



Looking Beyond Horizons...

21st

ANNUAL REPORT

2010 - 2011

BEBOB



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Dear Shareholders,

I have immense pleasure in delivering my first communiqué as the chairman to the shareholders of this esteemed company.

When I took the Chair of the Company, I began my journey with the vision to be a Leader in the Hospitality industry while sustaining our Indian culture of **“Atithi Devo Bhavah”**. To fulfill this dream for the company, the newly inducted management of the company has set ambition ‘to deliver the world class experience to our customers, driven by strategic marketing and establishing chain of hotels, thus having our presence across the country’ in the next five years to come.



The current scenario of the Indian economy has been characterized by optimistic growth and strong macro-economic fundamentals, particularly with tangible progress towards fiscal consolidation and a strong balance of payments position. The Indian economy buoyed by the growth in GDP at 8.7 per cent for 2010-11. Indian Economy is expected to register a 10% GDP growth in the coming years.

The Indian Travel and Tourism Industry estimated at Rs. 1,970 billion in F.Y. 2010 contributed 6% to the overall GDP and is expected to reach Rs. 6,211 billion by 2020, growing at a CAGR of 12% per annum. The Travel and Tourism Industry is the largest contributor to employment generation and accounts for about 8.4% of the total employment. The fiscal year 2010-11 to be relatively healthier year as compared to 2009-10 for industry as the revenue is supported by economic recovery and event specific demand triggers like Common Wealth Games, Cricket World Cup etc.

Fiscal 2011 have been a commendable and memorable year for your company. Not only the performance but the overall structure of the company has undergone transformation. Your Company has registered a growth of 121% in turnover and 139% in profit after tax over previous year's performance.

I strongly believe that what we achieved so far is the beginning of new era of growth. During the year 2010- 2011, we stepped up our commitment to build organizational capacity, management bandwidth and the ability to execute our strategic initiatives. This is a critical commitment that we are making to build a process and performance based organization with shared vision. The Ministry of tourism has been taking initiatives to position India as a value for money destination for the tourists across the globe. To meet the current requirements (demand – supply) and to be a world leader, we are also changing the company's strategy for promotion and marketing to facilitate such travel. Keeping this in mind, we have decided to create a chain of hotels through a single brand namely “The Byke”. For the same your company has identified properties and has commenced conducting the initial feasibility study for acquiring / developing new properties in the Maharashtra-Goa region.

With the current performance, our entrepreneurial spirit and our talent pool, the future foundations of the company are

sure to strengthen. Assembling a team of extraordinary people who have displayed outstanding capabilities through their value system, competence, low ego and high energy is crucial to the progress of any institution. The differentiation comes from ideas, and ideas come from bright minds. Therefore, good people are the primary assets of a great organization.

I take this opportunity to acknowledge the invaluable support of all our stakeholders and look forward to your continued support, which would enable us to scale newer heights.

Before I conclude, I would like to assure you, that your Company has put in place appropriate strategies for sustained qualitative growth. I seek your continued support and patronage to take your Company to new heights.

I look forward to the year ahead with a sense of confidence to deliver even greater value to all stakeholders.

Best Regards,

Anil Patodia
Chairman

> Mr. Anil Patodia

Chairman, Suave Hotels Limited

Mr. Anil Patodia took over the management of Suave Hotels Limited in March 2011. Mr. Patodia is a Commerce Graduate from the University of Rajasthan, having huge experience in the Hospitality and manufacturing industries. Mr. Patodia is an acknowledged for his analytical acumen with respect to the various avenues of investment in this industry. Under the Leadership of Mr. Patodia, the Byke – A Hotel Retreat, Matheran has created a niche for itself.

A career Hotelier, Mr. Anil Patodia brings extensive hotel experience to the Suave Hotels in operations and marketing and is playing a key role in the global expansion and development of future hotels. He is also actively involved in the social activities. He is a member of Lions Club International and a working committee member of Mumbai Vaish Federation.

> Mr. Satyanarayan Sharma

Managing Director, Suave Hotels Limited

Mr. Satyanarayan Sharma is an Electrical Engineer having vast experience of more than 25 years in hospitality industry. He is the visionary founder promoter of Suave Hotels Limited. His professional guidance and expert proficiency in understanding the holiday needs of the tourists and providing quality tailor-made products in the holiday space was instrumental in the successful growth of the Company.

> Mr. Pramod Patodia

Director, Suave Hotels Limited

Mr. Pramod Patodia experience in Hospitality industry spans across two decades. He has over 25 years of extensive experience in the field of management, administration, exports, marketing, materials and hotel management. Mr. Patodia brings extensive hotel experience to the Suave Hotels in operations and management. Currently, he is overseeing the operations of all the hotels of the company.

> CA Ram Ratan Bajaj

Independent Director, Suave Hotels Limited

Mr. Ram Ratan Bajaj is a fellow member of the Institute of Chartered Accountants of India with over 33 years of post-qualification experience in handling finance, taxation, corporate law, accounts, project implementation, cost control and related matters. He has been associated with the Company since March 30, 2011. His expertise shall be significant in making the financials decisions of the company. He has an active involvement in social activities. He was a member of Bharat Vikas Parishad – a unique organization for socio- cultural activities having around 1300 branches.

> Mr. Manoj Bhadupota

Independent Director, Suave Hotels Limited

Mr. Manoj Bhadupota, aged 34 years, is a commerce graduate from the University of Rajasthan having enormous experience in the area of tourism and hospitality industry. He is an acknowledged expert in the management and administration of hotels in the state of Rajasthan.

> Mr. Ramesh Vohra

Independent Director, Suave Hotels Limited

Mr. Ramesh Vohra , Aged 70 Years, is in the business of supply and service of engineering products to provide global solutions to the Oil, GAs, Exploration Marine and construction companies for more than four decades. Some of the major clients include ONGC and the Indian Railways. He is actively involved in the social activities. He is a member of Lions Club for past 12 years.



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> Board of Directors:

Mr. Anil Patodia
 Mr. Satyanarayan Sharma
 Mr. Pramod Patodia
 CA Ram Ratan Bajaj
 Mr. Manoj Bhadupota
 Mr. Ramesh Vohra

Company Secretary and
 Compliance Officer:
 Mrs. Naina Hemant Kurane

> Bankers:

ICICI Bank Ltd
 Union Bank of India
 Axis Bank Limited
 HDFC Bank Limited

> Our Hotels:

Sunshine Beach Resorts, Goa
 Sunflower Beach Resorts, Goa
 The Byke, Matheran
 Hotel Paawana , Mandawa

> Statutory Auditors:

M/s. A.P.Sanzgiri & Co.
 Chartered Accountants
 21/167, Anand Nagar Om
 Co-operative Hsg Society,
 Nehru Road Santacruz (East),
 Mumbai – 400055

> Registrar and Share Transfer Agent:

M/s Sharepro Services (India) Pvt. Ltd
 13 A/B Samhita Warehousing Complex
 2nd Floor, Off Andheri Kurla Road,
 Sakinaka Telephone Exchange Lane
 Sakinaka ,Andheri (East),
 Mumbai – 400 072
 Website: www.shareproservices.com
 E-mail:suave@shareproservices.com

> Registered Office:

F/72, Solaris, Opp. L&T Gate No. 6,
 Off Saki Vihar Road, Andheri (East),
 Mumbai – 400 072, T: +91-22-40150010
 Fax:+91-22-40150010
 Email: info@suavehotels.in
 Website: www.suavehotels.in

To be a Leader and preferred choice in the Hospitality industry while sustaining our Indian culture of “Atithi Devo Bhavah”

VISION



MISSION

To Deliver a world class experience, driven by superior strategic marketing, proven leadership, having presence across the country, and extraordinary service – ultimately providing maximum financial return to owners, investors and associates.

Financial Highlights

(₹ in Lakhs)

	2010-11	2009-10	2008-09
Total Income	3345.33	1504.03	1368.07
Profit Before Tax	322.57	141.54	137.59
Profit After Tax	226.55	94.97	90.63
Retained Earnings	582.60	582.44	560.63
Dividend	190.48	62.74	22.60
Dividend per Equity Share	Rs. 1/-	Rs 0.50/-	Rs 0.20/-
Dividend %	10%	5%	2%
Equity Share Capital	1904.89	1254.89	1129.89
Reserves and Surplus	4352.61	2142.44	1895.63
Net Worth	6367.50	3397.33	3063.02
Borrowings	18.30	0.00	0.00
Funds Employed	6592.59	3586.11	3227.23
Market Capitalization	16058.22	5007.01	1333.27
Key Indicators:			
Net Worth per Equity Share of Rs 10/- each	33.43	27.07	26.78
Earnings per Equity Share (Basic)- In Rupees	1.60	0.83	1.49
Earnings per Equity Share (Diluted) – In Rupees	1.58	0.83	1.46
Debt: Equity Ratio	0.29	0.00	0.00
Net Profit Margin	6.77	6.31	10.06
Return on Net worth%	3.55	2.80	2.96

Cautionary Statement

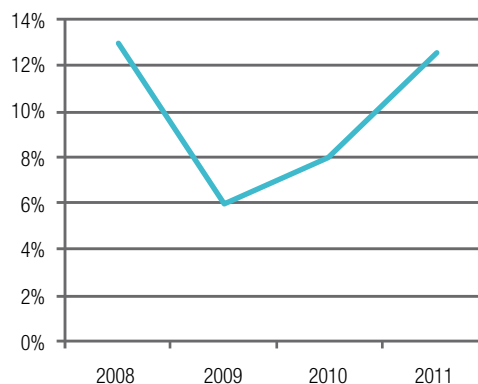
Statements made in this Management Discussion and Analysis contain certain forward looking statements based on various assumptions on the Company's present and future business strategies and the environment in which it operates. Actual results may vary significantly from the forward looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, new government regulations and policies that may impact the Company's business as well as its ability to implement the strategy. The information contained herein is as of the date referred and the Company does not undertake any obligation to update these statements.

Industry Structure and Outlook

In last two years, the economy has recovered from the turmoil of the global economic crisis and shifted its focus from conventional growth centers to untapped growth potential. India has emerged as one of the fastest growing economies in the World. India is ranked 4th in terms of Travel and Tourism growth in the world and 1st in South East Asia. The industry has consistently outperformed other sectors in GDP Growth and is expected to continue to do so. According to the Department of Industrial Policy and Promotion (DIPP), the hotel and tourism industry's contribution to the Indian economy by way of Foreign Direct Investments (FDI) inflows were pegged at US\$ 2.35 billion from April 2000 to February 2011. Domestic Travel reached 650 million in 2009. With increased disposable income, there is immense potential for growth in domestic tourism.

The business of hotel and hospitality industry in India depends largely on foreign clientele. With the revival of the global economy, hotel industry has started recovering in India from November 2009 onwards. As per the data released by Ministry of Tourism, Government of India, the growth of foreign tourist's arrivals in the country during the financial year 2004 to 2008 was 13% on year to year basis, which however declined to nearly 6% in fiscal year 2009. This trend continued for first three quarters of the year 2009-10. In last quarter, the growth rate of foreign tourist arrival in India has increased to 11.5% and in fiscal year 2010-11, the growth rate was 12.6%. The fiscal year 2010-11 to be relatively healthier year as compared to 2009-10 for industry as the revenue is supported by economic recovery and event specific demand triggers like Common Wealth Games, Cricket World Cup etc. The World Travel & Tourism Council has estimated that the foreign tourist's arrivals are expected to register 8.2% CAGR over the period 2010-19. In October 2011, the country is likely to host formula one car race. This event is expected to attract more foreign visitors to the country.

Growth in FTA's over the years



The Indian Travel and Tourism Industry estimated at Rs. 1,970 billion in F.Y. 2010 contributed 6% to the overall GDP and is expected to reach Rs. 6,211 billion by 2020, growing at a CAGR of 12% per annum. The Travel and Tourism Industry is the largest contributor to employment generation and accounts for about 8.4% of the total employment. The hotel industry in India is looking at investing USD 10.3 billion by 2015, which will create 60,000 rooms and 2,000 new jobs. The statistic say that the hotel industry is looking over USD 10 billion worth of investment in India over the next five years creating over 80,000 jobs. According to various estimates, the total demand for branded hotels in India as on date is about 200,000 rooms whereas the supply is only about 1,20,000 rooms. Therefore, there is a huge gap to be filled. Moreover, increased supply creates its own demand.

Tourism can indeed be one of the most powerful engines for economic growth, income redistribution, employment generation and social integration. Tourism can alleviate poverty and generate employment in backward, isolated and remote areas. Realizing the potential for tourism in India, the government has made a concentrated effort to develop infrastructure and launch initiatives that aid visitors in selecting the kind of sector that they want to engage in; be it a cultural trip designed to visit the monuments or an adventure trip that focuses on sporting opportunities; be it a medical holiday for treatment or a time of relaxation, the Indian Tourism sector really does have it all.

The Government of India is also keen on growth of tourism section which is apparent from its policy decision such as recent delinking of hotels from the high risk category of real estate business so that the sector can get sufficient loans at lower interest; and permitting the hotel industry to raise external commercial borrowings. In addition, the Government of India has introduced various initiatives and campaigns such as "Incredible India!", "Colors of India" to promote the Indian tourism and hospitality industry. The Government of India has announced a

scheme of granting Tourist Visa on Arrival (T-VoA) for the citizens of Finland, Japan, Luxembourg, New Zealand and Singapore.

The government has pumped the investment in the hotel sector by providing the deduction and tax holidays under Income Tax Act, 1961. The Government of India has recently made a clarificatory amendment to Section 35AD of the Income Tax Act, 1961 for the Union Budget 2011-12, which now allows new hotels to set off the benefit of investment based deduction against the profit from other existing hotels of the Company. This would reduce the overall cash outflow towards income tax in the initial years of hotel operations.

One of the long pending requests of the Hotel Industry is the grant of infrastructure status by RBI. The Hotel Industry is highly capital intensive and new hotels especially the super luxury hotels take long time to generate cash surplus. Thus it is necessary that the Hotel Industry should have access to cheaper rates of interest, longer repayment schedules and foreign loans for existing projects. This is possible only when the industry is granted the infrastructure status.

Business Operations

Suave Hotels Limited ventured into the Hotel and Tourism industry in the year 2002. In the past decade, the Company has achieved its primary objective of entering into tourism business viz., created tourism infrastructure, generated large scale employment and, thereby creating value for the nation.

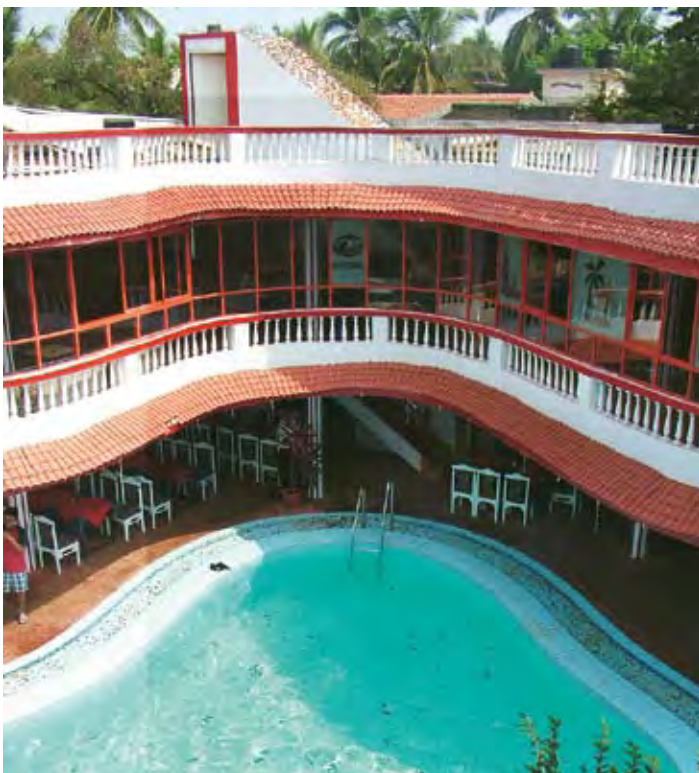
With the change in the management and under the leadership of Mr. Anil Patodia, the company has drawn up an ambitious plan to have its presence in all the segments of the travel and tourism industry and emerge as a leader while delivering unique holiday experiences for travelers at attractive price points. At present, your company operates through three cities (i.e. Goa, Matheran and Mandawa) having four hotels. The company has already started entering into contracts with various renowned hotels in efforts to expand its business to newer markets.

Here we shall discuss regarding the presence of our hotels at various locations and the road ahead in the coming 3 years.

Our Hotels

1. Sunshine Beach Resort, Goa

Located at Baga, the heart of Goa Beach life, Hotel Sun Shine Beach Resort is an ideal family hotel. Housed in a Goan style building, it is equipped with modern amenities. It has a clean and well-kept swimming pool surrounded by lush greenery. The rooms in the hotel are bright, airy and comfortable. It is equipped with remote controlled satellite television, refrigerator, a well-stocked mini bar, air conditioner and clean and modern attached baths. The front desk is available 24x7 for the assistance for their customers.



Food & Beverages Outlets

Tempting menus with various cuisines to choose. Specializes in local Goan cuisine

Leisure Facilities

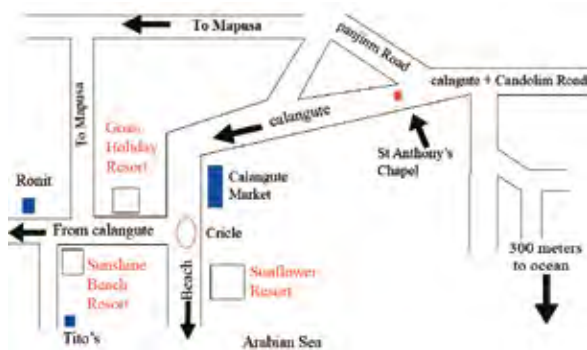
The hotel organizes cultural events such as music concerts and dance programs. In house swimming pool to beat the heat and relax with a special massage facilities.

Distance From:

Baga Beach	1 minute walk.
Calangute Beach	1 km
Panaji	14 kms
Airport	46 kms (Approx 1 hour)
Tivim Railway Station	15 kms

Address:

Sunshine Beach Resort, SauntaVaddo, Baga, Calangute - 403 516, Goa - India.





2. Sunflower Beach Resort, Goa

Located just a minute away from world famous Calangute Beach at Goa, Hotel Sunflower has a variety of rooms equipped with modern amenities and facilities decorated in a royal manner for a comfortable living. The resort is strategically located amidst a shopping complex offering quant local handicrafts and it has everything a traveler would look forward to with absolute delight. The guests can also participate in water sports activities or shop for art, jewellery and other things.

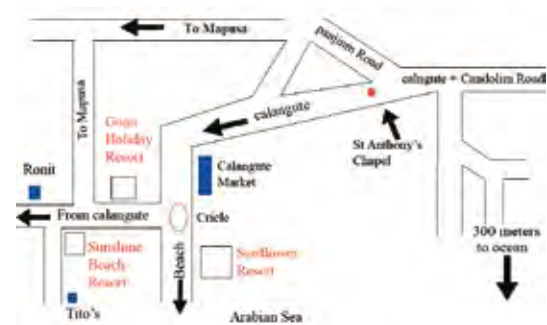


Food & Beverages Outlets

Ethnic Indian and International Cuisine with poolside view.

Leisure Facilities

The hotel organizes cultural events such as music concerts and dance programs.



Distance From:

Baga Beach	1 minute walk.
Calangute Beach	1 km
Anjuna	9 km
Panaji	14 kms
Airport	46 kms (Approx 1 hour)
Tivim Railway Station	15 kms

Address: Sunflower Beach Resort, SauntaVaddo, Baga, Calangute - 403 516, Goa - India.



3. The Byke – A Hotel Retreat, Pride of Matheran

The Byke- a Hotel Retreat, Pride of Matheran” is located at an elevation of around 800m (2,625 ft) above sea level about 90 km from Mumbai. The Byke is spread over an area of 7 acres of extensive ground nestled amidst the green hills of Matheran. Old British-style architecture has been preserved in Matheran and most structures are now heritage. “The Byke” is a perfect weekend gateway with its sylvan surroundings, majestic trees and exotic shrubs, rain-fed water streams coupled with family entertainment facilities built within the heritage architecture.

It is a matter of pride that the first bungalow built in 1854 by Hugh Malet, the then Collector of Thane is part of our estate. A unique holiday experience with a perfect blend of nature and history.

Food and Beverage Outlets: Exotic Indian and Chinese Cuisine with the pool side view with an ambience of casual wooden cane interiors of the Panorama Dining Hall.

Leisure Facilities:

For the aqua-enthusiasts we offer a full-fledged swimming pool with giant waterfall . Open lawns to indulge in choice of outdoor sports, discotheque, indoor games and lots more to keep you & your family occupied throughout your stay.

Distance From:

Mumbai	90 kms
Nerul Railway Station (Mini Train taking 2 hrs and 24 hr Taxi reaching within 20 minutes)	21 kms
Pune	120kms

Address: The Byke – A Hotel Retreat, M.G.Road,
Matheran, District Raigad, Pin – 410 102, Maharashtra.



4. Hotel Paawana, Mandawa , Rajasthan

Located at the heart of Mandawa, minutes away from historical havelis and forts of the Shekhawati region of Rajasthan, also known as the “Open art gallery of Rajasthan”. Spread over 3000 sq ft area with 12 well appointed rooms, Hotel Paawana is a renaissance haveli with a rare sparkling beauty with refined taste. The Hotel is well equipped with modern facilities in an ethnic set-up. A night’s stay is an experience in itself with theme based evenings and oriental and medieval cuisine. The three year hotel has been successful to create its demand in the niche market its serves.



Food and Beverage Outlets

Two multi cuisine restaurants i.e Lazeez and Dhola Maru, creating an unforgettable ambiance that perfectly complements its creative menu and attentive services. The cuisine is carefully selected and flavors are perfectly blended with the right kind of spices and herbs to pamper the palate of world travelers.

Leisure Facilities:

On request of the tourist, Cultural Dance, Horse Buggy Ride, Camel Safari, Jeep Safari and Puppet Show.

Distance From:

Delhi	276 kms
Jaipur	185 kms
Bikaner	210 kms
Jhunjhunu Railway Station	25 kms

Address:

Hotel Paawana, Near Raghunath Temple, Main Market, Mandawa, Jhunjhnu – 333704

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The Road Ahead:

i. Proposed Acquisitions/Expansions:

In the next three years, the company has aspirations to have pan India presence. Keeping this in mind, the Company has identified properties in Goa, Maharashtra, Gujarat and Rajasthan. The company is in advance stage of negotiation for either outright purchase or long lease on properties located in the below identified tourist destinations.

a. Goa:

Renowned for its beaches, places of worship and world heritage architecture, Goa is visited by large numbers of international and domestic tourists each year. It also has rich flora and fauna, owing to its location on the Western Ghats range, which is classified as a biodiversity hotspot. At present, your company's primary focus is Goa centric; it is proposed to further consolidate its position at this all-time favorite tourist destination by adding a new property for star category hotel at Goa while taking a ladder up in the industry.



b. Maharashtra:

Maharashtra, a land untouched, unsullied, unlimited, is known for its diversity in geographical features, culture and cuisine. . Enjoy her mountains that stretch out into the mists as far as the eye can see. Her innumerable forts that stand proud and strong. Her scores of temples, sculpted into and out of basalt rock. Her festivals that galvanise the sleepy thousands into fervent motion. And her miles of silver, white beaches, stretched taut and inviting over the entire coast.

Some of the Tourists Delights for this state are caves, 350 odd forts, Shrines, Beaches, Hill Stations, Sanctuaries, Leisure's ,Culture and Adventure Sports. In this region, hotels are planned keeping Mumbai, Pune and Nasik as a focal point at Mahabaleshwar, Lavasa, Lonavala and Alibaug.

• Mahabaleshwar

Soaring peaks, breathtaking valleys, Lush flora, Cool, crisp mountain air. This is Mahabaleshwar, Maharashtra's most popular hill station, and once the summer capital of the Bombay Presidency during the British Raj. Mahabaleshwar means 'God of Great Power' in Sanskrit. Indeed, the place is great and bountiful, rewarding the visitor with a mix of old-world charm, natural beauty and modernity.

• Lavasa

Lavasa is part of 25,000 acres of land declared as "Hill Station", with an extensive Master Plan covering half that area, it is built around the 20 kms long Warasgaon Lake. There are five access routes to Lavasa, one of which is enhanced and developed. The rest of the region is left untouched to preserve the natural beauty. The maddening pace of city life, the endless traffic jams, and the stifling work cubicle are all conveniently forgotten at Lavasa, where different kinds of leisure and recreation activities provide a refreshing escape from the metropolis.

• Alibaug:

Famed for its fresh air, clean water and sands, Alibaug is a coastal town in Maharashtra. Situated at the south of Mumbai, this town is the headquarters of Raigad district. The captivating mix of tranquil, sleepy fishing villages and various beaches, that it provides makes it a popular weekend getaway for Mumbai revelers. The place boasts of being a well liked center for business conferences during weekdays.

• Lonavala:

A mere 3 hours by road from Mumbai, beautifully landscaped Lonavala is famous for their seemingly innumerable varieties of chikki. Lonavala comes to life during the monsoon season as the countryside turns lush green with waterfalls and ponds. But they also offer many sites worth visiting. Trekking is a good way to get around, but having a vehicle (even a bicycle) is still better, as some points of interest are quite some distance from the main towns. Bhushi Dam, Valvan Dam, Kaivalyadhama Yoga Hospital, Duke's Nose, Tiger's Leap and Rye wood Park are some of the tourist attractions for the place.

c. Gujarat:

Gujarat is unique in its geological and topographical landscape. From volcanic outpourings through bedrock to fossil fields of indigenous dinosaurs; from the art of the neolithic cave painter to the stone masterpieces of a series of civilized architecture, Gujarat has it all. Your company has identified Vadodara and Daman for its rich heritage and locational advantages. Its close proximity to Mumbai is also a big attraction in favour of the destination

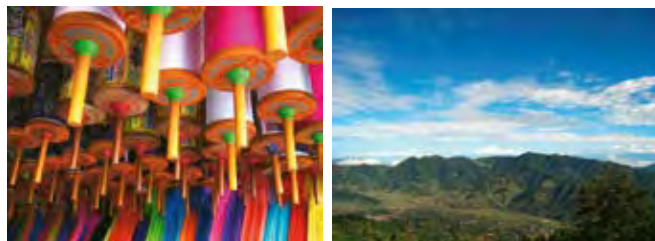
- **Daman:**

Daman is situated on the west coast of India on the Arabian Sea are exotic locations that are blessed with sun, sand & sea. Daman has true fusion of culture-urban, tribal, Indian and European. Due to their Lavational advantages, they offer excellent potential for tourist traffic.

- **Vadodara**

Vadodara formerly Baroda is the third most-populated city in the Indian state of Gujarat after Ahmedabad and Surat .Vadodara is also known as

‘Sanskari Nagari’, i.e. Cultured City. It is the most sought after location for Garba in the entire Gujarat. Vadodara is one of India’s most cosmopolitan cities. Vadodara is an attractive tourist destination for business and leisure travellers due to the locational advantages of the city.



d. Rajasthan

The magic of vibrant Rajasthan - its rich heritage, colorful culture, exciting desert safaris, shining sand-dunes, amazing variety lush forests and varied wildlife - makes it a destination nonpareil. Rajasthan is often portrayed as one vast open-air museum, with its relics so well preserved that it delights even the most skeptical traveler. Rajasthan attracted 14% of total foreign visitors during 2009-2010 which is fourth highest in all states of India. It positioned fourth place also in Domestic tourist visitors.

Endowed with natural beauty and a great history, tourism is a flourishing industry in Rajasthan. Rajasthan is famous for the majestic forts, intricately carved temples and decorated havelis. Rajasthan is often called a shopper's paradise. The palaces of Jaipur and desert forts of Jodhpur, rank among the most preferred destinations in India for many tourists both Indian and foreign.



- **Jaipur**

Jaipur is 260 km from Delhi and 240 km from Agra and forms the golden triangle of Delhi, Agra and Jaipur. It a bustling capital city and a business centre with all the trappings of a modern metropolis but yet flavoured strongly with an age-old charm that never fails to surprise a traveller. The old Jaipur painted in Pink can grip any visitor with admiration. Stunning backdrop of ancient forts: Nahargarh, Amer, Jaigarh and Moti Doongari are apt testimonials of the bygone era and a reminder of their lingering romance and chivalry. Your company proposes to form Jaipur as the hub of our operations of Rajasthan.



- **Jodhpur**

Jodhpur stands at the edge of Thar Desert and was citadel of the ancient Marwar Kingdom. This bustling desert city is the second largest in Rajasthan after Jaipur. Jodhpur is a popular tourist destination, featuring many palaces, forts and temples, set in the stark landscape of the Thar desert. The old city of Jodhpur is surrounded by a thick stone wall.

ii. Online Travel Integration Service

The online travel market in India has witnessed tremendous growth and is attracting large number of national and international players. Private equity players have made huge investments in the online travel agency (OTA) segment in the past two years.

Your company proposes to establish a travel integration services (online travel portal) for the tourists to take care of their entire range of travel needs from accommodation to the best deals on air tickets to railway reservation to bus bookings, complete holiday packages, replete with sightseeing tours and meals to documentation requirements such as visa processing, foreign exchange and travel insurance. The product will be operated through a separate website.

The product is designed with a solo motto to make business and leisure travels simple. Our travel site would be a site wherein you would get what you need without any annoying fluff making your travel simple

iii. Rejuvenation Centre.

India is uniquely positioned to cater to not merely Health but wellness too with a rich pool of ancient wisdom, knowledge and traditions to draw upon, from Yoga to Ayurveda, from several schools of meditation to Naturopathy, Indian culture traditionally believes in Wellness as a way of life. Travelling for health is a tradition that dates back to ancient times when people would travel to places that were known for healing powers of their natural resources like hot water springs, mud baths, etc, which had near miraculous effects. That was the origin of spas with their mineral enriched waters and volcanic mud pools. Indian traditions and practices have revolutionized the concepts of holistic health around the world with options that range from yoga to ayurveda; India is the ideal rejuvenation destination.

Rejuvenation Centre is an initiative designed to allow an individual to experience inner peace and the joy of a healthy body, The fast pace of modern living keeps us in fight or flight mode all the time and constant exposure to the hazards of modern life - food and environmental toxins, loud noise, electromagnetic radiation, etc. - can predispose us towards chronic, degenerative, and non-specific diseases.

To overcome the stressful and tiring life, At The Byke Rejuvenation Centre, we propose to offer a unique and powerful combination of programs, carefully tailored and sequenced to bring vibrancy and proper balance to one's life energies. This balance is crucial for healthy living as well as for preventing and uprooting chronic ailments.

The company has identified 10 acre land in Aronda in the Konkan region where it proposes to set up a rejuvenation centre where the whole environment shall be geared toward the four cornerstones of a transformational experience i.e. Mind and Body fitness, Healthy Eating, Relaxation and Treatments.



iv. Brand Creation – The Byke Hospitality Limited

People are increasingly defining themselves by the brands they use, and hotels are no different. Brands represent known qualities and offer predictable returns; we can expect to see demands for brands rising in parallel. With a positive industry outlook, the prospects for Suave Hotels Limited look particularly good. Branded hotels are becoming more popular as customers seek out consistent experiences, while investors appreciate the reliable returns that brands can generate.



At present, your company operates at three locations Matheran, Rajasthan and Goa with four hotels and resorts operating with different names.

- Sunshine Beach Resort, Goa
- Sunflower Beach Resort, Goa
- The Byke, Hotel Retreat, Pride of Matheran
- Paawana, Mandawa

The new management of the company keeping in mind the marketing and promotion strategy has decided to create a brand for the chain of hotels through a single brand namely, “The Byke” and thus, the name of the company is proposed to be changed from Suave Hotels Limited to The Byke Hospitality Limited subject to the necessary approvals. We would like to inform you that the proposed name has been made available by the Registrar of Companies.

Analysis of Operational and Financial Performance

The financial statement of your Company forms part as a separate section of the annual report for 2010-11, the highlights of which are given below:

(i) Income of operations:

Driven by the strong growth in operating incomes, total income of the Company grew by 121.19% from Rs. 1502.82 Lakhs in F.Y. 2009-10 to Rs. 3324.05 Lakhs in F.Y. 2010-11.

(ii) Profit on Sale of Investment:

There was sale of investment during the financial year 2010-11 on which profit was of Rs. 17.78 Lakhs

(iii) Operating Expenses:

The operating expenses increased by 139.02% from Rs.1165.27 Lakhs in F.Y. 2009-10 to Rs. 2785.33 Lakhs in F.Y. 2010-11

(iv) Profit before tax:

After accounting for depreciation, which grew to Rs 86.42 lakhs during the F.Y.2010-11, the Profit before tax increased from Rs. 141.54 Lakhs to Rs. 322.57 Lakhs

(v) Profit after tax:

The Profit after tax increased from Rs. 94.97 lakhs to Rs. 226.55 lakhs in the F.Y. 2010-11

(vi) Earning Per Share:

Diluted earning per share increased from 0.83% to 1.60% for the year 2011 on account of increase in the share capital of the company.

A point needs to be noted that the company's PBT is growing faster than its PBDIT; and its PAT grew faster than its PBT. We consider this as an example of creating consistent shareholder value. The table compares the profitability ratios for 2009-10 and 2010-11

	2010	2011
PBDIT/ Total Income	12.23%	15.22%
PBT/ Total Income	9.64%	9.41%
PAT/Total Income	6.77%	6.31%

Suave Hotels Limited continues to be a zero long term debt company. The funds raised through private placements on preferential basis have been invested for the long term expansion plans of the company. The liquidity situation of the Company during the year remained comfortable.

Balance Sheet:

(i) Share Capital:

On account of allotment of 65,00,000 (sixty five lakhs) equity shares to a Promoter group and others on preferential basis, the Share Capital of the Company has increased from Rs.12.55 crores to Rs. 19.05 crores during the year.

(ii) Reserves & surplus:

Reserves & Surplus has increased to 43.53 Crores from 21.42 Crores in the previous year on account of allotment of shares on premium.

Human Resources

Human Resource is the key to the Company's business. The Company has put in some of the best practices in place to attract and retain skilled talent and its HR processes and policies are aligned to enable employees meet their career objectives. The company on a continuous basis maintains a very cordial and healthy relationship with its work force across all its hotels & office. The company has already in place, a well documented, dynamic and result oriented performance appraisal and reward system. The company continues to monitor the training and development needs of the employees closely and accordingly, the employees are put through the well structured training programmes at regular intervals.

Information Technology

Being in the service sector delivering across several locations, IT is critical to the operational performance of Suave Hotels Limited in meeting its business objectives. Thus, the Company has invested significantly in technology and continuously strives to have the best-in-class infrastructure and expertise to support and augment the efficiency of its operations.

MANAGEMENT DISCUSSION AND ANALYSIS

Corporate Social Responsibility

Being a part of service industry, we have unique scope and opportunity to develop raw, potential candidates into skilled workforce that are employable by the hospitality industry, given the fact that hotels and restaurants from a point of convergence of persons from various social-economic backgrounds.

At Suave, we believe that volunteering for a societal cause is an enriching experience and allows the human values and self worth of individuals and teams to flourish. As our industry and operations do not directly cause harm to natural environment, our commitment to the environment is primarily through reduction of the impact of our daily operations on critical natural resources. In view of the above, your company has started **“SUAVE GO GREEN PROGRAM”** which is in accordance with the MCA green initiatives wherein the communication to the shareholders shall be sent in the electronic form.

Risks and Concerns

i. General Risks

The hotel business is dependent on economic conditions globally as well as in India. Local market conditions, excess hotel room supply in some cities, reduced international or local demand for hotel rooms, fluctuations in interest rates and foreign exchange rates, government policies and regulations on taxation, natural and social factors, etc do affect the hotel business. In addition to the above risks, your company faces the threat of terrorist's activities, occurrence of infectious diseases, natural calamities and so on, may affect the flow of foreign tourists to India and movement of domestic tourists.

ii. Operational Risks

Operational risks mainly relate to meeting customer expectation in terms of quality of service and maintaining a balance between the inventory of resorts/hotels and growth of customers. In addition to the above, your company has operations only in India. Hence, the Company is vulnerable to domestic socio-political and economic conditions. Another operational risk is the ability to consistently attract, retain and motivate managerial talent and other skilled personnel, especially in a high growth industry like ours.

iii. Financial Risks

The Company's business involves significant investments in building hotels/resorts for its operations. These expose the Company to risks in terms of timely and adequate availability of funds at competitive rates to finance its growth.

iv. Increased Outbound Travel

Due to overall competitiveness of international airfares and higher disposable income available with travelers, destinations such as Southeast Asia, Europe and Australia have become more affordable to domestic travelers. This has increased the number of outbound travelers and it is bound to present a mild risk to the hotel segment for resorts in India.

v. Regulatory and Legal Risks

Suave Hotels Limited is exposed to regulatory and legal risks in carrying out its business. These include risks relating to land acquisition, conversion of land for commercial usage and development of properties, legal proceedings on properties, customer complaints, non-compliance of regulations including environmental regulations and those pertaining to the hospitality sector. The company has systems and controls in place to mitigate these risks and minimize instances of non-compliance.

Risk Management Systems

The Company's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with international best practices.

Internal Controls Systems

The company has an adequate internal control system, commensurate with the size and nature of its business. The system is supported by documented policies, guidelines and procedure to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational efficiency.

Clearly defined roles and responsibilities for all managerial positions have been institutionalized. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements.

The Management Information Systems (MIS) is the backbone of your Company's control mechanism. All operating parameters are monitored and controlled regularly. Any material change in the business outlook is reported to the Board of Directors. Material deviations from the annual planning and budgeting, if any, are reported on a quarterly basis to the Board of Directors. An effective budgetary control on all capital expenditure ensures that actual spending is in line with the capital budget.

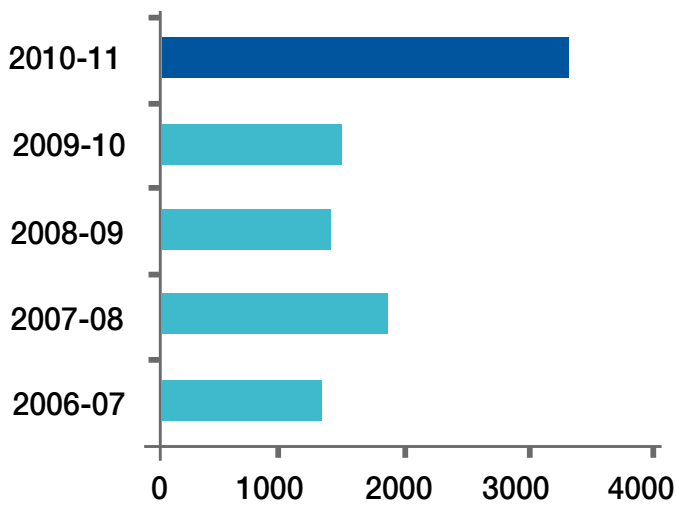
Outlook

The outlook for the hospitality market in India is optimistic and will continue to remain so, in our opinion. The economy's buoyancy, initiatives to improve infrastructure, growth in the aviation and real estate sectors and easing of restrictions on foreign investment will fuel demand for hotels across star categories in the majority of markets. India's hotel industry is increasingly being viewed as investment-worthy, both within the country and outside, and several international chains are keen to establish or enhance their presence here. We anticipate that, over the next three to five years, India will emerge as one of the world's fastest growing tourism markets and will be hard to ignore.

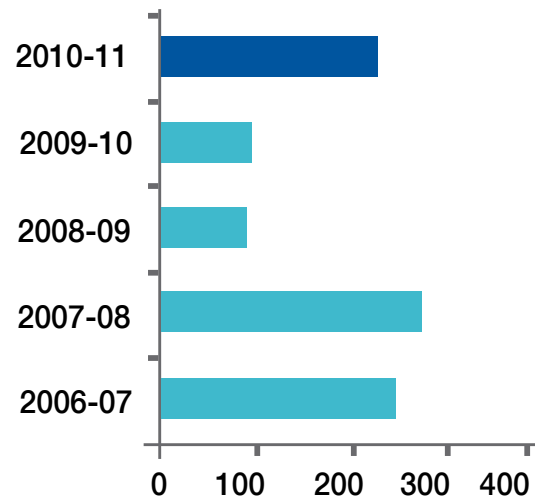
During the year 2011-12, the focus of the Company will be to expand its presence both in terms of geography and the socio-economic segments that it addresses. It believes that the services and the new products which it plans to launch in the coming years will open up newer opportunities and increase its penetration and reach in the domestic market. Therefore, the company's outlook for 2011-12 is optimistic.

PERFORMANCE AT A GLANCE

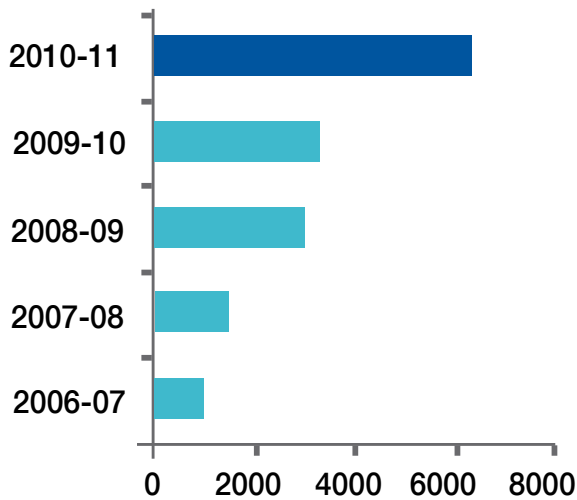
Revenue (₹ in lakhs)



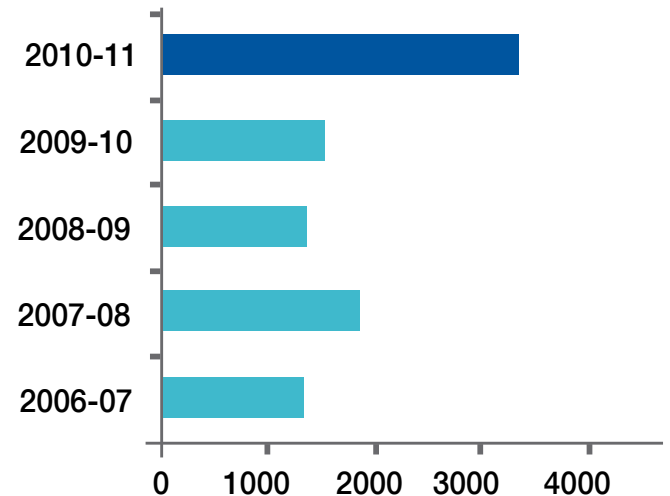
Profit after Tax (₹ in Lakhs)



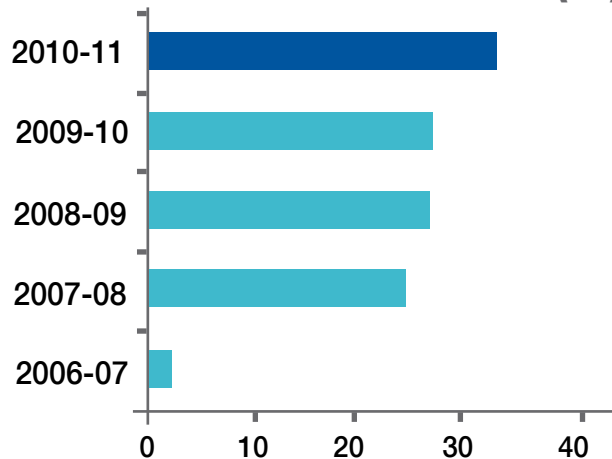
Net Worth (₹ in Lakhs)



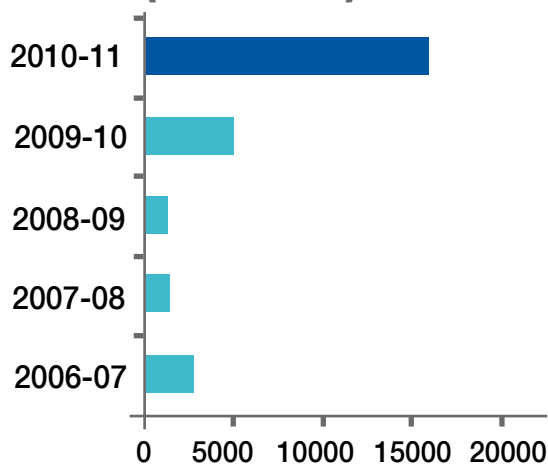
Income from Operations (₹ in Lakhs)



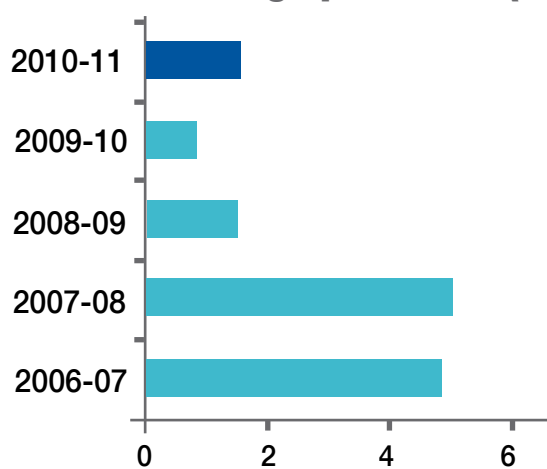
Book Value Per Share (₹)



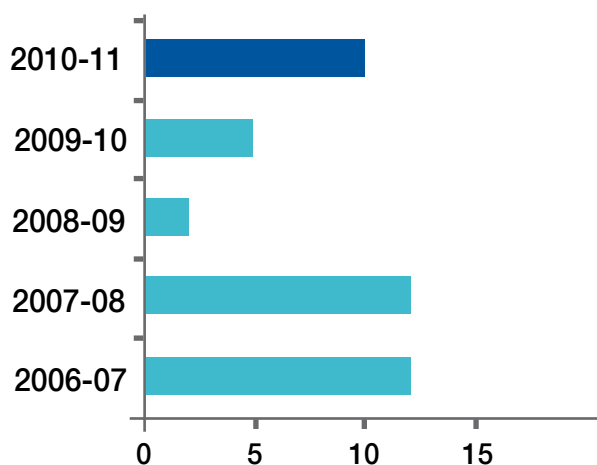
Market Capitalization (₹ in lakhs)



Earnings per share (₹)



Dividend over five years (%)



To the Members of Suave Hotels Limited

The Board of Directors presents the 21st Annual Report of the Company together with the Audited Statements of Accounts for the financial year ended March 31, 2011

Performance of the Company

Your Company's performance for the year 2010-11 is as summarized below:

(₹ In lacs)

Particulars	Year Ended 31-03-2011	Year Ended 31-03-2010
Total Income	3324.06	1504.03
Total Expenditure	3022.76	1362.48
Profit Before Tax	322.57	141.54
Provision for Tax	96.02	46.57
Profit/Loss After Tax	226.55	94.97
Add: Surplus brought forward during the year	582.44	560.63
Profit available for Appropriations	808.99	655.61
Appropriations:		
-Short provision of taxes in earlier years	5.00	0.00
-Proposed Dividend	190.49	62.74
-Dividend Distribution Tax on Proposed Dividend	30.90	10.42
Surplus carried forward	582.61	582.44

Results of Operations

The first full year of operations after the entering into the contract for management of The Byke- a Hotel Retreat, Matheran, resulted into a record performance during the financial year under review. The company has achieved turnover at a record high growth rate of 121% as compared to previous year and the profit before tax increased by 128% to Rs 322.57 Lakhs. Due to operational efficiency at every stage, sharp focus on marketing strategy and stringent internal cost control systems, the Company has earned net profit of Rs 226.55 lakhs higher by 139 % as compared to the previous year.

Dividend

Your Directors are pleased to recommend a dividend of 10% i.e. Rs. 1/-per Equity Share for the financial year ended March 31, 2011, amounting to Rs. 221.39 lakhs (inclusive of tax of Rs 30.90 lakhs). The dividend, as recommended by the Board, if sanctioned at the meeting, will be paid on or after July 21, 2011 to those members or their mandates whose names are registered on the Company's Register of Members:

- As beneficial owner as the end of business on July 18, 2011 as per the lists to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) in respect of the shares held in electronic form and
- As members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before July 18, 2011.

The dividend payout for the year under review has been formulated in accordance with the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company to be met by internal cash accruals and the shareholders' aspirations.

Change in Promoters and Management of the Company

M/s. Hotel Relax Private Limited in concert with Mr. Anil Patodia, Mr. Kamal Poddar and Mrs. Vinita Patodia made a public announcement on September 8, 2010 (pursuant to and in compliance with regulations 10 and 12 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof), followed by the open offer made to the Shareholders of Suave Hotels Limited on January 6, 2011.

Subsequently as a result of the above, there was a change in the promoters and the promoter group of the company which has been taken on record at the Board of Directors meeting held on March 30, 2011. Further with the new promoters coming in the company, the management of the company has been changed and the Board of Directors has been reconstituted on March 30, 2011. The composition and names of the Board of Directors have been provided in the report on corporate governance.

Contracts

The company has entered into contracts for the hotel properties at Matheran and Mandawa, Rajasthan. Currently the company is having under its ambit both the properties in addition to the existing hotels. The Company is also in negotiations with the owners for management and franchise contracts in various other parts of the country.

Increase in Share Capital

During the year under review, we have allotted 65,00,000 equity shares on conversion of warrants to promoters and others under the SEBI (ICDR) Regulations, 2009 on preferential basis. Due to this, the outstanding issued, subscribed and paid up equity share capital increased from Rs 12548900 to Rs 19048900 as at March 31, 2011.

Awards:

We are pleased to inform that your company has been ranked as **“The India’s Top 400 Small Cap Companies in 2010 by Dalal Street.”**

Directors:

Following are the changes in the Directorate of the company:

- Mr. Anwar Beg Mirza had resigned from the Board with effect from May 15, 2010. The Board places on record their appreciation for the valuable contributions made by him during his tenure as the Director of the Company
- Mr. Mohan Arvandeekar was appointed as an Independent Director at the Annual General Meeting held on September 30, 2010.
- Mr. Manoj Kumar Bhadupota, Mr. Ramratan Ratan Bajaj, Mr. Ramesh Vohra, Mr. Anil Patodia and Mr. Pramod Patodia, was appointed as Additional Director of the Company at the Board meeting held on March 30, 2011 and holds office till ensuing Annual General Meeting and being eligible, offers himself for reappointment at the ensuing Annual General Meeting. The profile of the Directors to be appointed is annexed as a separate section and the notice of the meeting has an abridged profile of the same.
- Mr. Vinod Kumar Gupta, Mr. Surendra Kumar Kulhari, Mr. Sandeep Sharma, Mr. Mohan Vithal Aravandeekar and Mr. Samir Satyanarayan Sharma have resigned from the Board of Directors with effect from March 30, 2011. The Board places on record their appreciation for the valuable contributions made by them during their tenure as the Director of the Company

Appointment of Company Secretary and Compliance Officer

Mrs. Naina Hemant Kurane, possessing the required qualification, was appointed as the Company Secretary and Compliance Officer of the Company with effect from May 30, 2011.

Management Discussion and Analysis:

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange in India, is presented in a separate section forming part of the Annual Report.

Public Deposits

During 2010-11, your company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

Listing of Shares

The Equity Shares of your Company are listed on the Bombay Stock Exchange Limited and Madras Stock Exchange Limited.

Auditors Report

The Auditors Report to the Shareholders does not contain any qualifications hence does not require any comments on the same. A company, whose securities are listed on the Stock Exchanges, is compulsorily required to follow the accounting standards prescribed by the Institute of Chartered Accountants of India.

Auditors

The auditors, M/s A. P. Sanzgiri & Co, Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and to accept office, if re-appointed.

DIRECTOR'S REPORT

Corporate Governance Report

Your Company has complied with the requirements of Clause 49 of the Listing Agreement regarding Corporate Governance. A report on the corporate governance practices, the Auditors Certificate on compliance of mandatory requirements thereof are given as an annexure to this report.

Particulars of Employees

There were no employees drawing remuneration more than prescribed under Section 217 (2A) of the Companies Act, 1956.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

In view of the nature of activities which are being carried on by the company, Rules 2A and 2B of the companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 concerning conservation of energy and technology absorption respectively are not applicable to the company.

Further, there were no foreign exchange earnings or outgo during the year under review

Directors' Responsibility Statement

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- i. in the preparation of the annual accounts for the financial year ended March 31, 2011, the applicable accounting standards have been followed and that there are no material departures from the same;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011, and of profit of the Company for the said period;
- iii. the Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for detecting fraud and other irregularities; and
- iv. the Directors have prepared the accounts for the financial year ended March 31, 2011 on a 'going concern' basis.

Acknowledgement

Your Directors wish to place on record their appreciation to the employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to achieve remarkable growth. The Board also acknowledges the unstinted support of the customers, suppliers, investors, bankers, Central and State Governments and other statutory authorities and others associated with the Company.

On behalf of the Board of Directors

Sd/-

Satyanarayan Sharma

Managing Director

Mumbai, May 30, 2011

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

To,
The Members of Suave Hotels Limited

We have examined the compliance of conditions of Corporate Governance by Suave Hotels Limited for the year ended 31 March 2011, as stipulated in clause 49 of the listing agreement of the said company with the stock exchanges in India.

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

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

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

For A. P. Sanzgiri & Co
Chartered Accountants
F.R.No.116293W

Sd/-
Satish Kumar Gupta
Partner
M. No.101134
Mumbai, May 30, 2011

Certificate by the Managing Director on Code of Conduct

To,
The Members of Suave Hotel Limited

I, Satyanarayan Sharma, Managing Director of the Company declare that all Board Members and Senior Management of the Company have affirmed the compliance of the code of conduct.

For Suave Hotels Limited

Sd/-
Satyanarayan Sharma
Managing Director
Mumbai, May 30, 2011

REPORT ON CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited (BSE) and the Madras Stock Exchange Limited (MSE) and some of the best practices followed internationally on corporate governance systems and processes at Suave Hotels Limited is as under:

I. Our Governance Philosophy:

Good Governance practices stem from the culture and mindset of the organization. At Suave, it is our belief as we move closer towards our aspirations of becoming a global corporation; our corporate governance standards must be globally benchmarked. The corporate governance is a framework to encourage the efficient use of resources and have accountability for the stewardship of those resources. The aims are to align, as nearly as possible the interest of all stakeholders. Suave Hotels Limited is firmly committed to continue to excel in its journey towards best Corporate Governance practices prevailing in the industry and adhere to the highest standards of corporate values and ethics.

The demands of Corporate Governance require professionals to raise their competency and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. At Suave, Your Directors are committed to high standards of corporate governance through transparency, compliance with regulatory norms, appropriate disclosure, fairness and a mechanism for independent supervision, which are the principle underlying features for good corporate governance. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. We have undertaken several initiatives towards maintaining the highest standards. The Company has complied with the provisions of Clause 49 of the Listing Agreement of the Stock Exchange, which deals with the compliance of corporate governance requirements.

II. Board of Directors:

1. Composition of the Board

The Board has been reconstituted consequent to the open offer made on January 6, 2011. As on March 31, 2011, the Company has Six Directors on its Board, of which three are Executive Directors and three are Non- Executive and Independent Directors. The Board reviews and approves strategy and oversees the action and results of management to ensure that the long term objectives of enhancing stakeholder value are met.

“Independent Directors”, i.e. Directors who apart from receiving Directors’ remuneration, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which, in the judgement of the Board, may affect the independence of the Director, comprise over half of the Board.

The Composition and Categories of Directors during the year is as follows:

Before Change in Management:

Name	Category
Mr. Satyanarayan Sharma	Chairman and Managing Director
Mr. Sandeep Sharma**	Executive and Non Independent
Mr. Sameer Sharma**	Non Executive and Non Independent
Mr. Anwar Beg Mirza*	Non Executive and Independent
Mr. Vinod Gupta**	Non Executive and Independent
Mr. S.K. Kulhari**	Non Executive and Independent
Mr. Mohan Arvandeekar**	Non Executive and Independent

* Mr. Anwar Beg Mirza has resigned from the Board with effect from May 15, 2010.

**Mr. Sandeep Sharma, Mr. Sameer Sharma, Mr. Vinod Gupta, Mr. S.K. Kulhari and Mr. Mohan Arvandeekar have resigned from the Board with effect from March 30, 2011.

*** Mr. Anil Patodia, Mr. Ramesh Vohra, Mr. Ramratan Bajaj, Mr. Manoj Bhadupota, and Mr. Pramod Patodia have been appointed as additional director on Board with effect from March 30, 2011.

After Change in Management:

Name	Category
Mr. Anil Patodia***	Chairman
Mr. Satyanarayan Sharma	Managing Director
Mr. Ramesh Vohra***	Non Executive and Independent
Mr. Ramratan Bajaj***	Non Executive and Independent
Mr. Manoj Bhadupota***	Non Executive and Independent
Mr. Pramod Patodia***	Executive and Non Independent

2. During the year under review, the Board of Directors of the Company met ten times and the period between any of the two meetings did not exceed three months. The dates for the Board Meeting held during the each quarter are as follows:

Date of Meeting	For the Quarter
May 15,2010	April to June
May 24, 2010	April to June
July 16, 2010	July to September
August 14, 2010	July to September
August 28, 2010	July to September
September 15,2010	July to September
September 30, 2010	July to September
November 12, 2010	October to December
February 14, 2011	January to March
March 30, 2011	January to March

The dates of the Board Meetings in the ensuing year are decided well in advance and communicated to the Directors. The agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary by the Board.

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

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

3. The attendance of each Director at the Board Meetings and the last Annual General Meeting:

Name of the Director	No of the Board Meetings		Attendance at Last AGM
	Held	Attended	
Mr. Satyanarayan Sharma	10	10	Yes
Mr. Anil Patodia***	10	1	Yes
Mr. Sandeep Sharma**	10	9	Yes
Mr. Sameer Sharma**	10	9	Yes
Mr. Anwar Beg Mirza*	10	1	No
Mr. Vinod Gupta**	10	9	Yes
Mr. S.K. Kulhari**	10	9	Yes
Mr. Mohan Arvandeekar**	10	9	Yes
Mr. Ramesh Vohra***	10	1	No
Mr. Ramratan Bajaj***	10	1	No
Mr. Manoj Bhadupota***	10	1	No
Mr.Pramod Patodia***	10	1	No

* Mr. Anwar Beg Mirza has resigned from the Board with effect from May 15, 2010.

**Mr. Sandeep Sharma, Mr. Sameer Sharma, Mr. Vinod Gupta, Mr. S.K. Kulhari and Mr. Mohan Arvandeekar have resigned from the Board with effect from March 30, 2011.

*** Mr. Anil Patodia, Mr. Ramesh Vohra, Mr. Ramratan Bajaj, Mr. Manoj Bhadupota, and Mr. Pramod Patodia have been appointed as additional director on Board with effect from March 30, 2011.

REPORT ON CORPORATE GOVERNANCE

4. None of the Directors of the Board serve as members of more than 10 Committees nor are they Chairman of more than 5 Committees, as per the requirements of the Listing Agreement, 'Committees' for this purpose include the Audit Committee and the Shareholders'/Investor Grievance Committee under the said Clause 49 of the Listing Agreement. The Details of the committee memberships of the Board of Directors are given below:

Name of the Director	No. of Outside Directorships held	*Number of Committee Memberships	*Number of Committees in which Chairperson
Mr. Satyanarayan Sharma	Nil	Nil	Nil
Mr. Anil Patodia***	3	1	Nil
Mr. Sandeep Sharma**	Nil	Nil	Nil
Mr. Sameer Sharma**	Nil	Nil	Nil
Mr. Anwar Beg Mirza*	Nil	Nil	Nil
Mr. Vinod Gupta**	1	Nil	Nil
Mr. S.K. Kulhari**	1	1	Nil
Mr. Mohan Arvandeekar**	Nil	Nil	Nil
Mr. Ramesh Vohra***	Nil	Nil	Nil
Mr. Ramratan Bajaj***	Nil	Nil	Nil
Mr. Manoj Bhadupota***	Nil	Nil	Nil
Mr. Pramod Patodia***	Nil	Nil	Nil

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

* Mr. Anwar Beg Mirza has resigned from the Board with effect from May 15, 2010.

**Mr. Sandeep Sharma, Mr. Sameer Sharma, Mr. Vinod Gupta, Mr. S.K. Kulhari and Mr. Mohan Arvandeekar have resigned from the Board with effect from March 30, 2011.

*** Mr. Anil Patodia, Mr. Ramesh Vohra, Mr. Ramratan Bajaj, Mr. Manoj Bhadupota, and Mr. Pramod Patodia have been appointed as additional director on Board with effect from March 30, 2011.

5. The Board constantly evaluates the contribution of its members and recommends to shareholders their re-appointment periodically as per the provisions of the Companies Act, 1956. Executive Director is to be appointed by the shareholders for a maximum period of upto five years at a time, but is eligible for re-appointment upon completion of his term. Non- executive Director does not have a specified term, but retire by rotation as per law.

Mr. Anil Patodia, Mr. Pramod Patodia, Mr. Ramratan Bajaj, Mr. Manoj Bhadupota and Mr. Ramesh Vohra, being eligible seeks appointment at the ensuing Annual General Meeting. The details of Directors seeking appointment have been attached along with the Notices of the Annual General Meeting.

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

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

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

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

III. Board Committees

Your Company has three major Board level Committees:

- Audit Committee
- Remuneration Committee
- Shareholders/Investor Grievance Committee

All the decisions pertaining to the constitution of the Committees, appointment of members and fixing of terms of reference for the Committee is taken by the Board of Directors. Details on the role and composition of these Committees are provided below:

1. Audit Committee

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

i. Terms of Reference

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - b) Recommending to the Board, the appointment, re-appointment and if required, the replacement or the removal of the statutory auditors and fixation of audit fees. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
 - c) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgement by management;
 - Qualifications in draft audit report;
 - Significant adjustments arising out of audit;
 - Compliance with listing and legal requirement concerning financial statements;
 - Disclosure of related party transactions.
 - d) Reviewing with management, performance of statutory auditors, and adequacy of the internal control systems.
 - e) Discussion with statutory auditors before the audit commences nature and scope of audit as well as has post audit discussion to ascertain any area of concern.
 - f) To look into the reasons for substantial defaults in payment to the shareholders (in case of non payment of declared dividends) and creditors.
 - g) Reviewing with management, the quarterly financial statements before submission to the Board for approval..
 - h) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- However, the Audit Committee has been granted powers as prescribed under Clause 49IIC of the Listing Agreement.

ii. Composition

The Audit Committee was reconstituted by the Board of Directors on March 30, 2011. The committee comprises of:

CA Ram Ratan Bajaj - Chairman
 Mr. Manoj Bhadupota - Member
 Mr. Anil Patodia - Member

Mrs. Naina Hemant Kurane, the Company Secretary is the Secretary to the Committee. All the members of the Audit Committee possess strong accounting and financial management expertise.

iii. The committee had four meetings during the year under consideration i.e. May 15, 2010, August 14, 2010, November 12, 2010 and February 14, 2011. The quorum of an audit committee meeting is two members personally present.

Name of the Director**	No of the Board Meetings	
	Held	Attended
Mr. S.K.Kulhari	4	4
Mr. M.V.Arvanekar	4	3
Mr. Sandeep Sharma	4	4

**Mr. Sandeep Sharma, Mr. S.K. Kulhari and Mr. Mohan Arvanekar have resigned from the Board with effect from March 30, 2011.

REPORT ON CORPORATE GOVERNANCE

2. Remuneration Committee

i. Terms of Reference

The broad terms of reference of the Committee are to appraise the performance of Managing/Executive Directors, determine and recommend to the Board, compensation payable to them, details of which are included in this report.

ii. Composition

The Remuneration Committee has been reconstituted by the Board of Directors on March 30, 2011. As on March 31, 2011, three member Remuneration Committee comprised of Non – Executive Directors, of whom all three are independent. The composition of the committee is as follows:

Mr. Ramesh Vohra – Chairman
Mr. Manoj Bhadupota –Member
CA Ram Ratan Bajaj- Member

iii. Attendance during the year

During the financial year 2010-11, one meeting was held on August 14, 2011. The quorum of the Remuneration Committee meeting is two members personally present.

Name of the Director**	No of the Board Meetings	
	Held	Attended
Mr. M.V.Arvanekar	1	1
Mr. S. K. Kulhari	1	1
Mr. Sameer Sharma	1	1

**Mr. Sameer Sharma, Mr. S.K. Kulhari and Mr. Mohan Arvanekar have resigned from the Board with effect from March 30, 2011.

iv. Remuneration Policy

a) Non –Executive Directors:

Remuneration of the Non –Executive Directors of the Company by way of sitting fees and commission is decided by the Board of Directors. Payment of commission to any individual Non-Executive Director is determined by the Board and is broadly based on attendance, contribution at the Board and Committee Meetings. However, there is no sitting fees and commission paid to the Non- Executive Directors for the period under review.

b) Managing and Executive Directors

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

v. Remuneration:

a) Managing Director and Executive Directors:

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

Names of the Director	Salary & Perquisites
Mr. Satyanarayan Sharma	Rs. 700000
Mr. Sandeep Sharma	Rs. 500000

b) Remuneration paid to Non Executive Directors is Nil.

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

None of the Non – Executive Directors have shareholding in the Company as on March 31 ,2011.

3. Shareholders / Investor Grievance Committee

i. Terms of Reference

The Company has constituted a Shareholders/Investor Grievance Committee of Directors to look into the redressal of complaints of investor such as transfer or credit of shares, non-receipt of dividend/notices/annual reports, etc. The committee oversees performance of the Registrars and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

ii. Composition.

The committee was reconstituted by the Board of Directors as on March 30, 2011. The composition of the committee is as follows:

Mr. Manoj Bhadupota – Chairman

Mr. S.N. Sharma- Member

Mr. Anil Patodia - Member

Mrs. Naina Hemant Kurane, the Company Secretary is the Secretary of the Committee.

iii. Attendance

The committee had four meetings during the year under consideration i.e. May 15, 2010, August 14, 2010, November 12, 2010 and February 14, 2011. The quorum of an audit committee meeting is two members personally present:

Name of the Director**	No of the Board Meetings	
	Held	Attended
Mr. Sandeep Sharma	4	4
Mr. Sameer Sharma	4	4
Mr. S.K.Kulhari	4	4

**Mr. Sandeep Sharma, Mr. Sameer Sharma and Mr. S.K. Kulhari have resigned from the Board with effect from March 30, 2011..

iv. Name, designation and address of Compliance Officer

Mrs. Naina Hemant Kurane - Company Secretary

Phone: +91 -22-4015 0010

Email: cs@suavehotels.in

v. Status Report of Investor Complaints for the year ended March 31, 2011.

No of Complaints Received – 12

No of Complaints Resolved - 12

No of Complaints Pending - Nil

4. Other Committees:

The Board of Directors of the Company had formed a Board Committee comprising of Mr. Satyanarayan Sharma (Managing Director) and Mr. Sandeep Sharma for the purpose of allotment of warrants convertible into equity shares on July 16, 2010.

The Allotment Committee meeting was held on July 17, 2010.

REPORT ON CORPORATE GOVERNANCE

IV. General Body Meetings

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

Year	Date & Venue	Time	No. of Special Resolution
2007-08	September 30, 2008 Mantra Dinning Bar, Powai Plaza, Hiranandani Garden, Powai, Mumbai – 400076	11.00 hrs	Three
2008-09	September 30, 2009 Sahara Star, Near Domestic Airport , Vile Parle (East), Mumbai	12.30 hrs	Nil
2009-10	September 30, 2010 Hotel Suba Galaxy, N. S. Phadke Road, Off Western Express Highway, Andheri (E), Mumbai-400069	12.00 hrs	Two

There was an Extra Ordinary General Meeting of the Shareholders held on July 2, 2010 and the special resolutions were passed for a) Increase in the Authorized share capital, b) Alteration of the Memorandum of Association, c) Further issuance of Securities.

Disclosures:

- The Company did have any material significant related party transactions which do not have any potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in the Notes to the accounts forming part of the Annual Report.
- The financial statements have been prepared in accordance with the accounting standards and policies generally accepted in India.
- The CEO/CFO Certification of the financial statements for the year is enclosed after Annexure-A of the Directors' Report.
- The Company has implemented the mandatory requirements of Corporate Governance as set out in the Listing Agreement. In respect of compliance with the non-mandatory requirements, the Company has constituted a Remuneration Committee, the details whereof are given under the heading "Remuneration Committee". The quarterly and half yearly financial results are displayed on the Company's website and are published in the newspapers.
- As required by Clause 49 of the Listing Agreement, a certificate from Auditor certifying the compliance by the Company with the provisions of Corporate Governance of the Listing Agreement is given as at the beginning of this Report.

Reconciliation of Share Capital Audit

A qualified practicing Chartered Accountant (Statutory Auditor)/Company Secretary carried out a audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held by the NSDL and CDSL.

Means of Communication:

- The quarterly un-audited financial results are published in leading English and Vernacular newspapers. The half yearly report is not sent separately to the Shareholders. Annual Reports are sent to the shareholders at their registered address with the company.
- The Management Discussion and Analysis Report, in compliance with the requirements of Clause 49 of the Listing Agreement is annexed to the Directors' Report and forms part of this Annual Report being sent to all the members of the Company. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc. are discussed in the said report.
- The Company's website is a comprehensive reference on Company's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The section on 'Investor Relations' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, registrars and share transfer agents.

Management Discussion and Analysis

Annual report has a separate detailed chapter on Management Discussion and Analysis

V. Shareholders' Information

1)	Annual General Meeting	
	Date and Time	July 21, 2011 ;11.00 a.m.
	Venue	Anchoraga Hall, Hotel Suba International, 211, Chakala Sahar Road, Andheri (E), Mumbai – 400099
2)	Financial Year (Tentative)	
	Financial reporting for the quarter ending June 30, 2011	2 nd week of August, 2011
	Financial reporting for the half year ending September 30, 2011	2 nd week of November, 2011
	Financial reporting for the quarter ending December 31, 2011	2 nd week of February, 2012
	Financial reporting for the year ending March 31, 2012	2 nd week of May, 2012
	Annual General Meeting for the year ended March 31, 2012	2 nd week of July, 2012
3)	Dates of Book Closure	July 18,2011 to July 21, 2011 (both days inclusive)
4)	Dividend Payment Date	3 rd week of August 2011
5)	Registered Office	F/72, Solaris, Opp. L&T Gate No.6, Off Saki Vihar Road,Andheri (E), Mumbai – 400072 Tel: +91-22-40150010 Fax:+91-22-40150010 Email : info@suavehotels.in Website: www.suavehotels.in
6)	Listing on Stock Exchanges	Bombay Stock Exchange Limited Madras Stock Exchange Limited
7)	Stock Code	BSE – 531373
8)	Payment of Annual Listing fees	Listing fees for the financial year 2011-12 has been paid to both the exchanges i.e. the Bombay Stock Exchange Limited and Madras Stock exchange Limited

REPORT ON CORPORATE GOVERNANCE

VI. Market Price Data

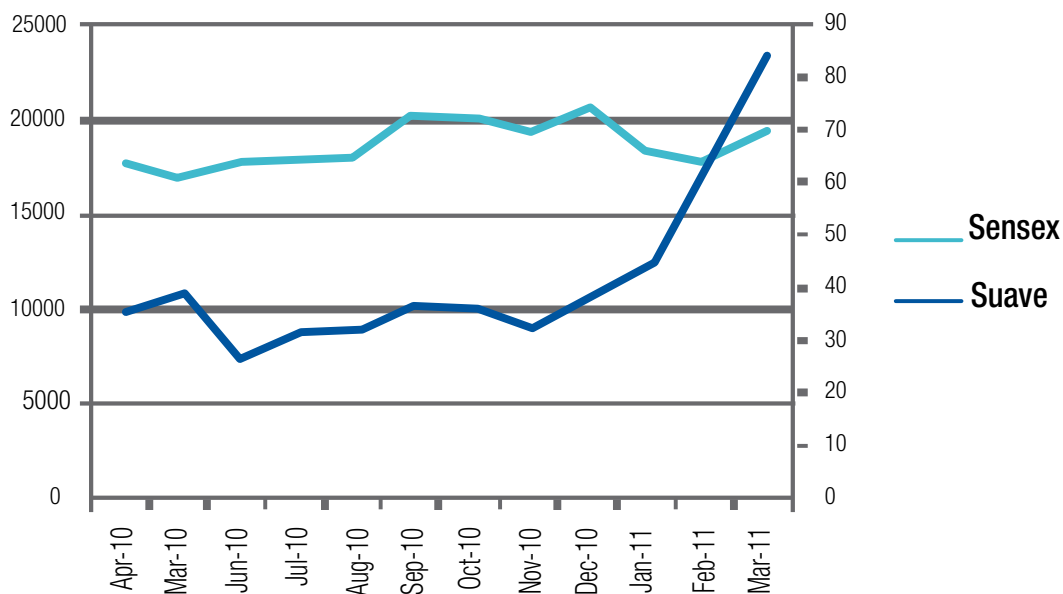
Monthly High, Low & Closing market price of the Company's shares traded at BSE during each month of the financial year ended March 31, 2010 are as under:

Month	High	Low	Close Price	Volume	Sensex
April -2010	41.85	25.10	35.20	62,73,164	17,558.71
May - 2010	49.70	34.55	38.95	54,06,333	16,944.63
June -2010	39.95	25.45	26.25	36,74,986	17,700.90
July - 2010	35.75	25.75	31.65	13,61,992	17,868.29
August - 2010	35.60	27.40	31.30	18,10,507	17,971.12
September - 2010	43.50	31.10	35.75	54,13,326	20,069.12
October-2010	39.20	34.10	35.90	12,25,950	20,032.34
November-2010	37.55	31.25	32.95	7,79,739	19,521.25
December-2010	39.70	30.00	38.80	10,20,679	20,509.09
January-2011	43.70	38.00	43.10	22,47,016	18,327.76
February-2011	66.15	41.50	65.90	47,32,367	17,823.40
March-2011	85.70	66.45	84.30	42,49,893	19,445.22

• High and low are in rupees per traded share

• Volume is the total monthly volume of traded shares (in number) of Suave Hotels Limited on Bombay Stock Exchange Limited.

Share Price Performance in comparison with Sensex



VII. Distribution of Shareholding as on March 31, 2011

Number of Shares	Number of Shareholders	% to total No. of Shareholders	No. of Shares	% to total share capital
1-100	2285	59.3	196387	1.03
101-200	360	9.34	68208	0.36
201-500	480	12.46	191205	1.00
501-1000	267	6.93	225624	1.18
1001-5000	300	7.79	751040	3.94
5001-10000	66	1.71	520151	2.73
10000-100000	72	1.87	2183438	11.46
100001 to Above	23	0.6	14912947	78.30
Total	3853	100.00	19049000	100.00

VIII. Categories of Shareholders as on March 31, 2011

Sr. No.	Description	No. of Shares (as at March 31, 2011)	% to capital
A.	Promoters	8597918	45.14
B.	Public Shareholding		
	-NRI/ OCBs	100157	0.53
	-Bodies Corporate	4551394	23.89
	-Individuals	5799431	30.44
	Total	19048900	100.00

IX. Registrar and Transfer Agent

M/s Sharepro Services (I) Pvt. Ltd.
13AB Samhita Warehousing Complex,
Sakinaka Telephone Exchange Lane, Off
Andheri-Kurla Road, Sakinaka, Andheri
(East), Mumbai – 400072 Tel: 022-67720300

X. Share Transfer System

The Registrar and Share Transfer Agents, Sharepro Services Private Limited are authorized by the Board for processing of share transfers which are approved by the Company's Shareholder Grievance Committee.

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

Pursuant to Clause 47 (c) of the Listing Agreement with Stock Exchanges, on half yearly basis, certificates have been issued by a Company Secretary in Practice for due compliance of share transfer formalities by the Company. Also, pursuant to Regulations 55A of SEBI (Depositories and Participants) Regulations, 1996, certification is done by a Company Secretary in Practice regarding timely dematerialization of the shares of the Company. Further secretarial audit is done on a quarterly basis for reconciliation of the share capital of the company.

XI. Dematerialization of Shares and liquidity

The shares of the company are traded on the Bombay Stock Exchange Limited only in the dematerialized form. As on March 31, 2011, 79.24% of the Company's shares were in dematerialized form.

XII. Outstanding Warrants

The company had issued 75,00,000 share warrants convertible into 75,00,000 equity shares of Rs 10/- each at a premium of Rs 34/- each to its promoters and others on preferential basis, convertible within 18 months, vide special resolution passed at extra ordinary general meeting held on July 2,2010.

The company has received notice for conversion of the warrants into equity shares and accordingly the 30,00,000 equity shares and 35,00,000 equity shares have been allotted on September 15, 2010 and March 30,2011 respectively.

As on March 31, 2011, there are 10,00,000 warrants outstanding, which are convertible into 10,00,000 equity shares of Rs 10/- each.

XIII. Address for Correspondence

Shareholders may correspond with the Registrar and Transfer Agent, at the address mentioned here in above on all matters relating to transfer of shares and credit of shares in Demat Account. Members may contact Mrs. Naina Hemant Kurane, Company Secretary and Compliance Officer for all investor related matters at the registered office of the company at the following address:

Suave Hotels Limited

F/72, Solaris, Opp. I&T Gate No.6,
Off Saki Vihar Road, Andheri (East)
Mumbai – 400072
Tel. : +91-22-40150010
Fax. : +91-22-40150010

For and on behalf of the Board

Sd/-
Satyanarayan Sharma
Managing Director
Mumbai, May 30, 2011

Chief Executive Officer's Certification

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

- 1) I have reviewed the financial statements & cash flow statement for the year ended March 31, 2011 and to best of my knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) To the best of our knowledge and belief, no transactions entered in to by the company during the year ended March 31, 2011 are fraudulent, illegal or violating of the company's code of conduct.
- 3) I accept the responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware, have been disclosed to the auditors and the Audit Committee and the steps have been taken to rectify these deficiencies.
- 4) There not have been any significant change in internal control over financial reporting during the year under reference; There has not been any significant change in accounting policies during the year except as laid down in Accounting Standards (AS) 15 (revised 2005) or employee benefits. Requiring disclosers in the notes to the financial statements; and I am not aware of any instances during the year of significant fraud with involvement therein of the management or any employee having a significant role in Company's internal control system over financial reporting.

Sd/-

Satyanarayan Sharma
Managing Director & CEO
Mumbai, May 30, 2011

AUDITOR'S REPORT

To,
The Members of Suave Hotels Limited,

We have audited the attached Balance Sheet of SUAVE HOTELS LIMITED as at 31st March, 2011, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. 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. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 and amendments thereto issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company as it appears from our examination of those books.
 - c) The said Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, Profit & Loss Account and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors as on 31st March, 2011 and taken on record by the Board, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with notes appearing thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
 - ii) In the case of the Profit & Loss Account, of the profit Company for the year ended on that date.
 - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Sd/-
Satish Kumar Gupta
Partner (M.N. 101134)
Mumbai- May 30, 2011

Annexure referred to in Paragraph 2 of the Auditors Report to the members of SUAVE HOTELS LIMITED for the year ended 31st March 2011.

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 (b) Fixed assets have been physically verified by the management according to the regular programme of periodical verification in phased manner which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. The discrepancies on such physical verification were not material.
 (c) In our opinion and according to the information and explanation given to us no part of fixed assets has been disposed off during the year.
- (ii) (a) In our opinion and according to the information and explanations given to us, inventories have been physically verified by the management during the year at reasonable intervals.
 (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 (c) In our opinion and according to information and explanation given to us, the company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stock and book records were not material.
- (iii) (a) The Company has not granted any loan to any party covered in the register maintained under Section 301 of the Companies Act, 1956.
 (b) The Company has not taken any loan from any party covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanation given to us there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v) (a) Based on the audit procedures performed by us, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained in that section.
 (b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any public deposit.
- (vii) The Company does not have formal internal audit system but its financial and internal checks ensures proper recording of financial transactions.
- (viii) The Central Government has not prescribed for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the Company.
- (ix) (a) According to the records of the Company, the undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty, Cess have regularly deposited with the appropriate authorities. There are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2011 for a period more than six months from the date they became payable.
 (b) There are no amount in respect of any disputed income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess.
- (x) The company does not have any accumulated losses at the end of the financial year.
- (xi) The Company has not defaulted in repayment of its dues to banks and financial institutions.

- (xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the company.
- (xiv) In respect of dealing in shares, securities and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities and other investments have been held by the company in its own name.
- (xv) The company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xvi) The Company has not taken any Term Loan during the year.
- (xvii) On an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long term investments.
- (xviii) The company has made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year.

For and behalf of A.P. Sanzgiri & Co.
Chartered Accountants
FRN-116293W

Sd/-
Satish Kumar Gupta
Partner (M.N. 101134)
Mumbai - May 30, 2011

Balance sheet as at 31st March 2011

(Figures in ₹)

Particulars	Schedules	March 31, 2011		March 31, 2010	
SOURCES OF FUNDS:					
Shareholder's Funds -					
Share Capital	A	190,489,000		125,489,000	
Reserves & Surplus	B	<u>435,260,536</u>	625,749,536	<u>214,244,174</u>	339,733,174
Loan Funds-					
Secured Loans	C	1,830,308		0	
Unsecured Loans		<u>0</u>	1,830,308	<u>0</u>	0
Share Warrant Application Money					
Deferred Tax Liability					
			11,000,000		0
			20,679,571		18,877,928
			<u>659,259,415</u>		<u>358,611,102</u>
APPLICATION OF FUNDS:					
Fixed Assets -					
Gross Block	D	164,733,348		145,919,460	
Less : Depreciation		<u>32,824,075</u>		<u>24,182,414</u>	
Net Block		131,909,273		121,737,046	
Capital work-in-progress		<u>379,847,650</u>	511,756,923	<u>126,347,650</u>	248,084,696
Investments					
Current Assets, Loans & Advances -	E		0		2,222,870
Inventories	F	35,584,590		4,032,361	
Sundry Debtors	G	16,977,455		9,420,787	
Cash & Bank Balances	H	10,498,109		4,547,243	
Loans, Advances & Deposits	I	<u>130,247,966</u>	193,308,120	<u>107,203,300</u>	125,203,691
Less: Current Liabilities & Provisions -					
Current Liabilities	J	16,865,124		8,191,469	
Provisions	K	<u>29,526,387</u>	46,391,511	<u>9,419,569</u>	17,611,038
Net Current Assets -			146,916,609		107,592,653
Miscellaneous Expenditure -	L		585,883		710,883
(to the extent not written off or adjusted)			<u>659,259,415</u>		<u>358,611,102</u>

Total

Significant Accounting Policies & Notes to Accounts as per Schedule - O

As per our report of even date attached

For A. P. Sanzgiri & Co.

Chartered Accountants

F.R.No.116293W

Sd/-

Satish Kumar Gupta

Partner (M.N. 101134)

Mumbai - May 30, 2011

By and on behalf of Board of Directors

Sd/-

Satyanarayan Sharma

Managing Director

Sd/-

Anil Patodia

Director

PROFIT & LOSS ACCOUNT

Profit & Loss Account for the year ending 31st March 2011

(Figures in ₹)

Particulars	Schedules	March 31, 2011	March 31, 2010
INCOME			
Income from operations		332,405,914	150,282,964
Intrest Income		348,855	119,648
Profit on sale of investment		1,778,296	0
		<u>334,533,065</u>	<u>150,402,612</u>
EXPENDITURE:			
Operating expenses	M	278,533,493	116,527,355
Administrative & other expenses	N	15,100,798	10,977,335
Depreciation	D	8,641,661	8,743,691
		<u>302,275,952</u>	<u>136,248,381</u>
Profit/(Loss) before tax provision		32,257,113	14,154,231
Provision for tax -			
Current Tax		7,800,000	2,200,000
Deffered Tax		1,801,643	2,456,778
Profit/(Loss) after tax provision		22,655,470	9,497,453
Profit/(Loss) brought forward		58,244,174	56,063,280
Appropriations -			
Short provision of taxes in earlier years		500,000	0
Proposed Dividend		19,048,900	6,274,450
Dividend distribution tax on proposed dividend		3,090,208	1,042,109
Profit/(Loss) carried forward		<u>58,260,536</u>	<u>58,244,174</u>
Basic Earning Per Share		1.60	0.83
Diluted Earning Per Share		1.58	0.83

Significant Accounting Policies & Notes to Accounts as per Schedule - O

As per our report of even date attached

For A. P. Sanzgiri & Co.

Chartered Accountants

F.R.No.116293W

Sd/-

Satish Kumar Gupta

Partner (M.N. 101134)

Mumbai - May 30, 2011

By and on behalf of Board of Directors

Sd/-

Satyanarayan Sharma

Managing Director

Sd/-

Anil Patodia

Director

CASH FLOW STATEMENT

Cash Flow Statement for the year ended on 31st March 2011

(Figures in ₹)

Particulars	March 31, 2011	March 31, 2010
Cash flows from operating activities		
Net profit/(loss) before taxation & extraordinary item	32,257,113	14,154,231
Adjustments for:		
Depreciation	8,641,661	8,743,691
Interest expense	40,519	0
Interest income	(348,855)	(119,648)
Profit on sale of investment	(1,778,296)	0
Misc. expenditure written off	125,000	125,000
Operating profit before working capital changes	38,937,142	22,903,275
(Increase)/Decrease in receivable	(7,556,668)	15,537,863
(Increase)/Decrease in inventories	(31,552,229)	4,126,160
Income taxes paid	(2,953,010)	(1,706,872)
Increase/(Decrease) in payables	6,879,193	1,903,148
Net cash from operating activities	3,754,428	42,763,574
Cash flows from investing activities:		
Interest received	0	96,248
Sale of investments	4,001,166	0
Increase in sundry deposits	(43,080,000)	(13,920,000)
Sundry advances (made)/recovered	1,598,484	(77,459,900)
Increase in capital work-in-progress	(253,500,000)	0
Purchase of fixed assets	(313,888)	(8,781,893)
Net cash used in investing activities	(291,294,238)	(100,065,545)
Cash flows from financing activities		
Proceeds from borrowings	1,789,789	0
Dividend & dividend distribution tax paid	(5,522,097)	(2,643,830)
Proceeds from equity share warrant application	11,000,000	0
Proceeds from issuance of share capital	286,000,000	31,250,000
Net cash from financing activities	293,267,692	28,606,170
Net increase/(decrease) in cash and cash equivalents	<u>5,727,882</u>	<u>(28,695,801)</u>
Cash and cash equivalents at beginning of period	4,547,243	33,243,044
Cash and cash equivalents at end of period	<u><u>10,275,125</u></u>	<u><u>4,547,243</u></u>

As per our report of even date attached

For A. P. Sanzgiri & Co.

Chartered Accountants

F.R.No.116293W

Sd/-

Satish Kumar Gupta

Partner (M.N. 101134)

Mumbai - May 30, 2011

By and on behalf of Board of Directors

Sd/-

Satyanarayan Sharma

Managing Director

Sd/-

Anil Patodia

Director

Schedules forming part of financial statements

(Figures in ₹)

Particulars	Schedules	March 31, 2011	March 31, 2010
Share Capital:	A		
Authorised - 21,000,000 (P.Y. 14,000,000) Equity Shares of Rs.10/- each		210,000,000	140,000,000
		210,000,000	140,000,000
Issued, Subscribed and Paid-up - 19,048,900 (P.Y. 12,548,900) equity shares of Rs.10/- each fully paid-up		190,489,000	125,489,000
		190,489,000	125,489,000
Reserves & Surplus:	B		
General Reserve			
Opening Balance		10,000,000	10,000,000
Additions/(Deductions) during the year		0	0
		10,000,000	10,000,000
Securities premium			
Opening Balance		146,000,000	123,500,000
Additions/(Deductions) during the year		221,000,000	22,500,000
		367,000,000	146,000,000
Profit & loss account		58,260,536	58,244,174
		435,260,536	214,244,174
Secured Loans	C		
Union Bank of India - Overdraft A/c. (Secured against fixed deposit of Rs.20,00,000/-)		1,830,308	0
		1,830,308	0
Investments:	E		
Long Term Investments - Quoted investments - NIL (P.Y. 444,574) equity shares of Rs.10/- each of Upsurge Investment & Finance Ltd. (Market Value - NIL, PY - Rs.4,094,527/-)		0	2,222,870
		0	2,222,870

Schedule-D- Fixed Assets & Depreciation

(Figures in ₹)

Particulars	Dep Rate (S.L.M)	Gross Block		Depreciation		Net Block					
		As on April 1, 2010	Addition	Deductions	As on March 31, 2011	As on April 1, 2010	Addition	Deductions	As on March 31, 2011	As on March 31, 2010	
Land & Building	1.63%	68,879,957	0	0	68,879,957	3,923,461	1,122,743	0	5,046,204	63,833,753	64,956,496
Plant & Machinery	4.75%	33,720,418	18,592,742	0	52,313,160	3,742,655	1,645,584	0	5,388,239	46,924,921	29,977,763
Office Equipments	4.75%	2,979,956	9,000	0	2,988,956	420,839	141,571	0	562,410	2,426,546	2,559,117
Computers & Softwares	16.21%	28,186,115	6,400	0	28,192,515	11,021,283	4,569,597	0	15,590,880	12,601,635	17,164,832
Furniture & Fixtures	9.50%	10,794,735	116,000	0	10,910,735	4,293,059	1,031,517	0	5,324,576	5,586,159	6,501,676
Vehicles	9.50%	1,358,279	89,746	0	1,448,025	781,117	130,649	0	911,766	536,259	577,162
Total		145,919,460	18,813,888	0	164,733,348	24,182,414	8,641,661	0	32,824,075	131,909,273	121,737,046
Previous Year		137,137,567	8,781,893	0	145,919,460	15,438,723	8,743,691	0	24,182,414	121,737,046	121,698,844

SCHEDULES

(Figures in ₹)

Particulars	Schedules	March 31, 2011	March 31, 2010
Inventories :	F		
Food & Beverages		4,648,570	1,293,277
Stores & Supplies including linen		30,936,020	2,739,084
		35,584,590	4,032,361
Sundry debtors:	G		
(unsecured, considered good)			
Dues outstanding for the period in excess of six months		6,939,279	0
Other outstanding debts		10,038,176	9,420,787
		16,977,455	9,420,787
Cash & bank balances:	H		
Balances with scheduled banks-			
- in fixed deposit accounts*		6,322,984	0
- in current accounts		1,002,176	3,780,573
Cash on Hand		3,172,949	766,670
		10,498,109	4,547,243
1) Fixed deposit includes accrued interest of Rs.222,984/- (P.Y. NIL)			
2) Fixed deposit includes Rs.2,000,000/- given as security to Union Bank of India against overdraft facility			
Loans, advances & deposits:	I		
Sundry deposits		61,000,000	17,920,000
Sundry loans (Unsecured, considered good)		836,550	773,400
Advances recoverable in cash or for value to be received		68,411,416	88,509,900
		130,247,966	107,203,300
Current Liabilities:	J		
Sundry creditors			
- due to micro and small enterprises		0	0
- due to others		1,607,960	797,019
Unclaimed dividend		2,615,824	821,362
Other liabilities		9,391,340	6,573,088
Advance from debtors		3,250,000	0
		16,865,124	8,191,469

(Figures in ₹)

Particulars	Schedules	March 31, 2011	March 31, 2010
Provisions:	K		
Income tax (net)		7,387,279	2,103,010
Proposed dividend		19,048,900	6,274,450
Dividend distribution tax		3,090,208	1,042,109
		29,526,387	9,419,569
Miscellaneous Expenditure:	L		
Preliminary & issue expenses			
Opening Balance		710,883	835,883
Written off during the year		(125,000)	(125,000)
		585,883	710,883
Operating expenses:	M		
Accommodation expenses		249,744,008	92,576,872
Food & beverages consumed		4,006,312	3,256,342
Personnel expenses		17,188,025	14,066,260
Power & fuel charges		1,367,475	1,020,222
Stores & Supplies including linen consumed		4,363,904	3,888,885
Other operating expenses		1,863,769	1,718,774
		278,533,493	116,527,355
Administrative & other expenses:	N		
Auditors remuneration		330,900	689,375
Legal & professional fees		2,943,432	433,664
Directors remuneration		1,200,000	1,200,000
Donation		11,000	425,100
General expenses		654,509	1,008,508
Bank charges		45,074	50,276
Interest expenses		43,780	24,848
Printing & stationery		694,926	704,467
Repair & Maintenance		2,008,601	519,908
Rent, rates & taxes		2,986,936	2,468,196
Communication expenses		587,653	460,883
Security charges		256,600	151,500
Commission expenses		1,250,810	109,309
Transport charges		120,215	77,650
Traveling & conveyance expenses		805,621	603,322
Vehicle expenses		281,418	268,550
Marketing & advertisement expenses		754,323	1,656,779
Misc. expenditure written off		125,000	125,000
		15,100,798	10,977,335

Schedule-O- Notes on Accounts & Significant Accounting Policies :

1) Significant Accounting Policies -

A. Basis for accounting

The financial statements are prepared under the historical cost convention on a going concern and accrual basis of accounting in accordance with the generally accepted accounting principles, accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

B. Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities as on the date of financial statements and the reported amount of income and expenses during the reporting period. Management believes that the estimates used in preparation of financial statements are prudent and reasonable, future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

C. Revenue recognition

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

D. Fixed assets

All fixed assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition, less accumulated depreciation.

E. Depreciation

Depreciation on fixed assets is provided on straight line method at the rates prescribed by schedule XIV of the Companies Act, 1956. Depreciation on additions to fixed assets is provided on pro-rata basis from the date of addition.

F. Inventories

Inventories are valued at cost or net realisable value whichever is lower. Cost is taken on weighted average basis and cost includes all incidental cost of acquisition.

G. Investments

The investments are classified under two categories viz. current and long term and are valued in accordance with accounting standard 13 on "Accounting for investments".- Long term investments are carried at cost of acquisition including incidental charges less provision for permanent diminution, if any, in value of such investments.- Current investments are carried at cost of acquisition or net realisable value, whichever is lower.

H. Provisions and contingent liabilities

Provisions are recognised when the company has a present obligation as a result of past events, for which it is probable that a cash outflow will be required and reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined, based on estimate required to settle the obligation on the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current management estimates. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

I. Income tax

Income tax is accounted in accordance with accounting standard 22 " Accounting for taxes on income" which includes current and deferred taxes. Deferred tax assets/liabilities represents timing differences between accounting income and taxable income recognised to the extent considered capable of being reversed in subsequent years. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available, except that deferred tax assets arising due to unabsorbed depreciation and losses are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

J. Earning pershare

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earning per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earning per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

K. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated. Cash and cash equivalents include cash in hand, balances with banks and money at call and short notice but does not include interest accrued on deposits.

L. Impairment of assets

The carrying amount of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price or value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss is further provided or reversed depending on changes in circumstances.

M. Employee benefits

Employee benefits of short term nature are recognised as expense as and when it accrues. The management has not made provision for gratuity and shall provide the same on payment basis.

Notes on accounts -**1) Auditors Remuneration:**

Statutory & Tax Audit Fees
Certification Fees

	2010-11 (₹)	2009-10 (₹)
	330,900	634,225
	0	55,150
	<u>330,900</u>	<u>689,375</u>

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

3) In the opinion of management, the current assets and advances have the value as stated in the balance sheet, if realised in the ordinary course of business.

4) The net deferred tax liability/(asset) as on 31st March 2011 has been worked out as follows:

Deferred tax liabilities/(assets) on account of -
- Depreciation
Total --

	March 31, 2011	March 31, 2010
	<u>20,679,571</u>	<u>18,877,928</u>
	<u>20,679,571</u>	<u>18,877,928</u>

5) Earning per share (EPS):

Particulars

Profit/(Loss) after tax provision as per profit/loss account

Weighted average number of equity shares outstanding

during the year for basic earning per share

Weighted average number of equity shares outstanding

during the year for diluted earning per share

Nominal value of equity shares

Basic earning per share

Diluted earning per share

	2010-11	2009-10
	22,655,470	9,497,453
	14,195,475	11,494,106
	14,374,927	11,494,106
	10	10
	1.60	0.83
	1.58	0.83

6) Based on the guiding principles stated in accounting standard 17 "Segment reporting", the management does not recognise any distinguishable component of the company that is engaged in providing an individual product or service or a group of related products or services. Hence the disclosure requirements of AS-17 in this regard is not applicable.

7) In opinion of the management there is no contingent liabilities as on 31st March 2011. (P.Y. NIL)

SCHEDULES

8) The company has issued 7,500,000 share warrants convertible into 7,500,000 equity shares of Rs.10/- each at a premium of Rs.34/- to its promoters and others on preferential basis, convertible within 18 months, vide special resolution passed at extra ordinary general meeting held on 2nd July, 2010 out of which during the year 6,500,000 share warrants have been converted into 6,500,000 equity shares of Rs.10/- each at a price of Rs. 44/- per share.

9) **Related party disclosures:**

Key management personnel & their relatives	Satyanarayan Sharma (Managing Director) Anil Patodia (Executive Director appointed on 30.3.2011) Prمود Patodia (Non-Executive Director appointed on 30.3.2011) Sandeep Sharma (Executive Director resigned on 30.3.2011) Sameer Sharma (Non-Executive Director resigned on 30.3.2011) Manorama Sharma
Enterprises over which above persons are able to exercise significant influence -	Hot-n-Ice Entertainment Pvt. Ltd. Boyce Ply Pvt. Ltd. Anil C. Patodia HUF (Since 30.03.2011) Hotel Relax Pvt. Ltd. (Since 30.03.2011) Aqua Pumps Pvt. Ltd. (Since 30.03.2011) Manbhari Biofuels Pvt. Ltd. (Since 30.03.2011) M/s. Shree Shakambhari Exim (Since 30.03.2011)

Related party transactions -	Nature of Transactions	2010-11	2009-10
Satyanarayan Sharma	Director's Remuneration	700,000	700,000
Sandeep Sharma	Director's Remuneration	500,000	500,000
Manorama Sharma	Salary	450,000	450,000
Hotel Relax Pvt. Ltd.	Accomodation Expenses	112,320	0

Transactions that are done earlier to the date on which person had became related party are not being disclosed under related party transactions.

- 10) There is no outstanding dues of micro and small enterprises suppliers as defined under The Micro, Small and Medium Enterprises Development Act, 2006.
- 11) Capital work-in-progress includes advances given for development of properties
- 12) Previous year's figures have been regrouped / reclassified / rearranged / recast wherever necessary to match with current year's presentation.
- 13) Quantitative details - Not Applicable

Additional information pursuant to the provisions of Part-IV to Schedule-VI to the Companies Act, 1956:

Balance Sheet Abstract and Company's General Business Profile -

I. Registration Details:

Registration Number	--	L67190MH1990PLC056009
State Code	--	11
Balance Sheet Date	--	31st March 2011

II. Capital Raised During The Year:

(₹In '000)

Public Issue	--	NIL
Right Issue	--	NIL
Bonus Issue	--	NIL
Private Placement	--	65,000

III. Position of Mobilisation and Deployment of Funds:

(₹In '000)

Total Liabilities	--	705,651
Total Assets	--	705,651
Sources of Funds -		
Paid-up Capital	--	190,489
Reserves & Surplus	--	435,261
Secured Loan	--	1,830
Unsecured Loan	--	0
Share warrant application money	--	11,000
Deferred Tax Liability	--	20,680
Application of Funds -		
Net Fixed Assets	--	511,757
Investments	--	0
Net Current Assets	--	146,917
Miscellaneous Expenditure	--	586
Accumulated Losses	--	0

IV. Performance of Company:

(₹In '000)

Turnover/Gross receipts	--	334,533
Total Expenditure	--	302,276
Profit Before Tax	--	32,257
Profit After Tax	--	22,655
Earning Per Share (in Rs.)	--	1.60
Dividend Rate	--	10%

V. Generic Names of Principle Products / Service of Company:

Name of the Product / Service	--	Hotels & Restaurant
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As per our report of even date attached

For A. P. Sanzgiri & Co.

Chartered Accountants

F.R.No.116293W

Sd/-

Satish Kumar Gupta

Partner (M.N. 101134)

Mumbai - May 30, 2011

By and on behalf of Board of Directors

Sd/-

Satyanarayan Sharma

Managing Director

Sd/-

Anil Patodia

Director

NOTICE

Notice is hereby given that the 21st Annual General Meeting of the members of the Company will be held at Anchorage Hall, Hotel Suba International, 211, Chakala Sahar Road, Andheri (East), Mumbai -400099 on Thursday, July 21, 2011 at 11.00 A.M to transact following businesses:

Ordinary Business:

1. To consider and adopt the audited Balance Sheet as at March 31, 2011, the Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To declare the payment of final dividend of 10% i.e. Rs 1/- per share on equity shares of the Company for the financial year 2010-2011.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s A. P. Sanzgiri & Co., Chartered Accountants, be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors.”

Special Business:

4. To consider, if thought fit, to pass, with or without modification(s), the following as a Special Resolution:

“RESOLVED THAT subject to the approval of the Central Government pursuant to section 21 of the Companies Act, 1956, the name of the company be changed from Suave Hotels Limited to **The Byke Hospitality Limited** and that the name of Suave Hotels Limited, wherever it appears in memorandum, articles, documents, contracts, etc., be substituted by the new name **The Byke Hospitality Limited** in due course.”

“RESOLVED FURTHER THAT CLAUSE I of the Memorandum of Association of the Company be and is hereby amended as follows:

“I. The name of the company is The Byke Hospitality Limited.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and things and file all necessary documents and other records as may be necessary with the respective Authorities”.

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

“RESOLVED THAT Mr. Anil Patodia, who was appointed as an Additional Director of the Company with effect from March 30,2011, by the Board of Directors of the Company and who holds office up to the date of the ensuing Annual General Meeting of the Company under Section 260 of the Companies Act 1956 and who being eligible for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act 1956 from a member proposing his candidature, for the office of Director of the Company, be and is hereby appointed as Director liable to retire by rotation.”

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

“RESOLVED THAT Mr. Ramesh Vohra, who was appointed as an Additional Director of the Company with effect from March 30,2011, by the Board of Directors of the Company and who holds office up to the date of the ensuing Annual General Meeting of the Company under section 260 of the Companies Act 1956 and who being eligible for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act 1956 from a member proposing his candidature, for the office of Director of the Company, be and is hereby appointed as Director liable to retire by rotation.”

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

“RESOLVED THAT Mr. Ramratan Bajaj, who was appointed as an Additional Director of the Company with effect from March 30,2011, by the Board of Directors of the Company and who holds office up to the date of the ensuing Annual General Meeting of the Company under Section 260 of the Companies Act 1956 and who being eligible for appointment and in respect of whom the company has received a notice in writing under Section 257 of the Companies Act 1956 from a member proposing his candidature, for the office of Director of the Company, be and is hereby appointed as Director liable to retire by rotation.”

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

“RESOLVED THAT Mr. Manoj Kumar Bhadupota, who was appointed as an Additional Director of the Company with effect from March

30,2011, by the Board of Directors of the Company and who holds office up to the date of the ensuing Annual General Meeting of the Company under section 260 of the Companies Act 1956 and who being eligible for appointment and in respect of whom the company has received a notice in writing under Section 257 of the Companies Act 1956 from a member proposing his candidature, for the office of Director of the Company, be and is hereby appointed as Director liable to retire by rotation.”

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution
 “RESOLVED THAT Mr. Pramod Patodia, who was appointed as an Additional Director of the Company with effect from March 30,2011, by the Board of Directors of the Company and who holds office up to the date of the ensuing Annual General Meeting of the Company under Section 260 of the Companies Act 1956 and who being eligible for appointment and in respect of whom the company has received a notice in writing under Section 257 of the Companies Act 1956 from a member proposing his candidature, for the office of Director of the Company, be and is hereby appointed as Director liable to retire by rotation.”

10. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution.
 “RESOLVED THAT in accordance with the provisions of sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as approved and recommended by the remuneration committee and the Board, the Company hereby approves appointment of Mr. Anil Patodia, as Managing Director, for a period of 5 (five) years with effect from August 01,2011 on the terms & conditions including remuneration as placed before the board and initialed by the Chairman with power to Board to alter and vary the terms of the said appointment and/or remuneration from time to time within the overall limits of the Schedule XIII of the Companies Act, 1956.”
 “RESOLVED FURTHER THAT in any financial year during the currency of his tenure as a Managing Director, the Company has no profits or its profits are inadequate, then notwithstanding the provisions of Schedule XIII of the Companies Act, 1956, the Company may pay such remuneration by way of salary and perquisites as may be decided by the Board of or its committee and the Central Government under Section 269 of the Companies Act, 1956 shall be taken if necessary. However if the approval of the Central Government as stated is not received, the remuneration payable to Mr. Anil Patodia shall be the maximum amount permitted as per Schedule XIII, as amends from time to time.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient, to give effect to this resolution.”

“RESOLVED FURTHER THAT Mr. Anil Patodia, being a Managing Director will not be liable to retire by rotation.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors, (herein after referred to as “the Board” which term shall be deemed to include any duly authorized committee thereof, for time being exercising the powers conferred by the Board by the resolution) be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit and also, to make such alterations and modifications, as may be required within the overall limits of Schedule XIII of the Companies Act, 1956.”

11. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Special Resolution.
 “RESOLVED THAT consequent to change in the promoters and control of the Management, Mr. Satyanarayan Sharma has been re – designated as the Whole time Director of the Company with effect from August 01, 2011”.
 “RESOLVED FURTHER THAT subject to the provisions of sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as approved and recommended by the remuneration committee and the Board, the Company hereby approves appointment of Mr. Satyanarayan Sharma, as Whole-Time Director, for a period of 3 (three) years with effect from August 01, 2011 on the terms & conditions including remuneration as placed before the board and initialed by the Chairman with power to Board to alter and vary the terms of the said appointment and/or remuneration from time to time within the overall limits of the Schedule XIII of the Companies Act, 1956.”
 “RESOLVED FURTHER THAT in any financial year during the currency of his tenure as a Whole- Time Director, the Company has no profits or its profits are inadequate, then notwithstanding the provisions of Schedule XIII of the Companies Act, 1956, the Company may pay such remuneration by way of salary and perquisites as may be decided by the Board of or its committee and the Central Government under Section 269 of the Companies Act, 1956 shall be taken if necessary. However if the approval of the Central Government as stated is not received, the remuneration payable to Mr. Satyanarayan Sharma shall be the maximum amount permitted as per Schedule XIII, as amends from time to time.”

“RESOLVED FURTHER THAT Mr. Satyanarayan Sharma, being a Whole-Time Director will not be liable to retire by rotation”.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors, (herein after referred to as “the Board” which term shall be deemed to include any duly authorized committee thereof, for time being exercising the powers conferred by the

NOTICE

Board by the resolution) be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit and also, to make such alterations and modifications, as may be required within the overall limits of Schedule XIII of the Companies Act, 1956.”

12. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Special Resolution.
“RESOLVED THAT pursuant to the provisions of Section 314(1B) of the Companies Act, 1956, the consent of the Company be and is hereby accorded to Mrs. Manorama Sharma, relative of a Director of the Company, for holding office or place of profit under the Company at a monthly remuneration not exceeding Rs. 50,000/- (Rupees Fifty thousand only) as set out in the Explanatory Statement annexed to this Notice seeking approval of the Members with authority to the Managing Director to sanction at his discretion the remuneration as approved by the remuneration committee, in due course, as the Managing Director may deem fit and proper.”

13. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Special Resolution.
“RESOLVED THAT pursuant to the provisions of Section 314(1B) of the Companies Act, 1956, the consent of the Company be and is hereby accorded to Mr. Sandeep Sharma, relative of a Director of the Company, for holding office or place of profit under the Company at a monthly remuneration not exceeding Rs. 50,000/- (Rupees Fifty thousand only) as set out in the Explanatory Statement annexed to this Notice seeking approval of the Members with authority to the Managing Director to sanction at his discretion the remuneration as approved by the remuneration committee, in due course, as the Managing Director may deem fit and proper.”

By order of the Board of Directors
For SUAVE HOTELS LIMITED

Sd/-
Satyanarayan Sharma
Managing Director
Mumbai, May 30, 2011

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business as set above to be transacted at the Meeting is annexed hereto and forms part of this Notice.
3. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The transfer Register and the Register of Members shall remain closed from July 18, 2011 to July 22, 2011(both days inclusive).
5. All members are requested to intimate changes, if any, in their registered address, immediately to the Registrar & Transfer Agents, Sharepro Shares (India) Private Limited or to their depository participants in case shares are held in depository form.
6. All documents referred to in the notice are open for inspection at the registered office of the companies during office hours.
7. As a measure to save the cost, copies, of the annual report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the annual report to the meeting.
8. Members desirous of obtaining any information concerning the accounts and operations of the company are requested to send their queries at least seven days before the date of the Meeting of the company so that the information required may be made available at the meeting.
9. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.

10. Pursuant to clause 49 of the Listing Agreement, the particulars of Directors seeking appointment/ reappointment at the meeting are annexed.

11. The Board of Directors request the shareholders to kindly register their email id with the Company /Registrar and Share Transfer Agent to implement the 'Go Green Initiative' started by the Ministry of Corporate Affairs and to enable us to send the communications/information's/ Annual Reports to the shareholders thus making the process much faster.

Details of Directors seeking appointment / reappointment at the ensuing Annual General Meeting of the Company (Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges):

Name of Director	Manoj Kumar Bhadupota	Anil Patodia	Ramesh Vohra	CA Ramratan Bajaj	Pramod Kumar Patodia
Date of Birth	November 03, 1977	June 19, 1969	December 27, 1941	July 21, 1954	July 17,1966
Date of appointment on the Board	March 03, 2011	March 03, 2011	March 03, 2011	March 03, 2011	March 03, 2011
Expertise in specific functional area	Tourism And Hospitality Industry	Hospitality and Service Industry	Supply and Service of Engineering Product	Finance, Taxation , Corporate Law, Accounts, Project Implementation, cost control, etc	Management ,Administration, Exports, Marketing materials and Hotel Management
Qualification	B.Com	B.Com	B.Com	C.A	B.Com
Details of shares held in the Company	NIL	5,09,500	NIL	NIL	NIL
Directorship in Public Limited Company	NIL	Three	NIL	NIL	NIL
Chairman / Member of the Committees * of other Companies on which he is director as on March 31, 2011	NIL	NIL	NIL	NIL	NIL

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

By order of the Board of Directors
For SUAVE HOTELS LIMITED

Sd/-
Satyanarayan Sharma
Managing Director
Mumbai, May 30, 2011

Explanatory Statement

(Pursuant to Section 173(2) of the Companies Act, 1956)

ITEM No. 4

The Board has decided to change the name of the Company from “Suave Hotels Limited” to “The Byke Hospitality Limited” subject to the approval of the Central Government pursuant to section 21 of the Companies Act, 1956.”The Byke” is a registered trade mark with the promoter company which the Company wishes to include in its name after the approval of the Shareholders in the ensuing Annual General Meeting. Subject to the approval of the shareholders and other necessary authorities, the name of the company be changed from Suave Hotels Limited to **The Byke Hospitality Limited** and that the name of Suave Hotels Limited, wherever it appears in memorandum, articles, documents, contracts, etc., be substituted by the new name **The Byke Hospitality Limited** in due course. The proposed name of the company i.e **The Byke Hospitality Limited** has been made available by the Registrar of Companies.

Consent of the members is being sought by a Special Resolution pursuant to the provisions of Section 21 and other applicable provisions of the Companies Act, 1956, for change of name of the company. The Special Resolution as set out at the item no 4. of the Notice, if passed will have effect of allowing the Board to take the necessary action for the same.

The Board of Directors accordingly recommends the resolution as set out in the Notice for your approval.

None of the Directors is concerned or in any way interested in the proposed resolution.

ITEM No. 5

Mr. Anil Patodia was appointed as an Additional Director of the Company on March 30, 2011 at the meeting of the Board of Directors of the Company. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Anil Patodia holds office upto the date of ensuing Annual General Meeting. The Company has received notice in writing under Section 257 of the Companies Act, 1956, along with a requisite deposit, proposing his candidature for the office of Director liable to retire by rotation.

Mr. Anil Patodia is a Commerce Graduate from the University of Rajasthan, having huge experience in the Hospitality and service industries. Mr. Patodia is an acknowledged for his analytical acumen with respect to the various avenues of investment in this industry. Under the Leadership of Mr. Patodia, the Byke – A Hotel Retreat, Matheran has created a niche for itself.

Mr. Anil Patodia is holding Directorship in following companies presently:

- 1). Hotel Relax Private Limited
- 2). Choice Realty Private Limited
- 3). Suave Hotels Limited
- 4). Manbhari Biofuels Private Limited
- 5). Upton Infrastructures Private Limited
- 6). Choice Equity Broking Private Limited
- 7). Aqua Pumps Private Limited
- 8). Vakrangee Softwares Limited

Mr. Anil Patodia holds 5,09,500 shares in the Company None of the Directors of the Company except Mr. Anil Patodia & Mr. Pramod Patodia is in any way concerned or interested in this Resolution.

The Board of Directors of your Company is of the opinion that his appointment would be beneficial to the Company and hence recommended the Resolution at item no.5

ITEM No. 6

Mr. Ramesh Vohra was appointed as an Additional Director of the Company on March 30, 2011 at the meeting of the Board of Directors of the Company. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Ramesh Vohra holds office upto the date of ensuing Annual General Meeting. The Company has received notice in writing under Section 257 of the Companies Act, 1956, along with a requisite deposit, proposing his candidature for the office of Director liable to retire by rotation.

Mr. Ramesh Vohra, is in the business of supply and service of engineering products to provide global solutions to the Oil, Gas, Exploration Marine and construction companies for more than four decades. Some of the major clients include ONGC and the Indian Railways. He is actively involved in the social activities. He is a member of Lions Club for past 12 years.

Mr. Ramesh Vohra does not hold any shares in the Company. None of the Directors of the Company except Mr. Ramesh Vohra is in any way concerned or interested in this Resolution.

The Board of Directors of your Company is of the opinion that his appointment would be beneficial to the Company and hence recommended the Resolution at item no.6

ITEM No. 7

CA Ramratan Bajaj was appointed as an Additional Director of the Company on March 30, 2011 at the meeting of the Board of Directors of the Company. As per the provisions of Section 260 of the Companies Act, 1956, CA Ramratan Bajaj holds office upto the date of ensuing Annual General Meeting. The Company has received notice in writing under Section 257 of the Companies Act, 1956, along with a requisite deposit, proposing his candidature for the office of Director liable to retire by rotation.

CA Ram Ratan Bajaj is a fellow member of the Institute of Chartered Accountants of India with over 33 years of post-qualification experience in handling finance, taxation, corporate law, accounts, project implementation, cost control and related matters. He has been associated with the Company since March 30, 2011. His expertise shall be significant in making the financials decisions of the company. He has an active involvement in social activities. He was a member of Bharat Vikas Parishad – a unique organization for socio- cultural activities having around 1300 branches. Mr. Ramratan Bajaj does not hold any shares in the Company. None of the Directors of the Company except Mr. Ramratan Bajaj is in any way concerned or interested in this Resolution.

The Board of Directors of your Company is of the opinion that his appointment would be beneficial to the Company and hence recommended the Resolution at item no.7

ITEM No. 8

Mr. Manoj Kumar Bhadupota was appointed as an Additional Director of the Company on March 30, 2011 at the meeting of the Board of Directors of the Company. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Bhadupota holds office upto the date of ensuing Annual General Meeting. The Company has received notice in writing under Section 257 of the Companies Act, 1956, along with a requisite deposit, proposing his candidature for the office of Director liable to retire by rotation.

Mr. Manoj Bhadupota, is a commerce graduate from the University of Rajasthan having enormous experience in the area of tourism and hospitality industry. He is an acknowledged expert in the management and administration of hotels in the state of Rajasthan

Mr. Bhadupota does not hold any shares in the Company. None of the Directors of the Company except Mr. Bhadupota is in any way concerned or interested in this Resolution.

The Board of Directors of your Company is of the opinion that his appointment would be beneficial to the Company and hence recommended the Resolution at item no.8

ITEM No. 9

Mr. Pramod Kumar Patodia was appointed as an Additional Director of the Company on March 30, 2011 at the meeting of the Board of Directors of the Company. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Pramod Kumar Patodia holds office upto the date of ensuing Annual General Meeting. The Company has received notice in writing under Section 257 of the Companies Act, 1956, along with a requisite deposit, proposing his candidature for the office of Director liable to retire by rotation.

Mr. Pramod Patodia's experience in Hospitality industry spans across two decades. He has over 25 years of extensive experience in the field of management, administration, exports, marketing, materials and hotel management. Mr. Patodia brings extensive hotel experience to the Suave Hotels in operations and management.

Mr. Pramod Kumar Patodia does not hold any shares in the Company. None of the Directors of the Company except Mr. Pramod Kumar Patodia and Mr. Anil Patodia are in any way concerned or interested in this Resolution.

The Board of Directors of your Company is of the opinion that his appointment would be beneficial to the Company and hence recommended the Resolution at item no.9

NOTICE

ITEM No.10

Mr. Anil Patodia devotes his whole time and attention to the business of the Company and carry on such duties as may be entrusted to him by the Board. So Mr. Anil Patodia is proposed to be appointed as a Managing Director of the Company for the period of 5(Five) years with effect from August 01,2011 The remuneration to Mr. Anil Patodia inter alia, includes the payment of salary, perquisites and benefits and is subject to the approval of the members.

1	Name of the Director	Mr. Anil Patodia
2	Age	42 Years
3	Qualification	B.Com
4	Experience	Hospitality and Service Industry
5	Number of Directorship in other Companies	Seven
6	Shareholding in the Company	509500

Major Terms of Remuneration of Mr. Anil Patodia, Managing Director

I) Terms and conditions:

1	Name of the Director	Mr. Anil Patodia, Managing Director
2	Date of Appointment	Appointment w.e.f August 01, 2011.
3	Period	5 (Five) Years
4	Remuneration	Not exceeding Rs. 12,00,000 p.a. (lump sum) with power to vary from time to time within the limits of Schedule XIII of the Companies Act.

II) In any financial year during the currency of his tenure as a Managing Director, the Company has no profits or its profits are inadequate, then notwithstanding the provisions of Schedule XIII of the Companies Act, 1956, the Company may pay such remuneration by way of salary and perquisites as may be decided by the Board of or its committee and the Central Government under Section 269 of the Companies Act, 1956 shall be taken if necessary. However if the approval of the Central Government as stated is not received, the remuneration payable to Mr. Anil Patodia shall be the maximum amount permitted as per Schedule XIII, as amends from time to time.

III.) The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or committee thereof.

IV.) The terms and conditions of the said appointment and/or may be altered and varied from time to time by the Board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule XIII the Companies Act, 1956, or any amendment hereafter in that regard.

None of the Directors of the Company, except Mr. Anil Patodia and Mr. Pramod Patodia are concerned in this resolution.

These terms & conditions of Appointment may be treated as abstracts between the Company & Mr. Anil Patodia pursuant to Section 302 of the Companies Act, 1956.

ITEM No. 11

Mr. Satyanarayan Sharma devotes his whole time and attention to the business of the Company and carry on such duties as may be entrusted to him by the Board. So Mr. Satyanarayan Sharma re-designated as a Whole-Time Director of the Company for the period of 3 (Three) years with effect from August 01, 2011. The remuneration to Mr. Satyanarayan Sharma inter alia, includes the payment of salary, perquisites and benefits and is subject to the approval of the members.

1	Name of the Director	Mr. Satyanarayan Sharma
2	Age	57 Years
3	Qualification	Electrical Engineer
4	Experience	Hospitality Industry
5	Number of Directorship in other Companies	Nil
6	Shareholding in the Company	907100

Major Terms of Remuneration of Mr. Satyanarayan Sharma, Whole-Time Director

I.) Terms and Conditions

1	Name and Designation of Director	Mr. Satyanarayan Sharma, Whole- Time Director
2	Date of Appointment	Re- appointment w.e.f. August 01, 2011.
3	Period	3 (Three) Years
4	Remuneration	Not exceeding Rs. 12,00,000 p.a. (lump sum) with power to vary from time to time within the limits of Schedule XIII of the Companies Act.

II.) In any financial year during the currency of his tenure as a Whole Time Director, the Company has no profits or its profits are inadequate, then notwithstanding the provisions of Schedule XIII of the Companies Act, 1956, the Company may pay such remuneration by way of salary and perquisites as may be decided by the Board of or its committee and the Central Government under Section 269 of the Companies Act, 1956 shall be taken if necessary. However if the approval of the Central Government as stated is not received, the remuneration payable to Mr. Satyanarayan Sharma shall be the maximum amount permitted as per Schedule XIII, as amends from time to time.

III.) The Whole-Time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or committee thereof.

IV.) The terms and conditions of the said appointment and/or may be altered and varied from time to time by the Board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule XIII the Companies Act, 1956, or any amendment hereafter in that regard.

None of the Directors of the Company, except Mr. Satyanarayan Sharma are concerned in this resolution.

These terms & conditions of Appointment may be treated as abstracts between the Company & Mr. Satyanarayan Sharma, Whole-Time Director pursuant to Section 302 of the Companies Act, 1956.

ITEM No. 12

Mrs. Manorama Sharma, has been appointed to hold office of profit as Administrator in the Company w.e.f. April 1, 2011 on a monthly remuneration of not exceeding Rs. 50,000/- only. In addition to the said remuneration, she shall be entitled to the perquisites, including accommodation / HRA & other benefits, as applicable to other employees, the value whereof shall not exceed the monthly remuneration. The Board / Selection Committee feel that his appointment shall be beneficial to the Company. Mrs. Manorama Sharma is the wife of Mr. Satyanarayan Sharma, Whole-Time Director of the Company and her appointment at a monthly remuneration of not exceeding Rs. 50,000, would require prior approval of Shareholders, in terms of Section 314(1B) of the Companies Act, 1956.

NOTICE

None of the Directors except Mr. Satyanarayan Sharma, being husband of the incumbent, is deemed to be interested in the Resolution.

ITEM No. 13

Mr. Sandeep Sharma, has been appointed to hold office of profit as Administrator in the Company w.e.f. April 1, 2011 on a monthly remuneration of not exceeding Rs. 50,000/- only. In addition to the said remuneration, he shall be entitled to the perquisites, including accommodation / HRA & other benefits, as applicable to other employees, the value whereof shall not exceed the monthly remuneration. The Board / Selection Committee feel that his appointment shall be beneficial to the Company. Mr. Sandeep Sharma is the son of Mr. Satyanarayan Sharma, Whole-Time Director of the Company and his appointment at a monthly remuneration of not exceeding Rs. 50,000, would require prior approval of Shareholders, in terms of Section 314(1B) of the Companies Act, 1956.

None of the Directors except Mr. Satyanarayan Sharma, being father of the incumbent, is deemed to be interested in the Resolution.

By order of the Board of Directors

For SUAVE HOTELS LIMITED

Sd/-

Satyanarayan Sharma

Managing Director

Mumbai , May 30,2011



SUAVE HOTELS LIMITED

Regd. Office: F/ 72, Solaris, Opp. L & T Gate No. 6, Saki Vihar Road, Andheri (E), Mumbai- 400072
TWENTY FIRST ANNUAL GENERAL MEETING ON JULY 21, 2011

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting)

Ledger folio no. _____

No. of shares held _____

DP ID*: _____

Client ID*: _____

Name(s) in full

Father's/ Husband's name

Address as regd. with Company

1. _____
2. _____

I/We hereby record my/our presence at the Twenty First Annual General Meeting of the Company being held on Thursday, July 21, 2011 at 11.00 am at Anchorage Hall, Hotel Suba International, 211, Chakala Sahar Road, Andheri (East), Mumbai -400099.

Signature of the Shareholder(s)/Proxy **

1. _____ 2. _____ 3. _____

*Applicable for the Investors holding shares in electronic form.

** Strike out whichever is not applicable.

Note: Attendance slip in original should be completed in all respects.

-----CUT HERE-----



SUAVE HOTELS LIMITED

Regd. Office: F/ 72, Solaris, Opp. L & T gate No. 6, Saki Vihar Road, Andheri (E), Mumbai- 400072
TWENTY FIRST ANNUAL GENERAL MEETING ON JULY 21, 2011

PROXY FORM

Ledger folio no. _____

No. of shares held _____

DP ID*: _____

Client ID*: _____

Name(s) in full

Father's/ Husband's name

Address as regd. with Company

1. _____
2. _____

Being a member(s) of Suave Hotels Limited hereby appoint _____ of _____ or failing him/her _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the Twenty First Annual General Meeting of the Company to be held on Thursday, July 21, 2011 at 11.00 am at Anchorage Hall, Hotel Suba International, 211, Chakala Sahar Road, Andheri (East), Mumbai -400099 and at any adjournment thereof.

Signature of the Shareholder(s)

Signature(s) of the Proxy(s)

1. _____ 2. _____ 3. _____

1. _____

2. _____

Re. 1/-
Revenue
Stamp

Date:

* Applicable for the Investors holding shares in electronic form.

Note: This Proxy Form duly completed must be deposited at the Company's Registered Office at least 48 hours before the meeting. The Proxy need not be a member of the Company.



F/72, Solaris, Opp. L&T Gate No.6, Off Saki Vihar Road, Andheri (East), Mumbai – 400 072
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Web: www.suavehotels.in