

VEDANT HOTELS LTD.

BALANCE SHEET

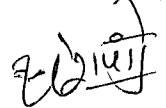
AS ON 31ST MARCH 2003

Report  junction.com

REGD. OFFICE

3, CHETNA STATION ROAD,
AURANGABAD.

For VEDANT HOTELS LTD.

 Dem Pandey
Managing Director

A

Regd. Office

VEDANT HOTELS LIMITED3, chelna apartment,
Station Road,
Aurangabad - 431 005**DIRECTOR'S REPORT**TO
THE MEMBERS,
VEDANT HOTELS LTD.

1. The Directors hereby present the 17th ANNUAL REPORT of the Company together with the Audited Statements of Account for the year ended 31st March 2003.

2. **FINANCIAL RESULTS**

	31.03.03 (In Rs.)	31.03.02 (In Rs.)
Net Profit / Loss after Depreciation	(64,66,396.90)	(1,25,73,806.62)
Add: Depreciation	71,00,133.84	71,00,133.85
Profit / Loss before Depreciation	6,33,736.94	(54,73,672.77)

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 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 trends 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 and 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. The Company has also filed a counter claim of over Rs.800 lakhs with future interest with DRT. However negotiations to settle the matter are also in progress.

All the 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 Exchange for economy reasons. Process as per rules is in progress in the above matter.

Regd. Office

VEDANT HOTELS LIMITED3, chetna apartment,
Station Road,
Aurangabad - 431 005**I. CORPORATE GOVERNANCE:**

With increasing number of corporates going global, the emphasis on good corporate governance has increased tremendously. Your company has taken effective steps with formation of audit committee consisting of Shri. Girish Kndalgaonkar, Shri Bharat T.Deshpande, Shri Balaram Yerme. Audit committee met once and have suggested various measures.

II. DIRECTOR RESPONSIBILITY STATEMENT:

On the basis of compliance certificates received from the executives of the company subject to disclosures in the Annual accounts & also on the basis of the discussions with the statutory Auditors of the Company from time to time we state as under:

- i) That in preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure
- ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company of the end of the financial year and of the profit or loss of the Company for that period.
- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for prevention and detection of fraud and other irregularities.
- iv) That the Directors had prepared the annual accounts on a going concern basis.

FINANCE

The Company has not availed additional finance from institutions or from the Bank in the year 2002-2003 other than earlier loans.

AUDITORS

- A) The Auditors in their report have made certain comments which are self-explanatory and therefore, in the opinion of the directors do not call for any further explanation except "C" below.
- B) The retiring Auditors M/s. T.R.Jalanawala & Associates, Chartered Accountant, Aurangabad are eligible for re-appointment and members are requested to appoint the Auditors and fix their remuneration.
- C) The provisions for property tax payable are unreconciled balances on the basis of notices served and are accounted for a matter of abundant cover. However the Company has represented the matters and is hopeful of getting the amount nullified or reduced substantially.

8. OTHER INFORMATION

As required by section 217 (2a) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975, a statement of information relating to the employees has been given in the Annexure to the report, As permitted by law, this Annexure is not being sent with the abridged Balance Sheet.

9. APPRECIATION

The Company is very grateful for the faith and belief shown by the share Holders in the company and Directors express their sincere thanks to all share Holders for their co-operation and also to the TFCL, IFCL, ICICI, IDBI and JSBL Pune, DNSB Aurangabad, JJSBL Jalgaon for the co-operation extended by them to the company.

The Directors record their grateful appreciation towards the co-operation extended by all the concerned during the year who helped the Company in business.

ON BEHALF OF THE BOARD OF DIRECTORS.

Place: Aurangabad
Date: 01/09/2003


Sudhir Deshpande
MANAGING DIRECTOR

T. R. Jalnawala & Associates
CHARTERED ACCOUNTANTS

Supari Hanuman Road, Aurangabad - 431 001.
 Tel. / Fax : 2339051 / 5622462

E-mail : tikamdas_agd@sancharnet.in
 : jalnawalatrj@rediffmail.com

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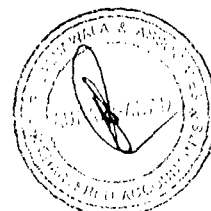
Date :

Auditors Report to the Shareholders of VEDANT HOTELS LTD.

We have audited the attached Balance Sheet of VEDANT HOTELS LTD. as at 31ST March 2003 and also the Profit and Loss Account 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.

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.

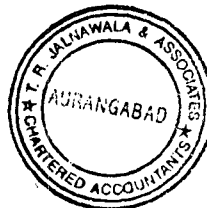
1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above & subject to Notes on Accounts No 10 to 21, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books and account.
 - iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;



- v) On the basis of written representations received from the directors, as on 31ST March 2003 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31ST March 2003 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
3. In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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.
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31ST March, 2003; and
- b) in the case of the Profit and Loss Account, of the Profit/Loss for the year ended on that date.

PLACE : AURANGABAD.
DATE : 01/09/2003.

FOR T.R. JALNAWALA & ASSO.
CHARTERED ACCOUNTANTS




T.R. JALNAWALA
(Proprietor)

R. Jainawala & Associates
CHARTERED ACCOUNTANTS

Supari Hanuman Road, Aurangabad - 431 001.
 Tel. / Fax : 2339051 / 5622462

E-mail : tikamdas_agd@sancharnet.in
 : jainawalat@rediffmail.com

f.:

VEDANT HOTELS LIMITED, AURANGABAD
Annexure to the Auditors Report

Date :

With reference to paragraph 1 of our report to the shareholders of **Vedant Hotels Ltd.** of even date, we report that, in our opinion and to the best of our knowledge and belief and as per information and explanations furnished to us and the books and records examined by us in the normal course of audit.

1. The Company has maintained proper records to show full particulars including quantitative details & situation of the fixed assets. Most of the fixed assets have been physically verified by the management during the year and as examined by us no material discrepancies have been noticed on such verification.
2. None of the fixed assets have been revalued during the year under report.
3. As Informed, the management at reasonable intervals in respect of goods, stores, spare parts and raw materials has conducted physical verification, in our opinion, the frequency of such verification is reasonable.
4. The procedures followed by the management for physical verification of the stocks are, in our opinion reasonable and adequate in relation to size of the company and the nature of its business.
5. No material discrepancies were noticed during the physical verification of stock.
6. In our opinion, the valuation of stocks is fair and proper in accordance with normally accepted accounting principals and is on the same basis as in the preceding year.
7. The company has not taken any loans secured or unsecured from a companies, firms or their parties listed in the register maintained under section 301 & 307 (1B) of the Companies Act, 1956 terms and conditions for such loan are not prima facie prejudicial to the interest of the Companies.
8. The Company has not granted any loans, secured or unsecured to the Companies, firms or other parties listed in the register maintained under section 301 & 307 (1B) of the Companies Act, 1956.
9. The parties, to whom loan or advances in the nature of loans have been given by the Company, are repaying the amounts as stipulated and are also regular in payment of interest on wherever applicable.

