

# **LORDS ISHWAR HOTELS LIMITED**

(Formerly known as Ishwar Bhuvan Hotels Limited)



## **ANNUAL REPORT**

**2010-2011**



## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

#### **Chairman**

Shri Mehinder Sharma

#### **Executive Director**

Shri Pushpendra Bansal

#### **Non Executive Directors**

Shri Bharat Varsani

Shri Amit Garg

Shri Sanjay Mangal

### **STATUTORY AUDITORS**

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

### **COMPANY SECRETARY**

Mr. Ranjit Kumar Singh

### **BANKERS**

Bank of Baroda  
Citi Bank N.A.  
Axis Bank  
United Bank of India

### **REGISTERED OFFICE**

Revival Hotel, Near Sayaji Gardens,  
Kala Ghoda Chowk, University Road,  
Baroda – 390 002

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

Bigshare Services Pvt. Ltd.  
E-2/3, Ansa Industrial Estate, Saki Vihar,  
Saki Naka, Andheri (E),  
Mumbai – 400 072

## **GREEN INITIATIVES IN THE CORPORATE GOVERNANCE**

The Ministry of Corporate Affairs ("MCA"), Government of India, vide its Circular No. 17/2011, dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, has taken a 'Green Initiative in the Corporate Governance' and allowed companies to send Notice including Annual Report comprising of Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report and Explanatory Statement, etc., through electronic mode at the registered e-mail address of the members. Keeping in view the underlying theme and circular issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories Participants (DP)/Registrar & Share Transfer Agent (R & TA) and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

Members, who hold shares in physical form and desire to receive the documents in electronic mode, are requested to forward their details (folio no, share certificate No., name, e-mail id) at the address of the company's R & TA (*Bigshare Services Pvt. Ltd*). Members who hold shares in electronic form (Demat form) are requested to register their updated e-mail id with their respective DPs.

## **NOTICE**

NOTICE is hereby given that the **25<sup>th</sup> ANNUAL GENERAL MEETING** of the Members of **LORDS ISHWAR HOTELS LIMITED** will be held at Hotel Raj International, Ajwa-Nimeta Road, Baroda - 390 019, on Friday, the 19<sup>th</sup> day of August, 2011, at 09.30 a.m. to transact the following business.

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company for the financial year ended 31<sup>st</sup> March, 2011 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 Bharat Varsani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Shri Mehinder Sharma, 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 Statutory 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.

### **Registered Office:**

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Baroda – 390 002

By Order of the Board of Directors  
LORDS ISHWAR HOTELS LIMITED

Place: Baroda  
Date :28<sup>st</sup> June, 2011

RANJIT KUMAR SINGH  
Company Secretary

**NOTES:**

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY (IES) 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 close from 12<sup>th</sup> August, 2011 to 19<sup>th</sup> August, 2011 (both days inclusive).
- (c) Members are requested to:
  - (i) Intimate to the Company's Registrar & Share Transfer Agent M/s. Bigshare Services Pvt. Ltd. – E-2/3, Ansa Industrial Estate, Saki Vihar, Saki Naka, Andheri (E), Mumbai – 400 072/their Depository Participant ("DP"), changes, if any, in their registered addresses at an early date;
  - (ii) Quote their Registered Folio Numbers and/or DP Identity and Client Identity number in their correspondence;
  - (iii) Bring their copy of Annual Report and the Attendance Slip with them at the Annual General Meeting.
- (d) 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.
- (e) Trading in Equity Shares of the Company is available with Bombay Stock Exchange Ltd. Members are requested to send equity shares of the Company to their Depository Participants (DPs) for dematerialisation.
- (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.

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Place: Baroda  
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By Order of the Board of Directors  
LORDS ISHWAR HOTELS LIMITED

RANJIT KUMAR SINGH  
Company Secretary

## **DIRECTORS' REPORT**

To,  
The Members,

Your Directors have pleasure in presenting the 25<sup>th</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, 2011.

### **CHANGE OF NAME OF THE COMPANY**

The name of the Company has been changed from '*Ishwar Bhuvan Hotels Limited*' to 'Lords Ishwar Hotels Limited' vide a fresh certificate of Incorporation on change of name issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli w.e.f 27<sup>th</sup> September, 2010.

### **FINANCIAL RESULTS**

Particulars	( ₹ in Lacs)	
	For the year Ended 31.03.2011	For the year Ended 31.03.2010
Net Income	568.52	553.90
Net Profit before tax	59.12	84.16
Less: Provision for Tax	9.00	8.92
Net Profit after tax	50.12	75.24
Add: Profit / (Loss) brought forward	(120.44)	(195.68)
Balance carried over to Balance Sheet	(70.32)	(120.44)

During the year, the Net Income of your Company has increased from ₹ 553.90 lacs to ₹ 568.52 Lacs. The Net Profit of the Company has decreased from ₹ 75.24 lacs to ₹ 50.12 Lacs due to increase in foods & Beverages cost and repair & maintenance cost for up keeping the property and providing an experience of 'TRUE VALUE HOTEL'.

### **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**

During the year under report, the Company had no employees 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, 2011, 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, 2011 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, 2011, 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 and cost. The Company is using electricity in place of gas for AC power plant and thus reduce the overall energy cost.

The Company is using Natural Gas through pipelines instead of LPG Cylinders in the Kitchen and other operational areas.

### **B. Technology Absorption**

Your Company has no foreign collaboration, hence no particulars are offered.

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

Particulars	2010-2011 Amount (₹)	2009-2010 Amount (₹)
a. Total Foreign Exchange used	Nil	Nil
b. Total Foreign Exchange earned	10,35,042	10,96,953

## **DIRECTORS**

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

## **STATUTORY 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.

## **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.

## **ACKNOWLEDGMENTS**

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 take the opportunity to express their sincere thanks to all the investors, shareholders and stakeholders for their faith and confidence in the company.

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.

Place: Baroda  
Date : 28<sup>th</sup> June, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

PUSHPENDRA BANSAL  
Executive Director

AMIT GARG  
Director



## **ANNEXURE TO THE DIRECTORS' REPORT**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **BUSINESS ENVIRONMENT, INDUSTRY STRUCTURE & DEVELOPMENTS:**

According to the World Travel & Tourism Council Report, India is ranked 1<sup>st</sup> in South East Asia and ranked 4<sup>th</sup> in the world in respect of Travel and Tourism growth. Indian Travel and Tourism Industry estimated at Rs. 1,970 billion in the financial year 2010 contributed 6% to the overall GDP and is expected to reach Rs. 6,211 billion by 2020, growing at CAGR of 12% per annum. The industry has consistently outperformed other sectors in GDP growth and is expected to continue to do so. The Travel and Tourism Industry is the largest contributor to employment generation and accounts for about 8.4% of the total employment.

The World Travel & Tourism Council has estimated that the foreign tourist arrivals are expected to be increased by 8.20% CAGR over the period 2010-19. The foreign tourist arrivals have increased substantially during the year due to improvement in global economic situation and increased global confidence in the business development in India.

According to various estimates, the total demand for branded hotels in India as on date is about 2,00,000 rooms whereas the supply is only about 1,20,000 rooms. Therefore, there is a huge gap to be filled. Moreover, increased supply creates its own demand.

#### **OPPORTUNITIES, THREATS, RISK AND CONCERNS:**

Your Company is in well position to take advantage of the following situations:

- Healthy economy having positive support of Tourism Sector.
- Well framed State & Central Government policies to attract tourists.
- Proximity to Railway & Bus station.
- Healthy Competition in the city.
- Extending the product portfolio by offering various types of facilities.
- Demand between the national and the inbound tourists can be easily managed due to difference in the period of holidays.

Despite the apparent steps taken by the tourism industry in India, some worries still remain. Infrastructure facilities available in the country are not up to the mark and require lot of improvement if we want to sustain present growth of industry. Following are some of risks and concerns envisaged by hotel industry.

- General economic conditions like worldwide slow down in global economies, local market condition, government policies, fluctuation in interest and foreign exchange rates, etc.
- Socio-political risk like threat of terrorist activities, travel advisories from foreign countries, occurrences of infectious diseases, natural calamities, high rate of employee turnover ratio, power & water shortage, etc.,
- Lack of adequate and good quality transport network and infrastructure facilities at public place.
- Increase in rate of taxes, food cost, etc. makes the tour unattractive and expensive, which in turn affect the business of the Company.
- Growing competitive environment both at international and local, could also affect the performance and results of the Company.
- Guest houses replace the hotels. This is a growing trend in the west and is now catching up in India also, thus diverting the hotel traffic.

Your Company has adopted various policies and methods to counter above mentioned risks effectively, as enumerated below:

- Your Company is looking for increasing its presence domestically in all over India.
- Your Company is also under planning to enter Luxury and leisure segment in addition of having Business Class Segment.
- Your Company is timely renovating and repositioning its property.
- Your Company always endeavors to improve its service standards.

### **Industry Scenario**

During the Financial Year 2010-11, inflation rate and food cost has been increased. Particularly near about your Hotel locations more Hoteliers have come in the business and we are facing tough competitions in the market. However your hotel is continuously taking effort to attract more tourists by providing better amenities and has increased the net income.

### **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 & fluctuation in Currency is also resulted in increase in transportation cost of tourist. 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 up gradation of the quality of human resource, which makes the decisive difference in this service industry. Your Company continues to provide growth opportunities to internal talent by assigning them higher responsibilities with suitable exposure and training.

The total number of employees in your Company as on 31<sup>st</sup> March, 2011 was 96.

### **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.