

26th

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

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 26th 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 28th 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 31st 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 30th 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. *29th 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 21st September, 2012 to 28th 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 28th 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 *29th 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
<u>A. Promoters Holding</u>				
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:	---	---	---	---
Sub Total -(A)	3,145,700	50.13	4,116,000	55.10
<u>B. Non- Promoters Holding</u>				
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
Sub Total- (B)	3,129,200	49.87	3,354,000	44.90
GRAND TOTAL (A+B)	6,274,900	100.00	7,470,000	100.00

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.

NOTICE

X. Lock-in:

The pre-preferential and post preferential holdings shall be locked-in as per SEBI (ICDR) Regulation this behalf.

The Board recommends the resolutions under Item No. 6 to be passed as Special resolution. None of the Directors of the Company is in any way concerned or interested in the above referred resolution except Mr. Pushpendra Bansal being a Director in the proposed allottee Company.

Item No. 7 & 8

The existing Authorised Share Capital of the Company is Rs. 80,000,000/- (Rupees Eight Crore). Keeping in view the proposed growth plans of the Company which may necessitates broadening the capital base, the Board of Director of the Company has decided to increase the Authorised Share Capital of the Company to Rs. 150,000,000/- (Rupees Fifteen Crore).

The proposed increase of the Authorised Share Capital of the Company requires approval of the Members in General Meeting. Consequent upon the increase in Authorised Share Capital of the Company, Memorandum & Articles of Association of the Company is required to be altered.

The Board recommends the resolutions under Item Nos. 7 & 8 to be passed as Ordinary Resolution & Special Resolution respectively. None of the Director is concerned or interested in the said Resolutions.

By Order of the Board of Directors
LORDS ISHWAR HOTELS LIMITED

Place: Baroda
Date: 29th August, 2012

RANJIT KUMAR SINGH
Company Secretary

Registered Office:

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

DIRECTOR'S REPORT

To,
The Members,

Your Directors have pleasure in presenting the 26th Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

The summary of the financial performance of the Company for the year ended 31st March, 2012 as compared to the previous year is as below: (In ₹)

Particulars	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Net Income	58,980,223	56,852,038
Net Profit Before Tax	3,756,633	5,912,289
Less: Current Tax	900,000	900,000
Net Profit After Tax	2,856,633	5,012,289

PERFORMANCE OF THE COMPANY

The Net Income of your company has increased from Rs. 56,852,038 to Rs. 58,980,223. Net Profit before Tax amounted to Rs. 3,756,633. The Net profit after Tax came down to Rs. 2,856,633 (Previous year Rs. 5,012,289) due to increase in Finance Cost & Employee's Benefit expense.

DIVIDEND

In view of the carried forward losses, yours Directors regret their inability to recommend Dividend for the year 2011-2012.

RE-ISSUE OF FORFEITED EQUITY SHARES ON PREFERENTIAL BASIS

During the year, your Company has re-issued & allotted 732,300 forfeited Equity shares of Rs. 10/- each at par to Promoter and Non-promoters of the Company on Preferential basis.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits within the meaning of Companies (Acceptance of Fixed Deposits) Rule, 1975 read with section 58A of the Companies Act, 1956.

DIRECTORS

Mr. Amit Garg and Mr. Sanjay Mangal, Directors of the Company are liable to retire by rotation being eligible, offer themselves for re-appointment. The Board of Directors is duly constituted.

PARTICULARS OF EMPLOYEES

None of the employees of the Company are covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTOR'S REPORT

DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956:

Your Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) that appropriate accounting policies selected and applied, are consistent and the judgments and estimates made 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 and of the profit of the Company for that period.
- (iii) that proper and sufficient care has been taken 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 annual accounts have been prepared 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 has made all possible efforts to closely monitor Power consumption on daily basis so as to reduce wastage and cost.

The Company is using electricity in place of gas for AC power plant and thus reduce the overall energy cost.

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

B. Technology Absorption

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

C. Total Foreign Exchange Earning and Outgo

Particulars	2011-2012(In Rs.)	2010-2011(In Rs.)
a. Total Foreign Exchange used	Nil	Nil
b. Total Foreign Exchange earned	1,371,441	1,035,042

DIRECTOR'S REPORT

STATUTORY AUDITORS

M/s. J. M. Pabari & Associates, Chartered Accountants, Baroda Statutory Auditors of the Company, 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.

RENOVATION

As a part of Renovation Plan in phase wise, your Company has renovated 25 rooms and Terrace Restaurant during the year to provide luxurious touch to the esteemed guests and exhilarate true Hospitality standards.

CORPORATE GOVERNANCE

As per Clause 49 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 and Management Discussion & Analysis statement forms parts of this report.

INDUSTRIAL RELATIONS

During the period, the relations with all employees of the Company were cordial and a congenial atmosphere prevailed. Your Directors place on record their appreciation for the devoted services rendered by the employees of the Company.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere thanks to the valued guests, suppliers and the Financial Institution for their support, co-operation and guidance.

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

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, contributing in Management and company affairs & delivering a sound performance by competing with the other players in the market.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Baroda

Date: 29th August, 2012

Registered Office:

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

PUSHPENDRA BANSAL

Executive Director

AMIT GARG

Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(ANNEXURE TO THE DIRECTORS' REPORT)

ECONOMIC ENVIRONMENT, INDUSTRY STRUCTURE & OVERVIEW:

The Indian economic growth was slightly subdued in 2011-12 because of various factors, both global and internal. Slower economic expansion of world output and recent corporate governance issues are some of the main reasons. Headline inflation surged sharply to its highest level in more than a year, maintaining pressure on the RBI for a fresh dose of interest-rate hikes despite flagging economic growth. Sharp higher year-on-year inflation in food items, and fuel products led to the spike in the headline estimates. Industrial growth during the year slumped to 3.3 per cent with high interest rates affecting the factory output. Eight core infrastructure sectors of crude oil, petroleum refinery products, natural gas, fertilizers, coal, electricity, cement and finished steel logged a 3.5 per cent growth down from 4.4 per cent expansion witnessed in the previous year. The services sector also witnessed a slow pace in growth on account of the lagged effects of monetary policy tightening, the elevated level of inflation and the heightened uncertainty about the global economic outlook.

The Euro-zone crisis have had a negative impact on the Indian capital markets as Indian shares posted their biggest fall since the months following the Lehman Brothers collapse. Indian Rupee also weakened to Rs. 57/- per USD during the month of July this year. This had a severe impact on the profitability of Indian companies. Further the decline in tax collections also dented the feasibility of the government in achieving its fiscal deficit target for 2011-12.

However, exports grew at double digit figures. The government also adopted certain policy measures in the month of June & July to rope in inflation and increase investment in the country. RBI is continuously watching the Economic changes and taking proper monetary action to cope with inflationary pressures.

The global hotels industry appears to be now on a path of slow recovery, having coming out of two exceptionally bad years 2009 and 2010. While the main recovery leaders are the emerging countries in the Asia-Pacific region, the developed luxury hotel markets of the USA and Europe have also reported signs of demand recovery during the past 12 months.

Travel & Tourism globally enjoyed a strong year in 2011. Airline passenger traffic, international tourist arrivals, hotel occupancy and average room rates (ARRs), and international tourism receipts were all higher than in 2010. However, growth was typically slower than in 2010 and, more significantly, began to slow progressively towards the end of 2011 as economic growth lost momentum. International airline traffic growth, which had been on a downward trend before stabilizing, is now showing some signs of an upturn. The Asia Pacific region witnessed a 5%-6% increase in international tourist arrival which was higher than the world par increase of 4%-4.5%.

In India, the occupancy led recovery with the return of domestic travelers & received a boost with foreign tourist arrivals (FTAs) picking up in the year 2011-12. One of the key risks to recovery came from demand dampeners, namely expectations of relatively mute corporate performance in fiscal 2011-12, increase in interest rates, rise in fuel and food prices and Euro Zone crisis. Additionally on the supply front, heavy supplies in markets like the National Capital Region (NCR), Hyderabad, Pune, Bangalore and Chennai suppressed pricing power to an extent.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

With the latest technology and facilities, warm hospitality, rich heritage and natural beauty, India is an ideal destination for meetings and congresses and offers a unique and exotic destination that can be combined with a leisure holiday. India boasts many world-class convention centers as well as stunning scenery, transforming an annual business meeting into a glamorous and enjoyable event. India has now become an attractive destination for any global hotel company which is evidenced from the entry of a slew of international hotel brands in the country and other plotting their strategies for entry. Also, what is remarkable to note is that in spite of the intense competition from international brands, the Indian brands have held their turf and thrived.

OPPORTUNITIES, THREATS, AND RISK & CONCERNS:

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

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Scenario

During the Financial Year 2010-12, inflation rate and food cost has been increased. Particularly near about your Hotel locations, more Hoteliers have come into the business and we are facing tough competitions in the market. However your hotel is continuously taking effort to attract more tourists by providing better amenities and has increased the net income.

Risk & Concerns

The future of the hospitality industry is very sensitive to the global security environment. The high incidence of multifarious taxes both at the centre and the states also affect the competitiveness of the industry. In addition, new levy of Service Tax on accommodation, increase in fuel price & fluctuation in currency are also resulted increase in over all cost of tourist/guest. However, Your Company continuously renovates its properties to meet the increasing competition in the market and insured its property against natural and men made disaster.

FUTURE OUTLOOK

Your Company continues to believe that the long-term prospects for the travel and tourism industry in India are attractive. Your Directors look forward to the future with confidence.

HUMAN RESOURCE DEVELOPMENT

Your Company has a team of able and experienced industry professionals. Your Company continues to invest in up gradation of the quality of human resource, which makes the decisive difference in this service industry. Your Company continues to provide growth opportunities to internal talent by assigning them higher responsibilities with suitable exposure and training. Your Company is continuously arranging Staff Functions on monthly & yearly basis. Inter office activities and entertaining by showing movies are also done for motivation of the staffs.

The total number of employees in your Company as on 31st March, 2012 was 96.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

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. Factors that make differences to company's operations include competition, changes in Government policies and regulations, tax regimes and economic development within India.

CORPORATE GOVERNANCE REPORT

(ANNEXURE TO THE DIRECTORS' REPORT)

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 5(Five), out of which 1(One) Director is an Executive Director, 1(one) Director is Non Executive Director, and 3(Three) 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 Meetings held and the dates of the Board Meetings:

5 (Five) Board Meetings were held during the financial year 2011-12. The dates on which the said meetings were held are as follows:

1	28th April, 2011	2	28th June, 2011	3	29th July 2011	4	7th Nov2011	5	18th Jan, 2012
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Details of attendance at the Board meetings, Last Annual General Meeting (AGM) and Shareholding of each Director are as follows:

Name	Category	Attendance Particulars		No. of Equity Shares Held
		Board Meeting	Last AGM*	
Mr. Mehinder Sharma	Non Executive Director and Chairman	No	No	Nil
Mr. Pushpendra Bansal	Executive Director	4	Yes	2,000
Mr. Bharat Varsani	Non Executive Independent Director	5	Yes	Nil
Mr. Amit Garg	Non Executive Independent Director	5	Yes	Nil
Mr. Sanjay Mangal	Non Executive Independent Director	5	Yes	Nil

* The last AGM of the Company was held on 19th August, 2011.

CORPORATE GOVERNANCE REPORT

No. of other Companies/Committees showing a Director/committee member/Chairman:

Name of the Director	No. of other Public Limited Company in which Director	Committee Membership (other than Lords Ishwar Hotels Ltd.)	No. of Committees in which he is chairman (other than Lords Ishwar Hotels Ltd.)
Mr. Mehinder Sharma	4	--	--
Mr. Pushpendra Bansal	3	--	--
Mr. Bharat Varsani	--	--	--
Mr. Amit Garg	1	--	--
Mr. Sanjay Mangal	1	--	--

As per Section 278 of the Companies Act, 1956, Directorship held by Directors mentioned above does not include Directorship of Private Limited Companies which is neither a Subsidiary nor a Holding Company of a public Company, 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:

Mr. Amit Garg

Mr. Amit Garg, aged about 37 years, is Arts Graduate having more than one decade of practical experience in hotel industry. He has been actively involved in stores setup and procuring various items related to Hotel and has been enriching the Hotel with his vast knowledge in this field.

He is a Director in Lords Inn Hotels & Developers Limited.

Mr. Sanjay Mangal

Mr. Sanjay Mangal, aged about 44 years, is Commerce Graduate and has more than 17 years of experience in hotel and construction industry and also in offset printing work.

He is a Director in Srijan Holdings Ltd.

CORPORATE GOVERNANCE REPORT

3. AUDIT COMMITTEE

During the financial year 2011-12, the Audit Committee met 5 (Five) times on 28th April, 2011, 28th June, 2011, 29th July, 2011, 7th November, 2011 and 18th January, 2012. The Committee, at these meetings, reviewed the financial reporting system and un-audited financial results.

Composition of the Audit Committee & detail of meetings attended by members are as follows:

Name of Directors	Position	No. of Meetings	
		Held	Attended
Mr. Amit Garg	Chairman cum Member	5	5
Mr. Bharat Varsani	Member	5	5
Mr. Sanjay Mangal	Member	5	5

At present, all members of the Audit Committee are Non Executive Independent Directors.

Mr. Amit Garg, Chairman of the Audit Committee has attended the last AGM.

The Company Secretary acts as the Secretary to the Committee.

The Audit Committee would assume to the Board, compliances of adequate internal control system & financial disclosures and other issue confirming to the requirements specified by Company Laws & Stock Exchanges in terms of Listing Agreement. The Minutes of the Audit Committee meetings were circulated to the Board, where it was discussed and taken note thereof. The Audit Committee considered and reviewed the accounts for the year 2011-12 before being placed to the Board.

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 Mr. Amit Garg, as Chairman with Mr. Bharat Varsani and Mr. Sanjay Mangal as the other members.

Presently, the Company is not paying any sitting fees to its Non-Executive Directors for attending 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.

CORPORATE GOVERNANCE REPORT

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Company has constituted the Shareholders'/Investors' Grievance Committee comprising of Mr. Amit Garg, as Chairman with Mr. Bharat Varsani and Mr. 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 share certificate after transfer, Annual Report, etc.

The Company Secretary acts as a Compliance Officer of the Company and regularly interacting with Registrar & Transfer Agent to ensure that the complaints/grievances of the shareholders are attended timely and resolved promptly.

During the year, one Shareholders'/Investors' Grievance Committee meeting was held on 28th June, 2011. All Members were present at the Committee Meeting.

During the year, the company has received 1(One) Shareholders'/Investors' complaint, which was 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.

AGM for the year ended	Date and Time of AGM	Location	Special Resolution
31st March, 2011	19th August, 2011 at 09.30 A.M	Hotel Raj International, Ajwa-Nimeta Road, Baroda - 390 019	---
31st March, 2010	3rd September, 2010 at 09.30 A.M.	Suruchi Resort, Sakaria - Nimeta, Baroda -390 019	1(One) relating to Change of Name of Company.
31st March, 2009	25th September, 2009 at 10.00 A.M.	Suruchi Resort, Sakaria - Nimeta, Baroda -390 019	---

All the resolutions, set out in the respective notices calling the AGM were passed by the shareholders. No postal ballots were used for voting any agenda. At the forthcoming AGM, there is no agenda that needs approval by postal ballots.

One Extra-Ordinary General Meeting of the members was held during the year 2011-12 on 8th December, 2011.

7. OTHER 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, and 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) Your Company has complied with all mandatory requirements of Corporate Governance under Clause 49 of the Listing Agreement.
- (iv) Your Company has obtained a certificate from the Executive Director of the Company in respect of matters stated in Clause 49(V) of the Listing Agreement.

8. MEANS OF COMMUNICATION

The Board of Directors of the Company approved all quarterly and Annual financial results in the prescribed format under Clause 41 of the Listing agreement and the same have been submitted with the Stock Exchanges and get published in a local language (Gujarati) & a English leading News papers. These are also displayed on the website of the Company www.lordsishwar.com. The same are not sent to the shareholders separately.

Management Discussion & Analysis Report appended elsewhere forms an integral part of this Annual Report.

CORPORATE GOVERNANCE REPORT

9.SHAREHOLDERS INFORMATION			
i	Day, Date and Time Venue	Friday, the 28th September, 2012 at 09.30 a.m. Hotel Raj International, Ajwa - Nimeta Road, Baroda-390 019	
ii	Financial Calendar 2012-13	Financial Reporting will be as follows:	
		For the quarter ending June, 2012	Mid of August, 2012
		For the quarter ending Sep, 2012	Mid of November, 2012
		For the quarter ending Dec, 2012	Mid of February, 2013
		For the quarter ending March, 2013	Mid of May, 2013
		Annual General Meeting for 2012-13	End of September, 2013
iii	Book closure date	21.09.2012 to 28.09.2012 (both days inclusive)	
iv	Dividend Payment Date	No Dividend has been recommended.	
v	Registered Office & Hotel Location of the company	Revival Hotel, Near Sayaji Gardens, Kala Ghoda Chowk, University Road, Baroda - 390 002. Email: info@lordsishwar.com Website: www.lordsishwar.com	
vi	Listing on Stock Exchanges	Bombay Stock Exchange Limited. Vadodara Stock Exchange Limited.	
vii	Annual listing & Custodial fees	Duly paid for the year 2012-13.	
viii	Stock Code (a)Trading Symbol at BSE (b)Trading Symbol at VSE Dematerialization ISIN Number in NSDL & CDSL	530065 / LORDSHOTL 30065/370 INE689J01013	
ix	Stock Market Data	Bombay Stock Exchange Ltd.	
		High (Rs.)	Low (Rs.)
	April, 2011	13.61	9.61
	May, 2011	9.55	8.27
	June, 2011	8.23	6.83
	July, 2011	11.00	7.17
	August, 2011	11.99	10.46
	September, 2011	9.95	7.47
	October, 2011	7.10	6.16
	November, 2011	6.77	6.15
	December, 2011	7.10	6.73
	January, 2012	6.71	5.78
	February, 2012	6.00	6.00
	March, 2012	6.61	4.89

10. Share Price Performance compared with broad based indices			
	Lords Ishwar Hotels Limited		BSE
As on 1 st April, 2011	12.36		19420.39
As on 31 st March, 2012	4.89		17404.20
Change (%)	-60.44%		-10.38%

11. A. Distribution Schedule as on 31st March, 2012:

No. of Equity Shares held	No. of Shareholders	% of Shareholding	No. of Shares held	% of Shareholders
1 - 500	1,192	61.99	359,230	5.72
501 - 1000	350	18.20	265,200	4.23
1001 - 2000	182	9.46	265,870	4.24
2001 - 3000	96	4.99	259,400	4.13
3001 - 4000	24	1.25	85,800	1.37
4001 - 5000	23	1.20	110,000	1.75
5001 - 10000	26	1.35	210,000	3.35
10001 & Above	30	1.56	4,719,400	75.21
Total	1,923	100.00	6,274,900	100.00
Physical Mode	1,634	84.97	430,050	70.60
Electronic Mode	289	15.03	1,844,850	29.40

B. Shareholding Pattern as on 31st March, 2012:

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Indian Promoter(s)/ Persons acting in concert	4	0.21	3145,700	50.13
Foreign Promoter	NIL	NIL	NIL	NIL
Resident Individuals	1,813	94.28	2,211,830	35.25
Clearing Member	1	0.05	5,000	0.08
Bodies Corporate	22	1.14	323,570	5.16
Financial Institutions/ Banks/Mutual Funds	3	0.16	261,700	4.17
NRI's/OBC's/Foreign National	80	4.16	327,100	5.21
GRAND TOTAL	1,923	100.00	6,274,900	100.00

12. Dematerialization of Shares:

As on 31st March, 2012, 1,844,850 Equity Shares constituting 29.40% of the issued & Paid up Equity Shares of the Company stand dematerialized.

13. Share Transfer System/ Investor Services :

Total No. of Physical shares transferred during the financial year 2011-12: 6,400

14. Outstanding GDRs/ DRs/Warrants:

The Company has not issued GDRs/ ADRs/Warrants during the year. There are no outstanding Convertible Instruments.

15. Address for Correspondence :

Registrar & Transfer Agent:

Unit: (Lords Ishwar Hotels Limited)

M/s. Bigshare Services Pvt. Ltd.

E-2/3, Ansa Industrial Estate,

Sakivihar Road, Sakinaka,

Andheri (E), Mumbai - 400 072.

E-mail : info@bigshareonline.co

Tel. No. 022- 28470652, 40430200

Fax No. 022-28475207

CORPORATE GOVERNANCE REPORT

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
LORDS ISHWAR HOTELS LIMITED
Baroda.

1. We have examined all the relevant records of LORDS ISHWAR HOTELS LIMITED for the purpose of certifying the compliance of conditions of Corporate Governance for the period ended 31st March, 2012, 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 was 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 with the conditions of Corporate Governance as stipulated in the aforesaid 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.
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: 29th August, 2012

JAYANT PABARI
(PROPRIETOR)
Membership No. 47580
FR No. 113881W

CORPORATE GOVERNANCE REPORT

DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

To,

The Members of
LORDS ISHWAR 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 31st March, 2012.

For LORDS ISHWAR HOTELS LIMITED

Place: Baroda
Date: 29th August, 2012

PUSHPENDRA BANSAL
Executive Director/CEO

AUDITORS' REPORT

To,
The Members of
LORDS ISHWAR HOTELS LIMITED

1. We have audited the attached Balance Sheet of **LORDS ISHWAR HOTELS LIMITED** as at 31st March, 2012 and also the Profit and Loss Statement of the Company for the year ended on that date annexed thereto and cash Flow statement for the year ended on that date. 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 a 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, as amended by the companies (Auditor's Report) (Amendment) Order, 2004, and on the basis of such checks as considered appropriate and according to the information and explanation given to us during the course of audit, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (a) 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.
 - (b) 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.
 - (c) The Balance Sheet, the Profit and Loss Statement and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit and Loss Statement and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3c) of section 211 of the Companies Act, 1956.
 - (e) On the basis of the written representation received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

AUDITORS' REPORT

- (f) 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 the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012
 - ii) in the case of the statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flow of the Company for the year ended on that date.

For J. M. PABARI & ASSOCIATES
Chartered Accountants

Place: Baroda
Date: 29th August, 2012

JAYANT PABARI
(Proprietor)
Membership No. 47580
FR No. 113881W

AUDITORS' REPORT

ANNEXURE TO THE AUDITORS' REPORT

(ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.
(b) 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 disposed 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.

AUDITORS' REPORT

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, 58AA or any other provisions of the Companies, Act, 1956 and the Rules framed there under.
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 regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service 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.)	Period	Forum where dispute is pending	Progress & Remarks
Central Excise & Customs Act	Service Tax & Penalty	616,000	2004-05 & 2005-06	Commissioner Appeals) Central Excise & Customs, Baroda	Out of total demand of Rs. 816,000 raised, Rs. 200,000 is paid Rest Rs. 616,000 is under dispute & pending at appeal level.
Luxury Tax	Luxury Tax, Interest & Penalty	662,000	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.

AUDITORS' REPORT

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 made preferential allotment of shares to parties or Company 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

JAYANT PABARI
(Proprietor)
Membership No. 47580
FR No. 113881W

Place : Baroda
Date: 29th August, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)
I. EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	62,749,000	59,087,500
Reserves and Surplus	3	(513,993)	(7,032,126)
Non-Current Liabilities			
Long-Term Borrowings	4	47,920,571	38,043,713
Current Liabilities			
Trade Payables	5	4,309,038	4,504,700
Other Current Liabilities	6	549,052	292,544
Short-Term Provisions	7	373,575	390,012
TOTAL		115,387,243	95,286,343
II. ASSETS			
Non-Current Assets			
Fixed Asset Tangible Assets	8	70,396,759	68,785,576
Non-current investments	9	10,630,000	10,130,000
Long term loans and advances	10	1,337,468	1,449,968
Current Assets			
Inventories	11	1,372,103	1,437,975
Trade receivables	12	2,452,894	1,370,027
Cash and cash equivalents	13	20,838,906	4,346,263
Short-term loans and advances	14	8,359,113	7,766,534
TOTAL		115,387,243	95,286,343
Summary of Significant Accounting Policies	1		
The accompanying Notes are an integral part of the financial Statements.			

AS PER OUR REPORT ATTACHED

For and on behalf of the Board of Directors

FOR J. M. PABARI & ASSOCIATES
Chartered Accountants

JAYANT PABARI
(Proprietor)
Membership No. 47580
FR No. 113881W

PUSHPENDRA BANSAL
Executive Director

AMIT GARG
Director

Place: Baroda
Date: 29th August, 2012

RANJIT KUMAR SINGH
Company Secretary

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2012

Particulars	Note No.	Year Ended 31.03. 2012	Year Ended 31.03. 2011
Revenue from operations	15	(₹) 57,014,489	(₹) 55,392,456
Other Income	16	1,965,734	1,459,582
TOTAL REVENUE		58,980,223	56,852,038
Expenses:			
Cost of material consumed	17	8,683,087	9,589,815
Employee Benefit Expense	18	10,843,694	9,884,370
Power & Fuel		7,537,553	7,139,671
Repairs & Maintenance	19	3,783,023	4,080,442
Finance Costs	20	7,928,444	4,572,597
Depreciation and Amortization Expense	8	5,189,085	4,914,801
Other Expenses	21	11,258,704	10,758,053
TOTAL EXPENSES		55,223,590	50,939,749
Profit before Exceptional and Extraordinary items and Tax		3,756,633	5,912,289
Exceptional Items		-	-
Profit before Extraordinary items and Tax		3,756,633	5,912,289
Extraordinary Items		-	-
Profit before tax		3,756,633	5,912,289
Tax expense:			
Current tax		900,000	900,000
Profit for the Year		2,856,633	5,012,289
Earning per Equity Share:			
(1) Basic	33	0.46	0.90
(2) Diluted		0.46	0.90
Summary of Significant Accounting Policies	1		
The accompanying Notes are an integral part of the Financial Statements.			

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
FR No. 113881W

PUSHPENDRA BANSAL
Executive Director

AMIT GARG
Director

Place: Baroda
Date: 29th August, 2012

RANJIT KUMAR SINGH
Company Secretary

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31.03.2012		31.03.2011	
	(₹)	(₹)	(₹)	(₹)
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit as per Profit & Loss Account		3,756,633		5,912,289
Adjustments for:				
Depreciation	5,189,085		4,914,801	
Provision for Employees Benefit	373,575		3,90,012	
Interest Paid(Net of receipt)	7,928,444		4,572,597	
		13,491,104		9,877,410
Operating Profit Before Working Capital Changes		17,247,737		15,789,699
Working Capital Changes:				
Decrease/(Increase) in Inventories	65,872		(81,928)	
Decrease/(Increase) in Sundry Debtors	(1,082,867)		415,949	
Decrease/(Increase) in Loans & Advances	(970,000)		(2,291,094)	
Increase/(Decrease) in Trade Payables (including capital finance)	(329,166)		1,115,669	
		(2,316,161)		(841,404)
Cash Generated from Operations		14,931,576		14,948,295
Payment of direct Taxes		(410,079)		(883,277)
Net Cash Flow from Operating Activities-i		14,521,497		14,065,018
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets / Capital Work-in-Progress		(6,800,268)		(7,502,225)
Purchase of Investments		(500,000)		
Net Cash flow From Investing Activities -ii		(7,300,268)		(7,502,225)
CASH FLOW FROM FINANCING ACTIVITIES				
Cash proceeds from re-issue of forfeited equity shares		7,323,000		-
Re payment of long term borrowings (Net of Proceeds)		9,876,858		(259,983)
Interest Paid (Net of receipt)		(7,928,444)		(4,572,597)
Net Cash Flow From Financing Activities-iii		9,271,414		(4,832,580)
Net Cash Flow During The Year (A+B+C)		16,492,643		1,730,213
OPENING CASH AND CASH EQUIVALENTS	4,346,263		2,616,050	
CLOSING CASH AND CASH EQUIVALENTS	20,838,906		4,346,263	
Net Increase/(Decrease) in Cash and Cash Equivalents		16,492,643		1,730,213

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

JAYANT PABARI
(Proprietor)
Membership No. 47580
FR No. 113881W

Place: Baroda
Date: 29th August, 2012

For and on behalf of the Board of Directors

PUSHPENDRA BANSAL
Executive Director

AMIT GARG
Director

RANJIT KUMAR SINGH
Company Secretary

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i. 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.

ii. Revenue Recognition :

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

iii. 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.

iv. Fixed Assets :

- a. Fixed Assets are stated at acquisition cost less accumulated Depreciation.
- b. 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.
- c. There is no Intangible Assets.

v. 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.

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.

vi. 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.

vii. 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.

viii. 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 Statement.

ix. Employee's Benefits :

- a. Contributions to Provident Fund and Gratuity Fund are charged to Profit and Loss Statement.
- b. Provision for Gratuity is being made. The arrangement with Life Insurance Corporation for creation of trust is properly done.
- c. 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.

x. 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 Statement.

xi. 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 incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Presently the Company has not recognized the net deferred tax assets as company has accumulated losses and unabsorbed depreciation & keeping in view of absence of virtual certainty of future taxable profit.

xii. Cash Flow Statement:

Cash Flow Statement has been prepared in accordance with the Indirect Method prescribed in Accounting Standard 3 issued by the Institute of Chartered Accountants of India.

xiii. Accounting Standards:

Accounting Standards prescribed under Section 211(3C) of the Companies Act, 1956, have been followed wherever applicable.

xiv. Contingent Liabilities, Provisions & Contingent Assets:

Contingent liabilities are not recognized but are disclosed in notes.

A Provision is recognised when there is a present obligation as a result of a past event that probably requires an outflow of resources. These are reviewed at Balance sheet date and adjusted to reflect the current best estimates.

Contingent assets are neither recognised nor disclosed in notes.

2. SHARE CAPITAL

Sr. No	Particulars	(₹) Current Year	(₹) Previous Year
1.	AUTHORIZED CAPITAL 8,000,000 Equity Shares of Rs. 10/- each.	80,000,000	80,000,000
2.	ISSUED & SUBSCRIBED SHARE CAPITAL 6,274,900 Equity Shares issued of Rs.10/- each	62,749,000	62,749,000
3.	PAID UP SHARE CAPITAL 6,274,900 Equity Shares (Previous Year 5,542,600 Equity shares) of Rs10/- each fully paid up. Add: Share Forfeited Account (732,300 Equity shares forfeited partly paid of Rs.5/- each.)	62,749,000	55,426,000 3,661,500
	Total	62,749,000	59,087,500

(i) Reconciliation of the number of Shares outstanding and the amount of Share Capital as at 31st March, 2012 and 31st March, 2011.					
	Equity shares (Fully Paid-up)	As at 31.03.2012		As at 31.03.2011	
		(In No.)	Amount (In Rs.)	(In No.)	Amount (In Rs.)
	Shares outstanding at the beginning of the year	5,542,600	55,426,000	5,542,600	55,426,000
	*Equity Shares forfeited in 2007 due to non payment of call money. -				3,661,500
	Share issued during the year	732,300	7,323,000	-	-
	Shares outstanding at the end of the year	6,274,900	62,749,000	5,542,600	59,087,500

* 732,300 equity shares of Rs. 10/- partly paid up @ Rs.5/- each amounting Rs. 3,661,500/-.

The Company has re-issued & allotted 732,300 Forfeited Equity shares of face value of Rs. 10/- each at par for an amount aggregating Rs. 7,323,000 on Preferential basis to Promoters and Non-promoters of the Company. Allotment was made in pursuant to approval received by Bombay Stock Exchange Ltd.

(ii) Details of Shareholders holding more than 5% shares in the Company:

Sr. No	Name of Shareholders	As at 31.03. 2012		As at 31.03. 2011	
		No. of shares	% of Holding*	No. of shares	% of Holding*
1	ANS Constructions Ltd	1,250,750	19.93%	1,250,750	22.57%
2	Sangeeta Bansal	1,250,650	19.93%	1,250,650	22.56%
3	Srijan Holdings Ltd	642,300	10.24%	-	-

* Based on 6,274,900 Equity shares (Previous year 5,542,600 Equity shares) of the Company.

3. RESERVE & SURPLUS

		(₹)	(₹)
Sr. No	Particulars	Current Year	Previous Year
1	Capital Reserve		
	Opening Balance--		
	Add: addition during the year	3,661,500	-
	Less: Transferred/ appropriation	-	-
	Closing Balance	3,661,500	-
2	Surplus/(deficit) in Profit & Loss Statement		
	Opening Balance	(7,032,126)	(12,044,415)
	Add: Profit for the period	2,856,633	5,012,289
		(4,175,493)	(7,032,126)
	Less: Transferred / appropriation--		
	Closing Balance	(4,175,493)	(7,032,126)
	Total	(513,993)	(7,032,126)

4. Long Term Borrowings

Sr. No	Particulars	Current Year	Previous Year
1	Secured, considered Good		
	Vehicle Loan From Bank	155,571	443,713
2	Unsecured, considered Good		
	Loans & Advances From Related Parties	47,765,000	37,600,000
	Total	47,920,571	38,043,713

The Vehicle loan is secured by hypothecation of the vehicle.

5. Trade Payables

Sr. No	Particulars	Current Year	Previous Year
1	Total outstanding due to Micro, Small & Medium Enterprises--		
2	Total outstanding due to other Creditors	4,309,038	4,504,700
	Total	4,309,038	4,504,700

6. Other Current Liabilities

Sr. No	Particulars	Current Year	Previous Year
1	Other Payables	549,052	292,544
	Total	549,052	292,544

7. Short- Term Provisions

Sr. No	Particulars	Current Year	Previous Year
1	Provisions for Employee's Benefit	373,575	390,012
	Total	373,575	390,012

8. Fixed Asset

(Amount in ₹)

Sr. No	Particulars	Gross Block			Depreciation			Net Block		
		Value at 01.04.2011	Additions during the year	Adjustment during the year	Value at 31.03.2012	Value at 01.04.2011	Addition during the year	Adjustment during the year	Value at 31.03.2012	WDV as on 31.03.2011
I	Tangible Assets(A)									
1	FREEHOLD LAND	2,502,000	-	-	2,502,000	-	-	-	2,502,000	2,502,000
2	OFFICE PREMISES	400,000	-	-	400,000	317,009	13,360	-	69,631	82,991
3	BUILDING	59,739,657	4,675,229	-	64,414,886	22,982,681	2,052,558	-	39,379,647	36,756,976
4	PLANT & MACHINERIES	50,669,985	1,434,884	-	52,104,869	26,071,912	2,438,441	-	23,594,516	24,598,073
5	VEHICLE	2,019,675	-	-	2,019,675	742,398	191,869	-	1,085,408	1,277,277
6	COMPUTER	1,373,868	217,520	-	1,591,388	494,144	67,498	-	1,029,746	879,724
7	FURNITURE & FIXTURES	4,308,450	472,635	-	4,781,085	1,619,915	425,559	-	2,735,811	2,688,535
	SUB TOTAL (A)	121,013,635	6,800,268	-	127,813,903	52,228,059	5,189,085	-	70,396,759	68,785,576
II	Intangible Assets (B)									
	Total [A + B] (Current Year)	121,013,635	6,800,268	-	127,813,903	52,228,059	5,189,085	-	70,396,759	68,785,576
	(Previous Year)	113,511,410	7,502,225	-	121,013,635	47,313,258	4,914,801	-	68,785,576	66,198,152

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

9. Non Current Investment

Sr. No	Particulars	(₹)	(₹)
		Current Year	Previous Year
	Fully Paid Un-quoted(Trade)Equity Instruments (Investment in Associate Companies):		
1	Kesar Motels Pvt. Ltd. 22,200(Previous year 22,200) Equity shares of Rs. 100/- each	8,880,000	8,880,000
2	Sai Ram Krupa Hotels Pvt. Ltd. 12,500 (Previous year 12,500) Equity shares of Rs.10/- each	1,250,000	1,250,000
3	Lords Oriental Resorts Developers(Silvassa) Pvt. Ltd. 500 Equity shares of Rs. 10/- each (Previous year- Nil)	500,000	--
	Total	10,630,000	10,130,000

10. Long Term Loans & Advances

Sr. No	Particulars	Current Year	Previous Year
1	Unsecured, Considered Good <i>Security Deposit</i>	1,337,468	1,449,968
	Total	1,337,468	1,449,968

11. Inventories

Sr. No	Particulars	Current Year	Previous Year
1	Food & Beverages	1,260,941	1,326,813
2	Stores & operating supplies	111,162	111,162
	Total	1,372,103	1,437,975

12. Trade Receivables

Sr. No	Particulars	Current Year	Previous Year
1	Unsecured, Considered Good Outstanding for less than six months from its due date	2,452,894	1,370,027
	Total	2,452,894	1,370,027

13. Cash & Cash Equivalents

Sr. No	Particulars	Current Year	Previous Year
1	Cash-in-Hand Cash Balance	2,153,266	2,734,499
	Sub Total (A)	2,153,266	2,734,499
2	Bank Balances Balances with Current Accounts	18,678,927	1,605,051
	Other Bank balances*	6,713	6,713
	Sub Total (B)	18,685,640	1,611,764
	Total [A + B]	20,838,906	4,346,263

* Comprises of Gratuity A/C with Bank of Baroda.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

14. Short Terms Loans and Advance

		(₹)	(₹)
Sr. No	Particulars	Current Year	Previous Year
	Unsecured, Considered Good: (Advance Recoverable in cash or in kind or for value to be received)		
1	Advances to Related Parties	3,895,000	5,795,000
2	Advance to Suppliers	1,258,409	775,909
3	Balance with Government Authorities	705,704	1,195,625
4	Inter-Corporate Deposit	2,500,000	-
	Total	8,359,113	7,766,534

15. Revenue from Operations

Sr. No	Particulars	Current Year	Previous Year
1	Sale of Rooms, Banquets and Food & Beverage	55,654,100	54,185,170
2	Other Services	1,360,389	1,207,286
	Total	57,014,489	55,392,456

16. Other Income

Sr. No	Particulars	Current Year	Previous Year
1	Rent	61,900	60,000
2	Other Miscellaneous Income	1,903,834	1,399,582
	Total	1,965,734	1,459,582

17. Cost of Material Consumed

Sr. No	Particulars	Current Year	Previous Year
	Opening Stock	213,406	167,312
	Add: <u>Purchases</u>	<u>8,670,041</u>	<u>9,635,909</u>
1		<u>8,883,447</u>	<u>9,803,221</u>
	Less: Closing Stock	200,360	213,406
	Total	8,683,087	9,589,815

18. Employee's Benefit Expenses

Sr. No	Particulars	Current Year	Previous Year
1	Salaries & Wages	9,037,386	8,519,996
2	Contribution to Provident Fund & Other Funds	635,935	837,133
3	Staff Welfare Expenses	1,170,373	527,241
	Total	10,843,694	9,884,370

19. Repair & Maintenance

Sr. No	Particulars	Current Year	Previous Year
1	Building	1,771,977	1,827,415
2	Plant & Machinery	1,511,137	1,306,640
3	Others	499,909	946,387
	Total	3,783,023	4,080,442

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

20. Finance Cost

Sr. No	Particulars	(₹) Current Year	(₹) Previous Year
1	Interest on Vehicle loan	32,438	60,597
2	Interest on Other loans	7,896,006	4,512,000
	Total	7,928,444	4,572,597

21. Other Expenses

Sr. No	Particulars	Current Year	Previous Year
1	Insurance	210,835	139,072
2	Rates & Taxes	1,813,011	1,211,042
3	Management & Franchise fee	1,323,600	1,323,600
4	Communication	408,423	424,022
5	Freight, Cartage & Transportation	405,620	304,230
6	Travelling & Conveyance	489,098	511,869
7	Upkeep & Service Cost	3,041,454	3,231,370
8	Balance Written Off	7,001	(8,601)
9	Miscellaneous Expenses	710,876	866,266
10	Legal & Professional Consultancy	1,308,791	1,612,198
11	Business Promotion	1,083,653	795,729
12	Printing & Stationery Expenses	376,342	267,256
13	Auditors Remuneration	80,000	80,000
	Total	11,258,704	10,758,053

22. Micro, Small and Medium Enterprises:

There are no Micro, Small and Medium Enterprises in respect of whom the Company dues are outstanding for more than 45 days at the Balance Sheet. These are on the information available with the Company.

23. Contingent Liabilities:

(to the extent not provided for)

Sr. No	Particulars	As at 31.03.2012
(a)	Service Tax matter under appeal(FY 2004-05 & 2005-06) Service Tax demand under dispute: Rs.408,000 Service Tax Penalty: Rs.408,000 Amount Paid: <u>Rs.200,000</u> Balance amount under Dispute	Rs. 616,000
(b)	Luxury Tax matter under dispute (FY : 1999-00) Luxury Tax demand under dispute: Rs.243,000 Luxury Tax Interest: Rs.55,000 Luxury Tax Penalty: <u>Rs.364,000</u> Total Amount under Dispute	Rs. 662,000

24. Gratuity:

As per Accounting Standard -15 - Accounting for Employees benefits as defined in the accounting standard, the summarized components of net benefit expense are recognized in the profit and loss Statement and the funded status and the amount are recognized in the balance sheet. The details of Group Gratuity Scheme as approved with LIC are as follows:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	(₹)	(₹)
	As at 31.3.2012	As at 31.3.2011
i. Actuarial Assumptions		
Discount Rate	8%	8%
Salary Rate	7%	7%
ii. Changes in benefit obligation		
Obligation at the beginning	352,911	299,454
Interest cost	28,233	23,956
Current Service Cost	125,167	105,918
Benefit paid	(85,282)	(9,249)
Actuarial(gain)/loss on obligation	87,285	(67,168)
Liability at the end of year	508,314	352,911
iii. Changes in Fair value of plan Assets		
Fair value of plan asset at beginning of year	466,769	433,541
Expected return on plan assets	45,305	38,825
Contributions	230,503	3,652
Benefits paid	(85,282)	(9,249)
Actuarial(gain)/ loss on Plan asset	NIL	NIL
Fair value of plan asset at the end of year	657,295	466,769
iv. Fair value of plan Assets		
Fair value of plan asset at beginning of year	466,769	433,541
Actual return on plan assets	45,305	38,825
Contributions	230,503	3,652
Benefits paid	(85,282)	(9,249)
Fair value of plan asset at the end of year	657,295	466,769
Funded Status	148,981	113,858
v. Amount recognized in the Balance sheet		
Liability at the end of year	508,314	352,911
Fair value of Plan Asset at the end of year	657,295	466,769
Net asset/(liability) recognized	(148,981)	(113,858)
vi. Expenses recognized in P&L Account		
Current Service cost	125,167	105,918
Interest cost	28,233	23,956
Expected return on plan assets	(45,305)	(38,825)
Net actuarial (gain)/loss recognized	87,285	(67,168)
Expenses recognized in P&L Account	195,380	23,881
vii. Balance sheet Reconciliation		
Opening Net Liability	(113,858)	(134,087)
Expenses as above	195,380	23,881
Employers contribution	(230,503)	(3,652)
Amount recognized in Balance Sheet	(148,981)	(113,858)

25. The Company has only one segment namely "Hotelier" so as per Accounting Standard 17 on segment reporting issued by the Institute of Chartered Accountants of India is not provided.

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

27. In the opinion of the Board, the Current Assets, Loan and Advances would if realized in the ordinary course of business, be of approximately the value at which they are stated in the Balance Sheet.

28. Capital Expenditure commitments:

As at 31.03.2012	As at 31.03.2011
Rs. NIL	Rs. NIL

29. Value of Imports calculated on CIF basis:

As at 31.03.2012	As at 31.03.2011
Rs. NIL	Rs. NIL

30. Director's Remuneration:

As at 31.03.2012	As at 31.03.2011
Rs. NIL	Rs. NIL

31. Expenditure in Foreign currency:

As at 31.03.2012	As at 31.03.2011
Rs. NIL	Rs. NIL

32. Earning in Foreign Currency:

Particular	As at 31.03.2012	As at 31.03.2011
On account of Rooms, Restaurant sale etc.¹	Rs. 1,371,441	Rs. 1,035,042

33. Earning per Share:

Earning per share is calculated in accordance with Accounting Standard-20, notified by the Company's (Accounting Standards) Rules, 2006.

Particulars	As at 31.03.2012	As at 31.03.2011
Profit after tax as per Statement of Profit & Loss	2,856,633	5,012,289
Weighted average no. of equity Shares of Rs.10/ each	6,274,900	5,542,600
Basic and Diluted earnings per Share (Rs.)	0.46	0.90

34. Related Party Disclosures: As per Accounting Standard 18 issue by Institute of Chartered Accountant of India, the related party disclosures are as followed:

Followings are the bodies in which Directors and/or their relatives, promoters are interested:

- i. ANS Constructions Ltd.
- ii. Lords Inn Hotels and Developers Ltd.
- iii. Kesar Motels Pvt. Ltd.
- iv. Sai Ram Krupa Hotels Pvt. Ltd.
- v. Lords Oriental Resorts Developers (Silvassa) Pvt. Ltd.
- vi. Srijan Holdings Ltd.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

• Following is the summary of transactions with the related parties: (₹) (₹)

Particulars	As at 31.03.2012	As at 31.03.2011
Allotment of Shares		
Srijan Holdings Ltd	6,423,000	
Management Fees Paid:		
Lords Inn Hotels And Developers Ltd.	1,323,600	1,323,600
Interest Paid		
ANS Constructions Ltd.	7,896,006	4,512,000
Outstanding Balances		
ANS Constructions Ltd.	47,765,000	37,600,000
Lords Inn Hotels and Developers Ltd.	57,478	94,826
Investment in Equity Shares		
Lords Oriental Resorts Developers(Silvassa) Pvt. Ltd	500,000	--

35. As per Accounting Standard 28, the Company dose not has impaired assets as verified by the management during the year.

36. The amount and disclosures included in the previous year have been reclassified or rearranged to conform to the compliances of the revised Schedule VI of the Companies Act, 1956.

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
FR No. 113881W

PUSHPENDRA BANSAL
Executive Director

AMIT GARG
Director

Place: Baroda
Date: 29th August, 2012

RANJIT KUMAR SINGH
Company Secretary

LORDS ISHWAR HOTELS LIMITED

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

ATTENDANCE SLIP

(Please complete this Attendance slip and hand it over at the entrance of the Meeting Hall)

DPID _____

CLIENT ID _____

Regd. Folio No. _____

I hereby record my presence at the 26th ANNUAL GENERAL MEETING of the Company held on Friday, the 28th September, 2012 at 09.30 a.m. at Hotel Raj International, Ajwa – Nimeta Road, Baroda -390 019.

Name of Shareholder/Proxy _____

Signature of Shareholder/Proxy _____

Cut here-----

LORDS ISHWAR HOTELS LIMITED

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

PROXY FORM

DPID _____

CLIENT ID _____

Regd. Folio No. _____

I/We _____ of _____ being a member(s) of the above named Company hereby appoint _____ of _____ or failing him/her _____ as my/our proxy to vote for me/us, on my/our behalf at the 26th Annual General Meeting of the Company to be held on Friday, the 28th September, 2012 at 09.30 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2012

Affix Rs.1 Revenue Stamp

NOTE:

The proxy form must be returned so as to reach at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

Cut here-----

LORDS ISHWAR HOTELS LIMITED

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

20% DISCOUNT COUPON

Dear Shareholders,

The Company is pleased to issue this coupon, which will entitle you to avail of discount at our restaurant in the hotel. The Company will not make cash refunds against any coupon or part use thereof and will not be able to extend the validity of the coupon nor issue duplicate coupon in case of lost / defaced coupon. This coupon is not valid for consumption of cigarettes and for the purpose of banquets & room accommodation.

Please detach the coupon for the part used & submit while your bill is being prepared.

Revival Hotel BARODA Bill Value up to Rs. 500 Discount – 20% On published tariff Valid up to 31-03-2013	Revival Hotel BARODA Bill Value up to Rs. 500 Discount – 20% On published tariff Valid up to 31-03-2013	Revival Hotel BARODA Bill Value up to Rs. 500 Discount – 20% On published tariff Valid up to 31-03-2013	Revival Hotel BARODA Bill Value up to Rs. 500 Discount – 20% On published tariff Valid up to 31-03-2013	Revival Hotel BARODA Bill Value up to Rs. 500 Discount – 20% On published tariff Valid up to 31-03-2013
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BOOK - POST

If undelivered, please return to :

LORDS ISHWAR HOTELS LIMITED

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