

**RELIABLE VENTURES INDIA LIMITED**

Regd. Office: "Reliable House", A-6, Koh-e-fiza Indore Road, Bhopal- 462 001 (M.P.)

**NOTICE TO SHAREHOLDERS**

**NOTICE** is hereby given that the EIGHTEENTH ANNUAL GENERAL MEETING of the members of the Reliable Ventures India Limited will be held on Friday, the 30th day of September, 2011 at 4.00 PM at Hotel Noor-Us-Sabah Palace, VIP road, Bhopal, Madhya Pradesh, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2011, Profit & Loss Account for 12 months period ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Mr. Chandan Mitra, who retires by rotation and, being eligible, offers himself for re-appointment as such.
3. To appoint Director in place of Mr. Parkash Singh, who retires by rotation and, being eligible, offers himself for re-appointment as such.
4. To appoint MAK & Associates, the retiring Auditors as Auditors of the Company to hold office as such from the conclusion of this meeting till the conclusion of the next Annual General Meeting and authorize the Board of Directors to fix their remunerations.

**SPECIAL BUSINESS:**

5. To consider and pass, with or without modifications, the following resolution as special resolution

**"RESOLVED THAT** - in term of the Resolution adopted by the Board of Directors of the Company in its meeting held on 15th day of November, 2010 and pursuant to Sections 198, 269, 309, 310, 311 and other applicable provisions contained under the Companies Act 1956 read with Part-II, Section II, Clause 1 (B) of Schedule XIII to the said Act, all other applicable provisions of the Act or any statutory modifications or reenactment thereof, Article 96 of the Articles of Association of the Company and subject to such further sanctions and permissions as might be necessary - the reappointment of Mr. Sikandar Hafiz Khan, as Managing Director of the for a period of 3 ( Three) years commencing from 1s day of January, 2011, be and is hereby approved on the terms, conditions and payment of remuneration as set out in the attached explanatory statement hereof and that in the event of inadequacy or absence of profits in any financial year / years, the remuneration comprising of salary, allowances, perquisites and

benefits as set out in the explanatory statement to the resolution and approved herein be paid to him as minimum remuneration and that the Board of Directors of the Company be and are hereby authorized to review/ enhance the remuneration payable to Mr. Sikandar Hafiz Khan at their own discretion within the limits specified in the said part / section and clause of the said Schedule XIII of the Act"

6. To consider and pass, with or without modifications, the following resolution as special resolution

**"RESOLVED THAT** in term of the Resolution adopted by the Board of Directors of the Company in its meeting held on 25th day of August, 2011, and pursuant to Sections 198, 269, 309, 310, 311 and other applicable provisions contained under the Companies Act 1956 read with Part-II, Section II, Clause 1 (A) of Schedule XIII to the said Act all other applicable provisions of the Act or any statutory modifications or reenactment thereof, Article 96 of the Articles of Association of the Company and subject to such further sanctions and permissions as might be necessary, the appointment of Mr. S. Shankar Narayanan, one of the Directors of the Company, as Whole Time Director and designated as Executive Director for a period of 3 years commencing from 1s of Sept., 2011, be and is hereby approved on the terms, conditions and payment of remuneration as set out in the attached explanatory statement hereof and that in the event of inadequacy or absence of profits in any financial year / years, the remuneration comprising of salary, allowances, perquisites and benefits as set out in the explanatory statement to the resolution and approved herein be paid to him as minimum remuneration and that the Board of Directors of the Company be and are hereby authorized to review/ enhance the remuneration payable to Mr. Shankar Narayanan within the limits specified in the said part / section and clause of the said Schedule of the Act"

7. To consider and pass, with or without modifications, the following resolution as an ordinary resolution

**"RESOLVED THAT** pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Abdul Tahir, who was appointed as an Additional Director of the Company and who under Section 260 of the Companies Act, holds office only up to the date this Annual General Meeting and, being eligible, offers himself for appointment and in respect of whom the company has received notice in

writing from one of the members of the company pursuant to Section 257 of the Companies Act along with requisite amount signifying his/her intention to propose the candidature of Mr. Abdul Tahir for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

8. To consider and pass , with or without modifications, the following resolution as an ordinary resolution :

“**RESOLVED THAT** pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Ranjay K. Dawar , who was appointed as an Additional Director of the Company and who under Section 260 of the Companies Act, holds office only up to the date this Annual General Meeting and, being eligible, offers himself for appointment and in respect of whom the company has received notice in writing from one of the members of the company pursuant to Section 257 of the Companies Act along with requisite amount signifying his/her intention to propose the candidature of Mr. Ranjay K. Dawar for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

9. To consider and pass , with or without modifications, the following resolution as an ordinary resolution  
“**RESOLVED THAT** pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, **Mr. Rajendra Malpani** , who was appointed as an Additional Director of the Company and who under Section 260 of the Companies Act, holds office only up to the date this Annual General Meeting and, being eligible, offers himself for appointment and in respect of whom the company has received notice in writing from one of the members of the company pursuant to Section 257 of the Companies Act along with requisite amount signifying his/her intention to propose the candidature of Mr. Rajendra Malpani for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

By Orders of the Board

Sd-  
S. SHANKAR NARAYANAN  
DIRECTOR

Place: Bhopal

Date: Aug 25, .2011

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY AND THAT IN ORDER TO BE VALID, THE INSTRUMENT OF PROXIES DULY COMPLETED IN ALL RESPECTS MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE MEETING.
2. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting is given in the Annexure to the notice.
3. The Register of members and transfer books of the Company shall remain closed w.e.f. 28th Sept., 2011 to 30th Sept., 2011 .both the days inclusive for the purpose of the Annual General Meeting.
4. M/s. Sharex Dynamic (India) Pvt. Limited having its registered office at 17/B, Dena Bank Building, Horniman Circle, 2<sup>nd</sup> Floor, Fort, Mumbai 400 001 continue to act as Registrar and Share transfer agents of the Company. The said company at its unit NO.1 located at Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (E), and Mumbai-400072 under takes the share registry job.
5. The Company has established connectivity with both the depositories namely NSDL and CDSL, Mumbai and the ISIN allotted to the security of the Company is **INE419H01019**. Shareholders who have not yet opened Demat account so far are requested to open the account with the depositories of their choice and surrender the physical certificates of the security for dematerialization.
6. The Company has started maintaining of a functional website that contains basic information about the company and it can be accessed by interested entities as and when needed. Its address is “**Noorussabahpalace.com**”
7. Members / duly appointed proxies should bring the enclosed attendance slip, duly filled in, for attending the meeting
8. The members are requested to:
  - (a) quote their Folio Number(s)/ Client ID numbers in all correspondence with the Company and
  - (b) notify the Company about changes in their postal addresses, if any.
9. A copy of the notice is being posted on the aforesaid website of the Company

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:****ITEM NO. 5**

A. The Board of Directors, at their meeting held on 15th day of November, 2010, re-appointed Mr Sikandar Hafiz Khan, as Managing Director of the company for a further period of Three years with effect from 1st January, 2011, subject to the approval of the shareholders in a general meeting.

The material terms and conditions of the re-appointment are as follows:

1. The Managing Director shall, subject to the supervision and control of the Board of Directors; carry out such duties as may be entrusted to him by the Directors and shall exercise such powers as are delegated to him by the Board of Directors.

**2. Period of reappointment :** 3 years from 1st day of January, 2011.

**3. Remuneration :**

Basic Salary	Rs. 200000.00 per month
House rent Allowance	Rs. 30000.00 per month
Conveyance allowance	Rs. 20000.00 per month

Besides above, he proposed that Mr. Sikandar Hafiz Khan will be eligible to following perquisites which are allowed under the said Schedule and above the ceiling of remuneration contained therein:

- Contribution to provident fund, superannuation fund or annuity fund to the extent these are signally or collectively put do not exceed the taxable limit prescribed under the Income Tax Act 1961 as amended till date
- Gratuity at a rate not exceeding the yearly and aggregate ceiling under the Payment of Gratuity Act as is applicable and amended from time to time.
- Encashment of Leave at the end of the tenure as per rules of the Company
- Return Holiday passage once in a year by economy class to children from the place of study to India and to members of family from the place of their stay abroad to India if they are not residing in India with Mr. Sikandar Hafiz Khan
- Leave Travel Concession by way of Return passage for self and family in accordance with the rules applicable to the employees of Company.

**Minimum Remuneration:**

In the event of any absence or inadequacy of net profits in any financial year, the remuneration as mentioned above shall

be the minimum remuneration payable to the Managing Director.

The Managing Director shall be entitled to reimbursement of all actual expenses or charges including travel entertainment Or other out-of-pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business and objects.

The terms and conditions of the said appointment may be altered, enhanced or varied from time to time by the Board as it may, in its discretion, deem fit.

For the purposes of calculating the value of perquisites hereinabove, the same shall be evaluated as per Income Tax Rules, 1962, wherever applicable or at actual cost.

None of the Directors of the company, except Mr. Sikandar Hafiz Khan who along with his family and persons in concert holds 48.32 per cent of the paid up equity share capital of the Company is interested in the proposed resolution as appointee as well as promoter director of the Company.

**Additional information as per Para 1(B) of Section II of Part -II of Schedule XIII of the**

**Companies Act, 1956 read with clause 49 of the listing agreements is as under :**

**I GENERAL INFORMATION:**

1	Name of Industry	Hospitality	
2	Date of expected date commencement of production	Existing Company not engaged in manufacturing activities	
3	In case of new company, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
4	<b>Financial performance based on given indicators.</b>	<b>Amt. in lacs Rs. 2010-11</b>	<b>Amt in lacs Rs 2009-10</b>
	Total sales and other income	1156.80	1114.00
	Profit before depreciation and tax	339.58	332.32
	Depreciation Provision for tax	93.98	87.05
	Net profit	74.02	17.57
		171.58	227.70
5	Export Performance	Not applicable	
6	Export performance and net foreign Exchange collaboration	Not Application	
7	Foreign investment of collaboration if any	Not applicable	

1	Background details	The appointee is the promoter director of the Company with more than 25 years experience of conceiving, implementing and running industrial projects successfully and that , academically ,he belongs to commerce segment.
2	Past Remunerations	24.80 lacs
3	Recognition or awards	None
4	Job profile and his suitability	The appointee is a seasoned & successful entrepreneur, Chairman, leader and motivator of Reliable Group of Cos which has diverse interest in Tours & Travel, Transport and carriers, processing of tobacco, mfg of cigarette and other tobacco products, real estate Dairy and milk products. He himself promoted the Company and established it as one of the first choice destination of indigenous and foreign tourists and businessmen
5	Remuneration proposed	As mentioned in the explanatory statement to Item 5 of the accompanying notice.
6	Comparative remuneration profile with respect to industry, size of the co., profile of the position and persons( in case of expatriates the relevant) details w r t the Country of his origin	Though the exact data of the comparative profile of CEOs/ MDs with remuneration of Hospitality companies is not available, the CEOs/ MDs of hospitality companies of comparable status are generally receiving remunerations above Rs 50.00 lacs per annum
7	Pecuniary relationship directly or Indirectly with the Co. or relationship with the managerial personnel, if any.	Except relationship ship as promoter of the Company, he does not have any other pecuniary relationship with the company or its managerial personnel

**III OTHER INFORMATION:**

1	Reasons of loss or inadequacy of profits	The Company needs expansion of its room and incidental capacities to harness the available market potential.
2	Steps taken or proposed to be taken for improvement	One professional with expertise in project expansion and finance is being inducted at Board level on whole-time basis with target to plan and execute the of required expansion in due course of time.  Besides, measures to further cutting the cost of operation are being explored to improve returns.  Internal generation is being used to modernize and strengthen the facility base till required expansion take place.
3	Expected increase in productivity and profits in measurable terms	Efforts are being made to increase return on investment thereby boost EPs and ensure adequate return to stakeholders

**Item NO 6:**

With view to avail of the expertise of the rotational Directors Mr .S Shankar Narayanan inter-alia, in the segment of project financing and banking on whole-time basis and based on the recommendations of the Remuneration Committee, the Board of Directors of the Company in its meeting held on 25th day of August, 2011, approved appointment of Mr. S. Shankar Narayanan as Whole-time Director designated as Executive Director of the Company and recommended payment of remunerations to him by way of Salary and allowances and perquisites on monthly basis within the ceiling specified under Para (A) Part and Section II of Schedule XIII of the Companies Act, 1956.

The appointee aged around 59 years - a bachelor of Science and CAIIB - is a dynamic and result oriented Indian citizen and ex-banker from Bank of India & Middle East, UAE equipped with proven long standing expertise in the segments of Financial Management, Project financing, Banking and industrial relation and holds directorship in five Companies falling within the Reliable Group of companies namely Reliable Tours & Travels (India) Pvt Ltd., Reliable Cig. & Tobacco Inds. Pvt. Ltd., Reliable Consumer Products Pvt Ltd., Reliable Multimedia And

Enterprises Pvt. Ltd. And Reliable Smartcity Ltd. He along with his wife holds 4000 equity shares of the Company is associated with the Company as rotational Directors since 1996.

The material terms & conditions of the appointment are as follows:

**1. Duties and reporting:**

The Appointee carry out such duties as may be entrusted to him by the Chairman and the Board at any time and from time to time and shall report to the Chairman and Managing Director of the Company.

**2. Period of reappointment:** 3 years from 1st day of Sept., 2011

**3. Remuneration:**

Basic Salary : Rs. 44667.00 Per month  
Allowances : Rs. 43167.00 per month

**Perquisites:**

1. Fuel for personal vehicle for personal use : On actual basis
2. Salary of driver of his personal vehicle : at par with drivers on the roll of the Company
3. Reimbursement of electricity charges : On actual basis  
For his residence
4. Residence telephone and one Cell phone : on Actual Basis

Other benefits such as of LTA, Leave Encashment, Medical Reimbursement, Bonus and other facilities as per rules applicable to the Employees of the Company at any time and from time to time.

The above remuneration shall be admissible as minimum remuneration in the absence or in adequacy of profits and the Board of Directors of the Company shall be competent to approve upward and periodical revision in the remunerations within the limit specified under paragraph (A), Section and Part II of Schedule XIII of the Companies Act, as may remain in force at any time and from time to time.

**Other disclosures:**

In term of requirements of the said Paragraph of the said Schedule, your directors do hereby state, declare and confirm that the Company is a zero debt company, it has not accepted ay deposits from public, has not made any default in repayment in any of its debts, including public deposits or debentures or interest thereon for any period during the preceding financial years and before the date of proposed appointment of and payment of remuneration to Mr. Shankar Narayanan.

Since the appointment and payment of above remuneration to Mr. Shankar Narayanan is subject to the approval of the Members in General Meeting, the Directors recommend

the adoption of the resolution contained under item No. 6 of the annexed notice as special resolution.

None of the Directors, except Mr. Shankar Narayanan, is interested or concerned in the resolution

**Item No.7, 8 and 9:**

Pursuant to Section 260 read with Article 80 of the Articles of Association of the Company Mr. Rajendra Malpani, was inducted as an additional Director of the Company effective from October 20, 2010 to hold office till the conclusion of the ensuing Annual General Meeting.

Similarly, with a with to strengthen the Board and reconstitute the Committees required under Clause 49 of the Listing Agreement as also the provisions of Companies Act, 1956, governing Audit Committee, Mr. Abdul Tahir and Mr. Ranjay K. Dawar were inducted effective from 29th day of July, 2011 as additional Directors of the Company to hold office as such till the conclusion of ensuing Annual General Meeting.

The Company has received one notice each under Section 257 of the Companies Act, 1956, three of the shareholders of the Company namely Mr. P Gopinath, Mr. Rajendra Malpani and Ranjit Baidya, along with requisite payments signifying there respective intention to propose the candidature of Mr. Rajendra Malpani, Mr. Abdul Tahir and Mr. RANjay K Dawar respectively for appointment as Directors liable to retire by rotation. These notices can be inspected by shareholders during any business hours.

These notices can be inspected by any member (s) at the registered office of the Company seen at the registered office of the company during business hours on any working day up to the date of the holding of the ensuing Annual General Meeting.

**In term of Clause 49 of the Listing Agreement, the relevant particulars of these gentlemen are briefed hereunder :**

(i) **Mr. Rajendra Malpani** is a young and dynamic management consultant and possess over 20 years of experience as consultant in the Finance, Account and Taxation Segments He is one of members of the Audit and Remuneration Committees He holds 5007 equity shares of the Company and does not have any other pecuniary relationship with the company, its promoters and its managerial personnel. Except, sitting fee, he is not paid any other remuneration by the Company. He holds directorship in seven private limited companies, namely, Goldshine Construction Pvt. Ltd., Sai Value Homes Private Limited, Sunbeam Vyapaar Private Limited, Radhe Kripa Developers Private Limited, Reliable Dairy and Farm product Private Limited, Reliable Carriers Private Ltd. and Noor-Us-Sabah Housing Projects Private Ltd.

(ii) The Another Gentleman **Mr. Abdul Tahir** is a young and dynamic MBA belonging to the marketing segment equipped with over 10 years proven experience in the areas of strategic business & marketing planning,

development, sales forecasting, management of customer base, and bears the responsibility of monitoring the overall turnover, related and incidental activities of Reliable Group of Companies engaged in divers business activities including hospitality, print media, mfg and marketing of milk and dairy products and is presently busy in developing multi-product special economic zone in Madhya Pradesh and is responsible of organizing, managing, controlling and motivating a team of technical and finance professionals of the said group of Companies. He holds 50000 equity shares in the company. He holds the Chair of Remuneration Committee as also the membership of Audit Committee of the Company. He holds Directorship of six private limited companies, of which five belong to the said group namely, Mandideep Engg. & Packg. Inds. Pvt Ltd., Elegance Infratech Pvt. Limited, Rehbar Holdings and Finance Private Limited, Reliable Multimedia and Enterprises Pvt. Ltd. And Noor-us -Sabah Housing Projects Pvt Ltd, besides having interest as Promoter and Director of a family owned Goldrich Trading Company Private Limited.

- (iii) The Third gentleman, **Mr. Ranjay K. Dawar**, belongs to the Law discipline and has to his credit an experience and expertise for a period exceeding 10 years in the areas of logistic solutions, managing, running tour, and travel and transportation business profitably. He holds the Chairmanship of TAAI of Madhya Pradesh and Chhattisgarh since last 2 years with enough exposure in

hospitality segment of business. He is one of the members of Audit and Remuneration Committees of the Company. He does neither hold any financial stake in the company nor any other pecuniary relationship with the Company except that one of the companies under his directorship and management does have business dealing with the Reliable Ventures India Ltd in the ordinary course of business and at prevalent market rates.

In term of requirements of Section 257 of the Companies Act, 1956, your Directors recommend

1. the appointment of the said three gentlemen as Directors liable to retire by rotation and
2. adoption of resolutions contained under item no. , 7, 8 and 9 of the accompanying notice- with or without modifications, as ordinary resolutions

None of the Directors, except the proposed appointees, is interested or concerned in the resolutions contained under item no. 7 to 9 of the accompanying notice...

**By order of the Board  
For Reliable Ventures India Ltd**

**Sd/-  
S. SHANKAR NARAYANAN  
DIRECTOR**

**Bhopal:  
Dated : August, 25, 2011**

**ANNEXURE TO THE NOTICE OF 18<sup>TH</sup> ANNUAL GENERAL. MEETING.**

Name of the Director	MR.CHANDAN MITRA	MR. PARKASH SINGH
Date of Birth	12/12/1954	03/02/1946
Nationality	Indian	Indian
Date of initial Appointment	26/09/2005	31/10/2006
Date of last re-appointment	29/09/2009	29/09/2009
Qualifications	BA(Hon) Economics , MA( History) from DU, D. Phil in Modern History from Oxford University, UK	Master of Commerce and CAIIB
Expertise in Functional Area	Very Sr. Journalist & Media person, Expert in Mgt. & Journalism, Ex-Member of Parliament.	Banking and Mgt. Retired as Chairman & Mg. Director, United Bank of India with 40 years experience.
No of shares held in the Company	—Nil—	—Nil—
List of Directorships in other Indian Public companies	CMYK Printech Ltd.	Not applicable
Position held in other companies in which he is Director as on 31/3/2010	Chairman-cum-Mg. Director of CMYK Printech Ltd., Publisher of "Pioneer" National Daily.	Not applicable

**REPORT OF THE DIRECTORS & MANAGEMENT DISCUSSIONS AND ANALYSIS  
For The Financial Year Ended 31<sup>st</sup> March, 2011**

Your directors have pleasure in presenting to you their Eighteenth Annual Report together with the audited statement of accounts of the company for the 12 months period ended 31<sup>st</sup> March 2011

the company to register adequate growth in the ensuing financial year .

**FINANCIAL PERFORMANCE:**

During the 12 months period under report ended 31<sup>st</sup> March, 2011, your company earned all-inclusive revenue of Rs. 1329.28 lakhs against Rs. 1156.80 lakhs earned in the corresponding period during the preceding financial year reporting a growth of Rs. 172.48 lakhs being 14.91 per cent over the corresponding period in the preceding. During the period under report, the profit before extraordinary items rose marginally to Rs 250.76. lakhs from 244.09 lakhs during the preceding financial year. The financial performance of the Company is summarized below:

**SHARE CAPITAL:**

During the period under report there has been no change in Share capital of the Company and, the authorized share capital of the company remained at its previous year level of Rs.2500.00 lakhs divided into 250, 00,000 Equity shares of Rs. 10/- each. The issued, subscribed and paid-up share capital of the Company too remained at its level of previous year at Rs. 1101.29 lakhs divided into 110, 12,900 equity shares of Rs. 10/- each. The category-mix of the shareholdings and its distributions as at 31<sup>st</sup> March, 2011. have been as under:

**PROFIT & LOSS ACCOUNT**

	Amt in Rs. Lakhs	
<b>Operating years &gt;</b>	<b>2010-11</b>	<b>2009-10</b>
Net sales	1305.41	1136.78
Other income	23.87	20.02
<b>Total income</b>	<b>1329.28</b>	<b>1156.80</b>
Profit before Interest and tax	250.76	244.27
Interest payment (net)	0.00	0.18
<b>Profit before extra-ordinary items</b>	<b>250.76</b>	<b>244.09</b>
Extra-ordinary items (Written back prov + prior period adj.)	0.26	1.51
<b>Profit after extra-ordinary item but before tax</b>	<b>250.50</b>	<b>245.60</b>
<b>Provision for taxes::</b>		
Current tax	(50.33)	(41.48)
Deferred tax liability	(76.00)	(74.02)
MAT credit entitlement	50.33	41.48
<b>Net profit</b>	<b>174.50</b>	<b>171.58</b>
<b>Total No. of equity shares of Rs. 10/- each</b>	<b>110.129</b>	<b>110.129</b>
<b>Basic earning per share of Rs. 10/- each</b>	<b>1.58</b>	<b>1.56</b>

**Category of Shareholdings as at 31<sup>st</sup> March 2011**

Category of holders	Nos.held	Per cent ageof total
Promoters, friends, relatives & persons in concert.	5321100	48.32
Non-resident Indians	1005375	9.13
Indian general public	4686425	42.55
<b>Total</b>	<b>11012900</b>	<b>100.00</b>

**Distribution of Shareholdings as at 31<sup>st</sup> March 2011**

No. Of Shares held	No of Shareholders	% of share Holders	Total Shares held	% of share Holdings
1-100	244	13.47	15321	0.14
101-200	100	5.52	19137	0.17
201-500	835	46.11	404180	3.67
501-1000	283	15.63	256871	2.33
1001-5000	232	12.81	643158	5.84
5001-10000	36	1.99	296618	2.69
10001-100000	61	3.37	2285753	20.76
100001 & above	20	1.10	7090862	64.40
<b>Total</b>	<b>1811</b>	<b>100.00</b>	<b>11012900</b>	<b>100.00</b>

**BALANCE SHEET**

	Amt in Rs. Lakhs	
<b>Operating years &gt;</b>	<b>2010-11</b>	<b>2009-10</b>
Net fixed assets	2206.29	2204.92
Net current assets	483.13	369.17
Misc. expenses	00	0.00
<b>Capital employed</b>	<b>2689.42</b>	<b>2574.09</b>
<b>Represented by</b>		
Equity capital	1101.29	1101.29
Reserve & Surplus	559.98	385.48
deferred tax	110.03	34.03
<b>Net worth</b>	<b>1771.30</b>	<b>1520.80</b>
Loan fund	918.12	953.29
Share Application money	0.00	100.00
<b>Capital employed</b>	<b>2689.42</b>	<b>2574.09</b>

**CAPITAL EXPENDITURE:**

Up to the close of the financial year under report, your company incurred a capital expenditure of Rs 3013.93 lakhs, including work-in-progress worth Rs. 32.26 lakhs against Rs. 2917.29 lakhs in proceeding year, representing a capital expenditure of Rs, 96.64 lakhs during the period under report.

**PROJECT IMPLEMENTATION STATUS**

As the members are aware, out of the 70 rooms' facility planned by the company, till the close of preceding financial year it had completed and opened for commercial use only 57 rooms. A very thin growth in term of financial performance of the company inhibited the proposed addition of 13 more rooms to the room inventory of the company and despite a capital expenditure to the tune Rs. 96.64 lakhs, the said addition of room remained in progress only with the hope that the said addition would materialize and put to commercial use by the end of the current financial year.

The growth rate reported by the company during the year under report continues to remain almost stagnant as compared to the previous year and seems to suggest that the recession has almost installed the growth of the company in term of its financial performance suggesting need of more aggressive market measures on the part of

**“MANAGEMENT DISCUSSIONS AND ANALYSIS”**

**Company Approach to the Business**

The company has achieved its objective to be a market leader in the region by the end of fiscal year 2010-2011 & envisages sustaining its position as a market leader by setting bench marks during 2010-11. Further, the Company's Vision is to emerge as a high end Hotel, creating a Health Based Environment. Group has further expanded its base with addition of offsite Food & Beverage Outlets, firstly a bakery outlet "Wonder Bread" has been opened in the main down town area. This outlet offers wide range of bakery and confectionary products at a very nominal price. The success of this outlet is evident from the fact that the footfall at this outlet is so encouraging that the company has finalized two more outlets to be commissioned by this year end. The other outlet commissioned offsite is "The Spot", a natural food café which has been opened at a high end residential area as a part of Reliable Nature Bazaar, a Super Market of the Group.

The company has already extended its MOU with ITC WelcomHeritage operating around 62 Hotels across India. WelcomHeritage brings along the expertise in terms of Marketing, branding and promoting the Hotel along with Standard ITC procedures which are strictly adhered to.

A Major initiative to open an Industrial Bakery Production Unit has been approved by the group and work for setting up the same has already begun. This Industrial Unit shall cater to the Bhopal market as well as nearby towns such as Indore, Hoshangabad and Sehore.

**Quality Management**

In continuance to deliverance of Quality Services, constant up gradations and increasing the room inventory and Addition of Bakery outlets will be the strategy that the company will follow. The company is totally committed to provide & maintain quality at all levels. Systems and checks are already in place to ensure that right from planning stage to procurement stage to production stage to service stage to accounting stage, quality is maintained at all levels. Standard Operating Procedures (SOP's) are being followed at all operational levels for implementation & for strict adherence which would be constantly reviewed to adapt to the changing service trends of hotel industry. The major initiative in Environmental practices has been initiated by the management, and some of the steps include Ban of Polythine bags, Conversion to LED lamps, Water conservation at all levels, Massive Tree plantation, Garbage Disposal Management etc.

**Performance Review**

The company has registered a modest growth of 14.91 per cent in its Turnover over previous year. The company has achieved a pre-tax Profit of 250.76 lakhs for financial years 2010-11 which is an increase of 2.46 % over previous year. Cash & Bank balance as at 31.03.2011 were Rs. 275.72 lakhs. The Sundry Debtors as at 31.03.2011 were Rs. 62.84 lakhs which is only 4.74% of total turnover.

For the Financial year 2011-12, the company has plans to invest around Rs. 440.00 lakhs towards opening of Bakery Industrial unit, Rs. 200.00 lakhs towards renovation of rooms, Rs. 40.00 lakhs towards opening of two more Bakery stores.

**Internal Control Systems:**

All necessary controls, financial checks and otherwise as per statutory requirements as also towards making the company a highly profitable venture are in place. Internal controls as regards operations aimed at ensuring that the expenditure is in line with industry norms. Regular internal audits of finances are undertaken and the report submitted to Audit Committee. Proper accounting procedures are being strictly adhered to. Total transparency in all transactions is maintained and all statutory licensing and dues to the State and central Government have been updated & are made on time. Reduction in cost will be a major focus area for next FY which will further aid in increasing profit margins and end up in a Healthy Operating Ratio.

**Opportunities**

Economic projections appear to indicate towards a Major Boom for the Hospitality Industry for the coming season. The Corporate and

Conference segment along with foreign tourist segment is expected to show a decent growth.

A Multi Product SEZ has been approved on Bhopal Indore Corridor near Sehore which should attract lots of Investors. Being the closest to SEZ site, our Hotel would benefit enormously as we being the Best Hotel in terms of room and conference sales.

Conversion of existing Airport into an International Airport will give a major boost to the existing tourist inflow as well as open new avenues of business for the company. With the Opening of wide number of Engineering/Medical and Management colleges in Bhopal, the demand for Fast food/Bakery outlets has increased manifold and shall increase further in times to come. The company proposes to add two more offsite bakery outlets to attract the young crowd.

**Threats:**

With the number of flights increasing from a particular destination into city in morning hours and out of the city the same evening, there will be a threat perception that corporate nights halts at Bhopal would drastically reduce. This would directly affect room sales and due to a drop in occupancy there could be a drop in Food and Beverage Revenue. Real Estate Developers have started to show interest in Bhopal. With the influx of companies like DLF, Ansals, Omaxe and the likes into the city, land and raw material prices have rapidly shot up. This has resulted in spiraling of projects costs. Current market players in Hospitality Industry in the city also have comprehended the boom in the market and thus have either made additions to their current setup or have made provisions to do the same in the current financial year. This again could make a dent in our market share. With the advent of new players in the market, the competition is growing tougher by the day. Hiring and retaining of skilled and experienced manpower is becoming a challenge in the market today which will only multiply in coming years. With the increased fuel prices, corporate houses these days are focusing on reducing travel and boarding /lodging expenses thereby adversely affecting the hotel's revenue. Some corporate have gone step further and bought/hired/running guesthouses for their travelling executives & their offices in the city generally have a conference room attached to take care of routine and other weekly / monthly conferencing.

**Risk and Concerns:**

The company is hopeful that the current buoyancy in the market will continue for a few years more and we foresee no potential risk to Hospitality Industry as of now. There is definitely a concern about the state Government not doing enough on infrastructure development so as to ease inflow of tourists and corporate.

**Other Disclosures:**

The company is proud to have maintained the Heritage nature of the Hotel to its optimum level. We still are & always remain the Best Address in Bhopal. Schedule up gradation & continuous maintenance of service standards shall be our motto. Major focus shall be on training of staff, to upgrade their skills so that they are able to deliver quality service & maintain high standards. Understanding our commitment to society, we have initiated a mini Green Revolution in the area. A green committee has been constituted among hotel staff to plan, implement & execute all possible eco friendly initiatives like tree plantation, garbage management system (segregation, processing & disposal), and usage of recycle paper products, initiate heavy reduction in use of plastic & energy conservation etc. Job opportunities have been created for physically challenged local citizenship.

**Human Resources Development:**

Led with the realization of the fact that continuous up-gradation of skills and service delivery systems /inputs go a long way to make a decisive difference in the hotel industry, as a matter of policy, your continues to invest in up-gradation of the quality of its human resources and lays emphasis on efforts to tone up skills of and service delivery by its existing manpower and keep them sponsoring for external training and skill development programmes at selected ITC hotels.



In the matter of employee's benefits and compensation, your company is not far behind the industry standards and with the growth of the company it will see that the benefits and compensation packages continue to remain tailored to the industry norms enabling it to hire and retain skilled and professional manpower.

Industrial relations scenario in the company throughout the year remained cordial. The employees remained committed to higher qualitative productivity. The management too on its part played its role in maintaining and promoting harmonious relations

#### AUDITORS:

M/S. MAK & Associates, Chartered Accountants, Indore, the statutory auditors of the company shall hold office as such till the conclusion of the ensuing Annual General Meeting of the Company. A proposal to re-appoint them as such, subject to fulfillment of conditions prescribed under Section 224(1B) of the Companies Act, 1956, is being brought up at the ensuing Annual General Meeting.

#### STATUTORY STATEMENTS:

##### 1. Public Deposit

During the period under report too, your company has not accepted any deposit from public in term of Section 58-A of the Companies Act, 1956 and rules framed and notifications issued there under.

##### 2. Information as per Sec 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended 31st March 2011 are given as under: -

###### (a) Conservation of Energy:

The basic engineering design of the Hotel is based on optimum energy consumption and provision is made to conserve energy to the maximum possible extent, which would reduce the liability on energy bills.

###### (b) Technology Absorption:

During the year no amount has been incurred on technology absorption (Previous Year Rs. NIL)

###### (c) Foreign Exchange Earnings & Outgo:

During the period under report, your company earned Foreign Exchange equivalent to Indian Rupees **53.14** lakhs against 53.09 lakhs during the preceding accounting period. During the period under report too, your company did not spent any amount in foreign exchange.

##### 3. Statement pursuant to Sec. 217 (2AA) of the Companies Act 1956:

Your Directors are pleased to state that the Financial results for the period under report have been compiled observing the Going Concern Concept, Accrual & historical record basis conforming to the accounting standards specified under Section 211(3C) of the Companies Act to ensure that the statements disclose true and fair view of the state of affairs of the operations of the company and that in the said compilation due care has been taken to see that adequate accounting record in accordance with the statutory requirements for safeguarding the assets of the company does exist and that possibilities of fraud and other irregularities in the Company, if any, are timely detected, provided for and recurrence thereof is prevented and that the statements reflect true and fair view of the state of affairs of the Company as at the 31<sup>st</sup> March, 2011 and the profit and loss for the accounting period ended on the said date.

#### Constitution of Audit Committee:

In term of requirements of Section 292 (A) of the Companies Act, 1956, during the period under report your company continues to have an Audit Committee consisting of three non-executive independent directors namely Mr. S. Shankar Narayanan, Mr. Mohd. Hafiz Khan, and Mr. Rajendra Malpani under the Chairmanship of Mr. Shankar

Narayanan, an independent & none- executive director. Keeping in view the requirements of Clause 49 of the Listing agreement, the committee was entrusted with greater assignments as brought out under the Corporate Governance Section of this report and that the Board of Directors generally agreed with and adhered to the suggestions made by the committee in the areas assigned to it and that to reply your queries, if any, the Chairman of the Committee shall be with you at the ensuing Annual General Meeting.

After Mr. Mohd Hafiz Khan laid down the office of Director and consequentially that of membership of the Audit Committee, effective from 25th day of August, 2011, the Committee has been reconstituted comprising of three independent non-executive Directors namely Mr. Abdul Tahir, Mr. Ranjay K Dawar and Mr. Rajendra Malpani and the Chairman ship has been vested in Mr. Abdul Tahir.

#### CHANGES IN THE DIRECTORATE:

Mr... Chandan Mitra and Mr. Parkash Singh, two of the Rotational Directors of the Company, shall retire on the conclusion of the ensuing Annual General Meeting. However, being eligible, they offer themselves for reappointment and, therefore, a proposal to re-appoint them as such is being brought up before the members at the ensuing Annual General Meeting. The particular of directors seeking reappointment is annexed to the notice.

Mr. Farhan Khan who was inducted as an Additional Director effective from 25th Oct, 2010 shall cease to hold the office as such on the conclusion of the ensuing Annual General Meeting.

Besides, subject to the approval of members in the ensuing General Meeting, the Board of Directors of the Company in its meeting held on 25th day of August, 2011. approved appointment of one of the rotation Directors Mr. S. Shankar Narayanan as Whole-time Director of the company effective from 1st day of Sept., 2011. Accordingly a proposal seeking approval of the members is being brought up before the members at the ensuing annual General Meeting along with requisite details in term of Clause 49 of the Listing Agreement.

Besides, effective from 29th day of July, 2011, Mr. Abdul Tahir and Mr. Ranjay K Dawar have been inducted as additional directors of the Company to hold office as such till the conclusion of the ensuing annual general meeting and that Mr. Rajendra Malpani, who was inducted as Addl. Directors, shall cease to hold the office as such from the conclusion of the ensuing Annual General Meeting. However, since the Company has received notices under Section 257 of the Companies Act, 19456, from three of the shareholders of the Company containing their respective intention to propose the appointment of all these tree gentlemen as Directors to retire by rotation, requisite proposals are being brought up before the members in the ensuing annual general meeting with requisite details as per clause 49 of the listing agreement.

#### DIVIDEND

Keeping in view the fact that the Company is carrying substantial amount of unsecured borrowings and needs further capital outlay to finance its expansion plan, your directors feel that for the present it is not in the long term interest of the company to recommend any dividend during the year under report.

#### PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956.

During the period under report, the company did not employ any person particulars of whose are required to be reported under the aforesaid provisions of the Act, as amended up to date.

#### DEMATERIALIZATION OF SHARES

The Shares of the Company are required to be compulsorily traded in the dematerialized form. It shares are admitted for trading under both the Depository Systems in India- NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's shares under the Depository System is INE 419H01019. A total of 9014500 being 81.85 per cent of the total paid up shares capital of the company have already been dematerialized as on 31<sup>st</sup> day of March 2011.

**SECRETARIAL AUDIT :**

In term of requirement of SEBI and Stock Exchanges, a Secretarial audit by a practicing Company Secretary was carried out to reconcile the total share capital admitted with the NSDL and CDSL with the total issued and listed capital. The said audit is carried out on quarterly basis which aims at confirming that the total issued/paid –up capital tallies with the aggregate of shares existing in physical and demat form held with the said depositories.

**REGISTRAR AND SHARE TRANSFER AGENTS:**

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

**REPORT ON CORPORATE GOVERNANCE IN TERM OF CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES:**

**COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

Your company holds the view that the code of the corporate governance serves as a structure based on which the responsibilities amongst the different participants within the management of the company are distributed culminating into the requisite protection of the interest of all the interested groups, specially the shareholders of the company. It helps the company achieving its corporate objectives and the performance is adequately measured, monitored and controlled.

Your company is fully compliant with the requirements of clause 49 of the Listing Agreement with respect to the Corporate Governance as brought in the following paragraphs:

**BOARD OF DIRECTORS AND MEETINGS:**

**Composition of Board:**

During the period under report, the Board of Directors of the Company did consist of 6 persons, including 4 independents Directors as defined under clause 49 of the Listing Agreement and that there has been no nominee or institutional director on the Board of the Company. The Chairman being Executive Director, the total strength of independent directors exceeds one-half of the total strength of the Board. The Board met ----seven times during the financial year under report and majority of directors attended the meetings.

With he induction of two more professionals namely Mr. Abdul Tahir and Mr. Ranjay K. Dawar as Additional Directors effective from 29th day of July, 2011 followed by proposal at the ensuing Annual General Meeting to induct, inter-alia, both of them as Directors to retire by rotation , as on the date of this report, the Board of the Company stand re-constituted of 8 Directors, including 5 independent none-executive Directors.

During the period under report two of the Directors namely Mr. Sikandar Hafiz Khan and Mr. S. Shankar Narayanan, had one and two closely held unlisted other public company (ies) respectively under their directorships and, that none of the gentlemen incurred any disqualification contemplated under Section 274(1) (g) of the Companies Act as amended up to date, and that, therefore, the Directors are eligible to continue as such and /or for re-appointment as Directors of the Company. Besides, Mr. Farhan Sikandar Khan who was inducted as an Additional Director effective from 25/10/2010 too held one of the closely held public companies of the Reliable Group under his directorship.

Except payment of sitting fee for attending meeting of the Board/ Committee and reimbursement expenses incidental thereto, which is paid as per the provisions contained in the Articles of Association of the Company, nothing is paid to the any of the none-executive Directors during the period under report.

**Code of conduct:**

The code of conduct laid down by the Company for its Board Members and Senior Management Personnel is available on the website of the company [www.reliable-group.org](http://www.reliable-group.org) as well as on [www.noorussabahpalace.co.in](http://www.noorussabahpalace.co.in). A Declaration by the Managing Director affirming compliance of Code of Conduct by the Board members and senior management executives is annexed separately to this annual report.

**AUDIT COMMITTEE:**

In term of Clause 49(II) of the Listing Agreement, The Company has an Audit Committee in conformity with the requirements of Clause 49 (II) of the Listing Agreement read with Section 292A of the Companies Act 1956. The Committee consisted of four independent non-executive directors under the Chairmanship of Mr. S. Shankar Narayanan, an independent and financially literate non-executive Director who possesses enough requisite experience & expertise in corporate finance and accounting aspects. Representatives of Statutory Auditors and CFO of the Company are permanent invitees to the Committee meetings. One of the members of the Committee, namely Mr. Mohd Hafiz Khan was replaced by Mr. Farhan Khan as Mr. Mohd Hafiz Khan laid down the office by resignation effective from 20th October, 2010. The Role of the Committee, inter-alia, included-

1. Overseeing company's financial reporting process and disclosure of its financial information to ensure correctness sufficiency and credibility thereof
2. Reviewing the statutory and financial reporting of the company-including the reporting under the listing requirements
3. Formulation, application and reviewing the Accounting financial polices and practices
4. Issues related to and incidental to changes in accounting policy of the company,
5. Handling issues relating to internal and external audit programmers and matters arising out of them
6. Examining the adequacy and effectiveness of accounting and financial control with due regard to laws and regulations governing them.
7. Appointment of, changes in and fixation and payment of remuneration to the statutory and tax auditors of the company.
8. Approval of payment for other services rendered by the statutory auditors, if any,
9. Reviewing with the management the annual financial statements before submission to board for approval and compliance with statutory provisions governing the entire gamut of accounting activities and corporate compliance aspects of the Company
10. To see that the accounting standards specified by the ICAI are duly observed and the resources of the company are put to the optimum use.

Besides, to ensure that the Committee is able to fulfill its role effectively, it has been vested with powers making investigations of any activity within its terms of reference, seeking information from any employee(s), resorting to need based outside legal and professional services and securing attendance of outsiders with relevant expertise.

**Periodicity of meetings**

During the period under report, the Audit Committee met for 5 times including one prior to finalization of the accounts of the Company under the Chairmanship of the said non-executive and independent director. All the members and representative of the statutory auditors attended the meetings.

**Remuneration Committee:**

The remuneration Committee consisting of Mr. S. Shankar Narayanan and Mr. Rajendra Malpani, independent Directors and Mr. Farhan Khan remained in office for most part of the financial year. Effective from 25th day of Aug 2011, this committee too has been reconstituted to comprise of three independent none-executive directors namely Mr. Abdul Tahir, Mr. Ranjay K. Dawar and Mr. Rajendra Malpani who

happens to be constituents of Audit committee too. Mr. Abdul Tahir has entrusted with the office of Chairmanship of the Committee.

The term of reference of the committee, inter-alia, includes matters of formulation of policy relating to appointment, terms and conditions of services, initial fixation and periodical review of remuneration for Directors, Company Secretary of the Company as also the Vice President, General Manager and other heads of Department of the hotel undertaking of the Company.

During the period under report, the Committee met once on 15th November, 2010 to consider and recommend the reappointment of and payment of remuneration to the Managing Director followed by yet another meeting on 22nd day of August, 2011 to consider and recommend appointment of Mr. S. Shankar Narayanan, one of the directors as Whole-time /Executive Director of and payment of remuneration to him

#### SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE:

##### Constitution:

A Committee comprising of three of the Directors under the Chairmanship of Mr. S. Shankar Narayanan, one of the independent Directors, was there to take care of the all matters relating to the shareholders, general body meeting etc The said committee has been reconstituted on 25th day of August, 2011 to comprise of three independent non-executive Directors under the Chairmanship of Mr. Abdul Tahir, one of the independent non-executive Directors of the Company.

##### Term of reference:

The Scope of work of the Committee included all matters relating to shareholders and shareholdings of the company, including the redressing of complaints /grievances, transfer and transmission of shares, issue of duplicate/ new certificate on consolidation/ Split of shares and, besides matters relating to General Meetings of the Company.

#### SUBSIDIARY COMPANIES:

Your company did not have any subsidiary company.

#### DISCLOSURES:

##### Related Party Transactions:

The company has not entered into any transactions of material nature with the promoters, directors, and the management, their subsidiaries or relative that may have potential or actual conflict with the interest of the company. The detail of transactions can be seen as part of Annexure to their audit report attached to the Balance Sheet.

Besides no strictures have been imposed upon the company by any regulatory authorities for non-compliance of any applicable laws, rules and regulations

##### Disclosure of Accounting Treatment

The company has followed all relevant Accounting Standards while preparing the financial statements.

##### Risk Management:

The Company operate an hotel undertaking in the name and style of Noor-Us-Sabah Palace located in the posh area of the lake city of Bhopal in the state of Madhya Pradesh and the hotel is equipped with all modern facilities and safety equipments coupled with requisite authority in the CEO and the head of operation of hotel in conformity with the risk associated with the hospitality industry and is confident to avert any potential or probability of any kind of risk associated with the hospitality industry.

##### Proceeds from Public Issue:

The Company has not come out with any public issue after its IPO and therefore it has nothing to report with respect to use of the proceeds of public issues.

##### Remuneration to Directors:

During the period under report, there have been no material transactions with the Non-executive Directors vis-à-vis the Company. Besides, except payment of remuneration to the Managing Director of the Company and payment of sitting fee and reimbursement of actual expenses incurred in connection with participation meetings, nothing is paid to the Non- Executive Directors of the Company.

Three of the Directors of the Company namely Mr. S. Shankar Narayanan, Mr. Abdul Tahir, and Mr. Rajendra Malpani hold 2000 and 50,000 and 5007 equity shares of the Company respectively as at the date of this report.

##### Management:

The Management Discussion and Analysis Report prepared in accordance with the requirement of clause 49 of the Listing agreement has been prepared and forms part of this Annual Report.

Besides, during the period under report no material transactions have been entered into by the Company with its Promoters, Directors or with their relatives or the management that may have a potential conflict with interests of the Company.

##### General body meeting:

The relevant statistics with respect to the immediately preceding three Annual General Meeting of the Company is given hereunder which were attended by majority of the Directors of the Company:

Sl.No.	Location	Date	Venue of the meeting
01	City of Bhopal	30th Sept., 2010	Reliable House, A-6, Koh-e-fiza, Indore Road, Bhopal, Madhya Pradesh
01	City of Bhopal	29th Sept., 2009	Reliable House, A-6, Koh-e-fiza, Indore Road, Bhopal, Madhya Pradesh
02	City of Bhopal	26 <sup>th</sup> Sept., 2008	Reliable House, A-6, Koh-e-fiza, Indore Road, Bhopal, Madhya Pradesh.

During the period under report your Company did not pass any special resolutions by use of Postal Ballot and that during the immediately preceding three years too no such business was transacted by use of the said mode of ballot.

##### Means of Communication:

The quarterly, half yearly and yearly financial results of the Company are sent to Stock Exchanges immediately after these are approved by the Board approves. Effective from April, 2011 these documents are also being placed on the website of the Company in the name and style of [www.noorussabahplace.co.in](http://www.noorussabahplace.co.in). These are published in the local and national dailies and that the code of conduct for the Board Members and Senior Managerial Personnel is available on the website of the company. The shares of the company are listed on Mumbai, & Delhi Stock Exchanges and mostly the format prescribed by the Mumbai Exchange are observed

##### CFO CERTIFICATION:

In term of clause 49, the requisite certification has been made and the certificate duly signed by the CFO and the Managing Director of the Company is annexed to this report.

##### REPORT ON CORPORATE GOVERNANCE:

A separate Section on Corporate Governance forms part of this Annual Report and a Certificate from the Statutory Auditors containing conformation to the effect that the company is a compliant company as regard the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement is attached to and forms part of this report.

##### Compliance Officer and status of complaints:

The Secretary of the Company, who is also compliance officer of the Company, functions as coordinator for all the meetings of the committees and the matters relating to shareholders. The Committee ensures that all the matters relating to the shareholders are taken

## RELIABLE VENTURES INDIA LIMITED

care of promptly and your directors are pleased to inform you that the Company did not receive any complaints from shareholders whatsoever and no complaint is pending for disposal with the company and, similarly, no case of share transfer is pending with the aforesaid Registrar & Share Transfer Agents of the Company. With a view to ensure that grievances of the stakeholders are considered and redressed expeditiously, very recently, the Registrar and Transfer Agents have been authorized to take care on line of the Complaints aspects of the Company directly under intimation to the Company.

### Whistle blower policy :

Although no formal Whistle Blower policy has been formulated and enforced, as a matter of practice no personnel is denied access to the Audit Committee.

### General Shareholders Information:

**Date of AGM** : 30th Sept., 2011  
**Financial Year** : 2010-11  
**Book Closure date** : 28th Sept. 2011 to 30th Sept., 2011 both the days inclusive  
**Dividend payment** : Not applicable

### Listing on Stock Exchanges and Security codes :

The Equity shares of the company continue to remain listed with Bombay Stock Exchange Ltd. and that no listing fee payment is outstanding. The stock code assigned by Mumbai exchange to the security of the company is 532124.

### DELISTING FROM REGIONAL STOCK EXCHANGES

In view of the availability of nation-wide trading terminal with BSE and non-availability of any value added services from the MPSE and DSE coupled with the fact that almost whole of the trading volume of equity shares of the company for the entire listing period has been on Bombay Stock Exchange only, on applications being made to MPSE and DSE, the equity shares of the company have already been got de-listed from the regional stock exchange namely Madhya Pradesh Stock Exchange

### Market Price date-high-low during each month of Financial Year:

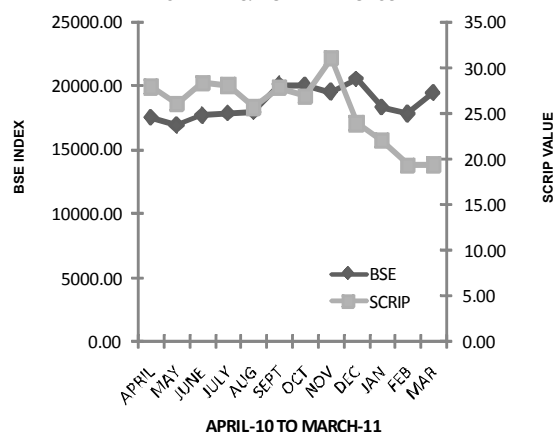
During the period under report, the equity shares of the company were traded only on BSE. The market price date-high-low price statistics prevailed during the financial year under report is tabulated hereunder:

Months Year	High Rupees	Low Rupees	Close Rupees	Average. and Volume in Nos.
Apr-10	27.85	22.10	26.80	54215
May-10	26.00	19.00	21.50	30645
June-10	28.30	19.70	23.00	85178
July-010	28.00	21.20	22.80	60255
Aug-10	25.60	21.00	23.50	72457
Sept.010	27.75	21.20	23.55	190754
Oct.-10	26.85	22.05	24.00	74368
Nov.-10	30.95	21.00	22.55	520110
Dec-10	23.90	17.95	19.35	226862
Jan-11	22.00	16.00	18.70	590069
Feb-11	19.35	14.40	16.35	22129
March-11	19.40	14.80	17.80	298451

### Performance of company to broad based indices.

The performance of the Company as compared to BSE broad based indices is exhibited hereunder:

RELIABLE VENTURES INDIA LTD. 532124  
BSE INDEX & MOVEMENT OF SCRIP



The company has not so far gone for ADRs and GDRs issues and therefore it has nothing to report in respect thereof.

### Plant unit Location:

The Company is operating a hotel undertaking known as Noor-US-Sabah Palace, located at VIP Road, Koh-e-fiza, in the lake city of Bhopal, in the State of Madhya Pradesh. (India)

### Address for Correspondence:

Reliable Ventures India Limited,  
Registered Office,  
6-A, Koh-e-Fiza,  
Indore, Road,  
Bhopal, M.P. 462 001

### AUDITORS' REPORT:

The notes on accounts referred to in the Auditors' Report dated 25th day of August, 2011, appended hereto read with the Management Discussion and Analysis and other disclosures made /brought out herein above are almost self-explanatory and, therefore, generally do not require any further or supplemental comments from your Directors.

### ACKNOWLEDGEMENTS:

Your Directors place on record their grateful and sincere thanks for excellent support and co-operation your company received from the Ministry of Tourism, Govt. of India and Department of Tourism of Govt. of Madhya Pradesh, banks and other government bodies and we look forward to their continued support and patronage in future. Your Directors wish to record their appreciation of the excellent efforts put in by the executives and staff at all levels which culminated into creation of better financial and operational performance record for the company and hope that this trend would be kept even during the ensuing years.

FOR & ON BEHALF OF THE BOARD

Sd/-  
SIKANDAR HAFIZ KHAN  
CHAIRMAN & MG. DIRECTOR

Bhopal:  
Date: 25th Aug., 2011

**DECLARATION**

In term of the requirements stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, it is hereby declared that all the Members of the Board of Directors and senior Management Personnel of the Company have affirmed that there has been due compliance with Code of Conduct for the financial year ended 31<sup>st</sup> March, 2011

Place : Bhopal  
Date : 25th Aug., 2011

Sd/  
SIKANDAR HAFIZ KHAN  
Chairman & Mg. Director

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members  
Reliable ventures (India) Limited  
BHOPAL (M.P)

We have examined the compliance of conditions of Corporate Governance by the Reliable ventures (India) Limited for the year ended 31.03.2011 as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchanges.

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 the 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.

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 above mentioned listing agreement.

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 MA K & ASSOCIATES,  
Chartered Accountants,

Sd/-  
Place : Bhopal  
Date : 25th Aug., 2011

Sd/-  
C.A. Santosh Kumar Sharma  
Partner  
Membership No. 077735

**CFO CERIFICATION IN TERMS OF SUB -CLAUSE VIII OF CLAUSE 49 OF THE LISTING AGREEMENT**

Pursuant to the above, we the undersigned officers of M/s Reliable Ventures India Limited, Bhopal- in connection to the Financial Year 2010-11- do hereby certify that;

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of their 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 and that
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company or the company's code of conduct
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they 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, if any,
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements
  - (iii) Instances of significant fraud, of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting

Sd/-  
(JAYA MENON)  
Manager Accounts/ Finance

Sd/-  
(SIKANDAR HAFIZ KHAN)  
Chairman & Managing Director

Place : Bhopal  
Date : 25th Aug., 2011

ANNEXURE "A"  
PART – I  
LIST OF RELATED PARTY AND NATURE OF RELATIONSHIP

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LIST OF PARTIES

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NAME OF PERSON	NAME OF CONCERN / PARTY	NATURE OF RELATIONSHIP
Mr. SIKANDAR HAFIZ KHAN	Reliable Tours & Travels (India) Pvt. Ltd.	Director & Shareholder
	Reliable Smartcity Limited	Director & Shareholder
	Elegance Infratech Pvt. Ltd.	Director & Shareholder
	Reliable Consumer Products Pvt. Ltd.	Director & Shareholder
	Rehbar Holdings And Finance Pvt. Ltd.	Director & Shareholder
	Noor-Us-Sabah Housing Projects Pvt. Ltd.	Director & Shareholder
	Ltd.Reliable Dairy & Farm Products Pvt. Ltd. SHK & Co.	Director & Shareholder Proprietor
Mr. S. SHANKAR NARAYANAN	Reliable Tours & Travels (India) Pvt. Ltd.	Director & Shareholder
	Reliable Smartcity Limited	Director & Shareholder
	Reliable Cig & Tobacco Inds. Pvt. Ltd.	Director & Shareholder
	Reliable Consumer Products Pvt. Ltd.	Director & Shareholder
	Reliable Multimedia And Enterprises Pvt. Ltd.	Director & Shareholder
Mr. FARHAN SIKANDAR KHAN	Reliable Carriers Pvt Ltd.	Director & Shareholder
	Reliable Smartcity Limited	Director & Shareholder
	Elegance Infratech Pvt Ltd.	Director & Shareholder
	Rehbar Holdings And Finance Pvt. Ltd.	Director & Shareholder
	Noor-Us-Sabah Housing Projects Pvt. Ltd.	Director & Shareholder
	Ltd.Reliable Dairy & Farm Products Pvt Ltd.	Director & Shareholder
Mr. RAJENDRA MALPANI	Reliable Carriers Pvt Ltd.	Director & Shareholder
	Noor-Us-Sabah Housing Projects Pvt. Ltd.	Director & Shareholder
	Reliable Dairy & Farm Products Pvt Ltd.	Director & Shareholder

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**ANNEXURE "A"**  
**PART - II**  
**TRANSACTIONS WITH RELATED PARTIES**

Sr No.	NAME OF THE COMPANY / PERSON	NAME OF THE INTRESTED DIRECTOR	NATURE OF THE TRANSACTION	OPENING BALANCE	GOODS/ SERVICES TAKEN DURING THE YEAR	GOODS/ SERVICES GIVEN DURING THE YEAR	PAYMENT MADE DURING THE YEAR	PAYMENT MADE DURING THE YEAR	CLOSING BALANCE
1	RELIABLE INDUSTRIAL VENTURES LTD. Formally known as (WESTERN TOBACCO PVT. LTD.)	S. SHANKAR NARAYANAN	LOAN TAKEN	2,71,86,847.40 Cr.	0.00	0.00	0.00	61,19,638.00	2,10,67,209.40 Cr
2	RELIABLE CIG. & TOB. IND. PVT. LTD.	S. SHANKAR NARAYANAN	LOAN TAKEN	1,96,604.06 Cr.	0.00	0.00	0.00	1,96,604.06 Cr.	0.00
3	BOMBAY STORES PVT. LTD.	MOHAMAD HAFIZ KHAN	PROVISION OF GOODS & LOAN TAKEN	6093.29 Cr. 8,59,670.00 Cr.	143383.96	NIL NIL	NIL NIL	1,42,920.00 0.00	6557.25 Cr 859670.00 Cr
4	RELIABLE CONSUMER PRODUCTS PVT. LTD. Formally known as (PRIMERIDIAN INTERNATONAL PVT.LTD.)	1. SIKANDAR HAFIZ KHAN 2. S. SHANKAR NARAYANAN	LOAN TAKEN	20,75,787.00 Cr.	NIL	NIL	NIL	20,75,000.00	787.00 Cr
5	RELIABLE TOURS & TRAVELS (INDIA) PVT. LTD. (Formerly KNOWN AS MIDLAND TRAVELS PVT. LTD.)	1. SIKANDAR HAFIZ KHAN 2. S. SHANKAR NARAYANAN	HIRE & Commission Ticket	476219.00 Cr. 88,322.00 Dr.	9,55,201.00 2,18,662.00	NIL	NIL	11,72,694.00 10810.00	2,58,726.00 Cr. 119530.00 Cr.
6	RELIABLE SMART CITY LTD. Formally known as (RELIABLE smart city PVT LTD.)	1. SIKANDAR HAFIZ KHAN 2. S. SHANKAR NARAYANAN 3. FARHAN SIKANDAR KHAN	LOAN TAKEN	8,30,362.10 Cr.	NIL	NIL	NIL	830362.00	0.10 Cr.
7	RELIABLE MULTIMEDIA AND ENTERPRISES PVT. LTD.	S. SHANKAR NARAYANAN	ADVERTISEMENT & PUBLICITY GOODS/SERVICES GIVEN DURING	74144.00 Cr.	1,19,482.00 NIL	NIL 0.00	NIL NIL	1,93,626.00 NIL	0.00
8	ELEGANCE INFRA TECHPRIVATE LIMITED (FORMALLY KNOWN AS NOOR US SABAHHOTELS AND PROP PVT.LTD.)	1. SIKANDAR HAFIZ KHAN 2. FARHAN SIKANDAR KHAN	LEASE RENT	72000.00	72,000.00	NIL	NIL	144000.00	0.00
9	RELIABLE CARRIER PVT.LTD.	1. FARHAN SIKANDAR KHAN	Loan Taken GOODS/SERVICES GIVEN DURING	62,13,572.71 Cr. 18,977.00	NIL NIL	NIL NIL	NIL NIL	5,80,000.00 18,977.00	5633572.71 Cr. 0.00
10	SHK & Co.	SIKANDAR HAFIZ KHAN	Parking Rent Water Supply	72,000.00 Cr 25440.68	72,000.00 63,120.00	0.00	0.00	0.00 86,880.00	72,000.00 Cr 1680.76 Cr.
11	KALEEM ULLAH KHAN	KALEEM ULLAH KHAN S/o SIKANDAR HAFIZ KHAN	Loan Taken	25,00,000.00 Cr	0.00	0.00	0.00	0.00	25,00,000.00 Cr
12	RELIABLE DAIRY FARM & PRODUCTS PVT. LTD.	1. SIKANDAR HAFIZ KHAN 2. FARHAN SIKANDAR KHAN 3. RAJENDARA MALPANI	GOODS/SERVICES GIVEN DURING	1,40,565.27 Cr.	41,09,119.55	0.00	0.00	41,30,442.00	1,19,242.82 Cr.
13	REHBAR HOLDING & FIN PVT. LTD.	SIKANDAR HAFIZ KHAN	Loan Taken	4,75,70,529.15 Cr.				10,00,000.00	4,65,70,529.15

## RELIABLE VENTURES INDIA LIMITED

### M A K & ASSOCIATES

#### Chartered Accountants

Chaturvedi Mansion, 3<sup>rd</sup>, Floor, 26/4, Old Palasia,  
Opp. Bank of Baroda, A.B. Road, INDORE – 452018 (M.P)  
Tel: 0731- 2561790, 2561791 Fax: 0731-2562590  
E-mail: maknassociates@rediffmail.com

### AUDITOR'S REPORT

To

The Members

RELIABLE VENTURES INDIA LIMITED

We have audited the attached Balance Sheet of **RELIABLE VENTURES INDIA LIMITED (Formerly known as LAKELAND HOTELS LIMITED)** as at 31<sup>st</sup> March 2011 and also the annexed Profit and Loss Account and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the 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 the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report Amendment) Order, 2004, issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
3. Further to our comments in the Annexure referred to above, we report that:
  - (i) 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;
  - (ii) 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 of the company;
  - (iii) The Balance sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
  - (iv) In our opinion the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (v) Based on the written representations made by the Directors of the Company, taken on record by the Board of Directors and as per the information and explanations given to us, we report that none of the Directors is, as at 31<sup>st</sup> March, 2011, disqualified from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - (vi) The company is not required to make any payment of cess as no notification has been issued by the Central Government specifying the rate for levy of cess under Section 441 A of the Companies Act, 1956, till 31<sup>st</sup> March, 2011.
  - (vii) In our opinion and to the best of our information and according to the explanations given to us, the said account, read in

conjunction with schedule 1 to 17, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view **subject to notes on accounts annexed herewith** in conformity with the accounting principles generally accepted in India:

- (a) In the case of Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2011;
- (b) In the case of the Profit and Loss account, of the Profit for the year ended on that date; and
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For M A K & ASSOCIATES  
Chartered Accountants

Sd/-

Place : Bhopal  
Date : Aug 25, 2011

C.A. Santosh Kumar Sharma  
Partner  
Membership No. 077735

### ANNEXURE TO THE AUDITORS' REPORT

**STATEMENT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF RELIABLE VENTURES INDIA LIMITED (Formerly known as LAKELAND HOTELS LIMITED) ON THE ACCOUNTS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH 2011.**

1. **In respect of Fixed Assets:**
  - a. Fixed Assets Register has been showing particulars, quantitative details and situation of main fixed assets.
  - b. The management has, as informed to us, physically verified the substantial portion of the fixed assets during the year and no material discrepancies were noticed on such verification.
  - c. No substantial portion of fixed assets, is disposed off during the year.
2. **In respect of Inventories:**
  - a. As per information/explanations given to us the stock of stores, operating supplies, foods & beverages etc., have been physically and periodically verified by the management during the year and, in our opinion, the frequency of verification is reasonable.
  - b. In our opinion the procedures of physical verification of stocks of stores, operating supplies, foods & beverages etc., followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. **LOANS AND ADVANCES:**

In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained U/s 301 of the Companies Act, 1956?

  - a. The company has not granted unsecured loan to any companies, firms or other parties covered in the register maintained U/s. 301 of the Companies Act, 1956.
  - b. The company has taken interest free unsecured loans from 11 parties. Aggregated outstanding at the year-end amounted to Rs.918.12 lakhs.
  - c. In our opinion and according to the information and explanations given to us, the terms and conditions of such loans, taken by the company, are not prima facie prejudicial to the interest of the company.



- d. As per information and explanation given to us, the principal amounts of such loans are repayable on demand.
- e. As the above loans are repayable on demand, the question of overdue amounts does not arise.
- 4. INTERNAL CONTROLS:**  
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 nature of its business for the purchase of inventories, fixed assets and sale of services / goods. Further, during the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5. TRANSACTION WITH PARTIES UNDER SECTION 301 OF THE COMPANIES ACT 1956:**  
Based on the audit procedures applied by us and according to the information explanation given to us, there are no contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under that section, hence clause V (b) of the order is not applicable.
- 6. FIXED DEPOSITS:**  
In our opinion and according to information and explanations given to us, during the year under report, the company has not accepted any deposit as defined Under Section 58A and 58AA of the Companies Act, 1956 and rules framed there under.
- 7. INTERNAL AUDIT:**  
The company has an internal audit system, which requires a little enforcement looking to the scope, coverage, size and the nature of its business.
- 8. COST RECORDS:**  
As the company is in service industry therefore question of maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, does not arise.
- 8. STATUTORY DUES:**  
According to the information and explanations given to us in respect of statutory dues:
- a. According to the records of the company, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom and Excise Duty, Cess etc have been generally regularly deposited with the appropriate authorities. As on the last day of the financial year no dues is outstanding more then 6 month from the date they become payable.
- b. According to information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- 10. POTENTIALLY SICK COMPANY:**  
No accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered under audit and in the financial year immediately preceding the current financial year.
- 11. REPAYMENT OF DUES:**  
According to the records of the company and according to the information and explanations provided to us, the company has no secured loans from any Bank & financial institution as at the Balance Sheet date.
- 12. LOANS & ADVANCES GRANTED ON THE BASIS OF SECURITIES:**  
According to the records of the company and according to the information and explanations provided to us, the company has not granted loans and advances on basis of security by way of pledge of shares, debentures & other securities.
- 13. CHIT FUND/NIDHI/MUTUAL BENEFIT SOCIETY:**  
According to the information and explanations provided to us, the provisions of any special statute applicable to chit funds, Nidhi or mutual benefits society does not apply to the company.
- 14. INVESTMENT COMPANY:**  
According to information & explanations given to us the company is not dealing or trading in shares, securities, for which recording of the transaction etc have been made.
- 15. GUARANTEES GIVEN:**
- i) Company has given a guarantee amounting to Rs. 80.00 lacs to the ING Vysya Bank for loan taken by the Reliable Dairy Farm & Products Pvt. Ltd. (An associated Concern of the Company)
- ii) Based upon the audit procedure performed & on the basis of information and explanation given to us the company has not given guarantee for Loans taken by others from banks or financial institutions except as mentioned above.
- 16. TERM LOANS:**  
On the basis of the records examined by us and relying on the information compiled by the company for co-relating the funds raised to the end use of term loans, we have to state that, the company has not obtained any term loan during the year under review.
- 17. SOURCES AND APPLICATION OF FUNDS:**  
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 the purpose of long-term investment and no long-term funds have been used to finance short-term assets.
- 18. PREFERENTIAL ALLOTMENT:**  
During the year under review Company has not made any preferential allotment of shares. **to parties and companies covered in registered maintained under section 301 of the Act.**
- 19. DEBENTURE:**  
The company has not issued any debenture during the year.
- 20. PUBLIC ISSUE:**  
The company has not raised any money through a public issue during the year.
- 21. FRAUD:**  
In our opinion and according to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statement to be materially misstated.

For M A K & ASSOCIATES  
Chartered Accountants

Sd/-

Place : Bhopal  
Date : Aug 25, 2011

C.A. Santosh Kumar Sharma  
Partner  
Membership No. 077735





**SCHEDULE FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT****SCHEDULE-1****SHARE CAPITAL**

<b>PARTICULARS</b>	<b>March 31, 2011</b>	<b>March 31, 2010</b>
<b>AUTHORISED CAPITAL</b>		
2,50,00,000 Equity Shares of Rupees 10/- each (Previously 2,50,00,000 Equity shares of Rs. 10/- each)	250,000,000.00	250,000,000.00
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>		
1,10,12,900 Equity Shares of Rupees 10/- each (Pre. Year 1,10,12,900 Eq. Share of Rs. 10/- each)	110,129,000.00	110,129,000.00
<b>TOTAL</b>	<b>110,129,000.00</b>	<b>110,129,000.00</b>

**SCHEDULE-2****RESERVE & SURPLUS**

<b>PARTICULARS</b>	<b>March 31, 2011</b>	<b>March 31, 2010</b>
Capital reserve	2,466,000.00	2,466,000.00
Security Premium	9,690,000.00	9,690,000.00
Profit & loss Account	43,841,528.40	26,391,476.24
<b>TOTAL</b>	<b>55,997,528.40</b>	<b>38,547,476.24</b>

**SCHEDULE-3****UNSECURED LOANS**

<b>PARTICULARS</b>	<b>March 31, 2011</b>	<b>March 31, 2010</b>
From Directors & Shareholders	2,500,000.00	2,500,000.00
From Bodies Corporate ( Please refer Note No. 6 of Schedule- 18)	89,311,768.36	92,829,124.42
<b>TOTAL</b>	<b>91,811,768.36</b>	<b>95,329,124.42</b>

**SCHEDULE -4****FIXED ASSETS**

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	AS ON 01.04.2010	ADDITIONS	DEDUCTIONS	AS ON 31.03.2011	AS ON 01.04.2010	FOR THE YEAR	DEDUCTION	AS ON 31.03.2011	AS ON 31.03.2011	AS ON 31.03.2010
LEASEHOLD BUILDING & INTERIOR	15,000,000.00	-		15,000,000.00	-	-		-	15,000,000.00	15,000,000.00
LEASEHOLD LAND	5,000,000.00	-		5,000,000.00	-	-		-	5,000,000.00	5,000,000.00
BUILDING	143,781,015.85	8,924,177.00		152,705,192.85	19,802,076.14	2,415,796.54		22,217,872.68	130,487,320.17	123,978,939.71
SANITARY INSTALLATION	2,041,206.13	84,820.00		2,126,026.13	303,038.37	33,987.56		337,025.93	1,789,000.20	1,738,167.76
PLANT & MACHINERY	73,019,908.59	4,149,643.09		77,169,551.68	25,780,959.21	3,564,606.76		29,345,565.99	47,823,985.69	47,238,949.38
FURNITURE & FIXTURES	31,213,602.53	1,325,400.27		32,539,002.80	20,024,274.65	3,034,827.92		23,059,102.57	9,479,900.23	11,189,327.88
COMPUTER	3,862,000.00	53,840.00		3,915,840.00	3,812,259.71	106,919.13		3,919,178.84	(3,338.84)	49,740.29
VEHICLE	9,611,519.00	948,653.00	848,589.00	9,711,583.00	1,514,315.33	894,777.84	523,141.18	1,885,951.99	7,825,631.01	8,097,203.67
<b>Total</b>	<b>283,529,252.10</b>	<b>15,486,533.36</b>	<b>848,589.00</b>	<b>298,167,196.46</b>	<b>71,236,923.41</b>	<b>10,050,915.78</b>	<b>523,141.18</b>	<b>80,764,698.01</b>	<b>217,402,498.45</b>	<b>212,292,328.69</b>
<b>Previous Year</b>	<b>270,338,361.27</b>	<b>15,411,774.30</b>	<b>2220883.47</b>	<b>283,529,252.10</b>	<b>62,051,416.85</b>	<b>9,397,523.57</b>	<b>212,017.01</b>	<b>71,236,923.41</b>	<b>212,292,328.69</b>	<b>208,286,944.43</b>

**SCHEDULE FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT****SCHEDULE-5****INVENTORIES**

(As valued &amp; Certified by management at cost)

<b>PARTICULARS</b>	<b>March 31, 2011</b>	<b>March 31, 2010</b>
Beverages	27,512.43	33,287.37
Crockery & Cutlery	2,374,308.68	2,033,218.35
Engineering & Maintenance Store	72,746.72	73,712.29
Food & Grossory	1,509,349.96	655,091.06
House Keeping Store	1,620,519.77	1,292,071.89
Printing & Stationery	177,398.11	137,897.91
LDO/ Fire Wood	735,004.50	392,748.00
Cosmetics etc.	941,875.92	-
<b>TOTAL</b>	<b>7,458,716.09</b>	<b>4,618,026.87</b>

**SCHEDULE-6****SUNDRY DEBTORS****PARTICULARS**

<b>PARTICULARS</b>	<b>March 31, 2011</b>	<b>March 31, 2010</b>
Less than Six Months	5,985,829.43	5,583,958.21
More than Six Months	298,312.06	144,745.51
<b>TOTAL</b>	<b>6,284,141.49</b>	<b>5,728,703.72</b>

**Note : Guest balance Rs 582801.15 included in debtors****SCHEDULE-7****CASH & BANK BALANCES****PARTICULARS**

<b>PARTICULARS</b>	<b>March 31, 2011</b>	<b>March 31, 2010</b>
Cash in hand	1,994,484.49	2,185,709.34
<b>Cash at Bank with Scheduled Banks:</b>		
In Current Accounts	7,661,134.91	10,030,547.72
In Fixed Deposits	17,753,224.06	12,280,337.06
In Margin Money	163,175.00	163,175.00
<b>TOTAL</b>	<b>27,572,018.46</b>	<b>24,659,769.12</b>

**SCHEDULE-8****LOANS & ADVANCES**

(Unsecured/unconfirmed &amp; Considered good)

**PARTICULARS**

<b>PARTICULARS</b>	<b>March 31, 2011</b>	<b>March 31, 2010</b>
Sundry Deposits	1,548,312.00	1,410,312.00
Advance recoverable in cash or in kind or for value to be recd.	28,205,742.31	15,758,026.49
<b>TOTAL</b>	<b>29,754,054.31</b>	<b>17,168,338.49</b>

**SCHEDULE-9****CURRENT LIABILITIES & PROVISION****PARTICULARS**

<b>PARTICULARS</b>	<b>March 31, 2011</b>	<b>March 31, 2010</b>
<b>CURRENT LIABILITIES :</b>		
Sundry Creditors		
- For Supplies & Expenses	7,777,944.35	7,343,736.27
Other liabilities	5,796,412.66	4,248,471.73
<b>PROVISIONS :</b>		
Corporate Tax A. Y. 2011-12	5,033,158.00	-
Corporate Tax A. Y. 2010-11	4,148,302.00	4,148,302.00
<b>TOTAL</b>	<b>22,755,817.01</b>	<b>15,740,510.00</b>

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**SCHEDULE FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT**
**SCHEDULE-10****INCOME FROM GUEST ACCOMODATION, RESTAURANT, BAR & BANQUETS ETC.**

<b>PARTICULARS</b>	<b>March 31, 2011</b>	<b>March 31, 2010</b>
Rooms Tariff	56,829,696.08	50,958,553.68
Foods & Beverages	46,122,573.65	59,769,475.01
Other Services- Includes Income from Telephone & Telax Rs. .15 Lacs (Previous year .93 Lacs)	27,588,985.99	2,949,710.63
<b>TOTAL</b>	<b>130,541,255.72</b>	<b>113,677,739.32</b>

**SCHEDULE-11****OTHER INCOME**

<b>PARTICULARS</b>	<b>March 31, 2011</b>	<b>March 31, 2010</b>
Interest received from Banks	885,798.21	1,058,956.75
Misc. Income	1,239,862.60	943,369.59
Miscellaneous Balances written off	261,076.65	(167,020.40)
<b>TOTAL</b>	<b>2386737.46</b>	<b>1,835,305.94</b>

**SCHEDULE-12****CONSUMPTION OF PROVISION & STORES  
(CONSUMPTION OF FOOD & BEVERAGES ITEMS)**

<b>PARTICULARS</b>	<b>March 31, 2011</b>	<b>March 31, 2010</b>
Opening Stock	688,378.43	504,263.48
Add : Purchase	17,870,795.22	19,119,900.37
	<b>18,559,173.65</b>	<b>19,624,163.85</b>
Less : Closing Stock	1,536,862.39	688,378.43
<b>Consumption During the year</b>	<b>17,022,311.26</b>	<b>18,935,785.42</b>

**SCHEDULE-13****EMPLOYEES REMUNERATION & WELFARE EXPENSES**

<b>PARTICULARS</b>	<b>March 31, 2011</b>	<b>March 31, 2010</b>
Salaries, Wages and other benefits	17,977,668.00	15,458,456.00
Provident Fund and ESI	1,857,541.10	1,677,238.60
Staff Welfare	3,714,451.45	2,206,269.94
<b>TOTAL</b>	<b>23,549,660.55</b>	<b>19,341,964.54</b>

## SCHEDULE FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

### SCHEDULE-14

#### UPKEEP & SERVICE COST

PARTICULARS	March 31, 2011	March 31, 2010
Uniforms, Linen & Operating Supplies	3,987,897.78	2,499,975.49
Crockery & Cutlery	428,265.43	650,750.20
Washing & Laundry Expenses	559,122.32	540,726.43
Power, Fuel & Gas	9,356,148.53	7,403,551.00
Repairs & Maintenance	6,365,205.13	4,542,020.96
Musical Service Expenses	185,331.00	698,051.00
Bought Out Services ,Banquet & Kitchen Exp.	6,232,424.00	4,329,103.00
Other Expenses	624,954.00	534,037.08
<b>TOTAL</b>	<b>27,739,348.19</b>	<b>21,198,215.16</b>

### SCHEDULE-15

#### ADMINISTRATIVE, SELLING & OTHER EXPENSES

PARTICULARS	March 31, 2011	March 31, 2010
Lease Rent	72,000.00	72,000.00
Electricity & Water Charges	6,972,882.00	5,929,140.00
Rates & Taxes	888,829.76	598,990.00
Fees & Subscription	5,838,802.00	4,181,680.00
Travelling & Conveyance	1,027,966.00	785,240.00
Insurance	369,445.00	355,457.00
Postage, Telephone & Telex	837,582.00	727,099.00
Discount & Commission	2,714,393.35	3,076,830.82
Advertising Publicity & Other Promotional Exp.	4,382,727.00	1,887,178.00
Auditors Remuneration	82,725.00	82,725.00
Other Expenses	1,858,591.45	1,627,408.89
Printing and Stationery	880,591.90	832,662.29
Legal & Professional Exp.	541,049.00	459,858.00
Director's Sitting Fees	42,500.00	15,000.00
Director's Remuneration	2,479,000.00	1,404,000.00
Donation	22,000.00	25,000.00
Parking Rent	72,000.00	72,000.00
Loss on sale of assets	188,447.82	25,366.47
<b>TOTAL</b>	<b>29,271,532.28</b>	<b>22,157,635.47</b>

### SCHEDULE-16

#### INTEREST & FINANCIAL CHARGES

PARTICULARS	March 31, 2011	March 31, 2010
Interest on Others Loans	189,703.00	17,693.00
Bank Commission & Charges	28,468.32	55,273.53
<b>TOTAL</b>	<b>218,171.32</b>	<b>72,966.53</b>

## SCHEDULE FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

### SCHEDULE 17

#### SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

##### (A) SIGNIFICANT ACCOUNTING POLICIES

###### BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

###### ACCOUNTING CONVENTION AND REVENUE RECOGNITION:

The financial statements have been prepared in accordance with Historical Cost Convention. Both Income and Expenditure items are recognized generally on Accrual basis.

The Income from Rooms, Food & Beverages and allied services has been accounted for net of taxes, if any.

###### FIXED ASSETS:

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, modifications, improvements and renewals are capitalized and expenditure for maintenance and repairs are charged to the profit and loss account. When assets are sold or discarded, their cost and accumulated depreciation are removed from the accounts and any gain or loss resulting from their disposal is included in the profit and loss account.

As the lease tenure is for a long period and the whole project of the company is based on the subjected Land, Building & Interior, amount of refundable deposit against leasehold Land, Building & Interior has been taken in Fixed Assets on the basis of going concern concept.

###### DEPRECIATION:

- a. Deposit on leasehold Land, Building & Interior are not amortized or depreciated over period of lease because the deposit is refundable at the expiry of lease of 30 years, subject to renewal.
- b. Depreciation on other fixed assets is provided using the straight line method at the rates specified in Schedule XIV to the Companies Act, 1956 (as amended)

###### INVENTORIES:

Inventories of Foods, Beverages, Crockery & Cutlery, and Engineering & Maintenance, House keeping and Stationary items are valued at cost whereas Crockery & Cutlery, House Keeping items in circulation are valued at net estimated value. Residuals (wastage) are valued at net realizable value.

###### MISCELLANEOUS EXPENDITURE:

Miscellaneous Expenditure consisting of Preliminary, public issue and deferred revenue expenses are written off evenly over a stipulated period from the date of commencement of commercial operations.

###### TAXES ON INCOME:

###### (a) Current Tax:

Provision for income tax amounting to Rs. 50.33 lacs (current tax) is made in the current year, in view of the "book profit" as envisaged in section 115 JB of the Income Tax Act, 1961.

###### (b) Deferred Tax:

A provision is made for deferred tax of all timing differences arising between taxable incomes and accounting income at currently enacted tax rates (without surcharge and education cess applicable thereon). Deferred Tax Assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

###### SUNDRY DEBTORS/CREDITORS:

Sundry debtors/creditors are stated at net of Misc. balances written off, which are not realizable / payable as per management opinion.

###### RETIREMENT BENEFITS:

Contribution to defined contribution schemes such as Provident Fund and Employees State Insurance and Employees Group Gratuity Scheme etc. are charged to the Profit and Loss account as incurred, pre-coverage payment under group gratuity scheme shall be accounted for on cash basis.

###### FOREIGN CURRENCY TRANSACTIONS:

Foreign currency transactions arising during the year are recorded at the exchange rate prevailing at the date of transaction. Exchange Fluctuations arising on payment or realization are dealt with in the Profit & Loss account.



**(B) NOTES TO THE ACCOUNTS:**

## 1. CONTINGENT LIABILITIES

The company is contingently liable for:

S.No	Particulars	As at 31.03.2011	As at 31.03.2010
1.	Guarantee issued by bank on behalf of the company	1,63,175/-	1,63,175/-
2.	Guarantee given by the company to ING Vysya Bank for loan taken by the Reliable Dairy Farm & Products P. Ltd.	80,00,000/-	NIL

2. Some of the customers & suppliers accounts are subject to confirmation / reconciliation, which is in progress.
3. Prior period Adjustment account aggregating to Rs. 26,481.00 (net Debit) (previous year Rs. 1,51,755.00, Net Credit) consisting of previous years expenses.
4. The company extends the benefits of the encashment of leave to its employees at the option of the employee and is accounted for as and when claimed and have not been provided for.
5. Out of the total creditors, amount due to Small Scale Industries, cannot be segregated pursuant to the notification issued by the Department of Company Affairs, as none of the creditors have provided the information about their status.
6. Unsecured loans of a sum of Rs. 8,93,11,768.36 (Previous year Rs.28,29,124.42) are due to companies in which some of the directors are interested as director and/or shareholders, maximum outstanding amount during the year is Rs. 10,53,29,124.42 (Previous year Rs. 10,70,74,889.25)
7. In the opinion of the Directors, current assets, loans & advances have the value at which they are stated in the Balance Sheet if realized in the ordinary course of business.
8. As the turnover of the company includes sale of Rooms, Foods & Beverages etc., it is not possible to give quantity wise details of the turnover and of Food & Beverages consumed.
9. All raw materials, provisions & beverages consumed are indigenous.
10. Value of Imports (calculated on CIF bases) in respect of:

	2010-11	2009-10
Provision Stores	NIL	NIL
Capital Goods	NIL	NIL
	2010-11	2009-10

11. Earning in Foreign currency Rs.53, 13,527.00 Rs. 53,08,829.00
12. Company has 29 non-resident shareholders holding 1005375 equity shares of Rupees 10/- each, which are allotted under 40 folios. The company has not declared any dividend (Previous year – 28 Non Resident Shareholders holding 1004800 equity shares of Rs 10/- each which were allotted under 43 folios).

**13. Net Deferred Tax Assets / (Liabilities )**

Particulars	Upto 31.3.2010	(Charged)/Credited in P&L account for current year.	Closing As on 31.03.2011
<b>A) Deferred Tax Assets:</b>			
Unabsorbed losses under I.T. Act.	24685082.10	(6174817.93)	18510264.17
Other timing differences	0.00	56534.35	56534.35
<b>Total (A)</b>	<b>24685082.10</b>	<b>(6118283.58)</b>	<b>18566798.52</b>
<b>B) Deferred Tax Liabilities:</b>			
Depreciation differences	28046902.13	1522749.43	29569651.56
Other timing differences/ (Reversal)	41512.37	(41512.37)	0.00
<b>Total (B)</b>	<b>28088414.50</b>	<b>1481237.06</b>	<b>29569651.56</b>
<b>Total (A-B)</b>	<b>(3403332.40)</b>	<b>(7599520.65)</b>	<b>(11002853.04)</b>
Net Deferred Tax Assets/(Liabilities)	<b>(3403332.40)</b>	<b>(7599520.65)</b>	<b>(11002853.04)</b>

**RELIABLE VENTURES INDIA LIMITED**

**NOTES:**

- a. In accordance with Accounting Standard 22, Accounting for taxes of Income issued by the Institute of Chartered Accountants of India, during the year under review the company has Charged Rs. 75,99,520.65 in Profit and Loss Account towards Deferred Tax Liability.
- b. The company expects to generate taxable income in the coming years which will enable it to utilize the carried forward unabsorbed depreciation and losses, in view of increasing trend of Turnover and corresponding reduction in losses in compared to previous financial year.

**14. Earning per share**

<b>Year ended 31.03.2011RS.</b>	<b>Year ended 31.03.2010RS.</b>	
Net Profit / (Loss) attributable to Shareholders.	1,74,50,052.16	1,71,58,309.46
Weighted average number of equity shares in issue. (In nos.)	11012900.00	11012900.00
Basic earnings per share of Rs. 10/- each.	1.58	1.56

The Company does not have any outstanding dilutive potential equity shares. Consequently the basic and diluted earning per share of the ompany remain the same.

**15. Related Party Disclosure:**

In terms of Accounting Standard 18 issued by The Institute of Chartered Accountants of India, regarding "Related party disclosures", the desired information is annexed as Annexure "A" forming part of annual financial statements.

16. The company is in the business of Hotel, Restaurant & allied activities and all its services fall in the same segment as nature of the services, its commercial location, the regulatory environment and resulting risks and rewards associated with these business lines are not materially different and is consequently, not subject to segment reporting as defined in AS-17 issued by the Institute of Chartered Accountants of India.
17. Directors remuneration amounting to Rs. 24.79 lacs (Previous year Rs.14.04 Lacs).

19. Auditor's Remuneration	<b>31.03.11</b>	<b>31.03.10</b>
Audit fees	60000.00	60,000.00
Tax audit fees	15000.00	15,000.00
Service Tax	7725.00	7,725.00
<b>Total (A)</b>	<b>82,725.00</b>	
Other services (Review & Cert.)	8000.00	8,000.00
Service Tax	825.00	825.00
<b>Total (B)</b>	<b>8,825.00</b>	
<b>TOTAL (A+B)</b>	<b>91550.00</b>	<b>91,550.00</b>

20. Previous year figures have been regrouped and rearranged wherever considered necessary.
21. Uniform, lien & operating supplies includes expenses amounting to Rs. 8,85,128.80 for new profit center – Royal Hamam.
22. **Disclosure under Micro, Small and Medium Enterprises Development Act, 2006.**

There are no Micro and Small Scale business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31.03.2011. This information as required to be disclosed under the micro, Small and Medium enterprises development Act, 2006 has been determined to the extent such parties have been identified on the basis of information, available with the company.

AS PER OUR REPORT OF EVEN DATE ATTACHED

For M A K & ASSOCIATES,  
Chartered Accountants,

Sd/-  
(C.A. Santosh Kumar Sharma)  
Partner  
Membership No. :077735

Place : Bhopal  
Date : Aug 25, 2011

FOR AND ON BEHALF OF THE BOARD

Sd/- Sd/- Sd/-  
Company Secretary Managing Director Director

**INFORMATION PURSUANT TO PART IV OF THE COMPANIES ACT, 1956**  
Balance sheet abstract & Company's general business profile

<b>I</b>	<b><u>Registration Details</u></b>		
	Registration Number	07295	
	State Code	10	
	<b>Balance Sheet</b>	<b>31.03.2011</b>	
<b>II</b>	<b><u>Capital raised during the year</u></b>	(Amount in Rupees Thousand)	
	Public Issue (Calls in Arrear received)	NIL	
	Right Issue	NIL	
	Bonus Issue	NIL	
	Private Placement	NIL	
<b>III</b>	<b><u>Position of Mobilisation and Deployment of Funds</u></b>	(Amount in Rupees Thousand)	
	Total Liabilities	257938.30	
	Total Assets	257938.30	
	<b><u>Sources of Funds</u></b>		
	Paid-up Capital	110129.00	
	Reserves & Surplus	55997.53	
	Secured Loans	0.00	
	Unsecured Loans	91811.77	
	<b><u>Application of Funds</u></b>		
	Net Fixed Assets	217402.50	
	Investment	0.00	
	Net Current Assets	48313.11	
	Miscellaneous Expenditure	0.00	
	Accumulated Losses		
	<b>IV</b>	<b><u>Performance of the Company</u></b>	
		Turnover (Including Other Income)	132927.99
		Total Expenditure	107825.46
		Profit/(Loss) before Tax	25102.53
		Profit/(Loss) after Tax	17450.05
Earning per Share (In Rupees)		1.58	
Dividend Rate (%)		-	
<b>V</b>	<b><u>Generic Names of principal Products/Services of the Company</u></b>		
	(As per monetary terms)		
	Item Code Number	-	
	Product Description	HOTEL	
	Item Code Number	-	
Product Description	RESTAURANT		



