

27th

ANNUAL REPORT

2012-2013

LORDS ISHWAR HOTELS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

| | |
|------------------------|------------------------|
| Shri Pushpendra Bansal | Executive Director |
| Shri Mehinder Sharma | Non-Executive Director |
| Shri Bharat Varsani | Independent Director |
| Shri Amit Garg | Independent Director |
| Shri Sanjay Mangal | Independent Director |

COMPANY SECRETARY

Shri Ranjit Kumar Singh

STATUTORY AUDITORS

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

BANKERS

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

REGISTERED OFFICE

Hotel Revival , Near Sayaji Gardens,
Kala Ghoda Chowk, University Road,
Baroda, Gujarat – 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, Maharashtra – 400 072

NOTICE

NOTICE is hereby given that the **27th ANNUAL GENERAL MEETING** of **LORDS ISHWAR HOTELS LIMITED** will be held at Hotel Raj International, Ajwa-Nimeta Road, Baroda -390 019, on Tuesday, the 27th day of August, 2013, 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, 2013 and the Statement of Profit and Loss for the year ended on that date together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of shri Bharat Varsani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of shri Mehinder Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint 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.”

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 closed from 20th August, 2013 to 27th August, 2013 (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.
- (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.

By Order of the Board of Directors
LORDS ISHWAR HOTELS LIMITED

Place: Baroda
Date :26th July, 2013

RANJIT KUMAR SINGH
Company Secretary

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

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 27th Annual Report of your Company together with the Audited Financial statement and Auditors' Report for the year ended 31st March, 2013.

FINANCIAL RESULTS

The summary of the financial performance of the Company for the year ended 31st March, 2013 as compared to the previous year is as below:

| Particulars | (In ₹) | |
|-----------------------|------------|------------|
| | 2012-2013 | 2011-2012 |
| Net Income | 62,486,932 | 58,980,223 |
| Net Profit before Tax | 119,485 | 3,756,633 |
| Less: Current Tax | 40,000 | 900,000 |
| Net Profit after Tax | 79,485 | 2,856,633 |

PERFORMANCE OF THE COMPANY

The Net Income of your company for the current year increased to Rs.62,486,932 as compare to previous year income amounting Rs. 58,980,223. Net Profit before Tax for the current year amounts to Rs. 119,485.

DIVIDEND

In view of the carried forward losses, yours Directors regret their inability to recommend Dividend for the year 2012-2013.

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.

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.

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. Foreign Exchange Earning and Outgo

As required under section 217(1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of the particulars in the Report of Board of Directors) Rules, 1988, the information relating to the foreign exchange earnings and outgo are given in Note No. 32 & 33 of the Notes to the financial statements for the year 31st March, 2013.

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.

DIRECTORS

Shri Bharat Varsani and Shri Mehinder Sharma, Directors of the Company are liable to retire by rotation being eligible, offer themselves for re-appointment. The Board of Directors is duly constituted.

INCREASE IN AUTHORISED CAPITAL

Pursuant to the approval accorded by the members at the last Annual General Meeting of the Company held on 28th September, 2012, the Authorised Share Capital of the Company has been increased from Rs. 8 Crore (8,000,000 Equity shares of Rs. 10/- each) to Rs. 15 Crore (15,000,000 Equity Shares of Rs. 10/- each).

PREFERENTIAL ALLOTMENT OF CONVERTIBLE WARRANTS

During the year, your Company has issued & allotted 11,95,100 Warrants convertible into equal number of Equity shares of Rs. 10/- each at par to Promoter and Non-promoters of the Company on Preferential basis vide approval accorded by the members & Stock Exchanges.

CORPORATE GOVERNANCE

Intense of Clause 49 of the Listing Agreement with Stock Exchanges, your Company has complied with the requirements of Corporate Governance in all material aspects and a report on Corporate Governance together with a certificate of its compliance from the Statutory Auditors is given in annexure forming part 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.

ACKNOWLEDGMENTS

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 & delivering a sound performance.

Place: Baroda

Date : 26th July, 2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Registered Office:

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

PUSHPENDRA BANSAL
Executive Director

AMIT GARG
Director

(ANNEXURE TO THE DIRECTORS' REPORT)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**BUSINESS ENVIRONMENT, INDUSTRY STRUCTURE & DEVELOPMENTS:**

Industrial growth slowed to a 20-year-low of 1% in 2012-13, raising fresh worries about the health of the crucial sector despite rising 2.5% in March on the back of some signs of feeble revival in manufacturing and Electricity. The looming political uncertainty in the run-up to the general elections in 2014 could impact even the strength of the tentative recovery and hurt growth which is estimated to have slowed to a 10-year-low of 5% in 2012-13. The government expects growth in the current fiscal year (2013-14) to revive following reform steps announced since September and expects it to be close to 6% but experts say continued policy logjam may upset plans.

According to the latest Tourism Satellite Accounting (TSA) research, released by the World Travel and Tourism Council (WTTC), the demand for travel and tourism in India is expected to grow by 8.2 % between 2010 and 2019. This will place India at the third position in the world. Capital investment in India's travel and tourism sector is expected to grow at 8.8 % between 2010 and 2019. The report forecasts India to get more capital investment in the travel and tourism sector and is projected to become the fifth fastest growing business travel destination from 2010 through 2020.

FTAs have shown a growth of 2.8 per cent in March 2013 over March 2012 while the growth rate in Foreign Exchange Earnings (FEEs) from tourism stood at 21 per cent over the same period in rupee terms. FTA during March 2013 was recorded at 640,000 as compared to 623,000 during the month of March 2012.

The Visa on Arrival (VoA) Scheme of the Government of India has registered a growth of 54.6 per cent in February 2013. A total number of 1,947 VoAs were issued last month as compared to 1,259 VoAs issued in February 2012.

India and Canada plan to strengthen cooperation in tourism sector. Both the countries will identify areas for working together and explore new opportunities in tourism sector.

India and Japan plan to strengthen cooperation in tourism sector. Both the countries will identify areas for working together and explore new opportunities in tourism sector especially in the field of human resource development and investment in the tourism sector.

Tourism Corporation of Gujarat Ltd (TCGL) and Indian Oil Corporation Ltd (IOCL) have signed a memorandum of understanding (MoU) to help promote tourism in the State by offering facilities to tourists at IOCL petrol pumps.

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 Airport, 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.,
- New levy of Service Tax on Food & Beverages serving in restaurant, power & fuel price increase, etc. makes the tour unattractive and expensive, which in turn affects the business of the Company.

High Inflation, Current Account deficit and slow growth rate drove the Indian Rupee weakened to Rs. 60.99/- per USD during the month of June this year. This had a severe impact for the Indian hospitality sector.

However, your Company is taking all efforts for ensuring its service standards by timely renovating and repositioning its property.

FINANCIAL & OPERATING PERFORMANCE

During the Financial Year 2012-13, the Company's total revenue was Rs 62,486,932 as compared to Rs. 58,980,223 in the previous year.

AWARDS

A certificate of Excellence - 2013 WINNER - has been awarded to our Hotel by Trip Advisor.

Shri Pushpendra Bansal has received an award "**New Fastest Growing Hotel Chain**" by Dr. Shashi Tharoor (Hon'ble Minister of State for HRD, Govt. of India) in November, 2012.

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, 2013 was 103.

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 describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities law and regulations. Actual results may differ materially from those expressed or implied. Significant factors that could make a difference to company's operations include poor macroeconomics growth, changes in tastes and preferences, consumer confidence, changes in Government policies and regulations, tax regimes and economic development within India & other incidental factors.

(ANNEXURE TO THE DIRECTORS' REPORT)

CORPORATE GOVERNANCE 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 apprised 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 exercises 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.

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

7 (Seven) Board Meetings were held during the financial year 2012-13. The dates on which the said meetings were held are as follows:

| | | | | | | | |
|---|--------------------------------|---|--------------------------------|---|--------------------------------|---|-------------------------------|
| 1 | 28 th April, 2012 | 2 | 29 th June, 2012 | 3 | 30 th July, 2012 | 4 | 29 th August, 2012 |
| 5 | 11 th October, 2012 | 6 | 29 th October, 2012 | 7 | 30 th January, 2013 | | |

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 Meetings | Last AGM* | |
| Shri Mehinder Sharma | Non Executive Director | No | No | Nil |
| Shri Pushendra Bansal | Executive Director | 5 | Yes | 2000 |
| Shri Bharat Varsani | Non Executive Independent Director | 7 | No | Nil |
| Shri Amit Garg | Non Executive Independent Director | 7 | Yes | Nil |
| Shri Sanjay Mangal | Non Executive Independent Director | 7 | Yes | Nil |

* The last AGM of the Company was held on 28th September, 2012.

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.) |
|-----------------------------|--|---|--|
| Shri Mehinder Sharma | 4 | -- | -- |
| Shri Pushendra Bansal | 3 | -- | -- |
| Shri Bharat Varsani | - | -- | -- |
| Shri Amit Garg | 1 | -- | -- |
| Shri Sanjay Mangal | 2 | 2 | -- |

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. A certificate thereon duly signed by the Executive Director of the Company is being annexed in this Annual Report.

Note on Directors seeking appointment/re-appointment:**Shri Bharat Varsani**

Shri Bharat Varsani, aged about 54 years, is a Commerce Graduate having more than two decade of practical experience in the field of transportation and management of all kinds of vehicles particularly transportation of LPG and Ammonia in bulk.

He has no Directorship in any other Company except this one.

Shri Mehinder Sharma

Shri Mehinder Sharma, aged about 54 years, is a Science Graduate with Master Degree in Business Administration from Delhi University. He has more than 22 years of experience in the field of construction, real estate, infrastructure development, housing and industrial projects.

He is a Director in ANS Industries Limited, M-Tech Developers Limited, ANS Constructions Limited and Lords Inn Hotels And Developers Limited. He has also Directorship in private limited Companies

3. AUDIT COMMITTEE

During the financial year 2012-13, the Audit Committee met 7 (Seven) times on 28th April, 2012, 29th June, 2012, 30th July, 2012, 29th August, 2012, 11th October, 2012, 29th October, 2012 and 30th January, 2013. The Committee, at these meetings, reviewed the financial reporting system, Management Discussion & Analysis Report, Utilisation of Preferential allotment fund & Audited/ un-audited financial results.

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

| Name of the Director | Position | No. of Meetings Held | No. of Meetings Attended |
|-----------------------------|---------------------|-----------------------------|---------------------------------|
| Shri Amit Garg | Chairman cum Member | 7 | 7 |
| Shri Bharat Varsani | Member | 7 | 7 |
| Shri Sanjay Mangal | Member | 7 | 7 |

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

Shri 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 2012-13 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 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 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.

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 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 until the same is / are resolved fully.

During the year, one Shareholders'/Investors' Grievance Committee meeting was held on 29th August, 2012. All Members were present at this Committee Meeting.

During the year, the company has received 2(Two) Shareholders'/Investors' complaint, 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

(A) General Meeting:

(i) Annual General Meeting:

| AGM for the year ended | Date and Time of AGM | Venue | Special Resolution |
|------------------------|---|---|--------------------|
| 2011-2012 | 28 th September, 2012 at 09.30 A.M | Hotel Raj International, Ajwa-Nimeta Road, Baroda – 39 0019 | 2(Two) |
| 2010-2011 | 19 th August, 2011 at 09.30 A.M | Hotel Raj International, Ajwa-Nimeta Road, Baroda – 39 0019 | ----- |
| 2009-2010 | 3 rd September, 2010 at 09.30 A.M. | Suruchi Resort, Sakaria – Nimeta, Baroda -390 019 | 1(One) |

(ii) Extra-Ordinary General Meeting:
No Extra-Ordinary General Meeting of the members was held during the year 2012-13.

(B) Postal Ballot:

During the year, No postal Ballot was conducted. At the forthcoming AGM, there is no agenda that needs approval by postal ballots.

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. Hard copies of the said disclosures and correspondence are also field with the Stock Exchanges.

All periodical compliance fillings like shareholding pattern, Corporate Governance Report, Financial Results etc are also being filed electronically with the new online portal “BSE Listing Centre” launched by BSE Ltd.

Our Company has also obtained SCORES (SEBI Complaints Redress System) authentication from SEBI. The investor complaints are processed /resolved through this SCORES portal only along with the action taken by report the Company.

The Management Discussion & Analysis Report is appended elsewhere and forms an integral part of the Annual Report.

9. GENERAL SHAREHOLDER INFORMATION

| | | | | | |
|--|--|---|--|--|--|
| i | Annual General Meeting | | | | |
| | Day, Date and Time Venue | : | Tuesday, the 27th August, 2013 at 09.30 a.m. Hotel Raj International, Ajwa - Nimeta Road, Baroda-390019 | | |
| ii | Financial Calendar 2013-14 | : | <table border="1"> <tr> <td>Periods : For the quarter ending June, 2013 For the quarter ending Sep, 2013 For the quarter ending Dec, 2013 For the quarter ending March,2014 Annual General Meeting for 2013-14</td> <td>Reporting by Mid of August, 2013 Mid of November, 2013 Mid of February, 2014 Mid of May, 2014 End of September, 2014</td> </tr> </table> | Periods : For the quarter ending June, 2013 For the quarter ending Sep, 2013 For the quarter ending Dec, 2013 For the quarter ending March,2014 Annual General Meeting for 2013-14 | Reporting by Mid of August, 2013 Mid of November, 2013 Mid of February, 2014 Mid of May, 2014 End of September, 2014 |
| Periods : For the quarter ending June, 2013 For the quarter ending Sep, 2013 For the quarter ending Dec, 2013 For the quarter ending March,2014 Annual General Meeting for 2013-14 | Reporting by Mid of August, 2013 Mid of November, 2013 Mid of February, 2014 Mid of May, 2014 End of September, 2014 | | | | |
| iii | Book closure Date | : | 20.08.2013 to 27.08.2013 (both days inclusive) | | |
| iv | Dividend Payment Date | : | No Dividend has been recommended. | | |
| v | Registered Office & Hotel Location of the company | : | Hotel Revival, Near Sayaji Gardens, Kala Ghoda Chowk, University Road, Baroda, Gujarat – 390 002. Email: info@lordsishwar.com Website: www.lordsishwar.com | | |
| vi | Listing on Stock Exchanges | : | BSE Limited. Vadodara Stock Exchange Limited. | | |
| vii | Annual listing & Custodial fees | : | Duly paid for the year 2013-14 | | |

| | | | |
|------|---|---|---|
| viii | Stock Code (a) Trading Symbol at BSE (b) Trading Symbol at VSE (c) Demat ISIN Numbers in NSDL & CDSL | : | 530065 / LORDSHOTL 30065/370 INE689J01013 |
|------|---|---|---|

| | | | |
|----|-------------------|-----------------|----------------|
| ix | Stock Market Data | BSE Limited | |
| | | High (₹) | Low (₹) |
| | April, 2012 | 4.65 | 4.42 |
| | May, 2012 | 4.30 | 4.11 |
| | June, 2012 | 4.42 | 4.01 |
| | July, 2012 | 9.01 | 4.64 |
| | August, 2012 | 9.49 | 8.44 |
| | September, 2012 | 8.59 | 6.53 |
| | October, 2012 | 7.98 | 7.13 |
| | November, 2012 | - | - |
| | December, 2012 | - | - |
| | January, 2013 | 8.97 | 7.98 |
| | February, 2013 | 11.24 | 8.99 |
| | March, 2013 | 10.99 | 10.99 |

x Share Price Performance compared with broad based indices

| | | | |
|--|------------------------------------|-----------------------------|------------|
| | Particulars | Lords Ishwar Hotels Limited | BSE SENSEX |
| | As on 1 st April, 2012 | 4.89 | 17429.96 |
| | As on 31 st March, 2013 | 10.99 | 18835.77 |
| | Change (%) | 124.74% | 8.07% |

xi (a) Distribution Schedule as on 31st March, 2013:

| No. of Equity Shares held | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
|---------------------------|---------------------|-------------------|--------------------|-------------------|
| 1 - 500 | 1,233 | 63.00 | 363,011 | 5.79 |
| 501 - 1000 | 342 | 17.47 | 258,635 | 4.12 |
| 1001 - 2000 | 183 | 9.35 | 266,662 | 4.25 |
| 2001 - 3000 | 96 | 4.91 | 259,100 | 4.13 |
| 3001 - 4000 | 24 | 1.23 | 85,801 | 1.37 |
| 4001 - 5000 | 23 | 1.18 | 109,900 | 1.75 |
| 5001 - 10000 | 26 | 1.33 | 211,391 | 3.37 |
| 10001 & Above | 30 | 1.53 | 4,720,400 | 75.22 |
| Total | 1,957 | 100.00 | 6,274,900 | 100.00 |
| Physical Mode | 1,621 | 82.83 | 3,779,750 | 60.24 |
| Electronic Mode | 336 | 17.17 | 2,495,150 | 39.76 |

xi (b) Shareholding Pattern as on 31st March, 2013:

| Category | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
|---|---------------------|-------------------|--------------------|-------------------|
| Indian Promoter(s)/ Persons acting in concert | 4 | 0.21 | 3,145,700 | 50.13 |
| Foreign Promoter | NIL | NIL | NIL | NIL |
| Resident Individuals | 1815 | 94.53 | 2,224,696 | 35.45 |
| Bodies Corporate | 21 | 1.07 | 319,404 | 5.09 |
| Financial Institutions/ Banks/ Mutual Funds | 3 | 0.15 | 261,700 | 4.17 |
| NRI's/OBC's/Foreign National | 79 | 4.04 | 323,400 | 5.16 |
| GRAND TOTAL | 1,957 | 100.00 | 6,274,900 | 100.00 |

10. Dematerialization of Shares:

As on 31st March, 2013, 2,495,150 Equity Shares comprising 39.76% of the issued & Paid up Equity Shares of the Company stand dematerialized.

11. Outstanding GDRs/ DRs/Warrants:

The Company has not issued GDRs/ADRs. The Company has allotted 11,95,100 convertible Warrants during the year.

12. Address for Correspondence:

M/s. Bigshare Services Pvt. Ltd.
Unit: (Lords Ishwar Hotels Limited)
 E-2/3, Ansa Industrial Estate,
 Sakivihar Road, Sakinaka,
 Andheri (E), Mumbai, Maharashtra – 400 072.
 E-mail: info@bigshareonline.com
 Tel. No. 022- 28470652, 40430200
 Fax No. 022-28475207

13. CEO/CFO Certificate :

The Executive Director of the Company gives annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement.

14. Reconciliation of Share Capital Audit :

It is being carried out every quarter by a practicing Company Secretary and the report is placed before the Board for its perusal and filed regularly with the Stock Exchanges within the stipulated time.

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, 2013, 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

JAYANT PABARI
(PROPRIETOR)

Membership No. 47580
Firm Reg. No. 113881W

Place: Baroda
Date: 26th July, 2013

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, 2013.

For LORDS ISHWAR HOTELS LIMITED

Place: Baroda
Date: 26th July, 2013

PUSHPENDRA BANSAL
Executive Director

INDEPENDENT AUDITORS' REPORT

To
The Members of
LORDS ISHWAR HOTELS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Lords Ishwar Hotels Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the Directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

FOR J. M. PABARI & ASSOCIATES

CHARTERED ACCOUNTANTS

JAYANT PABARI

(PROPRIETOR)

Membership No. 47580

Firm Reg. No. 113881W

Place: Baroda

Date : 29th May, 2013

Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
- ii. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses 4 (iii) (b), (iii) (c) and (iii) (d) of the order are not applicable to the Company.
- (e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken unsecured loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (f) In our opinion, the rate of interest and other terms and conditions on which loans have been taken by the Company are not prima facie prejudicial to the interests of the Company.
- (g) No terms with regard to the repayment of unsecured loan has been specified. However the Company is regularity of paying interest thereon to Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- v. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

- (b) In our opinion and according to the information and explanations given to us, where such transactions are in excess of Rs. 5 Lac 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.
- vi. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
- vii. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. Maintenance of Cost records prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 is not applicable to the Company.
- ix. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise-duty which have not been deposited on account of disputes and the forum where dispute is pending are given below:-

| Name of the statute | Nature of Dispute | Amount ₹ | Period | Forum where dispute is pending | Progress and 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. |

- x. 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 loss during the financial year covered by our audit and in the immediately preceding financial year.
- xi. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of Clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- xiv. According to information and explanations given to us, the Company is not dealing in or trading in Shares, securities, debentures & other Investments and accordingly Clause 4(xiv) of the Companies (Auditors' report) Order, 2003 is not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
- xvi. Based on our audit procedures and on the information given by the management, we report that the company has not availed any term loans during the year.
- xvii. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- xviii. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
- xix. The Company has neither issued nor outstanding any debenture during the period, so Clause 4(xix) of the Companies (Auditors' report) Order, 2003 can not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year.
- xxi. According to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

FOR J. M. PABARI & ASSOCIATES
CHARTERED ACCOUNTANTS

JAYANT PABARI
(PROPRIETOR)

Membership No. 47580
Firm Reg. No. 113881W

Place: Baroda

Date : 29th May, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

| Particulars | Note No. | As at 31st March, 2013 ₹ | As at 31st March, 2012 ₹ |
|---|----------|--|--------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1. Shareholder's Funds | | | |
| Share Capital | 2 | 62,749,000 | 62,749,000 |
| Reserves and Surplus | 3 | (434,508) | (513,993) |
| Money Received against Share Warrants | 4 | 2,987,750 | - |
| 2. Non-Current Liabilities | | | |
| Long-Term Borrowings | 5 | 47,765,000 | 47,920,571 |
| 3. Current Liabilities | | | |
| Trade Payables | 6 | 847,172 | 4,309,038 |
| Other Current Liabilities | 7 | 397,213 | 549,052 |
| Short -Term Provisions | 8 | 411,739 | 373,575 |
| TOTAL | | 114,723,366 | 115,387,243 |
| II.ASSETS | | | |
| 1. Non-Current Assets | | | |
| Fixed Assets | | | |
| (i) Tangible Assets | 9 | 71,796,223 | 70,396,759 |
| Non-current investments | 10 | 14,630,000 | 10,630,000 |
| Long term loans and advances | 11 | 1,337,468 | 1,337,468 |
| 2. Current Assets | | | |
| Inventories | 12 | 1,860,410 | 1,372,103 |
| Trade receivables | 13 | 2,547,670 | 2,452,894 |
| Cash and cash equivalents | 14 | 1,841,309 | 20,838,906 |
| Short-term loans and advances | 15 | 20,710,286 | 8,359,113 |
| TOTAL | | 114,723,366 | 115,387,243 |
| Significant Accounting Policies & Notes to the financial Statements | 1 to 38 | | |
| 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 Firm Reg. No. 113881W | | PUSHPENDRA BANSAL Executive Director | AMIT GARG Director |
| Place: Baroda Date : 29 th May, 2013 | | RANJIT KUMAR SINGH Company Secretary | |

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2013

| Particulars | Note No. | 2012-2013 | 2011-2012 |
|--|----------|-------------------|-------------------|
| | | ₹ | ₹ |
| I. Revenue from operations | 16 | 58,730,400 | 57,014,489 |
| II. Other Income | 17 | 3,756,532 | 1,965,734 |
| III. Total Revenue(I+II) | | 62,486,932 | 58,980,223 |
| IV. Expenses: | | | |
| Cost of materials consumed | 18 | 8,820,553 | 8,683,087 |
| Employee Benefits Expense | 19 | 12,438,846 | 10,843,694 |
| Power & Fuel | | 7,367,455 | 7,537,553 |
| Repairs & Maintenance | 20 | 2,920,137 | 3,783,023 |
| Finance Costs | 21 | 11,468,319 | 7,928,444 |
| Depreciation and Amortization Expense | 9 | 5,401,377 | 5,189,085 |
| Other Expenses | 22 | 13,950,760 | 11,258,704 |
| Total Expenses | | 62,367,447 | 55,223,590 |
| V. Profit before exceptional and extraordinary items and Tax(III-IV) | | 119,485 | 3,756,633 |
| VI. Exceptional Items | | - | - |
| VII. Profit before extraordinary items and Tax (V-VI) | | 119,485 | 3,756,633 |
| VIII. Extraordinary Items | | - | - |
| IX. Profit before tax (VII-VIII) | | 119,485 | 3,756,633 |
| X. Tax expense: | | | |
| Current tax | | 40,000 | 900,000 |
| XI. Profit for the period from continuing operations(IX-X) | | 79,485 | 2,856,633 |
| XII. Profit(Loss) for the period from discontinuing operations | | - | - |
| XIII. Tax expense of discontinuing operations | | - | - |
| XIV. Profit(Loss) from discontinuing operations(after tax) (XII-XIII) | | - | - |
| XV. Profit for the period (XI+XIV) | | 79,485 | 2,856,633 |
| XVI. Earnings per equity share: | | | |
| (1) Basic | 34 | 0.01 | 0.50 |
| (2) Diluted | | 0.01 | 0.50 |

Significant Accounting Policies &
Notes to the financial Statements

1 to 38

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
Firm Reg. No. 113881W

PUSHPENDRA BANSAL
Executive Director

AMIT GARG
Director

Place: Baroda
Date : 29th May, 2013

RANJIT KUMAR SINGH
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

| | 31st March, 2013 | | 31st March, 2012 | |
|---|------------------|--------------|------------------|-------------|
| | ₹ | ₹ | ₹ | ₹ |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit as per Statement of Profit & Loss | | 119,485 | | 3,756,633 |
| Adjustments for: | | | | |
| Depreciation | 5,401,377 | | 5,189,085 | |
| Provision for Employees Benefit | 411,739 | | 373,575 | |
| Interest Paid(Net of receipt) | 11,468,319 | | 7,928,444 | |
| | | 17,281,435 | | 13,491,104 |
| Operating Profit Before Working Capital Changes | | 17,400,920 | | 17,247,737 |
| Working Capital Changes: | | | | |
| Decrease/(Increase) in Inventories | (488,307) | | 65,872 | |
| Decrease/(Increase) in Sundry Debtors | (94,776) | | (1,082,867) | |
| Decrease/(Increase) in Loans & Advances | (11,309,739) | | (970,000) | |
| Increase/(Decrease) in Trade Payables | (3,987,280) | | (329,166) | |
| | | (15,880,102) | | (2,316,161) |
| Cash Generated from Operations | | 1,520,818 | | 14,931,576 |
| Payment of direct Taxes | | (1,081,434) | | (410,079) |
| Net Cash Flow from Operating Activities | | 439,384 | | 14,521,497 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Fixed Assets / Capital Work-in-Progress | | (6,800,841) | | (6,800,268) |
| Purchase of Investments | | (4,000,000) | | (500,000) |
| Net Cash flow From Investing Activities | | (10,800,841) | | (7,300,268) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Cash proceeds from issue of share warrants | | 2,987,750 | | - |
| Cash proceeds from re-issue of forfeited equity shares | | - | | 7,323,000 |
| Re payment of long term borrowings (Net of Proceeds) | | (155,571) | | 9,876,858 |
| Interest Paid (Net of receipt) | | (11,468,319) | | (7,928,444) |
| Net Cash Flow From Financing Activities | | (8,636,140) | | 9,271,414 |
| Net Cash Flow During The Year (A+B+C) | | (18,997,597) | | 16,492,643 |
| OPENING CASH AND CASH EQUIVALENTS | 20,838,906 | | 4,346,263 | |
| CLOSING CASH AND CASH EQUIVALENTS | 1,841,309 | | 20,838,906 | |
| Net Increase/(Decrease) in Cash and Cash Equivalents | | (18,997,597) | | 16,492,643 |

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
Firm Reg. No. 113881W

PUSHPENDRA BANSAL
Executive Director

AMIT GARG
Director

Place: Baroda
Date : 29th May, 2013

RANJIT KUMAR SINGH
Company Secretary

Significant Accounting Policies & Notes to the Financial Statements for the year ended 31st March, 2013
1. SIGNIFICANT ACCOUNTING POLICIESi. 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 lower.

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 statement of Profit & Loss 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 Statement of Profit & Loss.

ix. Employee's Benefits :

- a. Contributions to Provident Fund and Gratuity Fund are charged to Statement of Profit and Loss.
- b. Gratuity is charged to revenue on actuarial valuation by Life Insurance Corporation under the Employees Group Gratuity policy with them.
- 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 Statement of Profit and Loss.

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.

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 | ₹ | ₹ |
|--|--------------------|-------------------|
| Particulars | Current Year | Previous Year |
| AUTHORIZED CAPITAL 15,000,000 Equity shares (Previous year 8,000,000 Equity Shares) of Rs. 10/- each. | 150,000,000 | 80,000,000 |
| Total | 150,000,000 | 80,000,000 |
| ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL 6,274,900 Equity shares (Previous Year 6,274,900 Equity shares) of Rs.10/- each fully paid up | 62,749,000 | 62,749,000 |
| Total | 62,749,000 | 62,749,000 |

Authorised share capital has been increased from Rs. 8 Crore to Rs 15 Crore by filing Form No. 5 vide SRN B60550357 dated 26/10/2012 with Registrar of Companies, Gujarat.

(i) Reconciliation of the number of Shares outstanding and the amount of Share Capital as at 31st, March, 2013 and 31st March, 2012.

| Equity shares (Fully Paid-up Capital) | As at 31.03.2013 | | As at 31.03.2012 | |
|---|------------------|-------------------|------------------|-------------------|
| | In Numbers | In (₹) | In Numbers | In(₹) |
| Shares outstanding at the beginning of the year | 6,274,900 | 62,749,000 | 5,542,600 | 55,426,000 |
| Shares issued during the year | | - | 732,300 | 7,323,000 |
| Shares outstanding at the end of the year | 6,274,900 | 62,749,000 | 6,274,900 | 62,749,000 |

During the year 2011-12, the Company has re-issued and 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 BSE Ltd.

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

| Name of Shareholders | As at 31.03. 2013 | | As at 31.03. 2012 | |
|----------------------------|-------------------|---------|-------------------|---------|
| | Shares | Holding | Shares | Holding |
| (I) Sangeeta Bansal | 1,250,650 | 19.93% | 1,250,650 | 19.93% |
| (ii) ANS Constructions Ltd | 1,250,750 | 19.93% | 1,250,750 | 19.93% |
| iii) Srijan Holdings Ltd | 642,300 | 10.24% | 642,300 | 10.24% |

| 3. Reserve & Surplus | ₹ | ₹ |
|-----------------------------------|--------------|---------------|
| Particulars | Current Year | Previous Year |
| (a) Capital Reserve | | |
| Opening Balance | - | - |
| Add: addition during the year | - | 3,661,500 |
| Less: Transferred / appropriation | - | - |

| | ₹ | ₹ |
|---|------------------|------------------|
| Closing Balance | - | 3,661,500 |
| (b) Surplus / (deficit) in Statement Profit & Loss | | |
| Opening Balance | (513,993) | (7,032,126) |
| Add: Profit for the period | 79,485 | 2,856,633 |
| Less: Transferred / appropriation | - | - |
| Closing Balance | (434,508) | (4,175,493) |
| Total | (434,508) | (513,993) |

| | ₹ | ₹ |
|--|------------------|---------------|
| 4. Money received against share warrants | Current Year | Previous Year |
| Particulars | | |
| Allotment of 11,95,100 warrants of Rs.10/- each at par to Promoter & Non-promoter of the Company convertible into equal number of Equity shares (25% upfront money received) | 2,987,750 | - |
| Total | 2,987,750 | - |

| | ₹ | ₹ |
|---------------------------------------|-------------------|-------------------|
| 5. Long Term Borrowings | Current Year | Previous Year |
| Particulars | | |
| Secured, considered Good | | |
| Vehicle Loan from Bank | - | 155,571 |
| Unsecured, considered Good | | |
| Loans & Advances From Related Parties | 47,765,000 | 47,765,000 |
| Total | 47,765,000 | 47,920,571 |

The vehicle loan from Bank is secured by way of hypothecation of the vehicle.

| | ₹ | ₹ |
|---|----------------|------------------|
| 6. Trade Payables | Current Year | Previous Year |
| Particulars | | |
| Total outstanding due to Micro, small & Medium Enterprise | - | - |
| Total outstanding due to other creditors | 847,172 | 4,309,038 |
| Total | 847,172 | 4,309,038 |

| | ₹ | ₹ |
|-------------------------------------|----------------|----------------|
| 7. Other Current Liabilities | Current Year | Previous Year |
| Particulars | | |
| Other Payables | 397,213 | 549,052 |
| Total | 397,213 | 549,052 |

| | ₹ | ₹ |
|--|----------------|----------------|
| 8. Short-Term Provisions | Current Year | Previous Year |
| Particulars | | |
| Provision For Employees Benefit | | |
| Leave Encashment | 357,739 | 294,306 |
| Gratuity payable | 54,000 | 79,269 |
| Total | 411,739 | 373,575 |

(In ₹)

9. Fixed Asset

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---------------------|---------------------------|----------------------------|---------------------|---------------------|---------------------------|----------------------------|---------------------|----------------------|----------------------|
| | Value at 01.04.2012 | Additions during the year | Adjustment during the year | Value at 31.03.2013 | Value at 01.04.2012 | Additions during the year | Adjustment during the year | Value at 31.03.2013 | WDV as on 31.03.2013 | WDV as on 31.03.2012 |
| TANGIBLE ASSETS(A) | | | | | | | | | | |
| FREEHOLD LAND | 2,502,000 | - | - | 2,502,000 | - | - | - | - | 2,502,000 | 2,502,000 |
| OFFICE PREMISES | 400,000 | - | - | 400,000 | 330,369 | 13,360 | - | 343,729 | 56,271 | 69,631 |
| BUILDING | 64,414,886 | 4,922,403 | - | 69,337,289 | 25,035,239 | 2,155,948 | - | 27,191,187 | 42,146,102 | 39,379,647 |
| PLANT & MACHINERIES | 52,104,869 | 1,860,222 | - | 53,965,091 | 28,510,353 | 2,509,977 | - | 31,020,330 | 22,944,761 | 23,594,516 |
| VEHICLE | 2,019,675 | - | - | 2,019,675 | 934,267 | 191,869 | - | 1,126,136 | 893,539 | 1,085,408 |
| COMPUTER | 1,591,388 | 18,216 | - | 1,609,604 | 561,642 | 76,020 | - | 637,662 | 971,942 | 1,029,746 |
| FURNITURE & FIXTURES | 4,781,085 | - | - | 4,781,085 | 2,045,274 | 454,203 | - | 2,499,477 | 2,281,608 | 2,735,811 |
| SUB TOTAL (A) | 127,813,903 | 6,800,841 | - | 134,614,744 | 57,417,144 | 5,401,377 | - | 62,818,521 | 71,796,223 | 70,396,759 |
| INTANGIBLE ASSETS (B) | - | - | - | - | - | - | - | - | - | - |
| SUB TOTAL (B) | - | - | - | - | - | - | - | - | - | - |
| Total [A + B] (Current Year) | 127,813,903 | 6,800,841 | - | 134,614,744 | 57,417,144 | 5,401,377 | - | 62,818,521 | 71,796,223 | 70,396,759 |
| (PREVIOUS YEAR) | 121,013,635 | 6,800,268 | - | 127,813,903 | 52,228,059 | 5,189,085 | - | 57,417,144 | 70,396,759 | 68,785,576 |

| 10. Non Current Investment | ₹ | ₹ |
|---|-------------------|-------------------|
| Particulars | Current Year | Previous Year |
| Fully Paid Un-quoted(Trade) Investment in Equity Instruments (Investment in Associate Companies) | | |
| Kesar Motels Pvt. Ltd - 22,200 (Previous year 22,200) Equity shares of Rs. 100/- each | 8,880,000 | 8,880,000 |
| Sai Ram Krupa Hotels Pvt. Ltd - 12,500 (Previous year 12,500) Equity shares of Rs.10/- each | 1,250,000 | 1,250,000 |
| Lords Oriental Resorts Developers (Silvassa) Pvt. Ltd - 500 (previous year- 500) Equity shares of Rs.10/- each | 500,000 | 500,000 |
| Share Application money given to Lords Oriental Resorts Developers(Silvassa) Pvt. Ltd | 4,000,000 | - |
| Total | 14,630,000 | 10,630,000 |

| 11. Long Term Loans and Advances | ₹ | ₹ |
|---|------------------|------------------|
| Particulars | Current Year | Previous Year |
| Unsecured, Considered Good : | | |
| Security Deposit | 1,337,468 | 1,337,468 |
| Total | 1,337,468 | 1,337,468 |

| 12. Inventories | ₹ | ₹ |
|-----------------------------|------------------|------------------|
| Particulars | Current Year | Previous Year |
| Food & Beverages | 1,532,741 | 1,260,941 |
| Stores & Operating supplies | 327,669 | 111,162 |
| Total | 1,860,410 | 1,372,103 |

| 13. Trade Receivables | ₹ | ₹ |
|--|------------------|------------------|
| Particulars | Current Year | Previous Year |
| Unsecured, Considered Good : | | |
| Outstanding for less than six months from its due date | 2,547,670 | 2,452,894 |
| Total | 2,547,670 | 2,452,894 |

| 14. Cash & Cash Equivalents | ₹ | ₹ |
|--|------------------|-------------------|
| Particulars | Current Year | Previous Year |
| Cash-in-Hand | | |
| Cash Balance | 138,941 | 2,153,266 |
| Sub Total (A) | 138,941 | 2,153,266 |
| Bank Balance | | |
| Balances with Current Accounts | 1,692,236 | 18,678,927 |
| Other Bank balances* | 10,132 | 6,713 |
| Sub Total (B) | 1,702,368 | 18,685,640 |
| Total [A + B] | 1,841,309 | 20,838,906 |

* Comprises of Gratuity A/C with Bank of Baroda

| 15. Short Terms Loans and Advances | ₹ | ₹ |
|---|-------------------|------------------|
| Particulars | Current Year | Previous Year |
| Unsecured, Considered Good : | | |
| <i>(Advance Recoverable in cash or in kind or for value to be received)</i> | | |
| (a) Advance to Related parties | 4,495,130 | 3,895,000 |
| (b) Advance to Suppliers | 14,468,018 | 1,258,409 |
| (c) Balances with government authorities | 1,747,138 | 705,704 |
| (d) Inter-corporate deposits | - | 2,500,000 |
| Total | 20,710,286 | 8,359,113 |

| 16. Revenue from Operations | ₹ | ₹ |
|---|-------------------|-------------------|
| Particulars | Current Year | Previous Year |
| (a) Sale of Rooms, Banquets and Food & Beverage | 56332,731 | 55,654,100 |
| (b) Other Services | 2,397,669 | 1,360,389 |
| Total | 58,730,400 | 57,014,489 |

| 17. Other Income | ₹ | ₹ |
|--------------------------------|------------------|------------------|
| Particulars | Current Year | Previous Year |
| (a) Rent | 85,080 | 61,900 |
| (b) Other Miscellaneous Income | 3,671,452 | 1,903,834 |
| Total | 3,756,532 | 1,965,734 |

| 18. Cost of Material Consumed | ₹ | ₹ |
|--------------------------------------|------------------|------------------|
| Particulars | Current Year | Previous Year |
| Opening Stock | 200,360 | 213,406 |
| Add : Purchases | 10,145,717 | 8,670,041 |
| | 10,346,077 | 8,883,447 |
| Less : Closing Stock | 167,382 | 200,360 |
| Less: Discount Received on Purchase | 1,358,142 | - |
| Total | 8,820,553 | 8,683,087 |

| 19. Employee Benefits Expense | ₹ | ₹ |
|--|-------------------|-------------------|
| Particulars | Current Year | Previous Year |
| Salaries & Wages | 10,560,176 | 9,037,386 |
| Contribution to Provident Fund & Other Funds | 702,950 | 635,935 |
| Staff Welfare Expenses | 1,175,720 | 1,170,373 |
| Total | 12,438,846 | 10,843,694 |

| 20. Repair & Maintenance | ₹ | ₹ |
|-------------------------------------|------------------|------------------|
| Particulars | Current Year | Previous Year |
| Building | 828,467 | 1,771,977 |
| Plant & Machinery | 1,192,900 | 1,511,137 |
| Others | 898,770 | 499,909 |
| Total | 2,920,137 | 3,783,023 |

| 21. Finance Costs | ₹ | ₹ |
|--------------------------|-------------------|------------------|
| Particulars | Current Year | Previous Year |
| Interest on Vehicle loan | 4,719 | 32,438 |
| Interest on Other loans | 11,463,600 | 7,896,006 |
| Total | 11,468,319 | 7,928,444 |

| 22. Other Expenses | ₹ | ₹ |
|-----------------------------------|-------------------|-------------------|
| Particulars | Current Year | Previous Year |
| Insurance | 169,707 | 210,835 |
| Rates & Taxes | 1,378,532 | 1,813,011 |
| Management & Franchise Fee | 1,348,320 | 1,323,600 |
| Communication | 511,336 | 408,423 |
| Freight, Cartage & Transportation | 170,623 | 405,620 |
| Travelling & Conveyance | 376,790 | 489,098 |
| Upkeep & Service Cost | 5,449,311 | 3,041,454 |
| Balance Written Off | - | 7,001 |
| Miscellaneous expenses | 667,550 | 710,876 |
| Legal & Professional Consultancy | 2,283,980 | 1,308,791 |
| Business promotion | 1,142,077 | 1,083,653 |
| Printing & Stationery Expenses | 372,534 | 376,342 |
| Auditors Remuneration | 80,000 | 80,000 |
| Total | 13,950,760 | 11,258,704 |

23. Micro, Small and Medium Enterprises:

The information available with the company, 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.

24. Contingent Liabilities:

(to the extent not provided for)

₹

| Sr. No | Particulars | As at 31.03.2013 |
|--------|--|------------------|
| (a) | Service Tax matter under appeal (FY 2004-05 & 2005-06) Service Tax demand under dispute: 408,000 Service Tax Penalty: 408,000 Amount Paid: <u>200,000</u> Balance amount under Dispute | 616,000 |
| (b) | Luxury Tax matter under dispute (FY : 1999-2000) Luxury Tax demand under dispute: 243,000 Luxury Tax Interest: 55,000 Luxury Tax Penalty: <u>364,000</u> Total Amount under Dispute | 662,000 |

25. 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 Statement of profit and loss 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:

| Particulars | As at 31.03.2013 | As at 31.03.2012 |
|---|------------------|------------------|
| i. Actuarial Assumptions | | |
| Discount Rate | 8% | 8% |
| Salary Rate | 7% | 7% |
| ii. Changes in benefit obligation | | |
| | ₹ | ₹ |
| Obligation at the beginning | 508,314 | 352,911 |
| Interest cost | 40,665 | 28,233 |
| Current Service Cost | 142,851 | 125,167 |
| Benefit paid | (34,994) | (85,282) |
| Actuarial(gain)/loss on obligation | (83,280) | 87,285 |
| Liability at the end of year | 573,556 | 508,314 |
| iii. Fair value of plan Assets | | |
| Fair value of plan asset at beginning of year | 657,295 | 466,769 |
| Expected return on plan assets | 59,724 | 45,305 |
| Contributions | 73,852 | 230,503 |
| Benefits paid | (34,994) | (85,282) |
| Actuarial(gain)/ loss on Plan asset | NIL | NIL |
| Fair value of plan asset at the end of year | 755,877 | 657,295 |
| Excess of Obligation over Plan Assets | (182,321) | (148,981) |
| iv. Actual Return on Plan Assets | | |
| Expected return on plan assets | 59,724 | 45,305 |
| Actuarial (gain)/loss on plan asset | NIL | NIL |
| Actual Return on Plan Assets | 59,724 | 45,305 |

| | ₹ | ₹ |
|--|------------------|------------------|
| Particulars | As at 31.03.2013 | As at 31.03.2012 |
| v. Amount recognized in the Balance sheet | | |
| Liability at the end of year | 573,556 | 508,314 |
| Fair value of Plan Asset at the end of year | 755,877 | 657,295 |
| Net asset/(liability) recognized in Balance Sheet | (182,321) | (148,981) |
| vi. Expenses recognized in Statement of P & L | | |
| Current Service cost | 142,851 | 125,167 |
| Interest cost | 40,665 | 28,233 |
| Expected return on plan assets | (59,724) | (45,305) |
| Net actuarial (gain)/loss recognized | (83,280) | 87,285 |
| Expenses recognized in Statement of P & L | 40,512 | 195,380 |
| vii. Balance sheet Reconciliation | | |
| Opening Net Asset/(Liability) | (148,981) | (113,858) |
| Expenses as above | 40512 | 195,380 |
| Employers contribution | (73852) | (230,503) |
| Amount recognized in Balance Sheet | (182,321) | (148,981) |

26. The company operates one business namely "Hotelier" in India only; hence, business segment/geographical segment reporting under Accounting standard-17 issued by the Institute of Chartered Accountants of India are not provided.
27. The total consumption of items of raw materials, stores and spares are indigenous only.
28. 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.
29. **Capital Expenditure commitments:**

| | |
|------------------------|------------------------|
| 2012 - 2013 Rs. NIL | 2011 - 2012 Rs. NIL |
|------------------------|------------------------|

30. Value of Imports calculated on CIF basis:

| | |
|------------------------|------------------------|
| 2012 - 2013 Rs. NIL | 2011 - 2012 Rs. NIL |
|------------------------|------------------------|

31. Director's Remuneration:

| | |
|------------------------|------------------------|
| 2012 - 2013 Rs. NIL | 2011 - 2012 Rs. NIL |
|------------------------|------------------------|

32. Foreign Exchange Earnings :

| | | |
|---|-------------|-------------|
| Particular | 2012 - 2013 | 2011 - 2012 |
| Payment received from Foreign Customers | ₹ 1,142,839 | ₹ 1,371,441 |

33. Foreign Exchange outgo:

| | |
|------------------------|------------------------|
| 2012 - 2013 Rs. NIL | 2011 - 2012 Rs. NIL |
|------------------------|------------------------|

34. Earnings per Share:

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

| Particulars | 2012 - 2013 | 2011 - 2012 |
|---|-------------|-------------|
| Profit after tax as per Statement of Profit & Loss | 79,485 | 2,856,633 |
| Average no. of equity Shares of Rs. 10/- each (Basic) | 6,274,900 | 5,690,661 |
| Average no. of equity Shares of Rs. 10/- each (Diluted) | 7,470,000 | 5,690,661 |
| Earnings per Share (Basic) | 0.01 | 0.50 |
| Earnings per Share (Diluted) | 0.01 | 0.50 |

35. Related Party Disclosures:

As per Accounting Standard - 18 issued by Institute of Chartered Accountant of India, the bodies in which Directors and/or their relatives, promoters are interested & having transaction and / balances:

- 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.

(A) Transactions with the related parties:

| | ₹ | ₹ |
|--|-------------|-------------|
| Particulars | 2012 - 2013 | 2011 - 2012 |
| Allotment of Shares | | |
| Srijan Holdings Ltd | - | 6,423,000 |
| Allotment of Warrants | | |
| Srijan Holdings Ltd (25% Upfront money) | 2,425,750 | - |
| Management Fees Paid: | | |
| Lords Inn Hotels And Developers Ltd. | 1,348,320 | 1,323,600 |
| Interest Paid | | |
| ANS Constructions Ltd. | 11,463,600 | 7,896,006 |
| Investment in Equity Shares | | |
| Lords Oriental Resorts Developers(Silvassa) Pvt. Ltd | - | 500,000 |
| Share Application money given to Lords Oriental Resorts Developers(Silvassa) Pvt. Ltd | 4,000,000 | - |

(B) Balances for the year :

| | ₹ | ₹ |
|--------------------------------------|-------------|-------------|
| Particulars | 2012 - 2013 | 2011 - 2012 |
| Outstanding Balances | | |
| ANS Constructions Ltd. | 47,765,000 | 47,765,000 |
| Lords Inn Hotels and Developers Ltd. | 45,531 | 57,478 |
| Investment in Equity Shares | | |
| Kesar Motels Pvt. Ltd. | 8,880,000 | 8,880,000 |
| Sai Ram Krupa Hotels Pvt. Ltd. | 1,250,000 | 1,250,000 |

36. As per Accounting Standard 28, the Company dose not has impaired assets as verified by the management during the year.
37. There is no amount due and outstanding to "Investors Education and Protection Fund".
38. Previous year figure(s) have been reclassified and or rearranged wherever necessary.

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
 Firm Reg. No. 113881W

PUSHPENDRA BANSAL
 Executive Director

AMIT GARG
 Director

Place: Baroda
 Date : 29th May, 2013

RANJIT KUMAR SINGH
 Company Secretary









BOOK - POST

If undelivered, please return to:

LORDS ISHWAR HOTELS LIMITED

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

FORM A

| | | |
|---|--|---|
| 1 | Name of the Company | LORDS ISHWAR HOTELS LIMITED |
| 2 | Annual Financial Statements for the year ended | 31 st March, 2013 |
| 3 | Type of Audit Observation | Un-qualified |
| 4 | Frequency of Observation | Not Applicable |
| 5 | To be signed by | |
| | (a) CEO / Managing Director |   PUSHPENDRA BANSAL Executive Director |
| | (b) CFO |   PUSHPENDRA BANSAL Executive Director |
| | (c) Auditor of the Company | For J. M. Pabari & Associates Chartered Accountants   JAYANT PABARI (Proprietor) Membership No. 47580 Firm Reg. No. 113881W |
| | (d) Audit Committee Chairman |   AMIT GARG Director |