

**21<sup>ST</sup>**  
**ANNUAL REPORT**  
**2006-2007**

**ISHWAR BHUVAN HOTELS LIMITED**

## **BOARD OF DIRECTORS**

Shri Mehinder Sharma	- Chairman (w.e.f. 30-04-07)
Shri Pushpendra R. Bansal	- Executive Director (w.e.f. 30-04-07)
Smt. Poonam Sharma	- Director (w.e.f. 30-04-07)
Smt. Sangeeta Bansal	- Director (w.e.f. 30-04-07)
Shri Romesh Koul	- Director
Shri Bharat Varsani	- Director
Shri Amit Garg	- Director
Shri Sanjay Mangal	- Director

## **AUDITORS**

Kamlesh Bhatt & Co.  
Chartered Accountants,  
301/2, Sagar Apartment,  
Near Madhuvan Society,  
Godha Street, Nanpura,  
Surat - 395 001.

## **BANKERS**

Bank of Baroda.  
ICICI Bank.

## **REGISTRAR & SHARE TRANSFER AGENT**

Bigshare Services (P) Ltd.  
E-2, Ansa Industrial Estate, Saki Vihar,  
Saki Naka, Andheri (E),  
Mumbai - 400 072.

## **REGISTERED OFFICE**

Revival Hotel,  
Near Sayaji Gardens,  
M.S. University Road,  
Kala Ghoda Chowk,  
Baroda - 390 002.

NOTICE

NOTICE is hereby given that the **21<sup>st</sup> ANNUAL GENERAL MEETING of ISHWAR BHUVAN HOTELS LIMITED** will be held at Suruchi Resort, Sakaria - Nimeta, Baroda -390 019 on Monday, the 24<sup>th</sup> September, 2007 at 10.00 a.m. to transact the following business.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2007, and the Profit and Loss Account for the year ended on that date together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Shri Romesh Koul, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Shri Bharat Varsani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Kamlesh Bhatt & Co., Chartered Accountants, Surat, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company.

**SPECIAL BUSINESS:**

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

**"RESOLVED THAT** Shri Mehinder Sharma, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30<sup>th</sup> April, 2007 and who hold office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ('the Act') and in respect of whom the Company has received a notice in writing from a Member under section 257 of the Act proposing his candidature for the office of Director of the Company 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** Shri Pushpendra R. Bansal, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30<sup>th</sup> April, 2007 and who hold office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ('the Act') and in respect of whom the Company has received a notice in writing from a Member under section 257 of the Act proposing his candidature for the office of Director of the Company 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** Smt. Poonam Sharma, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30<sup>th</sup> April, 2007 and who hold office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ( 'the Act') and in respect of whom the Company has received a notice in writing from a Member under section 257 of the Act proposing her candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company, 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** Smt. Sangeeta Bansal, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30<sup>th</sup> April, 2007 and who hold office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ( 'the Act') and in respect of whom the Company has received a notice in writing from a Member under section 257 of the Act proposing her candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company, 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** in accordance with the provision of Sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the Company be and is hereby approves of the appointment of Shri Pushpendra R. Bansal as an Executive Director of the Company for the period of 5 years with effect from 30<sup>th</sup> April, 2007, upon such terms and conditions as may be mutually decided between the Board of Directors and Shri Pushpendra R. Bansal with liberty to the Board of Directors to alter and vary the terms and condition of the said appointment in such a manner as may be agreed to between the Board of Directors and the Shri Pushpendra R. Bansal".

#### NOTES:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A 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 TIME FIXED FOR THE MEETING.
- (b) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
- (c) Register of Members and Share Transfer Books of the company will remain closed from 20<sup>th</sup> September, 2007 to 24<sup>th</sup> September, 2007 (both days inclusive).
- (d) Members are requested to notify changes, if any, in their registered address to the Company's Registrar & Share Transfer Agent M/s. Bigshare Services (P) Ltd - E-2, Ansa Industrial Estate, Saki Vihar, Saki Naka, Andheri (E), Mumbai - 400 072.

- (e) Members are requested to bring their copy of Annual Report and the Attendance Slip with them at the Annual General Meeting.
- (f) Members are requested to affix their signature at the space provided on the attendance slip annexed to the proxy form and hand over the slip at the entrance of the meeting hall.
- (g) A brief note on Directors retiring by rotation and eligible for re-appointment is furnished in the Report on Corporate Governance.
- (h) A member desirous of getting any information on the accounts or operations of the Company is required to forward his/her queries to the Company at least seven days prior to the meeting so that the required information can be made available at the Meeting.

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

#### **Item No. 5**

Shri Mehinder Sharma was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 with effect from 30<sup>th</sup> April, 2007. He holds office only upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956, signifying his intention to propose Shri Mehinder Sharma as a candidate for the office of the Director of the Company, liable to retire by rotation.

The Directors recommend the resolution for your approval.

None of the Directors except Shri Mehinder Sharma and Smt. Poonam Sharma is considered to be interested or concerned in the above resolution.

#### **Item No. 6**

Shri Pushpendra R. Bansal was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 with effect from 30<sup>th</sup> April, 2007.

He holds office only upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956, signifying his intention to propose Shri Pushpendra R. Bansal as a candidate for the office of the Director of the Company, liable to retire by rotation.

The Directors recommend the resolution for your approval.

None of the Directors except Shri Pushpendra R. Bansal and Smt. Sangeeta Bansal is considered to be interested or concerned in the resolution.

#### **Item No. 7**

Smt. Poonam Sharma was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 with effect from 30<sup>th</sup> April, 2007. She holds office only upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956, signifying his intention to propose Smt. Poonam Sharma as a candidate for the office of the Director of the Company, liable to retire by rotation.

The Directors recommend the resolution for your approval.

None of the Directors except Smt. Poonam Sharma and Shri Mehinder Sharma is considered to be interested or concerned in the above resolution.

**Item No. 8**

Smt. Sangeeta Bansal was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 with effect from 30<sup>th</sup> April, 2007. She holds office only upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956, signifying his intention to propose Smt. Sangeeta Bansal as a candidate for the office of the Director of the Company, liable to retire by rotation.

The Directors recommend the resolution for your approval.

None of the Directors except Smt. Sangeeta Bansal and Shri Pushpendra R. Bansal is considered to be interested or concerned in the resolution.

**Item No. 9**

Shri Pushpendra R. Bansal who was appointed as an Additional Director of the Company by the Board of Directors at their Meeting held on 30<sup>th</sup> April, 2007, was also appointed in that Meeting as an Executive Director of the Company for a period of 5 years with effect from 30<sup>th</sup> April, 2007.

This appointment is subject to the compliance with Section 198, 269, 309, schedule XIII and other applicable provisions if any of the Companies Act, 1956 and also subject to approval of members.

The Directors recommend resolution for your approval.

None of the Directors except Shri Pushpendra R. Bansal and Smt. Poonam Sharma is considered to be interested or concerned in the resolution.

By Order of Board of Directors'  
ISHWAR BHUVAN HOTELS LIMITED

Place: Baroda  
Date : August 29, 2007

PUSHPENDRA R. BANSAL  
Executive Director

**Registered Office:**

Revival Hotel,  
Near Sayaji Gardens,  
M.S. University Road,  
Kala Ghoda Chowk,  
Baroda - 390 002.



**DIRECTORS' REPORT**

To,  
The Members,

Your Directors have pleasure in presenting the 21<sup>st</sup> Annual Report of your Company together with the Audited Financial Statements and Report of Auditors thereon for the year ended 31<sup>st</sup> March, 2007.

**FINANCIAL RESULTS**

Particulars	(Rs. in Lacs)	
	For the year ended 31.03.2007	For the year ended 31.03.2006
Gross Turnover	391.00	320.75
Net Profit / (Loss) before tax	46.39	(167.45)
Less: Provision for Tax		
- Current Tax	--	--
- Deferred Tax	--	--
- Fringe Benefit Tax	1.00	1.17
Net Profit / (Loss) after tax	45.39	(168.62)
Add: Profit / (Loss) brought forward	(1,117.81)	(1,047.82)
Less: Provision no longer required	--	98.63
Balance carried over to Balance Sheet	(1,072.42)	(1,117.81)

**MANAGEMENT DISCUSSION AND ANALYSIS****Financial and Operational Performance**

During the year under review, the turnover of your Company has increased from Rs. 320.75 lacs to Rs. 391.00 lacs. However, this year has remain remarkable year for your Company as it achieved Net profit of Rs. 45.39 lacs as against net loss of Rs. 168.62 lacs of previous year. This is happen mainly by adopting cost controlling measures and by implementing strategic planning framed by New Management.

**Industry Scenario**

The overall scenario of globalisation has brought a lot of business opportunities to the Indian economy. The Indian economy has been growing strong and its growth rate is among the fastest in the world.

The Incredible India campaign as well as the growth in the GDP have sustained the inbound Tourist business and have further reinforced the image of the country as an important tourist and business destination. The growth and coverage of various low cost airlines have also augured well for the domestic tourist business.

**Risk & Concerns**

The future of the hospitality industry is very sensitive to the global security environment. The high incidence of multifarious taxes both at the centre and the states also affect the competitiveness of the industry. In addition, the infrastructure by way of airports, roads and transport network also needs to grow at a faster pace to take on the load of higher volume of tourist traffic.

Your Company continuously renovates its properties to meet the increasing competition in the market.

**Future Outlook**

Your Company continues to believe that the long-term prospects for the travel and tourism industry in India are attractive. Your Directors look forward to the future with confidence.

**Human Resource Development**

Your Company has a team of able and experienced industry professionals. Your Company continues to invest in upgradation of the quality of human resource, which makes the decisive difference in this service industry.

**Adequacy of Internal Control**

The Company has proper, strong, independent and adequate internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized recorded and reported correctly.

**Cautionary Statement**

Certain statements in the Management discussion and analysis may be forward looking within the meaning of applicable securities law and regulations and actual results may differ materially from those expressed or implied. Factor that to make differences to company's operations including competition, changes in Government policies and regulations, tax regimes and economic development within India.

**DELISTING**

Equity Shares of the Company has been voluntarily delisted from the Ahmedabad Stock Exchange Limited w.e.f. 6th November, 2006 vide letter no. ASEL/2006/1343 dated 2nd November, 2006.

At present, the equity shares of the Company are listed at The Bombay Stock Exchange Limited and the Vadodara Stock Exchange Limited.

**DIVIDEND**

In view of the carried forward losses, Directors of your Company regret its inability to recommend any Dividend on equity shares for the year under review.

**DIRECTORS**

Shri Mehinder Sharma, Shri Pushpendra R. Bansal, Smt. Poonam Sharma and Smt Sangeeta Bansal were appointed as an Additional Director of the Company with effect from 30<sup>th</sup> April, 2007 and they hold office till the conclusion of ensuing Annual General Meeting. Being eligible, they have offered themselves for appointment as Directors of the Company, liable to retire by rotation.

Shri Pushpendra R. Bansal was appointed as an Executive Director and Shri Mehinder Sharma was appointed as Chairman of the Company.

Shri Ishwarlal Barot, Shri Pankaj Barot, Shri Kamlesh Barot and Shri Rajnikant Barot had resigned from the Directorship of the Company. Shri Pankaj Barot had also resigned from the Managing Directorship of the Company. The Board of Directors places on record its appreciation for contribution made by them during their tenure.

Shri Romesh Koul and Shri Bharat Varsani retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.



## DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

- (i) that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2007, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) that the Directors have selected such accounting policies and applied that 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 at the end of the financial year ended 31<sup>st</sup> March, 2007 and of the profit of the Company for the year.
- (iii) that the Directors have taken proper and sufficient care 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 preventing and detecting fraud and other irregularities to the best of their knowledge and ability.
- (iv) that the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2007, on a 'going concern' basis.

## AUDITORS

M/s. Kamlesh Bhatt & Co., Chartered Accountants, Surat retire as Auditors of the Company and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

The auditors in their report have referred to the notes forming part of the accounts. The said notes are self explanatory and do not need any further elucidation.

## PARTICULARS OF EMPLOYEES

There was no employee during the financial year who are covered under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

## REPORT ON CONSERVATION OF ENERGY, ABSORPTION OF TECHNOLOGY AND FOREIGN EXCHANGE EARNING AND OUTGO

In accordance with the requirement of section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of the particulars in the Report of Board of Directors) Rules, 1988, your Directors furnish hereunder the additional information as required.

### Conservation of Energy

Your Company made all possible efforts to closely monitor Power consumption on daily basis so as to reduce wastage. The Company is also trying to find ways and means to reduce Power consumption and thus reduce the overall energy cost.

The Company has also used Natural Gas through pipelines instead of LPG Cylinders in the Kitchen and other operational areas.

### A. Technology Absorption

The project of your Company has no foreign collaboration, hence no particulars are offered.

### B. Total Foreign Exchange Earning and Outgo

	Amount (Rs.) 2006-2007	Amount (Rs.) 2005-2006
a. Total Foreign Exchange used	Nil	Nil
b. Total Foreign Exchange earned	Nil	Nil

## CORPORATE GOVERNANCE

As per the requirement of the Listing Agreement with Stock Exchanges, your Company has complied with the requirements of Corporate Governance in all material aspects.

A report on Corporate Governance together with a certificate of its compliance from the Statutory Auditors, forms parts of this report.

### **FIXED DEPOSITS**

Your Company has not accepted any fixed deposits within the meaning of Companies (Acceptance of Fixed Deposits) Rule, 1975 under section 58A of the Companies Act, 1956.

### **FORFEITURE OF EQUITY SHARES**

During the year, the Board of Directors of your Company in their meeting held on 8<sup>th</sup> December, 2006 has forfeited 7,32,300 equity shares Rs. 10/- each in view of non payment of call money @ Rs. 5/- per shares.

### **DEMAT APPLICATION**

During the year, your Company had made an application to NSDL and CDSL for trading its security in dematerialisation form. However, the application has not been considered by both the depositories due to not meeting of demat criteria.

### **SETTLEMENT WITH FINANCIAL INSTITUTION**

The Company has entered into One Time Settlement (OTS) with Tourism Finance Corporation of India Limited. Accordingly, the Company has paid off the amount as agreed in the One Time Settlement (OTS) scheme.

### **CHANGE OF MANAGEMENT**

On 21st December, 2006, Promoters of the Company has entered into Share Purchase Agreement with M/s. ANS Constructions Limited and Smt. Sangeeta Bansal i.e. Acquirers. Accordingly, Acquirers has made an Open Offer for acquiring additional 18,50,000 Equity Shares of Rs. 10/- each, at cash payment of Rs. 4.50/- per share representing 33.38 % of the paid up and voting capital of the Company. At the end of offer, Acquirers have acquired 25,01,400 Equity Shares (including former promoters' holding) representing 45.13% of the paid up and voting capital of the Company. After completing all legal formalities, Acquirers have acquired Control and Management of the Company on 30<sup>th</sup> April, 2007.

### **INDUSTRIAL RELATIONS**

During the period under review, the relations with the most valuable human resources of the Company remained cordial and peaceful. Your Directors wish to place on record their appreciation for the devoted services rendered by the staff of the Company.

### **ACKNOWLEDGEMENTS**

Your Directors place on record their appreciation for the continued co-operation and support extended to the Company by the Financial Institutions, the Bankers and Shareholders. Your Directors also wish to record their recognition of the Customer Support and Patronage by the Corporate Houses in and around Baroda.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance during the year.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS'

Place: Baroda  
Date : August 29, 2007

### **Registered Office:**

Hotel Revival,  
Near Sayaji Gardens,  
Kala Ghoda Chowk,  
Baroda - 390 002.

PUSHPENDRA R. BANSAL  
Executive Director

AMIT GARG  
Director