

LORDS ISHWAR HOTELS LIMITED

(Formerly known as Ishwar Bhuvan Hotels Limited)



ANNUAL REPORT

2010-2011



CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Shri Mehinder Sharma

Executive Director

Shri Pushpendra Bansal

Non Executive Directors

Shri Bharat Varsani

Shri Amit Garg

Shri Sanjay Mangal

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
United Bank of India

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

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

GREEN INITIATIVES IN THE CORPORATE GOVERNANCE

The Ministry of Corporate Affairs (“MCA”), Government of India, vide its Circular No. 17/2011, dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, has taken a 'Green Initiative in the Corporate Governance' and allowed companies to send Notice including Annual Report comprising of Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report and Explanatory Statement, etc., through electronic mode at the registered e-mail address of the members. Keeping in view the underlying theme and circular issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories Participants (DP)/Registrar & Share Transfer Agent (R & TA) and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

Members, who hold shares in physical form and desire to receive the documents in electronic mode, are requested to forward their details (folio no, share certificate No., name, e-mail id) at the address of the company's R & TA (*Bigshare Services Pvt. Ltd*). Members who hold shares in electronic form (Demat form) are requested to register their updated e-mail id with their respective DPs.

NOTICE

NOTICE is hereby given that the **25th 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 19th day of August, 2011, at 09.30 a.m. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company for the financial year ended 31st March, 2011 and the Profit and Loss Account for the year ended on that date together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Shri 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 M/s. J. M. Pabari & Associates, Chartered Accountants, Baroda, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company.

Registered Office:

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

By Order of the Board of Directors
LORDS ISHWAR HOTELS LIMITED

Place: Baroda
Date :28st June, 2011

RANJIT KUMAR SINGH
Company Secretary

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 12th August, 2011 to 19th August, 2011 (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/their Depository Participant (“DP”), changes, if any, in their registered addresses at an early date;
 - (ii) Quote their Registered Folio Numbers and/or DP Identity and Client Identity number in their correspondence;
 - (iii) Bring their copy of Annual Report and the Attendance Slip with them at the Annual General Meeting.
- (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 Depository Participants (DPs) for dematerialisation.
- (f) A brief note on Directors retiring by rotation and eligible for re-appointment is furnished in the Report on Corporate Governance.
- (g) A member desirous of getting any information on the accounts or operations of the Company is required to forward his/her queries to the Company at least seven days prior to the meeting so that the required information can be made available at the Meeting.

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

Place: Baroda
Date :28st June, 2011

By Order of the Board of Directors
LORDS ISHWAR HOTELS LIMITED

RANJIT KUMAR SINGH
Company Secretary

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 25th Annual Report of your Company together with the Audited Financial Statements and Report of Auditors thereon for the year ended 31st March, 2011.

CHANGE OF NAME OF THE COMPANY

The name of the Company has been changed from '*Ishwar Bhuvan Hotels Limited*' to 'Lords Ishwar Hotels Limited' vide a fresh certificate of Incorporation on change of name issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli w.e.f 27th September, 2010.

FINANCIAL RESULTS

Particulars	(₹ in Lacs)	
	For the year Ended 31.03.2011	For the year Ended 31.03.2010
Net Income	568.52	553.90
Net Profit before tax	59.12	84.16
Less: Provision for Tax	9.00	8.92
Net Profit after tax	50.12	75.24
Add: Profit / (Loss) brought forward	(120.44)	(195.68)
Balance carried over to Balance Sheet	(70.32)	(120.44)

During the year, the Net Income of your Company has increased from ₹ 553.90 lacs to ₹ 568.52 Lacs. The Net Profit of the Company has decreased from ₹ 75.24 lacs to ₹ 50.12 Lacs due to increase in foods & Beverages cost and repair & maintenance cost for up keeping the property and providing an experience of 'TRUE VALUE HOTEL'.

DIVIDEND

In view of the carried forward losses, Directors of your Company regret its inability to recommend any Dividend on equity shares for the year under review.

FIXED DEPOSITS

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

PARTICULARS OF EMPLOYEES

During the year under report, the Company had no employees covered under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) that the Directors have selected such accounting policies and applied that consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2011 and of the profit of the Company for the year.
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability.
- (iv) that the Directors have prepared the accounts for the financial year ended 31st March, 2011, on a 'going concern' basis.

REPORT ON CONSERVATION OF ENERGY, ABSORPTION OF TECHNOLOGY AND FOREIGN EXCHANGE EARNING AND OUTGO

In accordance with the requirement of section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of the particulars in the Report of Board of Directors) Rules, 1988, your Directors furnish hereunder the additional information as required.

A. Conservation of Energy

Your Company made all possible efforts to closely monitor Power consumption on daily basis so as to reduce wastage 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.

B. Technology Absorption

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

C. Total Foreign Exchange Earning and Outgo

Particulars	2010-2011 Amount (₹)	2009-2010 Amount (₹)
a. Total Foreign Exchange used	Nil	Nil
b. Total Foreign Exchange earned	10,35,042	10,96,953

DIRECTORS

Shri Bharat Varsani and Shri Mehinder Sharma, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

STATUTORY AUDITORS

M/s. J. M. Pabari & Associates, Chartered Accountants, Baroda retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

The auditors in their report have referred to the notes forming part of the accounts. The said notes are self explanatory and do not need any further elucidation.

CORPORATE GOVERNANCE

As per the requirement of the Listing Agreement with Stock Exchanges, your Company has complied with the requirements of Corporate Governance in all material aspects.

A report on Corporate Governance together with a certificate of its compliance from the Statutory Auditors, forms parts of this report.

INDUSTRIAL RELATIONS

During the period under review, the relations with the most valuable human resources of the Company remained cordial and peaceful. Your Directors wish to place on record their appreciation for the devoted services rendered by the staff of the Company.

ACKNOWLEDGMENTS

Your Directors place on record their appreciation for the continued co-operation and support extended to the Company by the Financial Institutions, the Bankers and Shareholders. Your Directors also wish to record their recognition of the Customer Support and Patronage by the Corporate Houses in and around Baroda.

Your Directors take the opportunity to express their sincere thanks to all the investors, shareholders and stakeholders for their faith and 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, resulting in the successful performance during the year.

Place: Baroda
Date : 28th June, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

PUSHPENDRA BANSAL
Executive Director

AMIT GARG
Director

ANNEXURE TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

BUSINESS ENVIRONMENT, INDUSTRY STRUCTURE & DEVELOPMENTS:

According to the World Travel & Tourism Council Report, India is ranked 1st in South East Asia and ranked 4th in the world in respect of Travel and Tourism growth. Indian Travel and Tourism Industry estimated at Rs. 1,970 billion in the financial year 2010 contributed 6% to the overall GDP and is expected to reach Rs. 6,211 billion by 2020, growing at CAGR of 12% per annum. The industry has consistently outperformed other sectors in GDP growth and is expected to continue to do so. The Travel and Tourism Industry is the largest contributor to employment generation and accounts for about 8.4% of the total employment.

The World Travel & Tourism Council has estimated that the foreign tourist arrivals are expected to be increased by 8.20% CAGR over the period 2010-19. The foreign tourist arrivals have increased substantially during the year due to improvement in global economic situation and increased global confidence in the business development in India.

According to various estimates, the total demand for branded hotels in India as on date is about 2,00,000 rooms whereas the supply is only about 1,20,000 rooms. Therefore, there is a huge gap to be filled. Moreover, increased supply creates its own demand.

OPPORTUNITIES, THREATS, RISK AND 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, food cost, etc. makes the tour unattractive and expensive, which in turn affect 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 of having Business Class Segment.
- Your Company is timely renovating and repositioning its property.
- Your Company always endeavors to improve its service standards.

Industry Scenario

During the Financial Year 2010-11, inflation rate and food cost has been increased. Particularly near about your Hotel locations more Hoteliers have come in 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, increase in fuel price & fluctuation in Currency is also resulted in increase in transportation cost of tourist. 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.

The total number of employees in your Company as on 31st March, 2011 was 96.

Adequacy of Internal Control

The Company has proper, strong, independent and adequate internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized recorded and reported correctly.

Cautionary Statement

Certain statements in the Management Discussion and Analysis may be forward looking within the meaning of applicable securities law and regulations and actual results may differ materially from those expressed or implied. Factor that to make differences to company's operations including competition, changes in Government policies and regulations, tax regimes and economic development within India.

ANNEXURE TO THE DIRECTORS' REPORT
CORPORATE GOVERNANCE REPORT

Pursuant to clause 49 of the Listing Agreement, given below is a report on the corporate governance of the Company.

Mandatory Requirements:

1. COMPANY'S PHILOSOPHY

Your Company strongly believes in adopting and adhering to good corporate governance practices. Company's philosophy of Corporate Governance is to ensure:

- (i) that the Board and top management of the company are fully appraised of the affairs of the company that is aimed at assisting them in the efficient conduct of the company so as to meet company's obligation to the shareholders.
- (ii) that the Board exercise its fiduciary responsibilities towards shareholders and creditors so as to ensure high accountability.
- (iii) that all disclosure of information to present and potential investors are maximized.
- (iv) that the decision making process in the organization is transparent and are backed by documentary evidence.

2. BOARD OF DIRECTORS

The present strength of the Board of Directors of the Company is 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:

4 (Four) Board Meetings were held during the financial year 2010-11. The date on which the said meetings were held is as follows:

1	April 29, 2010	2	July 31, 2010	3	October 29, 2011	4	January 28, 2011
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The last Annual General Meeting of the Company was held on 3rd September, 2010.

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

Name	Category	Attendance Particulars		No. of Equity Shares Held
		Board Meetings	Last AGM	
Shri Mehinder Sharma	Non Executive Director and Chairman	Nil	No	Nil
Shri Pushpendra Bansal	Executive Director	4	Yes	2000
Shri Romesh Koul*	Non Executive Independent Director	2	No	104100
Shri Bharat Varsani	Non Executive Independent Director	4	Yes	Nil
Shri Amit Garg	Non Executive Independent Director	4	Yes	Nil
Shri Sanjay Mangal	Non Executive Independent Director	4	Yes	Nil

The Following table gives information about the membership of the directors in the Boards and committees of other Public Limited Companies.

Name of the Director	No. of other Public Limited Company in which Director	Committee Membership (other than Lords Ishwar Hotels Ltd.)	No. of Committees in which he is chairman (other than Lords Ishwar Hotels Ltd.)
Shri Mehinder Sharma	4	--	--
Shri Pushpendra Bansal	3	--	--
Shri Romesh Koul*	2	--	--
Shri Bharat Varsani	-	--	--
Shri Amit Garg	1	--	--
Shri Sanjay Mangal	-	--	--

*Resigned with effect from 29.10.2010.

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 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:

Shri Bharat Varsani

Shri Bharat Varsani, aged about 52 years, is a Commerce Graduate and has more than 20 years of experience in field of transportation and management of all kinds of vehicles particularly transportation of LPG and Ammonia in bulk.

He is not a Director in any other Company.

Shri Mehinder Sharma

Shri Mehinder Sharma aged about 52 years is a Science Graduate with Master Degree in Business Administration from Delhi University. He is also promoter of the ANS group and has more than 20 years of experience in the field of construction, real estate, infrastructure development, housing and industrial projects.

He is a Director in ANS Constructions Limited, M-Tech Developers Limited, ANS Agro Industries Limited and Lords Inn Hotels and Developers Limited.

3. AUDIT COMMITTEE

During the financial year 2010-11, the Audit Committee met 4 (Four) times on April 29, 2010, July 31, 2010, October 29, 2010 and January 28, 2011. The Committee, at these meetings reviewed the financial reporting system and un-audited financial results.

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

Name of the Director	No. of Meeting held	No. of Meetings attended
Shri Amit Garg	4	4
Shri Bharat Varsani	4	4
Shri Sanjay Mangal	4	4

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

The Chairman of the Audit Committee is Shri Amit Garg.

4. REMUNERATION COMMITTEE

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

Presently, the Company is not paying any sitting fees to its Non-Executive Directors for 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 timely and resolved promptly.

During the year, one Shareholders'/Investors' Grievance Committee meeting was held on 31st July, 2010. All Members were present at the Committee Meeting.

During the year, the company has received 5 (Five) shareholders'/investors' complaints, which were promptly responded and resolved to the satisfaction of the concerned Shareholders. No complaint is pending to be resolved at the end of the year.

6. GENERAL BODY MEETINGS

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

AGM for the year ended	Date and Time of AGM	Location	Special Resolution
March 31, 2010	September 3, 2010 at 09.30 A.M	Suruchi Resort, Sakaria – Nimeta, Baroda -390 019	1
March 31, 2009	September 25, 2009 at 10.00 A.M.	Suruchi Resort, Sakaria – Nimeta, Baroda -390 019	----
March 31, 2008	September 20, 2008 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 at these meeting. At the forthcoming AGM, there is no agenda that needs approval by postal ballots. One Extra-ordinary General Meeting of the members as on March 15, 2008 was held during the last three years.

7. DISCLOSURES

- (i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the company at large: None

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

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

- (ii) Details of non-compliance by the Company, penalties, 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) The Company has complied with all mandatory requirements of Corporate Governance under clause 49 of the Listing Agreement.
- (iv) The CEO/CFO certification forms part of this Annual Report.

8. MEANS OF COMMUNICATION

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

9. GENERAL SHAREHOLDER INFORMATION

1.	Annual General Meeting		
	Date and Time	:	August 19, 2011 at 09.30 a.m.
	Venue	:	Hotel Raj International, Ajwa – Nimeta Road, Baroda -390 019
2.	Financial Calendar 2011-12	:	Financial Reporting will be as follows: For the quarter ending June, 2011 For the quarter ending September, 2011 For the quarter ending December, 2011 For the quarter ending March, 2012 Annual General Meeting for 2011-12
			July, 2011 October, 2011 January, 2012 April, 2012 September, 2012
3.	Book closure Date	:	12.08.2011 to 19.08.2011 (both days inclusive)
4.	Dividend Payment Date	:	No Dividend has been recommended.
5.	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
6.	Listing on Stock Exchanges	:	Bombay Stock Exchange Limited. Vadodara Stock Exchange Limited.
7.	Annual listing & Custodial fees	:	Duly paid for the year 2011-12

8.	Stock Code (a) Trading Symbol at BSE (b) Trading Symbol at VSE (c) Demat ISIN Numbers in NSDL & CDSL	:	530065 / LORDSHOTL 30065/370 INE689J01013	
9.	Stock Market Data		Bombay Stock Exchange Ltd.	
			High (₹)	
			Low (₹)	
	April 2010		6.66	
	May 2010		6.99	
	June 2010		8.06	
	July 2010		15.85	
	August 2010		18.15	
	September 2010		18.95	
	October 2010		13.60	
	November 2010		12.50	
	December 2010		10.35	
	January 2011		7.86	
	February 2011		7.54	
	March 2011		12.00	
10.	Share Price Performance compared with broad based indices			
			Lords Ishwar Hotels Limited	
			BSE	
	As on 1 st April, 2010		6.35	
	As on 31 st March, 2011		12.36	
	Change (%)		94.65%	
11.	A. Distribution Schedule as on 31 st March, 2011			
	No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held
				% of Shareholding
	1 - 500	1200	62.24	361993
	501 - 1000	355	18.41	269600
	1001 - 2000	177	9.18	257907
	2001 - 3000	97	5.03	261000
	3001 - 4000	25	1.30	89000
	4001 - 5000	21	1.09	100000
	5001 - 10000	27	1.40	228800
	10001 & Above	26	1.35	3974300
	Total	1,928	100.00	5542600
	Physical Mode	1682	87.24	3845050
	Electronic Mode	246	12.76	1697550

B. Shareholding Pattern as on 31st March, 2011

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Indian Promoter(s)/ Persons acting in concert	3	0.16	2503400	45.17
Foreign Promoter	NIL	NIL	NIL	NIL
Resident Individuals	1815	94.14	2110707	38.08
Bodies Corporate	24	1.24	317593	5.73
Financial Institutions/ Banks/ Mutual Funds	3	0.16	261700	4.72
NRI's/OBC's/Foreign National	83	4.30	349200	6.30
GRAND TOTAL	1928	100.00	5542600	100.00

12. Dematerialization of Share : As on March 31, 2011, 1697550 equity shares constituting 30.63% of the Equity Shares Capital of the Company stand dematerialized.

13. Share Transfer System/ Investor Services :

(i)	Total No. of Physical shares transferred during the financial year 2010-11	89,900
(ii)	Details of complaints received & resolved during the financial year 2010-11	5 (Five) complaints were received during the year and the same was resolved. No complaint is pending as on 31/03/2011.

14. Outstanding GDRs/ ADRs/Warrants or any Convertible Instruments. : The Company has not issued GDRs/ADR/Warrants. 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 –400072.
E-mail : info@bigshareonline.com
Tel. No. 022-28473747,28473474,28470652,28470653
Fax No. 022-28475207

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
LORDS ISHWAR HOTELS LIMITED
Baroda.

1. We have examined the compliance of conditions of Corporate Governance by LORDS ISHWAR HOTELS LIMITED for the period ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with all the mandatory conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.
4. We state that, as per the records and other documents maintained by the Shareholders / Investors Grievance Committee, no investor grievance is pending for a period exceeding one month.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR J. M. PABARI & ASSOCIATES
CHARTERED ACCOUNTANTS

Place: Baroda
Date: 28st June, 2011

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

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 March 31, 2011.

For LORDS ISHWAR HOTELS LIMITED

Place: Baroda
Date: 28th June, 2011

PUSHPENDRA BANSAL
Executive Director/CEO

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

CEO/CFO CERTIFICATION

We hereby certify that:

- (a) We have reviewed the financial statements and cash flow statement for the year ended March 31, 2011 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs and in compliance with existing accounting standards, applicable laws and regulations.
- (b) No transaction is entered into by the Company during the year which is fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) we have indicated to the auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year.
 - (ii) significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

For LORDS ISHWAR HOTELS LIMITED

Place: Baroda
Date: 28th June, 2011

PUSHPENDRABANSAL
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, 2011 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis - evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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, we annex hereto a statement on the matters specified in para 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (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 Account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in sub section (3c) of section 211 of the Companies Act, 1956.
 - (e) On the basis of the written representation received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
 - (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 case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
- ii) In case of Profit and Loss Account, of the profit for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

FOR J. M. PABARI & ASSOCIATES
CHARTERED ACCOUNTANTS

Place: Baroda
Date : 28th June, 2011

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

ANNEXURE TO THE AUDITORS' REPORT

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

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

5. (a) Based on the audit procedure applied by us and according to the information and explanation provided by the management , we are of the opinion that the particulars of contracts or arrangements that need to be entered into a register in pursuance of section 301 of the Companies act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, where such transactions are in excess of Rs. 5 lacs in respect of any party, the transactions have been made at prices which are, prima facie, reasonable having regard to the prevailing market price at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and rule framed 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 ₹ in lacs	Period	Forum where dispute is pending	Progress & Remarks
Income Tax Act, 1961	Penalty u/s 271 (1) (c)	0.48	A.Y. 2004-05	CIT (A) Baroda	Appeal is pending
Central Excise & Customs Act	Service Tax & Penalty	6.16	2004-05 & 2005-06	Commissioner (Appeals) Central Excise & Customs, Baroda	Out of total demand of ₹ 8.16 lacs raised, ₹ 2.00 Lacs is paid. Rest ₹ 6.16 Lacs is amount under dispute & pending at appeal level.
Luxury Tax	Luxury Tax, Interest & Penalty	6.62	1999-2000	District Collector office, Entertainment Tax & Luxury Tax, Baroda.	Amount is under dispute.

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

FOR J. M. PABARI & ASSOCIATES
CHARTERED ACCOUNTANTS

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

Place: Baroda
Date : 28th June, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE		AS AT 31.03.2011 ₹	PREVIOUS YEAR ₹
<u>SOURCES OF FUNDS</u>				
SHAREHOLDERS' FUNDS:				
Share Capital	A		59,087,500	59,087,500
LOAN FUNDS :				
Secured Loans	B	443,713		703,696
Unsecured Loans	C	<u>37,600,000</u>	38,043,713	37,600,000
			<u>97,131,213</u>	<u>97,391,196</u>
<u>APPLICATION OF FUNDS</u>				
FIXED ASSETS:				
Gross Block		121,013,635		113,511,410
Less: Depreciation		<u>52,228,059</u>		<u>47,313,258</u>
Net Block			68,785,576	66,198,152
INVESTMENTS (At Cost)	E		10,130,000	10,130,000
CURRENT ASSETS, LOANS & ADVANCES:				
Inventories	F	1,437,975		1,356,047
Sundry Debtors	G	1,370,027		1,785,976
Cash & Bank Balances	H	4,346,263		2,616,050
Loans & Advances	I	<u>9,216,502</u>		<u>6,942,131</u>
		16,370,767		12,700,204
LESS: CURRENT LIABILITIES & PROVISIONS	J			
Current Liabilities		4,797,244		3,405,687
Provisions		<u>390,012</u>		<u>275,888</u>
NET CURRENT ASSETS			11,183,511	9,018,629
PROFIT & LOSS ACCOUNT			7,032,126	12,044,415
			<u>97,131,213</u>	<u>97,391,196</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS				
	R			

SCHEDULES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE ACCOUNTS

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

PUSHPENDRA BANSAL
Executive Director

AMIT GARG
Director

Place: Baroda
Date : 28th June, 2011

RANJIT KUMAR SINGH
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	SCHEDULE	YEAR ENDED	PREVIOUS
		31.03.2011	YEAR
		₹	₹
INCOME			
Income from Operations	K	55,392,456	55,067,739
Other Income		1,459,582	322,006
		56,852,038	55,389,745
EXPENDITURE			
Consumption of Foods and Beverages	L	9,589,815	8,199,081
Personnel Cost	M	9,884,370	9,083,753
Upkeep and Service Cost	N	3,231,370	3,369,325
Power and Fuel		7,139,671	6,774,040
Repairs and Maintenance	O	4,080,442	2,749,739
Administrative, Selling and Other Expenses	P	7,526,683	7,546,069
Finance Cost	Q	4,572,597	4,551,986
Depreciation		4,914,801	4,699,491
		50,939,749	46,973,484
PROFIT BEFORE TAXATION		5,912,289	8,416,261
Provision for Taxation		900,000	892,774
PROFIT AFTER TAXATION		5,012,289	7,523,487
Balance as per Last Year		(12,044,415)	(19,567,902)
Add: Profit for the year		5,012,289	7,523,487
LOSS CARRIED TO BALANCE SHEET		(7,032,126)	(12,044,415)
Basic and Diluted Earning Per Share in Rupees (Face value @ ₹ 10/-each)		0.90	1.36

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

SCHEDULES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE ACCOUNTS

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

PUSHPENDRA BANSAL
Executive Director

AMIT GARG
Director

Place: Baroda
Date : 28th June, 2011

RANJIT KUMAR SINGH
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	31.03.2011		31.03.2010	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Taxation		5,912,289		8,416,261
Adjustments For :				
Depreciation	4,914,801		4,699,491	
Provision for Employees Benefit	390,012		275,888	
Interest Paid (Net of receipt)	4,572,597		4,551,986	
		9,877,410		9,527,365
Operating Profit Before Working Capital Changes		15,789,699		17,943,626
Working capital changes :				
(Increase)/Decrease in Inventories	(81928)		(644,998)	
(Increase)/Decrease in Sundry Debtors	415949		943,768	
(Increase)/Decrease in Loans & Advances	(2291094)		(468,556)	
Increase/(Decrease) in Trade Payables (Including Working Capital Finance)	1115669		(9,825,352)	
		(841,404)		(9,995,138)
Cash Generated from Operations		14,948,295		7,948,488
Payment of Direct Taxes		(883,277)		(803,846)
Net Cash Flow from Operating Activities - I		14,065,018		7,144,642
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets / Capital Work-in-Progress		(7,502,225)		(4,751,673)
Purchase of Investments		-		(1,250,000)
Net Cash Flow From Investing Activities - II		(7,502,225)		(6,001,673)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of long term borrowings (Net of Proceeds)		(259,983)		703,696
Interest Paid (Net of receipt)		(4,572,597)		(4,551,986)
Net Cash Flow From Financing Activities - III		(4,832,580)		(3,848,290)
Net Cash Flow During The Year (A+B+C)		1,730,213		(2,705,321)
OPENING CASH AND CASH EQUIVALENTS	2,616,050		5,321,371	
CLOSING CASH AND CASH EQUIVALENTS	4,346,263		2,616,050	
Net Increase/(Decrease) in Cash and Cash Equivalents		1,730,213		(2,705,321)

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

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

Place: Baroda
Date : 28th June, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PUSHPENDRA BANSAL
Executive Director

AMIT GARG
Director

RANJIT KUMAR SINGH
Company Secretary

SCHEDULES FORMING PART OF ACCOUNTS

	AS AT 31.03.2011 ₹	PREVIOUS YEAR ₹	
SCHEDULE - A			
SHARE CAPITAL			
Authorised:			
8,000,000 Equity shares of ₹ 10/- each	80,000,000	80,000,000	
Issued, Subscribed & Paid up:			
5,542,600 (Previous year 5,542,600) Equity shares of ₹ 10/- each	55,426,000	55,426,000	
Add : Forfeited Shares Account	3,661,500	3,661,500	
	59,087,500	59,087,500	
SCHEDULE B			
SECURED LOANS			
Vehicle Loan	443,713	703,696	
	443,713	703,696	
SCHEDULE C			
UNSECURED LOANS			
From Shareholder	37,600,000	37,600,000	
	37,600,000	37,600,000	
SCHEDULE E			
INVESTMENTS (At Cost)			
Unquoted (trade)			
	No. of Shares		Face Value
	31.03.2011	31.03.2010	
Kesar Motels Pvt. Ltd.	22,200	22,200	₹ 100
Sai Ram Krupa Hotels Pvt. Ltd	12,500	12,500	₹ 10
			8,880,000
			1,250,000
			10,130,000
Aggregate Book Value of Unquoted Investment			10,130,000
SCHEDULE F			
INVENTORIES (At Cost)			
(As verified, valued & certified by the management)			
Stores & Operating Supplies			1,326,813
Food & Beverages			534,249
			111,162
			1,437,975
SCHEDULE G			
SUNDRY DEBTORS			
(Unsecured, considered good)			
a. Outstanding for more than six months			-
b. Other Debts			1,370,027
			1,785,976
			1,370,027
SCHEDULE H			
CASH & BANK BALANCES			
Cash on hand			2,734,499
Balance with Schedule Banks in Current Account			48,757
			1,611,764
			4,346,263
			2,616,050

SCHEDULES FORMING PART OF ACCOUNTS

SCHEDULE D

FIXED ASSETS

(In ₹)

Sr. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		AS ON 01.04.2010	ADDITIONS DURING THE YEAR	ADJUSTMENTS DURING THE YEAR	AS ON 31.03.2011	AS ON 01.04.2010	FOR THE YEAR	ADJUSTMENTS DURING THE YEAR	AS ON 31.03.2011	AS ON 31.03.2010
1	FREEHOLD LAND	2,502,000	-	-	2,502,000	-	-	-	2,502,000	2,502,000
2	OFFICE PREMISES	400,000	-	-	400,000	303,649	13,360	-	82,991	96,351
3	BUILDING	53,879,657	5,860,000	-	59,739,657	21,113,249	1,869,432	-	36,756,976	32,766,408
4	PLANT & MACHINERIES	49,371,366	1,298,619	-	50,669,985	23,696,300	2,375,612	-	24,598,073	25,675,066
5	VEHICLE	2,019,675	-	-	2,019,675	550,529	191,869	-	1,277,277	1,469,146
6	COMPUTER	1,359,193	14,675	-	1,373,868	429,260	64,884	-	879,724	929,933
7	FURNITURE & FIXTURES	3,979,519	328,931	-	4,308,450	1,220,271	399,644	-	2,688,535	2,759,248
		113,511,410	7,502,225	-	121,013,635	47,313,258	4,914,801	-	68,785,576	66,198,152
	PREVIOUS YEAR	108,759,737	4,751,673	-	113,511,410	42,613,767	4,699,491	-	66,198,152	66,145,970

SCHEDULES FORMING PART OF ACCOUNTS

	AS AT 31.03.2011	PREVIOUS YEAR
	₹	₹
SCHEDULE I		
LOANS & ADVANCES		
(Unsecured, considered good)		
Direct Taxes (Including T.D.S.)	995,625	1,012,348
Indirect Taxes	200,000	200,000
Deposits	1,449,968	1,415,968
Advance recoverable in cash or kind for value to be received	6,570,909	43,13,815
	<u>9,216,502</u>	<u>6,942,131</u>
SCHEDULE J		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	4,504,700	2,780,429
Other Liabilities	292,544	625,258
	<u>4,797,244</u>	<u>3,405,687</u>
Add: Provision for Employee benefits	390,012	275,888
	<u>5,187,256</u>	<u>3,681,575</u>
SCHEDULE K		
INCOME FROM OPERATIONS		
Room Sale	33,391,835	33,234,639
Banquet Sale	1,654,925	1,397,249
Food & Beverage Sale	19,138,410	19,491,214
Other Services	1,207,286	944,637
	<u>55,392,456</u>	<u>55,067,739</u>
SCHEDULE L		
CONSUMPTION OF FOOD AND BEVERAGES		
Opening Stock	167,312	176,800
Purchases	9,635,909	8,189,593
Less: Closing Stock	213,406	167,312
	<u>9,589,815</u>	<u>8,199,081</u>
SCHEDULE M		
PERSONNEL COST		
Salaries & Wages	8,519,996	7,479,262
Contribution to Provident Fund & other Funds	837,133	808,105
Staff Welfare Expenses	527,241	796,386
	<u>98,84,370</u>	<u>9,083,753</u>
SCHEDULE N		
UPKEEP AND SERVICE COST		
Water Charges	60,000	40,920
Linen, Uniform Washing & Laundry Expenses	926,990	989,520
Renewals & Replacement	215,154	274,640
Garden Maintenance	39,583	34,077
Housekeeping Expenses	1,989,643	2,030,168
	<u>3,231,370</u>	<u>3,369,325</u>

SCHEDULES FORMING PART OF ACCOUNTS

	AS AT 31.03.2011 ₹	PREVIOUS YEAR ₹
SCHEDULE O		
REPAIRS AND MAINTENANCE		
Building	1,827,415	918,770
Plant & Machinery	1,306,640	1,083,043
Others	946,387	747,926
	4,080,442	2,749,739
SCHEDULE P		
ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Advertisement, Publicity & Promotional Expenses	318,412	660,232
Auditors Remuneration	80,000	80,000
Bank Charges	6,798	10,877
Banquet Expenses	534,805	661,737
Commission	477,317	475,495
Conveyance	81,263	54,989
Decorations	55,513	78,955
Freight, Cartage & Transportation	304,230	278,682
Insurance	139,072	77,511
Legal & Professional Charges	1,515,624	303,801
Management Fee	1,323,600	1,323,600
Vat / Service Tax / Luxury Tax	788,285	809,076
Miscellaneous Expenses	(8,601)	8,701
Music & Entertainment	269,150	273,426
Postage, Telephone & Courier Expenses	424,022	419,915
Printing & Stationery	267,256	317,516
Rates, Taxes & Duties	519,331	1,183,443
Traveling	430,606	528,113
	7,526,683	7,546,069
SCHEDULE Q		
FINANCE COST		
Interest	4,512,000	4,512,000
Vehicle Loan	60,597	39,986
	4,572,597	4,551,986

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2011

SCHEDULE – R

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

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.

Revenue Recognition :

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

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

Fixed Assets :

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

Depreciation, Amortisation and Impairment

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

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

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

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

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

Investments :

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

Contingent Liabilities

	(2010-11) (₹ in Lacs)
Contingent Liabilities not provided for in respect of:	
(a) Service Tax matter under appeal (FY : 2004-05 & 2005-06)	
Service Tax demand under dispute	₹ 4.08
Service Tax Penalty	₹ 4.08
Amount Paid	₹ 2.00
Balance Amount under Dispute	6.16
(b) Luxury Tax matter under dispute (FY : 1999-00)	
Luxury Tax demand under dispute	₹ 2.43
Luxury Tax Interest	₹ 0.55
Luxury Tax Penalty	₹ 3.64
Total	6.62
(c) Income – Tax matter under appeal (A Y : 2004-05)	
Penalty u/s 271 (1) (c)	0.48

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

Retirement Benefits :

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

Foreign Exchange Transactions :

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

Taxation :

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

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

2. DEFERRED TAXES:

The Company, as on March 31, 2011, has deferred tax assets (primarily representing carry forward of losses and unabsorbed depreciation under tax laws) in excess of the deferred tax liabilities. In the absence of virtual certainty that sufficient future taxable income would be available against which deferred tax assets can be realised, the Company has not recognized the net deferred tax assets as on March 31, 2011.

3. AUDITORS REMUNERATION:

Particulars	2010-11	2009-10
	₹	₹
a. Audit Fees	50,000	50,000
b. Fees for other services	<u>30,000</u>	<u>30,000</u>
TOTAL	<u>80,000</u>	<u>80,000</u>

4. As the turnover of the Company includes sales of food & beverages, it is not possible to give quantitative details of the turnover and food and beverages consumption. The Company has been exempted from disclosure of quantitative details in compliance of Para 3(i) (a) of Part II of Schedule VI of the Companies Act, 1956 vide Order No.46/4/2010-CL-III dated 20/01/2010 issued by Ministry of Corporate Affairs, Government of India.

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

	(2010-11)	(2009-10)
	₹	₹
Opening Stock	1,67,312	1,76,800
Add:- Purchases	96,35,909	81,89,593
Total	98,03,221	83,66,393
Less:- Closing Stock	<u>2,13,406</u>	<u>1,67,312</u>
Consumption during the year	<u>95,89,815</u>	<u>81,99,081</u>

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

(A)	Assumption	Amount (₹)	
		As on 31/03/2011	As on 31/03/2010
	Discount Rate	8%	8%
	Salary Rate	7%	7%
(a)	PV of past service benefit	3,26,783	2,99,454
(b)	Current Service Cost	3,652	1,05,918
(c)	Total Service Gratuity	36,78,750	40,65,579
(d)	Accrued Gratuity	3,92,842	3,63,691
(e)	Additional Contribution for exiting Fund	0	16,288
(f)	LCSA	32,85,908	36,90,349
(g)	LIC Premium	8,239	8,423
(h)	Service Tax	849	868
(B)	Total Amount Payable (b+e+g+h)	12,740	1,31,497

7. Capital expenditure commitments of ₹ NIL (Pre. Year ₹ NIL)
8. Director's Remuneration Previous Year
₹ NIL/- ₹ NIL/-
9. C.I.F. Value of Imports: ₹ NIL (Pre. Year ₹ NIL)
10. The total consumption of items of raw materials, stores and spares are indigenous only.
11. Earning in foreign currency: ₹ 10, 35,042/- (Pre. Year ₹ 10,96,953/-)
12. Expenditure in Foreign Currency: ₹ NIL (Pre. Year ₹ NIL)
13. In the opinion of the Board, the Current Assets, Loans and Advances would if realised in the ordinary course of business, be of approximately the value at which they are stated in the Balance Sheet.
14. Earning per Share:

Particulars		2010-11	2009-10
a.	Weighted average no. of equity shares of ₹ 10/- each	55,42,600	55,42,600
b.	Net Profit after tax available for equity shareholders (₹ in Lacs)	50.12	75.24
c.	Basic and diluted earnings per share (in ₹)	0.90	1.36

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

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

- A. ANS Constructions Ltd.
B. Lords Inn Hotels and Developers Ltd.
C. Kesar Motels Pvt. Ltd.

- Following is the summary of transactions with the related parties:

PARTICULARS	For the year ending	
	31-03-2011	31-03-2010
Management Fees Paid:		
Lords Inn Hotels and Developers Ltd.	13,23,600	13,23,600
Interest Paid:		
ANS Constructions Ltd.	45,12,000	45,12,000
Outstanding Balances:		
ANS Constructions Ltd.	3,76,00,000	3,76,00,000
Lords Inn Hotels and Developers Ltd.	94,826	2,37,666
Investment in Equity Shares		
Kesar Motels Pvt. Ltd.	88,80,000	88,80,000
Sai Ram Krupa Hotels Pvt. Ltd	12,50,000	12,50,000

16. Segment Reporting:

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

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

18. Previous year figures have been regrouped and/or rearranged wherever found 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
FR No. 113881W

PUSHPENDRA BANSAL
Executive Director

AMIT GARG
Director

RANJIT KUMAR SINGH
Company Secretary

Place: Baroda
Date : 28th June, 2011

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

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

I. Registration Details	
Registration Number	L55100GJ1985PLC008264
State Code	04
Balance Sheet	31-03-2011
II. Capital Raised During the Year	(Amount in ₹ Thousand)
Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
III. Position of Mobilization & Deployment of Funds	(Amount in ₹ Thousand)
Total Liabilities	102318
Total Assets	102318
<i>Sources of Funds</i>	(Amount in ₹ Thousand)
Paid-up Capital	59088
Reserves & Surplus	NIL
Secured Loans	443
Unsecured Loans	37600
<i>Application of Funds</i>	(Amount in ₹ Thousand)
Net Fixed Assets	68786
Investments	10130
Net Current Assets	11183
Miscellaneous Expenditure	NIL
Accumulated Losses	7032
IV. Performance of Company	(Amount in ₹ Thousand)
Turnover	56852
Total Expenditure	50940
Profit Before Tax	5912
Profit After Tax	5012
Earning Per Share (in ₹)	0.90
Dividend Rate (%)	NIL
V. Generic Names of Principle Product of the Company (As per Monetary terms)	
Item Code No. (ITC Code)	The Company is in the Business of Hotelier and Catering, Which is not covered under ITC (HS) Classification.
Product Description	Hotel & Restaurant

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 : 28th June, 2011

RANJIT KUMAR SINGH
Company Secretary

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If undelivered, please return to :

LORDS ISHWAR HOTELS LIMITED

(Formerly known as Ishwar Bhuvan Hotels Limited)

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