized form as per notification issued by SEBI. Shareholders interested in dematerializing their shares are requested to write to the Registrar & Transfer Agent through their Depository Participants.
- k) Company has not issued any ADR/GDR/FCCB/QIPs during financial year ended as on 31st March, 2013.
- l) Investor's Correspondence may be addressed to:
Mr. Kalpesh Kumar Mehta - Company Secretary
TGB Banquets And Hotels Ltd.
301, 3rd Floor, Circle P, Prahaladnagar Garden Road, SG Road, Ahmedabad -380 051
Phone No.: 91-79-29296192/93 Fax: 91-9725046192 Email: cs@bbhl.in
Or

Link Intime India Private Limited

Unit No. 303, 3rd Floor, Shoppers Plaza- V, Municipal Market, Behind Shoppers Plaza II, off C.G. Road, Ahmedabad-380 009.

Email: ahmedabad@linkintime.co.in

m) **Location of Hotels:**

1. The Grand Bhagwati, Plot no. 380, S. G. Road, Bodakdev, Ahmedabad- 380 054
2. The Grand Bhagwati, Magdalla Circle, Dumas Road, Surat – 395007

Restaurants of TGB Group:

1. Murugan Express - Iscon Mall, Ahmedabad
2. Murugan Express - Maninagar, Ahmedabad
3. Little Italian Restaurant - S.G. Highway, Ahmedabad

The Restaurants Managed by TGB Group:

1. TGB Patang : The Revolving Restaurant at Ashram Road, Ahmedabad
2. TGB Karnawati: Karnawati Club, S. G. Highway, Ahmedabad

Restaurant & Hotels under Franchisee Agreement:

1. TGB Seasons – Rajkot
2. TGB World Cuisine Restaurant – Vadodara
3. TGB World Cuisine Restaurant-Surat
4. The Grand Bhagwati - Nagpur*
5. The Grand Bhagwati - Indore*
6. TGB Express - Maninagar*
7. TGB World Cuisine Restaurant –Nadiad*

*upcoming franchisee

X. NON MANDATORY REQUIREMENT:

The company has complied with the mandatory requirement of Clause 49 and adopted the following non-mandatory requirements:

(A) Remuneration Committee:

The company has setup a Remuneration Committee as per the details under the Heading “Board Committee” in this report

(B) Other Requirement :

The company is yet to adopt the non-mandatory requirements like sending of the half yearly financial performance including summary of significant events in past six months to share holders, restricting the tenure of the independent directors in the aggregate to a period of nine years on the Board of the company, unqualified financial statement, training of Board Members and Mechanism of evaluation of Non- executive Board members, the same would be complied at an appropriate time later.

XI. COMPLIANCE CERTIFICATE FROM AUDITOR:

Certificate from the Statutory Auditors of the company, M/s O.P. Bhandari & Co., Chartered Accountants confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to this report forming part of the Annual Report.

XII. CERTIFICATE FROM CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER:

In terms of Clause 49 of the Listing Agreement certificate issued by Managing Director and Chief Financial Officer is annexed to this report.

DECLARATION

This is to confirm that the company has adopted a Code of Conduct for its Directors and its Senior Management and Employees. These codes are available on the company's web site.

I hereby declare that all the Board Members and Senior Management Personnel of the company have affirmed their compliance with the Code of Conduct as adopted by the Board of Directors in accordance with Clause 49(I)(D) of the Listing Agreement entered into with the Stock Exchanges for the financial year ended 31st March, 2013.

Place : Ahmedabad

Date : 30th May, 2013

Narendra G. Somani
Managing Director

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

**The Board of Directors,
TGB BANQUETS AND HOTELS LIMITED
(Formerly Known as Bhagwati Banquets And Hotels Limited)**

Pursuant to the Clause 49 of the Listing Agreement with BSE and NSE, we hereby certify that :

- a) We have reviewed financial statement and the cash flow statement for the year ended on 31st March, 2013 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) There are to the best of our knowledge and belief, no transactions entered into by the company during the period ending on 31st March, 2013 that are fraudulent, illegal or volatile to 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 internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee those deficiency of which we are aware in the design or operation of internal control systems and have taken the required steps to rectify the deficiency.
- d) We have informed the Auditors and the Audit Committee:
 - I. About Significant changes in internal control over financial reporting during the year;
 - II. That there have been no Significant changes in accounting policies during the year ;
 - III. That there have been no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Your Sincerely

Place : Ahmedabad
Date : 30th May, 2013

Mr. Narendra G. Somani
Managing Director

Mr. Vishal Palkhiwala
Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
TGB BANQUETS AND HOTELS LIMITED
(Formerly Known as Bhagwati Banquets And Hotels Limited)

We have examined the compliance of conditions of Corporate Governance procedures implemented by TGB Banquets and Hotels Limited ("the Company") for the year ended on 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

For, **O.P. Bhandari & Co**
Chartered Accountants
Firm Reg. No: 112633W

(O.P. Bhandari)
Proprietor

Membership No. 34409

Place : Ahmedabad
Date : 30th May, 2013

INDEPENDENT AUDITORS' REPORT

To the Members,

TGB BANQUETS AND HOTELS LIMITED

(Formerly Known as Bhagwati Banquets And Hotels Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of TGB Banquets And Hotels Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical 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 auditors' 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 auditors consider internal control relevant to the company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying 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) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (the "Order"), and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For, **O.P. Bhandari & Co**
Chartered Accountants
Firm Reg. No: 112633W

(O.P. Bhandari)
Proprietor

Membership No. 34409

Place : Ahmedabad

Date : 30th May, 2013

ANNEXURE TO THE AUDITORS' REPORT

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) As explained to us, these fixed assets have been physically verified by the management, in accordance with a phased program of verification, which in our opinion, is reasonable, considering the size of the company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
(c) During the year company has not disposed off a substantial part of fixed assets, which could affect its continuation as a going concern.
- ii. (a) The Physical verification of inventory has been conducted at reasonable intervals by the management.
(b) In our opinion the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) The company is maintaining proper records of inventory and no discrepancies were noticed on verification between the physical stock and book records.
- iii. (a) The company has not taken any loans, secured or unsecured, from Companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
(b) The company has not granted any loan to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanations given to us, where such transactions are in excess of Rupees Five Lacs in respect of any party, the transactions have been made at prices which are, prima-facie, reasonable having regard to the prevailing market prices for similar transactions with other parties at the relevant time.
- vi. The company has not accepted any deposits from the public during the year under sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Therefore, provisions of clause 4 (iv) of CARO are not applicable to the company.
- vii. In our opinion, the company has an Internal Audit System commensurate with its size and nature of its business.
- viii. The maintenance of cost records pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, is not applicable to Company . Therefore the provisions of clause (viii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- ix. According to the information & explanations given to us in respect of statutory and other dues:
 - (a) The company is generally regular in depositing undisputed statutory dues with the appropriate authorities.
 - (b) According to the information and explanations given to us, no amount of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax or Cess is outstanding as at 31st March, 2013 for the period more than six months from the date they become payable except below:

Financial Year	Type of Tax	Amount Outstanding (₹ in Lacs)
2011-12	TDS	26.20
2012-13	TDS	18.85
2010-11	VAT	0.06
2011-12	VAT	262.00
2012-13	VAT	86.76
2011-12	Service Tax	521.29
2012-13	Service Tax	269.88
2011-12	Professional Tax	0.09

- (c) According to the information and explanations given to us, the dues outstanding of Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax or Cess on account of any dispute as at the end of the financial year, are as follow:

Financial year to which amount relates	Nature of dues	Amount (₹ in lacs)	Forum where dispute is pending
2005-06	Income Tax	2.63	Commissioner of Income Tax (Appeal)
2006-07	Income Tax	49.80	Gujarat High Court
2006-07	Income Tax	25.27	Commissioner of Income Tax (Appeal)
2009-10	Income Tax	32.62	Commissioner of Income Tax (Appeal)

- x. The company has no accumulated losses as at the end of the financial year. The company has not incurred cash losses in the current and immediately preceding financial year.
- xi. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution or a bank.
- xii. According to the information and explanation given to us, the company has not granted any loan and/or advance on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not a Chit Fund or a Nidhi or Mutual Benefit Fund / Society. Therefore, the provision of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 is not applicable to the company.
- xiv. In our opinion and based on our examination of the records, the company has maintained proper record of transactions and contracts in respect of investments. All investments have been held by the company in its own name;
- xv. According to the information and explanations given by the management, the company has not given any guarantee for loan taken by others from the banks or financial institutions.
- xvi. According to the information and explanations given to us and records examined by us, the term loans have been applied for the purpose for which they were obtained.
- xvii. According to the information and explanations given to us and on the basis of an overall examination of the Balance Sheet and Cash Flow of the company, funds raised on short term basis have, prima-facie, not been used during the year for long term investment.
- xviii. According to the Information and explanations given to us, the company has not made preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- xix. During the period the company has not issued any debentures.
- xx. The company has not raised any money by way of public issue during the year.
- xxi. Based on the audit procedure performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For, **O.P. Bhandari & Co**
Chartered Accountants
Firm Reg. No: 112633W

(O.P. Bhandari)
Proprietor

Place : Ahmedabad
Date : 30th May, 2013

Membership No. 34409

BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ In Lacs)

Particulars	Note	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2.1	2,928.64	2,928.64
(b) Reserves and Surplus	2.2	11,691.49	11,395.28
2 Non-Current Liabilities			
(a) Long-Term Borrowings	2.3	9,770.86	9,581.39
(b) Deferred Tax Liabilities (Net)	2.4	1,426.97	1,111.43
3 Current Liabilities			
(a) Short-Term Borrowings	2.5	1,010.09	1,521.23
(b) Trade Payables	2.6	1,654.59	1,035.86
(c) Other Current Liabilities	2.7	6,525.46	5,219.80
(d) Short-Term Provisions	2.8	635.66	659.55
TOTAL		35,643.76	33,453.18
II. ASSETS			
Non-Current Assets			
1 (a) Fixed Assets	2.9	-	
(i) Tangible Assets		23,930.43	23,714.80
(ii) Intangible Assets		-	66.98
(iii) Capital Work-in-Progress		-	21.23
(b) Non-Current Investments	2.10	500.01	500.01
(c) Long-Term Loans and Advances	2.11	548.04	520.00
(d) Other Non-Current Assets	2.12	429.04	596.60
2 Current Assets			
(a) Inventories	2.13	2,476.80	2,128.59
(b) Trade Receivables	2.14	1,378.52	892.61
(c) Cash and Bank Balances	2.15	1,521.02	998.95
(d) Short-Term Loans and Advances	2.16	4,682.14	3,825.45
(e) Other Current Assets	2.17	177.76	187.96
TOTAL		35,643.76	33,453.18

Significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For, O. P. Bhandari & Co.

Chartered Accountants

Firm Regn. No. 112633W

[O. P. BHANDARI]

Proprietor

Mem. No. 34409

Place : Ahmedabad

Date : 30th May, 2013

For and on behalf of the Board of Directors

Mr. Narendra G. Somani Chairman & Managing Director

Mr. Devanand G. Somani Wholetime Director

Mr. Hemant G. Somani Wholetime Director

Mr. Vishal Palkhiwala Chief Finance Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ In Lacs)			
Particulars	Note	For the Year ended 31.03.2013	For the Year ended 31.03.2012
I Revenue from Operations	2.18	16,401.10	15,254.75
II Other Income	2.19	275.10	154.48
III Total Revenue (I + II)		16,676.20	15,409.23
IV Expenses:			
Cost of Materials Consumed	2.20	3,854.47	3,877.45
Employee Benefits Expense	2.21	2,027.44	2,014.31
Finance Costs	2.22	2,095.64	1,547.70
Depreciation and Amortization Expense	2.09	1,292.77	1,278.21
Other Expenses	2.23	6,647.12	6,153.35
Total Expenses		15,917.44	14,871.02
V Profit Before Tax (III-IV)		758.76	538.21
VI Tax Expense:			
(1) Current Tax		147.00	77.06
(2) Deferred Tax		315.55	428.98
VII Profit (Loss) for The Period (V-VI)		296.21	32.17
VIII Earnings Per Equity Share:			
(1) Basic		1.01	0.11
(2) Diluted		1.01	0.11

Significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For, O. P. Bhandari & Co.

Chartered Accountants

Firm Regn. No. 112633W

[O. P. BHANDARI]

Proprietor

Mem. No. 34409

Place : Ahmedabad

Date : 30th May, 2013**For and on behalf of the Board of Directors****Mr. Narendra G. Somani** *Chairman & Managing Director***Mr. Devanand G. Somani** *Wholetime Director***Mr. Hemant G. Somani** *Wholetime Director***Mr. Vishal Palkhiwala** *Chief Finance Officer*

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

(₹ In Lacs)

Particulars	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Cashflow from operating activities		
Profit before tax from continuing operations	758.76	538.21
Add/Less : Adjustments		
Depreciation and amortization expense	1,292.77	1,278.21
Deficit/ (Surplus) on sale of fixed assets	-	0.39
Deficit/ (Surplus) on sale of investments	-	15.48
Provision for Gratuity	29.43	20.37
Provision for Leave Benefits	8.10	22.20
Excess Provision written back	-	(19.27)
Finance Cost	2,095.64	1,519.96
Interest income	(190.44)	(147.05)
Dividend income	-	(1.05)
Miscellaneous Expenditure Written Off	177.76	66.67
Operating profit before working capital changes	4172.02	3294.12
Movements in working capital :		
Increase/ (decrease) in trade payables	618.73	307.13
Increase/ (decrease) in other current liabilities	816.99	546.64
Decrease / (increase) in current trade receivables	(485.91)	(271.08)
Decrease / (increase) in inventories	(348.21)	(421.83)
Decrease / (increase) in long-term loans and advances	(28.04)	(14.86)
Decrease / (increase) in short-term loans and advances	(856.68)	(839.30)
Cash generated from /(used in) operations	3888.90	2600.81
Direct taxes paid (net of refunds)	(200.32)	(107.64)
Net cash flow from/ (used in) operating activities (A)	3688.58	2493.17
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(1,422.81)	(1,396.47)
Proceeds from sale of fixed assets	2.76	91.82
Loss on sale of fixed assets	-	(0.39)
Proceeds from sale of non-current investments	-	39.96
Loss on Sale of non-current investments	-	(15.48)
Increase in other non-current assets	-	(606.42)
Interest received	190.44	147.05
Dividends received	-	1.05
Net cash flow from/ (used in) investing activities (B)	(1229.61)	(1738.88)
Cash flows from financing activities		
Proceeds from long-term borrowings (Net)	669.88	1,654.02
Proceeds from short-term borrowings (Net)	-	30.23
Repayment of short-term borrowings	(511.14)	-
Financial Expenses	(2,095.64)	(1,519.96)
Dividend paid on equity shares	-	(292.86)
Tax on equity dividend paid	-	(47.52)
Net cash flow from/ (used in) in financing activities (C)	(1936.90)	(176.09)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	522.07	578.21
Cash and cash equivalents at the beginning of the year	998.95	420.75
Cash and cash equivalents at the end of the year (Note 17)	1521.02	998.95

As per our Report of even date

For, O. P. Bhandari & Co.

Chartered Accountants

Firm Regn. No. 112633W

[O. P. BHANDARI]

Proprietor

Mem. No. 34409

Place : Ahmedabad

Date : 30th May, 2013

For and on behalf of the Board of Directors

Mr. Narendra G. Somani Chairman & Managing Director

Mr. Devanand G. Somani Wholetime Director

Mr. Hemant G. Somani Wholetime Director

Mr. Vishal Palkhiwala Chief Finance Officer

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013.

1. Significant Accounting Policies

i. Basis of preparation of Financial Statements:

The financial statements are prepared and presented under the historical cost convention on an accrual basis of accounting in accordance with generally accepted accounting principles in India and are to comply with the applicable accounting standards notified under Section 211 (3C) of the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied unless otherwise stated.

ii. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of incomes and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known or materialise.

iii. Fixed Assets:

- Fixed Assets are stated at cost of construction or acquisition less accumulated depreciation.
- All other expenses including taxes, duties, freight incurred to bring the fixed assets to working condition is also treated as the cost of the fixed assets. However, cenvat availed in respect of the fixed assets is deducted from the cost of the fixed asset.
- Depreciation on Fixed Assets is provided on straight line method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956.
- Goodwill is being amortized over the period of five years on straight line basis.

iv. Investments:

- Current investments are carried at lower of cost and market value.
- Long term investments are stated at cost. Provisions for diminution in value of long term investments are made, if the diminution is other than temporary.

v. Impairment of Assets:

As at each Balance Sheet date, the carrying amount of fixed assets is tested for impairment so as to determine:

- The provision for impairment loss, if any, required or
- The renewal, if any, required of impairment loss recognized in previous periods. Impairment of loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

vi. Valuation of Inventories:

- Inventory comprises stock of food and beverages and stores and spares and is carried at lower of cost and net realizable value. Cost includes all expenses incurred in bringing the goods to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and to make the sale.
- Inventory of Cutlery, crockery, linen & uniform are amortised over the period of twenty four months.

vii. Deferred Revenue Expenditure:

- Deferred Revenue Expenditure related to windmill has been amortized over a period of twenty years.
- Deferred Revenue Expenditure other than above (i) is amortized over a period of five years.

viii. Revenue Recognition:

- Income from Rooms, Banquets, and Restaurant and Other Services represents invoice value of goods sold and services rendered exclusive of all applicable taxes.
- Revenue from windmill energy generation is accounted for on the basis of units generated against consumption at the Hotel, taking into consideration the energy charges and fuel charges charged by Torrent Power Ltd according to PPA agreement with them.

ix. Foreign Currency Transactions:

Transactions in Foreign Currencies are recorded at the exchange rate prevailing on the date of transaction.

x. Borrowing Cost:

- Borrowing cost is recognized as expense in the period in which these are incurred.
- Interest and other borrowing cost on specific borrowings, attributable to qualifying assets are capitalized.
- Foreign Exchange difference arising on repayment of foreign exchange term loan has been adjusted to interest cost.

xi. Provision for Taxation and Deferred Tax:

- Provision for Income tax for the current year is based on the estimated taxable income for the period in accordance with the provisions of the Income Tax Act, 1961.
- Deferred Tax resulting from "timing difference" between book and taxable profit is accounted for using tax rates & tax laws that have been enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized only to the extent that there is a reasonable certainty that the future taxable profit will be available against which the deferred tax assets can be realized.

xii. Employee Benefits:

- Gratuity liability is a defined benefit obligation and is recorded based on actuarial valuation on projected unit credit method made at the end of the financial year. The gratuity liability and the net periodic gratuity cost is actuarially determined after considering discount rates, expected long term return on plan assets and increase in compensation levels.
- Company's contribution to Provident Fund and Employees State Insurance is charged to the statement of profit and loss for the year. The company has no other obligation other than contribution payable.
- Provision for leave salary has been made as determined by the management.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013.**2.1 Share Capital**

Particulars	Current Year		Previous Year	
	Number	₹ in Lacs	Number	₹ in Lacs
Authorised				
Equity Shares of ₹ 10 each	50,000,000	5,000.00	50,000,000	5,000.00
Issued, Subscribed & Paid up				
Equity Shares of ₹10 each	29,286,400	2,928.64	29,286,400	2,928.64
Total	29,286,400	2,928.64	29,286,400	2,928.64

2.1.1 Reconciliation of Shares

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number	₹ in Lacs	Number	₹ in Lacs
Shares Outstanding at the Beginning of the Year	29,286,400	2,928.64	29,286,400	2,928.64
Addition/(Deletion) During the Year	-	-	-	-
Shares Outstanding at the End of the Year	29,286,400	2,928.64	29,286,400	2,928.64

2.1.2 Details of Shareholders Holding More Than 5% Shares

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Narendra G. Somani	7,897,130	26.97	8,206,289	28.02
Rajshah Enterprise Pvt.Ltd.	2,506,647	8.56	2,256,647	7.71
Real Marketing Pvt. Ltd	1,680,031	5.74	1,809,031	6.18

The company has only one class of shares referred to as equity shares having a face value of ₹ 10/-, Each holder of equity shares is entitled to one vote per share.

2.2 Reserves & Surplus

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
A. Securities Premium Account		
Opening Balance	7,278.63	7,278.63
Add/(Less) During The Year	-	-
Closing Balance	7,278.63	7,278.63
B. General Reserve		
Opening Balance	620.22	620.22
Add/(Less) During The Year	-	-
Closing Balance	620.22	620.22
C. Surplus		
Opening Balance	3,496.43	3,464.26
Add: Net Profit/(Net Loss) For the current year	296.21	32.17
Closing Balance	3,792.64	3,496.43
Total	11,691.49	11,395.28

2.3 Long Term Borrowing

Particulars	Current Year		Previous Year	
	Non Current Maturities ₹ in Lacs	Current Maturities ₹ in Lacs	Non Current Maturities ₹ in Lacs	Current Maturities ₹ in Lacs
Secured Loan				
A) Term Loan				
Indian Rupee Loan from Banks				
- State Bank of India	450.47	738.48	960.70	1,191.54
- ICICI Bank	3,994.27	250.00	4,687.50	312.50
Indian Rupee Loan from Financial Institution	2,839.02	150.00	-	-
Foreign Currency Loan from Banks				
- State Bank of India	2,266.23	623.47	3,692.47	284.91
	9,550.00	1,761.95	9,340.67	1,788.95
B) Other Loan				
Vehicle Loans	20.86	37.72	40.72	52.06
	20.86	37.72	40.72	52.06
Unsecured Loan				
Other Loan	200.00	521.74	200.00	-
	200.00	521.74	200.00	-
Total	9,770.86	2,321.41	9,581.39	1,841.01
Amount disclosed under the head "Other Current Liabilities- Current Maturities of Long Term Liabilities" (Note. No. 2.7)	-	(2,321.41)	-	(1,841.01)
Total	9,770.86	-	9,581.39	-

2.3.1. Security Particulars of Secured Loans

- **Term Loan & Working Capital Loan from SBI**
 - i) First pari passu charge over present and future movable and immovable fixed assets at Ahmedabad and Surat properties of the company.
 - ii) In addition to the above, the subsidiary company, Lov Kush Properties Pvt. Ltd., has given the corporate guarantee to the limits availed by the company.
 - iii) The term loans are further guaranteed by the personal guarantee of all executive directors.
- **Term Loan & Working Capital Loan from ICICI**
 - i) Pari passu charge over present and future movable and immovable fixed assets at Ahmedabad and Surat properties of the company.
 - ii) The term loans are further guaranteed by the personal guarantee of all executive directors.
- **Term Loan & Working Capital Loan from Religare Finvest Ltd.**
 - i) Pari passu charge over present and future movable and immovable fixed assets at Ahmedabad and Surat properties of the company.
- **Secured Loans from others**
 - i) Vehicle loans represents loans from Kotak Mahindra Prime Ltd., Kotak Mahindra Bank Ltd., Axis Bank Ltd., Dhanlaxmi Bank Ltd. and State Bank of India, secured by the hypothecation of assets purchased.

2.4 Deferred Tax Liability

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Deferred Tax Liability on account of Accumulated Depreciation	1,426.97	1,111.43
Total	1,426.97	1,111.43

2.5 Short Term Borrowing

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Working Capital Loan		
- State Bank of India (Secured)	-	422.49
- Indian Overseas Bank (Secured)	-	347.38
- ICICI Bank (Secured)	1,010.09	751.36
Total	1,010.09	1,521.23

2.5.1 Cash Credit from Indian Overseas Bank is secured by stock and receivable of the company and same is further secured by the personal guarantee of all executive directors. Also it is secured by a corporate guarantee of sister concern TGB Foods Pvt. Ltd. The cash credit is repayable on demand.

2.5.2 For working capital loan from SBI please refer note. (2.3.1)

2.6 Trade Payable

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Small & Medium Enterprise	-	-
Others	1,654.59	1,035.86
Total	1,654.59	1,035.86

2.7 Other Current Liabilities

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
(a) Current Maturities of Long-term Debt	2,283.69	1,788.95
(b) Current Maturities of Vehicle Loan	37.72	52.06
(c) Interest Accrued But Not Due on Borrowings	127.77	151.55
(d) Advances from Customers	1,062.29	990.12
(e) Unpaid Dividends	1.06	1.06
(f) Creditors for Capital Expenditure	492.71	552.13
(g) Other Payables *	2,520.22	1,683.93
Total	6,525.46	5,219.80

* other payables include statutory dues and temporary bank overdraft.

2.8 Short Term Provisions

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
(a) Provision for Taxation	570.31	623.63
(b) Provision for Gratuity	65.35	35.92
Total	635.66	659.55

2.9 Fixed Assets

(₹ in Lacs)

SR No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01/04/2012	Addition during the Period	Deletion during the Period	Total as on 31/03/2013	Provided Up To 31/3/2012	Adjustment	For the year	Total as on 31/03/2013	As on 31/03/2013	As on 31/03/2012
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
TANGIBLE ASSETS											
1	Land & Land Development	680.33	-	-	680.33	-	-	-	-	680.33	680.33
2	Building	11,626.63	215.02	-	11,841.65	745.68	-	390.52	1,136.21	10,705.44	10,880.94
3	Electrification	1,975.98	29.90	-	2,005.88	175.54	-	94.56	270.10	1,735.78	1,800.44
4	Furniture & Fixtures	6,641.65	1,026.64	1.46	7,666.83	808.99	0.13	452.38	1,261.24	6,405.60	5,832.66
5	Plant & Machinery	3,514.80	104.47	1.30	3,617.97	425.70	0.01	168.81	594.50	3,023.46	3,089.09
6	Other Equipment	551.89	34.98	-	586.87	50.31	-	26.91	77.22	509.65	501.57
7	Computers & Software	120.23	8.46	-	128.70	53.75	-	19.90	73.65	55.05	66.49
8	Vehicles	365.04	24.58	-	389.62	89.02	-	35.63	124.65	264.97	276.02
9	Television	86.12	-	-	86.12	8.47	-	4.09	12.56	73.56	77.65
11	Pollution Cont. Plant	6.33	-	-	6.33	1.51	-	0.30	1.80	4.52	4.82
12	Wind Mill	619.21	-	-	619.21	114.43	-	32.69	147.12	472.08	504.78
TOTAL		26,188.21	1,444.04	2.76	27,629.49	2,473.41	0.14	1,225.79	3,699.06	23,930.43	23,714.80
1	Goodwill	669.75	-	-	669.75	602.78	-	66.98	669.75	-	66.98
CURRENT YEAR		26,857.96	1,444.04	2.76	28,299.24	3,076.19	0.14	1,292.77	4,368.81	23,930.43	23,781.78
PREVIOUS YEAR		25,574.54	1,375.24	91.82	26,857.95	1,811.82	13.84	1,278.21	3,076.19	23,781.78	23,762.72

2.10 Non-Current Investment

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Non Trade Investment(Unquoted)		
Investment in Subsidiary in Fully Paid Equity Instrument		
31800 (P.Y.31800) Equity Shares of ₹ 10/- Each in Lov Kush Properties Pvt. Ltd.	500.00	500.00
Investment in Others in Fully Paid Equity Instrument		
100 (P.Y.100) Fully Paid Equity Shares of Sheetal Ispat Pvt. Ltd.	0.01	0.01
Total	500.01	500.01
Aggregate amount of unquoted investments	500.01	500.01
Total	500.01	500.01

2.11 Long Term Loans & Advances

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Deposits	548.04	520.00
Total	548.04	520.00

2.12 Other Non Current Assets

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Deferred Revenue Expenditure	429.04	596.60
Total	429.04	596.60

2.13 Inventories

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Raw Material	1,049.08	1,019.65
Other Material		
Cutlery and Crockery	692.49	564.28
Linen	297.72	229.56
Uniforms	213.09	172.84
Utensils	224.42	142.26
Total	2,476.80	2,128.59

2.14 Trade Receivables

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Unsecured, considered good		
(a) Debtors Outstanding for a Period Exceeding Six Months	574.07	413.64
(b) Other Debtors	804.45	478.97
Total	1,378.52	892.61

2.15 Cash & Bank Balances

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Cash and Bank Balance	1,521.02	998.95
Total	1,521.02	998.95
Balance with Banks Include		
(i) Bank Guarantee Margin Money With Maturities of More Than 12 month	130.71	141.86
(ii) Bank Deposits With Maturities of More Than 12 Months	112.25	-
(iii) Unpaid Dividend	1.06	1.06
Total	244.02	142.92

2.16 Short Term Loans & Advances

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Unsecured and considered good		
Loans & Advances		
- Related Party	879.30	385.94
- Others	1,662.49	1,662.60
Others *	2,140.35	1,776.91
Total	4,682.14	3,825.45

* Includes Advance to Sundry Creditors, Advance to Staff, Prepaid Expenses, Advance Tax & Tax Credit Receivable

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Private Company in which director is a member (Ref. Note No. 2.24.F)	879.30	385.94
Total	879.30	385.94

2.17 Other Current Assets

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Deferred Revenue Expenditure	177.76	187.96
Total	177.76	187.96

2.18 Revenue from Operation

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Sale of services	15,750.77	14,937.93
Other operating revenues	650.33	316.82
Total	16,401.10	15,254.75

Particulars of Sale of Services

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Sales & Services		
Rooms Revenue	1,814.72	1,902.74
Food & Beverage	5,686.08	5,081.73
Banquets & Catering Services	8,249.97	7,953.45
Total	15,750.77	14,937.93

Particulars of Other Operating Revenue

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Club income	344.04	162.06
Scrap sales	12.58	9.04
Windmill Energy Income	65.60	69.58
Other Operating Income	228.11	76.14
Total	650.33	316.82

2.19 Other Income

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Interest Received	190.44	147.05
Dividend Income	-	1.05
Other Income	84.66	6.38
Total	275.10	154.48

2.20 Food & Beverages Consumed

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Opening Stock	1,019.65	897.66
Add: Purchase (Net of Goods Returned)	3,883.90	3,999.44
Less: Closing Stock	1,049.08	1,019.65
Total	3,854.47	3,877.45

2.21 Employees' Emoluments

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Salary Wages & Allowances	1,741.71	1,721.20
Directors Remuneration	114.00	114.00
Contribution to PF, ESI and other fund	90.82	90.69
Leave salary	10.79	23.59
Gratuity	29.43	20.37
Welfare Expenses	40.69	44.46
Total	2,027.44	2,014.31

2.22 Finance Cost

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Interest Expenses	2,016.08	1,519.96
Other Borrowing Cost	79.56	27.74
Total	2,095.64	1,547.70

2.23 Other Expenses

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
A. Administrative and Selling Expenses:		
Advertisement and Publicity Charges	251.32	211.20
Assets Discarded	151.98	104.57
Auditor Remuneration	2.50	2.32
Bank Charges	8.12	8.01
Decoration Expenses	668.90	511.69
House Keeping Expenses	166.98	199.43
Insurance Expenses	21.76	22.59
Rates and Taxes	780.83	732.62
Rent	1,118.77	1,141.95
Sitting Fees	1.60	1.15
Miscellaneous Expenses	178.79	151.92
Loss on Sale of Investment	-	15.48
Loss on Sale of Assets	-	0.39
Other Expenses	967.61	734.28
Sub Total (A)	4,319.16	3,837.60
B. Upkeep and Services Cost Expenses:		
Cleaning and Laundry Expenses	246.62	247.29
Waiter Charges	633.49	602.43
Power and Fuel	922.57	1,041.22
Hire Charges	152.22	181.41
Repairs and Maintenance	-	-
- Building	67.58	37.20
- Plant and Machinery	121.05	89.51
- Others	184.43	116.69
Sub Total (B)	2,327.96	2,315.75
Grand Total (A+B)	6,647.12	6,153.35

2.24 Additional Information to Financial Statement

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
A) Contingent Liabilities :		
(i) Bank Guarantee Issued to Custom Department for Import Purpose	520.12	520.12
(ii) Demand of Income Tax Raised by the authorities disputed and not acknowledged as due	110.32	27.90
Total	630.44	548.02
B) Auditors Remuneration :		
a. Audit Fees	2.15	1.75
b. Tax Audit	0.25	0.25
c. Certification Matters	0.10	0.10
d. Service Tax	0.31	0.22
Total	2.81	2.32
C) Details of Foreign Currency Transactions :		
a. C.I.F. Value of Import	-	-
b. Earning in Foreign Exchange	94.58	131.60
Total	94.58	131.60
D) Earning Per Share :		
a. Net Profit after tax as per Statement of Profit & Loss attributable To Equity Shareholders	296.21	32.17
b. Weighted Average No. of Equity Shares	29,286,400	29,286,400
c. Face Value Per Equity Share (₹)	10	10
d. Basic & Diluted Earning Per Share	1.01	0.11

E) Employee Benefits :

Consequent upon adoption of Accounting Standard 15 (revised 2005) on "Employee Benefits" issued by the institute of chartered Accountants of India, as required by the standards, the following disclosures are made:

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
1. Expenses recognized in the statement of Profit and Loss account for the year ended 31.03.2013		
Current Service Cost	18.88	15.36
Interest Cost	5.47	3.86
Expected return on plan assets	(2.97)	(2.88)
Net Actuarial (gain) / Loss recognised in the year	8.05	4.04
Expenses recognised in statement of profit and Loss	29.43	20.37
2. The Amounts to be recognised in the balance sheet and statements of Profit and Loss Account		
Present Value of obligations as at the end of year	96.97	68.37
Fair value of plan assets as at the end of the year	31.62	32.45
Funded status : Surplus / (Deficit)	(65.35)	(35.92)
Net Asset / (Liability) recognised in balance sheet	65.35	35.92

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
3. Changes in present value of obligation		
Present value of obligations as at beginning of year	68.37	48.20
Interest cost	5.47	3.86
Current service cost	18.88	15.36
Benefits paid	(3.27)	(3.07)
Actuarial (gain) / Loss on obligations	7.52	4.04
Present value of obligations as at 31.03.2013	96.97	68.37
4. Actuarial Table showing changes in the fair value of Plan Assets		
Fair Value of plan assets at beginning of year	32.45	32.26
Expected return on plan assets	2.97	2.88
Contributions	-	0.38
Benefits Paid	(3.27)	(3.07)
Actuarial gain / (Loss) on Plan assets	(0.53)	Nil
Fair Value of plan assets at the end of year	31.62	32.45
5. Assumptions used to determine the benefit obligations:		
Discounting Rate	8.00%	8.00%
Expected rate of increase in salary	7.00%	7.00%
Expected rate of return on Plan Assets	9.15%	9-9.55%
Indian Assured Lives Mortality (2006-08)		

F) Related Party Transactions :**a) Related Parties and their Relationship:**

Name of Related Party	Relationship
New Ramesh Kirana Stores	Entities over which Key Management Personnel are able to exercise significant influence
TGB Foods Pvt. Ltd	Entities over which Key Management Personnel are able to exercise significant influence
TGB Bakers & Confectioners Pvt. Ltd.	Entities over which Key Management Personnel are able to exercise significant influence
Devanand G. Somani HUF	Entities over which Key Management Personnel are able to exercise significant influence
Narendra G. Somani	Key Management Personnel
Devanand G. Somani	Key Management Personnel
Hemant G. Somani	Key Management Personnel
Ramesh K. Motiani	Key Management Personnel
Harshita D. Somani	Relative of Key Mgt. Personnel
Sunita N. Somani	Relative of Key Mgt. Personnel
Neeta Somani	Relative of Key Mgt. Personnel
Bhagwati Sales Corporations	Relative of Key Mgt. Personnel

(b) Transaction with Related Parties: (₹ in Lacs)

Nature of transaction	Current Year				Previous Year			
	Entity Under Significant Influence	Key Management Personnel	Relative of Key Mgt. Personnel	Total	Entity Under Significant Influence	Key Management Personnel	Relative of Key Mgt. Personnel	Total
F & B Purchase	263.53	-	166.11	429.64	219.58	-	196.68	416.26
Rent	2.40	16.80	155.12	174.32	2.40	14.40	150.32	167.12
Director's Remuneration	-	114.00	-	114.00	-	114.00	-	114.00
Commercial Transaction	879.30	-	-	879.30	385.94	-	-	385.94

(c) Statement of Material Transactions:

Name of Company	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Purchase of Goods		
TGB Foods Pvt. Ltd	-	205.35
Bhagwati Sales Corporation	166.11	196.68
TGB Bakers & Confectioners Pvt. Ltd.	263.28	-
Advance Given For Purchase (Net)		
TGB Bakers & Confectioners Pvt. Ltd.	366.00	-
TGB Foods Pvt. Ltd	513.30	385.94
Rent		
Harshita D. Somani	37.91	33.11
Sunita N. Somani	84.11	84.11
Neeta H. Somani	33.11	33.11
Devanand G. Somani	16.80	14.40
Director's Remuneration		
Narendra G. Somani	60.00	60.00
Devanand G. Somani	24.00	24.00
Hemant G. Somani	24.00	24.00
Ramesh K. Motiani	6.00	6.00

G) Segment Reporting :

Since the company has only one segment, there is no separate reportable segment as required in AS-17 issued by the ICAI.

H) Movement of Provision Tax

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Opening Provision	623.63	654.21
Provision made during the year (net off excess provision written back & provision for earlier year)	147.00	77.06
Adjustment during the year with advance tax	(200.32)	(107.64)
Closing Provision	570.31	623.63

- I) Since the business of the company is by way of Food and Beverages, the quantity wise details of purchase, consumption, turnover, stock etc. are not furnished as the items are so large in number that it is not practicable to present.
- J) The company had not received any intimation from suppliers regarding their status under the Micro, Small & Medium Enterprise Act, 2006, and hence disclosures, if any, relating to amounts unpaid as the year end together with interest paid of payable as required under said Act, have not been given.
- K) In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realized, in the ordinary course of business. Provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- L) Figures have been rounded off to the nearest thousands.

As per our Report of even date

For, O. P. Bhandari & Co.

Chartered Accountants

Firm Regn. No. 112633W

[O. P. BHANDARI]

Proprietor

Mem. No. 34409

Place : Ahmedabad

Date : 30th May, 2013

For and on behalf of the Board of Directors

Mr. Narendra G. Somani *Chairman & Managing Director*

Mr. Devanand G. Somani *Wholetime Director*

Mr. Hemant G. Somani *Wholetime Director*

Mr. Vishal Palkhiwala *Chief Finance Officer*

INDEPENDENT AUDITORS' REPORT

**To the Board of Directors,
TGB BANQUETS AND HOTELS LIMITED**
(Formerly Known as Bhagwati Banquets And Hotels Limited)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of TGB Banquets and Hotels Limited (the "Company") and its subsidiary Lov Kush Properties Pvt. Ltd., which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the company's preparation and fair presentation of the consolidated financial statements 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 Management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying consolidated 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) in the case of the consolidated Balance Sheet, of the state of affairs of the company as at March 31, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **O. P. Bhandari & Co.**
Chartered Accountants
Firm Regn. No. 112633W

[O. P. Bhandari]
Proprietor
Membership No. 34409

Place : Ahmedabad.
Date : 30th May, 2013

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in Lacs)

Particulars	Note	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2.1	2,928.64	2,928.64
(b) Reserves and Surplus	2.2	11,194.67	10,898.46
2 Non-Current Liabilities			
(a) Long-Term Borrowings	2.3	9,781.17	9,591.69
(b) Deferred Tax Liabilities (Net)	2.4	1,426.97	1,111.43
3 Current Liabilities			
(a) Short-Term Borrowings	2.5	1,010.09	1,521.23
(b) Trade Payables	2.6	1,654.59	1,035.86
(c) Other Current Liabilities	2.7	6,525.96	5,220.25
(d) Short-Term Provisions	2.8	635.66	659.55
TOTAL		35,157.75	32,967.11
II. ASSETS			
Non-Current Assets			
1 (a) Fixed Assets	2.9		
(i) Tangible Assets		23,943.15	23,727.52
(ii) Intangible Assets		-	66.98
(iii) Capital Work-in-Progress		-	21.23
(b) Non-Current Investments	2.10	0.01	0.01
(c) Long-Term Loans and Advances	2.11	548.04	520.00
(d) Other Non-Current Assets	2.12	430.25	597.72
2 Current Assets			
(a) Inventories	2.13	2,476.80	2,128.59
(b) Trade Receivables	2.14	1,378.52	892.61
(c) Cash and Bank Balances	2.15	1,521.08	999.04
(d) Short-Term Loans and Advances	2.16	4,682.14	3,825.45
(e) Other Current Assets	2.17	177.76	187.96
TOTAL		35,157.75	32,967.11

Significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For, O. P. Bhandari & Co.

Chartered Accountants

Firm Regn. No. 112633W

[O. P. BHANDARI]

Proprietor

Mem. No. 34409

Place : Ahmedabad

Date : 30th May, 2013**For and on behalf of the Board of Directors****Mr. Narendra G. Somani** *Chairman & Managing Director***Mr. Devanand G. Somani** *Wholetime Director***Mr. Hemant G. Somani** *Wholetime Director***Mr. Vishal Palkhiwala** *Chief Finance Officer*

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

Particulars	Note	Year ended 31.03.2013	Year ended 31.03.2012
I Revenue from Operations	2.18	16,401.10	15,254.75
II Other Income	2.19	275.10	154.48
III Total Revenue (I + II)		16,676.20	15,409.23
IV Expenses:			
Cost of Materials Consumed	2.20	3,854.47	3,877.45
Employee Benefits Expense	2.21	2,027.44	2,014.31
Finance Costs	2.22	2,095.64	1,547.70
Depreciation and Amortization Expense	2.09	1,292.77	1,278.21
Other Expenses	2.23	6,647.12	6,153.35
Total Expenses		15,917.44	14,871.02
V Profit Before Tax (III-IV)		758.76	538.21
VI Tax Expense:			
(1) Current Tax		147.00	77.06
(2) Deferred Tax		315.55	428.98
VII Profit (Loss) for The Period (V-VI)		296.21	32.17
VIII Earnings Per Equity Share:			
(1) Basic		1.01	0.11
(2) Diluted		1.01	0.11

Significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For, O. P. Bhandari & Co.

Chartered Accountants

Firm Regn. No. 112633W

[O. P. BHANDARI]

Proprietor

Mem. No. 34409

Place : Ahmedabad

Date : 30th May, 2013**For and on behalf of the Board of Directors****Mr. Narendra G. Somani** *Chairman & Managing Director***Mr. Devanand G. Somani** *Wholetime Director***Mr. Hemant G. Somani** *Wholetime Director***Mr. Vishal Palkhiwala** *Chief Finance Officer*

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

(₹ in Lacs)

Particulars	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Cashflow from operating activities		
Profit before tax from continuing operations	758.76	538.21
Add/Less : Adjustments		
Depreciation and amortization expense	1,292.77	1,278.21
Deficit/ (Surplus) on sale of fixed assets	-	0.39
Deficit/ (Surplus) on sale of investments	-	15.48
Provision for Gratuity	29.43	20.37
Provision for Leave Benefits	8.10	22.20
Excess Provision written back	-	(19.27)
Finance Cost	2,095.64	1,519.96
Interest income	(190.44)	(147.05)
Dividend income	-	(1.05)
Miscellaneous Expenditure Written Off	177.76	66.67
Operating profit before working capital changes	4,172.02	3,294.12
Movements in working capital :		
Increase/ (decrease) in trade payables	618.73	307.13
Increase/ (decrease) in other current liabilities	817.05	546.69
Decrease / (increase) in current trade receivables	(485.91)	(271.08)
Decrease / (increase) in inventories	(348.21)	(421.83)
Decrease / (increase) in long-term loans and advances	(28.04)	(14.86)
Decrease / (increase) in short-term loans and advances	(856.68)	(839.30)
Cash generated from / (used in) operations	3,888.96	2,600.87
Direct taxes paid (net of refunds)	(200.32)	(107.64)
Net cash flow from/ (used in) operating activities (A)	3,688.64	2,493.23
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(1,422.81)	(1,396.47)
Proceeds from sale of fixed assets	2.76	91.82
Loss on sale of fixed assets	-	(0.39)
Proceeds from sale of non-current investments	-	39.96
Loss on Sale of non-current investments	-	(15.48)
Increase in other non-current assets	(0.09)	(606.49)
Interest received	190.44	147.05
Dividends received	-	1.05
Net cash flow from/ (used in) investing activities (B)	(1,229.70)	(1,738.95)
Cash flows from financing activities		
Proceeds from long-term borrowings (Net)	669.88	1,654.07
Proceeds from short-term borrowings (Net)	-	30.23
Repayment of short-term borrowings	(511.14)	-
Financial Expenses	(2,095.64)	(1,519.96)
Dividend paid on equity shares	-	(292.86)
Tax on equity dividend paid	-	(47.52)
Net cash flow from/ (used in) in financing activities (C)	(1,936.90)	(176.04)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	522.04	578.24
Cash and cash equivalents at the beginning of the year	999.04	420.80
Cash and cash equivalents at the end of the year (Note 17)	1,521.08	999.04

As per our Report of even date

For, O. P. Bhandari & Co.

Chartered Accountants

Firm Regn. No. 112633W

[O. P. BHANDARI]

Proprietor

Mem. No. 34409

Place : Ahmedabad

Date : 30th May, 2013

For and on behalf of the Board of Directors

Mr. Narendra G. Somani *Chairman & Managing Director*Mr. Devanand G. Somani *Wholetime Director*Mr. Hemant G. Somani *Wholetime Director*Mr. Vishal Palkhiwala *Chief Finance Officer*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013.

1. Significant Accounting Policies

i. Basis of preparation of Financial Statements:

The financial statements are prepared and presented under the historical cost convention on an accrual basis of accounting in accordance with generally accepted accounting principles in India and are to comply with the applicable accounting standards notified under Section 211 (3C) of the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied unless otherwise stated.

ii. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of incomes and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known or materialise.

iii. Principles of Consolidation:

- a) The financial statements of the company and its subsidiary company is combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra group transactions in accordance with Accounting standard(AS) 21 - "Consolidated Financial Statements".
- b) The difference between the costs of investment in the subsidiary, over the net assets at the time of acquisition of shares in the subsidiary is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- c) Company holds certain rights in immovable property by virtue of equity shares held in an associate enterprise as stated in note no.2.9. Since the equity shares so held do not really present financial investment simplicities but rather the means to acquire and hold the properties for use in company's operations, the cost of acquisition of the shares is treated as cost of fixed assets and is dealt with in accordance with Accounting Standard -10. Accordingly the requirements of Accounting Standard-13 on Accounting for Investments Standard -23 on Accounting for Investments in Associates in consolidated financial statements are considered to be not applicable. Even otherwise, the actual effect on consolidated financial statement will not be contextually significant.

iv. Fixed Assets:

- a) Fixed Assets are stated at cost of construction or acquisition less accumulated depreciation.
- b) All other expenses including taxes, duties, freight incurred to bring the fixed assets to working condition is also treated as the cost of the fixed assets. However, cenvat availed in respect of the fixed assets is deducted from the cost of the fixed asset.
- c) Depreciation on Fixed Assets is provided on straight line method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956.
- d) Goodwill is being amortized over the period of five years on straight line basis.

v. Investments:

- a) Current investments are carried at lower of cost and market value.
- b) Long term investments are stated at cost. Provisions for diminution in value of long term investments are made, if the diminution is other than temporary.

vi. Impairment of Assets:

As at each Balance Sheet date, the carrying amount of fixed assets is tested for impairment so as to determine:

- a) The provision for impairment loss, if any, required or

- b) The renewal, if any, required of impairment loss recognized in previous periods. Impairment of loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

vii. Valuation of Inventories:

- a) Inventory comprises stock of food and beverages and stores and spares and is carried at lower of cost and net realizable value. Cost includes all expenses incurred in bringing the goods to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and to make the sale.
- b) Inventory of Cutlery, crockery, linen & uniform are amortised over the period of twenty four months.

viii. Deferred Revenue Expenditure:

- a) Deferred Revenue Expenditure related to windmill has been amortized over a period of twenty years.
- b) Deferred Revenue Expenditure other than above (i) is amortized over a period of five years.

ix. Revenue Recognition:

- a) Income from Rooms, Banquets, and Restaurant and Other Services represents invoice value of goods sold and services rendered exclusive of all applicable taxes.
- b) Revenue from windmill energy generation is accounted for on the basis of units generated against consumption at the Hotel, taking into consideration the energy charges and fuel charges charged by Torrent Power Ltd according to PPA agreement with them.

x. Foreign Currency Transactions:

Transactions in Foreign Currencies are recorded at the exchange rate prevailing on the date of transaction.

xi. Borrowing Cost:

- a) Borrowing cost is recognized as expense in the period in which these are incurred.
- b) Interest and other borrowing cost on specific borrowings, attributable to qualifying assets are capitalized.
- c) Foreign Exchange difference arising on repayment of foreign exchange term loan has been adjusted to interest cost.

xii. Provision for Taxation and Deferred Tax:

- a) Provision for Income tax for the current year is based on the estimated taxable income for the period in accordance with the provisions of the Income Tax Act, 1961.
- b) Deferred Tax resulting from "timing difference" between book and taxable profit is accounted for using tax rates & tax laws that have been enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized only to the extent that there is a reasonable certainty that the future taxable profit will be available against which the deferred tax assets can be realized.

xiii. Employee Benefits:

- a) Gratuity liability is a defined benefit obligation and is recorded based on actuarial valuation on projected unit credit method made at the end of the financial year. The gratuity liability and the net periodic gratuity cost is actuarially determined after considering discount rates, expected long term return on plan assets and increase in compensation levels.
- b) Company's contribution to Provident Fund and Employees State Insurance is charged to the statement of profit and loss for the year. The company has no other obligation other than contribution payable.
- c) Provision for leave salary has been made as determined by the management.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013.**2.1 Share Capital**

Particulars	Current Year		Previous Year	
	Number	₹ in Lacs	Number	₹ in Lacs
Authorised				
Equity Shares of ₹ 10 each	50,000,000	5,000.00	50,000,000	5,000.00
Issued, Subscribed & Paid up				
Equity Shares of ₹10 each	29,286,400	2,928.64	29,286,400	2,928.64
Total	29,286,400	2,928.64	29,286,400	2,928.64

2.1.1 Reconciliation of Shares

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number	₹ in Lacs	Number	₹ in Lacs
Shares Outstanding at the Beginning of the Year	29,286,400	2,928.64	29,286,400	2,928.64
Addition/(Deletion) During the Year	-	-	-	-
Shares Outstanding at the End of the Year	29,286,400	2,928.64	29,286,400	2,928.64

2.1.2 Details of Shareholders Holding More Than 5% Shares

Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Narendra G. Somani	7,897,130	26.97	8,206,289	28.02
Rajshah Enterprise Pvt.Ltd.	2,506,647	8.56	2,256,647	7.71
Real Marketing Pvt. Ltd	1,680,031	5.74	1,809,031	6.18

The company has only one class of shares referred to as equity shares having a par value of ₹ 10/-, Each holder of equity shares is entitled to one vote per share.

2.2 Reserves & Surplus

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
A. Securities Premium Account		
Opening Balance	7,278.63	7,278.63
Add/(Less) During The Year	-	-
Closing Balance	7,278.63	7,278.63
B. General Reserve		
Opening Balance	620.22	620.22
Add/(Less) During The Year	-	-
Closing Balance	620.22	620.22
C. Surplus		
Opening Balance	2,999.61	2,967.44
Add: Net Profit/(Net Loss) For the current year	296.21	32.17
Closing Balance	3,295.82	2,999.61
Total	11,194.67	10,898.46

2.3 Long Term Borrowing

Particulars	Current Year		Previous Year	
	Non Current Maturities ₹ in Lacs	Current Maturities ₹ in Lacs	Non Current Maturities ₹ in Lacs	Current Maturities ₹ in Lacs
Secured Loan				
A) Term Loan				
Indian Rupee Loan from Banks				
- State Bank of India	450.47	738.48	960.70	119.54
- ICICI Bank	3,994.27	250.00	4,687.50	312.50
Indian Rupee Loan from Financial Institution	2,839.02	150.00	-	-
Foreign Currency Loan from Banks				
- State Bank of India	2,266.23	623.47	3,692.47	284.91
(A)	9,550.00	1,761.95	9,340.67	1,788.95
B) Other Loan				
Vehicle Loans	20.86	37.72	40.73	52.06
- Kotak Mahindra Prime Ltd.				
- Kotak Mahindra Bank Ltd.				
- Axis Bank Ltd.				
- Dhanlaxmi Bank Ltd.				
- State Bank of India				
(B)	20.86	37.72	40.73	1,841.01
Unsecured Loan				
Other Loan	210.31	521.74	210.30	-
(C)	210.31	521.74	210.30	-
Total (A+B+C)	9,781.17	2,321.41	9,591.69	1,841.01
Amount disclosed under the head "Other Current Liabilities- Current Maturities of Long Term Liabilities" (Note. No. 2.7)		(2,321.41)		(1,841.01)
Total	9,781.17	-	9,591.69	

2.3.1. Security Particulars of Secured Loans

- **Term Loan & Working Capital Loan from SBI**
 - i) First pari passu charge over present and future movable and immovable fixed assets at Ahmedabad and Surat properties of the company.
 - ii) In addition to the above, the subsidiary company, Lov Kush Properties Pvt. Ltd., has given the corporate guarantee to the limits availed by the company.
 - iii) The term loans are further guaranteed by the personal guarantee of all executive directors.
- **Term Loan & Working Capital Loan from ICICI**
 - i) Pari passu charge over present and future movable and immovable fixed assets at Ahmedabad and Surat properties of the company.
 - ii) The term loans are further guaranteed by the personal guarantee of all executive directors.
- **Term Loan & Working Capital Loan from Religare Finvest Ltd.**
 - i) Pari passu charge over present and future movable and immovable fixed assets at Ahmedabad and Surat properties of the company.
- **Secured Loans from others**
 - i) Vehicle loans represents loans from Kotak Mahindra Prime Ltd., Kotak Mahindra Bank Ltd., Axis Bank Ltd., Dhanlaxmi Bank Ltd. and State Bank of India, secured by the hypothecation of assets purchased.

2.4 Deferred Tax Liability

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Deferred Tax Liability on account of Accumulated Depreciation	1,426.97	1,111.43
Total	1,426.97	1,111.43

2.5 Short Term Borrowing

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Working Capital Loan		
- State Bank of India (Secured)	-	422.49
- Indian Overseas Bank (Secured)	-	347.38
- ICICI Bank (Secured)	1,010.09	751.36
Total	1,010.09	1,521.23

2.5.1 Cash Credit from Indian Overseas Bank is secured by stock and receivable of the company. And further secured by the personal guarantee of all executive directors. The cash credit is repayable on demand.

2.5.2 For working capital loan from SBI please refer note. (2.3.1)

2.6 Trade Payable

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Small & Medium Enterprise	-	-
Others	1,654.59	1,035.86
Total	1,654.59	1,035.86

2.7 Other Current Liabilities

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
(a) Current Maturities of Long-term Debt	2,283.69	1,788.95
(b) Current Maturities of Vehicle Loan	37.72	52.06
(c) Interest Accrued But Not Due on Borrowings	127.77	151.55
(d) Advances from Customers	1,062.29	990.12
(e) Unpaid Dividends	1.06	1.06
(f) Creditors for Capital Expenditure	492.71	552.13
(g) Other Payables *	2,520.72	1,684.38
Total	6,525.96	5,220.25

* other payables include statutory dues and temporary bank overdraft.

2.8 Short Term Provisions

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
(a) Provision for Taxation	570.31	623.63
(b) Provision for Gratuity	65.35	35.92
Total	635.66	659.55

2.9 Fixed Assets

(₹ in Lacs)

GROSS BLOCK						DEPRECIATION			NET BLOCK		
SR No.	PARTICULARS	As on 01/04/2012	Addition during the Period	Deletion during the Period	Total as on 31/03/2013	Provided Up To 31/3/2012	Adjustment	For the year	Total as on 31/03/2013	As on 31/03/2013	As on 31/03/2012
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
TANGIBLE ASSETS											
1	Land & Land Development	693.05	-	-	693.05	-	-	-	-	693.05	693.05
2	Building	11,626.63	215.02	-	11,841.65	745.68	-	390.52	1,136.21	10,705.44	10,880.94
3	Electrification	1,975.98	29.90	-	2,005.88	175.54	-	94.56	270.10	1,735.78	1,800.44
4	Furniture & Fixtures	6,641.65	1,026.64	1.46	7,666.83	808.99	0.13	452.38	1,261.24	6,405.60	5,832.66
5	Plant & Machinery	3,514.80	104.47	1.30	3,617.97	425.70	0.01	168.81	594.50	3,023.46	3,089.09
6	Other Equipment	551.89	34.98	-	586.87	50.31	-	26.91	77.22	509.65	501.57
7	Computers & Software	120.23	8.46	-	128.70	53.75	-	19.90	73.65	55.05	66.49
8	Vehicles	365.04	24.58	-	389.62	89.02	-	35.63	124.65	264.97	276.02
9	Television	86.12	-	-	86.12	8.47	-	4.09	12.56	73.56	77.65
10	Pollution Cont. Plant	6.33	-	-	6.33	1.51	-	0.30	1.80	4.52	4.82
11	Wind Mill	619.21	-	-	619.21	114.43	-	32.69	147.12	472.08	504.78
TOTAL		26,200.93	1,444.04	2.76	27,642.21	2,473.41	0.14	1,225.79	3,699.06	23,943.15	23,727.52
INTANGIBLE ASSETS											
1	Goodwill	669.75	-	-	669.75	602.78	-	66.98	669.75	-	66.98
2	Goodwill on Consolidation	496.82	-	-	496.82	496.82	-	-	496.82	-	-
CURRENT YEAR		27,367.50	1,444.04	2.76	28,808.78	3,573.01	0.14	1,292.77	4,865.63	23,943.15	23,794.50
PREVIOUS YEAR		26,084.09	1,375.24	91.82	27,367.50	2,308.64	13.84	1,278.21	3,573.01	23,794.50	23,775.44

2.10 Non-Current Investment

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Non Trade Investment(Unquoted)		
Investment in Others in Fully Paid Equity Instrument		
100 (P.Y.100) Fully Paid Equity Shares of Sheetal Ispat Pvt. Ltd.	0.01	0.01
Total	0.01	0.01

2.11 Long Term Loans & Advances

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Deposits	548.04	520.00
Total	548.04	520.00

2.12 Other Non Current Assets

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Deferred Revenue Expenditure	430.25	597.72
Total	430.25	597.72

2.13 Inventories

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Raw Material	1,049.08	1,019.65
Other Material		
Cutlery and Crockery	692.49	564.28
Linen	297.72	229.56
Uniforms	213.09	172.84
Utensils	224.42	142.26
Total	2,476.80	2,128.59

2.14 Trade Receivables

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Unsecured , considered good		
(a) Debtors Outstanding for a Period Exceeding Six Months	574.07	413.64
(b) Other Debtors	804.45	478.97
Total	1,378.52	892.61

2.15 Cash & Bank Balances

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Cash and Bank Balance	1,521.08	999.04
Total	1,521.08	999.04
Balance with Banks Include		
(i) Bank Guarantee Margin Money With Maturities of More Than 12 month	130.71	141.86
(ii) Bank Deposits With Maturities of More Than 12 Months	112.25	-
(iii) Unpaid Dividend	1.06	1.06
Total	244.02	142.92

2.16 Short Term Loans & Advances

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Unsecured and considered good		
Loans & Advances		
- Related Party	879.30	385.94
- Others	1,662.49	1,662.60
Others *	2,140.35	1,776.91
Total	4,682.14	3,825.45

* Includes Advance to Sundry Creditors, Advance to Staff, Prepaid Expenses, Advance Tax & Tax Credit Receivable

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Private Company in which director is a member (Ref. Note No. 2.24.F)	879.30	385.94
Total	879.30	385.94

2.17 Other Current Assets

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Deferred Revenue Expenditure	177.76	187.96
Total	177.76	187.96

2.18 Revenue from Operation

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Sale of services	15,750.77	14,937.93
Other operating revenues	650.33	316.82
Total	16,401.10	15,254.75

Particulars of Sale of Services

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Sales & Services		
Rooms Revenue	1,814.72	1,902.75
Food & Beverage	5,686.08	5,081.73
Banquets & Catering Services	8,249.97	7,953.45
Total	15,750.77	14,937.93

Particulars of Other Operating Revenue

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Club income	344.04	162.06
Scrap sales	12.58	9.04
Windmill Energy Income	65.60	69.58
Other Operating Income	228.11	76.14
Total	650.33	316.82

2.19 Other Income

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Interest Received	190.44	147.05
Dividend Income	-	1.05
Other Income	84.66	6.38
Total	275.10	154.48

2.20 Food & Beverages Consumed

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Opening Stock	1,019.65	897.66
Add: Purchase (Net of Goods Returned)	3,883.90	3,999.44
Less: Closing Stock	1,049.08	1,019.65
Total	3,854.47	3,877.45

2.21 Employees' Emoluments

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Salary Wages & Allowances	1,741.71	1,721.20
Directors Remuneration	114.00	114.00
Contribution to PF, ESI and other fund	90.82	90.69
Leave salary	10.79	23.59
Gratuity	29.43	20.37
Welfare Expenses	40.69	44.46
Total	2,027.44	2,014.31

2.22 Finance Cost

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Interest Expenses	2,016.08	1,519.96
Other Borrowing Cost	79.56	27.74
Total	2,095.64	1,547.70

2.23 Other Expenses

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
A. Administrative and Selling Expenses:		
Advertisement and Publicity Charges	251.32	211.20
Assets Discarded	151.98	104.57
Auditor Remuneration	2.50	2.32
Bank Charges	8.12	8.01
Decoration Expenses	668.90	511.69
House Keeping Expenses	166.98	199.43
Insurance Expenses	21.76	22.59
Rates and Taxes	780.83	732.62
Rent	1,118.77	1,141.95
Sitting Fees	1.60	1.15
Miscellaneous Expenses	178.79	151.92
Loss on Sale of Investment	-	15.48
Loss on Sale of Assets	-	0.39
Other Expenses	967.61	734.28
Sub Total (A)	4,319.16	3,837.60
(B) Upkeep and Services Cost Expenses:		
Cleaning and Laundry Expenses	246.62	247.29
Waiter Charges	633.49	602.43
Power and Fuel	922.57	1,041.22
Hire Charges	152.22	181.41
Repairs and Maintenance	-	-
- Building	67.58	37.20
- Plant and Machinery	121.05	89.51
- Others	184.43	116.69
Sub Total (B)	2,327.96	2,315.75
Grand Total (A+B)	6,647.12	6,153.35

2.24 Additional Information to Financial Statement

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
A) Contingent Liabilities :		
(i) Bank Guarantee Issued to Custom Department for Import Purpose	520.12	520.12
(ii) Demand of Income Tax Raised by the authorities disputed and not acknowledged as due	110.32	27.90
Total	630.44	548.02
B) Auditors Remuneration :		
a. Audit Fees	2.15	1.75
b. Tax Audit	0.25	0.25
c. Certification Matters	0.10	0.10
d. Service Tax	0.31	0.22
Total	2.81	2.32
C) Details of Foreign Currency Transactions :		
a. C.I.F. Value of Import	-	-
b. Earning in Foreign Exchange	94.58	131.60
Total	94.58	131.60
D) Earning Per Share :		
a. Net Profit after tax as per Statement of Profit & Loss attributable To Equity Shareholders	296.21	32.17
b. Weighted Average No. of Equity Shares	29,286,400	29,286,400
c. Face Value Per Equity Share (₹)	10	10
d. Basic & Diluted Earning Per Share	1.01	0.11

E) Employee Benefits :

Consequent upon adoption of Accounting Standard 15 (revised 2005) on "Employee Benefits" issued by the institute of chartered Accountants of India, as required by the standards, the following disclosures are made:

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
1. Expenses recognized in the statement of Profit and Loss account for the year ended 31.03.2013		
Current Service Cost	18.88	15.36
Interest Cost	5.47	3.86
Expected return on plan assets	(2.97)	(2.88)
Net Actuarial (gain) / Loss recognised in the year	8.05	4.04
Expenses recognised in statement of profit and Loss	29.43	20.37
2. The Amounts to be recognised in the balance sheet and statements of Profit and Loss Account		
Present Value of obligations as at the end of year	96.97	68.37
Fair value of plan assets as at the end of the year	31.62	32.45
Funded status : Surplus / (Deficit)	(65.35)	(35.92)
Net Asset / (Liability) recognised in balance sheet	65.35	35.92

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
3. Changes in present value of obligation		
Present value of obligations as at beginning of year	68.37	48.20
Interest cost	5.47	3.86
Current service cost	18.88	15.36
Benefits paid	(3.27)	(3.07)
Actuarial (gain) / Loss on obligations	7.52	4.04
Present value of obligations as at 31.03.2013	96.97	68.37
4. Actuarial Table showing changes in the fair value of Plan Assets		
Fair Value of plan assets at beginning of year	32.45	32.26
Expected return on plan assets	2.97	2.88
Contributions	-	0.38
Benefits Paid	(3.27)	(3.07)
Actuarial gain / (Loss) on Plan assets	(0.53)	Nil
Fair Value of plan assets at the end of year	31.62	32.45
5. Assumptions used to determine the benefit obligations:		
Discounting Rate	8.00%	8.00%
Expected rate of increase in salary	7.00%	7.00%
Expected rate of return on Plan Assets	9.15%	9-9.55%
Indian Assured Lives Mortality (2006-08)		

F) Related Party Transactions :**a) Related Parties and their Relationship:**

Name of Related Party	Relationship
New Ramesh Kirana Stores	Entities over which Key Management Personnel are able to exercise significant influence
TGB Foods Pvt. Ltd	Entities over which Key Management Personnel are able to exercise significant influence
TGB Bakers & Confectioners Pvt. Ltd.	Entities over which Key Management Personnel are able to exercise significant influence
Devanand G. Somani HUF	Entities over which Key Management Personnel are able to exercise significant influence
Narendra G. Somani	Key Management Personnel
Devanand G. Somani	Key Management Personnel
Hemant G. Somani	Key Management Personnel
Ramesh K. Motiani	Key Management Personnel
Harshita D. Somani	Relative of Key Mgt. Personnel
Sunita N. Somani	Relative of Key Mgt. Personnel
Neeta Somani	Relative of Key Mgt. Personnel
Bhagwati Sales Corporations	Relative of Key Mgt. Personnel

(b) Transaction with Related Parties: (₹ in Lacs)

Nature of transaction	Current Year				Previous Year			
	Entity Under Significant Influence	Key Management Personnel	Relative of Key Mgt. Personnel	Total	Entity Under Significant Influence	Key Management Personnel	Relative of Key Mgt. Personnel	Total
F & B Purchase	263.53	-	166.11	429.64	219.58	-	196.68	416.26
Rent	2.40	16.80	155.12	174.32	2.40	14.40	150.32	167.12
Director's Remuneration	-	114.00	-	114.00	-	114.00	-	114.00
Commercial Transaction	879.30	-	-	879.30	385.94	-	-	385.94

(c) Statement of Material Transactions:

Name of Company	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Purchase of Goods		
TGB Foods Pvt. Ltd.	-	205.35
Bhagwati Sales Corporation	166.11	196.68
TGB Bakers & Confectioners Pvt. Ltd.	263.28	-
Advance Given For Purchase (Net)		
TGB Bakers & Confectioners Pvt. Ltd.	366.00	-
TGB Foods Pvt. Ltd.	513.30	385.94
Rent		
Harshita D. Somani	37.91	33.11
Sunita N. Somani	84.11	84.11
Neeta H. Somani	33.11	33.11
Devanand G. Somani	16.80	14.40
Director's Remuneration		
Narendra G. Somani	60.00	60.00
Devanand G. Somani	24.00	24.00
Hemant G. Somani	24.00	24.00
Ramesh K. Motiani	6.00	6.00

G) Segment Reporting :

Since the company has only one segment, there is no separate reportable segment as required in AS-17 issued by the ICAI.

H) Movement of Provision Tax

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Opening Provision	623.63	654.21
Provision made during the year (net off excess provision written back & provision for earlier year)	147.00	77.06
Adjustment during the year with advance tax	(200.32)	(107.64)
Closing Provision	570.31	623.63

- I) Since the business of the company is by way of Food and Beverages, the quantity wise details of purchase, consumption, turnover, stock etc. are not furnished as the items are so large in number that it is not practicable to present.
- J) The company had not received any intimation from suppliers regarding their status under the Micro, Small & Medium Enterprise Act, 2006, and hence disclosures, if any, relating to amounts unpaid as the year end together with interest paid of payable as required under said Act, have not been given.
- K) In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realized, in the ordinary course of business. Provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- L) Figures have been rounded off to the nearest thousands.

As per our Report of even date

For, O. P. Bhandari & Co.

Chartered Accountants

Firm Regn. No. 112633W

[O. P. BHANDARI]

Proprietor

Mem. No. 34409

Place : Ahmedabad

Date : 30th May, 2013

For and on behalf of the Board of Directors

Mr. Narendra G. Somani *Chairman & Managing Director*

Mr. Devanand G. Somani *Wholetime Director*

Mr. Hemant G. Somani *Wholetime Director*

Mr. Vishal Palkhiwala *Chief Finance Officer*

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO COMPANIES INTEREST IN THE SUBSIDIARY COMPANIES

Name of Subsidiary Company	Lov Kush Properties Pvt. Ltd.
1. Financial years of the subsidiary company ended on	31 st March 2013
2. Shares of the subsidiary company held on the above date and extent of holding	
a. Equity Shares of ₹ 10 Face Value	31800
b. Extent of holding	100%
3. The net aggregate amount of the subsidiaries profit/(loss) so far as it is concerned with the members of TGB Banquets And Hotels Limited	
i) Not dealt within the holding company's accounts	
a) For the financial year of the subsidiary	Not Applicable*
b) For the previous financial years of the subsidiary/since it became the holding company's subsidiary	Not Applicable*
ii) Dealt within the holding company's accounts	
a) For the financial year of the subsidiary	Not Applicable*
b) For the previous financial years of the subsidiary/since it became the holding company's subsidiary	Not Applicable*

* The company has not carried out any business activity during the financial year 2011-12 & 2012-13.

For and on behalf of the Board of Directors

Mr. Narendra G. Somani *Chairman & Managing Director*

Mr. Devanand G. Somani *Wholetime Director*

Mr. Hemant G. Somani *Wholetime Director*

Mr. Vishal Palkhiwala *Chief Finance Officer*

Place : Ahmedabad
Date : 30th May, 2013

TGB BANQUETS AND HOTELS LIMITED

(Formerly Known as Bhagwati Banquets And Hotels Limited)

Regd. Office : "The Grand Bhagwati", Plot No. 380, S. G. Highway, Bodakdev, Ahmedabad-380054.

ATTENDANCE SLIP**FOURTEENTH ANNUAL GENERAL MEETING** - Wednesday, 25th September, 2013 at 10.30 A.M.

Folio No./DP ID : _____

Client ID : _____

No. of Shares held : _____

I certify that I am a registered equity shareholder / Proxy for the registered equity shareholder of the company. I hereby record my presence at the 14th Annual General Meeting of the company which will be held at "SINDHUBHAVAN", Plot No.173, 100 Ft. Ring Road, Off. S. G. Highway, Judges Bungalow Cross Road, Bodakdev, Ahmedabad – 380 054, on Wednesday, 25th September, 2013 at 10:30 A.M.

Member's/Proxy's name in BLOCK letters

Member's/Proxy's Signature

Note : (Please fill in this Attendance slip and hand it over at the entrance of the meeting hall.)

----- **Tear Here** -----**TGB BANQUETS AND HOTELS LIMITED**

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Regd. Office : "The Grand Bhagwati", Plot No. 380, S. G. Highway, Bodakdev, Ahmedabad-380054.

PROXY FORM**FOURTEENTH ANNUAL GENERAL MEETING** - Wednesday, 25th September, 2013 at 10.30 A.M.

I/ We _____ of _____ of being

a member/members of the above named company hereby appoint _____ of

_____ or failing him/her _____ of

_____ in my/ our absence to attend and vote for me/us and on my/our behalf at the 14th Annual General Meeting of the company to be held on Wednesday, 25th September, 2013 at 10.30 A.M. and any adjournment thereof.

Signature (s) _____

Affix 1
Rupee
Revenue
Stamp

Date : _____

LF No./DP ID : _____

Client ID : _____

No. of Shares held : _____

Note: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the company.

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The Grand Bhagwati

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TGB Banquets and Hotels Ltd.

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Ph: 079 26937800, Fax: 079 26937900

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