

**26<sup>th</sup>**

# **ANNUAL REPORT**

**2011-2012**

**LORDS ISHWAR HOTELS LIMITED**

---

## **BOARD OF DIRECTORS**

|                       |                                   |
|-----------------------|-----------------------------------|
| Mr. Mehinder Sharma   | Non-Executive Director & Chairman |
| Mr. Pushpendra Bansal | Executive Director                |
| Mr. Bharat Varsani    | Non-Executive Directors           |
| Mr. Amit Garg         | Non-Executive Director            |
| Mr. Sanjay Mangal     | Non-Executive Director            |

## **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  
State Bank of India  
United Bank of India

## **REGISTERED OFFICE**

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

**Website:** [www.lordsishwar.com](http://www.lordsishwar.com)

## **REGISTRAR & SHARE TRANSFER AGENT**

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

# NOTICE

---

NOTICE is hereby given that the 26<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 28<sup>th</sup> day of September, 2012, at 09.30 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, 2012 and the Profit and Loss Statement 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 Mr. Amit Garg, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. Sanjay Mangal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution:**

“RESOLVED THAT M/s. J. M. Pabari & Associates, Chartered Accountants (Firm Reg. No-113881W), Baroda, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company.”

## SPECIAL BUSINESS:

### 5. **Re-appointment of Mr. Pushendra Bansal as an Executive Director**

To consider and if thought fit, to pass, with or with out 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, approval of the members be and is hereby accorded to the re-appointment of Mr. Pushendra Bansal as Whole Time Director designated as an Executive Director of the Company for a period of 5 years with effect from 30<sup>th</sup> April, 2012, upon such terms and conditions with the 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 Mr. Pushendra Bansal.

## NOTICE

---

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect of this resolution.”

### 6. Preferential Issue of Share Warrants

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

“**RESOLVED THAT** pursuant to the provisions of Section 81 (1A) and all other applicable provisions of the Companies Act, 1956, if any (including any statutory modification(s) or re-enactment thereof, for the time being in force), the provisions of Foreign Exchange Management Act, 1999 and rules and regulations framed there under and subject to the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as in force and subject to other applicable rules, regulations and guidelines of Securities and Exchange Board of India (SEBI) and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into between the Company and the Stock Exchanges, where the shares of the Company are listed and subject to requisite approvals, consents, permissions and/or sanctions if any ,of SEBI, the Stock Exchanges and other appropriate authorities, including Reserve Bank of India, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board of Directors of the Company ( hereinafter referred to as the ' Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred hereunder), the Board be and is hereby authorized to create, offer, issue and allot 1,195,100 Warrants on a preferential basis to the Promoter(s) Group and Non-promoter(s) group of the Company, entitling the holder of each Warrant, from time to time, to apply for and obtain allotment of one equity share of the face value of Rs. 10/- each against each Warrant (hereinafter referred to as the “Warrants”), in one or more tranches, in such manner and on such price & terms and conditions as may be determined by the Board in accordance with the SEBI (ICDR) Regulations, 2009 or other provisions of the law as may be prevailing at the time provided that the minimum price of the warrants so issued shall not be less than the price arrived at in accordance with Provisions of Chapter VII of SEBI(ICDR) Regulations, 2009.

**RESOLVED FURTHER THAT** the Share Warrants shall be allotted within 15 days from the date of this Annual General Meeting subject to the approval from any regulatory body.

**RESOLVED FURTHER THAT** the issue of Share Warrants as above shall be subject to the following terms and conditions:

- (i) Each share warrant shall be convertible into one Equity share of face value of Rs. 10/- (Rupees Ten) each.

## NOTICE

---

- (ii) The share warrant holders shall, on/before allotment of warrants, pay an amount equivalent to at least 25% (Twenty Five percent) of the total consideration per warrant.
- (iii) The balance amount shall be paid at the time of allotment of equity shares pursuant to exercise of option against each such warrant by the warrant holders. The option to convert the share warrant into equity shares will be exercised in one or more tranches not later than 18 months from the date of allotment of such warrants.
- (iv) In case the warrant holders do not exercise the option to take equity shares against any warrants held by them, the consideration paid in respect of such warrants shall be forfeited by the Company.
- (v) The lock-in period of shares acquired by exercise of warrants shall be subject to SEBI (ICDR) Regulation, 2009.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon exercise of option by Warrant holder(s) or as may be necessary in accordance with the terms of the offer.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the *Relevant Date*, as per the SEBI (ICDR) Regulations, 2009, as amended up to date, for the determination of price of the Equity Shares to be issued and allotted upon exercise of right attached to the Warrants referred to above, is 30 days prior to the date of this Annual General Meeting i.e. *29<sup>th</sup> August, 2012, Wednesday.*

**RESOLVED FURTHER THAT** the equity shares allotted on conversion of Warrants in terms of this resolution shall rank *pari passu* in all respects including as to dividend, with the existing fully paid up equity shares of face of value of Rs. 10/- each of the Company, subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of aforesaid Warrants and listing of the Equity Shares on conversion with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said Warrants, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

## NOTICE

---

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors, any other Director(s), Company Secretary or officer(s) of the Company to give effect to the aforesaid resolution."

### **7. Increase in Authorised Share Capital & Alteration of Memorandum of Association of the Company**

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 94 and other applicable provisions if any of the Companies Act, 1956 (including any Statutory modification or re-enactment thereof for the time being in force), the Authorised Share Capital of the Company be and is hereby increased from Rs. 80,000,000/- (Rupees Eight Crore) to Rs. 150,000,000 (Rupees Fifteen Crore) by creation of 7,000,000 (Seventy Lac) new Equity shares of Rs. 10/- (Rupees Ten) each ranking pari passu in all respects with the existing Equity Shares of the Company.

**"RESOLVED FURTHER THAT** pursuant to the provisions of Section 16 and other applicable provisions if any of the Companies Act, 1956 (including any Statutory modification or re-enactment thereof for the time being in force), the existing Clause-V of the Memorandum of Association of the Company be and is hereby substituted by the following new Clause-V:

*V. The Authorised Share Capital of the Company is Rs. 150,000,000/- (Rupees Fifteen Crores) divided into 15,000,000 (One Crore Fifty Lac) Equity Shares of Rs.10/- (Rupees Ten) each."*

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient & usual to give effect to the aforesaid resolution".

### **8. Alteration of Articles of Association:**

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

**"RESOLVED THAT** pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the members of the Company be and is hereby accorded for substituting the existing Article No.3. of the Articles of Association of the Company by the following new Article:

## NOTICE

---

3. *The Authorised Share Capital of the Company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force in that behalf with the powers to divide the share capital, whether original increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such a manner as may for the time being be provided by the Regulations of the Company and allowed by law.*

### 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 21<sup>st</sup> September, 2012 to 28<sup>th</sup> September, 2012 (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 or their Depository Participants ("DPs"), for 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 respective DPs for its dematerialization.
- (f) A brief note on Directors retiring by rotation and eligible for re-appointment is furnished in the Report on Corporate Governance.

# NOTICE

---

- (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 this 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

The following Explanatory Statements set out all material facts relating to the Special Business mentioned in the accompanying Notice:

### **Item No.5**

The Board of Directors of the Company (the 'Board'), at its meeting held on 28<sup>th</sup> April, 2012 has, subject to the approvals of the Members, re-appointed Mr. Pushpendra Bansal as Whole Time Director, designated as Executive Director for a further period of 5 (five) years from the expiry of his present term.

The Board recommends the resolutions under Item No. 5 to be passed as an Ordinary resolution. None of the Directors except Mr. Pushpendra Bansal are concerned in the said resolution.

### **Item No.6**

As per section 81(1A) of the Companies Act, 1956 and Regulation 72(1)(a) of SEBI(ICDR) Regulations, 2009, approval of shareholders in the General Meeting by way of Special Resolution is required to offer, issue and allot 1,195,100 Share Warrants to Promoter(s) and Non-promoter(s) of the Company on Preferential basis.

The information as required under Clause 73(1) of the SEBI (ICDR) Regulations, 2009 for preferential issue is as under:

#### **I. Objects of the issue:**

The proceeds of the preferential offer are proposed to be used to meet capital expenditure for Company's businesses, general corporate purposes and maintain adequate liquidity for the future requirements in line with the growth & strategy of the Company.

#### **II. Pricing:**

The Share Warrants shall be issued, allotted and converted at a price not be less than the price determined in accordance with Regulation 76 of SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009.

# NOTICE

### III. Intention of the Promoters/Directors/Key Management persons to subscribe to the offer:

The Key Management persons are not making any subscription to this preferential issue. However, M/s Srijan Holdings Limited, being a promoter Group of the Company is being offered through this resolution for subscribing of 970,300 Share Warrants.

### IV. Relevant Date :

The Relevant Date for the purpose of determining the pricing of shares arising out of Warrants in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009 is *29<sup>th</sup> August, 2012, Wenesday*

### V. Shareholding Pattern of the Company before & after preferential issue:

The Shareholding Pattern giving the present position as also considering full allotment of warrants to Promoter(s) and Non-promoter(s) and Equity Shares arising out of the conversion thereof, as per the Resolution of the Notice are given below:

| Category of Shareholders                | Pre-issue Equity Holdings | % of the Pre-issue Equity Holding | Post Issue Equity Holdings | % of the Post-issue Equity Holding |
|---|---------------------------|-----------------------------------|----------------------------|------------------------------------|
| <b><u>A. Promoters Holding</u></b>      |                           |                                   |                            |                                    |
| Indian Promoters:                       |                           |                                   |                            |                                    |
| Directors/Relatives                     | 1,252,650                 | 19.96                             | 1,252,650                  | 16.77                              |
| Bodies Corporate                        | 1,893,050                 | 30.17                             | 2,863,350                  | 38.33                              |
| Foreign Promoters:                      | ---                       | ---                               | ---                        | ---                                |
| <b>Sub Total -(A)</b>                   | <b>3,145,700</b>          | <b>50.13</b>                      | <b>4,116,000</b>           | <b>55.10</b>                       |
| <b><u>B. Non- Promoters Holding</u></b> |                           |                                   |                            |                                    |
| 1. Mutual Funds                         | 260,000                   | 4.14                              | 260,000                    | 3.48                               |
| 2. Bank/Financial Institution           | 1,700                     | 0.03                              | 1,700                      | 0.02                               |
| 3. FII                                  | ---                       | ---                               | ---                        | ---                                |
| 4. Body Corporate                       | 326,201                   | 5.20                              | 326,201                    | 4.37                               |
| 5. Individuals                          |                           |                                   |                            |                                    |
| Holding up to Rs.1 Lakh                 | 1,211,999                 | 19.32                             | 1,211,999                  | 16.22                              |
| Holding above Rs. 1 Lakh                | 1,002,200                 | 15.97                             | 1,227,000                  | 16.43                              |
| 6. NRI(Rep.)/OBCs                       | 327,100                   | 5.21                              | 327,100                    | 4.38                               |
| <b>Sub Total- (B)</b>                   | <b>3,129,200</b>          | <b>49.87</b>                      | <b>3,354,000</b>           | <b>44.90</b>                       |
| <b>GRAND TOTAL (A+B)</b>                | <b>6,274,900</b>          | <b>100.00</b>                     | <b>7,470,000</b>           | <b>100.00</b>                      |

# NOTICE

## VI. Undertaking:

In terms of Regulation 73(1) (f) and (g) of SEBI (ICDR) Regulations, the Company undertakes: (i) to re-compute the price of the above specified securities as per the regulation where it is required to do so (ii) if the amount payable on account of re-computation of price is not paid as per regulation, the specified securities shall remain to be locked- in till the time such amount is paid by allottees.

## VII. Proposed time within which the allotment shall be completed:-

As required under the SEBI (ICDR) Regulations, 2009, the Company shall complete the allotment(s) of Warrants as aforesaid within 15 days from the date of passing of this resolution by the shareholders granting consent for preferential issue subject to any approval(s) from any regulatory authority or the Central Government.

## VIII. The identity of the proposed allottees, the percentage of post preferential issue capital that may be held by the allottees and change in control, if any, in the Company consequent to this issue:

### Details of Proposed Allottees:

| Proposed Allottees      | PAN Number | Category     | Pre-issue Equity Holdings | % of the Pre-issue Equity Holding | No. of shares to be converted | Post Issue holdings on conversion | % of holding at Post-conversion |
|-------------------------|------------|--------------|---------------------------|-----------------------------------|-------------------------------|-----------------------------------|---------------------------------|
| Srijan Holdings Limited | AAACS5714L | Promoter     | 642,300                   | 10.24                             | 970,300                       | 1,612,600                         | 21.59                           |
| Peter A Pereira         | AELPP7504D | Non-promoter | NIL                       | NIL                               | 224,800                       | 224,800                           | 3.01                            |

### Change in Control:

There is no change in the management of the Company pursuant to the Preferential Issue.

## IX. Auditor's Certificate:

A certificate, as required under SEBI (Issue of Capital and Disclosure Requirement) Regulation, 2009 certifying that the proposed issue is being made in accordance with the requirements contained in SEBI guidelines, has been obtained from the Auditors of the Company.