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RELIABLE VENTURES INDIA LIMITED



15th Annual Report
2007-2008

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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. Rajendra Malpani	:	Director
Mr. GK Gupta	:	Director

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COMPANY SECRETARY:

Mr. S.S. Raghuwanshi

BANKERS:

Dena Bank, Hamidia Road Branch, Bhopal,MP
Bank of Baroda, Habibganj Branch, Bhopal,MP
HDFC Bank Ltd., Arera Colony,Bhopal, MP

AUDITORS:

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

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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 FIFTEENTH ANNUAL GENERAL MEETING of the members of the Reliable Ventures India Limited will be held on Friday, the 26th day of Sept., 2008 at 4.00 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 2008, 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 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 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

(S. Shankar Narayanan)
Director

Place: Bhopal
Date : 10th Day of August, 2008

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. 24th Sept to 26th Sept, both the days inclusive for the purpose of the 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 under takes 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 Dmat 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.

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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.

8. Details of directors seeking reappointment are annexed .as Annexrue to the notice.

ANNEXURE TO NOTICE OF THE ANNUAL GENERAL MEETING

Detrails of the Directors pursuant to Clause 49 of the Listing Agreement seeking reappointment at the 15th Annual General Meweting of the Company

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	28/09/2007	28/09/2007
Qualifications	B.Sc & CAIIB	Graduate in dairy farming
Expertise in Functional Area	Ex-Banker from Bank of India & Middle East, UAE. Expert in Financial Mgt., Banking, Project Financing and idle. Relations	Successful entrepreneur in the area of dairy farming, merchandising and agency business of with over a decade's experience of establishing, controlling and managing the business in the aforesaid segments.
Nos of shares held in the Company	2000Equity shares of Rs. 10/- each	200 Equity shares of Rs. 10/- each
List of Directorship held in other public Companies	Reliable Industrial Ventures Ltd. & Reliable Smartcity Ltd.	Not applicable
Position held in other Companies as at 31.3.08	Not applicable	Not applicable

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REPORT OF THE DIRECTORS & MANAGEMENT DISCUSSIONS AND ANALYSIS

For the financial year ended 31st March, 2008

Your directors have pleasure in presenting to you their Fifteenth Annual Report together with the audited statement of accounts of the company for the 12 months period ended 31st March 2008

FINANCIAL PERFORMANCE:

During the 12 months period under report ended 31st March, 2008, your company earned an all-inclusive revenue of Rs. 1077.85 lacs against Rs.821.27 lacs earned in the corresponding period during the preceding financial year recording a growth of about Rs. 256.58 lacs in term of value and 31.24 in term of per cent over corresponding period in the preceding year culminating into after tax profit of Rs.120.18 against a profit Rs. 104.79 during the preceding financial year. The financial performance of the Company is summarized below:

PROFIT & LOSS ACCOUNT		
Operating years >	**2007-08**	**2006-07**
Net sales	1063.18	818.48
Other income	14.67	2.79
Total income	**1077.85**	**821.27**
Profit before Intt and tax	276.86	113.89
Interest payment (net)	56.58	68.75
Profit before extra-ordinary items	**220.28**	**45.14**
Extra-ordinary items (Written back prov + prior period adj.)	8.22	113.89
Profit after extra-ordinary item but before tax	**212.06**	**159.03**
Provision for taxes	91.88	54.24
Net profit	**120.18**	**104.79**
Total No. of equity shares of Rs. 10/- each	**10043900**	**10043900**
Basic earning per shares of Rs. 10/- each	**1.20**	**1.04**
BALANCE SHEET		
Operating years >	**2007-08**	**2006-07**
Net fixed assets	2109.19	2129.37
Net current assets	189.09	178.77
Misc. exps	1.23	7.78
deferred assets	29.07	95.06
Capital employed	**2328.57**	**2408.98**
Represented by		
Equity capital	1029.05	1029.05
Accu. Losses	-135.36	-255.54
Net worth	893.69	773.51
Loan fund	938.38	1207.47
Share Application money	496.50	428.00
Capital employed	**2328.57**	**2408.98**

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SHARE CAPITAL :

During the period under report, the authorized share capital of the company has been increased from Rs. 1200.00 lacs to Rs.2500.00 lacs divided into 250,00,000 Equity shares of Rs. 10/- each. The issued and subscribed capital remained at its level of previous year at Rs. 1101.29 lacs divided into 110, 12,900 equity shares of Rs. 10/ - each.

The paid up equity share capital of the Company as on 31st March,, 2008, is Rs. 1004.39 lacs divided into 10043900 fully paid up equity shares of Rs. 10/- each. The categories of the holdings and its distribution of as at 31st March, 2008 have been as under:

Category of Shareholdings as at 31st March 2008

Category of holders	Nos. held.	Per cent age of total
Promoters, friends, relatives & persons in concert.	4431300	44.12
Non-resident Indians	1009800	10.05
Indian general public	4602800	45.83
Total	10043900	100.00

Distribution of Shareholdings as at 31st March 2008

No. Of Shares held	NO of Shareholders	% Of share Holders	Total Shares held	% of share Holdings
1-100	230	11.27	18103	0.18
101-200	122	5.98	23388	0.23
201-500	1005	49.26	486979	4.85
501-1000	335	16.42	310077	3.09
1001-5000	243	11.91	685728	6.83
5001-10000	30	1.47	246285	2.45
10001-100000	61	2.99	2047424	20.38
100001 & above	14	0.69	6225916	61.99
Total	2040	100.00	10043900	100.00

CAPITAL EXPENDITURE:

Up to the close of the financial year under report, your company incurred a capital expenditure of Rs. 2647.31 lacs, including work in progress worth Rs. 5.26 lacs against Rs. 2579.34 lacs in proceeding year, representing a capital expenditure of Rs, 67.97 lacs lacs during the period under report.

PROJECT IMPLEMENTATION STATUS (TO BE EDITED WITH THE HELP OF VP-NUSP)

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. Your directors are pleased to report that tailored to the available business potential, your company is making efforts on war footing to see that the remaining 13 rooms are ready and commercially open 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 2008-09 & further envisages sustaining its position as a market leader by setting bench marks during 2009 – 10. Further,

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the Company's Vision is to emerge as a high end Hotel with a Convention Centre providing First Class International Quality Services & as an excellent MICE (Meetings, Incentives, Conventions & Exhibition) destination. We have envisaged achieving our objective & to remain focused on our vision by adding 100 more keys to the present room inventories & to make an 800 persons capacity Convention Centre. The Company is in process to extend its MOU with ITC WelcomHeritage, a leader in hospitality, internationally whereby in addition to the existing Franchise Agreement, ITC WelcomHeritage shall also extend operational & management support services to the company so that the standard ITC Hotel operating policies and procedures be strictly adhered to. Thus, the company would be in a position to further upgrade its product, services & follow the best practices in existence among the leading ITC Hotels.

The Hospitality Industry is experiencing a constant boom especially in two tier cities like Bhopal & this year we shall experience a substantial growth. Apart from the normal industry growth of 10 %, we anticipate an average growth in excess of 20 % every year. The Ministry of Tourism, Government of India with its " Incredible India " campaign already yielding excellent results has forecasted that by 2010, there would be 760 million domestic tourists & 11 million inbound tourists in India. Thus on this very encouraging & promising note, we plan to expand our operations & continue to upgrade our property.

Quality Management:

Continuance in deliverance of Quality Services, constant up-gradations and increasing room inventories alongwith addition of convention centre in the Hotel so as to achieve excellence will be the strategy that the company will follow. The company is totally committed to provide & maintain quality at all levels. Systems & 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. The company has ensured activation of most of the modules in the Property Management System (IDS) already installed so that all departments & sub - departments of the hotel are interfaced. A guest comment tracking system has been devised & operated to take regular feed back on product & services from the guests to ensure total quality management.

Performance Review:

The company has registered a very healthy growth of 31 % in its Turnover over previous year as against an average hotel industry growth of 10 %.. The company has achieved a Net Profit of 120.18 lakhs for Financial years 2007 – 08 which is an increase of 15 % over previous year. Cash & Bank balances as on 31.03.2008 were Rs. 81.96 lakhs. The Sundry Debtors as on 31.03.2008 was Rs. 36.35 lakhs which is only 3 % of total turnover.

Rs. 67.96 lakhs were invested in the company during Financial year 2007 – 08 towards product enhancement & for commissioning a new VAM (Vapour Absorption Machine – for a/c plant) which is very economical & eco friendly to operate vis-à-vis electric operated a/c plant.

During 2008 – 09, the company shall further invest Rs. 160.00 lakhs to add 09 new Royal Club Rooms to the hotel, to commission an Indian Specialty Restaurant, to make a new Banquet Hall & to add Health Club Wet Section. It is further proposed that Rs. 120.00 lakhs shall be invested keeping in mind the need for continuous up gradation of our product & services which involves adoption of new technology and assets to cater to the demanding customer needs of today in a professional and cost effective manner.

Internal Control Systems:

All necessary controls, financial checks and otherwise, due as per statutory requirements as also towards making the company a highly profitable venture are in place. Internal controls as regards operations so that the expenditure is in line with industry norms and regular internal audits of our finances are undertaken and their 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 State and Central Governments have been updated & are made on time. Reduction in costs 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.

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Opportunities

Economic projections appears to look very good for the country as the stock markets are continuing to be quite buoyant, a proof enough that the investors are showing high degree of trust and contributing to the economic boom. Hospitality, as an industry is also enjoying this economic boom & we are of strong opinion that given the current GDP growth scenario of almost 9 – 10 %, the Corporate and the Conference segments will grow at a very rapid pace. Extensive travel by low cost carriers shall boost influx into the city apart from good rail connectivity. The company is in process to add a completely new wing with a proposal of 100 brand new rooms to its current inventory. However, it might take 2 to 3 years for its completion & we plan to execute the same so that by the time IT / BPO sector enters Bhopal (proposed IT Park Project in near vicinity of our Hotel), we are ready to cater to a totally new business profile clientele.

A Multi Product SEZ (Special Economic Zone) has been approved on Bhopal Indore Corridor near Sehore which would attract lots of Investors. Being the closest to the SEZ site, our Hotel would benefit enormously as we being the best Hotel in terms of room & conference sales.

Airports Authority has succeeded in acquiring land & has already started to expand the run way for up gradation of present Domestic Airport to International Airport which would increase International flight connectivity for Bhopal & thus increased business for hotels.

Threats

With the number of flights increasing from a particular destination in to city in morning hours and out of the city the same evening, there will also be a threat perception that corporate night halts at Bhopal would drastically reduce. This would directly affect our 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 project 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 the 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 traveling executives & their offices in the city generally have a conference room attached to take care of routine and other weekly / monthly conferencing.

Risks 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:

Our Hotel has been adjudged as The Best Heritage Hotel in the State of Madhya Pradesh by MPSTDC for 2007. The company is proud to have maintained the Heritage nature of the Hotel to its optimum level. We still are & shall always remain the Best Address in Bhopal. Scheduled 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 citizens.

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HUMAN RESOURCES DEVELOPMENT:

Led with the realization of the fact that continuous up-gradation of skills and service delivery systems/ inputs go a long with 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 tone up the skills of and service delivery by its existing manpower and keep them sponsoring for external training and skill development programmes at select ITC Hotels.

In the matter of employees' 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 package 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.M A K & 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(IB) 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 2008 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 93.98 lacs against 79.24 lacs during the preceding accounting period representing an increase to the extent of 59 per cent over the preceding year. 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 ir-regularities, if any, in the company are timely detected, provided for and their recurrence is prevented and that the statements reflect true and fair view of the state of affairs of the Company as at the 31st March, 2008 and the profit and loss for the accounting period ended on the said date.

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Constitution of Audit Committee:

In term of requirements of Section 292 (A) of the Companies Act, 1956, during the period under report the Audit Committee was constituted of four non-executive independent directors namely Mr. S. Shankar Narayanan, Mr. Mohd. Hafiz Khan, Mr. GK Gupta and Mr. Rajendra Malpani and that Mr. Shankar Narayanan, an independent and non executive director, remained on the Chair. 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. S. Shankar Narayanan and Mr. Mohd. Hafiz Khan, 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 and Mr. GK Gupta, who were inducted as Addl. Directors, shall cease to hold the office as such from the conclusion of the ensuing Annual General Meeting.

The Company has received a notice under Section 257 of the Companies Act, 1956, from one of its Shareholders intending to propose the candidature of Mr. Rajendra Malpani for appointment as Director liable to retire by rotation. Accordingly, requisite proposals to reappoint the aforesaid gentlemen to the office of Directors are being brought up at the ensuing Annual General Meeting.

DIVIDEND

Keeping in view that the company is still carrying on a substantial amount as accumulated losses, no dividend on the Equity share capital has been recommended despite of sufficient post-tax profit reported by the company during the financial 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. It 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 7909800 amounting to 78.75 per cent of the total paid up shares capital of the company have already been dematerialized as on 31st day of March 2008.

SECRETARIAL AUDIT:

In term of requirement of SEBI and Stock Exchanges, a Secretarial audit by a practicing Company Secretary is carried out to reconcile the total admitted share capital with NSDL and CDSL and 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.

REGISTRAR AND SHARE TRANSFER AGENTS:

M/s. Sharex Dynamic (India) Pvt. Ltd located at 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai, continue to hold the office of Share Transfer Agents & Registrar of the Company. This company undertakes securities registry job from its unit NO. 1 Located at Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (E), and Mumbai.

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