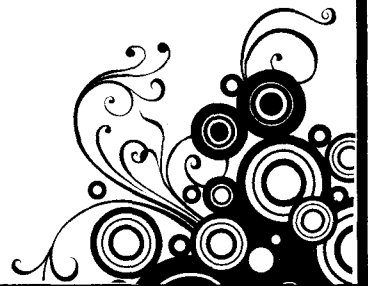




**23<sup>RD</sup>**  
**ANNUAL REPORT**  
**2008-2009**

**ISHWAR BHUVAN HOTELS LIMITED**



## **ISHWAR BHUVAN HOTELS LIMITED**

### **BOARD OF DIRECTORS**

Shri Mehinder Sharma	- Chairman
Shri Pushpendra 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.  
United Bank of India

### **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,  
Kala Ghoda Chowk, University Road,  
Baroda – 390 002.

**NOTICE**

NOTICE is hereby given that the **23<sup>rd</sup> ANNUAL GENERAL MEETING** of **ISHWAR BHUVAN HOTELS LIMITED** will be held at Suruchi Resort, Sakaria – Nimeta, Baroda - 390 019 on Friday, the 25<sup>th</sup> September, 2009 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, 2009 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. 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 18<sup>th</sup> September, 2009 to 25<sup>th</sup> September, 2009 (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, 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.
- (iv) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
- (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 in BSE w.e.f 19<sup>th</sup> January, 2009. 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.

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

Place: Baroda  
Date : 25<sup>th</sup> August, 2009

PUSHPENDRA BANSAL  
Executive Director

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

## DIRECTORS' REPORT

To,  
The Members,

Your Directors have pleasure in presenting the 23<sup>rd</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, 2009.

### FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	For the year ended 31.03.2009	For the year ended 31.03.2008
Net Income	580.40	543.62
Net Profit before tax	79.44	101.32
Less: Provision for Tax		
- Current Tax	—	—
- Deferred Tax	—	—
- Fringe Benefit Tax	1.05	1.35
Net Profit after tax	78.39	99.97
Add: Profit / (Loss) brought forward	(274.07)	(1,072.42)
Add: Provision no longer required	—	698.38
Balance carried over to Balance Sheet	(195.68)	(274.07)

### MANAGEMENT DISCUSSION AND ANALYSIS

#### Financial and Operational Performance

During the year under review, the Net Income of your Company has increased from Rs. 543.62 lacs to Rs. 580.40 lacs. However, Net Profit of the Company has decreased from Rs. 99.97 lacs to 78.39 lacs mainly by increase in repair and maintenance cost.

#### Industry Scenario

The New Year 2009 has begun with a lot of worries about global recession. For the hotel industry, this has been the worst of times, as most hotels around the world are struggling to tackle the problem of lowest occupancy rates. The effort made by the hotels to attract more tourists by slashing down the tariff has also not helped. In fact, the effort to slash down the price and attract tourists has backfired as there has not been any increase in revenue.

However, things are improving for the hotel industry after March but not in a very dramatic way. Mumbai terror attack and the economic slowdown obviously had an impact but 2010 Games will be a catalyst for a boom in the tourism sector. Hotel industry clocks normal growth despite global tremors.

### **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. 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**

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, 2009, 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, 2009 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, 2009, 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.

**B. Technology Absorption**

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

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

	2008-2009 Amount (Rs.)	2007-2008 Amount (Rs.)
a. Total Foreign Exchange used	4,77,940	Nil
b. Total Foreign Exchange earned	27,05,187	Nil

**DIRECTORS**

Shri Romesh Koul and Shri Bharat Varsani 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.

**REVOCAION OF SUSPENSION OF TRADING IN EQUITY SHARES**

The Bombay Stock Exchange limited has revoked the suspension of trading in equity shares of the Company w.e.f. 19<sup>th</sup> January, 2009. Accordingly, all the shareholders are requested to send equity shares to their respective Depository Participants (DPs) for dematerialisation.

**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.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

Place: Baroda  
Date : 25<sup>th</sup> August, 2009

**PUSHPENDRA BANSAL**  
Executive Director

**AMIT GARG**  
Director

### **Registered Office:**

Revival Hotel, Near Sayaji Gardens,  
Kala Ghoda Chowk, 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 with the Chairman being a Non Executive Director.

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

5 (Five) Board Meetings were held during the financial year 2008-09. The date on which the said meetings were held is as follows:

1.	April 23, 2008	2.	July 10, 2008	3.	July 30, 2008
4.	October 24, 2008	5.	January 29, 2009		

The last Annual General Meeting of the Company was held on September 20, 2008.

Details of attendance at the Board meetings, Last Annual General Meeting and Shareholding of each Director are as follows:

Name	Category	Attendance Particulars		No. of Equity Shares Held
		Board Meetings	Last AGM	
Shri Mehinder Sharma	Non Executive Director and Chairman	Nil	No	Nil
Shri Pushendra Bansal	Executive Director	5	Yes	2000
Shri Romesh Koul	Non Executive Independent Director	5	No	104100
Shri Bharat Varsani	Non Executive Independent Director	5	Yes	Nil
Shri Amit Garg	Non Executive Independent Director	5	Yes	Nil
Shri Sanjay Mangal	Non Executive Independent Director	5	Yes	Nil

The Following table gives information about the membership of the directors in the Boards and committees of other public limited companies.

Name of the Director	No. of other Public Limited Company in which Director	Committee Membership (other than Ishwar Bhuvan Hotels Ltd.)	No. of Committees in which he is chairman (other than Ishwar Bhuvan Hotels Ltd.)
Shri Mehinder Sharma	4	--	--
Shri Pushendra Bansal	3	--	--
Shri Romesh Koul	2	--	--
Shri Bharat Varsani	--	--	--
Shri Amit Garg	2	--	--
Shri Bharat Varsani	--	--	--

Directorship held by Directors mentioned above does not include Directorship of Private Limited Companies, Section 25 – non profit making Companies, Unlimited Companies and companies where the director is an Alternate Director.

The Company has a process to provide, inter-alia, the information to the Board as required under Annexure I to clause 49 of the listing agreement pertaining to Corporate Governance.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 Committees across all the Companies in which they are Directors. All the Directors have made necessary disclosures in this regards to the Company.

### **Code of Conduct**

The Board has laid down a code of conduct for Board Members and senior management staff of the Company. The Board Members and senior management staff have affirmed compliance with the said Code of Conduct.

**Note on Directors seeking appointment/re-appointment:**

**Shri Romesh Koul**

Shri Romesh Koul, aged about 48 years, is both Diploma & Graduate in Hotel Management and has more than 25 years of vast experience of consultancy in hotels industry. He provides his enriched expertise to the Board in management of the Company.

He is a Director in UG Hotel & Resort Limited and Lords Inn Hotels & Developers Ltd.

**Shri Bharat Varsani**

Shri Bharat Varsani, aged about 49 years, is Commerce Graduate and has more than 15 years of experience in field of transportation and management of all kinds of vehicles particularly transportation of LPG and Ammonia in bulk.

He is not a Director in any other Company.

**3. AUDIT COMMITTEE**

During the financial year 2008-09, the Audit Committee met 5 (Five) times on April 23, 2008, July 10, 2008, July 30, 2008, October 24, 2008 and January 29, 2009. The Committee, at these meetings reviewed the financial reporting system and unaudited financial results for the first three quarters.

The attendance of each member of the Audit Committee in the Committee meetings is given below:

Name of the Director	No. of Meeting held	No. of Meetings attended
Shri Amit Garg	5	5
Shri Bharat Varsani	5	5
Shri Sanjay Mangal	5	5

At present, all members of the Audit Committee are Non Executive Independent Directors. The Chairman of the Audit Committee is Shri Amit Garg.

**4. REMUNERATION COMMITTEE**

The listing agreement with the Stock Exchanges provides that a Company may appoint a Committee for recommending managerial remuneration payable to Directors. The present Remuneration committee comprises of Shri Amit Garg, as Chairman with Shri Bharat Varsani and Shri Sanjay Mangal as the other members.

Presently, the Company is not paying any sitting fees to its Non-Executive Directors for attaining meetings of the Board, Audit Committee and other Committees. The Company is also not paying any remuneration to its Executive Director.

During the year, no Remuneration Committee meeting was held.

## 5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Company has constituted the Shareholders'/Investors' Grievance Committee comprising of Shri Amit Garg, as Chairman with Shri Bharat Varsani and Shri Sanjay Mangal as the other members.

The brief terms of reference of the Committee include redressal of investors'/shareholders' complaints and requests like transfer of shares, non-receipt of dividend, annual report, etc.

Shri Badri Rajak is act as Compliance Officer of the Company.

During the year, one Shareholders'/Investors' Grievance Committee meeting was held on July 10, 2008. All Members were present at the Committee Meeting.

During the year, the company has received two shareholders'/investors' complaints, which were promptly responded and resolved to the satisfaction of the concerned Shareholders. No complaint is pending to be resolved at the end of the year.

## 6. GENERAL BODY MEETINGS

Details of the location where the last 3 (three) Annual General Meetings were held and the details of the resolution passed or proposed to be passed by postal ballot.

AGM for the year ended	Date and Time of AGM	Location	Special Resolution
March 31, 2008	September 20, 2008 at 10.00 A.M.	Suruchi Resort, Sakaria – Nimeta, Baroda -390 019	None
March 31, 2007	September 24, 2007 at 10.00 A.M.	Suruchi Resort, Sakaria – Nimeta, Baroda -390 019	None
March 31, 2006	September 27, 2006 at 10.30 A.M.	Suruchi Resort, Sakaria – Nimeta, Baroda -390 019	1

All the resolutions, set out in the respective notices calling the AGM were passed by the shareholders. No postal ballots were used for voting at these meeting. At the forthcoming AGM, there is no agenda that needs approval by postal ballots. One Extra-ordinary General Meeting of the members as on March 15, 2008 was held during the last three years.

**7. DISCLOSURES**

- (i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the company at large:

None

The Register of contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

Transactions with the related parties are disclosed in the notes to the accounts forming part of the accounts.

- (ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by SEBI, ROC, Stock Exchange or any statutory authority on any matter related to capital markets during the last 3 financial years:

None

- (iii) The Company has complied with all mandatory requirements of Corporate Governance under Clause 49 of the Listing Agreement.

- (iv) The CEO/CFO certification form part of this Annual Report.

**8. MEANS OF COMMUNICATION**

- a. Half yearly report sent to each household of shareholders : No
- b. Quarterly results : The Company has published quarterly results in the Business Standard (English) and Lok Satta (Gujarati) both at Baroda.
- c. Whether MD&A is a part of Annual Report : Yes
- d. Whether shareholder information section forms part of the Annual Report : Yes

**9. GENERAL SHAREHOLDER INFORMATION**

1.	Annual General Meeting	
	Date and Time	: September 25, 2009 at 10.00 a.m.
	Venue	: Suruchi Resort, Sakaria – Nimeta, Baroda -390 019.
2.	Financial Calendar 2009-10	: Financial Reporting will be as follows:
		For the quarter ending June, 2009 July, 2009
		For the quarter ending September, 2009 October, 2009

		For the quarter ending December, 2009 For the quarter ending March, 2010 Annual General Meeting for 2009-10	January, 2010 April, 2010 September, 2010
3.	Book closure date	: 18.09.2009 to 25.09.2009 (both days inclusive)	
4.	Dividend Payment Date	: No Dividend has been recommended.	
5.	Registered Office of the company	: Revival Hotel, Near Sayaji Gardens, Kala Ghoda Chowk, University Road, Baroda – 390 002. <a href="mailto:ibhlimited@gmail.com">ibhlimited@gmail.com</a>	
6.	Listing on Stock Exchanges	: Bombay Stock Exchange Limited. Vadodara Stock Exchange Limited.	
7.	Annual listing & Custodial fees	: Duly paid for the year 2009-10.	
8.	Stock Code		
	(a) Trading Symbol at BSE	: 530065 / ISHBHOT	
	(b) Trading Symbol at VSE	: 30065/370	
	(c) Demat ISIN Numbers in NSDL & CDSL	: INE689J01013	
9.	Stock Market Data	The Bombay Stock Exchange Ltd.	
		<b>High (Rs.)</b>	<b>Low (Rs.)</b>
	January 2009	11.02	3.00
	February 2009	9.97	5.22
	March 2009	4.97	3.38
10.	Share Price Performance compared with broad based indices		
		<b>Ishwar Bhuvan Hotels Limited</b>	<b>BSE</b>
	As on 19th January, 2009	10.00	9381.78
	As on 31st March, 2009	3.38	9708.50
	Change (%)	- 66.20%	3.48%

## 11. A. Distribution of Shareholding as on 31st March, 2009

No. of Equity Shares held	No. of Shareholders	% of Shareholders	% of Shares held	No. of Shareholding
1 - 5000	1283	63.26	393500	7.10
5001 - 10000	377	18.59	282400	5.09
10001 - 20000	183	9.02	267000	4.82
20001 - 30000	93	4.59	251100	4.53
30001 - 40000	19	0.94	67600	1.22
40001 - 50000	19	0.94	90300	1.63
50001 - 100000	28	1.38	236800	4.27
100001 & Above	26	1.28	3953900	71.34
<b>TOTAL</b>	<b>2028</b>	<b>100.00</b>	<b>5542600</b>	<b>100.00</b>
Physical Mode	1988	98.03	5394500	97.33
Electronic Mode	40	1.97	148100	2.67

## B. Category of Shareholders as on 31st March, 2009

Category No. of	No. of Shareholders	% of Shareholders	% of Shares held	No. of Shareholding
Indian Promoter(s)/ Persons acting in concert	3	0.15	2503400	45.17
Foreign Promoter	NIL	NIL	NIL	NIL
Resident Individuals	1924	94.87	2126800	38.37
Bodies Corporate	12	0.59	270500	4.88
Financial Institutions/ Banks/Mutual Funds	2	0.10	261700	4.72
NRI's/OBC's/Foreign	87	4.29	380200	6.86
National				
<b>GRAND TOTAL</b>	<b>2028</b>	<b>100.00</b>	<b>5542600</b>	<b>100.00</b>



12. Dematerialization of Shares	:	As on March 31, 2009, 148100 equity shares constituting 2.67 % of the Equity Shares Capital of the Company stand dematerialized.
13. Outstanding GDRs/ ADRs/Warrants or any Convertible Instruments.	:	The Company has not issued GDRs/ADRs/Warrants. There are no outstanding Convertible Instruments.
14. Hotel Location	:	Revival Hotel, Near Sayaji Gardens, Kala Ghoda Chowk, University Road, Baroda – 390 002. e-mail : <a href="mailto:ibhlimited@gmail.com">ibhlimited@gmail.com</a>
15. Address for Correspondence	:	<b><u>Registrar &amp; Transfer Agent:</u></b> M/s. Bigshare Services Pvt. Ltd. <i>Unit: (Ishwar Bhuvan Hotels Limited)</i> <b><u>Registered Office:</u></b> E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai – 400 072. e-mail : <a href="mailto:bss@bigshareonline.com">bss@bigshareonline.com</a> Tel. No. 022-28473747,28473474,28470652,28470653 Fax No. 022-28475207

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
ISHWAR BHUVAN HOTELS LIMITED  
Baroda.

1. We have examined the compliance of conditions of Corporate Governance by ISHWAR BHUVAN HOTELS LIMITED for the period ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with all the mandatory conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.
4. We state that, as per the records and other documents maintained by the Shareholders / Investors Grievance Committee, no investor grievance is pending for a period exceeding one month.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR J. M. PABARI & ASSOCIATES  
CHARTERED ACCOUNTANTS

Place: Baroda  
Date : 25<sup>th</sup> August, 2009

JAYANT PABARI  
(PROPRIETOR)  
Membership No.  
47580

**DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT**

To,  
The Members of  
ISHWAR BHUVAN HOTELS LIMITED

It is hereby certified and confirmed that as provided in clause 49 I(D) of the Listing Agreement with the Stock Exchanges, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended March 31, 2009.

For ISHWAR BHUVAN HOTELS LIMITED

Place : Baroda  
Date : 25<sup>th</sup> August, 2009

PUSHPENDRA BANSAL  
Executive Director/CEO

To,  
The Board of Directors  
**ISHWAR BHUVAN HOTELS LIMITED**  
Revival Hotel, Near Sayaji Gardens,  
Kala Ghoda Chowk, University Road,  
Baroda – 390 002.

**CEO/CFO CERTIFICATION**

We hereby certify that:

- (a) We have reviewed the financial statements and cash flow statement for the year ended March 31, 2009 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) these statements together present a true and fair view of the Company's affairs and in compliance with existing accounting standards, applicable laws and regulations.
- (b) No transaction is entered into by the Company during the year which is fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) we have indicated to the auditors and the Audit Committee:
  - (i) significant changes in internal control over financial reporting during the year.
  - (ii) significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

**FOR ISHWAR BHUVAN HOTELS LIMITED**

Place : Baroda  
Date : 25<sup>th</sup> August, 2009

**PUSHPENDRA BANSAL**  
Executive Director/CEO

**AUDITORS' REPORT**

To,  
The Members of  
ISHWAR BHUVAN HOTELS LIMITED

1. We have audited the attached Balance Sheet of ISHWAR BHUVAN HOTELS LIMITED as at 31<sup>st</sup> March, 2009 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining - on a test basis - evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Company Law Board in term of sub-section (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in para 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:  
We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit:
  - (a) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books.
  - (b) The Balance Sheet, the Profit and Loss Account dealt with by this report are in agreement with the books of account.
  - (c) In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in sub section (3c) of section 211 of the Companies Act, 1956.

- (d) On the basis of the written representation received from the Directors as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- (e) In our opinion and to best of our information and according to the explanations given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:
  - i) In case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009.
  - ii) In case of Profit and Loss Account, of the profit for the year ended on that date; and
  - iii) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

**FOR J. M. PABARI & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**Place: Baroda  
Date : 25<sup>th</sup> August, 2009.**

**JAYANT PABARI  
(PROPRIETOR)  
Membership No. 47580**

## **ANNEXURE TO THE AUDITORS' REPORT**

(ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF ISHWAR BHUVAN HOTELS LTD. FOR THE YEAR ENDED AS ON 31ST MARCH 2009)

1. (a) The Company has maintained properly records showing full particulars, including quantitative details and situations of fixed assets.  
(b) During the year under report, all fixed assets have been physically verified by the management under regular programme of verification, which in our opinion is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) During the year under report, the Company has not sold off any of its substantial fixed assets which can affect its going concern status.
2. (a) The inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.  
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.  
(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. (a) During the year, the Company has not taken any interest free unsecured loans from any party covered in the register maintained under Section 301 of the Companies Act, 1956.  
(b) During the year, the Company has not granted any unsecured loan to any party covered under Section 301 of the Companies Act, 1956.  
(c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from/granted to companies, firms or other parties, listed in the register maintained under Section 301 of the Companies Act, 1956, are not, prima-facie prejudicial to the interests of the Company.  
(d) No terms with regard to repayment of such loans has been specified. However the company is regular in repaying the loans taken from the parties covered in the register maintained under Section 301 of the Companies Act, 1956.  
(e) There is no overdue amount of loans taken from/granted to companies, firms or other parties, listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures, commensurate with the size of the Company and the nature of its business with regarding to purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not

observed any continuing failure to correct major weaknesses in internal controls.

5. a) Based on the audit procedure applied by us and according to the information and explanation provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered into a register in pursuance of section 301 of the Companies act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, where such transactions are in excess of Rs. 5 lacs in respect of any party, the transactions have been made at prices which are, prima facie, reasonable having regard to the prevailing market price at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and rule framed thereunder.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. Maintenance of the cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
9. (a) According to the records of the Company, The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) In our opinion & information & explanations given to us, the dues in respect of Income-tax, Sales-Tax & Central Excise has not been deposited with the appropriate authorities on account of dispute and the forum where dispute is pending are given below :-

Name of the statute	Nature of Dispute	Amount Rs. in lacs	Period	Forum where dispute is pending	Progress & Remarks
Income-Tax Act,1961	Penalty u/s 271 (1) (c)	1.25	A.Y. 2003-04	CIT (A) Baroda	Appeal is pending
Central Excise & Customs Act	Service Tax & Penalty	6.16	2004-05 & 2005-06	Commissioner (Appeals) Central Excise & Customs, Baroda	Out of total demand of Rs. 8.16 lacs raised, Rs. 2.00 Lacs is paid. Rest Rs. 6.16 Lacs is amount under dispute & pending at appeal level.
Luxury Tax	Luxury Tax, Interest & Penalty	6.62	1999-2000	District Collector office, Entertainment Tax & Luxury Tax, Baroda.	Amount is under dispute.



10. In our opinion, the accumulated losses of the Company are not more than fifty percent of its net worth. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to the Financial Institutions, Banks and Debenture holders during the year audit under reference.
12. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund, nidhi, mutual benefit fund or society and accordingly clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares and securities, debentures and other investments and accordingly clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
15. In our opinion, the Company has not given guarantees for loans taken by others and hence, we are not required to report on the terms of such guarantees.
16. In our opinion, the Company has not availed term loans during the year and hence, we were not required to express our opinion, whether the same has been applied for the purpose for which they are raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment by the company.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to any parties or companies covered in the Register maintained U/s. 301 of the Act.
19. According to the information and explanations given to us, during the period covered by our audit report, the company has not raised any money by issue of debentures.
20. According to the information and explanations given to us, during the period covered by our audit report, the company has not made any public issue and accordingly the question of reporting on the disclosure in public issue do not arise.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed during the course of our audit.

**FOR J. M. PABARI & ASSOCIATES  
CHARTERED ACCOUNTANTS**

Place: Baroda  
Date : 25 August, 2009

**JAYANT PABARI  
(PROPRIETOR)  
Membership No. 47580**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009.**

SCHEDULE	AS AT 31.03.2009 (RUPEES)	PREVIOUS YEAR (RUPEES)	
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS:</b>			
Share Capital	A	59,087,500	59,087,500
<b>LOAN FUNDS:</b>			
Secured Loans	B	—	57,970
Unsecured Loans	C	37,600,000	39,667,461
		<u>96,687,500</u>	<u>98,812,931</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS:</b>			
Gross Block	D	108,759,737	102,357,780
Less: Depreciation		<u>42,613,767</u>	<u>38,435,358</u>
Net Block		66,145,970	63,922,422
<b>INVESTMENTS</b>	E	8,880,000	—
<b>CURRENT ASSETS, LOANS &amp; ADVANCES:</b>			
Inventories	F	711,049	702,902
Sundry Debtors	G	2,729,744	2,915,737
Cash & Bank Balances	H	5,321,371	8,506,278
Loans & Advances	I	<u>6,562,503</u>	<u>5,699,787</u>
		15,324,667	17,824,704
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities		12,934,355	9,900,294
Provisions	J	<u>296,684</u>	<u>441,151</u>
<b>NET CURRENT ASSETS</b>		2,093,628	7,483,259
<b>PROFIT &amp; LOSS ACCOUNT</b>		<u>19,567,902</u>	<u>27,407,250</u>
		<u>96,687,500</u>	<u>98,812,931</u>

**SIGNIFICANT ACCOUNTING POLICIES & R  
NOTES TO THE ACCOUNTS**

SCHEDULE REFERED TO ABOVE FROM AN INTEGRAL PART OF THE ACCOUNTS

AS PER OUR REPORT ATTACHED  
FOR J. M. PABARI & ASSOCIATES  
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

JAYANT PABARI  
(PROPRIETOR)  
Membership No. 47580PUSHPENDRA BANSAL  
Executive DirectorAMIT GARG  
DirectorPlace: Baroda  
Date: 25th August, 2009

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

	SCHEDULE	YEAR ENDED 31.03.2009 (RUPEES)	PREVIOUS YEAR (RUPEES)
<b>INCOME</b>			
Net Income from Operations	K	57,726,316	54,273,589
Other Income		313,474	88,149
		<b>58,039,790</b>	<b>54,361,738</b>
<b>EXPENDITURE</b>			
Consumption of Foods and Beverages	L	7,140,355	6,048,802
Personnel Cost	M	8,223,390	7,028,876
Upkeep and Service Cost	N	3,343,465	3,522,198
Power and Fuel		7,914,320	6,430,743
Repairs and Maintenance	O	6,985,717	3,472,978
Administrative, Selling and Other Expenses	P	7,785,601	8,736,742
Finance Cost	Q	4,524,185	4,928,469
Depreciation		4,178,409	4,061,356
		<b>50,095,442</b>	<b>44,230,164</b>
<b>PROFIT BEFORE TAXATION</b>		7,944,348	10,131,574
Provision for Taxation ( Fringe Benefit Tax )		105,000	135,000
<b>PROFIT AFTER TAXATION</b>		7,839,348	9,996,574
Balance as per Last Year		(27,407,250)	(107,242,192)
Add: Profit for the year		7,839,348	9,996,574
Add: Provision No Longer Required		-	69,838,368
<b>LOSS CARRIED TO BALANCE SHEET</b>		<b>(19,567,902)</b>	<b>(27,407,250)</b>
Basic and Diluted Earning Per Share in Rupees face value of Rs. 10/-		1.41	1.80
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	R		
<b>NOTES TO THE ACCOUNTS AND</b>			

SCHEDULE REFERED TO ABOVE FROM AN INTEGRAL PART OF THE ACCOUNTS

AS PER OUR REPORT ATTACHED  
FOR J. M. PABARI & ASSOCIATES  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

JAYANT PABARI  
(PROPRIETOR)  
Membership No. 47580

PUSHPENDRA BANSAL  
Executive Director

AMIT GARG  
Director

Place: Baroda  
Date: 25<sup>th</sup> August, 2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

	31.03.2009		31.03.2008	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit Before Taxation		7,944,348		10,131,574
Adjustments for:				
Depreciation	4,178,409		4,061,356	
Provision for Employees Benefit	296,684		441,151	
Miscellaneous Expenses Written Off	—		571,860	
Interest Paid (Net of receipt)	4,524,185		4,928,469	
		8,999,278		10,002,836
Operating Profit Before Working Capital Changes		16,943,626		20,134,410
Working Capital Changes:				
(Increase)/Decrease in Inventories	(8,147)		(86,114)	
(Increase)/Decrease in Sundry Debtors	185,993		(781,699)	
(Increase)/Decrease in Loans & Advances	(248,555)		(35,45,483)	
Increase in Trade Payables (Including Working Capital Finance)	2,592,910		1,512,226	
		2,522,201		(2,901,070)
Cash Generated from Operations		19,465,827		17,233,340
Payment of Direct Taxes		(719,161)		(135,000)
Net Cash Flow from Operating Activities - I		18,746,666		17,098,340
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets / Capital Work-in-Progress		(6,401,957)		(794,953)
Purchase of Investments		(8,880,000)		—
Net Cash Flow From Investing Activities - II		(15,281,957)		(794,953)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment of long term borrowings (Net of Proceeds)		(2,125,431)		(8,133,082)
Interest Paid (Net of receipt)		(4,524,185)		(4,928,469)
Net Cash Flow From Financing Activities - III		(6,649,616)		(13,061,551)
<b>Net Cash Flow During The Year (A+B+C)</b>		<b>(3,184,907)</b>		<b>3,241,836</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	8,506,278		5,264,442	
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	5,321,371		8,506,278	
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(3,184,907)</b>		<b>3,241,836</b>

AS PER OUR REPORT ATTACHED  
FOR J. M. PABARI & ASSOCIATES  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

JAYANT PABARI  
(PROPRIETOR)  
Membership No. 47580

PUSHPENDRA BANSAL  
Executive Director

AMIT GARG  
Director

Place: Baroda  
Date: 25<sup>th</sup> August, 2009

## SCHEDULES FORMING PART OF ACCOUNTS

SCHEDULES	AS AT		PREVIOUS
	31.03.2009		YEAR
	(RUPEES)		(RUPEES)
<b>SCHEDULE A</b>			
<b>SHARE CAPITAL</b>			
Authorised:			
8,000,000 Equity Shares of Rs. 10/- each	80,000,000		80,000,000
Issued, Subscribed & Paid up:			
5,542,600 (Previous year 5,542,600) Equity Shares of Rs. 10/- each	55,426,000		55,426,000
Add : Forfeited Shares Account	3,661,500		3,661,500
	<u>59,087,500</u>		<u>59,087,500</u>
<b>SCHEDULE B</b>			
<b>SECURED LOANS</b>			
Vehicle Loan			
			57,970
			<u>57,970</u>
<b>SCHEDULE C</b>			
<b>UNSECURED LOANS</b>			
From Shareholders	37,600,000		37,600,000
From Others			2,067,461
	<u>37,600,000</u>		<u>39,667,461</u>
<b>SCHEDULE E</b>			
<b>INVESTMENTS (At Cost)</b>			
Unquoted (Trade)	31.03.09	31.03.08	FACE VALUE (RS.)
Kesar Motels Pvt. Ltd.	14625	-	100 5,850,000
Share Application Money With Kesar Motels Pvt. Ltd.			3,030,000
			<u>8,880,000</u>
Aggregate Book Value of Unquoted Investment			5,850,000
<b>SCHEDULE F</b>			
<b>INVENTORIES (At Cost)</b>			
(As verified, valued & certified by the management)			
Stores & Operating Supplies			534,249 469,282
Food & Beverages			176,800 233,620
			<u>711,049 702,902</u>
<b>SCHEDULE G</b>			
<b>SUNDRY DEBTORS</b>			
(Unsecured, considered good)			
a. Outstanding for more than six months			-
b. Other Debts			2,729,744 2,915,737
			<u>2,729,744 2,915,737</u>
<b>SCHEDULE H</b>			
<b>CASH &amp; BANK BALANCES</b>			
Cash on hand			1,845,077 3,221,942
Balance with Schedule Banks in Current Account			3,476,294 5,284,336
			<u>5,321,371 8,506,278</u>

## SCHEDULES FORMING PART OF ACCOUNTS

### SCHEDULE D

### FIXED ASSETS

SR. NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		AS ON 01.04.2008	ADDITIONS DURING THE YEAR	ADJUSTMENTS DURING THE YEAR	AS ON 31.03.2009	AS ON 01.04.2008	FOR THE YEAR	ADJUSTMENTS DURING THE YEAR	AS ON 31.03.2009	AS ON 31.03.2009	AS ON 31.03.2008
1	FREEHOLD LAND	2,502,000	-	-	2,502,000	-	-	-	-	2,502,000	2,502,000
2	OFFICE PREMISES	400,000	-	-	400,000	276,929	13,360	-	290,289	109,711	123,071
3	BUILDING	53,879,657	-	-	53,879,657	17,514,087	1,799,581	-	19,313,668	34,565,989	36,365,570
4	PLANT & MACHINERIES	41,626,324	5,834,322	-	47,460,646	19,347,286	2,042,646	-	21,389,932	26,070,714	22,279,038
5	VEHICLE	942,046	-	-	942,046	317,409	89,494	-	406,903	535,143	624,637
6	COMPUTER	1,167,913	80,380	-	1,248,293	309,492	57,197	-	366,689	881,604	858,421
7	FURNITURE & FIXTURES	1,839,840	487,255	-	2,327,095	670,155	176,131	-	846,286	1,480,809	1,169,685
		102,357,780	6,401,957	-	108,759,737	38,435,358	4,178,409	-	42,613,767	66,145,970	63,922,422
	PREVIOUS YEAR	101,562,827	794,953	-	102,357,780	34,374,002	4,061,356	-	38,435,358	63,922,422	67,188,825

## SCHEDULES FORMING PART OF ACCOUNTS

SCHEDULES	AS AT 31.03.2009 (RUPEES)	PREVIOUS YEAR (RUPEES)
<b>SCHEDULE I</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured, considered good)		
Direct Taxes (Including T.D.S.)	1,201,276	687,115
Indirect Taxes	100,000	-
Deposits	1,429,968	660,642
Advance recoverable in cash or kind for value to be received	3,831,259	4,352,030
	<u>6,562,503</u>	<u>5,699,787</u>
<b>SCHEDULE J</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
Sundry Creditors	8,821,111	7,159,653
Other Liabilities	4,113,244	2,740,641
	<u>12,934,355</u>	<u>9,900,294</u>
Add: Provision for Employee benefits	296,684	441,151
	<u>13,231,039</u>	<u>10,341,445</u>
	<b>YEAR ENDED 31.03.2009 (RUPEES)</b>	<b>PREVIOUS YEAR (RUPEES)</b>
<b>SCHEDULE K</b>		
<b>INCOME FROM OPERATIONS</b>		
Room Sale	36,169,521	31,795,562
Banquet Sale	1,872,348	2,627,674
Food & Beverage Sale	17,972,975	18,234,222
Other Services	1,711,472	1,616,131
	<u>57,726,316</u>	<u>54,273,589</u>
<b>SCHEDULE L</b>		
<b>CONSUMPTION OF FOOD AND BEVERAGES</b>		
Opening Stock	233,620	172,609
Purchases	7,083,535	6,109,813
Less: Closing Stock	176,800	233,620
	<u>7,140,355</u>	<u>6,048,802</u>
<b>SCHEDULE M</b>		
<b>PERSONNEL COST</b>		
Salaries & Wages	6,692,632	5,804,858
Contribution to Provident Fund & other Funds	843,274	590,362
Staff Welfare Expenses	687,484	633,656
	<u>8,223,390</u>	<u>7,028,876</u>
<b>SCHEDULE N</b>		
<b>UPKEEP AND SERVICE COST</b>		
Water Charges	7,187	9,309
Linen, Uniform Washing & Laundry Expenses	1,194,175	1,664,705
Renewals & Replacement	89,550	199,769
Garden Maintenance	16,200	11,414
Housekeeping Expenses	2,036,353	1,637,001
	<u>3,343,465</u>	<u>3,522,198</u>

**SCHEDULES FORMING PART OF ACCOUNTS**

<b>SCHEDULES</b>	<b>AS AT 31.03.2009 (RUPEES)</b>	<b>PREVIOUS YEAR (RUPEES)</b>
<b>SCHEDULE O</b>		
<b>REPAIRS AND MAINTENANCE</b>		
Building	4,678,470	1,436,455
Plant & Machinery	1,396,784	1,244,829
Others	910,463	791,694
	<u>6,985,717</u>	<u>3,472,978</u>
<b>SCHEDULE P</b>		
<b>ADMINISTRATIVE, SELLING AND OTHER EXPENSES</b>		
Advertisement, Publicity & Promotional Expenses	601,720	348,420
Auditors Remuneration	60,000	60,000
Bank Charges	24,646	50,554
Banquet Expenses	558,215	776,979
Commission	567,160	499,472
Conveyance	53,400	78,503
Decorations	49,580	58,285
Freight, Cartage & Transportation	260,607	167,031
Insurance	107,065	133,186
Legal & Professional Charges	971,240	474,211
Manangement Fee	1,235,960	200,000
Vat / Service Tax / Luxury Tax	742,152	3,146,257
Preliminary and Pre-operating Expenses	-	571,860
Miscellaneous Expenses	8,705	4,789
Music & Entertainment	397,753	355,198
Postage, Telephone & Courier Expenses	420,521	394,114
Printing & Stationery	381,063	270,667
Rates, Taxes & Duties	698,295	321,812
Traveling	647,519	825,404
	<u>7,785,601</u>	<u>8,736,742</u>
<b>SCHEDULE Q</b>		
<b>FINANCE COST</b>		
Interest	4,512,000	4,524,000
Delayed payment of taxes	-	398,211
Vehicle Loan	12,185	6,258
	<u>4,524,185</u>	<u>4,928,469</u>



**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2009**

**SCHEDULE – R: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of preparation of Financial Statements :**

The Financial Statements are prepared under the historical cost convention on the basis of going concern and in accordance with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in consultation with the National Advisory Committee on Accounting Standards and relevant provisions of the Companies Act, 1956.

**B. Revenue Recognition :**

Revenue is recognised upon rendering the services and items of Income and expenditure are recognised on accrual basis. Income / Sales excludes Luxury Tax & Service Tax.

**C. Use of Estimates :**

The preparation of financial statements required estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of Financial Statements and the reported amount of Revenues and Expenses during the reported period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised.

**D. Fixed Assets :**

- (i) Fixed Assets are stated at acquisition cost less accumulated Depreciation.
- (ii) Expenditure including cost of financing incurred during the course of construction, installation and commissioning of Building, Plant & Machinery is included in the cost of respective Fixed Assets.
- (iii) Intangible Assets are recorded at cost of Acquisition.

**E. Depreciation, Amortisation and Impairment**

Depreciation on fixed assets is charged on Straight Line Method with the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Intangibles assets are amortised over the economic useful life estimated by the Management.

Impairment is ascertained at each balance sheet date in respect of the Company's fixed assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

**E. Inventories :**

Stock of Food, Beverages and other supplies are valued at cost on first-in-first out basis or net realisable value, whichever is less.

**F. Borrowing Cost :**

Borrowing cost attributable to the acquisition or construction of qualifying assets are capitalised as a part of such assets. All other borrowing cost is charged to revenue in the year in which they are incurred.

**G. Investments :**

Long term Investments are stated at cost. Diminution in the value of investments is provided for by reducing the value of investments and charging the same to Profit & Loss Account.

**H. Contingent Liabilities**

**(2008-09)**  
**(Rs. in Lacs)**

Contingent Liabilities not provided for in respect of:

<b>(a) Service Tax matter under appeal (FY : 2004-05 &amp; 2005-06)</b>		
Service Tax demand under dispute	Rs.4.08	
Service Tax Penalty	Rs.4.08	
Amount Paid	<u>Rs.2.00</u>	
<b>Balance Amount under Dispute</b>		<b>6.16</b>
<b>(b) Income-Tax matter under appeal (AY : 2003-04)</b>		
Penalty u/s 271 (1) (c)	<u>Rs.1.25</u>	
<b>Amount under Dispute</b>		<b>1.25</b>
<b>(c) Luxury Tax matter under dispute (FY : 1999-00)</b>		
Luxury Tax demand under dispute	Rs.2.43	
Luxury Tax Interest	Rs.0.55	
Luxury Tax Penalty	<u>Rs.3.64</u>	
<b>Total Amount under Dispute</b>		<b>6.62</b>

Note : Future cash outflows in respect of (a) (b) & (c) above are Determinable on receipt of the judgments/decisions pending with various forums/ statutory authorities.

**I. Retirement Benefits :**

- (i) Contributions to Provident Fund and Gratuity Fund are charged to Profit and Loss Account.
- (ii) Provision for Gratuity is being made. The arrangement with Life Insurance Corporation for creation of trust is properly done.
- (iii) Provision for Leave Encashment is made on the basis of actual leave outstanding at the end of the year based on the present pay structure.

**J. Foreign Exchange Transactions :**

Transactions denominated in foreign currency settled / negotiated during a month are recorded at exchange rate on the date of settlement/ negotiation. Foreign currency transactions remaining not settled / negotiated at the end of each month are converted into rupees at the month end rates. All gains or losses on foreign exchange transaction other than those related to Fixed Assets are recognised in the Profit and Loss Account.

**K. Taxation :**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

2. No Provision of Current Tax has been made in the account, as there is no Income Tax liability for the year under the provisions of Income Tax Act, 1961.

3. Differed Taxes:

The Company, as on March 31, 2009, has deferred tax assets (primarily representing carry forward of losses and unabsorbed depreciation under tax laws) in excess of the deferred tax liabilities. In the absence of virtual certainty that sufficient future taxable income would be available against which deferred tax assets can be realised, the Company has not recognized the net deferred tax assets as on March 31, 2009.

4. Auditors Remuneration:

<u>Particulars</u>	<u>2008-09</u>	<u>2007-08</u>
	(Rs.)	(Rs.)
a. Audit Fees	25,000	25,000
b. Fees for other services	35,000	35,000
<b>TOTAL:-</b>	<u>60,000</u>	<u>60,000</u>

5. As the Company is engaged in the service industry of providing the food, beverages and the hotel accommodation, the quantitative details, being not possible, have not been given. The Company has also applied for exemption from disclosure of quantitative data covered under paragraph 3(i) (a) of Part II of Schedule VI of the Companies Act, 1956 to Ministry of Corporate Affairs, Government of India.

The break up of Consumption of Provisions, Stores & Beverages are as follows:

	<u>(2008-09)</u>	<u>(2007-08)</u>
Opening Stock	2,33,620	1,72,609
Add:- Purchases	70,83,535	61,09,813
Total	73,17,155	62,82,422
Less:- Closing Stock	1,76,800	2,33,620
Consumption during the year	71,40,355	60,48,802

6. The Company has initiated the process of obtaining details from Sundry Creditors who are registered under the Micro, Small and Medium Enterprises Development Act, 2006. To the extent that the Company has received information, it has evaluated that there are no amounts due to the Creditors who are registered under the said Act beyond the period of 45 days.
7. As per Accounting Standard -15 – Accounting for Employees benefits as defined in the accounting standard the summarised components of net benefit expense recognised in the profit and loss account and the funded status and the amount recognised in the balance sheet. The details of Group Gratuity Scheme as approved with LIC are as follows :

	<u>Amount (Rs.)</u>
a. PV of past service benefit	2,25,882
b. Current Service Cost	81,476
c. Total Service Gratuity	31,45,930
d. Accrued Gratuity	2,76,218
e. LCSA	28,69,712
f. LIC Premium	6,546
g. Service Tax	809

Total amount payable (a + b + f + g) 3,14,713

8. Capital expenditure commitments of Rs. NIL (Pre. Year Rs. NIL).

9. <u>Director's Remuneration</u>	<u>Previous Year</u>
Rs. NIL/-	Rs. NIL/-

10. C.I.F. Value of Imports: Rs. 4,77,940/- (Pre. Year Rs. NIL)

11. The total consumption of items of raw materials, stores and spares are indigenous only.

12. Earning in foreign currency: Rs. 27,05,187 (Pre. Year Rs. NIL)  
 13. Expenditure in Foreign Currency: Rs. NIL (Pre. Year Rs. NIL)  
 14. In the opinion of the Board, the Current Assets, Loans and Advances would if realised in the ordinary course of business, be of approximately the value at which they are stated in the Balance Sheet.  
 15. Earning per Share:

	<u>2008-09</u>	<u>2007-08</u>
a. Weighted average no. of equity shares of Rs. 10/- each	55,42,600	55,42,600
b. Net Profit after tax available for equity shareholders (Rs. in Lacs)	78.39	99.97
c. Basic and diluted earnings per share (in Rupees)	1.41	1.80

16. As required by Accounting Standard – AS 18 “Related Parties Disclosures” issued by the Institute of Chartered Accountants of India are given below:

- Followings are the bodies in which Directors and/or their relatives, promoters are interested:
  - A. ANS Constructions Ltd.
  - B. Radhey Shyam Bansal Engineers India Ltd.
  - C. Lords Inn Hotels and Developers Ltd.
  - D. Kesar Motels Pvt. Ltd.
- Following is the summary of transactions with the related parties:

PARTICULARS	For the year ending	
	31-03-2009	31-03-2008
<b>Management Fees Paid:</b>		
Lords Inn Hotels and Developers Ltd.	12,35,960	2,00,000
<b>Interest Paid:</b>		
ANS Constructions Ltd.	45,12,000	45,12,000
<b>Unsecured Loan (Received):</b>		
Radhey Shyam Bansal Engineers India Ltd.	--	48,92,461
ANS Constructions Ltd.	--	--
<b>Unsecured Loan (Re-Payment):</b>		
Radhey Shyam Bansal Engineers India Ltd.	20,67,461	28,25,000
Srijan Holdings Ltd.	--	99,92,461
<b>Outstanding Balances:</b>		
Radhey Shyam Bansal Engineers India Ltd.	--	20,67,461
ANS Constructions Ltd.	3,76,00,000	3,76,00,000
Lords Inn Hotels and Developers Ltd.	2,34,835	--

<b>Advance Recoverable:</b>		
Kesar Motels Pvt. Ltd.	--	23,00,000
<b>Investment in Equity Shares</b>		
Kesar Motels Pvt. Ltd.	58,50,000	--
<b>Share Application Money:</b>		
Kesar Motels Pvt. Ltd.	30,30,000	--

17. **Segment Reporting:**

Accounting Standard 17 issued by The ICAI regarding Segment Reporting have been considered by us taking in to account the organisation structure etc. of the company. As the company has no operations any where else than the head office, hence, Geographical Segment is not applicable. Similarly, company is not operating any other business operations thus, disclosure requirements of AS-17 is not applicable to the company.

18. As per Accounting Standard 28, the Company does not have impaired assets as verified by the management during the year under review.

19. Previous year figures have been regrouped and/or rearranged wherever found necessary.

AS PER OUR REPORT ON EVEN DATE  
FOR J. M. PABARI & ASSOCIATES  
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

JAYANT PABARI  
(PROPRIETOR)  
Membership No. 47580

PUSHPENDRA BANSAL  
Executive Director

AMIT GARG  
Director

Place : Baroda

Date : 25<sup>th</sup> August, 2009

## ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF COMPANIES ACT, 1956

**BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE**

<b>I. Registration Details</b>	
Registration Number	L55100GJ1985PLC008264
State Code	04
Balance Sheet	31-03-2009
<b>II. Capital Raised During the Year</b>	(Amount in Rs. Thousand)
Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
<b>III. Position of Mobilization &amp; Deployment of Funds</b>	(Amount in Rs. Thousand)
Total Liabilities	109919
Total Assets	109919
<i>Sources of Funds</i>	(Amount in Rs. Thousand)
Paid -up Capital	59088
Reserves & Surplus	NIL
Secured Loans	NIL
Unsecured Loans	37600
<i>Application of Funds</i>	(Amount in Rs. Thousand)
Net Fixed Assets	66146
Investments	8880
Net Current Assets	2094
Miscellaneous Expenditure	NIL
Accumulated Losses	19568
<b>IV. Performance of Company</b>	(Amount in Rs. Thousand)
Turnover	58040
Total Expenditure	50095
Profit Before Tax	7944
Profit After Tax	7839
Earning Per Share (in Rs.)	1.41
Dividend Rate (%)	NIL
<b>V. Generic Names of Principle Product of the Company</b> (As per Monetary terms)	
Item Code No. (ITC Code)	The Company is in the Business of Hoteliering and Catering, Which is not covered under ITC (HS) Classification.
Product Description	Hotel & Restaurant

AS PER OUR REPORT ON EVEN DATE  
FOR J. M. PABARI & ASSOCIATES  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

JAYANT PABARI  
(PROPRIETOR)  
Membership No. 47580

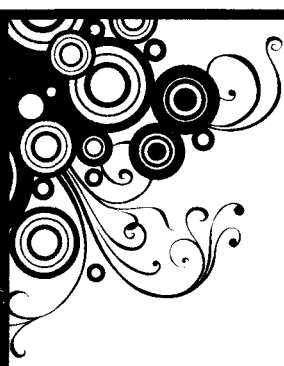
PUSHPENDRA BANSAL  
Executive Director

AMIT GARG  
Director

Place : Baroda  
Date : Date: 25<sup>th</sup> August, 2009







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**ISHWAR BHUVAN HOTELS LIMITED**

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

