

Growing Faster



THE GRAND BHAGWATI

HOTELS • BANQUETS • CONVENTIONS • CLUB

AHMEDABAD • RAJKOT • SURAT • JAIPUR



The Grand Bhagwati, Surat is an architectural marvel that brings together traditional and modern styles and truly symbolizes Indian hospitality.

Dear Shareholders,



Hospitality sector in India is constantly evolving keeping in tune with global trade & commerce. With globalization come opportunities, challenges and competition amongst domestic as well as international players. The economic scenario since year 2008 has witnessed quite a bit of ups & downs and same is continuing at present in terms of economic growth. There has been economic turmoil across the developed and developing countries which has affected the overall growth parameters. In India, we have seen high inflation, food prices being escalated and interest rates being hiked during last & current year which had its effect not only on hospitality sector but manufacturing & service sectors too. There has been major cost cutting on part of individuals & corporate companies to address this economic situation.

In spite of this prevailing economic scenario, during the year under review, your company has achieved a remarkable annual sales turnover of ₹ 12,385.67 lakhs in the current year, which was ₹ 8862.94 lakhs during the previous year. The Company has been able to maintain persistent growth on year to year basis. We have remained loyal to our mission providing highest level of customer satisfaction, best quality services & value to our shareholders on the long run. Last year, your company in midst of economic turmoil has successfully completed its most ambitious 5 star deluxe hotel, convention center & club project at Surat. As committed, the project at Surat has fully commenced its business and has already started generating revenue by providing luxurious rooms, convention centre facilities, banquets, restaurants and a club.

In coming years with advent of globalization & faith in robust economic growth story of India, coupled with various economic initiatives, the domestic tourism & hotel business indicate a trend towards rapid growth. Another key development & a positive economic indicator is the rise in net disposable incomes of the general population. The Company is looking forward to capitalize on the opportunities in the market & to focus on both corporate & non-corporate customer segments.

The vibrant economic status of Gujarat would directly benefit your company as we have our star category hotels in important cities of the state like Ahmedabad, Surat & Rajkot. Today, the state of Gujarat is witnessing huge investments from across the globe and same will give further flip to hospitality sector. Your company stands to gain from such opportunities as we have "Unique Banqueting Module" which can cater to any kind of functions or corporate launches other than benefiting from room revenues.

Your company has also benefited immensely from their other business verticals which have helped in sustaining the growth. Your company is the only corporatized outdoor catering company and enjoys a worthy reputation among the clientele. Our present Management Services vertical also has received numerous inquiries from leading hospitality chains to manage their properties; in near future we shall manage such properties in cities of Nagpur, Indore, Nathdwara and Vadodara, adding more as we move forward.

It is our endeavor to create grand moments and grand memories for our guest and true value for our valued stakeholders. The company shall keep raising the benchmark, looking for more opportunities to have consistent and sustainable growth in coming years. We stay committed to our vision & mission creating one of the most respected, service oriented hospitality company.

Best Wishes,

Narendra Somani

Chairman & Managing Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Narendra Somani

Chairman & Managing Director

Devanand Somani

Wholetime Director

Hemant Somani

Wholetime Director

Ramesh Motiani

Wholetime Director

Bakul Parikh

Director

Mangharam Sumani

Director

Rajratan Singhvi

Director

Ganesh K.

Director

AUDITORS

O.P. Bhandari & Co.

Chartered Accountants

COMPANY SECRETARY

Sandip Pandya

BANKERS

State Bank of India

Indian Overseas Bank

AXIS Bank Ltd.

Ahmedabad

REGISTERED OFFICE

“The Grand Bhagwati”

S.G. Highway, Bodakdev,

Ahmedabad-380054.

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited.

211, Sudarshan Complex,

Nr. Mithakhali Underbridge,

Navrangpura, Ahmedabad-380009

The ISIN of the Company’s Equity shares
is INE797H01018

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THE GRAND BHAGWATI

HOTELS • BANQUETS • CONVENTIONS • CLUB







*He likes biz.
She likes parties.
But they both love to cook.*



THE GRAND BHAGWATI
HOTELS • BANQUETS • CONVENTIONS • CLUB



Launching a signature restaurant where family recipes of the Somanis are sprinkled with a generous amount of glamour.

It is a heady cocktail of warmth, a personalized dining experience and the most delicate and treasured recipes created by Soman family members, known for their love for food and playing a perfect host.

Opens today



a modern Indian eatery by TGB

Dumas Road, Ph: 0261 2727000/9909920707

FLS 687

PIRATES



DUMAS

Theme Party

**31st December
8.00 pm onwards**

- Dine & Dance With Famous DJs
- International Dance Troupe & Renowned Singer Performances



THE GRAND BHAGWATI

HOTELS • BANQUETS • CONVENTIONS • CLUB

Tickets available at :

Magdalla Circle, Dumas Road, Ph: 0261 2727000

In association with:



NOTICE

NOTICE is hereby given that the 12th Annual General Meeting of the Members of BHAGWATI BANQUETS AND HOTELS LIMITED (The Company) will be held at 10:30 A.M. on Friday, 30th September, 2011 at "SINDHUBHAVAN", Plot No.173, 100 Ft. Ring Road, Off. S.G.Highway, Judges Bungalow Cross Road, Bodakdev, Ahmedabad – 380 054 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011, the Profit and Loss Account for the year ended on that date together with the Schedules and notes attached thereto, and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mangharam Sumani, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rajratan Singhvi, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To declare dividend for the financial year 2010-11 as recommended by the Board of Directors of the Company.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors of the Company to fix their remuneration.

SPECIAL BUSINESS:

Ordinary Resolutions:

To Consider and if, thought fit, to pass following Resolutions as Ordinary Resolutions:

6. **"RESOLVED THAT** pursuant to provisions of Section 293(1)(d) and any other applicable provisions, if any, of the Companies Act, 1956 and Article 82 of Articles of Association of the Company, Approval of share holders be and is here by accorded to the Board of Directors for raising borrowing through loans, Credit, other financial facilities etc. from the existing limit of "₹ 150 Crores" to "₹ 250 Crores" from banks, financial institutions and other sources from time to time for the purpose of financing working capital requirement and also for the purpose of various capital expenditure or other requirement of the Company both for capital and revenue nature, notwithstanding that the moneys to be borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate paid up capital and its free reserves, that is to say reserves not set apart for any specific purposes."
7. **"RESOLVED THAT** approval of the shareholders be and is hereby accorded to the Board of Directors of the Company in terms of section 293 (1) (a) and all other applicable provisions, if any, of the Companies act, 1956 and such other approval as may be necessary to mortgage and /or to create charge in addition to the mortgage / charges created by the Company. In such form and manner and with such ranking and at such time and on such other terms and conditions as the board may determine, on all or any of the movable/ immovable property of the Company, both present and future and all or any part of undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain event of default, in favour of the lender(s), agent(s) for securing the borrowings of the company availed / to be availed by way of loan(s), from time to time , subject to the approval under section 293 (1) (d) of the Companies act, 1956, together with interest at the respective agreed rates, additional interest, charges, commitment charges, liquidated damages, compounded interest and all other costs as a result of devaluation / revaluation / fluctuation in rates of exchange and all other moneys payable by the Company in terms of loan agreement(s) / trust deed or any other documents entered into / to be entered into between the Company and lender(s), agent(s) etc. in respect to the said borrowing or loans / bonds or other securities agreed between the board of Directors or committee thereof and the lender(s) / agent(s) etc."

"RESOLVED FURTHER THAT for the purpose of giving affect to the above resolutions, the Board of Directors/ Committee of the Board or the officers of the authorised by them be and are hereby authorised to finalize, settle and execute such documents, deeds, writings, papers, agreements as may be required and to do all such other acts, deeds, matters and things, as it in absolute discretion deem necessary that may arise with regards to borrowings and loans and creating mortgage/charges as aforesaid"

By Order of the Board
For, Bhagwati Banquets and Hotels Limited

Registered Office:
"The Grand Bhagwati"
Plot No. 380, Sarkhej Gandhinagar Highway,
Bodakdev, Ahmedabad – 380 054
Place : Ahmedabad
Date : 13.08.2011

Sandip Pandya
Company Secretary



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ENCLOSED.
2. The Register of members and the Share Transfer Books of the Company will remain closed from Saturday, 24th September, 2011 to Friday, 30th September, 2011 (both days inclusive) for the purpose of payment of dividend as well as Annual General Meeting.
3. The dividend if declared, will be payable to those shareholders of the Company whose name appears as member on the end of working hours as on Friday 23rd September, 2011.
4. Members desiring any information as regards accounts are requested to write to the Company at least 7 days before the Meeting to enable the management to keep the information ready.
5. Members are requested to notify immediately any change in their address to the Company's Registrar and Share Transfer Agent quoting their registered folio no, M/s Link Intime India Private Ltd., 211, Sudarshan Complex, Nr. Mithakhali Under bridge, Navrangpura, Ahmedabad – 380 009 E mail : ahmedabad@linkintime.co.in
6. A Member or his Proxy is required to bring a copy of the Annual Report to the Meeting as extra copies will not be distributed in view of conserving cost.
7. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
8. The Section on General Shareholder Information ("the said Section") containing information of particular relevance to Shareholders forms part of the Report on Corporate Governance. Attention of all Shareholders is accordingly drawn to the said Section.

Important Communication

The Ministry of Corporate Affairs, vide its General Circular No.18/2011 dated 29th April, 2011, has clarified that as the measure of "Green initiative in Corporate governance" it will be in compliance, if Annual Report (i.e. documents listed in section 291(1) of the Companies Act, 1956 is sent through e-mail. To support this green initiative members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant.

By order of the Board

Place : Ahmedabad

Date : 13.08.2011

Sandip Pandya
Company Secretary

INFORMATION AS REQUIRED UNDER CLAUSE 49(IV)(G) OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS SEEKING APPOINTMENT OR RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING :

Name of Director	Mr. Mangharam Sumani	Mr. Rajratan Singhvi
Date of Birth	05/07/1956	26/06/1958
Date of Appointment	29/05/2006	29/05/2006
Qualification	B. Com, F.C.A., ISA	B.Com, M.Com.
Expertise in specific functional area	Chartered Accountant, Taxation consultant, Auditor / Tax Auditor, project finance, consultant for last 9 years	Project Financing and Accounts Consultant since 2004
Directorship held in other companies (excluding private & foreign companies)	NIL	- Anjani Finance Limited
Membership/ Chairmanship of committees in other public companies (includes only Audit Committees/Shareholders /Investors Grievances Committee)	NIL	1 (one) [Anjani Finance Limited]
Shareholding in the company	494 Shares (0.002 %)	NIL

EXPLANATORY STATEMENT
(Pursuant to Section 173(2) of the Companies Act, 1956)
For item No. 6 and item No. 7 as mentioned above

The Shareholders at the Annual General Meeting held on Monday, 29th September -2008 authorised the Board of Directors of the Company to raise the Borrowings of the Company through loan and borrowings upto a limit of ₹ 150 Crores (apart from temporary loans obtained from the Company's bankers in the ordinary course of business).

As per the provisions of section 293(1)(d) of the Companies Act, 1956 the Board of Directors shall not except with the consent of the share holders in General Meeting , borrow moneys in the aggregate of Paid up capital and free reserves (reserves not set apart for any specific purpose). Article 82 of Articles of Association of the Company provides for borrowing powers of the Board subject to such limits as may be approved by the shareholders.

The present borrowings are within the limits laid down under section 293(1)(d) of the Companies Act, 1956 as approved by the shareholders. Further, the consent of the shareholders is sought for to increase the said limit to meet the various expenditure of capital as well as revenue nature. Also, there is increase in the span of business and for its expansion, there is requirement of various funds. Hence, the Board thinks that with Company's plans for expansion it is necessary to secure the approval of the shareholders, which is solicited vide resolution No. 6.

Keeping in view, the size of aforesaid borrowing limits i.e. ₹ 250 Crores, it may be necessary for the Company to create the security or charge on the assets of the Company for the purpose of borrowings. The Mortgage and /or charge of the Company of its the movable/ immovable property of the company, in favor of lender(s), with a power to takeover of the Company in case of default if any by the Company, may regard as disposal of the Company's undertaking with in the meaning of section 293(1) (a) of the Companies act, 1956, hence the approval of the shareholders is solicited vide resolution No. 7.

The Board of Directors of your Company recommend the ordinary resolutions as set out in the notice for approval of the Members of the Company.

None of the directors of the Company is concerned or interested in the resolutions except to the extent of his holding of the Equity shares in the Company.

Place : Ahmedabad
Date : 13.08.2011

By order of the Board

Sandip Pandya
Company Secretary



DIRECTORS' REPORT

To,
The Members,
BHAGWATI BANQUETS AND HOTELS LIMITED

Your Directors are pleased to present the Twelfth Annual Report together with the Audited Accounts of the Company along with report of Auditor's thereon in for the year ended 31st March, 2011:

Financial Results

(Amount ₹ in Lacs)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Total Income	12385.67	8862.94
Profit from Operations	2613.97	2032.77
Less: Financial Charges	676.14	231.26
Less: Depreciation and Amortization	453.82	200.01
Profit before tax	1484.00	1601.50
Less: Provision for taxation	280.00	566.00
Less: Deferred tax Liability	290.06	43.16
Less: Income Tax for earlier years	0.00	16.29
Add: Excess Provision written back	43.70	0.00
Profit after tax	957.64	976.04
Profit brought forward from previous year	2847.00	2212.46
Profit Available for appropriation	3804.64	3188.50
Less : Proposed Dividend on Equity Shares (₹ 1 per share (10%)	292.86	292.86
Less : Dividend Distribution Tax	47.52	48.64
Profit Carried forward to the Balance Sheet	3464.26	2847.00

*Previous year figures have been regrouped and re-arranged wherever considered necessary.

PERFORMANCE AND REVIEW OF OPERATIONS

During the year under review, total income increased to ₹ 12385.67 Lacs from ₹ 8862.94 Lacs in the previous year, registering a growth rate of 39.75 % the profit before taxes amounts to ₹ 1484.00 Lacs as against ₹ 1601.50 Lacs in the previous year.

Net Profit after tax stood at ₹ 957.64 Lacs during the year compared to previous fiscal's ₹ 976.04 Lacs.

DIVIDEND

The Board of Directors of your Company has recommended a dividend of ₹ 1 /- per share (10%) for the year ended on 31st March, 2011 which is subject to approval of the shareholders of the Company at ensuing Annual General Meeting. The dividend, if declared and paid, will absorb a sum of ₹ 3,40,38,118 /- including distribution tax thereon.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

Necessary measures have been taken to comply with the requirements of the Listing Agreements with the Stock Exchanges where the Company's Shares are listed. The report on Corporate Governance is included as a part of Directors Report. A report on Corporate Governance as stated above, along with a certificate of compliance from the Auditors, forms part of this Annual Report. Management Discussion and Analysis Report has been enclosed herewith as per Annexure "A" and forming part of the Directors' Report.

FUTURE OUTLOOK

The project, for which public issue was made, in spite of various external adverse situations, has commenced its operations in full swing. Various initiatives were taken by management to counter the adverse situations and ensure smooth commencement and functioning of this project.

This landmark project of your Company has fully commenced at Surat, being the first and only 5-star hotel in India to go completely vegetarian. The details of the said property mentioned as below:

It's the biggest 5- star hotel of Gujarat. The Surat project is a massive structure with 6,00,000 sq. ft. built up area with state-of-the-art Banquet Halls of various sizes for conventions and banquets with capacity of 200 to 5000 people and an ultra-modern club. The Surat property consists of two divisions, main Hotel building having 170 luxurious rooms and other division having a discotheque, an Elite class club, banquet hall & convention centre having space of 55,000 sq. ft. & lush green lawns of 51,100 sq ft.

DIRECTORS

In terms of the provisions of Section 255 and 256 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Mangharam Sumani and Mr. Rajratan Singhvi, directors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, Board of Directors of the company hereby state & confirm that:

- in the preparation of Annual Accounts for the financial year 2010-11 the applicable Accounting Standards had been followed and there are no material departures;
- that they have selected such Accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true & fair view of the state of affairs of the company at the end of the financial year (31st March, 2011) and of the profit/ loss of the Company for that period .
- that they have taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing & detecting frauds and irregularities.
- that they have prepared the Annual Accounts for 2010-11 on a going concern basis.

PARTICULARS OF EMPLOYEES

The information pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 2011 along with Companies (Particulars of Employees) Amendment Rules, 2011 is as under:

Sr. No.	Name, Qualification and Age (in years)	Designation & Nature of Duty	Remuneration In ₹ (P.A.)	Date of Commencement of employment	Experience (in Years)	Particulars of Last Employment	% of share holding
1.	Narendra Somani, F.Y. B.com (45)	Chairman & Managing Director	60,00,000	1-10-2005	24	N.A.	26.38 %

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to section 217(1) (e) of the Companies Act, 1956 read with rules made there under, the company is not required to give the particulars of energy, since the hotel industry is not covered under the list of industries required to provide such information. However the details regarding it are mentioned in "Annexure A" given at the end of the report.



FIXED DEPOSITS

The Company has not accepted any fixed deposits from Public and as such, no amount of principal or interest was outstanding as of the balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the applicable Clauses of the Listing Agreements with the Stock Exchanges, the Company has prepared Consolidated Financial Statements as per the Accounting Standard on Consolidated Financial Statements (AS 21) issued by the Institute of Chartered Accountants of India. The Audited Consolidated Financial Statements along with the Auditors' Report have been annexed to this Annual Report.

AUDITORS

M/s O. P. Bhandari & Co, Chartered Accountants, Ahmedabad, retire at the ensuing Annual General Meeting and are eligible for reappointment. The Company has received a certificate from them that their appointment if approved by the shareholders would be within the ceiling prescribed under section 224(1B) of the Companies Act, 1956. The members are requested to appoint auditors to hold office until the conclusion of the next Annual General Meeting of the Company.

AUDITORS' REPORT

The Auditors' report for the year ended 31st March, 2011 and the notes forming part of the accounts referred to in the Auditors' Report are self-explanatory and it does not contain any reservation, qualification or adverse remark.

INSURANCE

All insurable interests of the Company, including buildings, furniture and fixtures and other insurable interest are adequately insured by the Company.

LISTING

The Equity Shares of the Company are presently listed at the Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited (NSE). The Company has duly paid the Annual listing fees as required by the Listing agreement up to 31st March, 2012 to BSE and NSE. Adequate care is being taken to comply with all the norms and guidelines as per applicable provisions of the Listing Agreement with the Company.

ACKNOWLEDGMENTS

Directors of your company are thankful to State Bank of India as well as other Banks and Financial institutions for meeting long term and working capital requirements of Company's extended operations.

The directors are also thankful to the Central and State Governments and other Government agencies & authorities for their continuous co-operation and assistance.

Directors would like to place on record their deep sense of appreciation and thanks to Shareholders for their valuable trust in the company's performance and for their support and encouragement, enabling the company to venture in to various upcoming projects and spread its wings globally, the customers for their confidence in the hospitality services of the company, the business associates and suppliers for their valuable assistance and support and complete co-operation, and the employees for their outstanding performance.

For and on behalf of the Board

Place : Ahmedabad
Date : 13.08.2011

Narendra Somani
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

"Annexure – A"

During the past, Company has commissioned a 1.25MW Windmill at Village Panchetiya, district Kutch, Gujarat. The energy generated by wind mill was 1659377 KWH and the Credit of the same is available to Company as per the norms.

The statement of particulars with respect to technology absorption and Foreign Exchange earning and outgo pursuant to section 217 (1)(e) of the Companies Act, 1956 read with The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed herewith as Annexure A which forms part of this report.

Particulars pursuant to Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.

TECHNOLOGY ABSORPTION :

a) Research and Development

i) Specific areas in which R & D carried out by the Company:

Your Company continues to test and work with technologies and engage in Research & Development program. Efforts of the Company are directed towards quality control and improvement of in-house expertise.

ii) Benefits derived as a result of the above R & D:

The above R&D activities have resulted in improvement of service quality & cost effectiveness.

b) Technology Absorption and Innovation:

The Company has been putting emphasis to train its technical personnel by way of providing training to them for the latest technology available. It has resulted in a better quality of product which has been brought to the International Standard, besides improving the productivity and reducing the wastages.

FOREIGN EXCHANGE EARNINGS / OUTGO

(Amount in ₹ Lacs)

Particulars	2010-11	2009-10
Earning in foreign exchange	126.10	114.87
CIF value of Import	625.51	2158.15

For and on behalf of the Board

Place : Ahmedabad

Date : 13.08.2011

Narendra Somani

Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

BUSINESS ENVIRONMENT

India's economic growth in financial year 2010-11 has been swift and broad –based. With expected industrial reforms, the economy's growth is expected to be in double digits in the near future.

The Government of India assessed that the Indian economy would grow at 9% in the year 2011-12 as compared to 8.5% in the previous year and has expressed a commitment to fiscal growth in 2011. The expectation of government is that the growth will be around ten percent in next five year period.

The Indian infrastructure is still not fully developed, and the same needs to be strengthened to increase the efficiency of the service sector. The latest budget has stressed on the requirement for improved infrastructure and has proposed several measures that will increase the investment in this sector and accelerate economic growth. With an improved network of highways, railways and airports, visitors and tourists will be able to explore the country and visit places that might have been inaccessible or left out, thus providing impetus to the hospitality industry. A positive economic indicator looks to give better business opportunities for growth and development of business.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Tourism in India provides a significant contribution of approx. 6 % to the Nation's GDP along with ample employment opportunities in India. The tourism business has reached new heights as of today. Also, the businesses of outdoor catering and conventions have made significant growth.

In the year 2010 - 11, the tourism sector witnessed substantial growth as compared to year 2009. The Foreign Tourist Arrivals (FTA) in India during 2010 was 5.58 million as compared to the FTAs of 5.17 million during 2009, showing a growth of 8.1%.

The World Travel and Tourism Council has named India along with China, on of the list of fastest growing tourism industries in the next 10 years. Increasing disposable income levels encouraged people to travel and avail luxuries in life, which are an extremely positive sign for the industry. The overall development of India along with ever improving infrastructure facilities have helped and will continue to help in attracting and expanding the customer base across the country, including corporate and non corporate clients.

During the 11th Five Year Plan, (as on 31.12.2010) Ministry of Tourism has sanctioned, an amount of ₹ 3112.71 Crore for 991 tourism infrastructure projects, including rural tourism and Human Resource development projects.

With the above mentioned factors, the development and growth of the tourism industry looks very bright in the years to come and with the right management of resources, the prospects will be positive and rewarding.

OUTLOOK AND OPPORTUNITIES

Various opportunities would be available in the coming years to grow and expand your company's business. Initiation of various campaigns like "Incredible India" from the Department of Tourism on a global platform has been a boon and opened new avenues for business. Also, the Gujarat Government and Gujarat Tourism Dept. have taken various steps to promote tourism in Gujarat, like the promotional campaign of "Khushboo Gujarat Ki", these all have worked in the favour of the hospitality industry as a whole.

Keeping in line with the opportunities & expanding horizons, your company's growth prospects have been positive and on the fast track. With Ahmedabad being the prime focus until now, the company has started focusing on reaching out to potential customers across the country. With a star category hotel being run in Rajkot, and the opening of TGB Surat, company's flagship project, the company seeks to gain significant foothold in the Gujarat hospitality industry. As a gradual progression, the company seeks to expand its operations countrywide, & the Surat project is a stepping stone, with the distinction of being India's only five-star vegetarian hotel.

Your company has further developed its world cuisine restaurant & banquet hall concepts in cities of Jaipur & Surat. The

company is planning to further expand this business beyond Gujarat in the metros like Mumbai and Chennai.

Also, the company has expanded its outdoor catering services (ODC) across India as well as abroad. With successful events being managed in foreign countries, the company constantly receives prospective inquiries for providing such services, which has been your company's unique strength.

The core competence of your company lies in banqueting and F&B services, and it has managed to focus & grow in this area. With management contracts of strategic hotels & restaurants under its belt, the company has grown in reputation & has been offered numerous contracts in this segment. The company's performance & track record has fueled further growth in this segment.

The company has stayed focused on increasing its brand value & goodwill, with numerous outdoor & indoor branding exercises. It has created a unique brand position for itself as a banqueting hotel group, which is a niche in itself. The banqueting services & TGB's F&B specialists have created a name for themselves by excelling & delivering outstanding results.

For any company to grow, the customers must believe in the company & the company must deliver the desired results on a continuous basis. With steady & effective running of operations, your company has managed to attract the attention of public at large & has expanded its base of loyal customers by providing qualitative services, with constant improvement & innovation.

In the long run, the prospects look optimistic for your company with expected growth in the hospitality & allied service sector. The outdoor catering business looks very promising & along with the concept of management contracts, it will generate significant revenues in the years to come.

RISKS AND CONCERNS

Economic fluctuations affecting the country directly impact the fortunes of hotel business. With global & domestic economies going through turbulent times, the hospitality sector was also adversely affected. Changes in socio-economic, political, legal & regulatory scenarios play a significant role in the functioning of hotel business. Other Factors like interest rate, foreign exchange rates, reduced demand for hotel rooms, and natural factors also affect the day-to-day business.

Apart from the above factors, increased competition in the industry will have to be tackled with the right kind of strategies & forward thinking. New challenges will be faced everyday in these growing & competitive businesses. As India attracts more tourists over the years, the number of players entering into this industry is bound to increase. The company seeks to expand and grow across the nation to reduce its over dependence on a single market, and is constantly seeking new opportunities in this regard.

Every service industry needs high quality staff to make it successful, and with the demand increasing for the same across the industry, the company feels that wage inflation would be a critical factor in determining cost for the company. Thus, your company will continue to invest in human resources to increase their efficiency & create a flexible and customer-friendly organization. Manpower management will be an uphill task in the coming years, and your company will take serious measures to handle the same, while maximizing effectiveness in terms of customer service & satisfaction, which is an area of great importance for your company.

FINANCIAL REVIEW

Your Company has become a unique name in hospitality segment, with unique models including banqueting, hotel services, outdoor catering and management services. The company is investing heavily in the upcoming new projects to sustain the future growth and business. It looks forward to the future with more enthusiasm and opportunities. During the year under review, total income increased to ₹12385.67 Lacs from ₹ 8862.94 Lacs in the previous year, registering a growth of 39.75 %

Net Profit after tax stood at ₹ 957.64 Lacs during the year compared to previous fiscal's ₹ 976.04 Lacs, which indicates consistent performance of the Company.



INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The company's internal control includes the financial as well as non financial matters. In matter of accounting, due care has been taken by the internal as well as statutory auditors of the company to meet the daily requirement of proper accounting and for other segments, company has reasonable internal control system to safeguard all assets of the Company and defects, frauds or irregularities, if any. The internal control system is commensurate with the size and nature of the business. The internal control system also ensures protection of assets of the company as well as overall productivity of its operations.

The internal audit programme is finalized in consultation with the Internal Auditors and the audit committee of the Board.

The Audit committee of the Board meets periodically to review various aspects of the performance of the company and also review various aspects of the performance of the company and also review the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them from time to time.

INDUSTRIAL RELATIONS AND HUMAN RESOURCE

To work with zeal and to give incentive for action, motivation is necessary and this is the key to success for any organization, especially in service industry as the employees are the key to success.

It is very logical that the more satisfied the employees are, the better he or she will perform. So the Company endeavors to create such environment for the employees to have positive energy to work.

Your company has created TEAM TGB culture, true professionals, highly skilled in their respective fields and one of the finest among all service oriented industries wherein customer satisfaction and delight is a vital key for the growth of the business and organization. Your company has done various activities; including Sports Day, culture events etc during the span of last year to create and maintain a healthy work environment.

The industrial relations through out the year continued to remain cordial.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be "forward looking statement" within the meaning of applicable securities laws and regulations. The actual results may differ from those expected depending upon the economic conditions, changes in Govt. Regulations, and amendments in tax laws and other internal and external factors.

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's Corporate Governance Philosophy is based on trusteeship, transparency, empowerment, control and ethical corporate citizenship. The Company believes that the practice of each of these create a right culture and fulfills the true purpose of Corporate governance. The Company remained committed towards protection and enhancement of overall long term value for its entire stakeholders – customer, lenders, employee and society.

Your company has consistently aimed at developing and internalizing such policies and implementing best-in-class actions that make it a good model of corporate governance. To that effect your Company has adopted practice mandated in Clause 49 of listing agreement & has established procedure & systems to be fully compliant with it.

II. BOARD OF DIRECTORS:

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors as per Clause 49 of the listing agreement. The Board comprise of 8 Directors, out of which four Directors are Promoter-Executive Directors and four directors are non-executive directors. All Non - Executive Directors are Independent directors. The Independent Directors take active part at the Board and Committee meetings, which adds value in the decision making process. Half of the Board comprise of non-executive directors. As on 31st March 2011 the details of composition of Board, category of directors as well as their Directorship/membership in other companies/committees are given below:

Sr. No.	Name and Designation of Director	Category	Number of other Directorship and Committee member / Chairmanship*		
			Other Directorships	Committee membership	Committee Chairman Ship
1.	Mr. Narendra Somani Chairman & Managing Director	Promoter & Executive	1	NIL	NIL
2.	Mr. Devanand Somani Whole Time Director	Promoter & Executive	1	NIL	NIL
3.	Mr. Hemant Somani Whole Time Director	Promoter & Executive	1	NIL	NIL
4.	Mr. Ramesh Motiani Whole Time Director	Promoter & Executive	NIL	NIL	NIL
5.	Mr. Bakul Parikh Director	Independent Non-Executive	NIL	NIL	NIL
6.	Mr. Mangharam Sumani Director	Independent Non-Executive	NIL	NIL	NIL
7.	Mr. Ganesh K. Director	Independent Non-Executive	NIL	NIL	NIL
8.	Mr. Rajratan Singhvi Director	Independent Non-Executive	1	1	NIL

*Directorships and Committee member/Chairmanship in other companies mentioned above excludes directorships in private limited companies, unlimited companies, foreign companies and Companies incorporated under section 25 of the Companies Act, 1956.

While calculating the number of Membership / Chairmanship in Committees of other Companies, Membership / Chairmanship of only Audit Committee and Shareholders' / Investors' Grievance Committee have been considered pursuant to Clause 49 of the listing agreement. None of the Director is a member in more than ten committees and act as a Chairman in more than five committees across all companies in which he is a Director.

Board Meetings:

In year 2010 - 2011, the Board of the Company met 9(Nine) times on 29th April, 2010, 13th July, 2010, 27th July, 2010, 02nd September, 2010, 30th October, 2010, 13th December, 2010, 31st January, 2011, 14th February, 2011, & 10th March, 2011. As is evident, the maximum gap between any two Board Meetings is not more than four months.

Attendance of directors at the board meetings and at the last Annual General Meeting held on 29th September, 2010 is as under:

Name	Attendance	
	Board Meetings	AGM held on 29.09.2010
Mr. Narendra Somani	9	Yes
Mr. Devanand Somani	9	Yes
Mr. Hemant Somani	9	Yes
Mr. Ramesh Motiani	9	Yes
Mr. Bakul Parikh	9	Yes
Mr. Mangharam Sumani	3	No
Mr. Ganesh K.	5	Yes
Mr. Rajratan Singhvi	3	Yes

III. COMMITTEES OF BOARD

A. Audit Committee

Audit Committee has been constituted in line with the provisions of Section 292A of the Companies' Act, 1956, read with Clause 49 of the Listing Agreement. The Committee meets at least four times a year and the maximum gap between two meetings is not more than four months. Minutes of the Audit Committee are circulated and discussed at the Board meetings.

At present, the audit committee comprises of three board members, viz Mr. Mangharam Sumani, Mr. Bakul Parikh and Mr. Rajratan Singhvi all being independent directors and non-executive directors. Mr. Mangharam Sumani is the Chairman of the Committee. He is a practicing chartered accountant. Mr. Bakul Parikh is a legal advisor in direct and indirect taxes. Mr. Rajratan Singhvi is also an accounts consultant. All members of the Committee are financially literate as per meaning of explanation to Clause 49(II) (A) of the Listing Agreement.

The Chief Financial Officer is a permanent invitee to the meeting. The Company Secretary is the Secretary of the Committee.

B. TERMS OF REFERENCE:

Terms of reference of Audit Committee are given here under:

- To oversee the Company's financial reporting, process and disclosures of its financial information.
- To review financial statements and pre-publication announcements before submission to the Board.
- To recommend the appointment of statutory auditors and fixation of their remuneration to review and discuss with the auditors about internal control system, the scope of audit including observations of auditors, major accounting entries, practice and policies, compliance with accounting standards & Listing Agreement, related party transactions.
- To review the Company's risk management policies and discussion with auditors any significant findings and follow up thereon.

MEETINGS AND ATTENDANCE DURING THE YEAR:

During the financial year 2010 -2011, four meetings of the Audit Committee were held on 29th April, 2010, 27th July, 2010, 30th October, 2010 and 27th January, 2011. During these meetings, the Committee, inter alia, reviewed the financial statements including changes in accounting policies and practices before submission to the Board, recommended the appointment of statutory and internal auditors including fixation of audit fee, discussed the internal auditors findings and reviewed the company's financial and risk management policies. Generally all items listed in Clause 49 (IID) of the Listing Agreement are cover in the term of reference. The Audit Committee has been granted powers as prescribed under Clause 49 (IIC).

Necessary information as required by Clause 49(IIE) of the Listing Agreement is reviewed by the Audit Committee.

Details of Attendance at the Audit Committee

Name	Designation	Attendance
Mr. Mangharam Sumani	Chairman	4
Mr. Bakul Parikh	Member	4
Mr. Rajratan Singhvi	Member	4

C. Remuneration Committee:

(i) Brief description of Terms of Reference

The Remuneration Committee has been constituted to recommend and review remuneration package of Executive Directors by reference to performance, experience and responsibilities.

(ii) Composition of the Committee

The Remuneration Committee consists of three non-executive independent directors, to comply with and meet the requirements of the listing agreement and Schedule XIII of the Companies Act, 1956. Mr. Bakul Parikh is the Chairman and Mr. Ganesh K & Mr. Rajratan Singhvi are members of the Remuneration Committee.

(iii) Meetings and attendance

The Committee met once during the financial year 2010 – 2011 on 02nd September, 2010.

(iv) Details of Remuneration of Directors

The details of remuneration paid to the directors during the financial year ended on 31st March, 2011 is as under:

Name	Remuneration in ₹	Commission	Sitting Fees in ₹
Mr. Narendra Somani	42,00,000	NIL	NIL
Mr. Devanand Somani	18,00,000	NIL	NIL
Mr. Hemant Somani	18,00,000	NIL	NIL
Mr. Ramesh Motiani	6,00,000	NIL	NIL
Mr. Mangharam Sumani	NIL	NIL	15,000
Mr. Bakul R. Parikh	NIL	NIL	45,000
Mr. Rajratan Singhvi	NIL	NIL	15,000
Mr. Ganesh K.	NIL	NIL	25,000

Shares held by Non-Executive directors:

All Non-Executive Directors hold Nil, except Mr. Mangharam Sumani holds 494 (0.02%) Shares of the Company.

C. Shareholders'/Investors' Grievance Committee

The Company specifically looks into redressing complaints of shareholders and investors such as non-receipt of Annual Report, non-transfer of shares non-receipt of dividends, dematerialization of shares etc. The Committee comprising of one executive director and two non-executive independent directors.

Mr. Mangharam Sumani, a non-executive Director is a Chairman of the Committee. And Mr. Ramesh Motiani, Executive Director and Mr. Ganesh K., Non-Executive Director are the members of this Committee. The Committee meets once in every quarter to expedite all matters relating to shareholders / investors grievances received during that period. The Committee reviews summary of share transfers, dematerialization of shares, consolidation or sub-division of shares, complaints received and disposed off etc.

During the financial year 2010-2011, four meetings of the Shareholders' / Investors' Grievance Committee were held. And care has been taken to comply with various Clauses of Listing Agreement.

Details of Shareholders Complaints

The details of complaints received / solved / pending during the year are as under:

Number of Shareholders' Complaints received during the Year	:	6
Number of Complaints not solved to the satisfaction of share holders	:	NIL
Number of pending Complaints	:	NIL

IV. SUBSIDIARY COMPANIES:

During the year, the audit committee reviewed the financial statements of Lov Kush Properties Pvt Ltd, an unlisted subsidiary company. Copies of the Minutes of the Board Meetings of the subsidiary company were regularly placed before the board of the Company.

V. GENERAL BODY MEETING:**(i) Annual General Meetings**

The last three Annual General Meetings of the Company were held within the statutory time period and the details of the same are as under:

AGM	Financial Year	Venue	Date	Time
11 th	2009-2010	Sindhu Bhavan Plot No. 173, 100 Ft. Ring Road Off S.G. Highway, judges Bungalow cross Road, Bodakdev, Ahmedabad- 380 054	29.09.2010	10.30 A.M.
10 th	2008-2009	Sindhu Bhavan Plot No. 173, 100 Ft. Ring Road Off S.G. Highway, judges Bungalow cross Road, Bodakdev, Ahmedabad	29.09.2009	10.30 A.M.
9 th	2007-2008	Sindhu Bhavan Plot No. 173, 100 Ft. Ring Road Off S.G. Highway, judges Bungalow cross Road, Bodakdev, Ahmedabad	24.09.2008	10.00 A.M.

SPECIAL RESOLUTIONS:

Special Resolutions for the AGM held on 29/09/2008

1. Special Resolution passed under provisions of Section 198,309,310 and 311 read with Schedule XIII and other applicable provision, if any, of the Companies Act, 1956 for revised terms & condition of appointment of Mr. Hemant Somani as a Whole Time Director of the Company.
2. Special Resolution passed under provisions of Section 198,309,310 and 311 read with Schedule XIII and other applicable provision, if any, of the Companies Act, 1956 for revised terms & condition of appointment of Mr. Devanand Somani as a Whole Time Director of the Company.
3. Special resolution under section 293 (1) (a) and 293 (1) (d) of the Companies Act, 1956 to increase borrowing power in excess of paid up capital and free reserves.

Special Resolutions for the AGM held on 29/09/2009

1. Special Resolution passed under provisions of Section 198,309,310 and 311 read with Schedule XIII and other applicable provision, if any, of the Companies Act, 1956 for revised terms & condition of appointment of Mr. Ramesh K. Motiani, Whole Time Director of the Company.
2. Special Resolution passed under the provisions of Section 61 and other applicable provisions of the Companies Act, 1956 for revision of the original project, size and implementation.

Special Resolutions for the AGM held on 29/09/2010

1. Special Resolution passed under provisions of Section 198,309,310 and 311 read with Schedule XIII and other applicable provision, if any, of the Companies Act, 1956 for re- appointment of Mr. Narendra G. Somani, as Chairman & managing Director.
2. Special Resolution passed under provisions of Section 198,309,310 and 311 read with Schedule XIII and other applicable provision, if any, of the Companies Act, 1956 for re- appointment of Mr. Hemant G. Somani, as a Whole- time Director of the Company.
3. Special Resolution passed under provisions of Section 198,309,310 and 311 read with Schedule XIII and other applicable provision, if any, of the Companies Act, 1956 for re-appointment of Mr. Devanand G. Somani, as a Whole- time Director of the Company.
4. Special Resolution passed under provisions of Section 198,309,310 and 311 read with Schedule XIII and other applicable provision, if any, of the Companies Act, 1956 for re-appointment of Mr. Ramesh K. Motiani as a Whole- time Director of the Company.

(ii) POSTAL BALLOT: -

The Company has not put resolution for postal ballot in previous Annual General Meeting. In ensuing Annual General Meeting there is no business requiring postal ballot.

VI. DISCLOSURE

- (i) There have been no materially significant transactions, pecuniary transactions or relationships between the Company and Directors, Management, Subsidiary or related parties except those disclosed in the financial statements for the year ended 31st March 2011.
- (ii) There was no instance of non-compliance or penalty, strictures imposed on the Company by Stock exchange or SEBI or any other statutory authority on any matters related to capital markets, during the last three years.
- (iii) No personnel have been denied access to the Audit Committee.
- (iv) The Company has complied with the mandatory requirement of Clause 49 and adopted the following non mandatory requirements:
 - (A) Company has constituted a remuneration committee.
 - (B) Whistle Blower Policy:

Recently, the Security & Exchange Board of India has also prescribed the adoption by all listed Companies, of a Whistle Blower Policy as a non mandatory requirement. The Company has adopted a Whistle Blower Policy, which affords protection and confidentiality to Whistle Blower. The Audit Committee Chairman is authorized to receive Protected Disclosure under this Policy. The Audit Committee is also authorized to supervise the conduct of investigation of any disclosure made whistle blowers in accordance with policy.

No personal have been denied access to the Audit Committee. As of March 31, 2011, no protected Disclosure has been received under this policy.

- (v) Company has laid down Risk Management and administration Procedure to inform the Board members about the risk areas relating to the Organization and steps to minimize such risks. These procedures are periodically reviewed to ensure the risk control and minimization by means of properly defined framework.

- (vi) In preparing the Annual Accounts in respect of the Financial year ended 31st March, 2011 no accounting treatment was different from that prescribed in the Accounting Standard ; and
- (vii) The Company has a Code of Conduct for prevention of insider trading in the shares of the Company for directors and promoters in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992.

VII. MEANS OF COMMUNICATION

Company's quarterly, half yearly and annual results are being published in Economic Times (Gujarati and English) Newspaper. Management Discussion and Analysis Report forms part of this Annual report. The Annual report in respect of each financial year is sent to all shareholders. The quarterly results of the Company also displayed on the website of the Company i.e. www.thegrandbhagwati.com.

VIII. CODE OF CONDUCT

The Company has a Code of Conduct for prevention of insider trading in place, as prescribed by the Securities and Exchange Board of India. The Code of Conduct is available on the website of the Company: www.thegrandbhagwati.com. All board members and senior management Personnel have affirmed compliance with the Code of Conduct.

The Annual Report of the Company contains a declaration to this effect signed by the Managing Director of the Company.

IX. CEO/CFO CERTIFICATION

The Chief Finance officer (CFO) certification on financial statement pursuant to the provisions of Clause 49 of the Listing agreement is annexed and forms part of the Annual Report of the Company.

X. GENERAL SHAREHOLDER INFORMATION

1. **Financial Year** : 1st April to 31st March
2. **Annual General Meeting** : Date & day : 30/09/2011, Friday
Time : 10:30 A.M.
3. **Venue** : "Sindhu Bhavan", Plot No. 173, 100 Ft. Ring Road, Off. S.G.Highway, Judges Bunglow Cross Road, Bodakdev Ahmedabad- 380 054.
4. **Financial Calendar for Financial Year 2011-2012** : [Tentative]

Financial Year	: April-March
Financial reporting for the Quarter ending June, 2011	: End July, 2011
Financial reporting for the half year ending September, 2011	: End October, 2011
Financial reporting for the quarter ending December, 2011	: End January, 2012
Financial reporting for the year ending March 31, 2012	: Second week of May, 2012
Annual general Meeting for year ending 31.03.2012	: On or before 30 th September 2012
5. **Face value of the equity share** : ₹ 10/- per Share
6. **Book Closure Date** : Saturday 24th September, 2011 to Friday 30th September 2011
(Both days inclusive)

7. Listing on Stock Exchange(s)

Your Company's Shares are listed on

Sr. No.	Name of Stock Exchange	Address of Stock Exchange
1	Bombay Stock Exchange Limited,	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai -400 001.
2	National Stock Exchange of India Limited	Exchange Plaza, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051

Annual Listing fees up to the Financial Year 2011-12 have been duly paid to the stock exchanges.

8. Stock Code:

- | | | |
|----|---------------------------------------|----------------|
| a) | Bombay Stock Exchange Ltd | : 532845 |
| b) | National Stock Exchange of India Ltd. | : BHAGWATIHO |
| c) | ISIN with NSDL & CDSL | : INE797H01018 |

9. Market price data:

Market price data of Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) for the financial year 2010-2011 are given below:

Month	BSE - Share Price (In ₹ per share)		NSE - Share Price (In ₹ per share)	
	High	Low	High	Low
Apr-10	88.85	68.00	88.50	68.50
May-10	95.00	73.00	98.90	72.00
Jun-10	98.90	79.00	99.60	78.50
Jul-10	157.90	97.05	157.90	97.05
Aug-10	161.80	106.00	161.70	102.10
Sep-10	185.50	125.10	186.00	125.00
Oct-10	198.00	162.00	196.00	168.50
Nov-10	186.45	154.95	186.50	155.65
Dec-10	164.50	119.50	165.00	120.00
Jan-11	131.95	100.00	129.50	99.00
Feb-11	113.00	92.00	112.95	89.00
Mar-11	117.8	84.00	120.00	83.00

10. Registrar and Share Transfer Agent

Link Intime India Private Limited

211, Sudarshan Complex, Nr. Mithakhali Underbridge, Navrangpura, Ahmedabad-380009.

Contact Person : Mr. Hitesh Patel Phone No.: 91-79-26465179 E Mail : ahmedabad@linkintime.co.in

11. Share Transfer System

Share transfers have been normally processed and returned within 21 days from the date of lodgment, provided the necessary documents were in order.

12. Distribution of shareholding as on 31st March, 2011

Category	No. of Shareholders		No. of Shares	
	Total	% of Shareholders	Total	% of Shares
1 – 500	3288	84.83	421549	1.44
501 – 1000	293	7.56	236204	0.81
1,001 – 2000	111	2.86	170052	0.58
2,001 – 3000	39	1.01	102856	0.35
3,001 – 4000	25	0.65	88900	0.30
4,001 – 5000	10	0.26	46364	0.16
5,001 – 10,000	29	0.74	207854	0.71
10,001 & Above	81	2.09	28012621	95.65
Total	3876	100	29286400	100

13. Categories of Shareholding as on 31st March, 2011

Sr.No.	Category	No. of Shares	% to Share Capital
A.	PROMOTERS SHAREHOLDING		
1.	Promoters and Promotes Group	10885039	37.17
2.	Director and their Relatives	2350994	08.03
B.	PUBLIC SHAREHOLDING		
1.	Mutual Funds / UTI / Trusts	2	00.00
2.	Banks/Financial Institutions	0	00.00
3.	Foreign Institutional Investors	0	00.00
4.	Bodies Corporate	11716884	40.01
5.	NRIs	944560	03.23
6.	Clearing Members	153536	00.52
7.	Indian Public	3235385	11.04
	Total	29286400	100

14. Dematerialization of Shares & Facility of simultaneous transfer

Approximately 99.99% of the paid-up equity share capital of the Company has been dematerialized as on 31st March, 2011. Trading in equity shares of the company is permitted only in dematerialized form as per notification issued by SEBI. Shareholders interested in dematerializing their shares are requested to write to the Registrar & Transfer Agent through their Depository Participants.

15. Company has not issued any ADR/GDR/FCCB/QIPs during financial Year ended as on 31.03.2011.**16. Investor's Correspondence may be addressed to :**

Mr. Sandip Pandya, Company Secretary

Bhagwati Banquets and Hotels Ltd.

301, 3rd Floor, Circle P, Prahaladnagar Garden road, SG Road, Ahmedabad -380 051

Phone NO. : 91-79-29296192/93 Fax: 91-9725046192 Email: companysecretary@thegrandbhagwati.com

Or

Link Intime India Private Limited

211, Sudarshan Complex, Nr. Mithakhali Underbridge, Navrangpura, Ahmedabad-380009.

Telefax: 91-79-26465179 Email: ahmedabad@linkintime.co.in

17. Location of Hotels:

- The Grand Bhagwati, Plot no. 380, SG Road, Bodakdev, Ahmedabad- 380 054
- TGB Rajkot, Opp. Drive in Cinema, Kalawad Road, Rajkot – 360005
- TGB Surat, , Magdalla Circle, Dumas Road, Surat - 395007

Restaurants of Bhagwati Group:

- Murugan Express - Iscon Mall, Ahmedabad
- Murugan Express - Maninagar, Ahmedabad
- Little Italian Restaurant - S.G.Highway, Ahmedabad
- TGB World Cuisine & Banquets - Malviyanagar, Jaipur

The Restaurants Managed by Bhagwati Group:

- Patang - The revolving restaurant at Ashram Road, Ahmedabad
- Karnawati Club - S. G. Highway, Ahmedabad

Note: The Company has decided to close GCA Club Unit, Motera, Ahmedabad, with the effect from 30.06.2011.

18. Compliance Certificate of the Auditors

A Certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause-49 of the Listing Agreement is attached to this report.

For Bhagwati Banquets and Hotels Limited

Place : Ahmedabad
Date : 13.08.2011

Narendra Somani
Chairman and Managing Director

DECLARATION ON CODE OF CONDUCT

I, Narendra Somani, Chairman - Managing Director of the Company, hereby certify that all the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct in accordance with Clause – 49(I)(D) of the Listing Agreement entered into with the Stock Exchange.

As required by Clause 49 of the Listing Agreement, Certificate of Compliance with the Corporate Governance Requirements by the Company issued by Auditors is given as an annexure to the Directors' Report.

The above report was adopted by the Board at their meeting held on 13th August, 2011

For Bhagwati Banquets and Hotels Limited

Place : Ahmedabad
Date : 13.08.2011

Narendra Somani
Chairman & Managing Director



CERTIFICATE BY CFO AND MANAGING DIRECTOR

The Board of Directors

Bhagwati Banquets And Hotels Limited

Ref- Financial Statements for the period ended March 31, 2011: Certification by CFO

We, Narendra Somani Managing Director and Vishal Palkhiwala CFO, of the Company on the basis of the review of the financial statements for the period ended on 31st March, 2011 along with cash flow statement for that period and to the best of our knowledge and belief, certify under Clause 49 of the Listing Agreement that:-

- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) 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.
- (3) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period ending March 31, 2011, that are fraudulent, illegal or violate of the Company's Code of Conduct.
- (4) We accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.
- (5) We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (ii) Instances of significant fraud, if any, of which we became 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.

For Bhagwati Banquets and Hotels Limited

Narendra Somani **Vishal Palkhiwala**
Managing Director Chief Financial Officer

Place : Ahmedabad

Date : 13.08.2011

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of
Bhagwati Banquets And Hotels Limited,

We have examined the compliance of conditions of corporate governance by **Bhagwati Banquets And Hotels Limited** ("the Company"), for the year ended on 31 March 2011, as stipulated in clause 49 of the listing agreement of the said 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 with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. No investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.

In our opinion and to the best of my information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For O.P. Bhandari & Co.
Chartered Accountants
Firm Reg. no: 112633W

Place : Ahmedabad

Date : 13.08.2011

(O.P. Bhandari)
Proprietor
Membership No. 34409

AUDITORS' REPORT

To,

The Members of

BHAGWATI BANQUETS AND HOTELS LIMITED

1. We have audited the attached Balance Sheet of BHAGWATI BANQUETS AND HOTELS LIMITED as at 31st March 2011, and also the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to paragraph (3) above, we report that:
 - a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
 - c. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Profit and Loss 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;
 - e. on the basis of written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2011;
 - ii. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **O. P. Bhandari & Co.**
Chartered Accountants
Firm Regn. No. 112633W

Place : Ahmedabad.

Date : 13.08.2011

[**O. P. Bhandari**]
Proprietor
Membership No. 34409

ANNEXURE TO THE AUDITORS' REPORT

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

- i. (a) The Company has maintained proper record showing full particulars including quantitative details and situation of fixed assets.
(b) As explained to us, these fixed assets have been physically verified by the management, in accordance with a phased program of verification, which in our opinion, is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
(c) The Company has not disposed off any substantial part of fixed assets during the year, so as to affect its going concern status.
- ii. (a) As explained to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
(b) In our opinion and according the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification as compared to the book records.
- iii. In respect of unsecured loans granted to companies covered in the register maintained under section 301 of the Companies Act, 1956 and according to the information and explanations given to us -
(a) During the year, the Company has not given unsecured Loans to any parties covered in the register maintained under section 301 of the Companies Act, 1956.
(b) The rates of interest and other terms and conditions are prima facie not prejudicial to the interests of the company.
(c) According the information and explanations given to us, the Company has not taken unsecured loans from any parties covered in the register maintained under Section 301 of the Companies Act, 1956.
(d) The rates of interest and other terms and conditions are prima facie not prejudicial to the interests of the company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to the purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing major weakness on such internal controls.
- v. In respect of the contracts or arrangements referred to in Section 301 of the Companies act 1956;
(a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered into the Register maintained under of Section 301 of the Companies Act, 1956 have been so entered in the register required to be maintained under that section;
(b) Transactions are made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant date.
- vi. According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year. Therefore the provisions of clause (vi) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- vii. In our opinion, the Company has an Internal Audit System commensurate with its size and nature of its business.
- viii. The maintenance of cost records has not been prescribed by the Central Government under Clause (d) of Sub-Section (1) of Section 209 of the Act. Accordingly, the provisions of clause (viii) of paragraph 4 of the companies (Auditor's Report) Order, 2003 is not applicable to the company.

- ix. (a) According to the Information and explanation given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance Fund, Income Tax, Wealth Tax, Excise Duty, Sales Tax, Cess and any other statutory dues with the appropriate authorities.
- (b) According to the Information and explanation given to us, no undisputed amount payable in respect of statutory dues applicable to it were in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable except income tax of ₹ 357,85,200 for the financial year 2009-10.
- (c) According to the Information and explanation given to us, there are no dues of Provident Fund, Employee State Insurance Fund, Income Tax, Wealth Tax, Excise Duty, Sales Tax, Cess and any other statutory dues which have not been deposited on account of any dispute.

Forum Where dispute is pending	Name of Dues	Amount(₹)	Financial Year to which amount relates
Income Tax Appellate Tribunal	Income Tax	34,00,000	2000-01
Income Tax Appellate Tribunal	Income Tax	1,99,91,065	2006-07

- x. The Company does not have accumulated losses as at 31st March, 2011. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xi. In our opinion and according to the explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
- xii. In our opinion and according to the explanations given to us, the Company has not granted loans and advance on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not a chit fund or a Nidhi or Mutual Benefit Fund/Society; Accordingly, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv. In our opinion and according to the explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xv. In our opinion and according to the explanations given to us, the Company has not given guarantee for loans taken by others from bank or financial institutions.
- xvi. In our opinion and according to the explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- xvii. In our opinion and according to the explanations given to us, on the basis of an overall examination of the Balance Sheet and Cash flow of the company, we report that no funds raised on short term basis have been used for long term investment.
- xviii. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. During the year covered by our audit report, the Company has not issued any debentures.
- xx. During the year covered by our audit report, the Company has not raised any money by way of a public issue during the year.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the course of our audit.

For **O. P. Bhandari & Co.**
Chartered Accountants
Firm Regn. No. 112633W

Place : Ahmedabad.
Date : 13.08.2011

[O. P. Bhandari]
Proprietor
Membership No. 34409



BALANCE SHEET AS AT 31ST MARCH-2011

(₹ In Lacs)

PARTICULARS	SCH	AS AT 31/03/2011	AS AT 31/03/2010
SOURCES OF FUNDS :			
SHARE HOLDER FUNDS			
a) Share Capital	"A"	2,928.64	2,928.64
b) Reserve & Surplus	"B"	11,363.11	10,745.85
LOAN FUNDS			
Secured Loan	"C"	9,838.01	9,898.34
Unsecured Loans	"D"	1,512.32	-
DEFERRED TAX LIABILITIES		682.44	392.38
TOTAL :		26,324.52	23,965.21
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	"E"	25,574.54	5,191.24
Less : Accumulated Depreciation		1,811.82	1,358.00
Net Block		23,762.72	3,833.24
Capital work-in-progress and advances on capital account		-	15,702.73
INVESTMENTS	"F"	539.97	540.99
CURRENT ASSETS, LOANS AND ADVANCES			
a) Inventories	"G"	1,706.76	1,116.26
b) Sundry Debtors	"H"	621.53	835.09
c) Cash and Bank Balance	"I"	420.75	1,877.02
d) Loans and Advances	"J"	3,491.29	3,517.01
		6,240.33	7,345.39
LESS : CURRENT LIABILITIES AND PROVISIONS	"K"	4,463.32	3,635.51
NET CURRENT ASSETS		1,777.00	3,709.88
MISCELLANEOUS EXPENDITURE	"L"	244.82	178.36
(To the extent not written off or adjusted)			
TOTAL :		26,324.52	23,965.21
Significant Accounting Policies & Practices	" T "		
Notes Forming Part of Accounts	" U "		

As per our Report of Even Date

For, O.P. Bhandari & Co.
Chartered Accountants
Firm Regn. No.-112633W

Narendra G. Somani

Chairman and Managing Director

Devanand G. Somani

Wholetime Director

(O.P.Bhandari)

Hemant G. Somani

Wholetime Director

Proprietor

Vishal Palkhiwala

Chief Financial Officer

M.No.34409

Place : Ahmedabad

Sandip Pandya

Company Secretary

Date : 13.08.2011

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST MARCH, 2011

(₹ In Lacs)

PARTICULARS	SCH	AS AT 31/03/2011	AS AT 31/03/2010
SOURCES OF FUNDS :			
INCOME			
Sales and Services	"M"	12,104.99	8,569.08
Other Income	"N"	280.68	293.86
		12,385.67	8,862.94
EXPENDITURE			
Food and Beverages Consumed	"O"	3,310.02	2,453.57
Employees' Emoluments	"P"	1,429.14	1,020.35
Upkeep and Service Cost	"Q"	1,805.40	1,171.07
Administrative and Selling Expenses	"R"	3,227.14	2,185.18
Financial Charges	"S"	676.14	231.26
		10,447.85	7,061.43
PROFIT BEFORE DEPRECIATION		1,937.83	1,801.51
DEPRECIATION AND AMORTISATION	"E"	453.82	200.01
PROFIT/(LOSS) BEFORE TAX		1,484.00	1,601.50
Less : Provision for Income Tax		280.00	566.00
Provision for Deferred Tax		290.06	43.16
Income Tax Paid for earlier years		-	16.29
Add : Excess Provision Written Back		43.70	-
PROFIT/ (LOSS) AFTER TAX		957.64	976.04
PROFIT / (LOSS) B/F		2,847.00	2,212.46
AMOUNT AVAILABLE FOR APPROPRIATION		3,804.64	3,188.51
LESS : APPROPRIATIONS			
Proposed Dividend on Equity Shares		292.86	292.86
Dividend Distribution Tax		47.52	48.64
BALANCE CARRIED TO BALANCE SHEET		3,464.26	2,847.00
Earning Per Share			
Basic		3.27	3.33
Diluted		3.27	3.33
Significant Accounting Policies & Practices	" T "		
Notes Forming Part of Accounts	" U "		

As per our Report of Even Date

For, **O.P. Bhandari & Co.**
Chartered Accountants
 Firm Regn. No.-112633W

Narendra G. Somani

Chairman and Managing Director

Devanand G. Somani

Wholtime Director

(O.P.Bhandari)

Proprietor
 M.No.34409
 Place : Ahmedabad
 Date : 13.08.2011

Hemant G. Somani

Wholtime Director

Vishal Palkhiwala

Chief Financial Officer

Sandip Pandya

Company Secretary



SCHEDULES TO ACCOUNTS - 31-03-2011

(₹ In Lacs)

PARTICULARS	AS AT 31/03/2011	AS AT 31/03/2010
SCHEDULE " A" SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
50000000 Equity Shares of ₹ 10/- each	5,000.00	5,000.00
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
29286400 Equity Shares of ₹ 10/- each Fully Paid-Up	2,928.64	2,928.64
	2,928.64	2,928.64
SCHEDULE - "B" RESERVE & SURPLUS		
Securities Premium	7,278.63	7,278.63
General Reserve	620.22	620.22
Profit and Loss Account	3,464.26	2,847.00
	11,363.11	10,745.85
SCHEDULE - "C" SECURED LOANS		
TERM LOANS		
Term Loan From State Bank Of India	3,393.18	3,018.71
Foreign Currency Term Loans from State Bank Of India	5,585.47	6,623.16
Cash credit from State Bank Of India	564.46	202.10
Cash credit from Indian Overseas Bank	199.01	-
VEHICLE LOANS FROM:-		
Reliance Capital Ltd.	-	4.48
ICICI Bank Ltd	-	2.56
Kotak Mahindra Prime Ltd	41.02	44.50
Kotak Mahindra Bank Ltd	13.92	-
Axis Bank Ltd.	1.25	2.83
Dhanlaxmi Bank Ltd	25.50	-
State Bank Of India	14.20	-
(Details of security provided to banks have been mentioned in Note No. 2 of schedule "U")		
	9,838.01	9,898.34
SCHEDULE - "D" UNSECURED LOANS		
Indian Overseas Bank	500.00	-
IFCI Factors Ltd	1,012.32	-
	1,512.32	-

SCHEDULE - "E"

(₹ In Lacs)

SR No.	PARTICULARS	GROSS BLOCK			DEPRECIATION				NET	
		AS ON 01/04/2010	ADDN/(DED) DURING THE PERIOD	TOTAL 31/3/2011	PROVIDED UP TO 31/3/2010	ADJUSTMENT	FOR THE YEAR	TOTAL 31/3/2011	AS ON 31/3/2011	AS ON 31/3/2010
1	2	3	4	5	6	7	8	9	10	11
TANGIBLE ASSETS										
1	Land & Land Development	355.60	324.73	680.33	-	-	-	-	680.33	355.60
2	Building	1,210.85	9,529.58	10,740.43	260.45	-	124.46	384.92	10,355.52	950.40
3	Electrification	224.56	1,684.67	1,909.23	51.23	-	32.23	83.46	1,825.77	173.33
4	Furniture & Fixtures	883.88	5,655.95	6,539.83	251.17	-	143.55	394.72	6,145.10	632.71
5	Plant & Machinery	800.35	2,578.81	3,379.16	191.78	-	71.26	263.05	3,116.12	608.57
6	Wind Mill	619.21	-	619.21	49.04	-	32.69	81.74	537.47	570.17
7	Other Equipment	136.87	361.21	498.08	14.99	-	10.43	25.41	472.67	121.88
8	Computers & Software	49.29	60.14	109.43	24.16	-	11.40	35.57	73.86	25.12
9	Vehicles	186.92	116.61	303.53	35.79	-	22.65	58.45	245.08	151.13
10	Television	20.14	66.12	86.26	2.46	-	2.00	4.46	81.80	17.68
11	Pick Up Van	22.25	5.00	27.25	6.07	-	2.31	8.38	18.88	16.19
12	Scooter	5.25	0.48	5.73	1.13	-	0.52	1.64	4.09	4.13
13	Pollution Cont. Plant	6.33	-	6.33	0.90	-	0.30	1.20	5.13	5.43
TOTAL		4,521.49	20,383.30	24,904.79	889.17	-	453.82	1,342.99	23,561.79	3,632.32
INTANGIBLE ASSETS										
1	Goodwill	669.75	-	669.75	468.83	-	0.00	468.83	200.93	200.93
	CURRENT YEAR	5,191.24	20,383.30	25,574.54	1,358.00	-	453.82	1,811.82	23,762.72	3,043.98
	PREVIOUS YEAR	4,496.01	695.23	5,191.24	1,162.65	4.67	200.01	1,358.00	3,833.25	3,333.35

(₹ In Lacs)

PARTICULARS	AS AT 31/03/2011	AS AT 31/03/2010
SCHEDULE - "F" : INVESTMENTS		
Unquoted Investments-Long Term		
In 100% Subsidiary Company		
31800 Equity Shares of Lov Kush Properties Pvt. Ltd.	500.00	500.00
Other		
100 Equity Shares of Sheetal Ispat Pvt. Ltd.	0.01	0.01
6,99,300 Equity Shares of Ahmedabad Stock Exchange Ltd.	39.96	39.96
Quoted Investments-Current		
Lotus India FMP - 375 days - Series-1 Fund	-	1.02
(Details of Units purchased and sold are given in Note No.6 of Schedule "J".)		
	539.97	540.99
SCHEDULE - "G" INVENTORIES		
(As per inventory taken, valued and certified by the Management)		
Provision and Stores	897.66	680.16
Cutlery and Crockery	433.41	228.97
Linen	151.53	59.39
Uniforms	119.50	80.84
Utensils	104.66	66.91
	1,706.76	1,116.26



(₹ In Lacs)

PARTICULARS	AS AT 31/03/2011	AS AT 31/03/2010
SCHEDULE - "H" SUNDRY DEBTORS (Unsecured, considered good by the management)		
Debts outstanding for a period exceeding six months	222.04	163.03
Other Debts	399.50	672.06
	621.53	835.09
SCHEDULE - "I" CASH AND BANK BALANCE		
Cash In Hand (as certified by the management)	149.03	180.23
Bank Balances in Current Account with	-	
Scheduled Banks	37.86	1,440.05
Other Bank *	34.28	25.99
Balance in Fixed Deposit Accounts with Sched.Bank (Pledge with Govt. Depart/ Bank in current year and previous year)	199.58	230.76
	420.75	1,877.02
* Includes Unpaid Dividend	0.77	0.39
SCHEDULE - "J" LOANS AND ADVANCES (Unsecured, considered good by the management)		
Deposits	505.14	293.23
Loans	1,625.19	2,771.29
Advance recoverable in cash or kind or for value to be received	1,020.67	155.36
Advances to Suppliers	287.09	105.95
Advance Taxes and Tax deducted at source	53.20	191.18
	3,491.29	3,517.01
SCHEDULE - "K" CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Advances	766.48	434.48
Sundry Creditors	741.85	715.38
Sundry Creditors for Capital Goods	911.01	1,226.31
Temporary Bank O/D	143.52	35.38
Statutory Liabilities	647.34	181.44
PROVISIONS		
Unpaid Dividend	0.77	0.39
Provision for Expenses	257.76	134.63
Provision for Income Tax	654.21	566.00
Proposed Dividend	292.86	292.86
Dividend Distribution Tax	47.52	48.64
	4,463.32	3,635.51
SCHEDULE - "L" MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Preliminary Expenditure		
Opening Balance	-	9.67
Addition during the period	-	-
Less : Written off	-	9.67
	-	-

(₹ In Lacs)

PARTICULARS	AS AT 31/03/2011	AS AT 31/03/2010
I.P.O Expenses		
Opening Balance	-	351.45
Addition during the period	-	-
Less : Written off	-	351.45
	-	-
Deferred Revenue Expenditure		
Opening Balance	178.36	192.55
Addition during the period	138.72	30.33
Less : Written off	72.26	44.52
	244.82	178.36
	244.82	178.36
SCHEDULE - " M " SALES & SERVICES		
Rooms Revenue	1,815.39	1,322.07
Food & Beverage	2,990.80	2,627.16
Banquets & Catering Services	6,753.63	4,349.00
Club Membership Entrance Fees	545.17	270.85
	12,104.99	8,569.08
SCHEDULE - " N " OTHER INCOME		
Interest Received	162.47	172.44
Dividend Income	2.10	0.39
Misc. Income	46.20	31.86
Windmill Energy Income	69.91	89.18
	280.68	293.86
SCHEDULE - " O " FOOD & BEVERAGES CONSUMED		
Opening Stocks	680.16	427.44
Purchases (Net of Goods Returned)	3,527.52	2,706.29
Less : Closing Stock	897.66	680.16
	3,310.02	2,453.57
SCHEDULE - " P " EMPLOYEES' EMOLUMENTS		
Salary Wages & Allowances	1,214.44	881.36
Directors Remuneration	84.00	51.50
Contribution to PF, ESI and other fund	58.30	45.63
Leave Salary	20.59	11.69
Gratuity	16.22	19.42
Welfare Expenses	35.60	10.75
	1,429.14	1,020.35

(₹ In Lacs)

PARTICULARS	AS AT 31/03/2011	AS AT 31/03/2010
SCHEDULE - " Q " UPKEEP AND SERVICE COST		
Linen, Uniform, Cleaning and Laundry Expenses	180.79	133.66
Waiter Charges	480.84	315.18
Power and Fuel	745.65	413.52
Hire Charges	84.39	79.28
Repairs and Maintenance		
- Building	53.65	22.92
- Plant and Machinery	81.26	62.43
- Others	111.87	113.88
Other Upkeep Expenses	66.95	30.19
	1,805.40	1,171.07
SCHEDULE - " R " ADMINISTRATIVE AND SELLING EXPENSES		
Advertisement and Publicity Charges	187.76	132.24
Assets Discarded	285.17	184.22
Auditor's Remuneration	2.04	1.49
Conveyance and Travelling Expenses	72.96	35.35
Decoration Expenses	310.64	210.98
Donation	26.14	17.28
House Keeping Expenses	167.54	113.41
Insurance Expenses	17.81	8.40
Communication Expenses	38.90	34.50
Deferred Revenue Expenses Written off	72.26	44.52
Printing and Stationery	65.61	47.22
Legal and Professional Expenses	99.04	71.31
Rates and Taxes	535.83	278.72
Rent	1,031.73	783.98
Security Expenses	91.68	60.01
Vehicle Running Expenses	92.00	63.34
Miscellaneous Expenses	130.03	92.62
Loss on Sale of Assets	-	5.57
	3,227.14	2,185.18
SCHEDULE - " S " FINANCIAL CHARGES		
Interest on Term Loan	987.73	884.08
Less: Interest Capitalized	(439.69)	(697.33)
	548.04	186.75
Bank Charges	50.50	15.29
Interest on Vehicle Loans	5.95	2.17
Interest to others	71.66	27.04
	676.14	231.26

SCHEDULE - "T" SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES
1. Basis of preparation :

The financial statements have been prepared and presented on an accrual basis under the historical cost convention and in accordance with the applicable accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied unless otherwise stated.

2. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affects the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialised.

3. Fixed Assets:

- (i) Fixed Assets are valued at cost less accumulated depreciation.
- (ii) Incidental expenditure directly attributable to construction is accumulated as Capital Work-in-Progress.

4. Depreciation and Amortisation:
Tangible Assets:

During the year company has provided depreciation as per Straight Line Method at the rate & manner specified in Schedule XIV of the Companies Act.

5. Investments:

Investments are stated at cost of acquisition. Provision for diminution in value of Investment is made only if such a decline is other than temporary in the opinion of the management.

6. Valuation of Inventories:

- (i) Inventory comprises stock of food and beverages and stores and spares and is carried at lower of cost and net realizable value. Cost includes all expenses incurred in bringing the goods to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and to make the sale.
- (ii) Inventory of Cutlery, crockery, linen & uniform are amortised over the period of twenty four months.

7. Miscellaneous Expenditure:

- (i) Deferred Revenue Expenditure related to windmill has been amortized over a period of twenty years.
- (ii) Deferred Revenue Expenditure other than above (i) is amortized over a period of five years.

8. Revenue Recognition:

- (i) Income from Rooms, Banquets, and Restaurant and Other Services represents invoice value of goods sold and services rendered exclusive of all applicable taxes.
- (ii) Revenue from windmill energy generation is accounted for on the basis of units generated against consumption at the Hotel, taking into consideration the energy charges and fuel charges charged by Torrent Power Ltd according to PPA agreement with them.

9. Foreign Currency Transactions:

Transactions in Foreign Currencies are recorded at the exchange rate prevailing on the date of transaction.

10. Borrowing Cost:

- (i) Borrowing cost is recognised as expense in the period in which these are incurred.
- (ii) Interest and other borrowing cost on specific borrowings, attributable to qualifying assets are capitalised.
- (iii) Foreign Exchange difference arising on repayment of foreign exchange term loan has been adjusted to interest cost.

11. Provision for Taxation:

- (i) Provision for Income tax for the current year is based on the estimated taxable income for the period in accordance with the provisions of the Income Tax Act, 1961.
- (ii) The Deferred Tax resulting from timing difference is accounted for using tax rates & tax laws that have been enacted or substantively enacted as at the Balance Sheet date.

12. Employee Benefits:

- (i) Gratuity liability is a defined benefit obligation and is recorded based on actuarial valuation on projected unit credit method made at the end of the financial year. The gratuity liability and the net periodic gratuity cost is actuarially determined after considering discount rates, expected long term return on plan assets and increase in compensation levels. All actuarial gains / losses are immediately charged to the profit and loss account and are not deferred.
- (ii) Provident fund is a defined contribution scheme and the company has no further obligation beyond the contributions made to the fund. Contributions are charged to the profit and loss account in the year in which they are accrued.
- (iii) The Company has no other obligation other than the contribution payable.
- (iv) Provision for leave salary has been made as determined by the management.

SCHEDULE - "U" NOTES TO ACCOUNTS

1. Contingent Liabilities:

Contingent Liabilities not provided for are as under:

(Amt. in ₹)

Particulars	2010-11	2009-10
1. Bank Guarantee issued to Custom department for import purpose	5,20,11,924	3,11,61,769

2. Secured Loans:

- a) Term loans and working capital loans from State Bank of India are secured by
 - (i) Exclusive charge on the entire block of fixed & movable assets (present and future) including 1.25 MW Wind mill at village Panchetiya, under district Kutch and hypothecation of the current assets and receivables of the company's existing hotel at Ahmedabad and proposed Surat project.
 - (ii) Corporate Guarantee of Lov Kush Properties Pvt. Ltd. (100% Subsidiary of the company)
 - (iii) All Term loans and working capital loans are secured by personal guarantee of all executive directors.
- b) Cash Credit Loan from I.O.B. is secured against guarantee of a sister concern TGB Food Pvt. Ltd.
- c) Vehicle loans are secured by the hypothecation of the vehicles concern.

3. During the year the company had purchased and sold following mutual fund units:

Particulars	As on 01.04.2010	Purchased During the year	Sold During the year	As on 31.03.2011
Religare Ultra Short term fund	10227	—	10227	NIL

4. Segment Reporting

Since the company has only one segment, there is no separate reportable segment as required in AS-17 issued by the Institute of Chartered Accountants of India.

5. Deferred Tax:

As per Accounting Standard 22 on Accounting for taxes on income issued by the Institute of Chartered Accountants of India, the company has accounted for deferred tax during the year. (₹ In Lacs)

	Opening Balance On 01.04.10	Charged / (Credited) During The Year	Balance As On 31.03.11
Timing Differences due to Depreciation	392.38	290.06	682.44
Total	392.38	290.06	682.44

6. Related Party Disclosures:

- (a) Related Parties and their Relationship:

Sr. No.	Name of Related Party	Relationship
1	New Ramesh Kirana Stores	Associate Party
2	TGB Foods P. Ltd	Associate Party
3	Devanand G. Somani HUF	Associate Party
4	Narendra G. Somani	Key Management Personnel
5	Devanand G. Somani	Key Management Personnel
6	Hemant G. Somani	Key Management Personnel
7	Ramesh K. Motiani	Key Management Personnel
8	Harshita D. Somani	Relative of Key Mgt. Personnel
9	Sunita N. Somani	Relative of Key Mgt. Personnel
10	Neeta Somani	Relative of Key Mgt. Personnel

(b) Transaction with Related Parties:

(₹ In Lacs)

Sr. No.	Nature of transaction	2010-11				2009-10			
		Associate Parties	Key Management Personnel	Relative of Key Mgt. Personnel	Total	Associate Parties	Key Management Personnel	Relative of Key Mgt. Personnel	Total
		1	F & B Purchase	504.17	-	-	504.17	395.47	-
2	Rent	2.40	7.20	77.56	87.16	2.40	7.20	2.40	12.00
3	Director's Remuneration	-	84.00	-	84.00	-	51.50	-	51.50
4	Commercial Transaction	-	-	-	-	(0.55)	2.72	(1.67)	0.50
5	Purchase of Fixed Assets	-	-	-	-	-	11.80	-	11.80

(c) Statement of Material Transactions:

(₹ In Lacs)

Name of Company	2010-11	2009-10
New Ramesh Kirana Stores - Purchase of Goods	221.41	174.83
TGB Foods P. Ltd. - Purchase of Goods	282.76	220.64
Harshita D. Somani - Rent	18.95	2.40
Sunita N Somani - Rent	42.05	-
Neeta Somani - Rent	16.55	-
Narendra G. Somani - Director's Remuneration	42.00	24.00
Devanand G. Somani - Director's Remuneration	18.00	12.00
Hemant G. Somani - Director's Remuneration	18.00	12.00

7. Employee Benefits

Consequent upon adoption of Accounting Standard 15 (revised 2005) on "Employee Benefits" issued by the institute of chartered Accountants of India, as required by the standards, the following disclosures are made:

(₹ In Lacs)

Particulars	2010-11	2009-10
1. Expenses recognized in the statement of Profit and Loss account for the year ended 31.03.2011		
Current Service Cost	12.35	5.51
Interest Cost	2.41	0.84
Expected return on plan assets	(1.83)	(1.39)
Net Actuarial (gain) / Loss recognised in the year	3.28	14.10
Expenses recognised in statement of profit and Loss	16.21	19.06
2. The Amounts to be recognised in the balance sheet and statements of Profit and Loss Account		
Present Value of obligations as at the end of year	48.19	30.15
Fair value of plan assets as at the end of the year	32.26	16.59
Funded status : Surplus / (Deficit)	(15.93)	(13.55)
Net Asset / (Liability) recognised in balance sheet	(15.93)	(13.55)
3. Changes in present value of obligation		
Present value of obligations as at beginning of year	30.14	10.48
Interest cost	2.41	0.84
Current service cost	12.36	5.51
Benefits paid	Nil	(0.78)
Actuarial (gain) / Loss on obligations	3.28	14.10
Present value of obligations as at 31.03.2011	48.19	30.15
4. Actuarial Table showing changes in the fair value of Plan Assets		
Fair Value of plan assets at beginning of year	16.59	15.47
Expected return on plan assets	1.83	1.39
Contributions	13.84	0.52
Benefits Paid	Nil	(0.79)
Actuarial gain / (Loss) on Plan assets	Nil	Nil
Fair Value of plan assets at the end of year	32.26	16.59

(₹ In lacs)

Particulars	2010-11	2009-10
5. Assumptions used to determine the benefit obligations:		
Discounting Rate	8.00%	8.00%
Expected rate of increase in salary	7.00%	4.00%
Expected rate of return on Plan Assets	9-9.55%	9-9.55%
Mortality Table L.I.C(1994-96)		
ULTIMATE		

8. Earning Per Share:

(a) Basic Earning Per Share

Particulars	2010-11	2009-10
A Profit / Loss after tax (₹ in Lacs)	957.64	976.04
B Weighted Average No. Of Equity Shares	29286400	29286400
C Nominal Value of Shares (₹)	10	10
Earnings Per Share: (Basic & Diluted)		
Before Extraordinary item (₹)(A/B)	3.27	3.33
After Extraordinary item (₹)(A/B)	3.27	3.33

9. Particulars of Directors' Remuneration :

A) Computation of net profit for calculation of Managerial Remuneration

Details of Payments and Provisions on account of Remuneration to Managerial personnel in accordance with Sec 349 and Sec 350 of the Companies Act, 1956, included in the Profit and Loss account, are as under

Particulars	Amount (₹ Lacs)
Net Profit Before Tax	1484
Add:	
Director's Remuneration	84
Loss on Sale of Fixed Assets	Nil
Net Profit as per Sec 349 of the Companies Act, 1956	1568

B) Details of managerial remuneration paid: (₹ In Lacs)

Name	Designation	2010-11	2009-10
a) Narendra G. Somani	Chairman and Managing Director	42.00	24.00
b) Devanand G. Somani	Whole-time Director	18.00	12.00
c) Hemant G. Somani	Whole-time Director	18.00	12.00
d) Ramesh K. Motiani	Whole-time Director	6.00	3.50
Total		84.00	51.50

10. Auditors' Remuneration: (₹ in Lacs)

Particulars	2010-11	2009-10
a. Audit Fees	1.50	1.00
b. Tax Audit	0.25	0.25
c. Certification Matters	0.10	0.10
d. Service Tax	0.19	0.13
Total	2.04	1.48

11. Details of Foreign Currency Transactions are as under: (₹ In Lacs)

Particulars	2010-11	2009-10
a) C.I.F. Value of Import	625.51	2158.15
b) Earning in Foreign Exchange	126.10	114.87

12. Since the business of the company is by way of Food and Beverages, the quantity wise details of purchase, consumption, turnover, stock etc. are not furnished as the items are so large in number that it is not practicable to present.
13. The company had not received any intimation from "suppliers" regarding their status under the Micro, Small & Medium Enterprise Act, 2006, and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid or payable as required under said Act, have not been given.
14. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realized, in the ordinary course of business. Provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
15. Figures of previous year have been regrouped, rearranged and recast wherever necessary so as to make them comparable with those of current year.
16. The schedules and notes form an integral part of the accounts.

For, O.P. Bhandari & Co.
Chartered Accountants
 Firm Regn. No.-112633W

(O.P.Bhandari)
 Proprietor
 M.No.34409
 Place : Ahmedabad
 Date : 13.08.2011

Narendra G. Somani

Devanand G. Somani

Hemant G. Somani

Vishal Palkhiwala

Sandip Pandya

Chairman and Managing Director

Wholetime Director

Wholetime Director

Chief Financial Officer

Company Secretary

ADDITIONAL INFORMATION AS REQUIRED UNDER PART VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1 REGISTRATION DETAILS

Registration No.	L55100GJ1999PLC036830	State Code	04
Balance Sheet Date	31-03-2011		

2 CAPITAL RAISED DURING THE YEAR (₹ In Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

3 POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS(₹ In Thousands)

Total Liabilities	2,632,452	Total Assets	2,632,452
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SOURCES OF FUNDS (₹ In Thousands)

Paidup Capital	292,864	Reserves & Surplus	1,136,311
Secured Loans	983,801	Unsecured Loans	151,232
Deferred Tax Liability	68,244		

APPLICATION OF FUNDS (₹ In Thousands)

Net Fixed Assets and Intangible Assets	2,376,272	Investment	53,997
Net Current Assets	177,700	Misc Expenditure	24,482
Accumulated Losses	NIL		

4 PERFORMANCE OF COMPANY (₹ In Thousands)

Turnover	1,238,567	Total Expenditure	1,090,167
Profit/(Loss) Before Tax	148,400	Profit/(Loss) After Tax	95,764
Earning Per Share(Basic)	3.27	Earning Per Share (Diluted)	3.27
Dividend Rate(%)	10%		

5 GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

(As monetary terms)

Item Code No. (ITC Code)	N A
Product Description	Hotels, Banquet Halls & Catering

For, O.P. Bhandari & Co. Chartered Accountants Firm Regn. No.-112633W	Narendra G. Somani Devanand G. Somani	Chairman and Managing Director Wholetime Director
(O.P.Bhandari) Proprietor M.No.34409	Hemant G. Somani Vishal Palkhiwala	Wholetime Director Chief Financial Officer
Place : Ahmedabad Date : 13.08.2011	Sandip Pandya	Company Secretary

CASH FLOW STATEMENT AS ON 31.03.2011

Particulars	For the year ended on 31/03/2011	For the year ended on 31/03/2010
A. Cash Flow arising from Operating Activities		
Profit before tax	1484.00	1601.50
Adjustment for :		
Depreciation & Amortisation	453.82	200.01
Interest received	(162.47)	(172.44)
Dividend received	(2.10)	(0.39)
Loss on Sale of fixed assets	0.00	5.57
Miscellaneous Expenditure Written Off	72.26	44.52
Interest to banks	599.71	214.94
Operating Profit Before WC changes	2445.23	1893.71
Adjustment for Working Capital changes		
Inventories	(590.49)	(405.59)
Receivables	213.56	(7.96)
Loans & Advances	(112.25)	(251.93)
Current Liabilities	740.73	1792.53
Net Cash from Working Capital changes	251.54	1127.05
Taxes paid (including fringe benefit tax)	(10.12)	(227.70)
Net Cash Flow from Operating Activities	2686.65	2793.07
B. Cash Flow from Investing Activities		
Interest received	162.47	172.44
Dividend Received	2.10	0.39
Purchase of Fixed Assets	(4680.57)	(712.07)
Addition to work-in-progress	0.00	(7828.85)
Sale of Fixed Assets	0.00	6.60
Sale / (Purchase) of Investments	1.02	(0.04)
Addition to Miscellaneous Expenditure	(138.72)	(30.33)
Net Cash from Investing Activities	(4653.70)	(8391.87)
C. Cash Flow from Financing Activities		
Secured Loan	(60.33)	5778.03
Unsecured Loan	1512.32	0.00
Interest to banks	(599.71)	(214.94)
Dividends Paid (including distribution tax)	(341.51)	0.00
Net Cash from Financing Activities	510.77	5563.09
Net Increase(Decrease) in Cash or Cash Equivalents	(1456.28)	(35.72)
Opening Cash or Cash Equivalents	1877.02	1912.75
Closing Cash or Cash Equivalents	420.74	1877.02

As per our Report of Even Date
For, O.P. Bhandari & Co.
 Chartered Accountants
 Firm Regn. No.-112633W

(O.P.Bhandari)
 Proprietor
 M.No.34409

Place : Ahmedabad
 Date : 13.08.2011

Narendra G. Somani

Devanand G. Somani

Hemant G. Somani

Vishal Palkhiwala

Sandip Pandya

Chairman and Managing Director

Wholetime Director

Wholetime Director

Chief Financial Officer

Company Secretary



CONSOLIDATED AUDITORS' REPORT

To,
The Members of
BHAGWATI BANQUETS AND HOTELS LIMITED.

We have audited the attached Consolidated Balance Sheet of BHAGWATI BANQUETS AND HOTELS LIMITED and its subsidiary Lov Kush Properties Private Ltd. as at March 31, 2011 and also the consolidated Profit and Loss account for the year ended on that date and the Consolidated Cash flow statement for the year ended on that date, both annexed thereto. These consolidated financial statements are the basis of separate financial statements and other financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

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 assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 on, Consolidated Financial Statements, notified under the Companies (Accounting Standards) Rules, 2006.

Based on our audit and on consideration of reports of subsidiary company's financial statements and on the other information of the components, and to the explanations given to us, we are of the opinion that the attached consolidated financial statements give true and fair view in conformity with the accounting principles generally accepted in India.:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiary as at March 31, 2011;
- (ii) In the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- (iii) In case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **O. P. Bhandari & Co.**
Chartered Accountants
Firm Reg. No.:112633W

Place : Ahmedabad.
Date : 13.08.2011

[O. P. Bhandari]
Proprietor
Membership No. 34409

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH-2011

(₹ In Lacs)

PARTICULARS	SCH	AS AT 31/03/2011	AS AT 31/03/2010
SOURCES OF FUNDS :			
SHARE HOLDER FUNDS			
a) Share Capital	"A"	2,928.64	2,928.64
b) Reserve & Surplus	"B"	10,866.29	10,348.40
		-	-
LOAN FUNDS			
Secured Loan	"C"	9,838.01	9,898.34
Unsecured Loans	"D"	1,522.57	10.25
DEFERRED TAX LIABILITIES			
		682.44	392.38
TOTAL :		25,837.95	23,578.01
APPLICATION OF FUNDS :			
FIXED ASSETS			
	"E"		
Gross Block		26,084.08	5,700.78
Less : Accumulated Depreciation		2,308.64	1,755.45
Net Block		23,775.44	3,945.33
Capital work-in-progress and advances on capital account		-	15,702.73
INVESTMENTS			
	"F"	39.97	40.99
CURRENT ASSETS, LOANS AND ADVANCES			
a) Inventories	"G"	1,706.76	1,116.26
b) Sundry Debtors	"H"	621.53	835.09
c) Cash and Bank Balance	"I"	420.80	1,877.09
d) Loans and Advances	"J"	3,491.29	3,517.01
		6,240.38	7,345.46
LESS : CURRENT LIABILITIES AND PROVISIONS	"K"	4,463.71	3,635.85
NET CURRENT ASSETS		1,776.66	3,709.61
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)	"L"	245.87	179.35
		-	-
TOTAL :		25,837.95	23,578.01
Significant Accounting Policies & Practices	" T "		
Notes Forming Part of Accounts	" U "		

As per our Report of Even Date

For, O.P. Bhandari & Co.
Chartered Accountants
 Firm Regn. No.-112633W

Narendra G. Somani

Chairman and Managing Director

Devanand G. Somani

Wholetime Director

(O.P.Bhandari)
 Proprietor

Hemant G. Somani

Wholetime Director

M.No.34409

Vishal Palkhiwala

Chief Financial Officer

Place : Ahmedabad

Date : 13.08.2011

Sandip Pandya

Company Secretary



CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST MARCH, 2011

(₹ In Lacs)

PARTICULARS	SCH	AS AT 31/03/2011	AS AT 31/03/2010
INCOME			
Sales and Services	"M"	12,104.99	8,569.08
Other Income	"N"	280.68	293.86
		12,385.67	8,862.94
EXPENDITURE			
Food and Beverages Consumed	"O"	3,310.02	2,453.57
Employees' Emoluments	"P"	1,429.14	1,020.35
Upkeep and Service Cost	"Q"	1,805.40	1,171.07
Administrative and Selling Expenses	"R"	3,227.14	2,185.18
Financial Charges	"S"	676.14	231.26
		10,447.85	7,061.43
PROFIT BEFORE DEPRECIATION		1,937.83	1,801.51
DEPRECIATION AND AMORTISATION	"E"	553.19	299.38
PROFIT/(LOSS) BEFORE TAX		1,384.64	1,502.14
Less: Provision for Income Tax		280.00	566.00
Provision for Deferred Tax		290.06	43.16
Income Tax Paid for earlier years		-	16.29
Add : Excess Provision Written Back		43.70	-
PROFIT/ (LOSS) AFTER TAX		858.28	876.68
PROFIT / (LOSS) B/F		2,449.55	1,914.37
AMOUNT AVAILABLE FOR APPROPRIATION		3,307.82	2,791.05
LESS : APPROPRIATIONS			
Proposed Dividend on Equity Shares		292.86	292.86
Dividend Distribution Tax		47.52	48.64
BALANCE CARRIED TO BALANCE SHEET		2,967.44	2,449.55
Earning Per Share			
Basic		2.93	2.99
Diluted		2.93	2.99

Significant Accounting Policies & Practices " T"

Notes Forming Part of Accounts " U"

As per our Report of Even Date

For, **O.P. Bhandari & Co.**
Chartered Accountants
Firm Regn. No.-112633W

Narendra G. Somani

Chairman and Managing Director

Devanand G. Somani

Wholetime Director

(O.P.Bhandari)

Proprietor

M.No.34409

Place : Ahmedabad

Date : 13.08.2011

Hemant G. Somani

Wholetime Director

Vishal Palkhiwala

Chief Financial Officer

Sandip Pandya

Company Secretary

CONSOLIDATED SCHEDULES TO ACCOUNTS - 31-03-2011

(₹ In Lacs)

PARTICULARS	AS AT 31/03/2011	AS AT 31/03/2010
SCHEDULE " A" SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
50000000 Equity Shares of ₹ 10/- each	5,000.00	5,000.00
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
29286400 Equity Shares of ₹ 10/- each Fully Paid-Up	2,928.64	2,928.64
	2,928.64	2,928.64
SCHEDULE - "B" RESERVE & SURPLUS		
Securities Premium	7,278.63	7,278.63
General Reserve	620.22	620.22
Profit and Loss Account	2,967.44	2,449.55
	10,866.29	10,348.40
SCHEDULE - "C" SECURED LOANS		
TERM LOANS		
Term Loan From State Bank Of India	3,393.18	3,018.71
Foreign Currency Term Loans from State Bank Of India	5,585.47	6,623.16
Cash credit from State Bank Of India	564.46	202.10
Cash credit from Indian Overseas Bank	199.01	-
VEHICLE LOANS FROM:-		
Reliance Capital Ltd.	-	4.48
ICICI Bank Ltd	-	2.56
Kotak Mahindra Prime Ltd	41.02	44.50
Kotak Mahindra Bank Ltd	13.92	-
Axis Bank Ltd.	1.25	2.83
Dhanlaxmi Bank Ltd	25.50	-
State Bank Of India	14.20	-
(Details of security provided to banks have been mentioned in Note No. 2 of schedule "U")		
	9,838.01	9,898.34
SCHEDULE - "D" UNSECURED LOANS		
Indian Overseas Bank	500.00	-
IFCI Factors Ltd	1,012.32	-
Loans From Directors	10.25	10.25
	1,522.57	10.25

SCHEDULE - "E"

(₹ In Lacs)

SR No.	PARTICULARS	GROSS BLOCK			DEPRECIATION				NET	
		AS ON 01/04/2010	ADDN/(DED) DURING THE PERIOD	TOTAL 31/3/2011	PROVIDED UP TO 31/3/2010	ADJUSTMENT	FOR THE YEAR	TOTAL 31/3/2011	AS ON 31/3/2011	AS ON 31/3/2010
1	2	3	4	5	6	7	8	9	10	11
TANGIBLE ASSETS										
1	Land	368.32	324.73	693.05	-	-	-	-	693.05	368.32
2	Building	1,210.85	9,529.58	10,740.43	260.45	-	124.46	384.92	10,355.52	950.40
3	Electrification	224.56	1,684.67	1,909.23	51.23	-	32.23	83.46	1,825.77	173.33
4	Furniture & Fixtures	883.88	5,655.95	6,539.83	251.17	-	143.55	394.72	6,145.10	632.71
5	Plant & Machinery	800.35	2,578.81	3,379.16	191.78	-	71.26	263.05	3,116.12	608.57
6	Wind Mill	619.21	-	619.21	49.04	-	32.69	81.74	537.47	570.17
7	Other Equipment	136.87	361.21	498.08	14.99	-	10.43	25.41	472.67	121.88
8	Computers & Software	49.29	60.14	109.43	24.16	-	11.40	35.57	73.86	25.12
9	Vehicles	186.92	116.61	303.53	35.79	-	22.65	58.45	245.08	151.13
10	Television	20.14	66.12	86.26	2.46	-	2.00	4.46	81.80	17.68
11	Pick Up Van	22.25	5.00	27.25	6.07	-	2.31	8.38	18.88	16.19
12	Scooter	5.25	0.48	5.73	1.13	-	0.52	1.64	4.09	4.13
13	Pollution Cont. Plant	6.33	-	6.33	0.90	-	0.30	1.20	5.13	5.43
TOTAL		4,534.21	20,383.30	24,917.51	889.17	-	453.82	1,342.99	23,574.51	3,645.04
INTANGIBLE ASSETS										
1	Goodwill	669.75	-	669.75	468.83	-	0.00	468.83	200.93	200.93
2	Goodwill on conso	496.82	-	496.82	397.46	-	99.36	496.82	-	99.36
CURRENT YEAR		5,700.78	20,383.30	26,084.08	1,755.45	-	553.19	2,308.64	23,775.44	3,945.33
PREVIOUS YEAR		5,005.55	695.23	5,700.78	1,460.74	4.67	299.38	1,755.45	3,945.34	3,544.80

(₹ In Lacs)

PARTICULARS	AS AT 31/03/2011	AS AT 31/03/2010
SCHEDULE - "F" INVESTMENTS		
Other		
100 Equity Shares of Sheetal Ispat Pvt. Ltd.	0.01	0.01
6,99,300 Equity Shares of Ahmedabad Stock Exchange Ltd.	39.96	39.96
Quoted Investments-Current		
Lotus India FMP - 375 days - Series-1 Fund (Details of Units purchased and sold are given in Note No.6 of Schedule "J".)	-	1.02
	39.97	40.99
SCHEDULE - "G" INVENTORIES (As per inventory taken, valued and certified by the Management)		
Provision and Stores	897.66	680.16
Cutlery and Crockery	433.41	228.97
Linen	151.53	59.39
Uniforms	119.50	80.84
Utensils	104.66	66.91
	1,706.76	1,116.26
SCHEDULE - "H" SUNDRY DEBTORS (Unsecured, considered good by the management)		
Debts outstanding for a period exceeding six months	222.04	163.03
Other Debts	399.50	672.06
	621.53	835.09

(₹ In Lacs)

PARTICULARS	AS AT 31/03/2011	AS AT 31/03/2010
SCHEDULE - "I" CASH AND BANK BALANCE		
Cash In Hand (as certified by the management)	149.04	180.25
Bank Balances in Current Account with	-	
Scheduled Banks	37.90	1,440.10
Other Bank*	34.28	25.99
Balance in Fixed Deposit Accounts with Sched.Bank (Pledge with Govt. Depart/ Bank in current year and previous year)	199.58	230.76
	420.80	1,877.09
* Includes Unpaid Dividend	0.77	0.39
SCHEDULE - "J" LOANS AND ADVANCES (Unsecured, considered good by the management)		
Deposits	505.14	293.23
Loans	1,625.19	2,771.29
Advance recoverable in cash or kind or for value to be received	1,020.67	155.36
Advances to Suppliers	287.09	105.95
Advance Taxes and Tax deducted at source	53.20	191.18
	3,491.29	3,517.01
SCHEDULE - "K" CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Advances	766.48	434.48
Sundry Creditors	741.85	715.38
Sundry Creditors for Capital Goods	911.01	1,226.31
Temporary Bank O/D	143.52	35.38
Statutory Liabilities	647.34	181.44
PROVISIONS		
Unpaid Dividend	0.77	0.39
Provision for Expenses	258.16	134.96
Provision for Income Tax	654.21	566.00
Proposed Dividend	292.86	292.86
Dividend Distribution Tax	47.52	48.64
	4,463.71	3,635.85
SCHEDULE - "L" MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Preliminary Expenditure		
Opening Balance	0.12	9.78
Addition during the period	-	-
Less : Written off	-	9.67
	0.12	0.12
I.P.O Expenses		
Opening Balance	-	351.45
Addition during the period	-	-
Less : Written off	-	351.45
	-	-



(₹ In Lacs)

PARTICULARS	AS AT 31/03/2011	AS AT 31/03/2010
Deferred Revenue Expenditure		
Opening Balance	179.23	193.36
Addition during the period	138.79	30.39
Less : Written off	72.26	44.52
	245.76	179.23
	245.87	179.35
SCHEDULE - " M " SALES & SERVICES		
Rooms Revenue	1,815.39	1,322.07
Food & Beverage	2,990.80	2,627.16
Banquets & Catering Services	6,753.63	4,349.00
Club Membership Entrance Fees	545.17	270.85
	12,104.99	8,569.08
SCHEDULE - " N " OTHER INCOME		
Interest Received	162.47	172.44
Dividend Income	2.10	0.39
Misc. Income	46.20	31.86
Windmill Energy Income	69.91	89.18
	280.68	293.86
SCHEDULE - " O " FOOD & BEVERAGES CONSUMED		
Opening Stocks	680.16	427.44
Purchases (Net of Goods Returned)	3,527.52	2,706.29
Less : Closing Stock	897.66	680.16
	3,310.02	2,453.57
SCHEDULE - " P " EMPLOYEES' EMOLUMENTS		
Salary Wages & Allowances	1,214.44	881.36
Directors Remuneration	84.00	51.50
Contribution to PF, ESI and other fund	58.30	45.63
Leave Salary	20.59	11.69
Gratuity	16.22	19.42
Welfare Expenses	35.60	10.75
	1,429.14	1,020.35
SCHEDULE - " Q " UPKEEP AND SERVICE COST		
Linen, Uniform, Cleaning and Laundry Expenses	180.79	133.66
Waiter Charges	480.84	315.18
Power and Fuel	745.65	413.52
Hire Charges	84.39	79.28
Repairs and Maintenance		
- Building	53.65	22.92
- Plant and Machinery	81.26	62.43
- Others	111.87	113.88
Other Upkeep Expenses	66.95	30.19
	1,805.40	1,171.07

(₹ In Lacs)

PARTICULARS	AS AT	AS AT
	31/03/2011	31/03/2010
SCHEDULE - " R "		
ADMINISTRATIVE AND SELLING EXPENSES		
Advertisement and Publicity Charges	187.76	132.24
Assets Discarded	285.17	184.22
Auditor Remuneration	2.04	1.49
Conveyance and Travelling Expenses	72.96	35.35
Decoration Expenses	310.64	210.98
Donation	26.14	17.28
House Keeping Expenses	167.54	113.41
Insurance Expenses	17.81	8.40
Communication Expenses	38.90	34.50
Deferred Revenue Expenses Written off	72.26	44.52
Printing and Stationery	65.61	47.22
Legal and Professional Expenses	99.04	71.31
Rates and Taxes	535.83	278.72
Rent	1,031.73	783.98
Security Expenses	91.68	60.01
Vehicle Running Expenses	92.00	63.34
Miscellaneous Expenses	130.03	92.62
Loss on Sale of Assets	-	5.57
	3,227.14	2,185.18
SCHEDULE - " S "		
FINANCIAL CHARGES		
Interest On Term Loan	987.73	884.08
Less: Interest Capitalized	(439.69)	(697.33)
	548.04	186.75
Bank Charges	50.50	15.29
Interest On Vehicle Loans	5.95	2.17
Interest to others	71.66	27.04
	676.14	231.26

SCHEDULE - "T" SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

1. BASIS OF ACCOUNTING

The consolidated Financial statements of Bhagwati Banquets And Hotels Limited ('the Company') and its Wholly-owned subsidiary (collectively referred to as "the Group") have been prepared and presented on an accrual basis under the historical cost convention and in accordance with the applicable accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied unless otherwise stated.

a) PRINCIPLES OF CONSOLIDATION:

- (i) The financial statements of the Company and its subsidiary company is combined on line-by-line basis together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra group transactions resulting in unrealized profits or losses in accordance with Accounting Standard-21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
 - (ii) The difference between the costs of investment in the subsidiary, over the net assets at the time of acquisition of shares in the subsidiary is recognized in the financial statements as Goodwill or Capital Reserve as the case may be. Goodwill is amortised over a period not exceeding 5 years beginning first full year of operation under consolidation.
 - (iii) The subsidiary considered in the consolidated financial statement is Lov Kush Properties Pvt. Ltd. in which its parent company holds 100% voting rights.
- b) Company holds certain rights in immovable property by virtue of equity shares held in an associate enterprise as stated in schedule E. Since the equity shares so held do not really present financial investment simplicities but rather the means to acquire and hold the properties for use in Company's operations, the cost of acquisition of the shares is treated as cost of fixed assets and is dealt with in accordance with Accounting Standard-10. Accordingly the requirements of Accounting Standard - 13 on Accounting for investments and Accounting Standard-23 on Accounting for Investment in Associates in consolidated financial statements are considered to be not applicable. Even otherwise, the actual effect on the consolidated financial statement will not be contextually significant.

2. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affects the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialised.

3. Fixed Assets:

- (i) Fixed Assets are valued at cost less accumulated depreciation.
- (ii) Incidental expenditure directly attributable to construction is accumulated as Capital Work-in-Progress.

4. Depreciation and Amortisation:

Tangible Assets:

During the year company has provided depreciation as per Straight Line Method at the rate & manner specified in Schedule XIV of the Companies Act.

5. Investments:

Investments are stated at cost of acquisition. Provision for diminution in value of Investment is made only if such a decline is other than temporary in the opinion of the management.

6. Valuation of Inventories:

- (i) Inventory comprises stock of food and beverages and stores and spares and is carried at lower of cost and net realizable value. Cost includes all expenses incurred in bringing the goods to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and to make the sale.
- (ii) Inventory of Cutlery, crockery, linen & uniform are amortised over the period of 24 months.

7. Miscellaneous Expenditure:

- (i) Deferred Revenue Expenditure related to windmill has been amortized over a period of 20 years.
- (ii) Deferred Revenue Expenditure other than above (i) is amortized over a period of 5 years.

8. Revenue Recognition:

- (i) Income from Rooms, Banquets, and Restaurant and Other Services represents invoice value of goods sold and services rendered exclusive of all applicable taxes.

(ii) Revenue from windmill energy generation is accounted for on the basis of units generated against consumption at the Hotel, taking into consideration the energy charges and fuel charges charged by Torrent Power Ltd according to PPA agreement with them.

9. Foreign Currency Transactions:

Transactions in Foreign Currencies are recorded at the exchange rate prevailing on the date of transaction.

10. Borrowing Cost:

- (i) Borrowing cost is recognised as expense in the period in which these are incurred.
- (ii) Interest and other borrowing cost on specific borrowings, attributable to qualifying assets are capitalised.
- (iii) Foreign Exchange difference arising on repayment of foreign exchange term loan has been adjusted to interest cost.

11. Provision for Taxation:

- (i) Provision for Income tax for the current year is based on the estimated taxable income for the period in accordance with the provisions of the Income Tax Act, 1961.
- (ii) The Deferred Tax resulting from timing difference is accounted for using tax rates & tax laws that have been enacted or substantively enacted as at the Balance Sheet date.

12. Employee Benefits:

- (i) Gratuity liability is a defined benefit obligation and is recorded based on actuarial valuation on projected unit credit method made at the end of the financial year. The gratuity liability and the net periodic gratuity cost is actuarially determined after considering discount rates, expected long term return on plan assets and increase in compensation levels. All actuarial gains / losses are immediately charged to the profit and loss account and are not deferred.
- (ii) Provident fund is a defined contribution scheme and the company has no further obligation beyond the contributions made to the fund. Contributions are charged to the profit and loss account in the year in which they are accrued.
- (iii) The Company has no other obligation other than the contribution payable.
- (iv) Provision for leave salary has been made as determined by the management.

SCHEDULE - "U"

NOTES TO ACCOUNTS

1. Contingent Liabilities:

Contingent Liabilities not provided for are as under: (Amount in ₹)

Particulars	2010-11	2009-10
1. Bank Guarantee issued to Custom department for import purpose	5,20,11,924	3,11,61,769

2. Secured Loans:

- a) Term loans and working capital loans from State Bank of India are secured by
 - (i) Exclusive charge on the entire block of fixed & movable assets (present and future) including 1.25 MW Wind mill at village Panchetiya, under district Kutch and hypothecation of the current assets and receivables of the company's existing hotel at Ahmedabad and proposed Surat project.
 - (ii) Corporate Guarantee of Lov Kush Properties Pvt. Ltd. (100% Subsidiary of the company)
 - (iii) All Term loans and working capital loans are secured by personal guarantee of all executive directors.
- b) Cash Credit Loan from I.O.B. is secured against guarantee of a sister concern TGB Food Pvt. Ltd.
- c) Vehicle loans are secured by the hypothecation of the vehicles concern.

3. During the year the company had purchased and sold following mutual fund units:

Particulars	As on 01.04.2010	Purchased During the year	Sold During the year	As on 31.03.2011
Religare Ultra Short term fund	10227	—	10227	NIL

4. Segment Reporting

Since the company has only one segment, there is no separate reportable segment as required in AS-17 issued by the Institute of Chartered Accountants of India.

5. Deferred Tax:

As per Accounting Standard 22 on Accounting for taxes on income issued by the Institute of Chartered Accountants of India, the company has accounted for deferred tax during the year. (₹ In Lacs)

	Opening Balance On 01.04.10	Charged / (Credited) During The Year	Balance As On 31.03.11
Timing Differences due to Depreciation	392.38	290.06	682.44
Total	392.38	290.06	682.44

6. Related Party Disclosures:

(a) Related Parties and their Relationship :

Sr. No.	Name of Related Party	Relationship
1	New Ramesh Kirana Stores	Associate Party
2	TGB Foods P. Ltd	Associate Party
3	Devanand G. Somani HUF	Associate Party
4	Narendra G. Somani	Key Management Personnel
5	Devanand G. Somani	Key Management Personnel
6	Hemant G. Somani	Key Management Personnel
7	Ramesh K. Motiani	Key Management Personnel
8	Harshita D. Somani	Relative of Key Mgt. Personnel
9	Sunita N. Somani	Relative of Key Mgt. Personnel
10	Neeta Somani	Relative of Key Mgt. Personnel

(b) Transaction with Related Parties :

(₹ In Lacs)

Sr. No.	Nature of transaction	2010-11				2009-10			
		Associate Parties	Key Management Personnel	Relative of Key Mgt. Personnel	Total	Associate Parties	Key Management Personnel	Relative of Key Mgt. Personnel	Total
1	F & B Purchase	504.17	-	-	504.17	395.47	-	-	395.47
2	Rent	2.40	7.20	77.56	87.16	2.40	7.20	2.40	12.00
3	Director's Remuneration	-	84.00	-	84.00	-	51.50	-	51.50
4	Commercial Transaction	-	-	-	-	(0.55)	2.72	(1.67)	0.50
5	Purchase of Fixed Assets	-	-	-	-	-	11.80	-	11.80

(c) Statement of Material Transactions :

(₹ In Lacs)

Name of Company	Nature of Transaction	2010-11	2009-10
New Ramesh Kirana Stores	Purchase of Goods	221.41	174.83
TGB Foods P. Ltd	Purchase of Goods	282.76	220.64
Harshita D. Somani	Rent	18.95	2.40
Sunita N Somani	Rent	42.05	-
Neeta Somani	Rent	16.55	-
Narendra G. Somani	Director's Remuneration	42.00	24.00
Devanand G. Somani	Director's Remuneration	18.00	12.00
Hemant G. Somani	Director's Remuneration	18.00	12.00

7. Employee Benefits

Consequent upon adoption of Accounting Standard 15 (revised 2005) on "Employee Benefits" issued by the institute of chartered Accountants of India, as required by the standards, the following disclosures are made : (₹ In lacs)

Particulars	2010-11	2009-10
1. Expenses recognized in the statement of Profit and Loss account for the year ended 31.03.2011		
Current Service Cost	12.35	5.51
Interest Cost	2.41	0.84
Expected return on plan assets	(1.83)	(1.39)
Net Actuarial (gain) / Loss recognised in the year	3.28	14.10
Expenses recognised in statement of profit and Loss	16.21	19.06
2. The Amounts to be recognised in the balance sheet and statements of Profit and Loss Account		
Present Value of obligations as at the end of year	48.19	30.15
Fair value of plan assets as at the end of the year	32.26	16.59
Funded status : Surplus / (Deficit)	(15.93)	(13.55)
Net Asset / (Liability) recognised in balance sheet	(15.93)	(13.55)
3. Changes in present value of obligation		
Present value of obligations as at beginning of year	30.14	10.48
Interest cost	2.41	0.84
Current service cost	12.36	5.51
Benefits paid	Nil	(0.78)
Actuarial (gain) / Loss on obligations	3.28	14.1
Present value of obligations as at 31.03.2011	48.19	30.15
4. Actuarial Table showing changes in the fair value of Plan Assets		
Fair Value of plan assets at beginning of year	16.59	15.47
Expected return on plan assets	1.83	1.39
Contributions	13.84	0.52
Benefits Paid	Nil	(0.79)
Actuarial gain / (Loss) on Plan assets	Nil	Nil
Fair Value of plan assets at the end of year	32.26	16.59
5. Assumptions used to determine the benefit obligations:		
Discounting Rate		
Expected rate of increase in salary	8.00%	8.00%
Expected rate of return on Plan Assets	7.00%	4.00%
Mortality Table L.I.C(1994-96) ULTIMATE	9-9.55%	9-9.55%

8. Earning Per Share:

(a) Basic Earning Per Share (₹ In lacs)

Particulars	2010-11	2009-10
A Profit / Loss after tax (₹ in Lacs)	858.28	876.68
B Weighted Average No. Of Equity Shares	29286400	29286400
C Nominal Value of Shares (₹)	10	10
Earnings Per Share: (Basic & Diluted)		
Before Extraordinary item (₹) (A/B)	2.93	2.99
After Extraordinary item (₹) (A/B)	2.93	2.99

9. Particulars of Directors' Remuneration:

A) Computation of net profit for calculation of Managerial Remuneration

Details of Payments and Provisions on account of Remuneration to Managerial personnel in accordance with Sec 349 and Sec 350 of the Companies Act, 1956, included in the Profit and Loss account, are as under :

Particulars	Amount (₹ In lacs)
Net Profit Before Tax	1384.64
Add:	
Director's Remuneration	84
Loss on Sale of Fixed Assets	Nil
Net Profit as per Sec 349 of the Companies Act, 1956	1468.64

B) Details of managerial remuneration paid: (₹ In Lacs)

Name	Designation	2010-11	2009-10
a) Narendra G. Somani	Chairman and Managing Director	42.00	24.00
b) Devanand G. Somani	Whole-time Director	18.00	12.00
c) Hemant G. Somani	Whole-time Director	18.00	12.00
d) Ramesh K. Motiani	Whole-time Director	6.00	3.50
Total		84.00	51.50

10. Auditors' Remuneration: (₹ In Lacs)

Particulars	2010-11	2009-10
a. Audit Fees	1.50	1.00
b. Tax Audit	0.25	0.25
c. Certification Matters	0.10	0.10
d. Service Tax	0.19	0.13
Total	2.04	1.48

11. Details of Foreign Currency Transactions are as under: (₹ In Lacs)

Particulars	2010-11	2009-10
a) C.I.F. Value of Import	625.51	2158.15
b) Earning in Foreign Exchange	126.10	114.87

12. Since the business of the company is by way of Food and Beverages, the quantity wise details of purchase, consumption, turnover, stock etc. are not furnished as the items are so large in number that it is not practicable to present.
13. The company had not received any intimation from "suppliers" regarding their status under the Micro, Small & Medium Enterprise Act, 2006, and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid or payable as required under said Act, have not been given.
14. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realized, in the ordinary course of business. Provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
15. Figures of previous year have been regrouped, rearranged and recast wherever necessary so as to make them comparable with those of current year.
16. The schedules and notes form an integral part of the accounts.

As per our Report of Even Date

For, O.P. Bhandari & Co.
Chartered Accountants
Firm Regn. No.-112633W

Narendra G. Somani

Chairman and Managing Director

Devanand G. Somani

Wholetime Director

(O.P.Bhandari)
Proprietor

Hemant G. Somani

Wholetime Director

M.No.34409

Vishal Palkhiwala

Chief Financial Officer

Place : Ahmedabad

Date : 13.08.2011

Sandip Pandya

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT AS ON 31.03.2011

Particulars	For the year ended on 31/03/2011	For the year ended on 31/03/2010
A. Cash Flow arising from Operating Activities		
Profit before tax	1384.64	1502.14
Adjustment for :		
Depreciation & Amortisation	553.19	299.38
Interest received	(162.47)	(172.44)
Dividend received	(2.10)	(0.39)
Loss on Sale of fixed assets	0.00	5.57
Miscellaneous Expenditure Written Off	72.26	44.52
Interest to banks	599.71	214.94
Provision Written back		
Operating Profit Before WC changes	2445.23	1893.72
Adjustment for Working Capital changes		
Inventories	(590.49)	(405.59)
Receivables	213.56	(7.96)
Loans & Advances	(112.25)	(251.93)
Current Liabilities	740.78	1792.58
Net Cash from Working Capital changes	251.60	1127.10
Taxes paid (including fringe benefit tax)	(10.12)	(227.70)
Net Cash Flow from Operating Activities	2686.71	2793.12
B. Cash Flow from Investing Activities		
Interest received	162.47	172.44
Dividend received	2.10	0.39
Purchase of Fixed Assets	(4680.57)	(712.07)
Addition to work in progress	0.00	(7828.85)
Sale of Fixed Assets	0.00	6.60
Sale / (Purchase) of Investments	1.02	(0.04)
Addition to Miscellaneous Expenditure	(138.79)	(30.39)
Net Cash from Investing Activities	(4653.77)	(8391.93)
C. Cash Flow from Financing Activities		
Secured Loan	(60.33)	5778.03
Unsecured Loan	1512.32	0.00
Interest to banks	(599.71)	(214.94)
Dividends Paid (including distribution tax)	(341.51)	0.00
Net Cash from Financing Activities	510.77	5563.09
Net Increase(Decrease) in Cash or Cash Equivalents	(1456.29)	(35.72)
Opening Cash or Cash Equivalents	1877.09	1912.81
Closing Cash or Cash Equivalents	420.80	1877.09

As per our Report of Even Date

For, O.P. Bhandari & Co.

Chartered Accountants

Firm Regn. No.-112633W

(O.P.Bhandari)

Proprietor

M.No.34409

Place : Ahmedabad

Date : 13.08.2011

Narendra G. Somani

Chairman and Managing Director

Devanand G. Somani

Wholetime Director

Hemant G. Somani

Wholetime Director

Vishal Palkhiwala

Chief Financial Officer

Sandip Pandya

Company Secretary



**SECTION 212
STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO COMPANIES INTEREST IN THE SUBSIDIARY COMPANIES**

1. Name of the Subsidiary Company	Lov Kush Properties Private Ltd.
2. The Financial Year of the Subsidiary Company ended on	31 st March 2011
3. a) Numbers of shares held by Bhagwati Banquets and Hotels Limited in the Subsidiaries as at the end of the Financial Year of the Subsidiaries Companies	The Entire issued capital consisting of 31,800 equity share of Rs. 10 each fully paid up.
b) Extent of interest of Bhagwati Banquets and Hotels Ltd. in the Capital of subsidiary company as at the end of the financial year of the Subsidiary company	100%
4. The Net aggregate of Profit/Loss of the subsidiary company for its financial year so far as they are concern the members of Bhagwati Banquets and Hotels Ltd.	
a) Dealt with in the accounts of Bhagwati Banquets and Hotels Limited for the year ended 31 st March, 2011	Not Applicable (The Company has not carriers any business activity during financial year ended on 31 st March, 2011)
b) Not dealt with in the accounts of Bhagwati Banquets and Hotels Limited foe the year ended 31 st March, 2011	Not Applicable (The Company has not carriers any business activity during Financial year ended on 31 st March, 2011)
5. The Net aggregate of Profit/Loss of the subsidiary company for its previous year so far as they are concern the members of Bhagwati Banquets and Hotels Ltd.	
a) Dealt with in the accounts of Bhagwati Banquets and Hotels Limited for the year ended 31 st March, 2011	Not Applicable (The Company has not carriers any business activity during previous year ended on 31 st March, 2011)
b) Not dealt with in the accounts of Bhagwati Banquets and Hotels Limited foe the year ended 31 st March, 2011	Not Applicable (The Company has not carriers any business activity during previous year ended on 31 st March, 2011)

Narendra G. Somani Chairman and Managing Director

Devanand G. Somani Wholetime Director

Hemant G. Somani Wholetime Director

Vishal Palkhiwala Chief Financial Officer

Sandip Pandya Company Secretary

Place : Ahmedabad
Date : 13.08.2011

BHAGWATI BANQUETS AND HOTELS LIMITED

Regd. Office : " The Grand Bhagwati", Plot No.380,S.G.Highway,Bodakdev,Ahmedabad – 380 054.

ATTENDANCE SLIP

TWELTH ANNUAL GENERAL MEETING –Friday, 30th September, 2011

Folio No. / DP ID : _____

Client ID : _____

No. of Shares held : _____

I certify that I am registered equity shareholder / Proxy for the registered equity shareholder of the company. I hereby record my presence at the 12th Annual General Meeting of the Company which will be held at "SINDHUBHAVAN", PLOT NO.173, 100 FT. RING ROAD, OFF S. G. HIGHWAY, JUDGES BUNGLOW CROSS ROAD, BODAKDEV, AHMEDABAD – 380 054, on Friday, 30th September, 2011 at 10:30 A.M.

Member's /Proxy's name in BLOCK letters

Member's / Proxy's Signature

Note : (Please fill in this Attendance slip and hand it over at the entrance of the meeting hall.)

----- Tear here -----

BHAGWATI BANQUETS AND HOTELS LIMITED

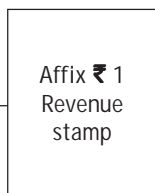
Regd. Office : "The Grand Bhagwati", Plot No.380,S.G.Highway,Bodakdev,Ahmedabad – 380 054.

PROXY FORM

TWELTH ANNUAL GENERAL MEETING – Friday, 30th September, 2011 at 10:30 A.M.

I /We _____ of _____ of being
A member / members of the above named Company hereby appoint _____ of
_____ or failing him/her _____ of
_____ in my/ our absence to attend and vote for me / us and on my / our behalf at the 12th Annual
General Meeting of the Company to be held on Friday, 30th September, 2011 at 10:30 A.M. and any adjournment thereof.

Signature (s) _____



Date : _____

LF No./ DP ID : _____

Client ID : _____

No. of Shares held : _____

Note: The Proxy in order to be effect should be duly stamped, completed and signed and must be deposited at the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

MON TUE WED THU FRI SAT

**UMMM!
SUNDAY BRUNCH**

Reward yourself with a lavish Sunday brunch. Every Sunday, our chefs cook up dishes from different cuisines such that it is not just difficult but, impossible to resist.

1200 hrs - 1500 hrs
Adults: ₹ 329, Child: ₹ 279

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Buffet Dinner, 7:00 to 11:00 pm, ₹ 625

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