



In the Service of the  
Hospitality Industry Since 1951

# 67<sup>th</sup> Annual Report 2017-2018



# CONTENTS

Notice for the 67 <sup>th</sup> Annual General Meeting	4
--	---

Report of the Executive Committee to the Members	12
--	----

Auditors Report	32
-----------------	----

Audited Financial Statements	35
------------------------------	----

**PRESIDENT OF HONOUR**

**Mr. M.P. Purushothaman**  
Empee Group of Hotels, Chennai

**PRESIDENT**

**Mr. K Syama Raju**  
Hotel Maurya, Bangalore

**VICE PRESIDENTS**

**Mr. Suresh M. Pillai**  
Hotel Horizon, Thiruvanthapuram

**Mr. K Murali Rao**  
New Woodlands, Chennai

**Mr. DVS Somaraju**  
Katriya Hotels & Towers, Hyderabad

**Mr. K Nagaraju**  
Radisson Blu Atria, Bangalore

**HONORARY SECRETARY**

**Mr. T Nataraajan**  
GRT Hotels & Resorts, Chennai

**HONORARY TREASURER**

**Mr. R Srinivasan**  
Hotel Radha Regent, Chennai

**HONORARY ADVISOR**

**Mr. R Rangachari**

**SECRETARY GENERAL**

**Ms. Bina Karamjeet**

**COMMITTEE**

As on August 1, 2018

<b>Mr. Suresh R Madhok</b>	Empee group of Hotels, Chennai
<b>Mr. M Chakravarthy</b>	Emerald Park Hotel, Chennai
<b>Mr. K Ravi</b>	37th Crescent Hotel, Bangalore
<b>Mr. PG Venkataramana Babu</b>	New Woodlands Hotel, Chennai
<b>Mr. S Basavaraj</b>	Hotel Maurya, Bangalore
<b>Mr. M Venkadasubbu</b>	Hotel Darling Residency, Vellore
<b>Mr. PCM Santhanam</b>	Fortune Pandian Hotels, Madurai
<b>Mr. SK Hari Arumugam</b>	Poppys Hotels, Tirupur
<b>Mr. BD Prabhushankar</b>	Hotel Ashraya, Bangalore
<b>Mr. D Srinivasan</b>	Annpurna Group of Hotels, Coimbatore
<b>Mr. Balakrishna Reddy</b>	Hotel Bliss, Tirupathi
<b>Mr. K Mohanchandran</b>	Taj Krishna, Hyderabad
<b>Mr. Jose Pradeep</b>	Yuvarani Residency, Kochi

**BANKERS**

**Indian Overseas Bank**  
**HDFC Bank**  
Chennai

**AUDITORS**

**Rao & Gopal**  
Chennai

## **NOTICE OF MEETING**

### **MEMBERS OF THE SOUTH INDIA HOTELS AND RESTAURANTS ASSOCIATION**

NOTICE is hereby given that the Sixty Seventh Annual General Meeting of the Members of The South India Hotels and Restaurants Association will be held at Tulip Hall, Feathers (A Radha Hotel), No. 4/129, Mount Poonamalle Road, Manappakkam, Chennai 600089 on the First day of September 2018 at 11.00 a.m. to transact the following business:

- 1.To receive, consider and adopt the Audited Income and Expenditure Statement for the financial year ended March 31, 2018 and the Balance Sheet as on that date, the Auditors' Report and the Executive Committee's Report to the Members.
- 2.To appoint an Executive Committee Member in the place of T Natarajan (DIN 00478495 ) who retires by rotation and is eligible for re-appointment
- 3.To appoint an Executive Committee Member in the place of Mr. Suresh Madhok (DIN 00220582) who retires by rotation and is eligible for re-appointment.
- 4.To appoint an Executive Committee Member in the place of Mr. M Chakravarthy (DIN 0000144869)who retires by rotation and is eligible for re-appointment.
- 5.To appoint an Executive Committee Member in the place of Mr. K Nagaraju (DIN 00592259) who retires by rotation and is eligible for re-appointment.
- 6.To appoint an Executive Committee Member in the place of Mr. K Ravi (DIN 00267601) who retires by rotation and is eligible for re-appointment.
- 7.To appoint an Executive Committee Member in the place of Mr. S Basavaraj (DIN 03302584) who retires by rotation and is eligible for re-appointment.
- 8.To appoint Auditors and fix their remuneration

**“RESOLVED THAT** pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) read with Rules under the Companies (Audit and Auditors) Rules 2014, Messrs. Rao & Gopal (Firm Registration No. 003085S), Chartered Accountants, the retiring Statutory Auditors of the Association be and are hereby re-appointed as Statutory Auditors of the Association, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Association to audit the Accounts of the Association for the financial year 2018-19 on such remuneration as shall be fixed by the Executive Committee of the Association.”

### **SPECIAL BUSINESS:**

#### **APPOINTMENT OF DIRECTORS:**

#### **Appointment of Mr. K Mohanchandran as an Executive Committee Member of the Association:**

9.To consider and if thought fit, pass with or without modification, the following resolution as an Ordinary Resolution

**“Resolved that** Mr. K Mohanchandran (DIN:06463617), who was appointed as an Executive Committee Member in non-executive capacity by the Executive Committee with effect from November 14, 2016 in the Casual Vacancy caused by the resignation of Mr. Subir Bhowmick, pursuant to Section 161(4) of the Companies Act, 2013 (Act) read with Article 31 of the Articles of Association, and who holds office up to the

date of the Annual General Meeting and is eligible for appointment and consented to act as an Executive Committee Member of the Association and in respect of whom the Association has received a notice in writing, under Section 160(1) of the Act from a Hotel Member proposing the candidature of Mr. K Mohanachandran for the office of Executive Committee Member, be and is hereby appointed as a Executive Committee Member of the Association subject to retirement by rotation."

By order of the Executive Committee of  
**SOUTH INDIA HOTELS AND RESTAURANTS ASSOCIATION**

Place: Madurai

Date: 12.07.2018

**T. NATARAJAN**  
HON. SECRETARY

### **NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy needs to be a member of the Association.

Pursuant to the provisions of Section 105 of the Companies Act 2013, a proxy shall not be entitled to vote excepting through a ballot paper. Further a proxy shall not have any right to speak at the meeting.

A Member can act as a proxy on behalf of members not exceeding fifty.

**2. The instrument appointing proxy in order to be valid should be deposited at the Registered Office of the Association, not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the owners (individual owners, owners who are partnership firms and body(ies) corporate) of Hotel/Restaurant Members should be supported by appropriate authorization as applicable.**

3. The Register of Members will remain closed from August 24, 2018 to September 1, 2018 (both days inclusive).

4. Members/Proxies should bring in their Attendance slip sent herewith duly filled in for attending the Meeting. ONLY MEMBERS/PROXIES WILL BE ADMITTED INTO THE AUDITORIUM FOR THE MEETING.

5. The Register of Executive Committee Members maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.

6. Brief resume of the Executive Committee Members seeking re-election is provided as annexure to this Notice.

7. Members are requested to bring their copy of the Annual Report for the meeting. As a measure of economy, copies of the Annual Report will not be distributed at the venue of the Annual General Meeting. The Notice of the Annual General Meeting and the Annual Report for 2017-18 are also available on the Association's website [www.sihra.in](http://www.sihra.in). As per the requirement of the Secretarial Standard - 2 on "General Meetings" the route map showing directions to reach the venue of the Meeting is annexed.



**Updation of Members details:**

8. The format of the Register of Members as prescribed by the Ministry of Corporate Affairs under the Act, to record additional details of Members, including ownership of the Hotel/Restaurants, the details of the PAN, email address, persons authorized on behalf of the owner establishment including the CIN No., Registration No., GSTIN, Legal Name, Trade Name, persons responsible for the respective hotels/restaurants etc. has been implemented and is being maintained by the Association.

**Voting through electronic means**

9. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014 as amended from time to time, the Association is pleased to provide its Members the facility of remote e-voting to exercise their right to vote on the resolutions proposed to be passed at the 67th Annual General Meeting by electronic means. The Members can cast their votes electronically from a place other than the venue of the AGM, through e-voting services provided by -/CDSL platform on all resolutions set forth in this Notice.

10. The remote e-voting period will commence at 9.00 a.m. on August 29, 2018 (3 days prior to the date of AGM) and will end at 5.00 p.m. on August 31, 2018 (the day prior to the date of AGM). The e-voting module shall be disabled by /CDSL for voting thereafter. During this period Members of the Association whose names appear in the Register of Members as on August 23, 2018, the cut-off date i.e. the date prior to the commencement of book closure) may cast their vote electronically on the resolutions set forth in the Notice.

11. In addition, the facility for voting through ballot paper shall also be made available at the venue of the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote at the AGM venue.

12. The Association has appointed KSM Associates LLP, Practising Company Secretaries, represented by Mr. Krishna Sharan Misra or Ms. Deepa V Ramani and Mr. S Subbaraman, Advocate, as scrutinizers to scrutinize the remote e-voting and physical vote at the venue of the AGM in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed e-voting procedure given hereunder.

13. Procedure for "Remote E-voting" is detailed hereunder:

Initial password is provided at the bottom of the Attendance slip for the Annual General Meeting

EVEN (E Voting Event Number)	User ID	PASSWORD/PIN
------------------------------	---------	--------------

e-Voting Procedure using the CDSL platform

- i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii) Click on "Member" tab

- iii) Now enter your user ID i.e. the Membership no. registered with the Association and then enter the image verification as displayed and click on “Login”.
- iv) Enter your 10 digit alpha-numeric PAN issued by Income Tax Department
- v) In case the PAN No. of the Member institution is not registered with the Association, Members are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
- vi) After entering these details appropriately, click on “SUBMIT” tab.
- vii) Members will then reach directly the Company selection screen.
- viii) Click on the EVSN for SOUTH INDIA HOTELS AND RESTAURANTS ASSOCIATION on which you choose to vote.
- ix) On the voting page, you will see “Resolution Description” and against the same option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xi) After selecting the Resolution you have decided to vote on, click on ‘SUBMIT’. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xii) Once you confirm your vote on the Resolution, you will not be allowed to modify your vote.
- xiii) You can also take a print out of the voting done by you by clicking on “Click here to Print” option on the Voting page.
- xiv) Non-individual owners, who are partnership firms or body (ies) corporate and not individuals, who are the owners of the hotels/restaurants registered as Members of the Association are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- xv) They are required to submit a scanned copy of the Registration form bearing the stamp of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- xvi) After receiving the login details they have to create a compliance user using the admin login and password. The compliance user would be able to link the account(s) which they wish to vote on.
- xvii) They should send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority letter etc. which they have issued in favour of the authorized signatory (ies) together with attested

specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the scrutinizer through e-mail: [krishna@ksmassociates.net](mailto:krishna@ksmassociates.net) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

- xviii) The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

In case of any queries, you may refer the “Frequently Asked Questions” (FAQ) for Members and e-voting user manual for Members available at the “downloads” section of [www.evoting.cdsl.com/evotingindia.co.in](http://www.evoting.cdsl.com/evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

Other instructions:

- i. Members who are already registered with NSDL, for e-voting can use the existing user ID and password/PIN for casting their votes.
- ii. Members are requested to update their mobile numbers and e-mail id in the user profile details of the Membership no. which may be used for sending future communication(s).
- iii. The voting rights of Members shall be in proportion to the number of votes they are eligible for on the cut-off date, i.e The number of votes a member is eligible for is calculated on the basis of 1 vote for every Rs. 100/- paid as subscription fees for the year.
- iv. The Members who have cast their votes by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their votes again.
- v. The Member can opt for only one mode of voting i.e. either through remote e-voting or by ballot at the venue of the AGM. If a member casts vote by both modes, then voting done through remote e-voting shall prevail and ballot shall be treated as invalid.
- vi. 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 for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- vii. The scrutinizer shall by the end of conclusion of the voting at the AGM venue 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 (2) witnesses not in the employment of the Company and shall make not later than 3 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 President or a person authorized him in writing, who shall counter sign the same and declare the result of the voting forthwith.
- viii. The results declared along with the report of the scrutinizer shall be placed on the website of the Association and on the website of CDSE immediately after the declaration of result by the President or a person authorized by him in writing.



14. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of Annual General Meeting.

**Registered Office:**

Office No 3 , 6th Floor  
Seethakathi Business Centre,  
Anna Salai  
Chennai – 600 006

By order of the Executive Committee

**SOUTH INDIA HOTELS AND RESTAURANTS ASSOCIATION**

Place: Madurai

Date: 12.07.2018

**T. NATARAJAN**  
HONY. SECRETARY

**The statement pursuant Section 102(1) of the Companies Act, 2013 in respect of the special business under item 9 of the Notice is annexed**

Item No. 9:

1. The Executive Committee at its meeting held on November 14, 2016 appointed Mr. K Mohanchandran as an Executive Committee Member of the Association in the casual vacancy caused by the resignation of Mr. Subir Bhowmick to hold office up to the date up to which Mr. Subir Bhowmick would have held office had he not resigned. Being eligible for appointment as an Executive Committee Member, the Association has received a notice in writing from a Hotel Member pursuant to Section 160(1) of the Companies Act, 2013 proposing the candidature of Mr. K Mohanchandran for the office of Executive Committee Member of the Association at the forthcoming Annual General Meeting. The Executive Committee commends the appointment of Mr. K Mohanchandran as an Executive Committee Member.

2. Mr. Mohanchandran, Director is the Area Director – Hyderabad and General Manager of Taj Krishna, a hotel of the Taj Group. He is in charge of the operations and business of all Taj Hotels across Hyderabad. Closer to three decades of experience in the hospitality industry, he has held various positions across properties of the Taj Group. Executive Members are confident that the Association would benefit from his diverse experience.

3. Mr. Mohanchandran has given a declaration under Section 164(2) of the Companies Act, 2013 that he has not incurred any disqualification in any of the Companies in which he is a Director in the previous financial year and that he stands free from any disqualification from being a Director.

4. No other Executive Committee Member excepting Mr. Mohanchandran is concerned or interested in the resolution under item no. 9 of the Notice.

This information forms part of the notice for the Annual General Meeting.

Details of Executive Committee Members seeking reappointment under item nos. 2 to 7 of the notice at the 66th Annual General Meeting of the Association

Name	<b>Mr T Nataraajan</b>
Date of Birth	01.05.1953
Occupation	Chief Executive Officer
GRT Hotels & Resorts	Director - Empee Hilton
Qualification	B Com. B. L. FCA, FCS
Date of appointment	25.06.1995
Directorship in other Companies	World Park Hotels India Pvt. Ltd., President - TTM Society

Name	<b>Mr. Suresh Madhok</b>
Date of Birth	01.09.1941
Occupation	Director - Empee Hilton
Qualification	B.Sc, Post Graduate in Hotel Management
Date of appointment	19.03.1988
Directorship in other Companies	Apollo Sindoori Hotels, Chennai Daaj Radisson Hotels, Hyderabad
Chairman/Member of Committees of other Companies in which he is a Director	Chairman - remuneration Committee, Apollo Sindoori Hotels

Name	<b>Mr. M Chakravarthy</b>
Date of Birth	11.12.1952
Occupation	Director
Qualification	B A, DHMCT
Date of appointment	13.03.2004
Directorship in other Companies	Omni Agate Farms & Estate Pvt. Ltd. Andhra Chamber of Commerce Green Village Hospitality Pvt. Ltd. ABS Restaurants Pvt. Ltd. Chimera Inns & Resorts Pvt. Ltd. Avanthi Foods Pvt. Ltd.

Name	<b>Mr. K Nagaraju</b>
Date of Birth	23.09.1959
Occupation	Business
Qualification	
Date of appointment	13.03.2004
Directorship in other Companies	1. Atria Power Corporation Pvt. Ltd. 2. Atria Holdings Pvt. Ltd. 3. ASK Brothers Ltd. 4. Atria Hydel Power Ltd. 5. Atria Convergence Technologies Pvt. Ltd. 6. Atria Brindavan Power Pvt. Ltd. 7. Clover Program Management Pvt. Ltd. 8. OBRM Service Management Pvt. Ltd. 9. Wonder Tech Wind Power Pvt. Ltd. 10. Garuda Maverick Infra Structure Projects Pvt. Ltd. 11. WPA Clean Energy Pvt. Ltd. 12. Blyth Wind Park Pvt. Ltd. 13. Betul Wind Farms Ltd. 14. Atria Wind Power Pvt. Ltd. 15. Kukru Wind Power Pvt. Ltd.

Name	<b>Mr. K Ravi</b>
Date of Birth	09.08.1965
Occupation	Business
Qualification	Degree
Date of appointment	19.09.2009

Name	<b>Mr. S Basavaraj</b>
Date of Birth	04.01.1966
Occupation	Business
Date of appointment	04.09.2010

Name	<b>Mr. K Mohanachandran</b>
Date of Birth	29.10.1968
Occupation	Hotelier
Date of appointment	14.11.2016

The attendance records of the Executive Committee Members seeking re-appointment are furnished in the Executive Committee's Report to the Members

## **EXECUTIVE COMMITTEE'S REPORT**

### **To the Members of the Association**

The Executive Committee Members of South India Hotels and Restaurants Association (SIHRA) have great pleasure in presenting the 67th Annual Report of the Association together with its Audited Statement of Income and Expenditure for the year ended March 31, 2018 and the Balance Sheet as on that date.

Year 2017 had a smooth sailing for the hospitality industry despite challenges like GST and the liquor ban. Ministry of Tourism, Government of India is making every effort in getting more tourists to India by relaxing visa rules and increasing flights to unknown tourist destinations under the UDAN Scheme. The Indian Government realising the potential for tourism industry has taken several steps to make India a global tourism hub.

India continues to be among the world's fastest growing major economies, despite temporary hiccups caused by de-monetization and goods and services tax (GST) implementation. The country's GDP growth is pegged at 6.7% in 2017 and is likely to accelerate to 7.4% in 2018 and 7.8% in 2019 on the back of continued traction in private consumption and gradual easing of the teething issues following the implementation of these reforms.

Your Association is doing its best for hospitality growth in South India by holding its Executive Committee Meetings in smaller towns and neighboring areas, with good tourism potential. EC members interact with local bodies and associations for strengthening partnerships for better growth.

### **SIHRA Convention - October 4-6, 2018, Madurai**

The SIHRA Convention is one of the most eagerly anticipated and prestigious events in the regional industry's calendar. Your association being the voice of Southern Hospitality Industry providing a connection between the Hospitality Industry, Political Leadership Academics, Regional Associations and other Stake Holders is organising the Convention this year at Madurai during October 4 - 6, 2018. The theme chosen for the year's Convention is "Together for a better Tomorrow". Your Association is expecting more than 1000 delegates to participate in this event and looks forward to your presence and support to make the Convention a grand success.

## **Financial Results**

### **Brief Financial Report for 2017-18**

The Income and Expenditure statement for the year ended March 31, 2018 as also the Balance Sheet as at March 31, 2018 are enclosed for the information and perusal of the Members. Members are informed that FHRAI has shared Rs. 25.81 lakhs being 50% of surplus generated from FHRAI Convention held in Bangalore in September 2017. Members may please note that as per the Income and Expenditure statement for the year ended on March 31, 2018, the expenditure for the year ended March 31, 2018 is Rs. 6.83 lakhs more than the income earned during the year under report, as compared to the excess of income over expenditure of Rs. 10.75 lakhs for the previous year. The Reserves and Surplus as on March 31, 2018 stood at Rs. 5.12 crores as compared to Rs 5.06 crores at the end of the previous financial year. The increase in expenditure was mainly due to the legal expenses incurred for the highway liquor ban issue in the Supreme Court and in the High Court of Madras.

### **Executive Committee of the Association:**

The Executive Committee consists of 21 Members including the President of Honor. The Executive Committee Members elect amongst themselves, four Vice Presidents, one each as Hony. Secretary and as Hony. Treasurer.

**Executive Committee Meetings:**

The Executive Committee meets once in two months or at least once a quarter in such a manner that not more than 120 days intervenes between two such meetings. The Executive Committee Meetings were held during the year under review in Chennai, and Bengaluru

During the financial year (from 01/04/2017 to 31/03/2018) under review, Six (6) Meetings of the Executive Committee were held and the intervening period between the Meetings did not exceed one hundred and twenty days. The dates of the Executive Committee Meetings and the venue of the meetings are as follows:

Date of the meeting	Venue
May 5, 2017	Bangalore
July 7, 2017	Bangalore
August 5, 2017	Chennai
September 22, 2017	Chennai
January 10, 2018	Kochi
March 9, 2018	Colombo

The number of Executive Committee Meetings attended by each of the Executive Committee Members and their attendance at the last Annual General Meeting of the Association is given hereunder.

Name	Position	EC Meetings attended	Present at the AGM
1. Mr. K Syama Raju	President	6	Yes
2. Mr. M P Purushothaman	President of Honor	2	No
3. Mr. K Murali Rao	Vice President	5	Yes
4. Mr. M Suresh Pillai	Vice President	3	Yes
5. Mr. K Nagaraju	Vice President	3	No
6. Mr. D V S Somaraju	Vice President	4	Yes
7. Mr. T Nataraajan	Honorary Secretary	5	Yes
8. Mr. R Srinivasan	Honorary Treasurer	2	Yes
9. Mr. M Chakravarthy	Member	3	No
10. Mr. B D Prabhu Shankar	Member	5	Yes
11. Mr. Suresh R Madhok	Member	4	Yes
12. Mr. K Ravi	Member	2	Yes
13. Mr. P G Venkataramana Babu	Member	3	Yes
14. Mr. S Basavaraj	Member	2	No
15. Dr. M Venkadasubbu	Member	5	Yes
16. Mr. P C M Santhanam	Member	4	No
17. Mr. Hari Arumugam	Member	4	Yes
18. Mr. M Balakrishna Reddy	Member	6	Yes
19. Mr. D Srinivasan	Member	3	Yes
20. Mr. K Mohanchandran	Member	1	No
21. Mr Jose Pradeep	Member	6	Yes

At the last Annual General Meeting held on September 22, 2017, Members of the Association re-elected Dr. M Venkadasubbu, Mr. D Srinivasan, Mr. M Balakrishna Reddy, Mr. D V S Somaraju, Mr. B D Prabhushankar and Mr. K Murali Rao as Executive Committee Members of the Association by ballot voting at the said meeting. The Members also appointed Mr. Jose Pradeep who was appointed by the Executive Committee as an Additional EC Member with effect from February 1, 2017.

#### **Election of President, Vice Presidents, Hony. Secretary and Hony. Treasurer:**

Executive Committee Members at the meeting held on September 22, 2017 unanimously elected Mr. K Syama Raju as President of the Association to hold office as President from that date till the conclusion of the forthcoming Annual General Meeting. The Executive Committee Members also elected Mr. Suresh Pillai, Mr. K Murali Rao, Mr. K Nagaraju and Mr. D V S Somaraju as Vice Presidents, Mr. T Nataraajan as the Honorary Secretary and Mr. R Srinivasan as Honorary Treasurer of the Association to hold office from that date till the conclusion of the forthcoming Annual General Meeting.

#### **Executive Committee Members to retire by rotation:**

The following Executive Committee Members retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-election.

- |    |                     |                |
|----|---------------------|----------------|
| 1. | Mr. T Nataraajan    | Hon. Secretary |
| 2. | Mr. Suresh R Madhok | EC Member      |
| 3. | Mr. M Chakravarthy  | EC Member      |
| 4. | Mr. K Nagaraju      | EC Member      |
| 5. | Mr. K Ravi          | EC Member      |
| 6. | Mr. S Basavaraj     | EC Member      |

#### **Executive Committee Member seeking appointment by the Members at the forthcoming Annual General Meeting**

Mr. K Mohanchandran appointed by the Executive Committee at its meeting held on November 14, 2016 in the casual vacancy caused by the resignation of Mr. Subir Bhowmick would seek appointment at the forthcoming Annual General Meeting.

#### **Administrative Committee**

The Administrative Committee constituted to look after all the matters concerning finance, legal and general administration issues of the Association, consists of the following members and they will hold office for a further period from September 22, 2017 till the conclusion of the forthcoming Annual General Meeting of the Association.

- |    |                    |                |
|----|--------------------|----------------|
| 1. | Mr. K Syama Raju   | President      |
| 2. | Mr. K Murali Rao   | Vice President |
| 3. | Mr. T Nataraajan   | Hon. Secretary |
| 4. | Mr. R Srinivasan   | Hon. Treasurer |
| 5. | Mr. M Chakravarthy | EC Member      |



- |    |                         |            |
|----|-------------------------|------------|
| 6. | Dr. M Venkadasubbu      | E C Member |
| 7. | Mr. D Srinivasan        | E C Member |
| 8. | Mr. M Balakrishna Reddy | E C Member |

**Legal Committee:**

The Executive Committee at its meeting held on March 9, 2018 appointed M/s A K Mysamy Associates as the Legal Advisers of the Association on a retainer basis.

The Executive Committee at its meeting held on March 9, 2018 constituted a Legal Committee with the following EC Members, viz. Dr. Venkadasubbu, Mr. Hari Arumugam and Mr. M Balakrishna Reddy as its Members to extend possible assistance to M/s. A K Mysamy Associates in any legal issues faced by the Association and its Members.

None of the Executive Committee Members or Administrative Committee Members or Legal Committee Members received/claimed or were paid any Honorarium/Sitting Fees for attending the Executive, Administrative & Legal Committee Meetings, excepting local transport and accommodation

The Annual General Meetings of the Members of the Association held during the past three years are given below:

2014-2015	Vivanta by Taj Connemara Chennai	19.09.2015
2015-2016	Feathers, Chennai	20.09.2016
2016-2017	Feathers, Chennai	22.09.2017

**Executive Committee Members Responsibility Statement:**

Pursuant to the provisions of Section 134(5) of the Companies Act 2015, the Executive Committee Members, to the best of their knowledge and ability confirm that:

- In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That they have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2018;
- That they 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, to the best of the knowledge and ability.
- That they have prepared the annual accounts on a going concern basis

**Conservation of Energy and Technology Absorption**

This being an Association, no specific activity relating to conservation of energy or technology absorption is called for.

**Foreign Exchange earnings and outgo:**

The Association has no income or expenses in foreign exchange. Hence requirement of disclosure relating to foreign exchange earnings and outgo in the Notes to Accounts pursuant to Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules 2014 does not arise.

**Loans, guarantees or investments:**

The Association has not extended any loan or provided guarantee or made investments during the year under review.

**Corporate Social Responsibility:**

Provisions of Section 135 relating to CSR Activities are not applicable to the Association. The Association has not undertaken any initiatives on CSR activities during the year under review.

**Vigil Mechanism/whistle blower policy**

Provisions of Section 177(9) of the Companies Act, 2013 requiring establishment of vigil mechanism and adoption of a whistle blower policy are not applicable to the Association and hence the Association has not formulated vigil mechanism or adopted whistle blower policy.

**Extract of Annual Return:**

Pursuant to Section 91(2) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is annexed as "Annexure 1".

**Risk Management**

It is not mandatory for the Association to adopt a Risk Management Policy and constitution of a Risk Management Committee

**Significant and material orders passed by the Regulators**

During the year under review, no significant material orders were passed by the regulators or courts or tribunals impacting the going concern status of the Association.

### Secretarial Audit

Provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 relating to Secretarial Audit are not applicable to the Association.

### Particulars of Employees/Human Resources

The Association does not have any employee who during the year has received a remuneration of not less than Rs. 60 lakhs if employed throughout the year or was in receipt of not less than Rs. 5 lakhs a month if employed for a part of the year.

### Executive Committee Members nominated to represent the Association in other Associations / Institutions:

#### Federation of Hotel & Restaurant Associations of India, (FHRAI) New Delhi

The Executive Committee Members at their meeting held on September 22, 2017, nominated the following Executive Committee Members, viz. Messrs K Syama Raju, M P Purushothaman, K Murali Rao, K. Nagaraju, D V S Somaraju and T Nataraajan, as Executive Committee Members of FHRAI. Mr. Anil Chadha was nominated as non-voting Member from South to FHRAI.

#### National Institutes of Hotel Management & Catering Technology & State Institute of Hotel Management

Mr. K Syama Raju, President of the Association is on the Governing Body of the Indian Institute of Hotel Management, Catering Technology & Applied Nutrition, Tirupati.

### Compliance - E voting

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014 as amended from time to time, the Association provided its Members the facility of remote e-voting to exercise their right to vote on the resolutions proposed to be passed at the 67<sup>th</sup> Annual General Meeting by electronic means. The Members can cast their votes electronically from a place other than the venue of the AGM through e-voting services provided by CDSL platform on all resolutions set forth in the Notice.

### SIHRA - Online

The Association website has been upgraded with new facilities such as Member Login, Membership Management, Mobile App. and Conference Management. An integrated payment gateway with HDFC BANK has also been incorporated into the website. The customized data base management application is being constantly reviewed and all updates and reports are being generated automatically. Member data as per statutory requirements have been called for from all members and is being maintained through the Data Base Management for easy access.

## GSTIN

Your Association has successfully migrated to the GST platform

Taxpayer Trade Name: South India Hotels and Restaurants Association

Taxpayer Legal Name: SOUTH INDIA HOTELS AND RESTAURANTS ASSOCIATION

GST No. - 33AACT5250J1ZH (Tamil Nadu)

PAN - AACTS5250J

Address - Office No 3, 6<sup>th</sup> Floor, Seethakathi Business Center, Anna Salai, Chennai – 600 006

SAC No. - 999599

Category : Club or Association/Convention Services

The membership application software has been modified to integrate and satisfy all specifications prescribed under the GST regime

## SIHRA News

Your Association continues to associate with DDP Publications, one of the leading travel and hospitality publications, to publish the bi-monthly magazine (once every two months).

The content for the SIHRA News is being constantly regulated to ensure that a good balance is maintained of informative articles and knowledge apart from local news content. SIHRA News is being brought out to keep the Members of the Association informed of the latest news and developments in the hospitality industry especially with reference to Southern Region, best marketing practices, experts' comments etc. SIHRA News also provides the Members of the Association the platform to voice their opinions and views on any topics of common interest.

## Digitization of Magazine

The SIHRA Newsletter has been digitized and a E-copy of the newsletters can be viewed on the Association's website.

## FHRAI Magazine

Southern India news for FHRAI magazine is being regularly provided for inclusion in the monthly FHRAI Magazine.

## Activities of and at SIHRA

### Food Hospitality World India Exhibition

Food Hospitality World India organized the 34th Edition of Food Hospitality exhibition in Bangalore during 7th to 9th of June 2018 and your Association participated as Associate Partner with Food Hospitality World India in organizing the exhibition without any financial commitment and by providing the Association's logo for the brochure printed in this regard.

### Tamil Nadu Travel Mart 2017

For the first time in the history of Tamil Nadu, Confederation of Indian Industry (CII Tamil Nadu) in association with Tamil Nadu Travel Mart Society supported by Ministry of Tourism, Government of India & Department of Tourism, Government of Tamil Nadu organised the CII Tamil Nadu Travel Mart to showcase the potential of Tamil Nadu Tourism to the world during October 12 to 15, 2017. Travel Marts provide a platform for members to progress and reach out to target audiences and markets.

Tamil Nadu Travel Mart (TTM), being a global event for the stakeholders from the Tourism fraternity, exhibited the culture, heritage and leisure potentials of the State. Exhibitors from Tamil Nadu and international buyers from more than 34 countries participated in the Mart. A total of 205 buyers attended TTM 2017.

Your Association participated in the Travel Mart Show by taking 3 stalls (each stall accommodated two persons), and offered the stall space to the Members of the Association (6 Members) at a nominal fee thereby supported the Members of the Association to show case what they could offer to the tourists.

The Tamil Nadu Travel Mart show has evoked good response resulting in increased tourist arrivals to the State that has led the Tamil Nadu Tourism Development Corporation to provide huge allotment for investment. This has piqued the interest of other State Governments, viz. Kerala, Karnataka, Andhra Pradesh and Telangana to provide more investments and to call for investment meetings with private bodies.

### FSSAI awareness, training and certification program

Food Safety and Standards Authority of India has made Food Safety Training and Certification (FosTac) mandatory for all Food Businesses and the food businesses should have a minimum of one trained and certified food safety supervisor for every 25 food handlers in each premise. The Government has ordered to initiate special drive to train food safety supervisors.

Your Association having registered itself as a training partner with FSSAI to impart training for food safety supervisors is continuing its effort to encompass the best hygiene rating for food business, organized training programme developed by FSSAI for the Members of the Association interested in getting certified in the advanced level of catering, three FSSAI Master Trainer Certified training program, one in Coimbatore on April 22, 2017, one in Bangalore on June 6, 2017 and on June 20, 2018 at Hotel New Woodlands, Chennai. Dr. Pasupathy of Parikshan, a Scientist and Consultant for food safety was the trainer for the programme. This program was meant for catering establishments to institute a supervisor who would effectively cascade communication to the grass-roots level in the establishment in order to uniformly implement the processes as required by FSSAI. More than 120 persons representing various hotels/restaurants participated and obtained food safety supervisor certificate.

Your Association is planning to conduct FSSAI awareness, training and certification programme for the benefit of its Members in Tier II and Tier III Cities during the current financial year.

### Reduction of GST on Restaurants

Your Association has been pursuing with the respective State Governments in the Southern India on the important issues impacting the Hospitality industry.

Due to the unstinted efforts of SIHRA, FHRAI and other Hotel Associations including Tamil Nadu Hotels Association, GST rate for restaurants was reduced from 18% and 12% to a flat 5% but, with no input tax credit benefits with effect from November 15, 2017. When GST came into effect on July 1, 2017, a uniform 18% tax was levied on restaurants that had both AC and non-AC sections, and 12% GST was levied on only non-AC restaurants. Restaurants in luxury hotels that charge Rs 7,500 or more per day room tariff to charge 18 percent GST with Input Tax Credit while those charging less than Rs 7,500 room tariff will charge 5 percent GST without Input Tax Credit.

The efforts taken by Tamil Nadu Hotels Association and its President is note worthy in meeting several Government officials, Ministers and others to make the reduction possible.

### Supreme Court Judgment with regard to ban on sale of liquor within 500 meters of the State and National Highway

The Supreme Court's judgement on 15th December, 2016 restricting the sale of liquor within 500 meters of the State and National Highways across the country was followed up by a judgement on March 31, 2017 imposing prohibition on serving liquor within the specified parameters making it clear that licenses of existing shops will not be renewed after 31st March, 2017. The liquor ban had caused immense hardship to the hotel industry and had affected tourism in the country.

FHRAI filed an interlocutory Application before Hon'ble Supreme Court of India, to protect /safeguard our esteemed members. As per legal advice, SIHRA filed an application before the Supreme Court with a Petition for modification of the order initially to represent hotels in Tamil Nadu, emphasizing on the peculiar features of the State, and sought to be impleaded in the Civil Appeal on May 1, 2017, along with an application seeking oral hearing. Applications for review petitions were also filed by HRAWI and HRANI.

After hearing the submissions of Mr. Arvind Datar, the counsel for SIHRA and various hotels and restaurants in Tamilnadu, and also the counsels appearing on behalf of hotels, restaurants in various parts of the country and State Governments, the Hon'ble Court expressed the view that after a final judgment having been passed, no applications for modification of the same could be allowed. The Court held that such applications were not maintainable and passed an order dismissing all the interlocutory applications as not maintainable except those filed by the State Governments and Union Territories and posted all the interlocutory applications filed by the State Governments and Union Territories, for hearing on July 12, 2017 at 3 p.m. unless otherwise notified.

On July 12, 2017, after hearing, the Court exempted the State of Arunachal Pradesh and Andaman and Nicobar Island from the judgement dated 31st March, 2017 and directed the counsel for State of Uttarakhand to submit the details of revenue loss. The exempted states/UTs are: Sikkim, Meghalaya, Arunachal Pradesh, Himachal Pradesh and Andaman and Nicobar Island and 9 districts of Uttarakhand.



On July 11, 2017 the Hon'ble Supreme Court dismissed the SLP filed by Arrive Safe Society of Chandigarh against the Union Territory of Chandigarh & Another and upheld the judgment of Punjab and Haryana High Court that the de-notification of the State Highway within the municipal limits of Chandigarh by the Punjab Government is legitimate. By its judgment dated July 11, 2017, the Court clarified that the ban on liquor sale on national and state highways will not apply to municipal areas applicable to pan India giving huge relief for the hotel and tourism industry after a wait of 5 months. The Court also mentioned that the purpose of the directions contained in the order dated December 15, 2016 is to deal with the sale of liquor along and in proximity of highways properly understood, which provide connectivity between cities, towns and villages. The order does not prohibit licensed establishments within municipal areas. This clarification shall govern other municipal areas as well. The Court said that it has considered it appropriate to issue this clarification to set at rest any ambiguity and to obviate repeated recourse to IAs, before the Court. This judgment will enable hoteliers to secure license to operate from the Excise Commissioners in various States where highways are crisscrossing municipal areas. This has been achieved from consistent persuasive efforts of hotel associations including FHRAI and SIHRA.

On August 10, 2017 Mr. Arvind Datar, Senior Advocate, representing SIHRA referred the three Review Petitions filed by SIHRA, HRAWI and HRANI, representing hotels and restaurants in different parts of the country and prayed that if a clarification is issued that the judgement dated December 15, 2016 is only intended to apply to the highways per se as they are understood and not to city roads, then lot of problems would be resolved, and the Court directed that the review petitions be numbered and thereafter would be considered for hearing.

On being approached by the Tamil Nadu Government for lifting the ban on sale of liquor, the High Court of Madras stated that the Supreme Court imposed highway liquor ban may not be applicable to municipal areas, applications to set up liquor shops within municipal limits must be assessed on a case-to-case basis in line with the Supreme Court's directions. The Madras High Court stated that on an appraisal of the Supreme Court rulings on the subject, there is no blanket waiver of the highway liquor ban in municipal areas.

Tamil Nadu Government and other State Governments went back to the Supreme Court, seeking clarification on whether panchayats would also come under the definition of "municipal areas" mentioned in the Order dated July 11, 2017. Tamil Nadu said "municipal areas" were not "intended to exclude areas within the jurisdiction of local self-governing bodies." The States reasoned that in future, these panchayats might be developed in a manner similar to municipalities, or some of them might be geographically proximate to an urban agglomeration. The State Governments sought a clarification about the "obvious uncertainties" thrown open by the order.

On the clarifications sought by the State Governments, Bench of Chief Justice of India Dipak Misra and Justices Amitava Roy and D.Y. Chandrachud stated that the Court left it to the States to take a decision after examining "whether an area covered by a local self-governing body is proximate to a municipal agglomeration or is sufficiently developed" to apply the exemption granted in the July 11th Order. The Court also said that in deciding whether the principle which has been set down in the July order should be extended to a local self-governing body, the State governments would take recourse to all relevant circumstances, including the nature and extent of development in the area and the object underlying the direction prohibiting the sale of liquor on highways.

Since the Madras High Court was not convinced with the discretion given to the States for taking a decision as

to whether an area covered by a local self-governing body is proximate to a municipal agglomeration or is sufficiently developed, the Hon'ble Bench of the Chief Justice of Madras High Court decided to examine the matter in detail. Tamil Nadu Government requested for an early hearing, for removing the ambiguity and the hearing was posted on March 6, 2018 and Senior Counsel Mr. P S Raman appeared on behalf of the Association and argued that as per the Order of the Supreme Court, bars could function on the Highways. Order was reserved in this matter.

On May 21, 2018, the Tamil Nadu Government issued an order stating that the Government has decided to accept the suggestions of the Commissioner of Prohibition and Excise with regard to the issuance of new/renewal of licences to various establishments under the Tamil Nadu Liquor (Licence and Permit) Rules 1981 and the Tamil Nadu Liquor Retail Vending (in Shops and Bars) Rules, 2003. As per the said order, self-governing bodies forming part of a Statutory Development Authority for which a development plan has been approved as per the provisions of the Tamil Nadu Town and Country Planning Act, 1971, and census towns, which are panchayats that are not statutorily notified and administered as a town but whose population nevertheless has attained urban characteristics, may be treated at par with municipal areas when applicants apply for new/renewal of licenses for sale of liquor;

On May 23, 2018, the vacation Bench of the Apex Court being satisfied with the Tamil Nadu Government Order dated May 21, 2018, directed that the Government is free to give effect to its order to renew licenses and grant fresh ones on a case to case basis to retail liquor shops located in areas covered by the local self-governing bodies or areas proximate to municipal pockets in the State.

The Court rejected the plea of Advocate K K Balu that the order should be implemented only after hearing him and said that Mr. Balu is free to pursue appropriate remedy and left open all questions in that behalf.

### **Sale of Mineral Water Bottles above MRP at Restaurants and Hotels**

The authorities, under the erstwhile Standards of Weights and Measures Act had threatened to prosecute hotels and restaurants, saying that they should charge only the MRP on products such as bottled mineral water. Federation of Hotel and Restaurants Associations of India (FHRAI) filed a writ petition in Delhi High Court challenging the notice issued to them. In its affidavit filed against FHRAI, Government of India had said that charging more than Maximum Retail Price (MRP) for pre-packaged products in hotels and restaurants was an offence under the Legal Metrology Act. The efforts of FHRAI to allow hotels to sell packaged products above MRP has paid off and the Hon'ble Supreme Court has held that the provisions of Legal Metrology Act will not apply to hotels and restaurants and they cannot be prosecuted for selling products above MRP. The Hon'ble Supreme Court on December 12, 2017 allowed hotels and restaurants to sell bottled water and other packaged products above the maximum retail price, saying that the hotels and restaurants are rendering service and cannot be governed by the Legal Metrology Act.

On behalf of the Government of India, it was argued that overcharging for pre-packed or packaged products was an offence under the Legal Metrology Act that attracts a fine of Rs 25,000 or a jail term for the management of restaurants, hotels, etc., and that selling above the MRP could lead to tax evasion and loss of revenue for the government and on behalf of FHRAI it was argued that charging prices for mineral water in excess of MRP during the service does neither violate the provisions of the Standards of Weights and Measures Act/the Packaged Commodities Rules nor the new law.

The Court held that provisions of Legal Metrology Act will not apply to hotels and restaurants and they cannot be prosecuted for selling products above MRP, and observed that it is not a case of a simple sale as no customer goes to a hotel to buy or take away a bottle of mineral water. A customer goes to a hotel to relax and enjoy the ambience for which services are also involved. Advocate Sameer Parikh, appearing for the hoteliers' association said that the law does not apply as selling packaged drinking water or food "involves a service element, including ambience, cutlery and service".

### Increasing the Membership of the Association

Efforts are being made to increase the membership of the Association. The EC Members are organising meetings of hoteliers/ restaurateurs in their respective regions, wherein brochures detailing the activities of the Association are distributed to those who are present at such meetings and power point presentations are also made to enable the attendees to fully understand the benefits of being associated with the Association as its Members. Meetings of hoteliers were conducted in Coimbatore covering hoteliers of Coimbatore, Tirupur, in Hyderabad covering hoteliers of Andhra Pradesh and Telangana States and in Madurai covering hoteliers of Tiruchi, Madurai, Tirunelveli, Palani and Rameswaram. More such meetings are planned in Pondicherry, places in the States of Kerala and Karnataka for the benefit of hoteliers of the respective States.

### FHRAI Convention

The Federation of Hotel & Restaurant Associations of India (FHRAI), the apex body of the Indian Hospitality Industry, conducted the 52nd Annual Convention from 14th to 16th September 2017 at the Shangri-La Hotel, Bengaluru with the theme "HOSPITALITY 2025 – The Future is Now". The inaugural function was presided over by Gurudev Sri Sri Ravishankarji with Guests of Honour, Mr. Ananth Kumar, Union Minister for Parliamentary Affairs, Chemicals and Fertilisers, Mr. Ashok Chandra - Minister of Tourism and Culture, Government of Odisha and Mr. R V Deshpande - Minister for Medium & Heavy Industries, Government of Karnataka. Delegation from Bhutan and Nepal were present and memorandums of understanding were signed with both the countries. Over 800 delegates comprising a wide cross-section of influential voices and a galaxy of iconic leaders came together and had enriching deliberations on myriad strategic, competitive and policy issues impacting the hospitality and tourism sector. The Convention was unique in showcasing the best of the Region – potential for the hospitality industry with offerings of the culture, heritage and customs of the host state.

### Hotel Classification

During the year under review and up to July 10, 2018, your Association had actively participated in the Hotel Classification Committee formed by the Ministry of Tourism, Govt. of India and State Tourism Department for Classification of hotels in Southern Region. In all 188 Hotels were classified in South India as detailed hereunder.

Period	5 star Deluxe	5 Star	4 star	3 star	2 star	Others - Heritage basic
--------	---------------	--------	--------	--------	--------	----------------------------

1.4.2017-31.3.18	8	3	60	82	1	1
1.4.2018-10.7.18	4	5	16	13	1	4
Total	12	8	66	95	2	5
Condolences						

Mr. Subir Bhowmick former Executive Committee Member passed away on March 22, 2018. Mr. Subir Bhowmick was an Executive Committee Member during the period 21.04.2012 to 14.11.2016. He also served as the Executive Committee Member of FHRAI for 3 years (2013 to 2016). Mr. Bhowmick during his tenure as EC Member of SIHRA and FHRAI was providing useful suggestions for the growth of the hospitality industry and also on matters of training of the staff. His contributions will long be remembered.

### Membership Subscription

The annual subscription fee for Membership of the Association remains the same for the current year excepting for the GST implication. Effective July 1, 2017, GST was introduced by the Government of India instead of Service Tax. Service Tax was at 15% whereas the GST payable is at 18%.

With effect from April 2018, the discount permissible on Membership Discount Cards issued to Members of the Association has been increased from 15% to 20% and the members can avail 20% discount using the discount cards while using the services from the member hotels/restaurants.

### Total Members as on 10.07.2018

The total no. of Members of the Association as on 10/07/2018 - 1195

### Members as on 31/03/2018

Membership category	Members as on 31.03.2017	Members ceased to during the year	Members admitted during the year	Members as on 31.03.2018
Hotels	810		79	889
Restaurants	236	1	17	252
Associates	34		5	39
Total	1080	1	101	1180

### Members as on 10/07/2018 (including Members who have not paid subscription for 2017-18)

Membership category	Members as on 31.03.2018	Members ceased during the year	Members admitted during the year	Members as on 31.03.2018
Hotels	889	1	13	901
Restaurants	252	-	3	255
Associates	39	-	-	39
Total	1180	1	16	1195

### Staff

Ms. Elina Maller resigned as Secretary General of the Association with effect from October 1, 2017. Ms. Bina Karamjeet has joined the Association as Secretary General with effect from July 1, 2018. The Secretariat continues to work efficiently and diligently and the Advisor and Secretary General are ably supported by the office staff.

### Advisor to the Association

Mr. R Rangachari, continues as Advisor to the Association, and guides the E C Members and office staff on issues concerning the Association.

### Bankers

Your Association thanks its bankers, Indian Overseas Bank Cathedral Road Branch, Chennai and HDFC Bank, Nungambakkam Branch, Chennai for their continued support and service.

### Statutory Auditors, their Report and Notes to Financial Statements

M/s Rao & Gopal Chartered Accountants, (ICAI Registration No. 003085S) Chennai, the Auditors of the Association hold office as Statutory Auditors up to the conclusion of the ensuing Annual General Meeting of the Association. Pursuant to the provisions of Section 139(2) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014, M/s Rao & Gopal are eligible for appointment as Auditors. The Association has received a written communication from M/s Rao & Gopal that their appointment, if made, would satisfy the criteria provided in Section 141 of the Companies Act, 2013 for their appointment. The Executive Committee recommends the appointment of M/s Rao & Gopal, Chartered Accountants as the Auditors of the Association from the conclusion of the ensuing Annual General Meeting up to conclusion of the next Annual General Meeting.

The report of the Statutory Auditors along with the notes to Schedules is enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

Place: Madurai

Date: 12.07.2018

**K Syama Raju**

President

**ANNEXURE – I**  
**FORM No. MGT-9**  
**EXTRACT OF THE ANNUAL RETURN**

## As on the financial year ended on March 31, 2015

{Pursuant to Section 92(3) of the Companies Act 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules 2014}

## I. Registration and other details

i)	CIN	U93090TN1951PLC002401
ii)	Registration date	27.07.1951
iii)	Name of the Company	South India Hotels and Restaurants Association
iv)	Category	Company Limited by Guarantee
	sub-category of the company	Indian Non-Government Company
v)	Address of the Registered Office and contact details	Office No 3 6th. Floor Seethakath Business Center Anna Salai CHENNAI 600 006 Phone: 044 – 28297512 Email: admin@sihra.in Website: www.sihra.in
vi)	Whether listed company	No
viii)	Name, address and contact details of the Registrar and Transfer Agents, if any	Not applicable
II.	Principle Business Activities of the Company	

S.No.	Name and description of main products/services	NIC Code of the product/service	% to the total turnover of the company
1	Promote, encourage and protect the interests of proprietors and other persons interested or concerned in hotels, restaurants, board houses and to take such steps including provision of legal and other professional advice and assistance	9411	100%
III	Particulars of Holding, Subsidiary and Associate	Not Applicable	



IV	Share holding pattern	Not Applicable
V	Indebtedness:	
	Indebtedness at the beginning of the financial year	NIL
	Indebtedness at the end of the financial year	NIL
VI	Remuneration of Directors and Key Managerial Personnel	Not applicable
VII	Penalties/punishment/compounding of offences	NIL

## ANNEXURE – II

New Members who joined the Association from 1.4.2017 to 31.3.2018

## HOTELS

CODE	HOTEL_NAME	CITYNAME	STATENAME
APH146	HOTEL PARK N	VIJAYAWADA	ANDHRA PRADESH
APH147	SUNRAY VILLAGE RESORT	VISAKHAPATNAM	ANDHRA PRADESH
APH148	THE KAY HOTEL	VIJAYAWADA	ANDHRA PRADESH
APH149	MINERVA GRAND	TIRUPATI	ANDHRA PRADESH
APH150	COSY WORLD RESORTS LTD.	KAKINADA	ANDHRA PRADESH
KLH306	DEVONSHIRE GREENS	MUNNAR	KERALA
KLH307	HOTEL LAKE PALACE	THIRUVANANTHAPURAM	KERALA
KLH308	HOTEL KABANI INTERNATIONAL	ERNAKULAM	KERALA
KLH309	KABANI REGENCY	ERNAKULAM	KERALA
KLH310	AYANA FORT KOCHI	KOCHI	KERALA
KLH311	FRAGRANT NATURE, MUNNAR	IDUKKI	KERALA
KLH312	HOTEL SAMRAT	KANNUR	KERALA
KLH313	JK RESIDENCY CHERUVATHUR	KASARAGOD	KERALA
KLH314	HOTEL SAMUDRA	KANNUR	KERALA
KLH315	GEETHA RESIDENCY	KANNUR	KERALA
KLH316	WAYANAD WILD	WAYANAD	KERALA
KLH317	SAJ EARTH RESORT	KOCHI	KERALA
KLH318	THE FOG RESORTS & SPA	MUNNAR	KERALA
KLH319	LE MARITIME KOCHI	ERNAKULAM	KERALA
KLH320	MUNNAR TEA COUNTRY RESORT	IDUKKI	KERALA
KLH321	CLUB MAHINDRA BACK WATER RETREAT	KOLLAM	KERALA
KLH322	EAST AVENUE HOTELS (INDIA) PVT. LTD	KOZHIKODE	KERALA
KLH323	HOTEL GURUVAYUR GATEWAY	GURUVAYUR	KERALA
KLH324	VYTHIRI VILLAGE	WAYANAD	KERALA
KLH325	INTER GRANDE HOTELS PVT. LTD.	KUMILY	KERALA
KLH326	HOTEL FORT QUEEN	KOCHI	KERALA
KLH327	THE MONARCH HOTEL	CALICUT	KERALA
KNH272	TAJ BANGALORE	BANGALORE	KARNATAKA
KNH273	RAMANASHREE BRUNTON	BANGALORE	KARNATAKA
KNH274	HOTEL ASHRITA	HASSAN	KARNATAKA
KNH275	BANDIPUR SAFARI LODGE	MYSORE	KARNATAKA
KNH276	NANDHANA REGENT	BANGALORE	KARNATAKA
KNH277	COUNTRY INN & SUITES BY CARLSON, MYSORE	MYSORE	KARNATAKA
PYH020	THE REGENCY HOTEL	PUDUCHERRY	PUDUCHERRY

## HOTELS

CODE	HOTEL_NAME	CITYNAME	STATENAME
PYH021	ITHE HOTEL ANANDHA INN	PUDUCHERRY	PUDUCHERRY
TGH070	HOTEL DWARAKA PALACE	HYDERABAD	TELANGANA
TGH071	HOTEL SWAGATH GRAND	HYDERABAD	TELANGANA
TGH072	JUBILEE RIDGE	HYDERABAD	TELANGANA
TGH073	THE GRAND SOLITAIRE HOTEL	SECUNDERABAD	TELANGANA
TNH365	HABLI HOTELS	CHENNAI	TAMILNADU
TNH366	GRAND SERENAA	VILLUPURAM	TAMILNADU
TNH367	A.K.G.LODGING	KANCHEEPURAM	TAMILNADU
TNH368	HOTEL THE ARCADIA	COIMBATORE	TAMILNADU
TNH369	THE ORBIS HOTEL	COIMBATORE	TAMILNADU
TNH370	VILLAGE RETREAT RESORT	KANCHEEPURAM	TAMILNADU
TNH371	ANBU PARK	TIRUCHIRAPALLI	TAMILNADU
TNH372	HOTEL HEMALA	KARUR	TAMILNADU
TNH373	HOTEL SKY PARK	CHENNAI	TAMILNADU
TNH374	THE THANGAM GRAND	MADURAI	TAMILNADU
TNH375	HOTEL AAVANAA INN	VELLORE	TAMILNADU
TNH376	CJ PALLAZIO	SALEM	TAMILNADU
TNH377	HOTEL BHIMAAS	CHENNAI	TAMILNADU
TNH378	SRI SRINIVASAR RESIDENCY	VELLORE	TAMILNADU
TNH379	THE GRAND REGENT	COIMBATORE	TAMILNADU
TNH380	HOTEL RIVERVIEW PRIVATE LTD	VELLORE	TAMILNADU
TNH381	UDAYAM RESIDENCY	VELLORE	TAMILNADU
TNH382	SURABI INTERNATIONAL	VELLORE	TAMILNADU
TNH383	SAARAL RESIDENCY	CHENNAI	TAMILNADU
TNH384	HOTEL MOUNT PARADISE	VELLORE	TAMILNADU
TNH385	V7 HOTEL	CHENNAI	TAMILNADU
TNH386	SVATMA LUXURY BOUTIQUE	THANJAVUR	TAMILNADU
TNH387	HOTEL GMT CENTRE	CHENNAI	TAMILNADU
TNH388	PREETHI CLASSIC TOWERS	OOTACAMUND	TAMILNADU
TNH389	ANANTYA RESORTS & HOTELS	KANYAKUMARI	TAMILNADU
TNH390	HOTEL SRR GRAND	CHENNAI	TAMILNADU
TNH391	PLAZA INN	COIMBATORE	TAMILNADU
TNH392	PARK INN	COIMBATORE	TAMILNADU
TNH393	THE BANYAN HOTEL	CHENNAI	TAMILNADU
TNH394	LE PEBBLE	TIRUPUR	TAMILNADU
TNH395	HOLIDAY INN CHENNAI		
	OMR IT EXPRESSWAY	CHENNAI	TAMILNADU
TNH396	HOTEL DSF GRAND PLAZA	TUTICORIN	TAMILNADU
TNH397	THE NATIONAL LODGE	CHENNAI	TAMILNADU
TNH398	HOLIDAY HOME RESORT	KODAIKANAL	TAMILNADU

## HOTELS

CODE	HOTEL_NAME	CITYNAME	STATENAME
TNH399	PINE BOROUGH INN	KODAIKANAL	TAMILNADU
TNH400	JIWAN RESIDENCY	RAMESWARAM	TAMILNADU
TNH401	R R INN	KANYAKUMARI	TAMILNADU
TNH402	HOTEL SHIVAN	GINGEE	TAMILNADU
TNH403	KANI RESIDENCY	TUTICORIN	TAMILNADU
TNH404	HOTEL SWISS COTTAGE	KODAIKANAL	TAMILNADU

## RESTAURANTS

APR074	NIRVANA RESTAURANT	NELLORE	ANDHRA PRADESH
KLR034	REGENCY	THIRUVANANTHAPURAM	KERALA
KLR035	VILLA MAYA	THIRUVANANTHAPURAM	KERALA
KLR036	MISTY MOUNTAIN PLANTATION RESORT	IDUKKI	KERALA
KNR153	ANAND SWEETS AND SAVOURIES - SARJAPUR	BANGALORE	KARNATAKA
KNR154	SORRENTO	BANGALORE	KARNATAKA
KNR155	KFC RESTAURANT G.F. TOTAL MALL	BANGALORE	KARNATAKA
KNR156	ARBOR BREWING COMPANY	BANGALORE	KARNATAKA
TGR039	OHRIS RUCI & IDONI	HYDERABAD	TELANGANA
TGR040	KFC RESTAURANT - M G ROAD	SECUNDERABAD	TELANGANA
TGR041	THE KIDS CENTER	HYDERABAD	TELANGANA
TNR176	DEWZ RESTAURANT	COIMBATORE	TAMILNADU
TNR177	THE FRENCH DOOR	COIMBATORE	TAMILNADU
TNR178	HAMSA RESTAURANT	CHENNAI	TAMILNADU
TNR179	SOUTHERN SPICE, KHAJAMALAI	TIRUCHIRAPALLI	TAMILNADU
TNR180	HYDERABAD MUGHAL BIRIYANI	CHENNAI	TAMILNADU
TNR181	CRIMSON CHAKRA	CHENNAI	TAMILNADU

## ASSOCIATES

PYA004	TGI HOTELS AND HOSPITALITY SERVICES PVT. LTD.	PUDUCHERRY	PUDUCHERRY
KLA019	KERALA BAR HOTELS ASSOCIATION	THIRUVANANTHAPURAM	KERALA
KLA020	METRO MART MAGAZINE	THIRUVANANTHAPURAM	KERALA
TGA005	FHD CONSULTANTS PRIVATE LIMITED	HYDERABAD	TELANGANA
TNA047	e NOAH iSOLUTION INDIA PRIVATE LIMITED	CHENNAI	TAMILNADU

**ANNEXURE – III**

New Members who joined the Association during the financial year - 01-04-2018 to 10-07-2018

**HOTELS**

CODE	HOTEL_NAME	CITYNAME	STATENAME
APH151	REGALIA	TIRUPATI	ANDHRA PRADESH
KLH328	HOTEL PALACE INN	ANGAMALY	KERALA
KLH329	NO. 18 HOTEL	ERNAKULAM	KERALA
KLH330	KALLELY'S PARK INN	THRISSUR	KERALA
KLH331	PRINZ RESIDENCY	CALICUT	KERALA
KLH332	HOTEL MAHARAJA PALACE	ALAPPUZHA	KERALA
KNH278	REGENTA CENTRAL HERALD	MYSORE	KARNATAKA
KNH279	ARUMUGAM HOTELS & RESORTS PVT. LTD.	BANGALORE	KARNATAKA
KNH280	EVOLVE BACK KAMALAPURA PALACE HUMPI	HOSPET	KARNATAKA
TNH405	MERCURE CHENNAI SRIPERUMBUDUR	CHENNAI	TAMILNADU
TNH406	POPPYS TOWER	TIRUPUR	TAMILNADU
TNH407	POPPYS TOWER - COIMBATORE	COIMBATORE	TAMILNADU
TNH408	ZONE BY THE PARK, CHENNAI	CHENNAI	TAMILNADU
<b>RESTAURANTS</b>			
KLR037	ACKD FOOD FACTORY LLP	KOZHIKODE	KERALA
KLR038	SILK STREET FOOD LLP	KOZHIKODE	KERALA
TNR182	COOKIEMAN RESTAURANT	CHENNAI	TAMILNADU

**RAO & GOPAL**

Chartered Accountants

**PARTNERS:**

S.R. Seetharaman, B.Com., F.C.A., FCS.,

M.S. Raghavan, B.Com., F.C.A.,

R. Sujatha B.Com., F.C.A., Grad CWA.,

8/13, Dhanasekaran Street,

Kodambakkam,

Chennai 600024

Tel: 044 2372 6262, 2473 0390

e-mail: raogopalca@gmail.com

**AUDITOR'S REPORT**

We have audited the attached Balance Sheet of M/s. South India Hotels and Restaurants Association as on Mar. 31, 2018, the related Income & Expenditure Account and the Receipts and Payments Account for the year ended on that date. These financial statements are the responsibility of the Association. Our responsibility is only to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. Our audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As the company is registered under Section 8 of the Companies Act, 2013, the provisions of the Companies (Audit Report) Order, 2016 are not applicable to the company.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit; in our opinion, proper books of account as required by law have been kept by the Association so far as appears from our examination of those books; the Balance Sheet, the Income & Expenditure Account and the Receipts and Payments Account dealt with by this report are in agreement with the books of account;

In our opinion, the Balance sheet, Income and Expenditure Account and the Receipts and Payments Account dealt by this report comply with the accounting standards referred to in Section 133 of the Companies Act, 2013.

In our opinion and to the best of our information and according to the explanations given to us, the said account give the information required by the Companies Act, 2013 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 Association as at 31st March 2018;

b. In the case of the Income & Expenditure Account, of the excess of expenditure over income for the year ended on that date and

c. Of the Cash flow (Receipts and Payments) for the period 01.04.2017 to 31.03.2018.



d. With respect to the adequacy of the internal financial controls over financial reporting of the association and the operating effectiveness of such controls, refer to our separate report in Annexure – A

Place: Chennai  
Date: 12/07/2018

For Rao & Gopal  
**Chartered Accountants**

Partner  
S.R. Seetharaman (Memb.No 027089)  
Firm Regn.No – 003085S

**Annexure – A** referred to in our Report on financial statements of M/s South India Hotels and Restaurants Association of even date:

We have audited the internal financial controls over financial reporting of M/S South India Hotels & Restaurants Association (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Association for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Association’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Association 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.

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 Association’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial 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 ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 the 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 exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Association'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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) 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 expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 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 Association has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Association 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.

Place: Chennai  
Date: 12/07/2018

For Rao & Gopal  
Chartered Accountants

Partner  
S.R.Seetharaman (Memb.No 027089)  
Firm Regn.No – 003085S

**Balance Sheet as at 31 March, 2018**

	Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
A	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' funds</b>			
	(a) Share capital			
	(b) Reserves and surplus	1	51247982.16	50628483.85
	(c) Money received against share warrants			
2	<b>Share application money pending allotment</b>			
3	<b>Non-current liabilities</b>			
	(a) Long-term borrowings			
	(b) Deferred tax liabilities (net)			
	(c) Other long-term liabilities			
	(d) Long-term provisions	2	0.00	25000.00
4	<b>Current liabilities</b>			
	(a) Short-term borrowings			
	(b) Trade payables		183469.00	56677.00
	(c) Other current liabilities	3	171271.32	34233.21
	(d) Short-term provisions	4	60000.00	62100.00
	<b>TOTAL</b>		<b>51662722.48</b>	<b>50806494.06</b>
B	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	5	23299650.04	24939746.78
	(ii) Intangible assets			
	(iii) Capital work-in-progress			
	(iv) Intangible assets under development			
	(v) Fixed assets held for sale			
			23299650.04	24939746.78

**Balance Sheet as at 31 March, 2018**

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
(b) Non-current investments			
(c) Deferred tax assets (net)			
(d) Long-term loans and advances	6	1014690.45	768902.00
(e) Other non-current assets	7	1186581.00	900081.00
		2201271.45	1668983.00
<b>2 Current assets</b>			
(a) Current investments			
(b) Inventories			
(c) Subscription receivables			
(d) Cash and cash equivalents	8	21734273.88	22464514.43
(e) Short-term loans and advances	9	699121.48	534204.38
(f) Other current assets	10	3728405.63	1199045.47
		26161800.99	24197764.28
<b>TOTAL</b>		<b>51662722.48</b>	<b>50806494.06</b>

See accompanying notes forming part of the financial statements

**President**

K Syama Raju

**Hony. Secretary**

T Nataraajan

**Members**

D Srinivasan

S K Hari Arumugam

M. Venkadasubbu

M Balakrishna Reddy

PCM Sanathanam

Jose Pradeep

P Venkataramana Babu

BD Prabhushankar

K Ravi

To be read with our report of even date

For Rao &amp; Gopal

**Chartered Accountants**

SR Seetharaman

Partner

**Vice Presidents**

K Murali Rao

K Nagaraju

DVS Somaraju

**Hony. Treasurer**

R Srinivasan

Place : Madurai

Date : 12.07.2018

Place : Chennai

Date : 12.07.2018

### Statement of Profit and Loss for the year ended 31 March, 2018

Particulars		Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
A	<b>CONTINUING OPERATIONS</b>			
1	Revenue from operations (gross)	11	10458760.00	7670604.00
	Less: Excise duty		0.00	0.00
	Revenue from operations (net)		10458760.00	7670604.00
2	Other income	12	1770894.46	2910140.20
	Convention Income		0.00	0.00
3	<b>Total revenue (1+2)</b>		12229654.46	10580744.20
4	<b>Expenses</b>			
	(a) Cost of materials consumed			
	(b) Purchases of stock-in-trade			
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade			
	(d) Employee benefits expense	13	2093612.00	2462407.00
	(e) Convention Expenditure			0.00
	(f) Finance costs			
	(g) Depreciation and amortisation expense	5	1718187.14	2001021.93
	(h) Other expenses	14	9101107.01	5042077.29
	<b>Total expenses</b>		12912906.15	9505506.22
5	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		-683251.69	1075237.98
6	Exceptional items		0.00	0.00
7	<b>Profit / (Loss) before extraordinary items and tax (5 + 6)</b>		-683251.69	1075237.98
8	Extraordinary items		0.00	0.00
9	<b>Profit / (Loss) before tax (7 + 8)</b>		-683251.69	1075237.98
10	<b>Tax expense:</b>			
	(a) Current tax expense for current year		NIL	NIL
	(b) (Less): MAT credit (where applicable)			
	(c) Current tax expense relating to prior years			
	(d) Net current tax expense			
	(e) Deferred tax			

**Statement of Profit and Loss for the year ended 31 March, 2018**

	Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
11	<b>Profit / (Loss) from continuing operations (9 +10)</b>		-683251.69	1075237.98
B	<b>DISCONTINUING OPERATIONS</b>			
12.i	Profit / (Loss) from discontinuing operations (before tax)		NIL	NIL
12.ii	Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations			
12.iii	Add / (Less): Tax expense of discontinuing operations (a) on ordinary activities attributable to the discontinuing operations (b) on gain / (loss) on disposal of assets / settlement of liabilities		NIL	NIL
13	<b>Profit / (Loss) from discontinuing operations (12.i + 12.ii + 12.iii)</b>		NIL	NIL
C	<b>TOTAL OPERATIONS</b>			
14	<b>Profit / (Loss) for the year (11 + 13)</b>		-683251.69	1075237.98

See accompanying notes forming part of the financial statements

**President**

K Syama Raju

**Hony. Secretary**

T Natarajan

**Members**

D Srinivasan

SK Hari Arumugam

M. Venkadasubbu

MBalakrishna Reddy

PCM Sanathanam

Jose Pradeep

P Venkataramana Babu

BD Prabhushankar

K Ravi

To be read with our report of even date

For Rao &amp; Gopal

**Chartered Accountants**

SR Seetharaman

Partner

**Vice Presidents**

K Murali Rao

K Nagaraju

DVS Somaraju

**Hony. Treasurer**

R Srinivasan

Place : Madurai

Date : 12.07.2018

Place : Chennai

Date : 12.07.2018

### Cash Flow Statement for the year ended 31 March, 2018

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
<b>RECEIPTS</b>		
Opening Cash Balance	46.45	9117.08
Opening Bank Balance	22464467.98	19568307.21
Subscription	7830499.10	7694606.48
Interest on Deposits with bank	1632741.02	2621001.62
Miscellaneous Income	700.00	20168.98
Sale of FHRAI - Food Safety Hand Book/Hotel Guides	17100.00	1500.00
Entrance fee	333500.00	337500.00
Legal fund	715250.00	718250.00
Building Fund	252500.00	217500.00
Service Tax Collected	837190.92	1389832.17
GST collected	658207.52	0.00
Interest on savings A/C - HDFC	10117.00	42410.00
Income Received in Advance	31370.00	0.00
Staff Loan Recovery	37000.00	36000.00
TDS Recovery	636707.00	291034.00
Other Income	11800.00	0.00
	<b>35469196.99</b>	<b>32947227.54</b>
<b>PAYMENTS</b>		
Audit fee, GST & TDS filing fee	147279.00	131925.00
Subscription renewal fees	56062.00	53560.00
Salary to staff	2040058.00	2381352.00
Retainership fees	1290000.00	1260000.00
Accounting Charges	120590.00	327000.00
Postage & Telephone	367411.17	247335.24
Stall Hire charges(Net)	85800.00	508414.50
Advertisement & sponsorship	83160.00	73160.00
Electricity & Maintenance charges	421040.65	438184.55
SBC Owners welfare fund	286500.00	0.00
Staff welfare	53554.00	81055.00
Printing & Stationery	295664.25	324754.00
Insurance	57520.00	58625.77
Travelling & Conveyance	172244.00	80548.00



**Cash Flow Statement for the year ended 31 March, 2018**

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Bank Charges	744.17	600.99
Legal & Professional Expenses	3603925.00	212528.00
Service Tax Paid	526735.00	1203956.40
GST Paid	582817.00	0.00
Input service tax paid to creditors	40635.61	267018.10
Input credit -GST	248818.62	0.00
Repairs & Maintenance	153345.84	109990.73
Office Expenses	7595.00	69566.00
Meeting Expenses	1765366.76	417007.00
Rates and Taxes	20472.00	27308.00
Sundry Expenses	56678.04	68340.28
Website Maintenance	286685.00	375690.00
Purchase of FHRAI/FSSAI Safety book	10500.00	87000.00
Purchase of FIXED ASSETS	78091.00	0.00
Loan given to staff	220000.00	0.00
News letter publishing charges	0.00	219800.00
TDS receivable on subscription	6946.00	9728.85
TDS Paid	648685.00	285956.00
Closing Cash Balance	12648.95	46.45
Closing Bank Balance	21721624.93	23626776.68
	<b>35469196.99</b>	<b>32947227.54</b>

**President**

K Syama Raju

**Hony. Secretary**

T Natarajan

**Members**

D Srinivasan

SK Hari Arumugam

M. Venkadasubbu

MBalakrishna Reddy

PCM Sanathanam

Jose Pradeep

P Venkataramana Babu

BD Prabhushankar

K Ravi

To be read with our report of even date

For Rao &amp; Gopal

**Chartered Accountants**

SR Seetharaman

Partner

Place: Chennai

Date: 12.07.2018

**Vice Presidents**

KMurali Rao

KNagaraju

DVS Somaraju

**Hony. Treasurer**

R Srinivasan

Place: Madurai

Date: 12.07.2018

**Note 1 Reserves and surplus**

Particulars	As at 31st March 2018	As at 31st March 2017
<b>CAPITAL RESERVE</b>		
1) Legal Fund		
Opening balance	10853195.00	10134945.00
Add: Additions during the year (give details)	716750.00	718250.00
Less: Utilised / transferred during the year (give details)		
<b>Closing balance</b>	<b>11569945.00</b>	<b>10853195.00</b>
2) Building Fund		
Opening balance	4544490.00	4326990.00
Add: Additions during the year (give details)	252500.00	217500.00
Less: Utilised / transferred during the year (give details)		
<b>Closing balance</b>	<b>4796990.00</b>	<b>4544490.00</b>
3) Entrance Fee		
Opening balance	1804500.00	1467000.00
Add: Additions during the year (give details)	333500.00	337500.00
Less: Utilised / transferred during the year (give details)		
<b>Closing balance</b>	<b>2138000.00</b>	<b>1804500.00</b>
4) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	33426298.85	32351060.87
Add: Profit / (Loss) for the year	-683251.69	1075237.98
<b>Closing balance</b>	<b>32743047.16</b>	<b>33426298.85</b>
<b>Total (1+2+3+4)</b>	<b>51247982.16</b>	<b>50628483.85</b>

**Note 2 Long-term provisions**

Particulars	As at 31st March 2018	As at 31st March 2017
Provision - accounting charges	0.00	25000.00
<b>Total</b>	<b>0.00</b>	<b>25000.00</b>

**Note 3 Other current liabilities**

(j) Other payables		
(i) Statutory remittances - GST Payable	133200.00	0.00
(ii) Advances from customers	0.00	8386.00
(iii) Others (specify nature)		
TDS PAYABLE	4765.00	11978.00
PDP program - Advance	0.00	11000.00
Subscription Received In Excess	1936.32	2869.21
(iv) Income received in advance		
a. Entrance Fee	5500.00	0.00
b. Legal Fund	2000.00	0.00
c. Building Fund	5000.00	0.00
d. Subscription	18870.00	0.00
<b>Total</b>	<b>171,271.32</b>	<b>34,233.21</b>

**Note 4 Short-term provisions**

Provision - audit fees	60000.00	62100.00
<b>Total</b>	<b>60000.00</b>	<b>62100.00</b>

**Note 5 Fixed assets**

Tangible assets	Useful Life	Gross Block as on 31.03.2017	Additions	Gross Block as on 31.03.2018	Disposals	Depreciation / amortisation expense up to the end of the previous year	Depreciation / amortisation expense for the year	Total Depreciation	Balance as at 31 March, 2018
(a) Land									
Freehold									
Leasehold *		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(a) Buildings									
Own use	60 yrs	504945.00	0.00	504945.00	0.00	97327.54	28080.93	125408.47	379536.53
Given under operating lease									
(b) New Office Premises - SBC	60 yrs	23732174.00	0.00	23732174.00	0.00	1429956.43	1,086,183.02	2516139.45	21216034.55
(c) Furniture and Fixtures									
Owned *	10 yrs	1951272.00	78091.00	2029363.00	0.00	598450.61	367063.05	965513.66	1063849.34
Taken under finance lease									
Given under operating lease									
(d) Airconditioners - SBC	10 yrs	568244.00	0.00	568244.00	0.00	174279.12	102233.89	276513.01	291730.99
(e) Vehicles									
Owned	8 yrs	730550.00	0.00	730550.00	0.00	533177.28	54099.86	587277.14	143272.86
Taken under finance lease *									
Given under operating lease *									
(f) Electrical Installation	10 yrs	381000.00	0.00	381000.00	0.00	116851.82	68546.45	185398.27	195601.73
Owned									
Taken under finance lease *									
Given under operating lease *									
(g) Computers & Printers									
Owned	3 yrs	192493.00	0.00	192493.00	0.00	170888.42	11979.94	182868.36	9624.64
Taken under finance lease *									
Given under operating lease *									
(h) Capital work in progress - Advance for New premises									
<b>Total</b>		<b>28060678.00</b>	<b>78091.00</b>	<b>28138769.00</b>	<b>0.00</b>	<b>3120931.22</b>	<b>1718187.14</b>	<b>4839118.36</b>	<b>23299650.64</b>
<b>Previous year</b>		<b>28060678.00</b>	<b>0.00</b>	<b>28060678.00</b>	<b>0.00</b>	<b>1,119,909.29</b>	<b>2001021.93</b>	<b>3120931.22</b>	<b>24939746.78</b>

**Note 6 Long-term loans and advances**

Particulars	As at 31st March 2018	As at 31st March 2017
(a) Others (TDS Receivable - Interest on deposits matured & foreclosed)		
Considered good		
TDS receivable - AY 2013-14	41283.00	41283.00
TDS receivable - AY 2014-15	158070.00	158070.00
TDS receivable - AY 2015-16	181448.00	181448.00
TDS receivable - AY 2016-17	176565.00	176565.00
TDS receivable - AY 2017-18	245788.45	0.00
TDS Receivable on Interest	87336.00	87336.00
b) Income tax refund receivable		
Refund Receivable AY 2010-11	35747.00	35747.00
Refund Receivable AY 2011-12	-839.00	-839.00
Refund Receivable AY 2012-13	89292.00	89292.00
<b>Total</b>	<b>1014690.45</b>	<b>768902.00</b>

**Note 7 Other non-current assets**

Deposit water, TNEB	18020.00	18020.00
Parikshan	500000.00	500000.00
SBC Owners welfare fund	668561.00	382061.00
<b>Total</b>	<b>1186581.00</b>	<b>900081.00</b>

**Note 8 Cash and cash equivalents**

(a) Cash on hand	12648.95	46.45
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) In current accounts	-74761.93	-36738.63
(ii) In deposit accounts	21796386.86	22501206.61
<b>Total</b>	<b>21734273.88</b>	<b>22464514.43</b>

**Note 9 Short-term loans and advances**

Particulars	As at 31st March 2018	As at 31st March 2017
(a) Loans and advances to employees		
Secured, considered good		
Unsecured, considered good	195000.00	12000.00
Doubtful		
(b) Balances with government authorities		
Unsecured, considered good		
(i) TDS Receivable AY 2018-19/ AY 2017-18	177355.14	245788.45
(ii) Service Tax credit receivable - Convention	0.00	8.94
(iii) Service Tax credit receivable-input	0.00	276406.99
(c) GST - Input credit	193566.34	0.00
(d) ITC on Expenses under RCM	133200.00	0.00
<b>Total</b>	<b>699121.48</b>	<b>534204.38</b>

**Note 10 Other Current Assets**

(a) Interest Accrued but not yet compounded	1052545.62	1162308.70
(b) Subscription Receivable	56170.01	0.00
(c) Prepaid Expenses - Insurance	34575.00	36736.77
(d) Advance Water Tax	3789.00	0.00
(e) FHRAI - convention income receivable	2581326.00	0.00
<b>Total</b>	<b>3728405.63</b>	<b>1199045.47</b>

**Note 11 Revenue from operations**For the year ended  
31.03.2018For the year ended  
31.03.2017

(a) Other operating revenues # (Refer Note (i) below)	10458760.00	7670604.00
Less:		
<b>Total</b>	<b>10458760.00</b>	<b>7670604.00</b>
(i) Other operating revenues comprise:		
SUBSCRIPTION	7877434.00	7670604.00
FHRAI CONVENTION INCOME	2581326.00	0.00
<b>Total - Other operating revenues</b>	<b>10458760.00</b>	<b>7670604.00</b>

**Note 12 Other income**

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
(a) Interest income (Refer Note (i) below)	1703504.08	2899471.22
(b) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	67390.38	10668.98
<b>Total</b>	<b>1770894.46</b>	<b>2910140.20</b>
(i) Interest income comprises:		
Interest from banks on:		
a) Fixed Deposits	1693387.08	2857061.22
b) Interest from savings A/C	10117.00	42410.00
<b>Total - Interest income</b>	<b>1703504.08</b>	<b>2899471.22</b>
(ii) Other non-operating income comprises:		
Miscellaneous Income	16913.32	9168.98
Sale of FHRAI Guides	4500.00	0.00
FHRAI - FOOD SAFETY HAND BOOK	12600.00	1500.00
Expenses written Back	8377.06	0.00
Excess provision written back	25000.00	0.00
<b>Total - Other non-operating income</b>	<b>67390.38</b>	<b>10668.98</b>

**Note 13 Employee benefits expense**

Salaries and wages	1,304,900.00	1,532,900.00
Staff welfare expenses	53,554.00	81,055.00
Ex-Gratia	173,558.00	162,250.00
Allowances	561,600.00	686,202.00
<b>Total</b>	<b>2,093,612.00</b>	<b>2,462,407.00</b>



**Note 14 Other expenses**

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Payments to Auditors (Refer Note(i) below)	167,279.00	134,725.00
Subscription & Renewal Fees	56,062.00	53,560.00
Retainership Fees	1,290,000.00	1,260,000.00
Accounting charges	75,590.00	300,000.00
Postage ,Courier & Telephone	355,734.17	259,012.24
Stall hire charges (Net)	85,800.00	508,414.50
Advertisement & sponsorship Expenses	83,160.00	73,160.00
Electricity charges	421,040.65	438,183.55
Insurance	59,681.77	21889.00
Printing & Stationery	435,754.25	324,754.00
Travelling & Conveyance	172,244.00	80,548.00
Bank Charges	744.17	600.99
Legal & Professional Charges	3,608,375.00	212,528.00
Repairs & Maintenance	153,345.84	163,290.73
Office Expenses	7,595.00	16,266.00
Meeting, Seminar & Prof.Dev.Programme Expenses	1,754,366.76	417,007.00
Rates & Taxes	20,472.00	27,308.00
Sundry expenses - (Refer note (ii)below)	56,677.40	68,340.28
Website & software Development & maintenance Charges	286,685.00	375,690.00
Cost of FHRAI/FSSAI hand book	10,500.00	87,000.00
Newsletter Publishing Charges	-	219,800.00
<b>Total</b>	<b>9,101,107.01</b>	<b>5,042,077.29</b>
<b>Note (i): Payments to auditors</b>		
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	60,000.00	60,300.00
For taxation matters		74,425.00
For company law matters		
For management services		
For other services -GST & TDS FILING FEES	107,279.00	
Reimbursement of expenses		
<b>Total</b>	<b>167,279.00</b>	<b>134,725.00</b>

## Note (ii): Sundry Expenses

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Domain Name Renewal charges	0.00	904.5
Locker Rent	2,360.00	1,868.00
Misc. Exps	4,506.10	5,946.00
Late Fees - BSNL	375.10	-
interest on ST, GST late filing fee	813.00	1,037.00
photographer charges	-	1,700.00
pooja expenses	9,110.00	12,889.00
rounding off	105.20	5.78
pollution control	-	16,855.00
Annual support charges	-	27,135.00
CMWSSB, Court Fees	9,408.00	-
Appeal Filing fee paid (For 3 Assessment Years)	30,000.00	-
<b>Total</b>	<b>56,677.40</b>	<b>68,340.28</b>

## Significant Accounting Policies: Year Ended 31.03.2018

1. Fixed assets are valued at historical cost less accumulated Depreciation taking in to account the useful life specified in schedule - II of the Companies Act, 2013
2. Interest income like other income is accounted on accrual basis.
3. Expenses incurred but not paid have been provided for.
4. Disclosures on the following accounting standards have not been made as these standards are not applicable to M/s South India Hotels and Restaurants Association
  - Disclosures under AS 7 - Construction Contracts
  - Disclosures under AS 12 - Government Grants
  - Disclosures under AS 14 - Accounting for Amalgamations
  - Disclosures under AS 15 - Employee Benefits
  - Disclosures under AS 16 - Borrowing Costs
  - Disclosures under AS 17 - Segment Reporting
  - Disclosures under AS 18 - Related Party Disclosures
  - Disclosures under AS 19 - Leases
  - Disclosures under AS 20 - Earnings per Share
  - Disclosures under AS 22 - Accounting for Taxes on Income
  - Disclosures under AS 24 - Discontinuing Operations
  - Disclosures under AS 26 - Intangible Assets
  - Disclosures under AS 27 - Financial Reporting of Interests in Joint Ventures
  - Disclosures under AS 29 - Provisions, Contingent Liabilities and Contingent Assets & Disclosure on Employee Share Based Payments
5. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**President**

K Syama Raju

**Hony. Secretary**

T Natarajan

**Members**

D Srinivasan

SK Hari Arumugam

M. Venkadasubbu

MBalakrishna Reddy

PCM Sanathanam

Jose Pradeep

P Venkataramana Babu

BD Prabhushankar

K Ravi

To be read with our report of even date

For Rao &amp; Gopal

**Chartered Accountants**

SR Seetharaman

Partner

Place : Chennai

Date : 12.07.2018

**Vice Presidents**

K Murali Rao

K Nagaraju

DVS Somaraju

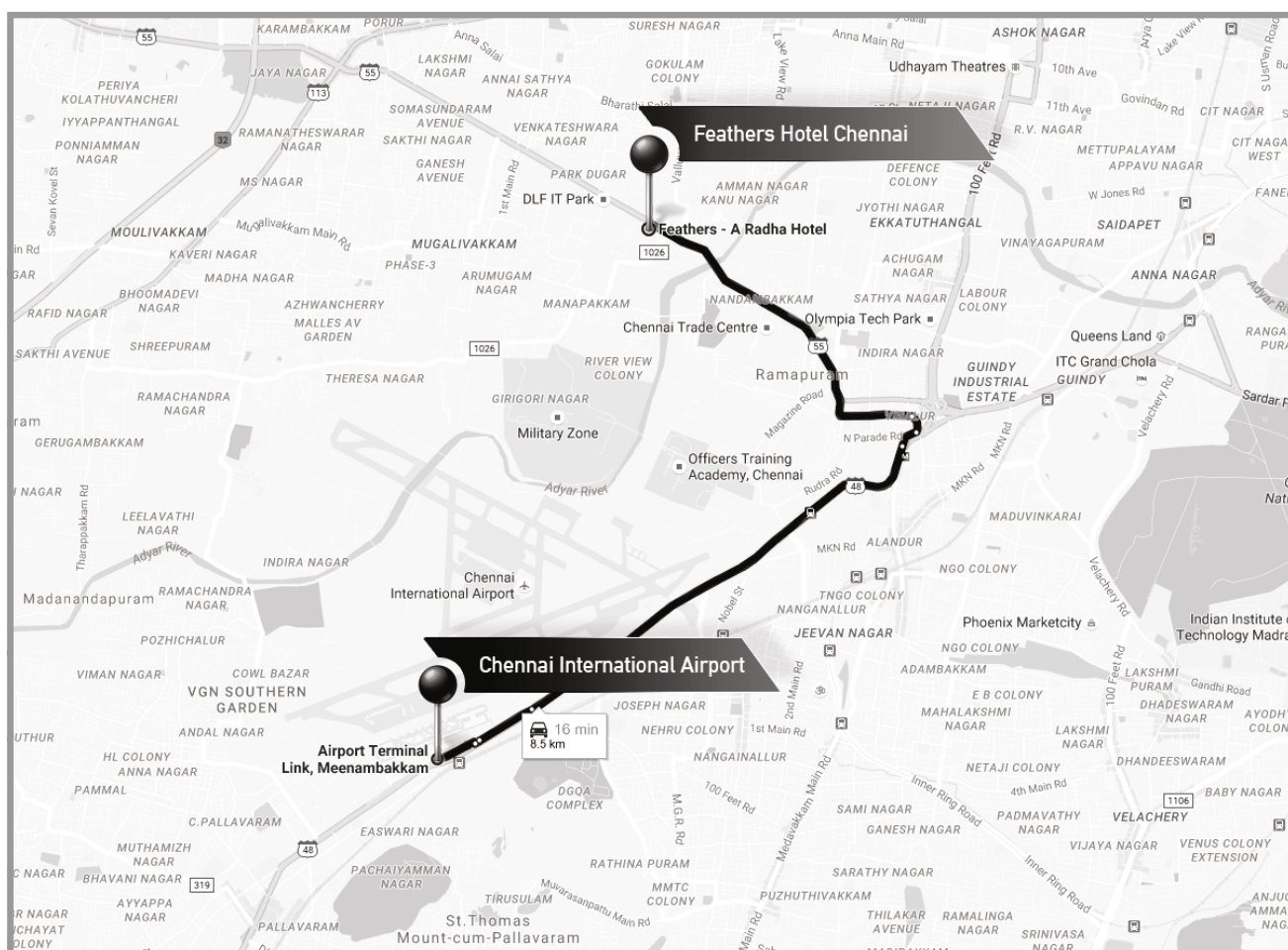
**Hony. Treasurer**

R Srinivasan

Place : Madurai

Date : 12.07.2018

**ROUTE MAP TO THE VENUE OF  
THE 67<sup>TH</sup> AGM OF  
SOUTH INDIA HOTELS AND RESTAURANTS ASSOCIATION**



**TULIP HALL, FEATHERS (A RADHA HOTEL)**

No. 4/129, Mount Poonamallee Road, Manappakkam, Chennai - 600 089, Tamil Nadu

Particulars to be given by each member of the Association for updating the Membership Register (MGT-1) as required to be maintained under the provisions of Section 88(1)(a) of the Companies Act, 2013 read with Rule 3(1) of the Companies (Management and Administration) Rules, 2014

NO.	PARTICULARS	
1.	Name of the Member	
2.	Membership Number	
3.	Address of the Member	
4.	Phone No. and e-mail id of the Member	
5.	Ownership details  Name of the Owner  Registered Address of the Owner, i.e. Registered Office Address of the Individual/Firm/Body Corporate  Phone No.  Email id  If the Member (Hotel/Restaurant) unit is owned by a hotel chain, please mention whether it is owned by National or International chain and the name of the hotel chain	Individual/Firm/Body Corporate
6.	Name and designation of the person in charge of the Member Unit	
7.	Permanent Account No.	
8.	CIN/Registration No.	
9.	Unique Identification Number	
10.	GST No	
11.	Status	

NO.	PARTICULARS	
12.	Nationality	
13.	Date of becoming a Member of South India Hotels and Restaurants Association	
14.	Membership details in any other Association	
15.	Any other interest, if any	
16.	Instruction, if any, given by the Member with regard to sending of notices etc.	

Place:

Signature:

Date:

Name and designation of the person signing the form on behalf of the Member of the Association with his official seal





Regd. Office:

## South India Hotels and Restaurants Association

Office No.3. 6th Floor,  
Seethakathi Business Centre,  
Anna Salai,  
Chennai-600 006.

Phone : **044 - 2829 7511 / 7512 7510**

Email : **admin@sihra.in**

Website : **www.sihra.in**