



**17TH
ANNUAL REPORT
2009-2010**

RELIABLE VENTURES INDIA LIMITED

RELIABLE VENTURES INDIA LIMITED

Regd. Office:

"Reliable House"
A-6, Koh-e-fiza, Indore Road
Bhopal - 462001 (MP)

BOARD OF DIRECTORS:

Mr. Sikandar Hafiz Khan	: Chairman & Mg. Director
Mr. Mohd. Hafiz Khan	: Director
Mr. S. Shankar Narayanan	: Director
Mr. Chandan Mitra	: Director
Mr. Parkash Singh	: Director
Mr. Arun Anand Swarup Bhatnagar	: Director
Mr. Rajendra Malpani	: Addl Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. S. S. Raghuwanshi

BANKERS:

Vysya Bank Ltd., Malviya Nagar, Bhopal
Bank of Baroda, Habibganj Branch, Bhopal
HDFC Bank Ltd., Arera Colony, Bhopal.

AUDITORS:

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

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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 SEVENTEENTH ANNUAL GENERAL MEETING of the members of the Reliable Ventures India Limited will be held on Thursday, the 30th day September, 2010 at 4.30 PM at the Registered Office of the company at "Reliable House" A-6, Koh-e-fiza, Indore Road, 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 31st March 2010, 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 a Director in place of Mr. Mohd Hafiz Khan who retires by rotation and, being eligible, offers himself for re-appointment as such.

3. To appoint a Director in place of Mr. S. Shankar Narayanan, who retires by rotation and, being eligible, offers himself for re-appointment as such.
4. 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.

By Orders of the Board

Sd/-

Place: Bhopal

Date: 20th Aug., 2010

(SIKANDAR HAFIZ KHAN)
Chairman & Mg. Director

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. 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.
3. The Register of members and transfer books of the Company shall remain closed w.e.f. 28th Sept .2010 to 30th Sept., 2010 both the days inclusive for the purpose of the Annual General Meeting.
4. M/s. Sharex Dynamic (India) Pvt. Limited having its

registered office at 17/B, Dena Bank Building, Horniman Circle, 2nd 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 undertakes the share registry job.

5. 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 who have not yet opened Demat account so far are requested to open the account with the depositories of their choice and surrender the physical certificates of the security for dematerialization.
6. Members / duly appointed proxies should bring the enclosed attendance slip, duly filled in, for attending the meeting
7. The members are requested to: (a) quote their Folio Number(s)/ Client ID nos in all correspondence with the Company and (b) notify the Company about changes in their postal addresses, if any.

ANNEXURE TO THE NOTICE OF 17TH ANNUAL GENERAL MEETING.

Name of the Director	Mr. S. Shankar Narayanan	Mr. Mohd Hafiz Khan
Date of Birth	05/05/1952	26/11/1954
Nationality	Indian	Indian
Date of initial Appointment	10/08/1996	01/10/1993
Date of last re-appointment	26/09/2008	26/09/2008
Qualifications	B .Sc & CAIIB	Graduate in Dairy Farming
Expertise in Functional Area	Ex-banker from Bank of India & Middle East, UAE. Expert in Financial Management, Banking, Project Financing and Industrial Relations	A Successful entrepreneur in the area of dairy farming, merchandising and agency business with over a decades experience of establishing, managing, controlling the business in the aforesaid segments.
No of shares held in the Company	2000 Equity shares of Rs. 10/- (ten) each	200 Equity shares of Rs. 10-(ten) each
List of Directorships in other Indian Public companies	Reliable Smartcity Ltd.	Not applicable
Position held in other companies in which he is Director as on 31/3/2010	Not applicable	Not applicable

REPORT OF THE DIRECTORS & MANAGEMENT DISCUSSIONS AND ANALYSIS
For The Financial Year Ended 31st March, 2010

Your directors have pleasure in presenting to you their Seventeenth Annual Report together with the audited statement of accounts of the company for the 12 months period ended 31st March 2010

FINANCIAL PERFORMANCE:

During the 12 months period under report ended 31st March, 2010, your company earned an all-inclusive revenue of Rs. 1156.80 lacs against Rs. 1114.00 lacs earned in the corresponding period during the preceding financial year reporting a very meagre growth of Rs. 42.80 lacs being 3.85 per cent over the corresponding period in the preceding year. During the period under report, the profit before extraordinary items rose marginally to Rs. 244.09 lacs from Rs. 241.53 lacs during the preceding financial year. The financial performance of the Company is summarized below:

	Amt in Rs. lacs	
PROFIT & LOSS ACCOUNT		
Operating years >	2009-10	2008-09
Net sales	1136.78	1079.21
Other income	20.02	34.79
Total income	1156.80	1114.00.
Profit before Interest and tax	244.27	245.41
Interest payment (net)	0.18	3.88
Profit before extra-ordinary items	244.09	241.53
Extra-ordinary items (Written back prov + prior period adj.)	1.51	3.74
Profit after extra-ordinary item but before tax	245.60	245.27
Provision for taxes::		
Current tax	(41.48)	(27.22)
FB tax	0.00	(1.27)
Deferred tax liability/ assets	(74.02)	10.92
MAT credit entitlement	41.48	0.00
Net profit	171.58	227.69
Total No. of equity shares of Rs.10/- each	110.129	110.129
Basic earning per shares of Rs. 10/- each	1.56	2.07

BALANCE SHEET

Operating years >	2009-10	2008-09
Net fixed assets	2204.92	2135.19
Net current assets	369.17	292.29
Misc. expenses	0.00	0.00
Capital employed	2574.09	2427.48
Represented by		
Equity capital	1101.29	1101.29
Reserve & Surplus	385.48	213.89
deferred tax	34.03	0
Net worth	1520.80	1315.18
Loan fund	953.29	615.8
Share Application money	100.00	496.5
Capital employed	2574.09	2427.48

The growth rate reported by the company during the year under report is very meagre as compared to the previous year and seems to suggest that the recession has almost stalled the growth of the company in term of its financial performance requiring the company to explore and deploy marketing strategy that commensurate with the economic scenario to register better growth in the ensuing financial year.

SHARE CAPITAL:

During the period under report, the authorized share capital of the company remained at its previous year level of Rs.2500.00 lacs divided into 250,00,000 Equity shares of Rs. 10/- each. The issued, subscribed and paid-up share capital of the Company too remained at its level of previous year at Rs. 1101.29 lacs divided into 110,12,900 equity shares of Rs. 10/- each. The category-mix of the shareholdings and its distributions as at 31st March, 2010. have been as under:

Category of Shareholdings as at 31st March 2010

Category of holders	Nos. held.	Per cent age of total
Promoters, friends, relatives & persons in concert.	5149100	46.755
Non-resident Indians	1004800	9.124
Indian general public	4859000	44.121
Total	11012900	100.00

Distribution of Shareholdings as at 31st March 2010

No. Of Shares held	NO of Shareholders	% Of share Holders	Total Shares held	% of share Holdings
1-100	206	10.71	14381	0.13
101-200	112	5.82	21292	.19
201-500	958	49.79	465827	4.23
501-1000	313	16.27	287107	2.61
1001-5000	225	11.69	625965	5.68
5001-10000	31	1.61	246814	2.24
10001-100000	61	3.17	2409497	21.88
100001 & above	18	0.94	6942017	63.04
Total	1924	100.00	11012900	100.00

CAPITAL EXPENDITURE:

Up to the close of the financial year under report, your company incurred a capital expenditure of Rs 2917.29 lacs, including work-in-progress worth Rs. 82.00 lacs against Rs. 2715.69 lacs in proceeding year, representing a capital expenditure of Rs, 201.60 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 57 rooms. A very thin growth in term of financial performance of the company inhibited the proposed addition of 13 more rooms to the room inventory of the company and despite a capital expenditure exceeding Rs. 2.00 crores, the said addition of room remained in progress only with the hope that the said addition would materialize and put to commercial use by the end of the current financial year.

"MANAGEMENT DISCUSSIONS AND ANALYSIS"

Company Approach to the Business

The company has achieved its objective to be a market leader in the region by the end of fiscal year 2009-2010 & envisages sustaining its position as a market leader by setting bench marks during 2010-11. Further, the Company's Vision is to emerge as a high end Hotel, creating a Health Based Environment, which is complimented with a First class International Quality SPA- "Royal Hamam" , which shall cater to the High end Foreign and Indian Clients. Spa "Royal Hamam" means world-class health, beauty and indulgence against a backdrop of natural décor, local touches and Indian subtlety. Across 10,000 sq.ft. of Royal wellness facilities, it offers the best of eastern and western therapies by national holistic therapists in 5 treatments rooms including 1VIP Suite.

The company has already extended its MOU with ITC WelcomHeritage operating around 62 Hotels across India. WelcomHeritage brings along the expertise in terms of Marketing, branding and promoting the Hotel along with Standard ITC procedures which are strictly adhered to. The company is also planning opening a 24 Hrs Coffee shop to cater to the Young Generation crowd and hence increasing the foot fall. Also, proposed is the Bakery Shops across the town, along with an outlet in Reliable Fresh, an upcoming Super Mart of the Group.

Quality Management

In continuance to deliverance of Quality Services, constant up gradations and increasing the room inventory and Fully Operational SPA will be the strategy that the company will follow. The company is totally committed to provide & maintain quality at all levels. Systems and 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 followed at all operational levels for implementation & for strict adherence which would be constantly reviewed to adapt to the changing service trends of hotel industry. In view of continuous increase in Threat Perception the Hotel has installed CCTV cameras at all vital areas of the hotel.

Performance Review

The company has registered a modest growth of 3.85 per cent in its Turnover over previous year. The company has achieved a pre-tax Profit of 244.08 lacs for financial years 2009-10 which is an increase of 1.06 % over previous year. Cash & Bank balance as at 31.03.2010 were Rs. 246.59 lakhs. The Sundry Debtors as at 31.03.2010 were Rs. 62.11 lakhs which is only 5.4% of total turnover.

Rs. 75.30 Lacs were invested by the company during financial year 2009-10 towards Royal Hamam. Also a sum of Rs. 69.89 lacs was spent towards purchase of vehicle and Rs. 28.78 lacs towards New Banquet Hall (Viceroy) opening.

During 2010-11, the company has plans to invest around Rs. 625 lacs towards opening of 25 Rooms, Rs. 200 lacs towards Coffee Shop, Rs. 20 lacs towards opening of Bakery and 20 lacs towards walk in Cold Storage.

Internal Control Systems:

All necessary controls, financial checks and otherwise as per statutory requirements as also towards making the company a highly profitable venture are in place. Internal controls as regards operations aimed at ensuring that the expenditure is in line with industry norms. Regular internal audits of finances are undertaken and the 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 the State and central Government have been updated & are made on time. Reduction in cost 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

Economic projections appear to indicate towards a Major Boom for the Hospitality Industry for the coming season. The Corporate and Conference segment along with foreign tourist segment is expected to show a decent growth. The company is in process to add a completely new wing with 25 rooms to its current inventory.

A Multi Product SEZ has been approved on Bhopal Indore Corridor near Sehore which should attract lots of Investors. Being the closest to SEZ site, our Hotel would benefit enormously as we being the Best Hotel in terms of room and conference sales.

Conversion of existing Airport into an International Airport will give a major boost to the existing tourist inflow as well as open new avenues of business for the company. With the Opening of wide number of Engineering/Medical and Management colleges in Bhopal, the demand for Fast food/Bakery outlets has increased manifold and shall increase further in times to come. The company proposes to add a 24hrs coffee shop in the hotel premises to attract the young crowd. The company shall also setup Bakery outlets in the town and also tie up with Reliable Fresh, the Group's upcoming Super Mart, to setup an outlet.

Threats:

With the number of flights increasing from a particular destination into city in morning hours and out of the city the same evening, there will be a threat perception that corporate nights halts at Bhopal would drastically reduce. This would directly affect 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 projects 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 coming years. With the increased fuel prices, 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 travelling executives & their offices in the city generally have a conference room attached to take care of routine and other weekly / monthly conferencing.

Risk 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.

Other Disclosures:

The company is proud to have maintained the Heritage nature of the Hotel to its optimum level. We still are & 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), and usage of recycle paper products, initiate heavy reduction in use of plastic & energy conservation etc. Job opportunities have been created for physically challenged local citizenship.

HUMAN RESOURCES DEVELOPMENT:

Led with the realization of the fact that continuous up-gradation of skills and service delivery systems /inputs go a long way to make a decisive difference in the hotel industry, as a matter of policy, your company continues to invest in up-gradation of the quality of its human resources and lays emphasis on efforts to tune up skills of and service delivery by its existing manpower and keep them sponsoring for external training and skill development programmes at selected ITC hotels.

In the matter of employee's benefits and compensation, your company is not far behind the industry standards and with the growth of the company it will see that the benefits and compensation packages continue to remain tailored to the industry norms enabling it to hire and retain skilled and professional manpower.

Industrial relations scenario in the company throughout the year remained cordial. The employees remained committed to higher qualitative productivity. The management too on its part played its role in maintaining and promoting harmonious relations

AUDITORS:

M/S. MAK & Associates, Chartered Accountants, Indore, the statutory auditors of the company shall hold office as such till the conclusion of the ensuing Annual General Meeting of the Company. A proposal to re-appoint them as such, subject to fulfillment of conditions prescribed under Section 224(1B) of the Companies Act, 1956, is being brought up at the ensuing Annual General Meeting.

STATUTORY STATEMENTS :**1. Public Deposit**

During the period under report too, your company has not accepted any deposit from public in term of Section 58-A of the Companies Act, 1956 and rules framed and notifications issued there under.

2. Information as per Sec 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended 31st March 2010 are given as under: -**(a) Conservation of Energy :**

The basic engineering design of the Hotel is based on optimum energy consumption and provision is made to conserve energy to the maximum possible extent, which would reduce the liability on energy bills.

(b) Technology Absorption:

During the year no amount has been incurred on technology absorption (Previous Year Rs. NIL)

(c) Foreign Exchange Earnings & Outgo:

During the period under report, your company has earned Foreign Exchange equivalent to Indian Rupees 53.09 lacs against 53.11 lacs during the preceding accounting period. During the period under report too, your company did not spent any amount in foreign exchange.

3. Statement pursuant to Sec. 217 (2AA) of the Companies Act 1956:

Your Directors are pleased to state that the Financial results for the period under report have been compiled observing the Going Concern Concept, Accrual & historical record basis conforming to the accounting standards specified under Section 211(3C) of the Companies Act to ensure that the statements disclose true and fair view of the state of affairs of the operations of the company and that in the said compilation due care has been taken to see that adequate accounting record in accordance with the statutory requirements for safeguarding the assets of the company does

exist and that possibilities of fraud and other irregularities in the Company, if any, are timely detected, provided for and recurrence thereof is prevented and that the statements reflect true and fair view of the state of affairs of the Company as at the 31st March, 2010 and the profit and loss for the accounting period ended on the said date.

Constitution of Audit Committee:

In term of requirements of Section 292 (A) of the Companies Act, 1956, during the period under report your company continues to have an Audit Committee consisting of three non-executive independent directors namely Mr. S. Shankar Narayanan, Mr. Mohd. Hafiz Khan, and Mr. Rajendra Malpani under the Chairmanship of Mr. Shankar Narayanan, an independent & non executive director. Keeping in view the requirements of Clause 49 of the Listing agreement, the committee was entrusted with greater assignments as brought out under the Corporate Governance Section of this report and that the Board of Directors generally agreed with and adhered to the suggestions made by the committee in the areas assigned to it and that to reply your queries, if any, the Chairman of the Committee shall be with you at the ensuing Annual General Meeting.

CHANGES IN DIRECTORSHIPS:

Mr. Mohd Hafiz Khan and Mr. S. Shankar Narayanan, two of the Rotational Directors of the Company, shall retire on the conclusion of the ensuing Annual General Meeting. However, being eligible, they offer themselves for reappointment and, therefore, a proposal to re-appoint them as such is being brought up before the members at the ensuing Annual General Meeting. The particulars of directors seeking reappointment is annexed to the notice

Besides during the period under report Mr. Rajendra Malpani, who was inducted as Addl. Directors, shall cease to hold the office as such from the conclusion of the ensuing Annual General Meeting.

DIVIDEND

Keeping in view the fact that the Company is carrying substantial amount of unsecured borrowings and need further capital outlay to finance its expansion plan, your directors feel that for the present it is not in the long term interest of the company to recommend any dividend during the year under report.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956.

During the period under report, the company did not employ any person particulars of whose are required to be reported under the aforesaid provisions of the Act, as amended up to date.

DEMATERIALISATION OF SHARES

The Shares of the Company are required to be compulsorily traded in the dematerialized form. Its shares are admitted for trading under both the Depository Systems in India- NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's shares under the Depository System is INE 419H01019. A total of 8902800 being 80.84 per cent of the total paid up shares capital of the company have already been dematerialized as on 31st day of March 2010

SECRETARIAL AUDIT:

In term of requirement of SEBI and Stock Exchanges, a Secretarial audit by a practicing Company Secretary was carried out to reconcile the total share capital admitted with the NSDL and CDSL with the total issued and listed capital. The said audit is carried out on quarterly basis which aims at confirming that the total issued/paid up capital tallies with the aggregate of shares existing in physical and demat form held with the said depositories.