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I D E A L  
HOTELS & INDUSTRIES  
L I M I T E D

12th  
ANNUAL REPORT  
1997-98

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# 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

12th ANNUAL REPORT  
1997-98

## Bankers :

State Bank of India, Varanasi

Canara Bank, New Delhi

## AUDITORS :

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

## Registered Office & Location of the Hotel

Hotel Ideal Tops  
Cantt., Varanasi (U.P.)

SEN 9/2/96

## SHARE DEPARTMENT

B-34, Sagar Apartments,  
6, Tilak Marg, New Delhi - 110001

## ADJOURNED ANNUAL GENERAL MEETING

Venue : HOTEL IDEAL TOPS  
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 &amp; INDUSTRIES LTD.

12th ANNUAL REPORT  
1997-98**NOTICE**

Notice is hereby given that the Adjourned Twelfth Annual General Meeting of the Members of **IDEAL HOTELS & INDUSTRIES LTD.** will be held on Monday, the 19th July, 1999 at 2:30 P.M. at the Registered Office of the Company at Hotel Ideal Tops, Cantt. Varanasi - 221 002 (U.P.), to transact the following business:

**ORDINARY BUSINESS**

To receive consider, and adopt the audited Balance Sheet as on 31.03.1998 and Profit and Loss Account for the year ended on that date and reports of the Board of Directors and Auditors thereon.

By Order of the Board of Directors  
**IDEAL HOTELS & INDUSTRIES LIMITED**

Place : Varanasi  
Date : 1st June, 1999

**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. Members may please note that the proxies deposited prior to original meeting may be used at the adjourned meeting for which no fresh proxies are required.
3. The finalisation of accounts for sometimes is held up for various reasons and the Directors were not in a position to present complete accounts before the members at the Annual General Meeting of the company held on 30th September, 1998 for the reasons beyond their control.

The possible way to deal with such a situation is to issue "Notice" of ordinary business including the consideration of the accounts, balance-sheet and the reports of the Board of Directors and the Auditors thereon in the usual manner and if the accounts are not ready, to adjourn the meeting for transacting the business of consideration of the accounts etc. and carry on the rest of the items of business for which the notice of the Annual General Meeting was given. It may be noted that the consideration of accounts etc. can only be transacted either at the Annual General Meeting of the company or at any adjournment thereof, as an adjourned meeting is considered as a continuation of the original meeting and only such business as is left incomplete at the original meeting can be dealt with for which notice was properly given as required by section 172 and 173 of the Companies Act, 1956. Hence the complete Annual Accounts for the year ending on 31st March, 1998 are sent to you for consideration and adoption at the adjourned Annual General Meeting above referred.

IDEAL HOTELS &amp; INDUSTRIES LTD.

12th ANNUAL REPORT  
1997-98**DIRECTORS' REPORT**

To,

The Members,

Your Directors have pleasure in presenting their 12th Annual Report and Audited Accounts for the year ended 31st March, 1998.

	1997-98 (Rs. in Lacs)	1996-97 (Rs. in Lacs)
<b>INCOME</b>		
Rooms, Restaurants, Banquet and Other services	169.52	189.46
Others	9.84	11.03
	<b>179.36</b>	<b>200.49</b>
Profit before Depreciation, Interest & Provision	36.90	65.70
Less : Interest	12.69	16.32
Depreciation	17.48	19.23
Profit before Tax	6.73	30.15
Less : Provision for Tax	.75	4.00
Short Provision for Tax in earlier years	2.38	—
Previous year dep.w/off	—	13.59
Profit after Tax	3.60	12.56
Add : Profits brought down from previous year	110.22	97.66
Profits Carried to Balance Sheet	<b>113.82</b>	<b>110.22</b>

The bottom line of the company was adversely impacted due to the unfavourable demand and supply situation that prevailed during most part of the year.

**OPERATIONS**

During the year under review, which is the third of operations of your Hotel, the Company has registered a total income of Rs. 169.52 Lakhs and achieved a net profit of Rs. 3.60 Lakhs as against Rs. 189.46 Lakhs & Rs. 12.56 Lakhs respectively in the previous year. Needless to say, the year under review witnessed a slowdown in the tourism sector and the hotel industry in particular. Hotel occupancies both in metro cities and even on tourism locations as a consequence were adversely effected. However, the Government's continued focus on economic reforms as well as tourism should provide your Company with an opportunity to grow in the coming years.

With the continued liberalised policies of the Government of India has been a steady growth in business during the year under review and your Company has enjoyed its due share of the increased business resulting in higher room sales, despite the severe competition in Varanasi.

#### 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 1997-98 is detailed below:

	Projections (Rs. in Lacs)	Actuals (Rs. in Lacs)
Income	617.09	179.36
Profit After Tax	208.12	3.60
Reserves & Surplus	160.32	113.82
Dividend	134.00	-
Net Worth	830.32	729.44

The company could not achieved the projected profitability as the expansion programme of the company got delayed due to various reasons, beyond the control of the directors.

#### DIRECTORS

Pursuant to Article 91 of the Articles of Association of the Company Shri. Devendra Vacher & Shri. Vinod Kumar retired by rotation at the Annual General Meeting held on 30th September 1998, and were re-appointed.

#### 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 continues to focus on energy conservation given the rising cost of electricity and fuel. Several activities have been undertaken during the year which have resulted in substantial energy saving. These include extensive use of CFL lamps in back of the house areas and selective front of the house areas.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

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

IDEAL HOTELS &amp; INDUSTRIES LTD.

12th ANNUAL REPORT  
1997-98**AUDITORS**

The present Auditors of the Company M/s Kiran Ravi & Associates Chartered Accountants, retired at the Annual General Meeting held on 30th September, 1998 and were also re-appointed.

**ACKNOWLEDGEMENT**

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 : Varanasi  
Dated : 01/06/1999

**(L.R. MAURYA)**  
MANAGING DIRECTOR



**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, 1998 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 furnished 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, 1998.
  - 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.