

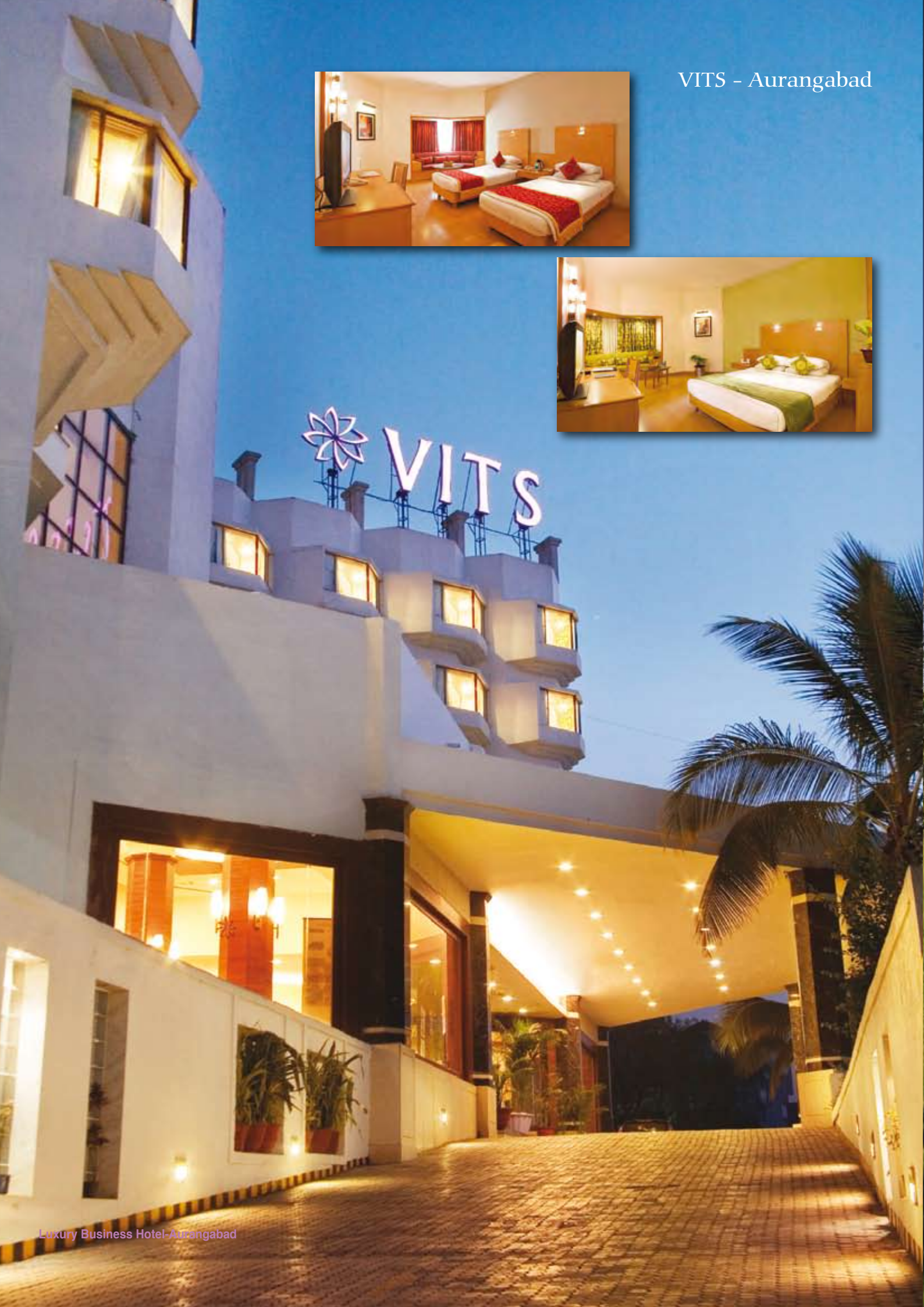


Vedant Hotels Limited
Annual Report 2011



VITS - Aurangabad

VITS - Aurangabad



 VITS

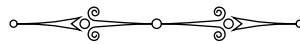
Our Mission

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 Shreeniwas Kale Gajanan Deshpande Ravindra Golwalkar |
| 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. India Telefax : +91-20-25462408, 25460661 |
| Email Website | cs@vedanthotels.com www.vedanthotels.com |
| Registrar & Transfer Agent | Link Intime India Pvt. Ltd. <i>Pune Office:</i> Block No. 202, 2nd Floor, Akshay Complex, Near Ganesh Temple, Off. Dhole Patil Road, Pune - 411001. Tel. : +91-20-26163503 <i>Mumbai Office:</i> C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400078. Tel. : +91-22-25963838 |

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Dear Shareholder,

I have great pleasure in presenting the 25th Annual Report for the year ended on 31st March 2011.

During this year, the net-worth has increased by Rs.2.64 Cr. and the Book Value per equity share has increased from Rs. 4.60 to Rs 4.70, a gain of 2%, while the BSE Index has registered a gain of 11% during the year. Over the last 6 years (that is, since the present management took over) Book Value has grown from Rs. 0.33 to Rs. 4.70, a growth of 55% p. a. while the BSE Index has registered a growth of 18% p. a. in this period.

During the Financial Year 2010-11, top line growth in Hospitality Business was 63 % whereas in engineering business it was 325%. Bottom line growth in Hospitality and engineering is 76 % and 73 % respectively. Both the businesses have started generating cash profit and I hope they will generate profit after tax during the next Financial Year.

With the stabilization of operations of both the business I am planning to focus on treasury operations of the company.

Our future growth strategy will be both organic and inorganic in nature. This strategy along with the use of Financial Derivatives in treasury operations will endeavor to maximize returns on shareholders' fund and minimize overall risk to shareholders.

I look forward to meet you during our Annual Meet scheduled on 30th September 2011 at Solaris Banquet Hall, Mayur Colony, Kothrud, Pune.

Regards,

*Ramesh Havele
Chairman and Managing Director*

Pune, 25th August 2011

Summary of Selected Financial Data

(₹ in Cr.)

| Particulars | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | AAGR* % | Standard Deviation |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|---------------------------|
| Total Income from Operations | 0.002 | 3.74 | 2.62 | 2.83 | 4.49 | 6.36 | 5.35 | 11.19 | 29 | 52 |
| Profit Before Depreciation and Interest | (0.03) | 2.28 | 2.39 | 2.39 | 4.02 | 0.90 | 0.30 | 2.66 | 119 | 331 |
| Financial Charges | 1.08 | 0.59 | 0.07 | 0.11 | 0.26 | 1.84 | 2.04 | 2.14 | 123 | 249 |
| Gross Profit / (Loss) | (1.11) | 1.69 | 2.32 | 2.29 | 3.76 | (0.94) | (1.74) | 0.52 | -12 | 94 |
| Depreciation | - | 0.72 | 0.72 | 0.71 | 0.43 | 0.78 | 1.90 | 2.09 | 32 | 67 |
| Profit / (Loss) Before Tax | (1.11) | 0.97 | 1.61 | 1.57 | 3.33 | (1.72) | (3.77) | (1.57) | 14 | 106 |
| Profit / (Loss) After Tax | (1.11) | 0.97 | 1.61 | 1.46 | 2.87 | (1.73) | (3.64) | (0.87) | 4 | 107 |
| Minority Interest in Net Income/(Loss) | - | - | - | - | - | (0.31) | (0.58) | (0.17) | - | - |
| Net Profit / (Loss) After Minority Interest | | 0.97 | 1.61 | 1.46 | 2.87 | (1.42) | (3.06) | (0.70) | 7 | 105 |
| Cash Profit / (Loss) | (1.11) | 1.69 | 2.32 | 2.29 | 3.76 | (0.94) | (1.87) | 0.52 | -9 | 97 |
| Basic Earning per Share ₹ | -1.33 | 1.17 | 0.97 | 0.42 | 1.55 | (1.14) | (0.86) | (0.14) | -14 | 150 |
| Book Value per Share ₹ | -0.83 | 0.33 | 1.53 | 1.95 | 3.50 | 2.36 | 4.60 | 4.70 | 88 | 141 |
| Market Value per Share (₹) | N.T. | N.T. | N.T. | N.T. | 8.08 | 5.95 | 8.59 | 8.65 | 6 | 36 |
| Market Capitalisation as at 31st March | N.A. | N.A. | N.A. | N.A. | 10.10 | 7.44 | 38.14 | 42.47 | 133 | 243 |
| | | | | | | | | | | |
| Sources of Funds | | | | | | | | | | |
| Shares Capital | | | | | | | | | | |
| - Equity Shares | 8.31 # | 8.31 # | 1.25 | 1.25 | 1.25 | 1.25 | 4.44 | 4.91 | | |
| - 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 | 20.99 | 20.53 | | |
| Minority Interest | - | - | - | - | - | 1.58 | 1.00 | 0.83 | | |
| Borrowings | 14.63 | 13.46 | 9.22 | 15.13 | 20.38 | 14.99 | 18.48 | 19.37 | | |
| Total | 23.19 | 22.02 | 21.12 | 27.56 | 34.74 | 43.65 | 44.91 | 45.64 | | |
| | | | | | | | | | | |
| Uses of Funds | | | | | | | | | | |
| Net Fixed Assets | 15.60 | 14.89 | 14.18 | 13.58 | 16.94 | 39.25 | 42.93 | 42.58 | | |
| Investments | 0.03 | 0.03 | 4.86 | 4.45 | 4.98 | 0.31 | 0.003 | 0.003 | | |
| Net Current Assets | (1.69) | (1.18) | 2.08 | 9.53 | 12.82 | 3.95 | 0.42 | 0.90 | | |
| Miscellaneous Expenses | 9.26 | 8.28 | - | - | - | 0.14 | 1.56 | 2.16 | | |
| Total | 23.19 | 22.02 | 21.12 | 27.56 | 34.74 | 43.65 | 44.91 | 45.64 | | |
| | | | | | | | | | | |
| Financial Results and Statistics | | | | | | | | | Average | Standard Deviation |
| Profit before depreciation and interest as a percentage of Total Income | - | 61 | 91 | 85 | 90 | 14 | 6 | 24 | 53 | 38 |
| Profit after Tax as percentage of Total Income | - | - | 61 | 52 | 64 | (27) | (68) | (8) | 12 | 55 |
| Price / Book Value Ratio | - | N.A. | N.A. | N.A. | 2 | 3 | 2 | 2 | 2 | 0 |
| Corporate Performance vs BSE Index | | | | | | | | | | |
| 1) Annual Percentage change in Book Value | - | - | 359 | 28 | 80 | (32) | 95 | 2 | 88 | 141 |
| 2) Annual Percentage change in BSE Index | - | - | 75 | 17 | 21 | (36) | 82 | 11 | 28 | 44 |
| 3) Relative Performance (1) - (2) | - | - | 283 | 11 | 59 | 4 | 13 | (9) | 60 | 112 |

*Average Annual Growth Rate

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

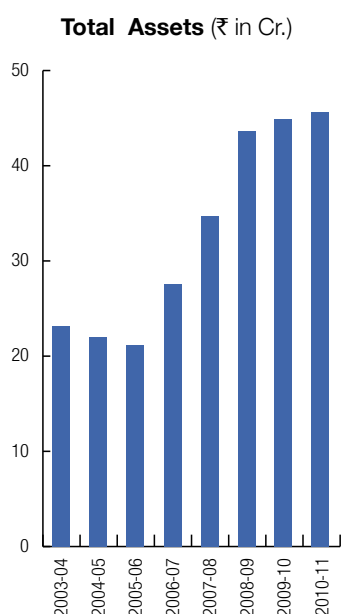
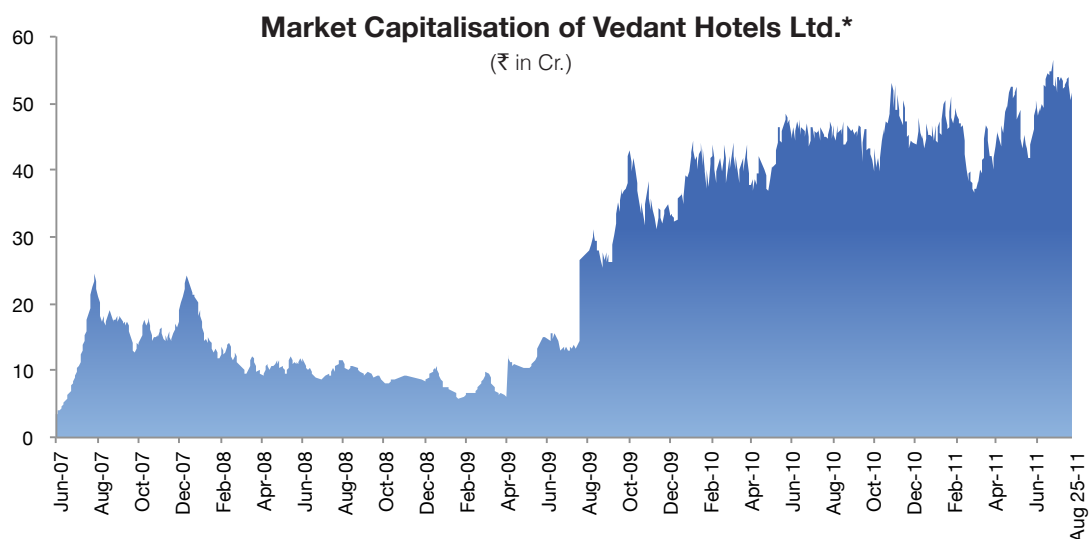
N. A. : Not Available/Applicable

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

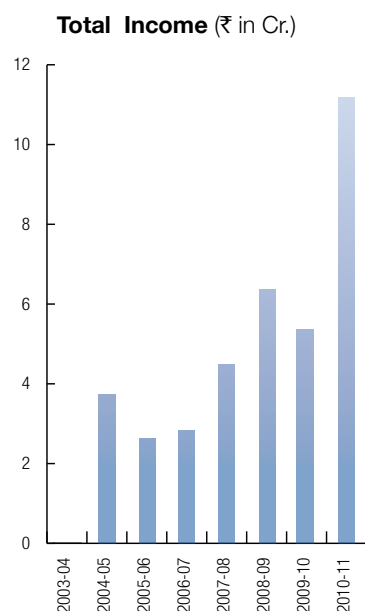
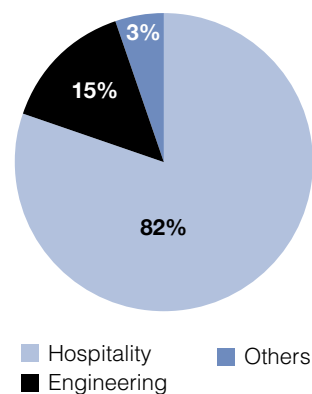
From the year 2008-09 Consolidated figures are given

(₹ in Cr.)

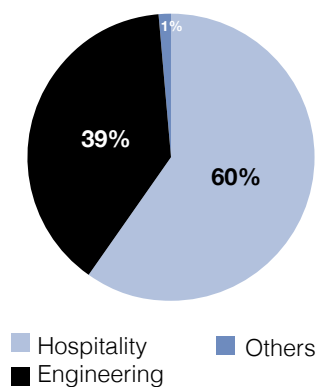
| Sr. No. | Particulars | 2008-09 | | 2009-10 | | 2010-11 | |
|----------|---|---------------|------------|----------------|------------|---------------|------------|
| | | ₹ | % | ₹ | % | ₹ | % |
| 1 | Segment Revenue | | | | | | |
| | a. Hospitality | 1.61 | 25 | 4.10 | 76 | 6.70 | 60 |
| | b. Engineering | 0.58 | 9 | 1.02 | 19 | 4.34 | 39 |
| | c. Securities Trading | 3.63 | 57 | 0.16 | 3 | - | - |
| | d. Others | 0.55 | 9 | 0.08 | 1 | 0.15 | 1 |
| | Total | 6.37 | 100 | 5.36 | 100 | 11.19 | 100 |
| 2 | Profit before Interest, Depreciation and Taxes (PBITD) | | | | | | |
| | a. Hospitality | (2.60) | (289) | 0.47 | 157 | 2.14 | 80 |
| | b. Engineering | (0.68) | (76) | (0.41) | (137) | 0.38 | 14 |
| | c. Securities Trading | 3.63 | 404 | 0.16 | 53 | - | - |
| | d. Others | 0.55 | 61 | 0.08 | 27 | 0.15 | 6 |
| | Total | 0.90 | 100 | 0.30 | 100 | 2.67 | 100 |
| 3 | Profit After Tax (PAT) after Minority Interest | | | | | | |
| | a. Hospitality | (4.77) | (335) | (1.84) | (60) | (0.45) | (64) |
| | b. Engineering | (0.83) | (58) | (1.46) | (48) | (0.40) | (57) |
| | c. Securities Trading | 3.63 | 255 | 0.16 | 5 | - | - |
| | d. Others | 0.55 | 39 | 0.08 | 3 | 0.15 | 21 |
| | Total Profit/(Loss) after Tax | (1.42) | 100 | (3.06) | 100 | (0.70) | 100 |
| 4 | Equity Capital Employed | | | | | | |
| | a. Hospitality | 21.65 | 80 | 20.11 | 84 | 19.54 | 84 |
| | b. Engineering | 2.52 | 9 | 2.52 | 11 | 3.22 | 14 |
| | c. Securities Trading | 0.30 | 1 | - | - | - | - |
| | d. Others | 2.61 | 10 | 1.25 | 5 | 0.52 | 2 |
| | Total Equity Capital Employed | 27.08 | 100 | 23.88 | 100 | 23.28 | 100 |
| 5 | Returns on Equity Capital Employed (%) | | | | | | |
| | a. Hospitality | (22.05) | (2) | (9.15) | (15) | (2.30) | (16) |
| | b. Engineering | (32.90) | (3) | (57.97) | (95) | (12.42) | (87) |
| | c. Securities Trading | 1,194.47 | 103 | - | - | - | - |
| | d. Others | 21.10 | 2 | 6.41 | 11 | 29.00 | 203 |
| | Total Returns on Equity Capital Employed | (5.26) | 100 | (12.82) | 100 | (3.01) | 100 |



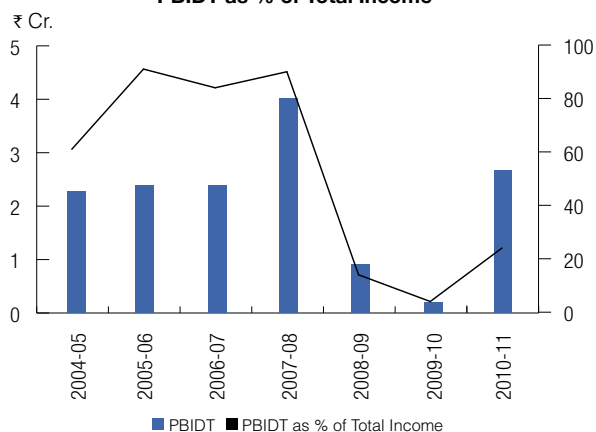
Break-up of Total Assets as at 31st March 2011
(₹ 45.64 Cr.)



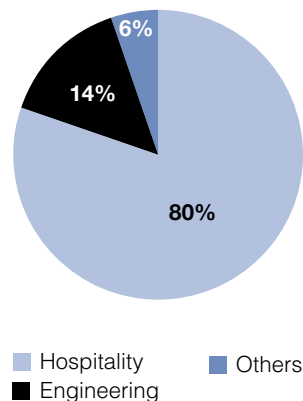
Break-up of Total Income for the Year 2010-11
(₹ 11.19 Cr.)



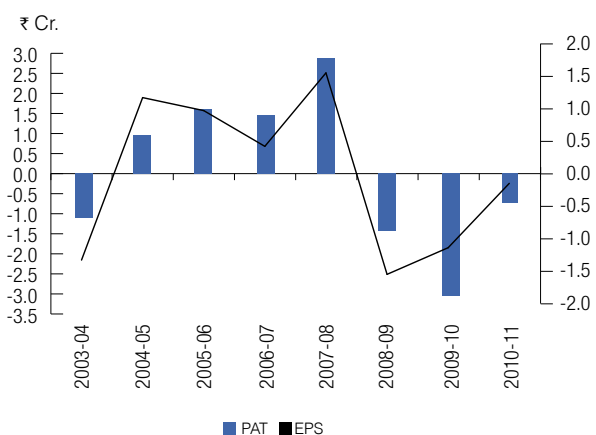
PBITD as % of Total Income



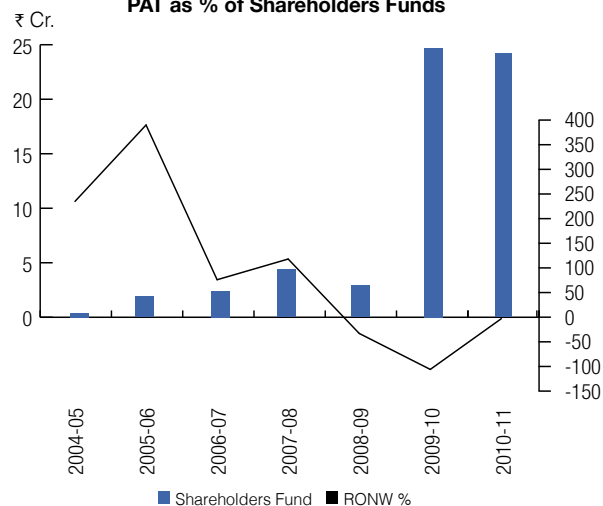
Break-up of Profit Before Interest Depreciation & Taxes (PBITD) for the year 2010-11 (₹ 2.66 Cr.)



PAT & EPS



PAT as % of Shareholders Funds



Book Value (in ₹)

