

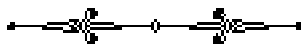
## Our Mission

Create financial wealth for our shareholders.

Act with integrity, competence and dignity.

Practise and encourage others to practise  
in a professional and ethical manner.

Use reasonable care and exercise  
independent professional judgement.



## Board of Directors

**Ramesh Havele**

Chairman &amp; Managing Director

**Veena Havele****Rewati Golwalkar****Shreeniwas Kale****Gajanan Deshpande**

## Auditors

T. R. Jainawala & Associates  
Chartered Accountants

## Bankers

HDFC Bank Ltd.  
Saraswat Co-op. Bank. Ltd.

## Registered Office

3, Chetana, Station Road,  
Aurangabad 431 005  
Telefax : +91-240-2350701

## Corporate Office

'Dhanada', 16/6,  
Erandawane Housing Society,  
Plot No. 8, Patwardhan Baug,  
Pune 411 004  
Telefax : +91-20-25462408, 25460661Email  
Websitevedant@vedanthotels.com  
www.vedanthotels.com

## Registrar &amp; Transfer Agent

Intime Spectrum Registry Ltd.

**Pune Office:**Block No. 202, 2nd Floor,  
Akshay Complex, Near Ganesh Temple,  
Off. Dhole Patil Road, Pune – 411001.  
Tel. : +91-20-26053503**Mumbai Office:**C-13, Pannalal Silk Mills Compound,  
L. B. S. Marg, Bhandup (West),  
Mumbai – 400078.  
Tel. : +91-22-25963838

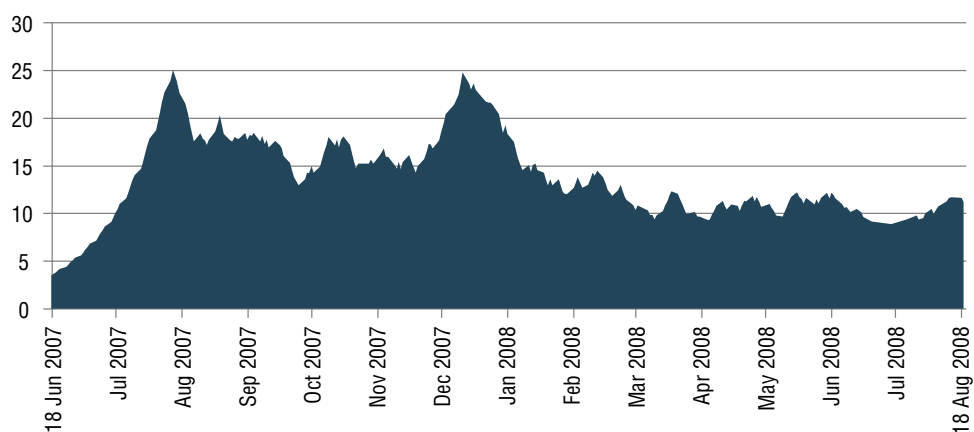
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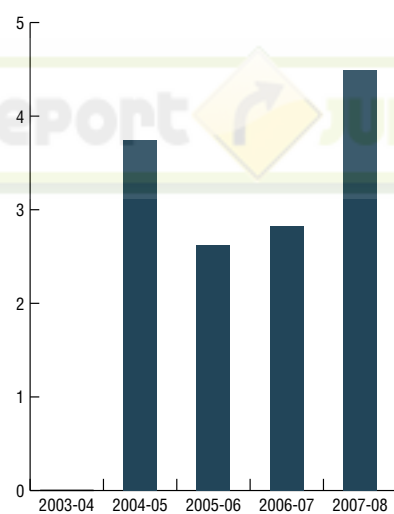
**Market Capitalisation of Vedant Hotels Ltd.\***

(Rs. in Crores)

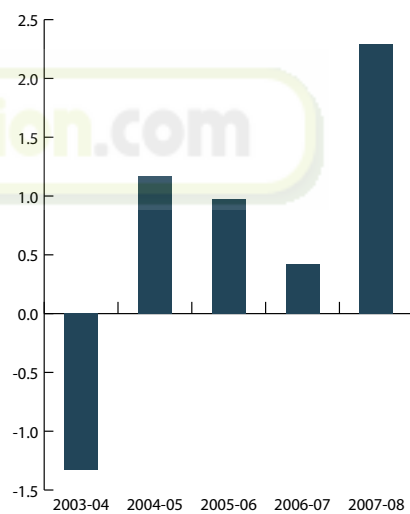


\* Based on closing prices of its Equity Shares on Bombay Stock Exchange (BSE)

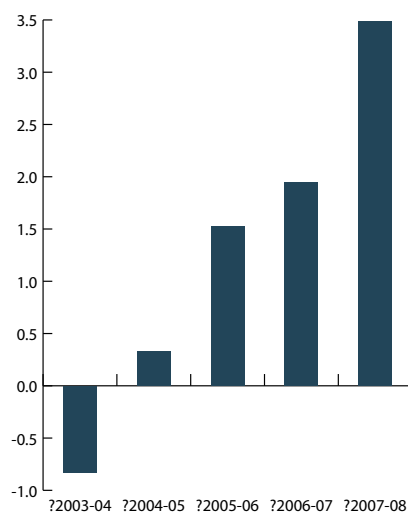
Total Income (Rs. in Crores)



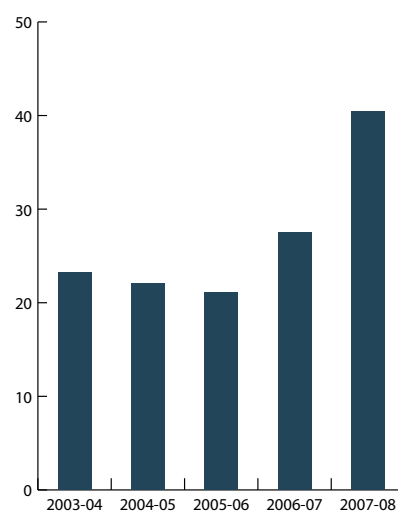
Basic Earnings Per Share (in Rs.)



Book Value (in Rs.)



Total Assets (Rs. in Crores)



## Chairman's Letter

Dear Shareholder,

*I have a great pleasure in presenting the 22nd Annual Report for the year ended on 31st March 2008. During this year, the net-worth has increased by Rs. 1.93 Crores and the Book Value per equity share has increased from Rs. 1.95 to Rs. 3.49, a gain of 79%, while the BSE Index has registered a growth of 20% during the year.*

*Over the last 3 years (that is, since the present management took over) Book Value has grown from Rs. 0.33 to Rs. 3.49, a growth of 119% p. a. while the BSE Index has registered a growth of 34% p. a. during this period.*

*The sincere efforts of the new management of the Company have resulted in the resumption of trading of the Company's equity shares on Bombay Stock Exchange (BSE) from 8th May 2007. The Market Capitalisation of the Company's Equity Share on the date of signing this letter was Rs. 11 Crores*

*As reported in my last year's Letter the management signed an agreement with Kamant Hotels (India) Ltd. a reputed company in the Hospitality Industry, for management of the Hotel Vedant at Aurangabad. After renovation, Hotel Vedant reopened partially on 26th June 2008. The Hotel is now renamed as VITS - Aurangabad.*

*I take this opportunity to thank our Team, Consultants, Bombay Stock Exchange (BSE), Kamat Hotels (India) Ltd. and Saraswat Co-op. Bank for their contribution in the reconstruction and revival of the Company. I am grateful to our shareholders for the patience and faith they have reposed in us.*

*I look forward to meet you during our Annual Meet scheduled on 30th September 2008 at Hotel Vedant (VITS - Aurangabad).*

Regards

Ramesh Havele  
Chairman and Managing Director

Pune, 20th August 2008



## Directors' Report

To,  
The Members,  
Vedant Hotels Limited

The Board of Directors of your company has pleasure in presenting the Twenty-second Annual Report of the Company together with the Audited statements of accounts for the year ended on 31<sup>st</sup> March, 2008.

### 1. Financial Results

Your Company's performance during the year as compared to the previous year is summarized below.

(Rs. In Crores)

Particulars	2007-08	2006-07
Gross Income	4.49	2.83
Profit after Tax / (Loss) for the year	2.86	1.46
Proposed Dividend on Pref. Shares	0.80	0.80
Provision for Tax on Dividend	0.14	0.14
Balance carried to Balance Sheet	1.93	0.53

### 2. Operations

After renovation, Hotel Vedant at Aurangabad re-opened partially on 26<sup>th</sup> June 2008. The Hotel is now renamed as VITS - Aurangabad and is being managed by Kamat Hotels (India) Ltd.

The income reported is mainly from investment of temporary surplus funds in securities and financial instruments.

### 3. Listing

The trading in the Company's shares has been resumed by Bombay Stock Exchange with effect from 8<sup>th</sup> May 2007.

The Company has voluntarily de-listed its shares from all other Stock Exchanges.

### 4. Dividend

The Board has recommended 8% dividend on the Preference shares for the year ended 31<sup>st</sup> March 2008. The Board does not recommend any dividend on the Equity Shares for the year ended on 31<sup>st</sup> March 2008.

### 5. Conservation Of Energy & Technology Absorption

The Company's use of electricity was minimal during the year under review. The Company does not undertake any research and development activity neither does it use any imported technology.

### 6. Foreign Exchange Earnings & Outgo

Foreign Exchange Earnings	:	Nil
Foreign Exchange Outgo	:	Nil



**7. Auditors**

You are requested to appoint the auditors for the current year. M/s. T. R. Jalhawala & Associates, Chartered Accountants, Aurangabad, retiring auditors of the Company, are eligible for reappointment and have conveyed their willingness for reappointment.

**8. Directors**

Shri. Shreeniwas Gajanan Kale and Mrs. Rewati Ravindra Golwalkar retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. Your Directors recommend their re-appointment.

**10. Fixed Deposits**

The Company has not accepted deposits from the public within the meaning of Section 58 A of the Companies Act, 1956 and the rules framed there under.

**11. Employees**

There was no employee falling under Sec. 217(2A) of the Companies Act, 1956.

**12. Audit Report**

The Auditor Report contains certain observations and we offer our comments in this regard as under:

***Internal Audit System:***

The Company has not appointed an Internal Auditor as the Hotel was non operational during the year. However, it has developed adequate control systems commensurate with the size of the Company and nature of its business.

***Sales Tax Deferral:***

Due to financial difficulties the Company could not pay the deferred sales tax due for the last four years. However, the Company will settle the dues shortly.

***Gratuity:***

The Company had no employees during last few years. As such there is no Gratuity Liability / Leave Encashment Liability as on 31<sup>st</sup> March 2008.

**13. Corporate Governance & Management Discussion**

As per clause 49 of the Listing Agreement, Management Discussion and report on Corporate Governance are annexed and form part of the Directors' Report.

**14. Directors' Responsibility Statement**

The Directors of the Company hereby state:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures,



- 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 a true and fair view of the state of affairs of the Company at the end of the financial year and of profit and loss of the Company for that period;
- iii) that the Director have taken proper and sufficient care for the maintenance of adequate records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv) that the Directors have prepared the accounts on a going concern basis.

### 15. Acknowledgment

The Directors express their sincere thanks to Dhanada Portfolio Management Limited and Saraswat Co.op. Bank Limited for the co-operation extended and the shareholders for the faith and belief shown by them.

For and on behalf of the  
Board of Directors

Pune, 25<sup>th</sup> July 2008

Ramesh. R. Havele  
Chairman and Managing Director





## Management Discussion and Analysis Report

**1. Industry structure and developments**

Hotel Industry in India has witnessed tremendous boom in recent years. The general buoyancy in economy and growth in tourism has helped the hospitality industry to register excellent growth. It is expected that the budget and mid-market hotel segment will witness huge growth and expansion while the luxury segment will continue to perform extremely well over the next few years.

**2. Opportunities and Threats**

The on-going restructuring and revitalization of the Company offers a great opportunity to the Company to encash on the current boom in hospitality industry.

**3. Finance**

The Company has raised adequate funds from Banks for refurbishing of the Hotel.

**4. Segment-wise or product-wise performance**

The company works in Hospitality segment only. The revenues from the hotel project are expected to commence in the financial year 2008-09.

During the year, the Company has invested temporary surplus funds in Securities and Financial Instruments and has earned good returns on it. If such surplus funds arise in future, the management will continue to deploy such funds into this activity.

**5. Outlook**

The Company has entered into an agreement on 16<sup>th</sup> February 2007 with M/s. Kamat Hotels (India) Ltd. (KHIL), a reputed company in hospitality sector, for operation and management of the hotel for a period of ten years.

After renovation, Hotel Vedant at Aurangabad reopened partially on 26<sup>th</sup> June 2008. The Hotel is now renamed as VITS - Aurangabad and is being managed by Kamat Hotels (India) Ltd.

**6. Risks and concerns**

Apart from seasonality and growing competition in hospitality industry, the socio-political situation, governmental restrictions, power & water shortages and lack of infrastructure facilities are some of risks, which could affect the performance of the Company. The current slow down in the economic growth is also a matter of concern.

**7. Internal control systems and their adequacy**

The Company has established adequate internal control procedures, commensurate with the nature of its business and size of its operations.

**8. Discussion on financial performance with respect to operational performance**

The operations of the hotel project did not start during the year under review. The income reported is mainly from investment of surplus funds in Securities and Financial Instruments. The Financial statements attached fairly represent the Company's state of affairs and profit for the year.

**9. Material developments in Human Resources / Industrial Relations front, including number of people employed**

The Company under the guidance of Kamat Hotels (India) Limited has appointed the necessary staff required for the Hotel. The training and development of the personnel is looked after by Kamat Hotels (India) Limited.

**10. Cautionary Statement**

Statements in this Management Discussion and analysis describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the company's operations include unavailability of finance at competitive rates, competition, significant changes in political and economic environment in India, regulatory provisions, tax laws, litigations, exchange rate fluctuations, interest and other costs.

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