



CAPITAL HOTELS AND DEVELOPERS LIMITED

13th

Annual Report

2002-2003



Capital Hotels and Developers Limited

13th Annual Report and Accounts for the year ended 31st March, 2003

BOARD OF DIRECTORS

(as on 30th June, 2003)

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

Shri Pran Nath

COMPANY SECRETARY

Manish 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

UTI Bank

HDFC Bank

Indian Bank

REGISTRAR & 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 Thirteenth 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 Tuesday, the 30th September, 2003 at 11.00 A.M. to transact the following as:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2003, and 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. Gaurav Mittal, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Manav Jain, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

M/s Mohan & Mohan, Chartered Accountants, the retiring Auditors have furnished a Certificate to the effect that their re-appointment, if effected, shall be within the limits set out in section 224(1-B) of the Companies Act, 1956.

SPECIAL BUSINESS

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

"RESOLVED that Shri Pran Nath who was appointed as an Additional Director by the Board of Directors under section 260 of the Companies Act, 1956 and Article 80 of the Articles of Association of the Company and who holds office upto the date of the Annual General Meeting and in respect of Whom the company has received a notice in writing u/s 257 of the companies Act, 1956 from a Member proposing his candidature for the office of a Director of the Company, be and is hereby appointed as a Director of Company."

By Order of the Board of Directors

Place : New Delhi

Date : 30th June, 2003

Regd. Office: D-135, LGF, Anand Niketan, New Delhi - 110 021

Manish Agrawal
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 Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, 22nd September, 2003 to Tuesday, 30th September, 2003 (both days inclusive).



Capital Hotels and Developers Limited

3. Members are requested to notify any changes in their address, etc., quoting their Folio No.(s), 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.
4. Members are requested to bring their copy of the Annual Report to the venue of the meeting.
5. 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.

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE

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

Item No. 5

Mr. Pran Nath was co-opted as an Additional Director of the company pursuant to Section 260 of the Companies Act, 1956 at the Board Meeting held on 27th March 2003. Pursuant to the provisions of the Companies Act, 1956 and Article 80 of the Articles of Association of the company he holds office upto the date of the ensuing Annual General Meeting.

As required under Section 257 of the Companies Act, 1956 notice together with the requisite deposit of Rs. 500/- has been received from a member proposing the appointment of Mr. Pran Nath as a Director of the Company.

Mr. Pran Nath retired as Executive Chief Engineer from RITES, a Government of India Undertaking. He has a varied experience of execution, planning and maintenance of infrastructure project. Besides expertise in the field of engineering Mr. Pran Nath has proficiency in Finance and Accounts. Your Directors feel that it will be in company's interest and benefit to have his association and to gain from his experience, and therefore, recommend his appointment as a Director.

None of the Director except Mr. Pran Nath, being the appointee, is interested or concerned in the above said resolution.

By Order of the Board of Directors

Manish Agrawal
Company Secretary

Place : New Delhi

Date : 30th June, 2003

Regd. Office: D-135, LGF,

Anand Niketan, New Delhi - 110 021



Capital Hotels and Developers Limited

LISTING REQUIREMENTS

As required under clause 49(VI) of the Listing Agreement, given below are the details of the Director(s) who retire by rotation and is eligible for re-appointment, and Appointment of Directors.

i) Director being re-appointment retiring by rotation (Resolution at Item No.2)

Mr. Gaurav Mittal son of Shri R. K. Mittal is a director of the company since 1997. He is 25 years old and after schooling from Modern School, Vasant Vihar, New Delhi completed his Graduation from University of Bradford, London (U.K.). In his short career, gained significant Knowledge of Construction and Hospitality industries. Gayatri Lok, a Mega Project of the company, has come into shape in his effective Leadership, Similary Tequilla Restaurant and Banquet Hall have become leading Restaurant and Banquet Hall of Delhi with in short period of time on implementation of his innovative ideas. He is not a Director in any other company. He is not a member of any committee of the Board of Directors.

ii) Director being re-appointed retiring by rotation (Resolution at Item No. 3)

Mr. Manav Jain son of Shri Subhash Jain is a director of the company since 2000. He is 26 years old and after doing schooling completed his Honours degree in commerce. He has a good experience of construction and Hospitality industries. He also has an expertise in Accounts and Finance function. He is also a Director on the Board of Directors of M/s. Manav Estates Private Limited. He is a member of the Audit Committee formed by the Board of Directors.

iii) Appointment of Director (Resolution at Item No. 5)

Mr. Pran Nath son of Late Sh. Brij Lal was appointed as Additional Director of the company pursuant to section 260 of the Companies Act, 1956 at the Board Meeting held on 27th March, 2003. He is 67 years old and is Graduate in Civil Engineering. He joined Indian Railways in the year 1963 as Assistant Engineer. He worked in various capacities and retired as Executive Chief Engineer in 1994. During 31 year of service he was responsible for execution, planning and maintenance of Infrastructure Projects like new lines, Doubling, Bridges, High rise buildings etc. After retirement he worked as an advisor to Rail India Technical & Economic Services Ltd. for their various projects including Delhi Metro. Besides expertise in the field of engineering Mr. Pran Nath has proficiency in Finance and Accounts. He is not a Director in any other company. He is on the following committee(s) formed by the Board of Directors.

Committee Membership

Audit Committee	: Capital Hotels & Developers Limited
Shareholder Grievance Committee	: Capital Hotels & Developers Limited
Remuneration Committee	: Capital Hotels & Developers Limited

Other than the foregoing he is not a member of any other committee.



Capital Hotels and Developers Limited

SHAREHOLDERS INFORMATION

Head Office & Registered Office	Capital House, D-135, L. G. F. Anand Niketan, New Delhi - 110 021
Internet Facility	
E-Mail	capitalhotels@eth.net
Telephone No.(s)	26888576 / 577 / 578
Date of Annual General Meeting	30 th September 2003
Time, Day & Venue	11:00 A.M., Capital Banquet-cum-Restaurant Complex, Plot No. 19-20, G Block, Community Centre, Vikas Puri, New Delhi - 110 018
Day and Date of Book Closure	Monday, 22 nd September 2003 to Tuesday the 30th September 2003 (both days inclusive)
SHARES LISTED AT	(a) Delhi Stock Exchange, DSE House, 3/1, Asaf Ali Road, New Delhi-110 001 (b) The Stock Exchange Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 (C) Jaipur Stock Exchange, Stock Exchange Building, Malviya Nagar, Jaipur (D) Ludhiana Stock Exchange, Feroze Gandhi Market, Ludhiana

The company confirms that it has paid the annual listing fees to Delhi and Mumbai Stock Exchange for and till the year 2003-2004.

NOMINATION FACILITY

Shareholders are eligible to file their nominations against Shareholding and Deposits. Nomination form(s) are available at the Registered office of the company namely Capital House, D-135, Anand Niketan, New Delhi-110 021. Those interested in getting the facility of nomination may write to the Company Secretary for a copy of the prescribed Nomination Form.



Capital Hotels and Developers Limited

DIRECTOR'S REPORT

TO THE MEMBERS

Your Directors are pleased to present their Thirteenth Annual Report together with the Audited Accounts for the financial year ended 31st March, 2003.

FINANCIAL RESULTS

The summarised financial results of the Company for the year ended 31st March, 2003 are as follows: -

	(Rs. in lacs)	
	Current Year ended 31-3-2003	Previous Year ended 31-3-2002
Gross receipts	480.87	442.18
Profit before Tax, Depreciation and Interest	39.59	37.16
Interest	23.16	22.67
Depreciation	12.05	11.09
Profit before Tax	4.38	3.40
Profit after Tax	2.77	2.15

DIVIDEND AND RESERVES

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

PERFORMANCE

The year under review was a watershed year in the tourism and hospitality industry with specific reference to South Asian region on account of American attack on Iraq which was accentuated with the outbreak of SARS in South East Asian Countries. The investors continued to desist from the hospitality industry. However aided by some innovative measures the performance of the construction segment helped the company in retaining the pace of sales during the year under review, as a result whereof your Directors are hopeful of retaining the growth in gross receipts in the current year.

PROJECTS

In the backdrop set out above, the funds required for Completion of the 5 Star Hotel project at Agra continued to elude leading to further delay in implementation. The identification of strategic investor for induction of requisite funds did not much headway, though the company continues with its relentless efforts thereto.

During the year under review, the first Phase of project Gayatrilok, a residential complex located at Haridwar, was successfully completed and the residents have already moved in. The construction of second phase of the project is under implementation and is scheduled to be complete before the commencement of Ardh Kumbh in 2004.

DIRECTORS

Your Board appointed Mr. Pran Nath as an Additional Director during the year in accordance



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with section 260 of the Companies Act, 1956 and Article 80 of the Articles of Association of the company whose term expires on commencement of the ensuing Annual General Meeting. A notice has been received with requisite deposits proposing his candidature pursuant to the requirements of section 257 of the Companies Act, 1956. Your Board consider his appointment as beneficial to the company.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Gaurav Mittal & Mr. Manav Jain, 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 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 the companies Act. 1956 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.

FIXED DEPOSITS

Fixed Deposits from the Public, shareholders and employees as on 31st March, 2003 stood at Rs. 111.55 Lacs as against Rs. 86.21 Lacs at the close of the preceding financial year. There were unclaimed deposits aggregating Rs. 1.30 Lacs pertaining to seven depositors as on that date.

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) Rules, 1975, as amended.



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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

In accordance with the listing agreement(s) entered into by the Company with the Stock Exchanges the Directors further report that the shares of your Company are listed on Delhi, Mumbai, Jaipur and Ludhiana Stock Exchanges and that the Company has cleared its dues towards listing fees to Delhi and Mumbai Stock Exchanges till the current year.

There is no trading in the scrips of the company at Jaipur and Ludhiana Stock Exchanges and the process of delisting of shares on these stock exchanges is under progress.

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation of the support extended by its Bankers, Customers, and various Government Agencies. The Board also wishes to thank the shareholders for their unstinted support.

For and on behalf of the Board of Directors

Report Junction.com

Place: New Delhi

Date : 30th June, 2003

(R.K.Mittal)

Chairman cum Managing Director



Capital Hotels and Developers Limited

ANNEXURE - I

DISCLOSURE UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

1. Conservation of Energy

A. Energy Conservation measures taken

The Company continuously endeavors to economise the use of energy and fuel and to this end additional energy saving lighting devices have been installed at its projects at Gayatri Lok Haridwar.

B. Additional Investments and proposals, if any, being implemented for reduction of consumption of Energy.

The Company continuously endeavors to economise the use of energy and fuel. However no specific proposals are being implemented.

C. Impact of measures at (A) and (B) above for reduction of energy consumption and consequently impact on the cost of production of Goods.

Since efforts to conserve energy are a continuous exercise the impact thereof has not been quantified.

D. Total Energy consumption and energy consumption per unit of production as per Form A of Annexure in respect of Industries specified in Schedule thereto.

Companies is continuously strives to economise the use of energy and fuel. Necessary particulars as required by rules in respect of energy consumption at Restaurant cum Banquet Complex are given in Form A.

2. Technology Absorption

A. Research and Development

In view of the nature of business of the Company, the required information in the prescribed format are considered to be not applicable to the Company.

B. Technology absorption: Nil

3. Foreign Exchange Earning & Outgo - Nil

ANNEXURE 1- IN Form A

A. Power & Fuel Consumption

1.	Purchase	Current year	Previous year
(a)	Electricity		
	Units	3,12,163	3,17,806
	Total Amount (Rs.)	15,66,995	14,30,367
	Rate per unit (Rs.)	5.02/- Unit	4.50/- Unit
(b)	Coal (Charcoal)		
	Quantity	24,593	28,049
	Total Cost (Rs.)	1,79,367	1,98,106
	Average Rate (Rs.)	7.29/- K.G.	7.06/- K. G.
(c)	Others (LPG)		
	Quantity	881	824
	Total Cost (Rs.)	4,06,848	3,17,904
	Average Rate (Rs.)	461.80/- Cylinder	385.80/- Cylinder