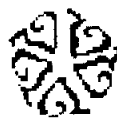


The Vedant



2000 - 2001

15th ANNUAL REPORT

VEDANT HOTELS LIMITED

VEDANT HOTELS LIMITED

BOARD OF DIRECTORS

- | | | | |
|----|------------------------------|---|----------|
| 1. | SHRI SUDHIR T. DESHPANDE | - | Director |
| 2. | SHRI BALRAM R. YERME | - | Director |
| 3. | Dr. KISHOR G. PARGAONKAR | - | Director |
| 4. | SOU. MEDHA S. DESHPANDE | - | Director |
| 5. | SHRI DEOJIBHAI P. PATEL | - | Director |
| 6. | SHRI BHARAT T. DESHPANDE | - | Director |
| 7. | SHRI KAMLAKAR T. HATTEKAR | - | Director |
| 8. | SHRI GIRISH G. KANDALGAONKAR | - | Director |

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Registered Office
3, Chetna, Station Road,
AURANGABAD - 431 005.

Auditors
T. R. JALNAWALA & ASSOCIATES
CHARTERED ACCOUNTANTS,
Supari Hanuman Road,
Aurangabad - 431 001.

Registrar
R. & D. Consultants Ltd.,
610, Dalamal Towers, 211,
Nariman Point,
Mumbai - 400 021.

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VEDANT HOTELS LIMITED

NOTICE

The 15th ANNUAL GENERAL MEETING of VEDANT HOTELS LIMITED, will be held on 28th day of September 2001 at 11.00 a. m. at Conference Hall of VEDANT HOTEL, Station Road, Aurangabad - 431 005 to transact following business :

ORDINARY BUSINESS :

1. To receive consider, and adopt the Annual Accounts and Audited Balance sheet as on 31st March 2001 together with report of Directors & Auditors.
2. To appoint a Director in place of Shri. Girish G. Kandalgaonkar who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sou. Medha S. Deshpande who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Auditors and to fix their remuneration.
6. Any other subject with the permission of the chair.

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote at the meeting instead of himself and the proxy need not be a member of the company.
2. In case the member wishes to seek any information about accounts and operation of the company, they are requested to send their queries in writing at least ten days in advance before the date of the meeting so that the information can be made available at the time of the meeting.
3. Members are requested to notify immediately any change in their addresses to the Company's Registered Office.
4. The Registers of Members and Share Holders book of the Company will remain closed from 17th September 2001 to 30th September 2001 both days inclusive.

Registered Office :
3, 'Chetna',
Station Road, Aurangabad
Date : 1st September 2001

By order of the Board

Sudhir Deshpande
Director



DIRECTORS' REPORT

To,
THE MEMBERS,
VEDANT HOTELS LTD.

1. The Directors hereby present the 15th ANNUAL REPORT of the Company together with the Audited Statements of Account for the year ended 31st March 2001.

2. FINANCIAL RESULTS :

	31.03.01 (In. Rs.)	31.03.00 (In. Rs.)
Net profit / Loss after Depreciation	(-) 135,26,662.61	(-) 93,32,670.36
Add : Depreciation	<u>70,86,227.48</u>	<u>62,44,211.07</u>
Profit / Loss before Depreciation	(-) 64,40,435.13	(-) 30,88,459.29

3. OPERATIONS :

The project of the Company of a Five Star Category hotel at Aurangabad a city famous for historical heritage. The world famous Ajanta and Ellora Caves are in the vicinity of Aurangabad. Aurangabad is well-known Industrial Township and Educational Center.

The execution of the entire project is already completed and a beautiful well decorated and furnished hotel project is at the service of the guests.

The growth of Tourism and Hotel industry was almost at stand still throughout the country in the period due to various reasons like over all recessionary trend in economy.

Since Inception of the Hotel the company has tied up and entrusted the management and marketing of the hotel to Quality Inn. Under an exclusive agreement. The chain could not provide any support in the field of Marketing and Management. Now the contract is over and the company is exploring all possibilities for the betterment of the business & financial gains.

The company has approached the Bankers for assistance to improve the working and upliftment of property and implementing marketing plans. The proposal is under consideration. Meanwhile TFCI has taken a stand to recall the loan and has filed suit in DRT Delhi in September, 2000.

All these problems adversely affected the working of the company severely. However the Directors are hopeful to sort out the issues and improve the working of the Company. The Company has decided voluntarily to delist its shares from Delhi, Calcutta and Madras Stock Exchanges for economy reasons. Process as per rules is in progress in the above matter.

4. CORPORATE GOVERNANCE

With increasing number of corporation going global the emphasis on good corporate governance has increased tremendously. Your company has taken effective

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