

# **RELIABLE VENTURES INDIA LIMITED**

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**14th Annual Report  
2006-2007**

ANNUAL REPORT 2006-2007

**RELIABLE VENTURES INDIA LIMITED**

**Regd. Office :**

"Reliable House"

A-6, Koh-e-fiza, Indore Road,  
Bhopal-462001 (M.P.)

**BOARD OF DIRECTORS :**

Mr. Sikandar Hafiz Khan	:	Chairman & Mg. Director
Mr. Mohd Hafiz Khan	:	Director
Mr. S. Shankar Narayanan	:	Director
Mr. Kaleem Ullah Khan	:	Director
Mr. Debais Chaudhury	:	Director
Mr. Chandan Mitra	:	Director
Mr. Parkash Singh	:	Director
Mr. Rajendra Goyal	:	Director

**COMPANY SECRETARY**

Mr. S. S. Raghuwasni

**BANKERS:**

Dena Bank, Hamidia Road Branch, Bhopal, MP  
Bank of Baroda, Habibgani Branch, Bhopal, MP  
HDFC Bank Ltd., Arera Colony, Bhopal, MP

**AUDITORS:**

M/s. MAK & Associates  
Chartered Accountants, Indore, MP

**RELIABLE VENTURES INDIA LIMITED**

(Formerly known as LAKELAND HOTELS LIMITED)

**RELIABLE VENTURES INDIA LIMITED**

Regd. Office: "Reliable House", A-6, Koh-e-fiza, Indore Road, Bhopal- 462 001 (M.P.)

**NOTICE TO SHAREHOLDERS**

**NOTICE** is hereby given that the FOURTEENTH ANNUAL GENERAL MEETING of the members of the Reliable Ventures India Limited will be held on Friday, the 28<sup>th</sup> day of Sept., 2007 at 4.00 PM at the Noor-Us-Sabah Palace, VIP Road, Koh-e-fiza, Bhopal 462001, Madhya Pradesh, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2007, Profit & Loss Account for 12 months period ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Mr. S. Shankar Narayanan, who retires by rotation and, being eligible, offers himself for re-appointment as such.
3. To appoint MAK & Associates, the retiring Auditors as Auditors of the Company to hold office as such from the conclusion of this meeting till the conclusion of the next Annual General Meeting and fix their remunerations.

**SPECIAL BUSINESS:**

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

**RESOLVED THAT** consent of the Members be and is hereby given to the Board of Directors of the Company to go for de-listing of its equity shares from the Regional Stock Exchange i.e. M.P. Stock Exchange, Indore and Delhi Stock Exchange Association Limited subject to compliance of the SECURITIES EXCHANGE BOARD OF INDIA (DELISTING OF SECURITIES) GUIDELINES 2003, as amended from time to time, subject to such other laws, provisions and regulations governing such desisting, if any, and subject to such approval, permissions, sanctions and consents, if any, required, from any Govt. and or regulatory authority (ies) and that for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, and things it may in its sole discretion deem necessary and desirable, settle all questions, difficulties or doubts that may arise in regard to the said de-listing and, file all forms, furnish documents, make applications with the concerned and take all steps and measures which are incidental, consequential, relevant or ancillary in connection thereof".

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

**"RESOLVED THAT** pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Chandan Mitra, who was appointed as an Additional Director of the Company and who under Section 260 of the Companies Act, holds office only up to the date this Annual General Meeting and, being eligible, offers himself for appointment and in respect of whom the company has received notice in writing from one of the members of the company pursuant to Section 257 of the Companies Act along with requisite amount signifying his/her intention to propose the candidature of Mr. Chandan Mitra for the office of Director, be and is hereby appointed as a Director of the Company, 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** pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, **Mr. Parkash Singh**, who was appointed as an Additional Director of the Company and who under Section 260 of the Companies Act, holds office only up to the date this Annual General Meeting and, being eligible, offers himself for appointment and in respect of whom the company has received notice in writing from one of the members of the company pursuant to Section 257 of the Companies Act

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along with requisite amount signifying his/her intention to propose the candidature of Mr. Parkash Singh for the office of Director, be and is hereby appointed as a Director of the Company, 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** pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Debasis Chaudhuri, who was appointed as an Additional Director of the Company and who under Section 260 of the Companies Act, holds office only up to the date this Annual General Meeting and, being eligible, offers himself for appointment and in respect of whom the company has received notice in writing from one of the members of the company pursuant to Section 257 of the Companies Act along with requisite amount signifying his/her intention to propose the candidature of Mr Debasis Chaudhuri for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

**By Orders of the Board**

**(S. Shankar Narayanan)**

Director

Place : Bhopal

Date : 25.08.2007

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY AND THAT IN ORDER TO BE VALID, THE INSTRUMENT OF PROXIES DULY COMPLETED IN ALL RESPECTS MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE MEETING.
2. Explanatory Statement required under Section 173(2) is annexed hereto and forms part of this notice.
3. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting is given in the Annexure to the notice.
4. The Register of members and transfer books of the Company shall remain closed w.e.f. 26<sup>th</sup> Sept. 2007 to 28<sup>th</sup> Sept. 2007, both the days inclusive for the purpose of the Meeting.
5. M/s. Sharex Dynamic (India) Pvt. Limited having its registered office at 17/B, Dena Bank Building, Horniman Circle, 2<sup>nd</sup> Floor, Fort, Mumbai 400 001 continue to act as Registrar and Share transfer agents of the Company. The said company at its unit NO.1 located at Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (E), and Mumbai-400072 under takes the share registry job.
6. The Company has established connectivity with both the depositories namely NSDL and CDSL, Mumbai and the ISIN allotted to the security of the Company is **INE419H01019**. Shareholders are requested to open Demat account with the depositories of their choice and surrender the physical certificates of the security for dematerialization.
7. Members / duly appointed proxies should bring the enclosed attendance slip, duly filled in, for attending the meeting
8. The members are requested to: (a) quote their Folio Number(s) in all correspondence with the Company and (b) notify the Company about changes in their postal addresses, if any.

**RELIABLE VENTURES INDIA LIMITED**

(Formerly known as LAKELAND HOTELS LIMITED)

**EXPLANATORY STATEMENT**

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

The following Explanatory Statement sets out all the material facts relating to the special business proposed to be transacted under Item NO. 4 to 7 of the accompanying notice.

**Item NO. 4**

Consequent to the rapid changes in the capital market and with the availability of nationwide trading facility coupled with wide and extensive networking of centers, inter-alia, on Bombay Stock Exchange (BSE), investors have access to online dealing in the Company's securities across the country and almost entire volume of trading is carried out through the BSE only. Accordingly, there is almost no trading at all on other stock exchanges where, inter-alia, the equity shares of the company are listed namely MP Stock Exchange and Delhi and therefore there is no justification of payment of listing fee to these stock exchanges. The Company believes that no particular benefit is available to the shareholders of the company in continuing the listing of its equity shares on the Madhya Pradesh and Delhi Stock Exchanges. Moreover, these two stock exchanges do not provide any value added services to the company or to its shareholders. Your Directors therefore feel that it would be in interest of the Company to go for voluntary de-listing of its security from these two stock exchanges.

The proposed voluntary de-listing of the Equity shares of the Company from the Madhya Pradesh (regional) and Delhi Stock Exchange will, apart from the saving resulting from consequential non-payment of annual listing fee, also reduce a lot of administrative work. Besides, the de-listing would not adversely affect any investors including the shareholders located in the regions where MPSE and DSE are situated.

The equity shares of the company shall, however, will continue to remain listed on the Bombay Stock Exchanges.

Accordingly, approval of the members is sought by special resolution contained in the accompanying notice dated.

None of the Directors – except the proposed appointees, are in any way interested in the Resolution.

**Item No. 5 to 7**

The Board of Directors of Company appointed Mr. Debasis Chaudhuri, Mr. Chandan Mitra, and Mr. Parkash Singh as additional directors During Sept-Oct, 2006. The particulars of these directors are given in the Annexure the notice.

Pursuant to Section 260 of the Companies Act, 1956 read with Article 80 of the Articles of Association of the Company all three gentlemen hold office as additional Directors only up to the date of the forthcoming Annual General Meeting.

The Company has received notices pursuant to Section 257 of the Companies Act, 1956 from three of the members signifying their respective intention to propose in the ensuing Annual General Meeting the candidature of Mr. **Chandan Mitra**, Mr. **Parkash Singh** and Mr. **Debasis Chaudhuri** as Directors of the Company liable to retire by rotation.

Non of the Directors – except the proposed appointees, are in any way interested in the Resolutions contained under Item NO. 5 to 7 of the accompanying notice.

Notices received under Section 257 of the Companies Act, 1956, are available for inspection by the members at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting.

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**Annexure to Item NO. 5 to 7 of the NOTICE**

The Details of Directors seeking appointment and/or re-appointment at the forthcoming Annual General Meeting of the Company (Pursuant to Clause 49 of the Listing Agreement)

<b>Name of Director</b>	Mr. Chandan Mitra	Mr. Parkash Singh	Mr. Debasis Chaudhuri	Mr. S. Shankar
<b>Date of birth</b>	12/12/1954	03/02/1946	16/04/1941	05/05/1952
<b>Nationality</b>	Indian	Indian	Indian	Indian
<b>Date of Appointment</b>	31/10/2006	31/10/2006	30/09/2006	10/08/1996
<b>Qualifications</b>	BA (Hon) Economics MA(History)from DU D.Phil in Modern History from Oxford University, UK	M.Com CAIIB	Intrr-Science Master in Printing from Germany	B.Sc & CAIIB
<b>Expertise in functional area</b>	Very Sr. Journalist & Media Person Expert in Mgt. & Journalism Member of Parliament	Banking & Mgt. retired as CMD of United Bank of India with 40 years eperience	Excprience in Management of Projects	Ex-Banker from Bank of India & Middle East, UAE Expert in Financial Mgt., Banking Proj.Financing, Indl. Relations.
<b>Nos. of shares held in the company</b>	Nil	Nil	Nil	2000 equity shres of Rs. 10/- each
<b>List of Directorships in other Indian public Companies</b>	CMYK Printech Ltd.	Not applicable.	Not applicable	Reliable Industrial Ventures Limited Reliable Smartcity Ltd.
<b>Positon held in other companies in which he is Direcor as on 31.03.2007</b>	Charman -cum-Mg. Director of CMYK Printech Ltd Publisher of Pioneer	Not applicable	Not aplicable	Not applicable

**RELIABLE VENTURES INDIA LIMITED**

(Formerly known as LAKELAND HOTELS LIMITED)

**REPORT OF THE DIRECTORS & MANAGEMENT DISCUSSIONS AND ANALYSIS****For the financial year ended 31<sup>st</sup> March, 2007**

Your directors have pleasure in presenting to you their Thirteenth annual report together with the audited statement of accounts of the company for the 12 months period ended 31st March 2007.

**FINANCIAL PERFORMANCE:**

During the 12 months period under report ended 31<sup>st</sup> March, 2007, your company earned an all-inclusive revenue of Rs.821.27 lacs against Rs. 693.38 lacs earned in the corresponding period during the preceding financial year recording a growth of about Rs. 127.89 lacs in term of value and 18.44% in term of per cent age over corresponding period in the preceding year culminating into after tax profit of Rs.104.79 lacs against a loss of Rs. 17.94 lacs during the preceding financial year. The surge in profit over the previous year is due to the fact that a provision towards expenditure of worth Rs. 113.10 lacs has been written back. The financial performance of the Company is summarized below:

<b>PROFIT &amp; LOSS ACCOUNT</b>		
<b>Operating years &gt;</b>	<b>2006-07</b>	<b>2005-06</b>
Net sales	818.48	688.98
Other income	2.79	4.40
<b>Total income</b>	<b>821.27</b>	<b>693.38</b>
Profit before Intt and tax	113.89	96.78
Interest payment (net)	68.75	80.55
<b>Profit before extra-ordinary items</b>	<b>45.14</b>	<b>16.23</b>
Extra-ordinary items( Written back prov + prior period adj.)	113.89	-1.90
<b>Profit after extro-ordinary item but before tax</b>	<b>159.03</b>	<b>14.33</b>
Provision for taxes	54.24	32.27
<b>Net profit</b>	<b>104.79</b>	<b>-17.94</b>
<b>Total No. of equity shares of Rs. 10/- each</b>	<b>10043900</b>	<b>10043900</b>
<b>Basic earning per shares of Rs. 10/- each</b>	<b>1.04</b>	<b>(0.18)</b>
<b>BALANCE SHEET</b>		
<b>Operating years &gt;</b>	<b>2006-07</b>	<b>2005-06</b>
Net fixed assets	2129.37	2083.92
Net current assets	187.70	-3.68
Misc. exps	7.78	11.83
deferred assets	95.06	144.75
<b>Capital employed</b>	<b>2419.91</b>	<b>2236.82</b>
<b>Represented by</b>		
Equity capital	1029.05	1029.05
Accu. Losses	-255.54	-360.33
<b>Net worth</b>	<b>773.51</b>	<b>668.72</b>
Loan fund	1218.40	1568.10
Share Appllication money	428.00	0.00
<b>Capital employed</b>	<b>2419.91</b>	<b>2236.82</b>



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**CHANGE IN THE NAME OF THE COMPANY:**

During the period under report the name of the Company has been changed from Lakeland Hotels Limited to "Reliable Ventures India Limited" w.e.f. 2<sup>nd</sup> day of February 2007.

**SHARE CAPITAL:**

During the period under report, the authorized share capital of the company has been increased from Rs. 1200.00 lacs to Rs.2500.00 lacs divided into 250,00,000 Equity shares of Rs. 10/- each. The issued and subscribed capital remained at its level of previous year at Rs. 1101.29 lacs divided into 110,12,900 equity shares of Rs. 10/- each.

The paid up equity share capital of the Company as on 31<sup>st</sup> March,, 2007, is Rs. 1004.39 lacs divided into 10043900 fully paid up equity shares of Rs. 10/- each. The categories of the holdings and its distribution of as at 31<sup>st</sup> March, 2007 has been as under:

**Category of Shareholdings as at 31<sup>st</sup> March 2007**

Category of holders	Nos. held.	Per cent age of total
Promoters, friends, relatives & persons in concert.	4435300	44.16
Non-resident Indians	1007800	10.03
Indian general public	4600800	45.81
<b>Total</b>	<b>10043900</b>	<b>100.00</b>

**Distribution of Shareholdings as at 31<sup>st</sup> March 2007**

No. Of Shares held	NO of Shareholders	% Of share Holders	Total Shares held	% of share Holdings
1-100	108	5.67	10800	0.11
101-200	77	4.04	15336	0.15
201-500	1011	53.10	499064	4.97
501-1000	315	16.54	294700	2.93
1001-5000	282	14.81	894100	8.90
5001-10000	34	1.79	282292	2.81
10001-100000	63	3.31	2248713	22.39
100001 & above	14	0.74	5798895	57.74
<b>Total</b>	<b>1904</b>	<b>100.00</b>	<b>10043900</b>	<b>100.00</b>

**ISSUE OF CONVERTIBLE WARRANTS AND RISSUE OF FORFEITED SHARES:**

During the period under report, the Company in its Extra-Ordinary General Meeting held on 25<sup>th</sup> day of January, 2007, approved, inter-alia, the proposals of reissue of 969000 forfeited shares and issue of 60.00 lacs convertible warrants on preferential allotment basis at a price of Rs. 81.50 per share/ warrant, The Company approached the concerned stock exchanges for grant of in principle approval for listing of shares/ warrants likely to be emanated consequential to proposed preferential allotments. However, Looking to the substantial delay on the part of exchanges in according requisite approval and consequential probability of reluctance on the part of the proposed allottees of warrants, the company decided to shelve the proposal of issuance of warrants for sometime and in pursuance of this decisions, your company has withdrawn its proposal for issue of warrants and proposal of reissue of forfeited shares too is being withdrawn.



**RELIABLE VENTURES INDIA LIMITED**

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**AWARD OF MANAGEMENT CONTRACT TO WELCOMEHERETTAGE.**

To avail of the expertise of WelcomeHeritage chain of Hotels, during the period under report your company has awarded operation and Management contract to the WelcomeHeritage on payment of Commission @ one percent of the turnover. The arrangement has become functional w.e.f. 1<sup>st</sup> day of October 2006. The contract caused a sudden surge in the market price of the shares of the company.

**CAPITAL EXPENDITURE:**

Up to the close of the financial year under report, your company incurred a capital expenditure of Rs\_2579.43 lacs, including work in progress worth Rs. 5.26 lacs against Rs. 2456.10 lacs in proceeding year, representing a capital expenditure of Rs, 123.24 lacs during the period under report.

**PROJECT IMPLEMENTATION STATUS:**

As the members are aware, out of the 70 rooms' facility planned by the company, till the close of preceding financial year it had completed and opened for commercial use only 47 rooms. Your directors are pleased to report that tailored to the available business potential, your company has added further 10 rooms to the room inventory and making efforts on war footing to ensure that further 9 rooms are added to the salable room inventory by the end of the current financial year increasing room inventory to 66 rooms.

**MANAGEMENT DISCUSSIONS AND ANALYSIS****Company Approach to the Business:**

The company's objective is to become a market leader in the region by the end of fiscal year 2008-09. Further, the Company's Vision is to emerge as a leading Hotel providing high class quality service & true value for money to its costumers. We have envisaged achieving our objective & to remain focused on our vision by aggressively promoting the property as a top hospitality brand of Central India. The Company has already entered into a MOU with ITC WelcomHeritage, a leader in hospitality, internationally whereby in addition to the existing Franchise Agreement, ITC WelcomHeritage shall also extend operational & management support services to the company. With this, comes the standard ITC Hotel operating policies and procedures that are being strictly adhered to. Now the company would be in a position to further upgrade its product, services & follow the best practices in existence among the leading ITC Hotels.

The Hospitality Industry has been experiencing a constant boom & this year it is imperative that Bhopal too will experience a substantial growth. Apart from the normal industry growth of 10 %, we anticipate an average growth in excess of 20 % every year. The tourism experts have forecasted that by 2010, there would be 760 million domestic tourists & 11 million inbound tourists in India. Thus on this very encouraging & promising note, we plan to expand our operations & continue to upgrade our property.

**Quality Management:**

Deliverance of Quality Services along with gradual upgrade and additions in the property so as to achieve excellence will be the mantra that the company will follow. The company is totally committed to provide & maintain quality at all levels. Systems & checks are already in place to ensure that right from planning stage to procurement stage to production stage to service stage to accounting stage, quality is maintained at all levels. Standard operating procedures ( SOP's ) are being worked out at all operational levels for implementation & for strict adherence which would be constantly reviewed to adapt to the changing service trends of hotel industry. The company has ensured activation of most of the modules in the Property Management System ( IDS ) already installed so that all departments & sub - departments of the hotel are interfaced. A guest comment tracking system has been devised & operated to take regular feed back on product & services from the guests to ensure total quality management.

**Internal Control Systems:**

All necessary controls, financial checks and otherwise, due as per statutory requirements as also towards making the company a highly profitable venture are in place. Internal controls as regards operations so that the expenditure

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is in line with industry norms and regular internal audits of our finances are undertaken and their report submitted to Audit Committee. Proper accounting procedures are being strictly adhered to. Total transparency in all transactions is maintained and all statutory licensing and dues to State and Central Governments have been updated & are made on time. Reduction in costs will be a major focus area for next FY which will further aid in increasing profit margins and end up in a healthy Operating Ratio.

### Opportunities

Again this year, economic projections look very good for the country due to the prevailing stable Political situation. The stock markets are quite buoyant, a proof enough that the investors are showing high degree of trust and contributing to the economic boom. Hospitality, as an industry is not left out. We are of strong opinion that given the current GDP growth scenario of almost 9 – 10 %, the Corporate and the Conference segments will grow at a very rapid pace. Influx into the city by means of Flights and Trains will increase as also the connectivity to other parts of the country which as of now is an ignored area. Citing this early, the company has already made plans to add a completely new wing with a proposal of 60 brand new rooms to its current inventory. However, it might take 2 to 3 years for its completion & we plan to execute the same so that by the time IT / BPO sector enters Bhopal ( proposed IT Park Project in near vicinity of our Hotel ), we are ready to cater to a totally new business profile clientele.

### Threats

With the number of flights increasing from a particular destination in to city in morning hours and out of the city the same evening, there will also be a threat perception that corporate night halts at Bhopal would drastically reduce. This would directly affect our room sales and due to a drop in occupancy there could be a drop in Food and Beverage Revenue. Real Estate Developers have started to show interest in Bhopal. With the influx of companies like DLF, Ansals, Omaxe and the likes into the city, land and raw material prices have rapidly shot up. This has resulted in spiraling of project costs. Current market players in Hospitality Industry in the city also have comprehended the boom in the market and thus have either made additions to their current setup or have made provisions to do the same in the current financial year. This again could make a dent in our market share. With the advent of new players in the market, the competition is growing tougher by the day. Hiring and retaining of skilled and experienced manpower is becoming a challenge in the market today which will only multiply in the coming years. Corporate houses these days are focusing on reducing travel and boarding / lodging expenses thereby adversely affecting the hotel's revenue. Some corporate have gone step further and bought / hired / running guesthouses for their traveling executives & their offices in the city generally have a conference room attached to take care of routine and other weekly / monthly conferencing.

### Risks and Concerns:

The company is hopeful that the current buoyancy in the market will continue for a few years more and we foresee no potential risk to Hospitality Industry as of now. There is definitely a concern about the State Government not doing enough on infrastructure development so as to ease inflow of tourists and corporate. Slow up gradation of Bhopal Railway Station and complications in availability of land for up gradation of Airport and its Air Strip is an area of concern.

### Other Disclosures:

The company is proud to have maintained the Heritage nature of the Hotel to its optimum level. We still are & shall always remain the Best Address in Bhopal. Schedule up gradation & continuous maintenance of service standards shall be our motto. Major focus shall be on training of staff, to upgrade their skills so that they are able to deliver quality service & maintain high standards. Understanding our commitment to society, we have initiated a mini Green Revolution in the area. A green committee has been constituted among hotel staff to plan, implement & execute all possible eco friendly initiatives like tree plantation, garbage management system ( segregation, processing & disposal ), usage of recycle paper products, initiate heavy reduction in use of plastic & energy conservation, etc. Job opportunities are being created for physically challenged local citizens.