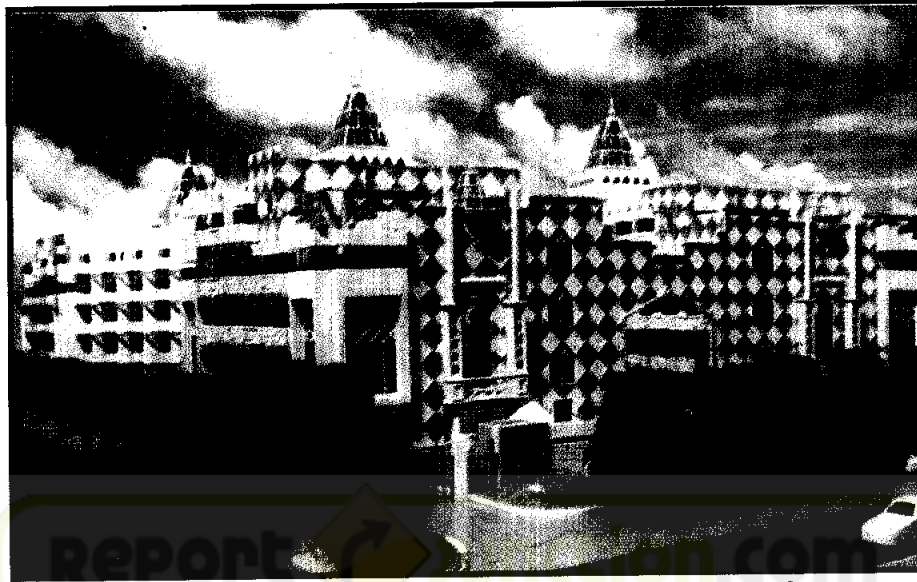


11th
Annual Report
2000 - 2001



GAYATRILOK
Haridwar



CAPITAL HOTELS AND DEVELOPERS LIMITED



Capital Hotels and Developers Limited

*11th Annual Report and Accounts
for the year ended 31st March, 2001*

BOARD OF DIRECTORS

(as on 28th June, 2001)

Shri R.K.Mittal - Chairman cum Managing Director

Shri Subhash Chand Mittal

Smt. Radha Mittal

Shri M.P.Goel

Shri Devender Singh - PICUP Nominee

Shri Gaurav Mittal

Shri Manav Jain

CERTIFIED TRUE COPY

For Capital Hotels and Developers Limited

Manish Kumar
Authorised Signatory

COMPANY SECRETARY

Manish Kr. Agrawal

REGD. OFFICE

Capital House

D-135, L.G.F., Anand Niketan

New Delhi - 110 021

HOTEL PROJECT

Plot No. 122, Village Tora

Fatehabad Road, Agra

BANQUET-CUM-RESTAURANT

Plot No. 19 - 20, G- Block

Community Centre

Vikas Puri, New Delhi - 110 018

AUDITORS

M/s Mohan & Mohan

Chartered Accountants

F-31, D.B.Gupta Market,

Karol Bagh, New Delhi - 110 005

BANKERS

Oriental Bank of Commerce

State Bank of Patiala

HDFC Bank

Indian Bank

REGISTRARS & SECURITY TRANSFER AGENTS

Skyline Financial Services Pvt. Ltd.

123, Vinoba Puri, Lajpat Nagar-II

New Delhi - 110024

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Capital Hotels and Developers Limited

NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the members of CAPITAL HOTELS AND DEVELOPERS LIMITED will be held at Capital Banquet-Cum-Restaurant Complex, Plot no. 19-20, 'G' Block, Community Centre, Vikas Puri, New Delhi-110 018 on Friday, the 28th September, 2001 at 11.00 A.M. to transact the following :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2001, the Profit & Loss Account for the year ended on that date and reports of Board of Directors' & Auditors' thereon.
2. To appoint a Director in place of Mr. Subhash Chand Mittal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. M. P. Goel, who retires by rotation and being eligible, offers himself for re-appointment
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider, and if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 293(1) (a) and all other applicable provisions, if any, of the Companies Act, 1956 and the Memorandum and Articles of Association of the Company and subject to all requisite approvals, consents, permissions and sanctions, if any, as may be required from the Government of India, Banks, Financial Institutions and/or any other authority and subject to such terms and conditions and modifications as may be prescribed and imposed by any of them in granting such approvals, consents, permissions and sanctions and which may be agreed by the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall include any committee which the Board of Directors may have constituted or may hereinafter constitute to exercise its powers including powers conferred by this resolution) the consent of the Company be and is hereby accorded to the Board to transfer, assign, sell and/or lease, mortgage and/or dispose in part or in full, its Hotel Division, more specifically, located at village Tora, Fatehabad Road, Agra (hereinafter referred to as the 'undertaking' or any part of immovable/movable property(ies) of the said undertaking in favour of any body corporate, being a subsidiary or otherwise, financial institution(s), Bank(s) or any other person(s) or party(ies) at such consideration, in such manner, at such time and on such other terms and conditions as the Board may in its absolute discretion deem fit.

FURTHER RESOLVED THAT the Board be and is hereby authorised to decide and finalise the terms and conditions including but not limited to the form, manner, timing of transfer as also the mode and extent of assigning/transferring of assets, liabilities, debts/obligations, capital work in progress, powers, rights, titles, leases, approvals,



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authorisations, permits, utilities, and other services as may be pertaining to the said undertaking, without the necessity of obtaining the consent of any third party to any contract or arrangement by virtue of which such debts, liabilities or obligations have arisen and to finalise, settle, execute and/or modify all necessary documents including agreements deeds of assignment/ lease/conveyance and to do all such acts, deeds, matters and things as may be incidental, consequential or as may be deemed necessary, expedient or desirable in its entire discretion to give effect to the foregoing resolution or to settle any question, doubt or difficulty that may arise with respect thereto."

Place: New Delhi

By Order of the Board of Directors

Date : 28th June, 2001

Regd. Office: D-135,LGF,Anand Niketan

Manish Kr. Agrawal

New Delhi - 110 021

Company Secretary

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy(ies) to attend and vote instead of himself/herself and the proxy(ies) need not be a member of the Company. Proxy(ies) in order to be effective must be signed, stamped and deposited at the Registered Office of the Company not less than 48(forty eight) hours before the commencement of the meeting. Blank proxy form is annexed hereto.
2. The relative Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the special business set out at item No. 5 are forming part of the notice and annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, 17th September, 2001 to Friday, 28th September, 2001 (both days inclusive).
4. Members are requested to notify any changes in their address, etc., quoting their Folio Nos., to the Registrar & Share Transfer Agents Skyline Financial Services pvt. Ltd., 123, Vinoba Puri, Lajpat Nagar -II, New Delhi -110024 at the earliest to avoid inconvenience at a later stage.
5. Members are requested to bring their copy of the Annual Report to the venue of the meeting.
6. Members desiring any information on Accounts of the Company are requested to write to the Company at least one week before the meeting so as to enable the management to keep the information ready. Replies will be provided only at the meeting.



Capital Hotels and Developers Limited

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE

[Pursuant to Section 173(2) of the Companies Act, 1956]

Item No. 5

Members are aware that the Company is implementing a Project to construct a 5 Star Hotel at Fathehabad Road, Agra. Due to reasons set out in the Directors' report to the members, the project is delayed beyond the schedule commissioning date. There is a gap in the funds required to complete the Project and your Directors are exploring possibilities to bridge the said gap. To this end it is proposed to raise fresh loans and/or to induct fresh Equity in the project and negotiations are on with possible Lenders/joint venture partners.

Section 293(1) (a) of the Companies Act, 1956, provides that consent of shareholders is required in a general meeting to sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company. The resolution set out at item no. 5 of the Notice vests with the Board of Directors the requisite authority to negotiate the consideration and other terms and conditions at an appropriate time and in the best interests of the Company and the resolution set out at item no. 5 of the notice has been placed before the shareholders afresh.

The Directors, therefore, recommend the passing of the resolution as set out at Item no. 5 of the Notice, for your approval.

None of the Directors of the company is in any way concerned or interested in the aforesaid resolution.

Place : New Delhi

By Order of the Board of Directors

Date : 28th June, 2001

Regd. Office: D-135,LGF,Anand Niketan

Manish Kr. Agrawal

New Delhi - 110 021

Company Secretary





Capital Hotels and Developers Limited

DIRECTOR'S REPORT

TO THE MEMBERS

Your Directors are pleased to Present their Eleventh Annual Report together with the Audited Accounts the financial year ended 31st March, 2001.

FINANCIAL RESULTS

The financial results of the Company for the year ended 31st March, 2001 are as follows:

	(Rs. in lacs)	
	Current Year	Previous Year
Gross receipts	408.80	370.34
Profit before Tax, Depreciation and Interest	35.65	33.53
Interest	18.79	15.77
Depreciation	11.24	10.37
Profit before Tax	5.62	7.39
Profit after Tax	4.82	5.27

DIVIDEND AND RESERVES

Keeping in view inadequate profits and the need to conserve resources, your Directors are constrained not to recommend any dividend for the year under review.

PERFORMANCE

your company has been able to maintain sales & other income during the year under review despite on going economic recession in the country. The Gross receipt during the financial year 2000-2001 was Rs.408.80 lacs as compared to Rs. 370.34 lacs in the financial year 1999-2000 and profit before depreciation, taxation and interest during the year under review was Rs.35.65 lacs as compared to Rs. 33.53 lacs during the financial year 1999-2000. Your Directors are of the view that the recession would not continue long and expect better results in the coming year.

PROJECTS

The year 2000-2001 was yet another difficult year for the hospitality and real estate industry. In a year that witnessed declaration in economic growth, particularly in the hotel and real estate industry. This led to continued adverse perception of the lenders towards building fresh capacities. In this backdrop, the 5 Star hotel project that the Company is implementing at Agra could not be commissioned awaiting sanction of funds from prospective lenders. While your Company stands committed for implementation of the project, the Directors are in the process of exploring other alternative including infusion of additional funds by bringing in joint-venture partner. Since these steps would involve transfer of the undertaking, requisite approvals are sought in the accompanying Notice.

During the year under review, the project Capital Chambers a commercial complex at New Delhi was completed and the possession has been given to the respective shop owners in a record time. The first phase of the project, Gayatrilok, a residential complex



Capital Hotels and Developers Limited

located at Haridwar, is in full progress towards completion. Gayatri Lok, is the first of its kind in Haridwar provides the best facilities and modern amenities to its resident, situated in the foothill of Shivalik range and on the banks of holy Ganges having a beautiful landscape gives a scope to the people those are spiritually inclined to fulfill their dream.

In spite of general recession in country economy, the stock market shows a marginal growth, and your Directors presume that the next sector to see a rise investment would be in the real estate sector. This coupled with the government's endeavor to promote "Real Estate" by bringing in legislation's to enable more money coming into the real estate finance market should cause a further positive impact on the demand in this industry sector.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Shri Subhash Chand Mittal & Shri M. P. Goel Directors of your company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS

M/s. Mohan & Mohan Chartered Accountants, the present Auditor of the Company, hold office until the conclusion of the ensuing Annual General Meeting.

The Auditor's have forwarded a certificate under section 224(1-B) of the Companies Act, 1956, to the effect that their re-appointment, if effected, would be within the limits specified in the said Section.

The Directors recommend their appointment.

The report of the Auditors is self-explanatory and no observations are forwarded thereon.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by the provisions of section 217 (2AA) of the Companies Act, 1956, the Directors would like to state that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts on a going concern basis.

AUDIT COMMITTEE

The Audit Committee of Directors has been constituted to review various areas of audit and accounts. The Audit Committee of the Board comprises of Mr. R. K. Mittal (Chairman), Mr. M. P. Goel and Mr. Manav Jain.



Capital Hotels and Developers Limited

FIXED DEPOSITS

Fixed Deposits from the Public, shareholders and employees as on 31st March, 2001 stood at Rs. 73.14 lacs as against Rs. 60.41 lacs in the previous year. There were unclaimed deposits aggregate to Rs. 0.25 lacs pertaining to 2 depositors as on that date out of which one depositor having aggregating to Rs. 0.10 lacs have subsequently renewed his deposit. However, the balance amount of Rs. 0.15 lacs has been refunded in the month of April 2001.

VOLUNTARY DELISTING

The Company had listed its scrips at the Jaipur Stock Exchange Limited and Ludhiana Stock Exchange Limited with a intention to exhilarate trading of its securities but as there are hardly any transactions in these exchanges the company had passed the resolution for the delistment of shares in last three Consecutive Annual General Meetings from these exchanges but the process of delisting of shares has not been completed yet.

PERSONNEL

The employees at all levels continued to put sincere efforts in the growth of the Company. The Employee relations continued to be cordial.

During the year under review there were no employees, whose particulars are required to be furnished as required under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of the Employees) (Amendments) Rules, 1999.

OTHER INFORMATION

A statement in pursuant to the provisions of section 217(1)(E) of the Companies Act, 1956 read together with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed herewith and forms part of this Report.

LISTING AT STOCK EXCHANGE

Your Company is listed on Delhi, Mumbai, Jaipur and Ludhiana Stock Exchanges; has neither been delisted nor its trading ever been suspended during the year and has cleared its dues towards listing fees to Delhi and Mumbai Stock Exchanges till the current year.

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation of the support extended by Customers, Investors, Bankers, Business Associates, Vendors and various Government Agencies. Your directors would also like to place on record the contribution made by the employees at all levels for the success of your Company during the year. Your Company's industrial relations continued to be excellent.

For and on behalf of the Board of Directors

Place: New Delhi

Date : 28th June, 2001

R.K.Mittal

Chairman cum Managing Director