



Vedant Hotels Limited



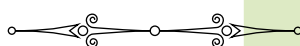
Our Mission

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 & Managing Director

Veena Havele
Ravindra Golwalkar
Shreeniwas Kale
Gajanan Deshpande

Company Secretary

Mrs. Sanjana Joshi

Auditors

T. R. Jalnawala & Associates
Chartered Accountants

Bankers

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

Registered & Corporate Office

'Dhanada', 16/6,
Erandawana Housing Society,
Plot No. 8, Patwardhan Baug,
Pune 411 004
Telefax : +91-20-25462408, 25460661

Email Website

cs@vedanthotels.com
www.vedanthotels.com

Registrar & Transfer Agent

Link Intime India (Pvt.) 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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Summary of Selected Financial Data

(₹ in Cr.)

Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	AAGR* %	Standard Deviation
Total Income from Operations	0.002	3.74	2.62	2.83	4.49	6.36	5.35	13	38
Profit Before Interest, Depreciation and Taxes	(0.03)	2.28	2.39	2.39	4.02	0.90	0.19	-17	62
Financial Charges	1.08	0.59	0.07	0.11	0.26	1.84	2.07	147	271
Gross Profit / (Loss)	(1.11)	1.69	2.32	2.29	3.76	(0.94)	(1.88)	15	87
Depreciation	-	0.72	0.72	0.71	0.43	0.78	1.90	37	74
Profit / (Loss) Before Tax	(1.11)	0.97	1.61	1.57	3.33	(1.72)	(3.78)	29	112
Profit / (Loss) After Tax	(1.11)	0.97	1.61	1.46	2.87	(1.73)	(3.64)	21	111
Minority Interest in Net Income/(Loss)	-	-	-	-	-	(0.31)	(0.58)	-	-
Net Profit / (Loss) After Minority Interest	(1.11)	0.97	1.61	1.46	2.87	(1.42)	(3.06)	24	108
Cash Profit / (Loss)	(1.11)	1.69	2.32	2.29	3.76	(0.94)	(1.88)	15	87
Basic Earning per Share (₹)	-1.33	1.17	0.97	0.42	1.55	(1.14)	(0.86)	0	163
Book Value per Share (₹)	-0.83	0.33	1.53	1.95	3.50	2.36	4.75	107	150
Market Value per Share (₹)	N.T.	N.T.	N.T.	N.T.	8.08	5.95	8.59	9	50
Market Capitalisation as at 31 st March	N.A.	N.A.	N.A.	N.A.	10.10	7.44	38.14	193	311

Sources of Funds

Shares Capital									
- Equity Shares	8.31 #	8.31 #	1.25	1.25	1.25	1.25	4.44		
- Convertible Preference Shares	-	-	10.00	10.00	10.00	10.00	-		
Reserves and Surplus	0.25	0.25	0.66	1.18	3.11	15.83	20.27		
Minority Interest	-	-	-	-	-	1.58	1.00		
Borrowings	14.63	13.46	9.22	15.13	20.38	14.99	18.48		
Total	23.19	22.02	21.12	27.56	34.74	43.65	44.19		

Uses of Funds

Net Fixed Assets	15.60	14.89	14.18	13.58	16.94	39.25	43.61		
Investments	0.03	0.03	4.86	4.45	4.98	0.31	0.003		
Net Current Assets	(1.69)	(1.18)	2.08	9.53	12.82	3.95	0.42		
Miscellaneous Expenses	9.26	8.28	-	-	-	0.14	0.16		
Total	23.19	22.02	21.12	27.56	34.74	43.65	44.19		

Financial Results and Statistics

								Average	Standard Deviation
Profit Before Interest, Depreciation and Taxes									
as a percentage of Total Income	-	61	91	85	90	14	4	57	39
Returns on Shareholders Fund %	-	-	291	28	80	(32)	(36)	55	124
Price / Book Value Ratio	-	N.A.	N.A.	N.A.	2	3	2	2	0
Corporate Performance vs BSE Index									
1) Annual Percentage change in Book Value	-	-	359	28	80	(32)	101	89	141
2) Annual Percentage change in BSE Index (Including Dividend)	-	-	75	17	21	(36)	82	26	45
3) Relative Performance (1) - (2)	-	-	283	11	59	4	20	75	110

*Average Annual Growth Rate

N. T. : Not Traded (as trading was suspended since 2nd July 2002 to 7th May 2007)

N. A. : Not Available/Applicable

Face value of equity shares of ₹ 10/- each. Face Value reduced to ₹ 1/- on 25th October 2005.

From the year 2008-09 Consolidated figures are given

Chairmans' Letter

Dear Shareholder,

I have great pleasure in presenting the 24th Annual Report for the year ended on 31st March 2010.

During this year, the net-worth has increased by ₹ 17.77 Cr. and the Book Value per equity share has increased from ₹ 2.36 to ₹ 4.75, a gain of 101%, while the BSE Index has registered a gain of 82% during the year. Over the last 5 years (that is, since the present management took over) Book Value has grown from ₹ 0.33 to ₹ 4.75, a growth of 70% p. a. while the BSE Index has registered a growth of 22% p. a. during this period.

Financial Year 2009-10 was difficult for the Company. Hospitality business was down during the first half of the year and our Engineering subsidiary company was in the process of consolidation.

However, both the businesses have been looking up since October 2009 and I hope this trend will continue in the financial year 2010-11.

Our future growth strategy will include identification of appropriate investment opportunities in the field of Hospitality, Engineering and Securities Trading and deployment of funds in an optimum mix of Debt/Equity in each segment.

I look forward to meet you during our Annual Meet scheduled on 30th September 2010 at Solaris Banquet Hall, Mayur Colony, Kothrud, Pune.

Regards,

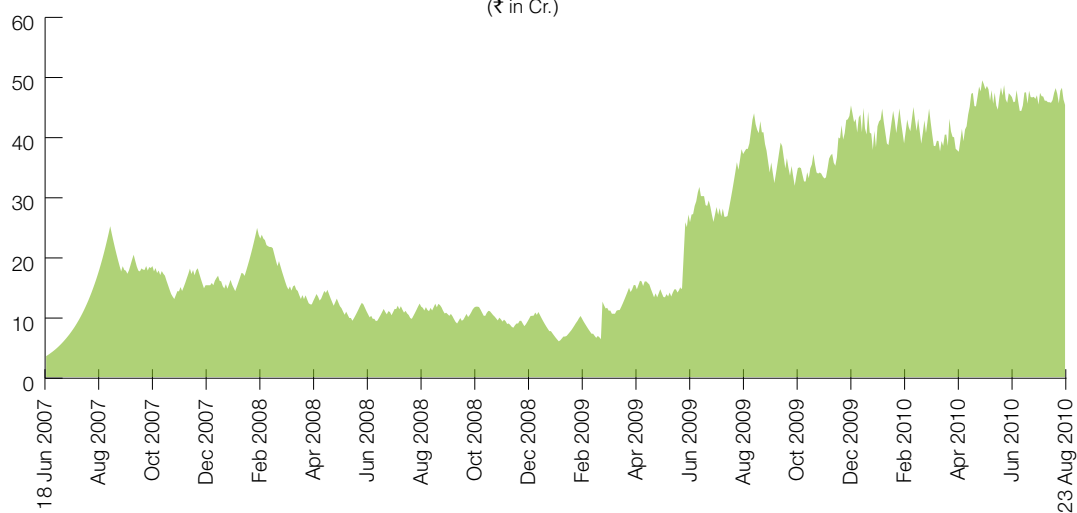
Ramesh Havele

Chairman and Managing Director

Pune, 20st August 2010

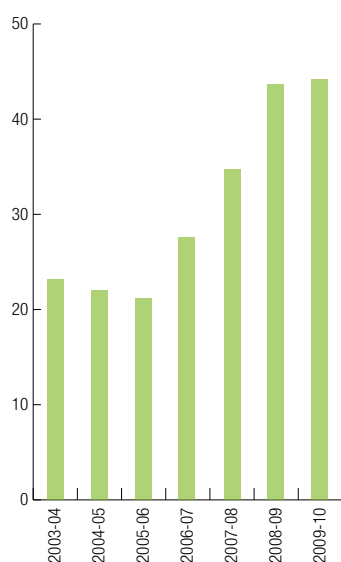
Market Capitalisation of Vedant Hotels Ltd.*

(₹ in Cr.)



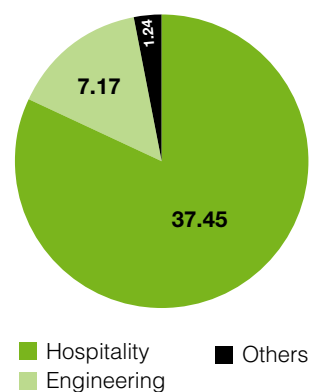
* Based on closing prices of its Equity Shares on Bombay Stock Exchange (BSE)

Total Assets (₹ in Cr.)

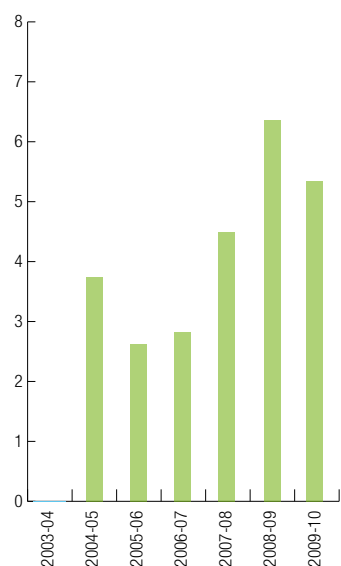


Break-up of Total Assets as at 31st March 2010

(₹ 45.86 Cr.)

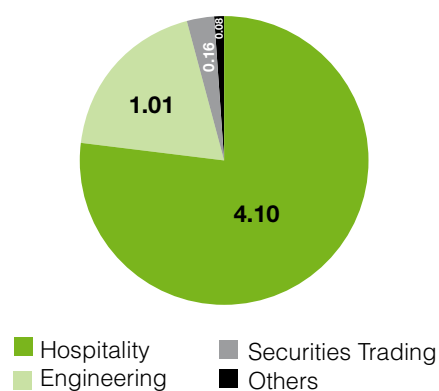


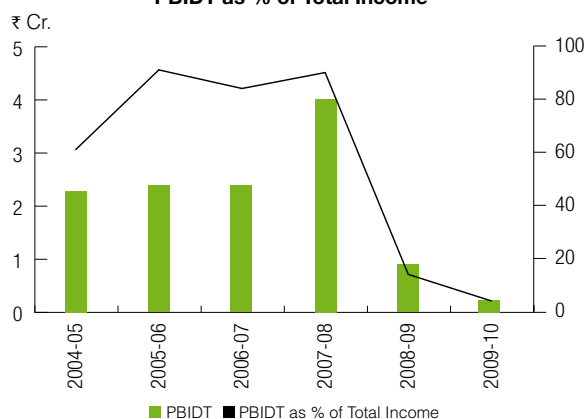
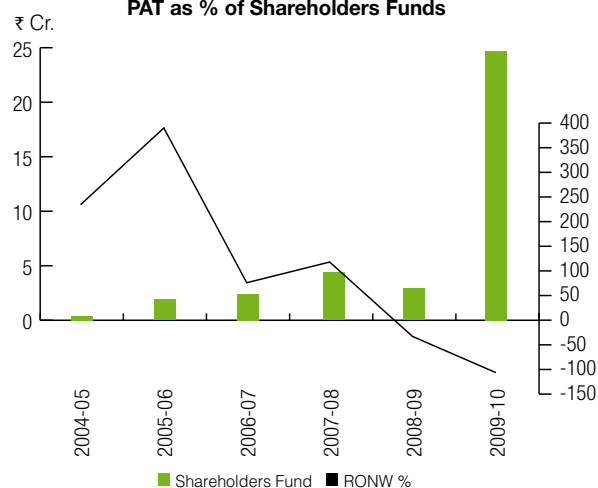
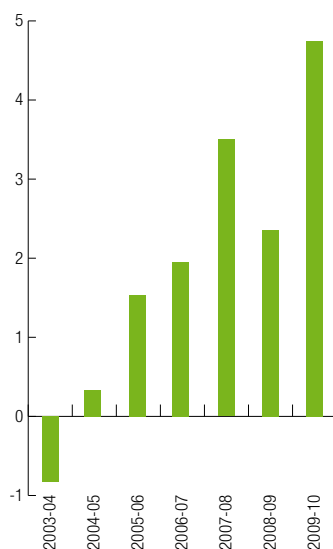
Total Income (₹ in Cr.)



Break-up of Total Income for the Year 2009-10

(₹ 5.35 Cr.)



PBIDT as % of Total Income**Break-up of Profit Before Interest Depreciation & Taxes (PBIDT) for the year 2009-10 (₹ 0.19 Cr.)****PAT & EPS****PAT as % of Shareholders Funds****Book Value (in ₹)**

Directors' Report

To,
The Members,
Vedant Hotels Limited

The Board of Directors of your company has pleasure in presenting the 24th Annual Report of the Company together with the Audited statements of accounts for the year ended on 31st March, 2010.

1. Financial Results

(₹ in Cr.)

Particulars	2009-10	2008-09
Gross Income	4.13	5.63
Profit after Tax / (Loss) for the year	(2.38)	(1.07)
Proposed Dividend	Nil	Nil
Provision for Tax on Dividend	Nil	Nil
Balance carried to Balance Sheet	(2.38)	(1.07)

2. Operations

The effect of the economic crisis of 2008 continued in the first half of the year in terms of occupancy and Average Room Revenue (ARR). The second half, witnessed recovery in occupancy, but the ARR remained stagnant. The Company was able to register operating profit in spite of odds, but could not report net profit after interest and depreciation.

During the year, the company refurbished the 3rd floor with 23 rooms and made them operational during November 2009. Now the Company operates at 75% of capacity. Some facilities like swimming pool, health club and Spa were also made operational during the year.

The general uptrend seen since September 2009, is expected to continue during the current year i.e. Financial Year 2010-11.

3. Scheme of Arrangement & Amalgamation

Pursuant to the Scheme of Amalgamation and Arrangement sanctioned by the Hon'ble High Court of Judicature, Bombay, on 16th July 2009, the Company issued and allotted 53,66,000 Equity shares to the shareholders of the transferor companies against exchange and 1,29,68,300 Equity shares to the parent Company against conversion of loan. Further 46,97,133 Equity shares were issued against acquisition of land on 30th April 2010 i.e. during current financial year.

4. Dividend

The Board does not recommend any dividend on the Equity Shares for the year ended on 31st March 2010.

5. Conservation of Energy & Technology Absorption

The Company through constant monitoring, selection of energy saving equipments and education of staff and guests endeavors to conserve and optimize the use of energy. 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. Jalnawala & Associates, Chartered Accountants, Aurangabad, retiring auditors of the Company, are eligible for reappointment and have conveyed their willingness for reappointment.

8. Subsidiaries

Malkan Engineering Private Limited, a company engaged in manufacture of press parts for automobile industry, is a subsidiary of your company. The company suffered cash loss of ₹ 0.76 crores mainly due to writing off of inventory, unrecoverable receivables, interest expenses and deferred tax. However, the operative performance have shown improvement during the year and the trend is expected to continue in the coming years.

Pursuant to Section 212 of the Companies Act, 1956, the audited financial statements of the subsidiary together with Directors' Report and Auditor's Report thereon are annexed to this Report.

9. Consolidated Financial Statements

The Consolidated financial statements prepared in accordance with the Accounting Standard 21 issued by the Institute of Chartered Accountants of India, form part of the Annual Report.

10. Directors

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

11. Fixed Deposits

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

12. Employees

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

13. Auditor's Comments

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

Statutory Dues:

Due to financial difficulties the Company could not pay the deferred sales tax. However, the Company will settle the dues shortly.

Rest of the Auditor's observations are self explanatory.