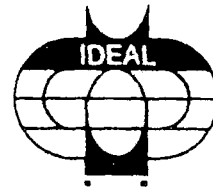
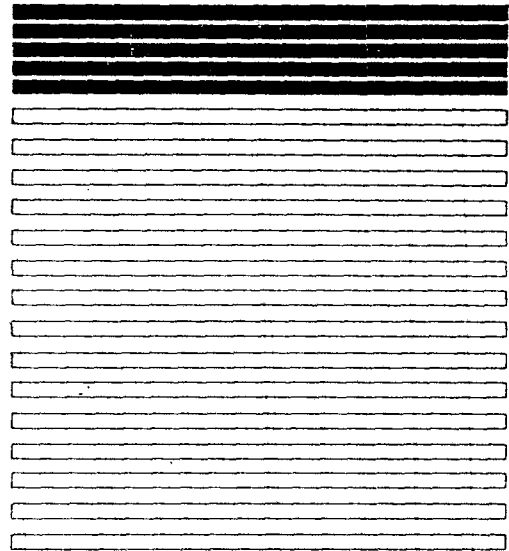


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IDEAL  
HOTELS & INDUSTRIES  
LIMITED

11th  
ANNUAL REPORT  
1996-97



# IDEAL HOTELS & INDUSTRIES LTD.

## Board of Directors

Shri L.R. Maurya  
Shri Prakash Gupta  
Shri Vinod Kumar  
Shri P.R. Mehta  
Shri S.R. Maurya  
Shri Arihant Jain  
Shri Devender Vacher

11th ANNUAL REPORT  
1996-97

## AUDITORS :

Kiran Ravi & Associates  
B-34, Sagar Apartments,  
6, Tilak Marg,  
New Delhi-110 001

## Bankers :

State Bank of India, Varanasi  
Union Bank of India, Varanasi  
Canara Bank, New Delhi

## Registered Office

B-22, Sagar Apartments,  
6, Tilak Marg,  
New Delhi-110 001

## Hotel Premises

Hotel Ideal Best Western  
Cantt., Varanasi (U.P.)

Shareholders are requested to kindly bring their copies of the Annual Report to the Meeting.  
Please note that copies of the Report will not be distributed at the Annual General Meeting.

**IDEAL HOTELS & INDUSTRIES LTD.****11th ANNUAL REPORT  
1996-97****NOTICE**

Notice is hereby given that the Eleventh Annual General Meeting of the Members of **IDEAL HOTELS & INDUSTRIES LTD.** will be held on Tuesday, the 23rd December, 1997 at 12:00 Noon at Shah Auditorium, Shree Delhi Gujarati Samaj, 2, Civil Lines, Raj Niwas Marg, Delhi-110054 to transact the following business :

**ORDINARY BUSINESS**

1. To receive consider and adopt the audited Balance Sheet as at 31.03.1997 and Profit and Loss Account for the year ended on that date and reports of the Board of Directors and Auditors thereon.
2. To appoint Auditors and to fix their remuneration.
3. To appoint director in place of Shri P.R. Mehta, who retires by rotation & being eligible, offers himself for re-appointment.
4. To appoint director in place of Sh. Arihant Jain, who retires by rotation & being eligible, offers himself for re-appointment.

By Order of the Board of Directors  
**IDEAL HOTELS & INDUSTRIES LTD.**

Place : NEW DELHI  
Date : 20.11/1997

**L.R. MAURYA**  
(Chairman)

**NOTE :-**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member.
2. Proxy Form and Attendance Slip are enclosed. Proxies, in order to be valid, must reach the Registered Office of the Company not later than forty eight hours before the commencement of the Meeting.
3. The Register of Members & Shares Transfer Books of the Company will remain closed from 16th December, 1997 to 23 December, 1997.

**DIRECTORS' REPORT**

To,

The Members,

Your Directors have pleasure in presenting their 11th Annual Report and Audited Accounts for the year ended 31st March, 1997.

**FINANCIAL RESULTS & OPERATIONS**

	1996-97 (Rs. in Lacs)	1995-96 (Rs. in Lacs)
Sales & other Income	200.49	200.75
Profit before Dep., Intt and Tax	65.69	76.02
Less: Interest	16.32	19.37
Depreciation	19.22	6.93
Profit before Tax	30.15	49.72
Less: Provision for tax	4.00	—
Profit after tax	26.15	49.72
Add: Profit b/f. from previous year	97.66	48.01
Less: Previous year Dep. w/off	13.60	—
Profit c/o to Balance Sheet	110.21	97.66

During the year under review 40 rooms remained operational. Although the hotel has generated more or less same revenue, but there is step fall in the net profit of the Company. Higher depreciation, food cost, lower misc. income are the three major elements which has resulted in lower margin to the Company.

The company could not increase its room tariff & other charges by virtue of negative overall industrial growth in the Country. Foreign tourist arrival has been dropped by 6% during last year, and even in the first half of the current financial year it has dropped by 5.5%.

However, it is expected that the demand for budget hotel will increase as the number of spending tourist has decreased significantly.

**DISCLOSURE AS PER CLAUSE 43 OF THE LISTING AGREEMENT WITH STOCK EXCHANGE**

Statement showing projections made in the Prospectus Vis-a-Vis Actual Performance for the year

**IDEAL HOTELS & INDUSTRIES LTD.****11th ANNUAL REPORT  
1996-97**

1996-97 is detailed below:

	<b>Projections (Rs. in Lacs)</b>	<b>Actuals (Rs. in Lacs)</b>
Income	534.33	200.49
Profit After Tax	175.10	26.15
Reserves & Surplus	86.20	110.22
Dividend	15%	-
Net Worth	756.20	725.75

**A W A R D**

IDEAL BEST WESTERN was nominated for " H & FS Award for 1997 by Hotel & Food Service India, Bombay. .  
Needless to say your hotel enjoy status of one of best the budget hotel of the Country today.

**EXPANSION PROGRAMME**

Due to unavoidable circumstances, there is delay in implimenting 'the expansion programme.  
However, the directors are quite hopeful that the additional 60 rooms, Swimming Pool, Banquet Hall  
will be fully functional by January/February, 1998.

**DIRECTORS**

Pursuant to Article 91 of the Articles of Association of the Company Shri. P.R. Mehta & Shri. Arihant Jain  
shall retire by rotation at the Annual General Meeting and both are eligible for re-appointment.

**PUBLIC DEPOSITS**

During the year under review, the Company has neither invited nor received any deposits from the  
Public.

**PARTICULARS OF EMPLOYEES**

The particulars of employees required under Section 217(2A) of the Companies Act, 1956 read with the  
provisions contained in the Companies (Particulars of Employees) Rules, 1975 as amended to date  
were not applicable to your Company as none of the employees was in receipt of remuneration which  
in aggregate was RS.3,00,000 or more per year nor was in receipt of remuneration for any part of the  
year of Rs. 25,000 or more per month.

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

Your Company has continued its efforts to conserve energy, which has resulted in the reduction of the  
energy cost. New technologies and hotel management techniques are being continuously absorbed  
and upgraded through **Best Western International Inc., USA** and other sources.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Detail of Foreign Exchange Earnings & Outgo are provided in the Annexure to this Report.

**AUDITORS**

The present Auditors of the Company M/s Kiran Ravi & Associates Chartered Accountants, retire at the conclusion of this Annual General Meeting and being eligible are recommended for re-appointment.

**ACKNOWLEDGMENT**

Your Directors take this opportunity to express their sincere thanks to the Company's banker, State Bank of India, Share Holders, Patrons and all those associated with the company during the year under review. Your Directors also place on record their appreciation of the services of all the employees for their sincere efforts put in by them for the smooth and successful functioning of the Company.

for and on behalf of the Board of Directors

Place : New Delhi  
Dated : 20/11/1997

L.R. MAURYA  
(MANAGING DIRECTOR)

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**AUDITORS' REPORT**

To

The Shareholders of **IDEAL HOTELS & INDUSTRIES LIMITED, NEW DELHI**

We have audited the attached Balance Sheet of IDEAL HOTELS & INDUSTRIES LIMITED, NEW DELHI as at 31st March, 1997 and the Profit & Loss Account for the year ended on that date annexed thereto and report that :

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of such books.
3. The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
4. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account read together with the schedules annexed therewith give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view :

- i. Insofar as it relates to the Balance Sheet, of the state of affairs of the company as at 31st March, 1997.

AND

- ii. Insofar as it relates to the Profit and Loss Account of the Profit of the Company for the year ended on that date.

5. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks, as we considered appropriate, we report hereunder on the matter specified in paragraphs 4 and 5 of the said order :

- i. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management. There is annual verification of fixed assets, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification.
- ii. None of the fixed assets have been revalued during the year.
- iii. The stocks of stores and operating supplies, food and beverages have been physically verified during the year by the management. In our opinion, the frequency of the verification is reasonable.
- iv. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.