

T W E N T Y
E I G H T H

ANNUAL
REPORT
2016-17



HSIA LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Pushendra Bansal	Chairman & Joint Managing Director
Mr. Ramesh Bansal	Managing Director / CFO
Mrs. Sangita Bansal	Director
Mr. Pradeep Dhawan	Director
Mr. Nilkanth Barot	Director
Mr. Dinesh Mistry	Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Hitesh Limbani

AUDITORS

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

BANKERS

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

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

Registered office:

Bigshare Services Pvt. Ltd.
E-3, Ansa Industrial Estate,
Saki-vihar Road,
Sakinaka, Andheri (E),
Mumbai – 400 072, Maharashtra

Corporate office (w.e.f. 27.06.2017):

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis Apartments (Next To Keys Hotel),
Marol Maroshi Road, Andheri (East),
Mumbai - 400059,
Maharashtra

NOTICE

NOTICE is hereby given that the **28TH ANNUAL GENERAL MEETING** of **H S INDIA LIMITED** will be held at 'Kalash', Dhake Colony, J. P. Road, Andheri (W), Mumbai-400053, Maharashtra on Tuesday, the 26th day of September, 2017 at 9:30 a.m. to transact the following business:

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

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 together with the Report of the Board of Directors and the Auditors thereon.

2. Appointment of Director:

To appoint a Director in the place of Mr. Pushpendra Bansal (DIN – 00086343), who retires by rotation and being eligible, offers himself for re-appointment.

3. Appointment of Auditor:

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

“RESOLVED THAT pursuant to the provisions of Section 139, 142 read with Companies (Audit and Auditors) Rules, 2014, M/s. Pary & Co., Chartered Accountants, Surat (F.R. No. 007288C), be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors to audit the accounts of the Company for the Financial Year 2017-18.”

NOTES:**(a) PROXY:**

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

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

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

- (b) Members may please note that no gifts will be distributed at meeting, in compliance with Section 118(10) of the Companies Act, 2013 and the Secretarial Standards issued by the Institute of Company Secretaries of India.

- (c) Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
- (d) The register of members and share transfer books of the Company will remain closed from 19th September, 2017 to 26th September, 2017 (both days inclusive).
- (e) Members are requested to:
- (i) Intimate to the Company's Registrar & Share Transfer Agent M/s. Bigshare Services Pvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments (Next To Keys Hotel), Marol Maroshi Road, Andheri (E), Mumbai – 400 059, Maharashtra/their Depository Participant ("DP"), changes, if any, in their registered addresses and their E-mail ID at an early date.
 - (ii) Quote their Registered Folio Numbers and/or DP Identity and Client Identity number in their correspondence.
 - (iii) Bring their copy of Annual Report and the Attendance Slip with them at the 28th Annual General Meeting ("AGM"). As a measure of economy, extra copies of the Annual Report will not be available at AGM.
- (f) Members are requested to affix their signature at the space provided on the attendance slip annexed to the proxy form and hand over the slip at the entrance of the meeting hall.
- (g) The Members desirous of obtaining any information / clarification concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at least ten days before the AGM, so that the information required may be made available at the AGM.
- (h) Relevant documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during working hours upto the date of the AGM.
- (i) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Bigshare Services Pvt. Ltd.
- (j) Pursuant to the provisions of Section 72 of the Companies Act, 2013, members holding shares in physical mode are advised to file a Nomination Form in respect of their shareholding. Any member wishing to avail of this facility may submit the prescribed statutory Form SH-13 to the Company's Share Transfer Agent, Bigshare Services Pvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments (Next To Keys Hotel), Marol Maroshi Road, Andheri (E), Mumbai – 400 059, Maharashtra.
- (k) Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the particulars of Directors seeking appointment and re-appointment at the meeting are annexed.
- (l) In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) for the time being in force), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting Services.

- (m) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- (n) The remote e-voting period commences on Saturday, 23rd September, 2017 (9:00 am) and ends on Monday, 25th September, 2017 (5:00 pm). During this period, members of the Company holding shares either in physical form or in dematerialized form as on the cut-off date of Friday, 15th September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

I. The process and manner for remote e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
- (i) Open email and open PDF file viz; "HSIL remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting then you can use your existing password for casting the vote. If you have forgot your password, you can reset your password by using "Forget User Details / Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
 - (ii) Launch internet browser by typing the following URL:
<https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder –Login.
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "H S India Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to csmanishpatel@gmail.com with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below at the bottom of the Attendance Slip.
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) as mentioned in A above, to cast vote.

- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

- III. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 15th September, 2017.
- VI. Any person, who acquires shares of the Company and becomes member of the Company after the dispatch of the notice and holding shares as on the cut-off date i.e. 15th September, 2017 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
- VII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- IX. Mr. Manish R Patel (C.P. No. 9360), Company Secretary in Practice at Surat has been appointed as a Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- X. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot Paper/Polling Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XI. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.hsindia.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to Stock Exchanges where the shares of the Company are listed.

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

Place: Surat
Date: August 12, 2017
Registered Office:
A-1, Manish Kaveri, Building No. 18,
Manish Nagar, J. P. Road, Andheri (West),
Mumbai - 400 053, Maharashtra.

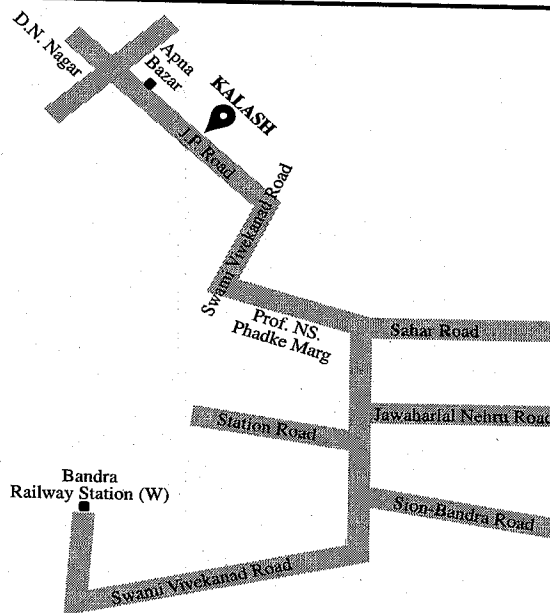
HITESH LIMBANI
Company Secretary
ACS-31531

ANNEXURE TO NOTICE OF 28TH ANNUAL GENERAL MEETING

Details of Directors seeking re-appointment at the 28th Annual General Meeting
 [In pursuance of Regulation 36 (3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

Name of Director	Mr. Pushpendra Bansal (DIN: 00086343)			
Designation	Chairman and Joint Managing Director			
Date of Birth (Age)	15/09/1960 (57 Years)			
Date of Appointment	28/10/2005			
Terms and conditions of appointment / reappointment	Director liable to retire by rotation			
Qualifications	Civil Engineer			
Expertise in specific functional area	Construction and Hospitality Business			
No. of Shares held	2851198 Equity Shares			
Remuneration last drawn	₹ 1,00,000 Per Month			
Directorship in other Companies	<table border="0"> <tr> <td style="vertical-align: top;"> 1. Srijan Holdings Ltd. 2. Lords Inn Hotels and Developers Ltd. 3. Lords Ishwar Hotels Ltd. 4. Lords Institute of Management Pvt. Ltd. 5. Lords Oriental Resorts Developers (Silvassa) Pvt. Ltd. 6. Lords Sai Ma Hotels Pvt. Ltd. </td> <td style="vertical-align: top;"> 7. Lords Varam Hotels Pvt. Ltd. 8. Sahyaadri Health Tourism Pvt. Ltd. 9. Kesar Motels Pvt. Ltd. 10. Sai Ram Krupa Hotels Pvt. Ltd. 11. Om Sai Dahej Salt Mandli Pvt. Ltd. </td> </tr> </table>		1. Srijan Holdings Ltd. 2. Lords Inn Hotels and Developers Ltd. 3. Lords Ishwar Hotels Ltd. 4. Lords Institute of Management Pvt. Ltd. 5. Lords Oriental Resorts Developers (Silvassa) Pvt. Ltd. 6. Lords Sai Ma Hotels Pvt. Ltd.	7. Lords Varam Hotels Pvt. Ltd. 8. Sahyaadri Health Tourism Pvt. Ltd. 9. Kesar Motels Pvt. Ltd. 10. Sai Ram Krupa Hotels Pvt. Ltd. 11. Om Sai Dahej Salt Mandli Pvt. Ltd.
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Membership of committee in other Public Limited Company	NIL			
No. of Board Meetings attended during the financial year 2016-17	5			
Mr. Ramesh Bansal and Mrs. Sangita Bansal are relatives of Mr. Pushpendra Bansal				

ROUTE MAP



NOTE : MAP NOT TO SCALE

DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present the 28th Annual Report of your Company together with the Audited Financial Statements and Auditors' Report for the year ended 31st March, 2017.

FINANCIAL RESULTS:

Particulars	(₹ in Lakh)	
	For the year ended 31-03-2017	For the year ended 31-03-2016
Total Revenue	2338.02	2288.68
Net Operating Profit	710.13	734.38
Less: Interest & Finance Charges	291.21	330.53
Less: Depreciation	260.80	250.98
Net Profit Before Tax & Exceptional Items	158.12	152.87
Add: Exceptional Items	0	(8.20)
Net Profit Before Tax	158.12	144.67
Less : Provision for Taxation		
- Net Current Tax	87.00	72.00
- Deferred Tax	(32.44)	(38.16)
Net Profit After Tax	103.56	110.83

OPERATIONS:

The total revenue of your Company for the year 2016-17 was increased to ₹ 2338.02 Lakh as against ₹ 2288.68 Lakh of the previous year. Net profit after tax of the Company was decreased to ₹ 103.56 Lakh as against ₹ 110.83 Lakh of the previous year.

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

TRANSFER TO RESERVE:

For the financial year ended 31st March, 2017, the Board has not proposed to transfer any amount to Reserves.

DIVIDEND:

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

PUBLIC DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year ended 31st March, 2017.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Pushpendra Bansal, Chairman and Joint Managing Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. Particulars as per Regulation 36(3) of the Listing Regulations are enclosed as an Annexure with the Notice of 28th Annual General Meeting.

Mr. Dinesh Mistry, Director of the Company was appointed as an Additional Independent Director on February 13, 2016 and appointed as a regular Independent Director in 27th Annual General Meeting held on September 24, 2016 for a period of 5 consecutive years w.e.f. February 13, 2016 upto the date of February 12, 2021 and shall not retire by rotation.

DECLARATION BY INDEPENDENT DIRECTORS:

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

FAMILIARISATION PROGRAM TO INDEPENDENT DIRECTORS:

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

MANAGEMENT DISCUSSION AND ANALYSIS:

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

CORPORATE GOVERNANCE:

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

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

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

PARTICULARS OF EMPLOYEES:

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

EXTRACT OF ANNUAL RETURN:

As per Section 134 (3) (a) of the Companies Act, 2013, the extract of the Annual Return in Form MGT-9 is annexed as **Annexure 4**.

BOARD MEETINGS:

During the year under review, 5 (Five) Board Meetings were held and the intervening gap between the meetings did not exceed the period prescribed under the Act, Listing Regulation as well as Secretarial Standard, the details of which are given in the Corporate Governance Report.

Besides the above, several Committee Meetings of the Board were held during the financial year 2016-17, the details of which are given in the Corporate Governance Report.

AUDIT COMMITTEE:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed and no material departures have been made for the same.
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2017 and of the profit of the Company for the year ended on that date.
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the Directors have prepared the accounts for the financial year ended 31st March, 2017, on a 'going concern' basis.
- (v) the Directors had laid down internal financial control to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

REMUNERATION POLICY:

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

STATUTORY AUDITORS:

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

INTERNAL AUDITOR:

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

SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, your Company had appointed Mr. Manish R Patel, Company Secretary in Practice at Surat to undertake the Secretarial Audit of the Company for the Financial Year 2016-17. The Secretarial Audit Report (Form MR-3) is annexed herewith as **Annexure-5**. The report does not contain any qualifications, reservation or adverse remarks.

SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES:

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT:

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY:

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

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

LISTING ON STOCK EXCHANGE:

The Company's shares are listed with the BSE Limited and the Company has paid the necessary listing fees for the Financial Year 2017-18.

MATERIAL CHANGES AND COMMITMENTS:

The Company has not made any material changes and commitments during the year, which affect the financial position of the Company.

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

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

A. Conservation of Energy:

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

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

B. Technology Absorption:

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

C. Total Foreign Exchange Earning and Outgo:

Particulars	2016-17 Amount (₹)	2015-16 Amount (₹)
Total Foreign Exchange used	196,115	202,606
Total Foreign Exchange earned	6,084,820	5,946,004

RISK MANAGEMENT POLICY:

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

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

BOARD EVALUATION:

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

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

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

APPOINTMENT OF M/S. BIGSHARE SERVICES PVT. LTD.:

Pursuant to the direction given by SEBI vide its order no. WTM/RKA/MIRSD2/41/2016 dated 22.03.2016, your Company has appointed M/s. Bigshare Services Pvt. Ltd. as a Registrar & Share Transfer Agent in place of M/s. Sharepro Services (India) Pvt. Ltd., in its board meeting held on May 30, 2016.

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

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

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

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

ROLL OUT OF GST MODEL LAW:

In view of impending Roll out of GST with effect from 1st July, 2017, the company is gearing up to get itself to the tune of the new GST frame work which will not only lead to change in the indirect tax structure but shall also lead to the change in the business process / functions. The Company has already obtained the provisional registration in respect of all its units across the country. It has also started creating awareness amongst the Marketing teams of various business segments, its vendors and customers. The company is also in the process of drawing implementation plan to get fully prepared and equipped under new regime.

INDUSTRIAL RELATIONS:

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

ACKNOWLEDGEMENTS:

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

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

For and on behalf of the Board of Directors

Place: Surat
Date : August 12, 2017

PUSHPENDRA BANSAL
Chairman & Jt. Managing Director
DIN-00086343

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**ANNEXURE-1****1. BUSINESS ENVIRONMENT, INDUSTRY STRUCTURE AND DEVELOPMENTS:**

The hospitality industry is much broader than most other industries. The hospitality sector has the potential to be the main driving force behind the growth of the economy. The majority of business niches are composed of only a handful of different businesses, but this industry applies to nearly any company that is focused on customer satisfaction and meeting leisurely needs rather than basic ones. Hospitality refers to the relationship between a host and a guest. It is the practice or act of being hospitable. Hospitality reflects respect and courtesy to guests.

Hospitality and tourism are related. This is because hospitality entails showing a generous welcome to tourists. Tourism in India has generated immense employee opportunities and is a vital source of foreign exchange for the country. The growth in hospitality sector and its contributions to the GDP will continue to be substantially higher than other sectors of the economy on the back of huge tourism potential in the country. However, the hospitality sector is one of the most heavily taxed industries and is saddled with multiple layers of tax. To enhance ease of doing business and lower cost for the consumers, there is a urgent need of lowering the tax levied, to incentivize and attract more investments to the sector.

2. OPPORTUNITIES, THREATS, RISK AND CONCERNS:

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

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

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

Indian Government has realized the country's potential in the tourism industry and takes several steps to make India a global tourism hub. The Central Government has taken number of steps for smooth transitioning to cashless mode of payment to ensure that no hardship is faced by the tourists and the tourism industry remains unaffected from government's demonetisation move.

3. FINANCIAL AND OPERATIONAL PERFORMANCE:

The total revenue of your Company for the year 2016-17 was increased to ₹ 2338.02 Lakh as against ₹ 2288.68 Lakh of the previous year. Net profit after tax of the Company was decreased to ₹ 103.56 Lakh as against ₹ 110.83 Lakh of the previous year.

4. FUTURE PROSPECTS:

The Ministry of Tourism plans to help the industry meet the increasing demand of skilled and trained manpower by providing hospitality education to students as well as certifying and upgrading skills of existing service providers. India has moved up 13 positions to 52nd rank from 65th in Tourism and Travel competitive index. India is a large market for travel and tourism.

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

5. ADEQUACY OF INTERNAL CONTROL SYSTEM:

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

6. HUMAN RESOURCE DEVELOPMENT:

The manpower employed in your Company for 2016-17 was 188 employees.

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

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

7. CAUTIONARY STATEMENT:

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

CORPORATE GOVERNANCE REPORT

ANNEXURE-2

1. COMPANY'S PHILOSOPHY

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

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

2. BOARD OF DIRECTORS

The present strength of the Board of Directors of the Company is 6 Directors out of which 2 Directors are Executive Promoter Directors, 1 is Non-executive Promoter Director and 3 Directors are Non-executive Independent Directors, with the Chairman as an Executive Promoter Director. The half of the Board has Non Executive Independent Directors.

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

5 (Five) Board Meetings were held during the financial year 2016-17. The dates on which the said meetings were held are as follows:

1.	May 30, 2016	2.	July 16, 2016	3.	August 13, 2016
4.	November 12, 2016	5.	February 13, 2017		

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

The last Annual General Meeting of the Company was held on September 24, 2016.

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

Name	Designation	Category	Attendance Particulars		No. of Equity Shares held as on 31.03.2017
			Board Meetings	Last AGM	
Mr. Pushpendra Bansal	Chairman & Joint Managing Director	ED	5	Yes	2851198
Mr. Ramesh Bansal	Managing Director /CFO	ED	5	Yes	Nil
Mrs. Sangita Bansal	Director	NED	5	Yes	2838000
Mr. Pradeep Dhawan	Director	NED (I)	5	Yes	10354
Mr. Nilkanth Barot	Director	NED (I)	3	No	Nil
Mr. Dinesh Mistry	Director	NED (I)	5	Yes	Nil

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

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

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

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

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

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

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

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

Meeting of Independent Directors:

During the year 2016-17, the separate meeting of the Independent Directors was held on February 13, 2017, as required under Schedule IV of the Companies Act, 2013 and Regulation 25 (3) of the Listing Regulations without the presence of non-independent directors and other members of the management.

Familiarisation Program to Independent Directors:

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

Note on Directors seeking appointment/re-appointment:

Mr. Pushpendra Bansal, Chairman and Joint Managing Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. Particulars as per Regulation 36(3) of the Listing Regulations are enclosed as an Annexure with the Notice of 28th Annual General Meeting.

Mr. Dinesh Mistry, Director of the Company was appointed as an Additional Independent Director on February 13, 2016 and appointed as a regular Independent Director in 27th Annual General Meeting held on September 24, 2016 for a period of 5 consecutive years w.e.f. February 13, 2016 upto the date of February 12, 2021 and shall not retire by rotation.

3. AUDIT COMMITTEE:

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

During the financial year 2016-17, the Audit Committee met 4 (Four) times on May 30, 2016, August 13, 2016, November 12, 2016 and February 13, 2017. The Committee, at these meetings reviewed the financial reporting system and financial results of the Company.

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

Name	Designation	Category	No. of Meetings attended
Mr. Pradeep Dhawan	Chairman	NED (I)	4
Mr. Nilkanth Barot	Member	NED (I)	3
Mr. Dinesh Mistry#	Member	NED (I)	1
Mr. Ramesh Bansal	Member	ED	4

Appointed as member in Audit Committee w.e.f. November 12, 2016.

The Company Secretary acts as a Secretary to the Committee.

4. NOMINATION AND REMUNERATION COMMITTEE:

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

During the financial year 2016-17, the Nomination and Remuneration Committee met 3 (Three) times on July 16, 2016, August 13, 2016 and February 13, 2017.

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

Name	Designation	Category	No. of Meetings attended
Mr. Pradeep Dhawan	Chairman	NED (I)	3
Mr. Nilkanth Barot	Member	NED (I)	1
Mr. Dinesh Mistry	Member	NED (I)	3

Presently, the Company is not paying any sitting fees to its Non-Executive Directors for attending meetings of the Board, Audit Committee and other Committees. However, during the year ended 31st March, 2017, your Company has paid remuneration to its Executive Directors as under:

Name & Designation of Director	Tenure upto	Salary (₹ in Lakh)	Perquisites (₹ in Lakh)
Mr. Pushendra Bansal, Chairman & Jt. Managing Director	October 27, 2020	13.74	Nil
Mr. Ramesh Bansal, Managing Director/CFO	July 31, 2019	10.74	Nil

- Note: (i) Revision in remuneration of Mr. Pushendra Bansal from Rs. 1,50,000/- to Rs. 1,00,000/- w.e.f. July 16, 2016.
- (ii) Revision in remuneration of Mr. Ramesh Bansal from Rs. 15,000/- to Rs. 1,20,000/- w.e.f. July 16, 2016.

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

➤ **Remuneration Policy:**

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

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

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

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

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

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

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

The Nomination and Remuneration Policy is uploaded on the Company's website www.hsindia.in.

➤ **Performance Evaluation:**

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

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

governance safeguarding the interest of the Company. The performance evaluation of Independent directors was carried out by the entire Board.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee was constituted for Redressal of stakeholders' complaints like transfer of shares, non-receipt of annual report, non-receipt of dividend, etc. During the year, 4 (Four) Stakeholders Relationship Committee meetings were held on May 30, 2016, August 13, 2016, November 12, 2016 and February 13, 2017.

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

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

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

During the financial year, the Company had received two investor complaints. All the complaints were resolved during the year to the satisfaction of the shareholders /investors and no complaints were pending as on March 31, 2017.

6. RISK MANAGEMENT COMMITTEE:

Risk Management Committee comprises of directors viz. Mr. Pushpendra Bansal (Chairman), Mrs. Sangita Bansal (Member) and Mr. Dinesh Mistry (Member). The Risk Management Committee was constituted for risk assessment and risk minimization in the Company. During the year, no Risk Management Committee meeting was held.

7. GENERAL BODY MEETINGS:

(A) General Meeting

(i) Annual General Meeting:

Details	Date	Time	Venue
Annual General Meeting 2015-16	September 24, 2016	9.30 A.M.	'Kalash', Dhake Colony, J. P. Road, Andheri (W), Mumbai - 400 053, Maharashtra.
Annual General Meeting 2014-15	September 24, 2015	9.30 A.M.	
Annual General Meeting 2013-14	September 11, 2014	9.30 A.M.	

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

(B) Special Resolution

A. At the 25th Annual General Meeting of the Company held on September 11, 2014, three Special Resolutions were passed –

- (i) For authority to the Board of Directors to borrow money under section 180(1) (c) of the Companies Act, 2013.
- (ii) For approval of creation of charge/security over the assets/undertaking of the company in respect of borrowings.
- (iii) For adoption of new Articles of Association of the Company.

B. At the 26th Annual General Meeting of the Company held on September 24, 2015, one Special Resolution was passed –

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

C. At the 27th Annual General Meeting of the Company held on September 24, 2016, no Special Resolution was passed.

(C) Postal Ballot

During the year, no Postal Ballot was conducted.

8. DISCLOSURES:

- (i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the company at large: NIL

Transactions with the related parties are disclosed in the notes to the accounts forming part of the accounts.

- (ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by SEBI, ROC, Stock Exchange or any statutory authority, on any matter related to capital markets, during the last 3 financial years: NIL

- (iii) Vigil Mechanism/Whistle Blower Policy is uploaded on the Company's website www.hsindia.in and during the year under review, no personnel has been denied access to the audit committee.

- (iv) The Company has complied with all mandatory requirements of Corporate Governance under Regulations 34 of the Listing Regulations.

- (v) Policy on dealing with related party transactions is uploaded on the Company's website www.hsindia.in.

- (vi) Pursuant to Regulation 17 (8) of the Listing Regulations, the Board has received Chairman and Joint Managing Director and CFO certificate for the Financial Year ended March 31, 2017.

9. MEANS OF COMMUNICATION:

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

10. GENERAL SHAREHOLDER INFORMATION:

1.	Annual General Meeting	
	Date and Time	: September 26, 2017 at 9:30 a.m.
	Venue	: 'Kalash', Dhake Colony, J. P. Road, Andheri (W), Mumbai - 400053
2.	Financial Year	: 1 st April, 2016 to 31 st March, 2017
3.	Dividend Payment Date	: No Dividend has been recommended
4.	Registered Office of the company	: A-1, Manish Kaveri, Building No. 18, Manish Nagar, J. P. Road, Andheri (West), Mumbai – 400 053, Maharashtra. E-mail: hsindialimited@gmail.com Website : www.hsindia.in

5.	Listing on Stock Exchange	:	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, Maharashtra		
6.	Annual listing fees	:	Duly paid for the year 2016-17 and 2017-18		
7.	Stock Code	:	BSE Limited, Mumbai		
	(a) Trading Symbol at	:	Equity Shares INE731B01010		
	(b) Demat ISIN Numbers in NSDL & CDSL	:	532145/HOTLSILV		
8.	Stock Market Data	:	BSE Limited		
			High (₹)		Low (₹)
	April, 2016		5.20		4.29
	May, 2016		4.50		3.97
	June, 2016		5.30		4.22
	July, 2016		6.25		5.20
	August, 2016		6.00		4.37
	September, 2016		5.13		4.40
	October, 2016		6.10		4.21
	November, 2016		7.93		6.40
	December, 2016		8.71		6.60
	January, 2017		7.94		5.90
	February, 2017		9.88		6.50
	March, 2017		9.60		6.41
9.	Share Price Performance compared with broad based indices				
			H S India Limited		BSE
	As on 1 st April, 2016		5.20		25269.64
	As on 31 st March, 2017		7.06		29620.50
	Change (%)		35.77%		17.22%
10.	A. Distribution of Shareholding as on 31st March, 2017:				
	No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
	1 – 500	1690	65.96	348606	2.15
	501-1000	383	14.94	339028	2.09
	1001-2000	200	7.81	322694	1.99
	2001-3000	65	2.54	166855	1.03
	3001-4000	35	1.37	120742	0.74
	4001-5000	33	1.29	156456	0.96
	5001-10000	70	2.73	503175	3.10
	10001 & above	86	3.36	14280844	87.94
	GRAND TOTAL	2562	100.00	16238400	100.00
	Physical Mode	225	8.78	826989	5.09
	Electronic Mode	2337	91.22	15411411	94.91

B. Category of Shareholders as on 31 st March, 2017:				
Category Code	Category of Shareholders	No. of Shareholders	Total Number of Shares	As a Percentage of (A+B+C)
(A)	Shareholding of Promoter & promoter Group			
(1)	Indian	7	6333752	39.00
(2)	Foreign	0	0	0.00
	Sub-Total (A)	7	6333752	39.00
(B)	Public Shareholding			
(1)	Institutions	0	0	0.00
(2)	Non-Institutions			
	- Bodies Corporate	65	367340	2.26
	- Individuals	2480	9502268	58.52
	- Independent Director	2	10354	0.06
	- NRI's/OBC's/Foreign National	7	24685	0.16
	- Any Other (Trust)	1	1	0.00
	Sub-Total (B)	2555	9904648	61.00
(C)	Shares held by Custodians and against which Depository Receipt has been issued			
		0	0	0.00
	Sub-Total (C)	0	0	0.00
	GRAND TOTAL (A)+(B)+(C)	2562	16238400	100.00
11.	Dematerialization of Shares	: As on March 31, 2017, 15,411,411 equity shares constituting 94.91% of the Equity Share Capital of the Company stand dematerialized.		
12.	Outstanding GDRs/ ADRs/Warrants or any Convertible Instruments	: The Company has not issued GDRs/ADRs. As on March 31, 2017, no Warrants/Convertible Instruments outstanding for conversion.		
13.	Hotel Location	: Lords Plaza Opp. Linear Bus Stand, Nr. Delhi Gate, Ring Road, Surat – 395 003. E-mail : hsindialimited@gmail.com		

14.	Address for Correspondence	<p>: M/s. Bigshare Services Private Limited Unit: (H S India Limited) Registered Office:- E-3, Ansa Industrial Estate, Saki-vihar Road, Sakinaka, Andheri (E), Mumbai – 400 072 E-mail : investor@bigshareonline.com Tel. No. (022) 40430200, Fax No. (022)28475207</p> <p>Corporate Office (w.e.f. 27.06.2017):- 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments (Next To Keys Hotel), Marol Maroshi Road, Andheri (East), Mumbai - 400059, Maharashtra E-mail : investor@bigshareonline.com Tel. No. (022) 62638200, Fax No. (022) 62638299 Website: www.bigshareonline.com</p> <p>H S India Limited A-1, Manish Kaveri, Building No. 18, Manish Nagar, J. P. Road, Andheri (W), Mumbai – 400053, Maharashtra E-mail: hsindialimited@gmail.com Tel. No. (022) 26396768, Fax No. (022) 26396768 Website: www.hsindia.in</p>
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Bigshare Services Pvt. Ltd. appointed as a Registrar and share transfer agent of the Company in place of Sharepro Services (India) Pvt. Ltd. w.e.f. May 30, 2016.

11. RECONCILIATION OF SHARE CAPITAL AUDIT:

In keeping with the requirements of the SEBI and BSE Ltd., an audit by a qualified Practicing Company Secretary carried out to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The said audit confirms that the total issued / paid-up capital tallies with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

12. NON-MANDATORY REQUIREMENTS:

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

ANNEXURE-3

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

- (i) The percentage increase in remuneration of each Director and Company Secretary during the financial year 2016-17 and ratio of each director to the median remuneration of the employees of the Company for the financial year 2016-17 are as under:

(₹ In Lakh)				
Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2016-17	% increase in Remuneration in the financial year 2016-17	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Pushendra Bansal Chairman and Joint Managing Director	13.74	(23.66%)	14.88
2	Mr. Ramesh Bansal Managing Director/CFO	10.74	496.78%	11.66
3	Mr. Hitesh Limbani Company Secretary	5.07	8.65%	N.A.

- (ii) The Median Remuneration of employees of the Company during the financial year was ₹ 0.92 Lakh.
- (iii) In the financial year 2016-17, there was an increase of 10% in the median of remuneration of employees.
- (iv) As on 31.03.2017, there were 188 permanent employees on the rolls of the Company.
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and points out if there are any exceptional circumstances for increase in the managerial remuneration: Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year 2016-17 was 7%.
- (vi) Affirmation that the remuneration is as per the Remuneration policy of the Company: It is hereby affirmed that the remuneration is as per the remuneration policy for Directors, Key Managerial Personnel and other employees.

FORM NO. MGT 9

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

EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31/03/2017

I. REGISTRATION & OTHER DETAILS

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

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

vii	Name and Address of Registrar & Transfer Agents (RTA):-	
	Name of RTA:	BIGSHARE SERVICES PVT. LTD.
	Address:	E-3, Ansa Industrial Estate, Saki-vihar Road, Sakinaka, Andheri (E),
	Town / City:	Mumbai
	State:	Maharashtra
	Pin Code:	400072
	Telephone:	(022) 40430200
	Fax Number:	(022) 28475207
	Email Address:	investor@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Rooms	55101	48.00
2	Restaurants	56101	8.63
3	Wine and Liquor	47221	30.97
4	Banquets and others	56210	12.40

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

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	5935298	0	5935298	36.55	5935298	0	5935298	36.55	0.00
b) Central Govt.									
c) State Govt.(s)									
d) Bodies Corp.	398454	0	398454	2.45	398454	0	398454	2.45	0.00
e) Banks / FI									
f) Any other									
Sub-total (A) (1)	6333752	0	6333752	39.00	6333752	0	6333752	39.00	0.00
(2) Foreign									
a) NRI - Individual									
b) Other - Individual									
c) Bodies Corp.									
d) Banks / FI									
e) Any Others									
Sub-total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A) (1)+(A) (2)	6333752	0	6333752	39.00	6333752	0	6333752	39.00	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FII's									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	0	0	0	0.00	0	0	0	0.00	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	540611	800	541411	3.34	366540	800	367340	2.26	-1.08
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1891984	119620	2011604	12.39	1721883	119620	1841503	11.34	-1.05

ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	6610717	706569	7317286	45.07	6954196	706569	7660765	47.18	2.11
c) Others Specify									
(c-i) Independent Directors	8615	0	8615	0.05	10354	0	10354	0.06	0.01
(c-ii) Non-Residence (Non-Rep)	2156	0	2156	0.01	2500	0	2500	0.02	0.01
(c-iii) Non-Residence (Rep)	23476	0	23476	0.14	22185	0	22185	0.14	0.00
(c-iv) Trust	100	0	100	0.00	1	0	1	0.00	0.00
Sub-total B(2):-	9077659	826989	9904648	61.00	9077659	826989	9904648	61.00	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	9077659	826989	9904648	61.00	9077659	826989	9904648	61.00	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	15411411	826989	16238400	100.00	15411411	826989	16238400	100.00	0.00

ii. Shareholding of Promoters

Sl. No.	Name of the Promoter	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Pushpendra R Bansal	2851198	17.56	15.40	2851198	17.56	15.40	0.00
2	Sangita P Bansal	2838000	17.48	0.00	2838000	17.48	0.00	0.00
3	Srijan Holdings Ltd.	398454	2.45	0.00	398454	2.45	0.00	0.00
4	Suresh T Patel	144640	0.89	0.00	144640	0.89	0.00	0.00
5	Hansaben S Patel	45920	0.28	0.00	45920	0.28	0.00	0.00
6	Rahul S Patel	29620	0.18	0.00	29620	0.18	0.00	0.00
7	Trushar S Patel	25920	0.16	0.00	25920	0.16	0.00	0.00
	TOTAL	6333752	39.00	15.40	6333752	39.00	15.40	0.00

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

Sl. No.	Name of the Promoter	Shareholding at the beginning of the year (01-04-2016)		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year(01-04-2016 to 31-03-2017)	
		No. of Shares	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
No changes during the year								

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

Sl. No.	Name of the Shareholder (For Each of the Top 10 Shareholders)	Shareholding at the beginning of the year (01-04-2016)		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year(01-04-2016 to 31-03-2017)	
		No. of Shares	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
1	Mehinder Sharma	650000	4.00	-	0	No change	650000	4.00
2	Poonam Sharma	650000	4.00	-	0	No change	650000	4.00
3	Vinod Dalvi	650000	4.00	-	0	No change	650000	4.00
4	Vikash Suri	650000	4.00	-	0	No change	650000	4.00
5	Ajay Sahoo	296496	1.83	-	0	No change	296496	1.83
6	Anil Dhimmar	278800	1.72	-	0	No change	278800	1.72
7	Shrirang Jadhav	271289	1.67	-	0	No change	271289	1.67
8	Virendra Mistry	250000	1.54	-	0	No change	250000	1.54
9	Uma Gupta	234300	1.44	-	0	No change	234300	1.44
10	Rich Udyog Network Ltd.@	225067	1.39	30.06.2016	(5000)	Market Sale	220067	1.36
				08.07.2016	24000	Market Purchase	244067	1.50
				11.11.2016	(25000)	Market Sale	219067	1.35
11	Shabnam Motihar #	0	0.00	02.12.2016	209945	Market Purchase	209945	1.29
				24.02.2017	24552	Market Purchase	234497	1.44
				03.03.2017	121000	Market Purchase	355497	2.19

@ Top Ten Shareholders only as on 01-04-2016.

Top Ten Shareholders only as on 31-03-2017.

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of Directors and KMPs	Shareholding at the beginning of the year (01-04-2016)		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of Shares	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
1	Mr. Pushpendra Bansal (Chairman & Jt. MD)	2851198	17.56	-	0	No change	2851198	17.56
2	Mr. Ramesh Bansal (Managing Director/CFO)	0	0.00	-	0	No change	0	0.00
3	Mrs. Sangita Bansal (Director)	2838000	17.48	-	0	No change	2838000	17.48
4	Mr. Pradeep Dhawan (Director)	8615	0.05	10.09.2016	400	Market Purchase	9015	0.06
				17.09.2016	499	Market Purchase	9514	0.06
				25.11.2016	40	Market Purchase	9554	0.06

				17.03.2017	800	Market Purchase	10354	0.06
5	Mr. Nilkanth Barot (Director)	0	0.00	-	0	No change	0	0.00
6	Mr. Dinesh Mistry (Director)	0	0.00	-	0	No change	0	0.00
7	Mr. Hitesh Limbani (Company Secretary)	0	0.00	-	0	No change	0	0.00

V. INDEBTEDNESS

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

Indebtedness at the beginning of the financial year (As on 01.04.2016)	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	255000000	0	0	255000000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	255000000	0	0	255000000
Change in Indebtedness during the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
* Addition	1100000	0	0	1100000
* Reduction	-22775454	0	0	-22775454
Net Change	-21675454	0	0	-21675454
Indebtedness at the end of the financial year (As on 31.03.2017)	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	233324546	0	0	233324546
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	2337534	0	0	2337534
Total (i+ii+iii)	235662080	0	0	235662080

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Pushpendra Bansal (Chairman & Jt. Managing Director)	Ramesh Bansal (Managing Director)	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,374,192	1,074,196	2,448,388
	(b) Value of perquisites under Section 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	1,374,192	1,074,196	2,448,388

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

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

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Pradeep Dhawan	Mr. Nilkanth Barot	Mr. Dinesh Mistry	
1	Independent Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	Mrs. Sangita Bansal			
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration (A+B)	-	-	-	2,448,388

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	507,500	-	507,500
	(b) Value of perquisites under Section 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	507,500	-	507,500

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: There were no penalties, punishment or compounding of offences under the Companies Act, 2013, during the financial year ended 31st March, 2017.

For and on behalf of the Board of Directors

Place: Surat
Date : August 12, 2017

PUSHPENDRA BANSAL
Chairman & Jt. Managing Director
DIN-00086343

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2017**, complied with the statutory provisions of the applicable acts listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2017** according to the provisions of:

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

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable as the Company has not formulated any Employee Stock Option Scheme and Employee Stock Purchase Scheme);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable as the Company has not issued any debts securities which were listed);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client (Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent) ;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not opted for delisting); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable as the Company has not done any Buyback of Securities).
- (vi) Other laws as applicable specifically to the Company:
- (a) Food Safety and Standards Act, 2006.
 - (b) The Gujarat Tax on Luxuries (Hotels and Lodging Houses), Act, 1977 read with applicable rules.

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

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

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

I further report that

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

Date: August 12, 2017
Place: Surat

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

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

Annexure -A

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

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

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

Date: August 12, 2017
Place: Surat

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

COMPLIANCE CERTIFICATE

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

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

We hereby certify that:

- (a) We have reviewed the financial statements and cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) No transaction is entered into by the Company during the year which is fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

FOR H S INDIA LIMITED

Place: Surat
Date : August 12, 2017

PUSHPENDRA BANSAL
Chairman & Jt. Managing Director
DIN – 00086343

RAMESH BANSAL
Managing Director/CFO
DIN -00086256

DECLARATION ON CODE OF CONDUCT

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

To,
The Members of
H S INDIA LIMITED

It is hereby certified and confirmed that all Board Members and Senior Management Personnel of the Company have affirmed compliance for the financial year ended March 31, 2017 with the Code of Conduct of the Company. The code is posted on the Company's website www.hsindia.in.

FOR H S INDIA LIMITED

Place: Surat
Date: August 12, 2017

PUSHPENDRA BANSAL
Chairman and Jt. Managing Director
DIN – 00086343

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

To,
The Members of
H S INDIA LIMITED

1. We have examined the compliance of conditions of Corporate Governance by H S INDIA LIMITED for the period ended March 31, 2017, as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR PARY & CO.
Chartered Accountants
FRN: 007288C

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

Place : Surat
Date : August 12, 2017

Independent Auditor's Report

To,
The Members of
H S INDIA LIMITED

Report on the Financial Statement

We have audited the accompanying financial statements of **H S INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2017**, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in the Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standard) Amendment Rules, 2016.

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

Auditor's Responsibility:

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2017**;
- 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, 2016 (the "Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
 - i. The company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The company has provided requisite disclosure in its Note No.38 financial statements as to holdings as well as dealings in Specified Bank Notes during the period 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation regarding the holding and nature of cash transaction, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced by the management.

For PARY & CO.
Chartered Accountants
FRN: 007288C

Place : Mumbai
Date : May 30, 2017

AKASH GAGLANI
Partner
Membership No.: 114255

Annexure A to the Independent Auditor's Report to the Members of the H S India Limited dated 30th May, 2017

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

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) The title deeds of Immovable properties are held in the name of the company.
- II. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
- III. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- IV. According to the Information and Explanation given to us and on the basis of our examination of the books of accounts, the Company has duly complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities.
- V. Based on the audit procedures applied by us and according to the information and explanations provided by the management, the Company has not accepted deposits from public within the meaning of directives issued by the Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder are not applicable.
- VI. As per information and explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 for the Company's activities. Hence, the provisions of clause 3(vi) of the Order are not applicable to the company.
- VII. (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Employees' Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues and there are no statutory dues outstanding as on 31st March, 2017 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there is no amounts payable in respect of Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise or Value Added Tax on account of any dispute.
- VIII. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, government or debenture holders.
- IX. According to the information and explanation given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year under consideration. The Company has not availed any fresh term loan facility during the year under consideration.

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

For PARY & CO.
Chartered Accountants
FRN: 007288C

Place : Mumbai
Date : May 30, 2017

AKASH GAGLANI
Partner
Membership No.: 114255

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

We have audited the internal financial controls over Financial Reporting of H S India Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the company has in all material respects, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

For PARY & CO.
Chartered Accountants
FRN: 007288C

Place: Mumbai
Date: May 30, 2017

AKASH GAGLANI
Partner
Membership No.: 114255

BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	Note No.	As At March 31, 2017		As at March 31, 2016	
		₹	₹	₹	₹
I EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share Capital	2	162,384,000		162,384,000	
(b) Reserves and Surplus	3	97,868,162		87,350,010	
			260,252,162		249,734,010
2 Non- Current Liabilities					
(a) Long-term borrowings	4	189,464,813		225,000,000	
(b) Deferred tax liabilities (Net)	5	23,640,000		26,884,000	
(c) Other long-term liabilities	6	533,400		551,400	
			213,638,213		252,435,400
3 Current Liabilities					
(a) Trade payables	7	-		-	
-Dues to Micro and Small Enterprises		-		-	
-Dues to Others		13,556,894		12,606,811	
(b) Other current liabilities	8	58,704,869		41,954,569	
(c) Short-term provisions	9	9,876,698		7,935,426	
			82,138,461		62,496,806
TOTAL			556,028,836		564,666,216
II ASSETS					
1 Non-Current Assets					
(a) Fixed assets					
(i) Tangible assets	10	197,325,645		221,446,032	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(b) Non-current investments	11	58,439,260		58,439,260	
(c) Long-term loans and advances	12	210,349,231		211,561,231	
			466,114,136		491,446,523
2 Current assets					
(a) Inventories	13	9,821,637		11,323,767	
(b) Trade receivables	14	14,446,225		12,827,308	
(c) Cash and cash equivalents	15	54,821,434		40,773,837	
(d) Short-term loans and advances	16	10,825,404		8,294,781	
			89,914,700		73,219,693
TOTAL			556,028,836		564,666,216
III The significant accounting policies and accompanying notes forming an integral part of the financial statements	1-39				

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

For and on behalf of the Board of Directors

AKASH GAGLANI
 Partner
 Membership No. 114255

PUSHPENDRA BANSAL
 Chairman and Jt. Managing Director
 DIN:00086343

RAMESH BANSAL
 Managing Director/CFO
 DIN:00086256

Place : Mumbai
 Date : May 30, 2017

HITESH LIMBANI
 Company Secretary
 ACS-31531

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Note No.	Year Ended	Year Ended
		March 31, 2017	March 31, 2016
		₹	₹
I Revenue from operations	17	227,827,544	222,581,222
II Other Income	18	5,974,484	6,286,783
III Total Revenue (I + II)		233,802,028	228,868,005
IV Expenses			
Food and Beverages Consumed	19	13,779,566	11,799,146
Purchase of Stock in Trade	20	36,224,548	43,126,624
Changes in Inventories of Stock In Trade	21	269,847	(2,656,249)
Employee benefit expense	22	37,291,992	32,911,889
Finance Costs	23	29,120,641	33,053,386
Depreciation and amortization expense		26,079,787	25,097,596
Other operating and general expenses	24	75,223,766	70,248,369
Total Expenses		217,990,147	213,580,761
V Profit before exceptional and extraordinary items and tax (III-IV)		15,811,881	15,287,244
VI Exceptional Items		-	(820,000)
VII Profit before extraordinary items and tax (V-VI)		15,811,881	14,467,244
VIII Extraordinary items		-	-
IX Profit before tax (VII-VIII)		15,811,881	14,467,244
X Tax expense:			
Current tax expense		8,700,000	7,200,000
Less: MAT credit		-	-
Net current tax expense		8,700,000	7,200,000
Deferred tax		(3,244,000)	(3,816,000)
XI Profit/(Loss) for the period from continuing operations after tax (IX - X)		10,355,881	11,083,244
XII Profit/(Loss) for the period from discontinued operations		-	-
XIII Tax expense of discontinued operations		-	-
XIV Profit/(Loss) from discontinued operations (after tax) (XII-XIII)		-	-
XV Profit for the period (XI + XIV)		10,355,881	11,083,244
XVI Earnings per equity share:			
(1) Basic		0.64	0.68
(2) Diluted		0.64	0.68
XVII The significant accounting policies and accompanying notes forming an integral part of the financial statements	1-39		

As per our report of even date

For PARY & Co.

Chartered Accountants

Firm Reg. No. 007288C

For and on behalf of the Board of Directors

AKASH GAGLANI
Partner
Membership No. 114255

PUSHPENDRA BANSAL
Chairman and Jt. Managing Director
DIN:00086343

RAMESH BANSAL
Managing Director/CFO
DIN:00086256

Place : Mumbai
Date : May 30, 2017

HITESH LIMBANI
Company Secretary
ACS-31531

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	Year Ended March 31, 2017		Year Ended March 31, 2016	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit as per Statement of Profit & Loss before tax		15,811,881		14,467,244
Adjustments for:				
Depreciation	26,079,787		25,097,596	
(Profit)/Loss on sale of Investments	-		820,000	
Interest paid	29,120,641		33,053,386	
Operating Profit Before Working Capital Changes		55,200,428		58,970,982
		71,012,309		73,438,226
Working Capital Changes:				
(Increase)/Decrease in inventories	1,502,130		(2,696,221)	
Increase/(Decrease) in short term provisions	441,272		(1,532,019)	
Increase/(Decrease) in other long term liabilities	(18,000)		51,400	
(Increase)/Decrease in trade receivables	(1,618,917)		(7,218,844)	
(Increase)/Decrease in short term loans & advances	(236,862)		2,116,464	
Increase/(Decrease) in trade payables	950,083		3,611,431	
Increase/(Decrease) in other current liabilities	16,750,300		2,278,085	
Cash Generated from Operations		17,770,006		(3,389,704)
Taxes Paid (Net)		88,782,315		70,048,522
Net Cash Flow from Operating Activities		(9,331,490)		(5,390,974)
		79,450,825		64,657,548
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets / capital work-in-progress		(1,959,400)		(4,608,775)
(Increase)/Decrease in long term loans and advances		1,212,000		(1,009,701)
Sale of non current investments		-		7,380,000
Net Cash Flow from Investing Activities		(747,400)		1,761,524
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayments) from/of long-term borrowings		(36,000,000)		(30,000,000)
Proceeds from car loan net off repayments		464,813		-
Interest paid		(29,120,641)		(33,053,386)
Net Cash Flow from Financing Activities		(64,655,828)		(63,053,386)
Net Increase in Cash and Cash Equivalents (A+B+C)		14,047,597		3,365,686
OPENING CASH AND CASH EQUIVALENTS		40,773,837		37,408,151
CLOSING CASH AND CASH EQUIVALENTS		54,821,434		40,773,837

Components of Cash and Cash Equivalents as at	March 31, 2017	March 31, 2016
Cash on Hand	1,699,050	1,021,663
Balance with Banks	50,716,739	37,542,395
Bank Deposits	2,405,645	2,209,779
Total	54,821,434	40,773,837

Note:

- The Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard, AS-3 (Cash Flow Statements) issued by the Institute of Chartered Accountants of India.
- Previous Year figures has been regrouped or rearranged wherever necessary.

As per our report of even date

For PARY & Co.
Chartered Accountants
Firm Reg. No. 007288C

For and on behalf of the Board of Directors

AKASH GAGLANI
Partner
Membership No. 114255

PUSHPENDRA BANSAL
Chairman and Jt. Managing Director
DIN:00086343

RAMESH BANSAL
Managing Director/CFO
DIN:00086256

Place : Mumbai
Date: May 30, 2017

HITESH LIMBANI
Company Secretary
ACS-31531

Significant Accounting Policies & Notes on Financial Statement
for the year ended on 31st March, 2017

Note '1'- SIGNIFICANT ACCOUNTING POLICIES**A. Basis of preparation of Financial Statements**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

B. Revenue Recognition

Revenue is recognised on rendering of services and/or sales of goods, net of returns and trade discounts. Sales of goods are recognised on transfer of significant risks and rewards of the ownership to the buyer, which generally coincides with the delivery of the goods to the customers. Revenue excludes VAT, Luxury Tax, Service Tax, etc.

C. Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities as at the date of financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period the same is determined.

D. Fixed Assets

- (i) Fixed assets are stated at acquisition cost net of recoverable taxes, less accumulated depreciation and impairment loss.
- (ii) All costs, including financing costs till commencement of commercial activity attributable to the fixed assets are capitalised.
- (iii) Assets which are not ready for use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.
- (iv) Pursuant to the enactment of Companies Act, 2013, the company has applied the estimated useful lives as specified in the Schedule II. Accordingly, the unamortised carrying value is being depreciated/amortised over the revised/remaining useful lives.

E. Depreciation, Amortisation and Impairment

Depreciation on fixed assets is charged on Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Impairment is ascertained at each balance sheet date in respect of the Company's fixed assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

**Significant Accounting Policies & Notes on Financial Statement
for the year ended on 31st March, 2017**

F. Inventories

Stock of food, beverages, other supplies, wine and liquor are valued at cost (which is computed on first in first out basis) or net realisable value, whichever is lower.

G. Borrowing Costs

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

H. Investments

Long term Investments are stated at cost. Diminution in the value of investments is provided for by reducing the value of investments and charging the same to the Statement of Profit & Loss only if such diminution is other than temporary.

Current Investments are carried at the lower of cost and fair value determined on a category basis.

I. Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when there is a present legal obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligations and when a reliable estimate of the amount of the obligation can be made. Contingent Liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non- occurrence of one or more uncertain future events, not wholly within the control of the company, or where any present obligation can't be measured in term of future outflow of resources, or where a reliable estimate of the obligation can't be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resource are provided for. Contingent Assets are not recognised in the financial statements.

J. Employee's Benefits

- (i) Contributions to Provident Fund, Gratuity Fund and Family Pension Fund are charged to the Statement of Profit & Loss for the year in which related service is rendered.
- (ii) Gratuity is charged to revenue on actuarial valuation as provided by Life Insurance Corporation of India under the Employees Group Gratuity policy with them.
- (iii) Provision for Leave encashment is made on the basis of actual leave outstanding at the end of the year based on the present pay structure.

K. Foreign Exchange Transactions

Transactions denominated in foreign currency settled/negotiated during the year are recorded at exchange rate on the date of settlement/negotiation. Foreign currency transactions remaining not settled/ negotiated at the end of the year are converted into rupees at the year end rates. All gains or losses on foreign exchange transaction including those related to Fixed Assets are recognised in the Statement of Profit & Loss.

**Significant Accounting Policies & Notes on Financial Statement
for the year ended on 31st March, 2017**

L. Taxes on Income

- (i) Tax expenses are accounted in the same period to which the revenue and expense relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions' determined in accordance with the prevailing tax laws. The differences between the taxable income and the net profit and loss before tax for the year as per the financial statements are identified and the tax effect of timing differences is recognised as a deferred tax asset or deferred tax liability. The tax effect is calculated on accumulated timing differences at the end of the accounting year, based on effective tax rates substantively enacted by the Balance Sheet date.
- (ii) Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

M. Cash and Cash Equivalents

Cash comprises of the cash on hand and demand deposits with banks. Cash equivalents are short term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

N. Change in Accounting Policy:

During the year under consideration, the company has changed its accounting policy relating the accounting for Operational Assets. Till date company was expensing out the operational assets when it is discarded or it is of no use to the company. From the current year, the company has accounted for expenses in relation to operational assets as and when it is issued from the respective store for consumption and not when it is discarded. The company believes that such change would result in more accurate presentation of the financial statements and would also make it align with the accounting policy for other store items like Food Store, General Store and Housekeeping Store etc. Due to this change in accounting policy, the company has expensed out additional Operational Assets of ₹ 24,14,875/- during the year.

**Significant Accounting Policies & Notes on Financial Statement
for the year ended on 31st March, 2017**

NOTE '2' SHARE CAPITAL	As at March 31, 2017	As at March 31, 2016
	₹	₹
-Authorised Share Capital		
17,000,000 Equity Shares of ₹ 10/- each (Previous year 17,000,000 Equity Shares of ₹ 10/- each)	170,000,000	170,000,000
TOTAL	<u>170,000,000</u>	<u>170,000,000</u>
-Issued, Subscribed and Paid up Share Capital		
16,238,400 Equity Shares of ₹ 10/- each fully paid up (Previous year 16,238,400 Equity Shares of ₹ 10/- each fully paid up)	162,384,000	162,384,000
TOTAL	<u>162,384,000</u>	<u>162,384,000</u>

Footnote:

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Amount ₹	Number of shares	Amount ₹
As at the beginning of the year	16,238,400	162,384,000	16,238,400	162,384,000
Add: Shares issued during the year	-	-	-	-
As at the end of the year	16,238,400	162,384,000	16,238,400	162,384,000

(ii) Terms & Rights of Shareholders:

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

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

Name of Shareholders	As at March 31, 2017		As at March 31, 2016	
	Number of shares	% of holding	Number of shares	% of holding
Pushpendra Bansal	2,851,198	17.56%	2,851,198	17.56%
Sangita Bansal	2,838,000	17.48%	2,838,000	17.48%

NOTE '3' RESERVES AND SURPLUS	As at March 31, 2017	As at March 31, 2016
	₹	₹
Securities Premium Reserve		
Opening and Closing Balance	21,752,000	21,752,000
General Reserve		
Opening and Closing Balance	32,500,000	32,500,000
Surplus in Statement of Profit and Loss		
Opening Balance	33,098,010	22,247,854
Add: Surplus during The Year	10,355,881	11,083,244
Less: Short Provision of Income Tax	-	(222,299)
Add: Provision for Income Tax Written off	162,271	-
Add: Other Adjustments	-	(10,789)
Closing Balance	<u>43,616,162</u>	<u>33,098,010</u>
TOTAL	<u>97,868,162</u>	<u>87,350,010</u>

**Significant Accounting Policies & Notes on Financial Statement
for the year ended on 31st March, 2017**

NOTE '4' LONG-TERM BORROWINGS	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Term Loan from Bank		
-Secured	189,000,000	225,000,000
Car Loan from Bank		
-Secured	464,813	-
TOTAL	<u>189,464,813</u>	<u>225,000,000</u>

Footnote:

Current and Non Current Components of Long-Term Borrowings:

	As at March 31, 2017 ₹		As at March 31, 2016 ₹	
	Non-Current	Current	Non-Current	Current
Secured				
a) Term Loan from Bank	189,000,000	43,500,000	225,000,000	30,000,000
	189,000,000	43,500,000	225,000,000	30,000,000

Maturity Profile:

	(Amount in ₹)			
	2017-18	2018-19	2019-20	2020-22
Term Loan Bank	36,000,000	42,000,000	45,000,000	102,000,000

Term Loan from Bank is secured by 1st & exclusive charge by way of registered mortgage over Hotel Land and Building and exclusive charge on all movable fixed assets (both present and future) of company. Further, it is also secured by way of personal guarantee from Director. The aforesaid term loan carries the interest rate of 11.85% p.a.

(b) Car Loan from bank

	As at March 31, 2017 ₹		As at March 31, 2016 ₹	
	Non-Current	Current	Non-Current	Current
Car Loan From Bank	464,813	359,733	-	-
	464,813	359,733	-	-

The above facility is secured by hypothecation of vehicles repayable up to May, 2019 in equal monthly installments.

NOTE '5' DEFERRED TAX LIABILITIES (NET)	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Deferred Tax Liabilities		
On Depreciation of fixed assets (A)	27,512,000	30,910,000
Deferred Tax Assets		
On Disallowance under Income Tax Act, 1961 (B)	3,872,000	4,026,000
Net Deferred tax liabilities (A-B)	<u>23,640,000</u>	<u>26,884,000</u>

NOTE '6'

OTHER LONG-TERM LIABILITIES

Security Deposit		
-Unsecured	533,400	551,400
TOTAL	<u>533,400</u>	<u>551,400</u>

**Significant Accounting Policies & Notes on Financial Statement
for the year ended on 31st March, 2017**

NOTE '7'	As at March 31, 2017 ₹	As at March 31, 2016 ₹
TRADE PAYABLES		
Micro Small & Medium Enterprise (Refer Note - 37)	-	-
Others	13,556,894	12,606,811
TOTAL	<u>13,556,894</u>	<u>12,606,811</u>
NOTE '8'		
OTHER CURRENT LIABILITIES		
Current Maturities of Long-term borrowings (Refer Note - 4)	43,859,733	30,000,000
Interest Accrued but not due on borrowings	2,337,534	-
Advances from Customers	724,249	1,194,607
Statutory Dues	6,176,785	6,073,653
Director Remuneration	272,540	-
Payable to Employees	5,334,028	4,686,309
TOTAL	<u>58,704,869</u>	<u>41,954,569</u>
NOTE '9'		
SHORT-TERM PROVISIONS		
Provision for Employee Benefits	1,124,899	683,627
Other Provisions:		
Provision for Taxation	8,700,000	7,200,000
Provision for Others	51,799	51,799
TOTAL	<u>9,876,698</u>	<u>7,935,426</u>
NOTE '11'		
NON-CURRENT INVESTMENTS		
<i>Trade Investments</i>		
Investment in Equity Instruments (Valued at Cost unless Stated otherwise)		
Other Investments		
Unquoted (fully paid up)		
Kesar Motels Pvt. Ltd. of ₹ 100/- each 67,250 Shares, (Previous Year 67,250 Shares)	26,900,000	26,900,000
Unquoted (fully paid up)		
Lords Oriental Resorts Developers (Silvassa) Pvt. Ltd. of ₹ 10/- each 65,625 Shares (Previous Year 65,625 Shares)	31,500,000	31,500,000
Unquoted (fully paid up)		
Japan Market Co-operative Service Society Ltd. of ₹ 50/- each 260 Shares, (Previous Year 260 Shares)	39,260	39,260
TOTAL	<u>58,439,260</u>	<u>58,439,260</u>
NOTE '12'		
LONG-TERM LOANS AND ADVANCES		
<i>Unsecured, considered good:</i>		
Capital Advances	35,300,000	36,500,000
Security Deposits		
With Related Party	172,700,000	172,700,000
With Others	2,349,231	2,361,231
TOTAL	<u>210,349,231</u>	<u>211,561,231</u>
NOTE '13'		
INVENTORIES (At lower of cost and net realisable value, as verified, valued and certified by the management)		
Traded Goods		
Wine & Liquor	7,236,705	7,506,552
Stores & Spares		
Provision, Stores, Food and Beverages	548,781	444,482
Other Consumables and Operating Supplies	2,036,151	3,372,733
TOTAL	<u>9,821,637</u>	<u>11,323,767</u>

Significant Accounting Policies & Notes on Financial Statement for the year ended on 31st March, 2017

Note - '10'
FIXED ASSETS

SR. NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		AS ON 01.04.2016	ADDITIONS DURING THE YEAR	AS ON 31.03.2017	AS ON 01.04.2016	FOR THE YEAR	AS ON 31.03.2017	AS ON 31.03.2017	AS ON 31.03.2017	AS ON 31.03.2016
A TANGIBLE ASSETS:										
1	Freehold Land	21,767,000	-	21,767,000	-	-	-	21,767,000	21,767,000	
2	Borewell	74,330	-	74,330	70,614	-	70,614	3,716	3,716	
3	Building	131,292,133	-	131,292,133	29,499,104	5,386,548	34,885,652	96,406,481	101,793,029	
4	Plant & Machineries	120,113,590	82,500	120,196,090	69,426,846	5,453,926	74,880,772	45,315,318	50,686,744	
5	Motor Car	4,125,908	1,608,400	5,734,308	3,545,557	546,738	4,092,295	1,642,013	580,351	
6	Computer	4,152,133	268,500	4,420,633	2,485,741	1,367,550	3,853,291	567,342	1,666,392	
7	Electrical Installations	44,158,093	-	44,158,093	23,181,976	5,144,066	28,326,042	15,832,051	20,976,117	
8	Furniture & Fixtures	57,753,123	-	57,753,123	33,780,440	8,180,959	41,961,399	15,791,724	23,972,683	
	TOTAL - A	383,436,310	1,959,400	385,395,710	161,990,278	26,079,787	188,070,065	197,325,645	221,446,032	
	PREVIOUS YEAR	378,827,535	4,643,391	383,436,310	136,892,682	25,097,596	161,990,278	221,446,032	241,934,853	
B INTANGIBLE ASSETS:										
	TOTAL - B	-	-	-	-	-	-	-	-	
	PREVIOUS YEAR	-	-	-	-	-	-	-	-	
C CONSTRUCTION WIP:										
	TOTAL - C	-	-	-	-	-	-	-	-	
	PREVIOUS YEAR	-	-	-	-	-	-	-	-	

**Significant Accounting Policies & Notes on Financial Statement
for the year ended on 31st March, 2017**

	As at March 31, 2017 ₹	As at March 31, 2016 ₹
NOTE '14'		
TRADE RECEIVABLES		
<i>Unsecured, considered good:</i>		
More than six months	579,975	447,115
Others	13,866,250	12,380,193
TOTAL	<u>14,446,225</u>	<u>12,827,308</u>
NOTE '15'		
CASH AND CASH EQUIVALENTS		
Cash on Hand		
Balance with Banks	1,699,050	1,021,663
-In Current Accounts	50,716,739	37,542,395
Other Bank Balances		
Bank Deposits with more than three months maturity	2,405,645	2,209,779
TOTAL	<u>54,821,434</u>	<u>40,773,837</u>
NOTE '16'		
SHORT TERM LOANS AND ADVANCES		
<i>Unsecured, considered good:</i>		
Advances to Suppliers	1,202,521	600,631
Prepaid Expenses	362,138	106,872
Advances to Employees	414,111	421,282
Balance with Statutory Authorities	8,846,634	7,165,996
TOTAL	<u>10,825,404</u>	<u>8,294,781</u>
	Year Ended March 31, 2017 ₹	Year Ended March 31, 2016 ₹
NOTE '17'		
REVENUE FROM OPERATION		
Sale of Products and Services:		
Room Sale	109,347,886	104,925,376
Food & Beverage Sale	42,715,749	40,603,471
Wine & Liquor Sale	70,558,800	73,252,762
Other Services	5,205,109	3,799,613
TOTAL	<u>227,827,544</u>	<u>222,581,222</u>
NOTE '18'		
OTHER INCOME		
Interest Income		
- From Bank	314,893	200,524
- From Others	135,430	101,614
Other non-operating income	5,524,161	5,984,645
TOTAL	<u>5,974,484</u>	<u>6,286,783</u>
NOTE '19'		
FOOD AND BEVERAGES CONSUMED		
Stock at Commencement	444,482	479,728
Add: Purchases	13,883,865	11,763,900
	14,328,347	12,243,628
Less : Stock at Close	548,781	444,482
TOTAL	<u>13,779,566</u>	<u>11,799,146</u>
NOTE '20'		
PURCHASE OF STOCK IN TRADE		
Purchase of Wine & Liquor	34,854,306	41,201,371
Add: Excise Duty/Import Fee	1,370,242	1,925,253
TOTAL	<u>36,224,548</u>	<u>43,126,624</u>
NOTE '21'		
CHANGES IN INVENTORIES OF STOCK IN TRADE		
Opening Stock	7,506,552	4,850,303
Less: Closing Stock	7,236,705	7,506,552
TOTAL	<u>269,847</u>	<u>(2,656,249)</u>

**Significant Accounting Policies & Notes on Financial Statement
for the year ended on 31st March, 2017**

	Year Ended March 31, 2017 ₹	Year Ended March 31, 2016 ₹		
NOTE '22'				
EMPLOYEE BENEFIT EXPENSE				
Salaries, Wages, Bonus etc.	27,761,341	23,832,305		
Contribution to P.F., E.S.I.C. and Other Statutory Funds	2,180,953	1,994,700		
Workmen and Staff Welfare Expenses	4,901,311	5,199,114		
Directors Remuneration	2,448,387	1,885,770		
TOTAL	<u>37,291,992</u>	<u>32,911,889</u>		
NOTE '23'				
FINANCE COSTS				
Interest on Term Loan	29,039,405	33,053,386		
Interest on Car Loan	81,236	-		
TOTAL	<u>29,120,641</u>	<u>33,053,386</u>		
NOTE '24'				
OTHER OPERATING AND GENERAL EXPENSES				
Power and Fuel	15,103,570	17,550,136		
Repairs To - Building	7,109,616	8,966,949		
- Machinery	4,521,486	3,038,710		
- Others	4,757,704	4,346,590		
Renewal & Replacements	1,103,340	670,633		
Insurance	286,319	399,218		
Rates and Taxes	7,289,813	6,587,367		
Linen, Uniform & Washing	6,883,765	5,422,586		
Housekeeping Expenses	6,258,207	6,179,323		
Advt., Publicity & Promotional Expenses	1,125,307	879,522		
Commission Expense	2,829,850	2,238,610		
Travelling & Conveyance	1,888,952	2,171,449		
Freight, Cartage & Transportation	2,604,454	2,528,406		
Management & Franchise Fees	5,427,000	3,006,250		
Legal & Professional Fees	4,135,453	3,878,355		
Payment to Auditor (Refer Footnote)	100,000	100,000		
Miscellaneous Expense	3,798,930	2,284,265		
TOTAL	<u>75,223,766</u>	<u>70,248,369</u>		
Footnote:				
(i) Payment to Auditors (Exclusive of Service Tax):				
As auditors - statutory audit	40,000	40,000		
For taxation matters	30,000	30,000		
For other services	30,000	30,000		
TOTAL	<u>100,000</u>	<u>100,000</u>		
NOTE '25'				
EXCEPTIONAL ITEMS				
Loss on sale of investments in Kesar Motels Pvt. Ltd.	-	(820,000)		
TOTAL	<u>-</u>	<u>(820,000)</u>		
NOTE '26'				
ADDITIONAL INFORMATION				
Imported and Indigenous Goods:	Year Ended	% to total	Year Ended	% to total
	March 31, 2017	Consumption	March 31, 2016	Consumption
Food and Beverages Consumed:				
Imported	-	-	-	-
Indigenous	13,779,566	100%	11,799,146	100%
Total	<u>13,779,566</u>	<u>100%</u>	<u>11,799,146</u>	<u>100%</u>
Expenditure in Foreign Currency:				
Commission	196,115		202,606	
TOTAL	<u>196,115</u>		<u>202,606</u>	
Earnings in foreign exchange :				
Payment Received from Foreign Customers	6,084,820		5,946,004	
TOTAL	<u>6,084,820</u>		<u>5,946,004</u>	

**Significant Accounting Policies & Notes on Financial Statement
for the year ended on 31st March, 2017**

Note '27' - The break-up of Consumption of Provisions, Stores, Food, Beverages, Wine & Liquor and other consumables are as follows:

	Provisions, Stores, Food & Beverages (₹)	Wine & Liquor (₹)	Total (₹)	Other Consumables (₹)	Total (₹)
Opening Stock	4,44,482 (4,79,728)	75,06,552 (48,50,303)	79,51,034 (53,30,031)	33,72,733 (32,97,515)	1,13,23,767 (86,27,546)
Add:- Purchases	1,38,83,865 (1,17,63,900)	3,62,24,548 (4,31,26,624)	5,01,08,413 (5,48,90,524)	72,37,393 (72,33,157)	5,73,45,806 (6,21,23,681)
Total	1,43,28,347 (1,22,43,628)	4,37,31,100 (4,79,76,927)	5,80,59,447 (6,02,20,555)	1,06,10,126 (1,05,30,672)	6,86,69,573 (7,07,51,227)
Less:- Closing Stock	5,48,781 (4,44,482)	72,36,705 (75,06,552)	77,85,486 (79,51,034)	20,36,151 (33,72,733)	98,21,637 (1,13,23,767)
Consumption during the year	1,37,79,566 (1,17,99,146)	3,64,94,395 (4,04,70,375)	5,02,73,961 (5,22,69,521)	85,73,975 (71,57,939)	5,88,47,936 (5,94,27,460)

(Figures in brackets represent figures for the year 2015-16)

	2016-17	2015-16
	₹	₹
Note'28' - Estimated amount of Contracts remaining to be executed On capital account (Net of Advances)	50,00,000	1,00,00,000

Note'29'- There are no Contingent Liabilities and Commitments occurred after the balance sheet date which require disclosure in the books of accounts.

Note '30'- There is no amount due and outstanding to "Investors Education and Protection Fund."

Note'31'- Income from operations represents invoiced value of goods sold and services rendered exclusive of applicable taxes.

Note'32'- In the opinion of Board of Directors of the Company, all the current assets, loans and advances have value on realisation of an amount at least equal to the amount at which they are stated in the Balance Sheet.

Note'33'- As per Accounting Standard -15 – Accounting for Employees benefits as defined in the accounting standard, the summarised components of net benefit expense recognised in the Statement of profit and loss and the funded status and the amount recognised in the balance sheet are given herein below:

I. Change in Benefit Obligation	2016-17	2015-16
	₹	₹
Liability at the beginning of the year	26,25,066	37,33,990
Interest Cost	2,10,005	2,98,719

**Significant Accounting Policies & Notes on Financial Statement
for the year ended on 31st March, 2017**

Current Service Cost	3,97,091	5,70,825
Past Service Cost (Non Vested Benefit)	-	-
Past Service Cost (Vested Benefit)	-	-
Benefit Paid	(4,40,557)	(2,71,205)
Actuarial (gain)/loss on obligation	91,387	(17,07,263)
Curtailements and Settlements	-	-
Liability at the end of the year	<u>28,82,992</u>	<u>26,25,066</u>
II. Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	34,84,752	34,93,793
Expected Return on Plan Assets	2,57,211	2,62,164
Contribution	-	-
Benefit Paid	(4,40,557)	(2,71,205)
Actuarial gain/(loss) on Plan Assets	-	-
Fair Value of Plan Assets at the end of the year	<u>33,01,406</u>	<u>34,84,752</u>
Excess of Obligation over Plan Assets	<u>(4,18,414)</u>	<u>(8,59,686)</u>
III. Actual Return on Plan Assets		
Expected Return on Plan Assets	2,57,211	2,62,164
Actuarial gain/(loss) on Plan Assets	-	-
Actual Return on Plan Assets	<u>2,57,211</u>	<u>2,62,164</u>
IV. Amount Recognized in the Balance Sheet		
Liability at the end of the year	30,51,959	26,25,066
Fair Value of Plan Assets at the end of the year	33,01,406	34,84,752
Difference	(2,49,447)	(8,59,686)
Unrecognised Past Service Cost	-	-
Amount Recognised in the Balance Sheet	<u>(2,49,447)</u>	<u>(8,59,686)</u>
V. Expenses Recognized in the Income Statement		
Current Service Cost	3,97,091	5,70,825
Interest Cost	2,10,005	2,98,719
Expected Return on Plan Assets	(2,57,211)	(2,62,164)
Net Actuarial (gain)/loss to be Recognised	91,387	(17,07,263)
Past Service Cost (Non Vested Benefit) Recognised	-	-
Past Service Cost (Vested Benefit) Recognised	-	-
Effect of Curtailements and Settlements	-	-
Expenses/(Gain) Recognised in Statement of Profit and Loss	<u>4,41,272</u>	<u>(10,99,883)</u>
VI. Balance Sheet Reconciliation		
Opening Net Liability	(6,90,719)	4,09,164
Expenses/(Gain) as above	4,41,272	(10,99,883)
Employers Contribution	-	-
Effect of Curtailements and Settlements	-	-
Amount Recognised in Balance Sheet	<u>(2,49,447)</u>	<u>(6,90,719)</u>

**Significant Accounting Policies & Notes on Financial Statement
for the year ended on 31st March, 2017**

VII. Actuarial Assumptions

Discount Rate	8%	8%
Salary Escalation	7%	7%

Note:

- I. Employer's contribution, Benefits Paid and Past Service Cost includes payments made by the Company directly to its past employees.
- II. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- III. The Company's Gratuity fund is managed by Life Insurance Corporation of India. The plan assets under the fund are deposited under approved securities.

Note'34'- Earning Per Share:

Earnings per Share is calculated in accordance with Accounting Standard 20 – 'Earning per Share' – (AS - 20), as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Company (Accounts) Rules, 2014:

Particulars	2016-17 ₹	2015-16 ₹
a. Profit after Tax	1,03,55,881	1,10,83,244
b. Weighted average No. of Equity Shares Basic & Diluted	1,62,38,400	1,62,38,400
c. Earning Per Share Basic & Diluted	0.64	0.68

Note'35'- The Company's only business being hoteliering and since all the operations are undertaken in India only, segment-wise information is not applicable under Accounting Standard 17- 'Segmental Information' (AS-17) specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Note'36'- Related Party Disclosure as required by Accounting Standard – 18 issued by the Institute of Chartered Accountants of India:

(A) Nature of Relationship

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

Kesar Motels Pvt. Ltd.
Lords Inn Hotels and Developers Ltd.
Sai Ram Krupa Hotels Pvt. Ltd.
Lords Oriental Resorts Developers (Silvassa) Pvt. Ltd.
Lords Sai Ma Hotels Pvt. Ltd.
Lords Institute of Management Pvt. Ltd.

- (II) Key Management Personnel:

Pushendra Bansal
Ramesh Bansal

**Significant Accounting Policies & Notes on Financial Statement
for the year ended on 31st March, 2017**

(B) Transactions with Related Parties

Sr. No.	Nature of Transaction (Excluding Reimbursement)	Enterprises in which KMP have significant influence	Key Management Personnel	(Amount in ₹)
				Total
1	Receiving of services	59,11,750 (40,92,752)	24,48,387 (19,80,000)	83,60,137 (60,72,752)
2	Rendering of Services	42,00,000 (42,00,000)	Nil (Nil)	42,00,000 (42,00,000)
3	Sale of Investment	Nil (73,80,000)	Nil (Nil)	Nil (73,80,000)

(C) Balance as at 31.03.2017

4	Investment	5,84,00,000 (5,84,00,000)	Nil (Nil)	5,84,00,000 (5,84,00,000)
5	Trade & Other Receivable	91,01,390 (56,06,160)	Nil (Nil)	91,01,390 (56,06,160)
6	Trade & Other Payables	4,75,750 (2,54,900)	2,72,540 (Nil)	7,48,290 (2,54,900)
7	Security Deposit	17,27,00,000 (17,27,00,000)	Nil (Nil)	17,27,00,000 (17,27,00,000)

(Figures in brackets are for previous year)

Note 37- Details of dues to Micro, Small and Medium Enterprises Act, 2006 to the extent information is with the Company:

Particulars	2016-17	2015-16
	₹	₹
The principal amount and the interest due there on remaining unpaid to any supplier at the end of each accounting year	-	-
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-
Total	-	-

**Significant Accounting Policies & Notes on Financial Statement
for the year ended on 31st March, 2017**

Note '38'- The details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as provided in the table below:

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08/11/2016	16,08,500	2,45,771	18,54,271
(+) Permitted Receipts	-	1,53,38,642	1,53,38,642
(-) Permitted Payments	-	7,34,740	7,34,740
(-) Amount Deposited in Banks	16,08,500	1,37,52,361	1,53,60,861
Closing cash in hand as on 30/12/2016	-	10,97,312	10,97,312

Note'39'- The previous years' figures have been regrouped and/or rearranged wherever necessary.

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

For and on behalf of the Board of Directors

AKASH GAGLANI
Partner
Membership No. 114255

PUSHPENDRA BANSAL
Chairman and Jt. Managing Director
DIN:00086343

RAMESH BANSAL
Managing Director/CFO
DIN:00086256

Place : Mumbai
Date: May 30, 2017

HITESH LIMBANI
Company Secretary
ACS-31531

H S INDIA LIMITED

CIN: L55100MH1989PLC053417

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

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

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

CLIENT ID:-----

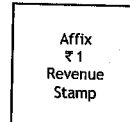
I/We being the member(s) of ----- shares of the above named Company hereby appoint:

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

as my/our proxy to attend and vote for me/us and on my/our behalf at the 28th Annual General Meeting of the Company to be held on Tuesday, the 26th September, 2017 at 9.30 a.m. and any adjournment thereof in respect of such resolutions as are indicated below.

Resolution No.	Resolution
Ordinary Business	
1	Adoption of financial statement
2	Appointment of Director
3	Appointment of auditor

As witness my / our hand(s) this _____ day of _____ 2017



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

NOTE:

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

H S INDIA LIMITED

CIN: L55100MH1989PLC053417

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

ATTENDANCE SLIP

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

DPID _____
Regd. Folio No. _____

CLIENT ID _____

I hereby record my presence at the 28th ANNUAL GENERAL MEETING of the Company held on Tuesday, 26th September, 2017 at 9.30 a.m. at 'Kalash', Dhake Colony, J. P. Road, Andheri (W), Mumbai - 400 053, Maharashtra.

Name of Shareholder/Proxy _____ Signature of Shareholder/Proxy _____

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD
107034		

BALLOT FORM
(To be returned to Scrutinizer appointed by the Company)

Name(s) of the First Named Shareholder (In Block Letters).....
Postal Address:.....
Registered Folio No. /D.P ID and Client ID* :.....
Number of Equity Shares held :

I/ We hereby exercise my/our vote in respect of the following resolution(s) to be passed at the 28th Annual General Meeting of the Company, to be held on Tuesday, 26th September, 2017 at 9.30 a.m. at 'Kalash', Dhake Colony, J. P. Road, Andheri (W), Mumbai- 400 053, Maharashtra in respect of businesses as stated in the Notice dated 12th August, 2017 by conveying my/our assent/dissent to the said resolutions(s) by placing the tick (✓) mark at the box against the respective matters:

Item No.	Description of Resolutions	No. of Equity Shares Held	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	Adoption of financial statement			
2	Appointment of Director			
3	Appointment of auditor			

*Applicable to investors holding shares in Electronic Form.

Place :
Date :

Signature of the Member/ Beneficial Owner

INSTRUCTIONS FOR FILLING THE BALLOT FORM

1. A member desiring to vote by ballot form may complete this ballot form and send it to the Scrutinizer, appointed by the Company viz. Mr. Manish R. Patel, Practising Company Secretary, C/o. H S India Limited, A-1, Manish Kaveri, Building No.18, Manish Nagar, J. P. Road, Andheri (W), Mumbai-400 053, Maharashtra.
2. In case of companies, trusts, societies etc. the duly completed ballot form should be accompanied by a certified true copy of Board Resolution/ Authority.
3. Unsigned Ballot Forms will be rejected.
4. A Member need not cast all the votes in the same way.
5. Duly completed Ballot Form should reach the Scrutinizer not later than 5.00 p.m. on monday, the 25th September, 2017 at the address mentioned in point no. 1 above.
6. The Scrutinizer's decision on the validity of Ballot Form will be final.

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