



report **22<sup>ND</sup>** ion.com

# **ANNUAL REPORT**

## **2007-2008**

**ISHWAR BHUVAN HOTELS LIMITED**

## **ISHWAR BHUVAN HOTELS LIMITED**

### **BOARD OF DIRECTORS**

Shri Mehinder Sharma	- Chairman
Shri Pushpendra R. Bansal	- Executive Director
Shri Romesh Koul	- Director
Shri Bharat Varsani	- Director
Shri Amit Garg	- Director
Shri Sanjay Mangal	- Director

### **AUDITORS**

J. M. Pabari & Associates  
Chartered Accountants,  
302, Helix Complex,  
Opp. Surya Hotel,  
Sayajigunj,  
Baroda – 390 005.

### **BANKERS**

Bank of Baroda  
Citi Bank N.A.

### **REGISTRAR & SHARE TRANSFER AGENT**

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

### **REGISTERED OFFICE**

Revival Hotel,  
Near Sayaji Gardens,  
University Road,  
Baroda – 390 002.

## NOTICE

NOTICE is hereby given that the 22<sup>nd</sup> ANNUAL GENERAL MEETING of ISHWAR BHUVAN HOTELS LIMITED will be held at Suruchi Resort, Sakaria – Nimeta, Baroda -390 019 on Saturday, the 20<sup>th</sup> September, 2008 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, 2008 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 Amit Garg, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Shri Sanjay Mangal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. J. M. Pabari & Associates, Chartered Accountants, Baroda, 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.

### 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) Register of Members and Share Transfer Books of the company will remain closed from 13<sup>th</sup> September, 2008 to 20<sup>th</sup> September, 2008 (both days inclusive).
- (c) Members are requested to notify changes, if any, in their registered address to the Company's Registrar & Share Transfer Agent M/s. Bigshare Services Pvt. Ltd. – E-2, Ansa Industrial Estate, Saki Vihar, Saki Naka, Andheri (E), Mumbai – 400 072.
- (d) Members are requested to bring their copy of Annual Report and the Attendance Slip with them at the Annual General Meeting.

- (e) 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.
- (f) A brief note on Directors retiring by rotation and eligible for re-appointment is furnished in the Report on Corporate Governance.
- (g) 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.

For and on behalf of the Board of Directors  
ISHWAR BHUVAN HOTELS LIMITED

Place: Baroda  
Date : July 10, 2008

PUSHPENDRA R. BANSAL  
Executive Director

**Registered Office:**  
Revival Hotel,  
Near Sayaji Gardens,  
University Road,  
Baroda – 390 002.

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors have pleasure in presenting the 22<sup>nd</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, 2008.

**FINANCIAL RESULTS**

<b>(Rs. in Lacs)</b>		
<b>Particulars</b>	<b>For the year ended 31.03.2008</b>	<b>For the year ended 31.03.2007</b>
Gross Turnover	543.62	391.00
Net Profit before tax	101.32	46.39
Less: Provision for Tax		
- Current Tax	—	—
- Deferred Tax	—	—
- Fringe Benefit Tax	1.35	1.00
Net Profit after tax	99.97	45.39
Add: Profit / (Loss) brought forward	(1,072.42)	(1,117.81)
Add: Provision no longer required	698.38	—
Balance carried over to Balance Sheet	(274.07)	(1,072.42)

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

During the year under review, the turnover of your Company has increased from Rs. 391.00 lacs to Rs. 543.62 lacs. Consequently, Net Profit has also increased from Rs. 45.39 lacs to 99.97 lacs. This is happen mainly by adopting cost controlling measures and by implementing strategic planning framed by 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.

## **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, increase in fuel price is also resulted in increase in transportation cost of tourist. Tourism industry is also affected by natural calamity like earthquake, tsunami, storm, etc.

However, Your Company continuously renovates its properties to meet the increasing competition in the market and insured its property against natural and men made disaster.

## **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.

## **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.

## **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.

## 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.

## 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, 2008, 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, 2008 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, 2008, on a 'going concern' basis.

## 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.

### A. 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.

### B. Technology Absorption

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

**C. Total Foreign Exchange Earning and Outgo**

	Amount (Rs.) 2007-2008	Amount (Rs.) 2006-2007
a. Total Foreign Exchange used	Nil	Nil
b. Total Foreign Exchange earned	Nil	Nil

**DIRECTORS**

Smt. Sangeeta Bansal and Smt. Poonam Sharma had resigned from the Directorship of the Company. The Board of Directors places on record its feeling of appreciation for contribution made by them during their tenure.

Shri Amit Garg and Shri Sanjay Mangal retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

**AUDITORS**

M/s. J. M. Pabari & Associates, Chartered Accountants, Baroda retire at the ensuing Annual General Meeting 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.

M/s. J. M. Pabari & Associates, Chartered Accountants, Baroda was appointed as Statutory Auditors at the Extra-ordinary General Meeting of the Company held on 15<sup>th</sup> March, 2008 to fill casual vacancy caused by resignation of M/s. Kamlesh Bhatt & Co., Chartered Accountant, Surat.

**BORROWING POWER OF THE BOARD**

At the Extra-ordinary General Meeting held on 15<sup>th</sup> March, 2008, your Company has also authorised the Board of Directors to borrow money upto 200 Crores.

**HOTEL FRANCHISE AGREEMENT**

During the year under review, your company has entered into Hotel Franchise Agreement with Lords Inn Hotels and Developers Limited for operation/management of hotel premise of the Company situated at Baroda.

**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.

## **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.

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FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Baroda

PUSHPENDRA R. BANSAL

AMIT GARG

Date : July 10, 2008

Executive Director

Director

### **Registered Office:**

Revival Hotel,  
Near Sayaji Gardens,  
University Road,  
Baroda – 390 002.

## ANNEXURE TO THE DIRECTORS' REPORT

### CORPORATE GOVERNANCE REPORT

Pursuant to clause 49 of the Listing Agreement, given below is a report on the corporate governance in the Company.

#### **Mandatory Requirements:**

#### **1. COMPANY'S PHILOSOPHY**

Your Company strongly believes in adopting and adhering to good corporate governance practices. Company's philosophy of Corporate Governance is to ensure:

- (i) that the Board and top management of the company are fully appraised of the affairs of the company that is aimed at assisting them in the efficient conduct of the company so as to meet company's obligation to the shareholders.
- (ii) that the Board exercise its fiduciary responsibilities towards shareholders and creditors so as to ensure high accountability.
- (iii) that all disclosure of information to present and potential investors are maximized.
- (iv) that the decision making process in the organization is transparent and are backed by documentary evidence.

#### **2. BOARD OF DIRECTORS**

The present strength of the Board of Directors of the Company is 6 Directors of which 1 Director is an Executive Director, 1 Director is Non Executive Director, and 4 Directors are Non Executive Independent Directors. The number of Non Executive/Independent Directors is more than 50% of the total number of the Directors.

#### **Number of Board Meeting held and the dates of the Board Meetings:**

6 (Six) Board Meetings were held during the financial year 2007-08. The date on which the said meetings were held is as follows:

1.	April 30, 2007	2.	July 30, 2007	3.	August 29, 2007
4.	October 30, 2007	5.	January 30, 2008	6.	February 20, 2008

The last Annual General Meeting of the Company was held on September 24, 2007.