

Vedant Hotels Limited

Annual Report 2009



16 GRAYSON PERRY
Is all this talk about 'access' to the arts just middle class guilt?

17 FIRST NIGHT
Sir John Tavener unwraps his birthday present to Mozart

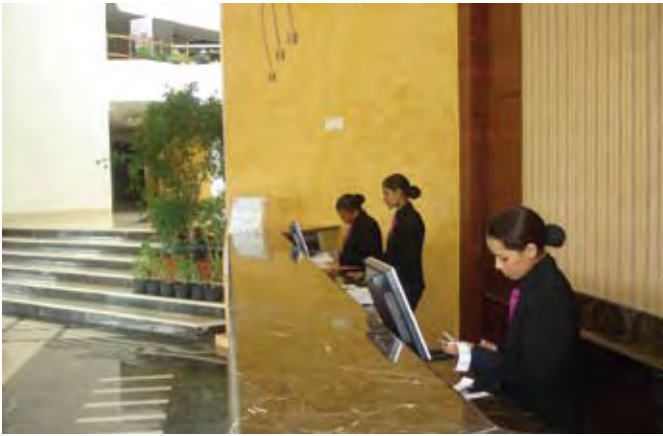
n a man of letters

A collection of single-shot conciseness and the power

Whatever happened to the short film? Nowadays the cinema, plus a few zappy, semi-comprehensible trailers to whet our appetites for the next one. But if you peer not too far back into the mists of cinema history, you will find such things as second features, cartoons and even Pathé News.
Over the next few weeks a new initiative by Film and Video Umbrella, in conjunction with the UK Film Council, will be rolling out across England, Wales and Northern Ireland.

Alan Fletcher's iconic designs include, far left, a 1958 ad for Fortune magazine; a picture of the Prince of Wales, above; and the V&A's logo, left





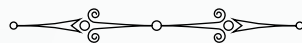
Our Mission

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.



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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 vedant@vedanthotels.com
Website 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

(Rs. in Crores)

Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09\$	AAGR* %	Standard Deviation
Total Income from Operations	0.002	3.74	2.62	2.83	4.49	6.36	20	39
Profit Before Depreciation and Interest	(0.03)	2.28	2.39	2.39	4.02	0.88	-1	60
Financial Charges	1.08	0.59	0.07	0.11	0.26	1.82	179	299
Gross Profit / (Loss)	(1.11)	1.69	2.32	2.29	3.76	(0.94)	-6	84
Depreciation	-	0.72	0.72	0.71	0.43	0.76	9	49
Profit / (Loss) Before Tax	(1.11)	0.97	1.61	1.57	3.33	(1.70)	6	115
Profit / (Loss) After Tax	(1.11)	0.97	1.61	1.46	2.87	(1.74)	-2	114
Minority Interest in Net Income/(Loss)	-	-	-	-	-	(0.31)	-	-
Net Profit / (Loss) After Minority Interest (PAT)	(1.11)	0.97	1.61	1.46	2.87	(1.43)	1	109
Cash Profit / (Loss)	(1.11)	1.69	2.32	2.29	3.76	(0.94)	-6	84
Basic Earning per Share (EPS) Rs.	-1.33	1.17	0.97	0.42	1.55	(1.14)	6	188
Book Value per Share Rs.	-0.83	0.33	1.53	1.95	3.50	2.36	108	173
Market Value per Share (Rs.)	N. T.	N. T.	N. T.	N. T.	8.08	5.95	-26	0
Market Capitalisation as at 31st March	N. A.	N. A.	N. A.	N. A.	10.10	7.44	-26	0

Sources of Funds

Shares Capital								
Equity Shares	8.31 #	8.31 #	1.25	1.25	1.25	1.25		
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		
Minority Interest	-	-	-	-	-	1.58		
Borrowings	14.63	13.46	9.22	15.13	20.38	14.99		
Total	23.19	22.02	21.12	27.56	34.74	43.65		

Uses of Funds

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

Financial Results and Statistics

						Average	Standard Deviation
Profit before depreciation and interest (PBIDT) as a percentage of Total Income	-	61	91	85	90	14	68
Returns on Shareholders Fund % (RONW)	-	-	386	77	118	(32)	73
Price / Book Value Ratio	-	N. A.	N. A.	N. A.	2	3	2
Corporate Performance vs BSE Index							
1) Annual Percentage change in Book Value	-	-	359	28	79	(32)	108
2) Annual Percentage change in BSE Index (Including Dividend Yield)	-	-	75	17	21	(36)	19
3) Relative Performance (1) - (2)	-	-	283	11	58	4	89

*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 Rs. 10/- each

Face Value reduced to Re. 1/- on 25th October 2005.

\$ For the year 2008-09 Consolidated figures are given

Dear Shareholder,

I have great pleasure in presenting the 23rd Annual Report for the year ended on 31st March 2009.

During this year, the net-worth has decreased by Rs. 1.43 Crores and the Book Value per equity share has decreased from Rs. 3.50 to Rs. 2.36, a loss of 33%, while the BSE Index has registered a loss of 36% during the year. Over the last 4 years (that is, since the present management took over) Book Value has grown from Rs. 0.33 to Rs. 2.36, a growth of 63% p. a. while the BSE Index has registered a growth of 11% p. a. during this period.

During the year, Malkan Engineering Pvt. Ltd. became subsidiary of your company. Malkan Engineering Pvt. Ltd. is in the business of manufacturing sheet metal components and its clients include Tata Motors Ltd. Pune, Railway Coach Factory, Kapurthala, Volkswagen, Mahendra and Mahendra, Godrej Furnitures etc. I am fairly confident that this acquisition will enrich Intrinsic Value of Equity Shares of the company.

Apart from the above, two companies viz. Maharashtra Hospitality Ltd. and Vedant Lapidary Pvt. Ltd. were merged with your Company under a scheme of Arrangement & Amalgamation. The scheme was approved by Hon'able High Court, Bombay on 16th July 2009 and is operative from 1st April 2008. The said scheme also provides for (i) conversion of loan from Dhanada Portfolio Management Ltd. into Equity shares and (ii) Acquisition of land at Pune against issue of Equity Shares.

The Scheme has added valuable assets to the Company without any cash out-flow, strengthened the Equity base of the Company and reduced its debt burden.

Further, in the month of April 2009, the Company converted its Cumulative Convertible Preference Shares into Equity Shares at a premium, ahead of its scheduled conversion date. This will reduce the cash out-flow on account of Preference Dividend and strengthen the capital structure of the Company.

I believe that these measures have added strength to the financials of the Company and in the long run will add to the Shareholders' Wealth.

I look forward to meet you during our Annual Meet scheduled on 30th September 2009 at Solaris Banquet Hall, Mayur Colony, Kothrud, Pune.

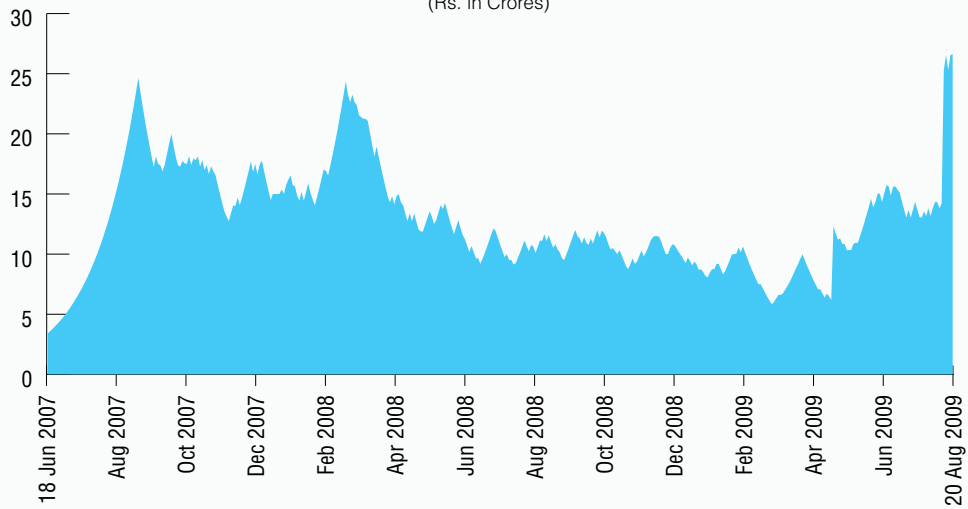
Regards

Ramesh Havele
Chairman and Managing Director

Pune, 21st August 2009

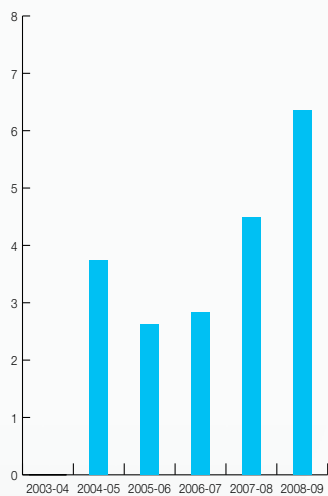
Market Capitalisation of Vedant Hotels Ltd.*

(Rs. in Crores)

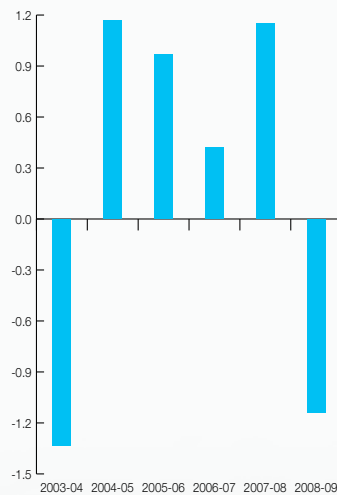


* Based on closing prices of its Equity Shares on Bombay Stock Exchange (BSE)

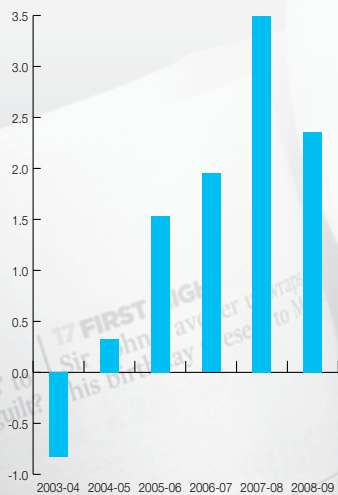
Total Income (Rs. in Crores)



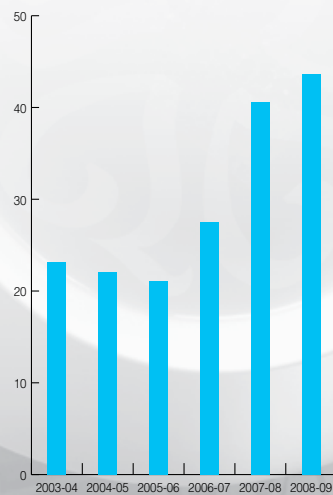
Earnings Per Share (in Rs.)

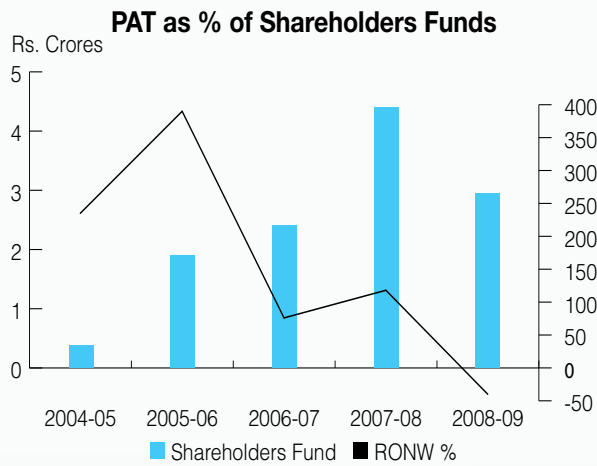
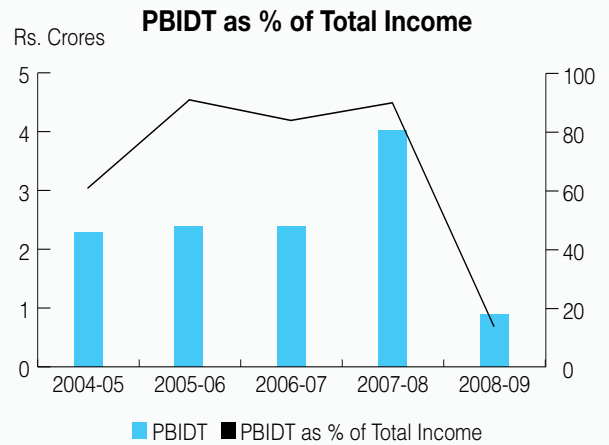
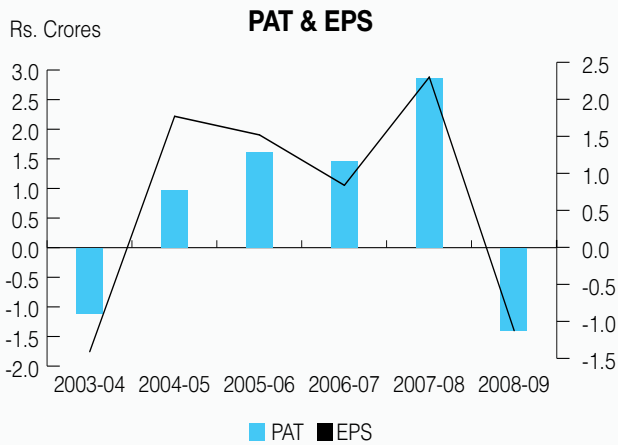


Book Value (in Rs.)

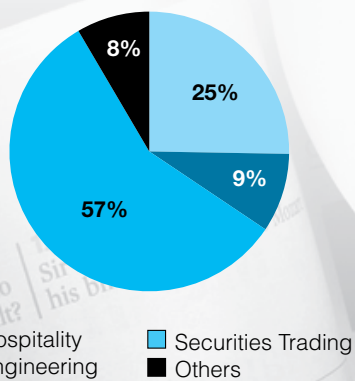


Total Assets (Rs. in Crores)

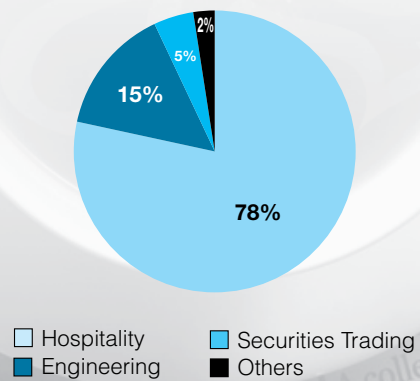




Break-up of Total Revenue for the Year 2008-09



Break-up of Total Assets as at 31st March 2009



Directors' Report

To,
The Members,
Vedant Hotels Limited

The Board of Directors of your company has pleasure in presenting the Twenty-third Annual Report of the Company together with the Audited statements of accounts for the year ended on 31st March, 2009.

1. Financial Results

(Rs. In Crores)

Particulars	2008-09	2007-08
Gross Income	5.63	4.49
Profit after Tax / (Loss) for the year	(1.07)	2.86
Proposed Dividend on Pref. Shares	Nil	0.80
Provision for Tax on Dividend	Nil	0.14
Balance carried to Balance Sheet	(1.07)	1.93

The figures for the current period are not comparable with those of previous period as Maharashtra Hospitality Limited and Vedant Lapidary Private Limited amalgamated with your company with effect from 1st April 2008. The attached financials are after giving effect to the amalgamation.

2. Operations

The year under review was a difficult and challenging year. Business conditions the world over, especially travel and tourism, were adversely affected by various factors like sub-prime crisis in USA, terrorism and general economic slowdown. Your Company was no exception.

The Company partially completed the renovation and refurbishing of Hotel Vedant at Aurangabad and reopened it on 26th June 2008. But the factors aforesaid have affected the performance of the Hotel.

3. Amalgamation

The Hon'ble High Court of Judicature, Bombay, sanctioned a Scheme of Amalgamation of Maharashtra Hospitality Limited and Vedant Lapidary Private Limited with your Company on 16th July 2009. Pursuant to the Scheme of Amalgamation, the entire undertakings of Maharashtra Hospitality Limited and Vedant Lapidary Private Limited stands transferred to your Company with effect from 1st April 2008 – the "Appointed Date" under the Scheme of Amalgamation. The attached financial statements are prepared after giving effect to the Scheme.

4. Conversion of Preference Shares

In the month of April 2009, the Company, after obtaining the consent of the Preference Shareholders, converted the 10,00,00,000 8% Cumulative Convertible Preference Shares into 1,35,50,148 Equity shares at a premium of Rs. 6.38. As per the special resolution passed by the preference shareholders no dividend is payable to preference shareholders for the period 1st April 2008 to till conversion.

5. Dividend

The Board of Directors does not recommend any dividend on the Equity Shares for the year ended on 31st March 2009.

6. Conservation of Energy & Technology Absorption

The Company through constant monitoring, selection of energy saving equipments and education of the staff and guests of the company endeavours to conserve and optimise use of energy.

7. Foreign Exchange Earnings & Outgo

Foreign Exchange Earnings	:	Nil
Foreign Exchange Outgo	:	Nil

8. 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.

9. Subsidiaries

Malkan Engineering Private Limited became a subsidiary company during the year under consideration (i. e. w.e.f. 10th February 2009).

Pursuant to Section 212 of the Companies Act, 1956, the audited financial statements of the subsidiary as on 31st March 2009 together with Directors' Report and Auditors Report thereon are attached to this report.

10. Consolidated Financial Statements

The Consolidated financial statements of the Company and its subsidiary prepared in accordance with the Accounting Standard 21 issued by the Institute of Chartered Accountants of India, forms part of the Annual Report and Accounts.

11. Directors

Mrs. Revati Ravindra Golwakar ceased to be a director of your company w.e.f. 20th April 2009, on account of resignation.

Mr. Ravindra S. Golwalkar who was appointed as an Additional Director of the Company, now seek appointment as Director of the Company, whose office shall be liable to determination by retirement by rotation.

Shri. Gajanan Mahadeo Deshpande and Mrs. Veena Ramesh Havele retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. Your Directors recommend their re-appointment.

12. 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.

13. Employees

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

14. Audit Report

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 due for the last five years. However, the Company will settle the dues shortly.

Rest of the Auditor's observations are self explanatory.

15. Corporate Governance & Management Discussion

As per clause 49 of the Listing Agreement, Management Discussion and Analysis Report and Report on Corporate Governance along with Certificate of Compliance from Auditors are annexed and form part of the Directors' Report.

16. 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.

17. Acknowledgment

The Directors express their sincere thanks to all the stakeholders for their support and confidence.

For and on behalf of the Board of Director

Ramesh. R. Havele
Chairman and Managing Director

Pune, 21st August 2009

Management Discussion and Analysis Report

1. Industry structure and developments

The year under review was a difficult year for Indian economy and business, especially for the hospitality industry. Triggered by the sub-prime crisis in USA, the economic slowdown commenced at the beginning of the year turned in to a full blown crisis after September 2008.

The effect of crisis started to impact the Hospitality Industry from the middle of the year. The situation worsened with the terror strikes in Mumbai. The political uncertainties also added to the grim situation.

The recessionary trend is expected to continue in the year 2009. There are fragile signs of pick-up, though it is early to call it a recovery.

However, the long-term out-look for the industry remains healthy considering the relative strength of Indian Economy. India has multiple growth drivers which hold out a promise for stable and sustained future growth.

2. General

In the month of April 2009, the Company, after obtaining the consent of the Preference Shareholders, converted the 10,00,00,000 8% Cumulative Convertible Preference Shares into 1,35,50,148 Equity shares at a premium of Rs. 6.38.

The Registered Office of the Company is shifted from Aurangabad to Pune within the State of Maharashtra w. e. f. 31st March 2009.

3. Opportunities and Threats

Given the inadequate room capacity in India, occupancies are expected to rise with economic revival. The restructuring and revitalization of the Company is nearing its completion and the Company is ready to encash on the ensuing upturn in hospitality industry. However, the crisis in USA has not shown any signs of recovery, and the flow of foreign guests is expected to be low for some time to come.

4. Finance

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

5. Segment-wise or product-wise performance

The company works in Hospitality segment only.

During the year, the Company has invested 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.

6. Outlook

After renovation, Hotel Vedant at Aurangabad re-opened partially on 26th June 2008. The Hotel is now renamed as VITS - Aurangabad and is being managed by Kamat Hotels (India) Ltd. Recently, the occupancy rates have shown an uptrend and give hope for better results in 2009-10.

7. Risks and concerns

Apart from the economic situation, seasonality, growing competition, 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.

8. 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.

9. Discussion on financial performance with respect to operational performance

The operations of the hotel started during the year under review. The income reported includes, income 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.

10. 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.

11. 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.

Report On Corporate Governance

1. Philosophy

The Company's philosophy of corporate governance is to achieve business excellence and stakeholders' welfare through good corporate governance. Corporate Governance is a set of principles, processes and systems to be followed by the directors, management and all employees of the company for enhancement of shareholder's value, keeping in view interest of other stake holders. Your company strives to embody these principles and practices in its philosophy of corporate governance and endeavors to practice Good Corporate Governance.

2. Board of Directors

a. Composition of Board:

Till 20th April 2009, the Composition of Board was as under:

Name of Director	Category
Shri. Ramesh Havele	Executive Director
Mrs. Veena Havele	Non-executive Director
Shri. Shreeniwas Kale	Independent Director
Shri. Gajanan Deshpande	Independent Director
Mrs. Revati Golwalkar	Independent Director

With effect from 20th April 2009, Mrs. Revati Golwalkar resigned from the Board and Shri. Ravindra Golwalkar was appointed as an Additional Director. Accordingly, the Composition of the Board is reconstituted as under:

Name of Director	Category
Shri. Ramesh Havele	Executive Director
Mrs. Veena Havele	Non-executive Director
Shri. Shreeniwas Kale	Independent Director
Shri. Gajanan Deshpande	Independent Director
Shri. Ravindra Golwalkar	Independent Director

Shri. Ramesh R. Havele is the Chairman and Managing Director of the Company. All Directors except Managing Director are Non-executive Directors. Shri. Shreeniwas G. Kale, Shri. Gajanan M. Deshpande and Shri. Ravindra S. Golwalkar are independent Directors.

b. Meeting and Attendance of each Director at the Board and the last Annual General Meeting:

During the period 2008-2009, your Board met 4 (Four) times on following dates:
30th April 2008, 25th July 2008, 20th October 2008, 31st January 2009

The details of the attendance of the Directors in their meeting and in the last Annual General Meeting are given below:

Sr. No.	Name of Directors	Category	Attendance		Other Directorship/Committee membership	
			Board Meeting	AGM	Other Directorship**	Committee Chairmanship/ Membership
1.	Ramesh Havele	Executive	4	Yes	1	Nil
2.	Shreeniwas Kale	Independent Director	4	No	Nil	2
3.	Gajanan Deshpande	Independent Director	4	Yes	Nil	2
4.	Mrs. Revati Golwalkar	Independent Director	4	Yes	Nil	2
5.	Mrs. Veena Havele	Non-Executive	4	Yes	1	2

** Excluding directorships in Private Limited Companies, Membership of Remuneration Committee of various bodies.

Necessary information as mentioned in Annexure I A to Clause 49 of the Listing Agreement has been placed before the Board of Directors for their consideration.

c. Code of Conduct:

The Board of the Company has laid down a code of conduct for all Board members and senior management of the company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company and the Managing Director has confirmed the same. The code of conduct is available on the website of the company, www.vedanthotels.com.

d. No director draws any remuneration from the Company except sitting fees.

3. Audit Committee

Upto 20th April 2009, the Audit Committee was constituted under the Chairmanship of Shri. Gajanan M. Deshpande. Shri. Shreeniwas Kale, Mrs. Veena Havele and Revati Golwalkar, were the other members of the committee.

With effect from 20th April 2009, there is a change in the Audit Committee. Now the Audit Committee is constituted under the Chairmanship of Shri. Ravindra Golwalkar. Shri. Shreeniwas Kale, Shri. Gajanan Deshpande and Mrs. Veena Havele are the other members of the committee. All the members of the Committee are non-executive Directors. Shri. Ravindra Golwalkar is a B.Com. and has considerable expertise in the fields of finance and accounts.

During the financial year 2008-09, four Audit Committee meetings were held on the following dates, including before finalization of Accounts and adoption of the Quarterly financial results by the Board. 30th April 2008, 25th July 2008, 20th October 2008, 31st January 2009.

The attendance of the members is as follows:

Sr. No.	Name of Director	Held during the year	Attended
1.	Shri. Gajanan M. Deshpande	4	4
2.	Shri. Shreeniwas G. Kale	4	4
3.	Mrs. Veena R. Havele	4	4
4.	Mrs. Revati R. Golwalkar	4	4

The role and powers of the Audit Committee are as laid down under the Clause 49 II D of the Listing Agreement and under Section 292A of the Companies Act, 1956.

CEO/CFO Certification

The Board has recognized the Chairman and Managing Director of the Company as the CEO for the limited purpose of Compliance under the Listing Agreement. The CEO has certified, in terms of revised Clause 49 of the Listing Agreement to the Board that the financial statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards.

4. Remuneration Committee

Upto 20th April 2009, the Remuneration Committee was constituted under the Chairmanship of Shri. Shrinivas Kale. Shri. Gajanan Deshpande and Mrs. Revati Golwalkar, were the other members of the committee.

With effect from 20th April 2009, there is a change in the Remuneration Committee. Now the Remuneration Committee is constituted under the Chairmanship of Shri. Shrinivas Kale. Shri. Gajanan Deshpande and Shri. Ravindra Golwalkar are the other members of the committee. All the members of the Committee are Independent Directors.

No director draws any remuneration from the Company except sitting fees to non-executive directors.

Since there is no remuneration to the non-executive Directors, no meeting of the Remuneration Committee was held during the year 2008-2009.

5. Shareholders / Investors Grievances Committee

Upto 20th April 2009, the Shareholders / Investors Grievances Committee was constituted under the Chairmanship of Shri. Gajanan M. Deshpande. Mrs. Revati Golwalkar, Shri. Shreenivas Kale and Mrs. Veena Havele were the other members of the committee.

With effect from 20th April 2009, there is a change in the Shareholders / Investors Grievances Committee. Now the Shareholders / Investors Grievances Committee is constituted under the Chairmanship of Shri. Gajanan Deshpande. Shri. Ravindra Golwalkar, Shri. Shreenivas Kale and Mrs. Veena Havele are the other members of the committee.

As per the requirements of SEBI, Shri. Ramesh Havele, Managing Director is Compliance Officer.

16 (Sixteen) Investor complaints were received during the year which was promptly replied to. There were no complaints pending on 31st March 2009 as per Company's records. There are no pending share transfers as on 31st March 2009.

6. Details of the Shares and other convertible Instruments held by Non-executive Directors

Following table gives the shares and convertible instruments held by the non-executive directors as on 31 March 2009.

Name of Director	Category	Number of shares held. Equity shares of Re.1/- each
Shri. Gajanan M. Deshpande	Independant	Nil
Shri. Shreenivas G. Kale	Independant	Nil
Mrs. Veena R. Havele	Non-Executive	Nil
*Mrs. Revati R. Golwalkar	Independant	Nil
**Shri. Ravindra Golwalkar	Independent	Nil

*Ceased to be a director w.e.f. 20th April 2009.

**Joined the Board w.e.f. 20th April 2009.

7. Subsidiary Company

Malkan Engineering Private Limited a company engaged in manufacture of press parts for automobile industry became a subsidiary of your company during the year under consideration as your Company acquired more than 51% of its paid up equity.

Shri. Shrinivas Kale, Independent Director of the Company is on the Board of Malkan Engineering Private Limited.

The Audit Committee of the Company also reviews the financial statements of the subsidiary company. The minutes of the Board Meetings of subsidiary company are placed at the Board meetings of the company and reviewed.

8. General Body Meetings

The details of Annual General Meeting held during the last 3 years are as follows:

Financial Year	Venue	Date	Time
2005-2006	Conference Hall, Vedant Hotel, Station Road, Aurangabad, 431005.	25 th September 2006	11.00 a.m.
2006-2007	Conference Hall, Vedant Hotel, Station Road, Aurangabad, 431005.	27 th September 2007	11.30 a.m.
2007-2008	Conference Hall, Vedant Hotel, Station Road, Aurangabad, 431005.	30 th September 2008	04.00 p.m.

Details of Special resolutions passed in the previous three Annual General Meetings.

Date of Annual General Meeting	Details of Special Resolution passed
25 th September 2006	Nil
27 th September 2007	Nil
30 th September 2008	Nil

Details of Special resolutions passed in Extra-ordinary General Meetings held in the last three years.

Date of Extra-ordinary General Meeting	Details of Special Resolution passed
Nil	Nil

Details of Special resolutions passed in Court Convened Meetings of the Equity & Preference shareholders of the Company held during the year.

Date of Court Convened Meetings	Details of Special Resolutions passed
27 th January 2009	Sanction under section 391(2) to the Arrangement embodied in the Scheme of Arrangement and Amalgamation.

Details of Special resolutions passed during 2008-2009 by postal ballot –

The Company sought the approval of its members pursuant to section 146(2) of the Companies Act, 1956 by means of a postal ballot for shifting of its registered office from Aurangabad to Pune within the State of Maharashtra. The resolution was passed unanimously. The results of the postal ballot were announced on 7th October 2008.

The Company sought the approval of its Preference Shareholders pursuant to section 106 of the Companies Act, 1956 by means of a postal ballot for premature conversion of 8% Cumulative Convertible Preference shares into Equity shares at a price determined in accordance to SEBI (DIP) Guidelines. The resolution was passed unanimously. The results of the postal ballot were announced on 9th March 2009.

9. Disclosures

- (i) Audit Committee reviews periodically the significant related party transactions i.e. transactions of the Company, which are of material nature, with its subsidiaries. Details of such transactions are provided in Note 22 of the Notes forming part of the Financial Statements in accordance with provisions of

Accounting Standard 18, issued by the Institute of the Chartered Accountants of India. There were no significant transactions by the Company with its Promoters, Directors and Relatives that would have potential conflict with the interest of the Company.

- (ii) The Company's financial statements are prepared in accordance with Generally Accepted Accounting Principles and comply with the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 which is in line with the Accounting Standards recommended by the Institute of the Chartered Accountants of India.
- (iii) No penalty or restrictions were imposed on the company by any of the Stock Exchanges, SEBI or any statutory body on any matter related to Capital Market during the last three years.
- (iv) The Company has complied with all applicable mandatory requirements of the revised clause 49 of the Listing Agreement. It has not adopted any non-mandatory requirements. The Company has not formed any Whistle Blower policy yet.
- (v) Shri. Ramesh R. Havele and Mrs. Veena R. Havele are related to each other as husband and wife.
- (vi) The declaration by the Managing Director stating that all the Board Members and senior management personnel have affirmed their compliance with the code of conduct for the year ended 31st March 2009 is annexed to the Corporate Governance Report.

10. Means of Communication

The Company has been sending the quarterly / half yearly reports to Bombay Stock Exchange, the principal Stock Exchange where the shares of the company are listed, immediately after approval by the Board. The results are published in the 'Economics Times / Hindustan Times / Mint'.

The Company puts forth vital information about it on its website www.vedanthotels.com regularly for the benefit of its shareholders and public at large.

11. Management Discussion and Analysis

The Management Discussion and Analysis given separately forms part of this annual report.

12. Compliance Certificate of the Auditors

The Company has obtained a Certificate from the Statutory Auditors confirming compliance with conditions of the Code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed.

13. General Shareholders Information

- | | |
|--|--|
| (i) Date of meeting of the Board of Directors in which Accounts for the year 2008-2009 were approved | 21st August 2009 |
| (ii) Date of Annual General Meeting | 30th September 2009 |
| Venue | Banquet Hall, Solaris Club,
128/2, Mayur Colony, Off Karve Road,
Behind P. Jog School, Pune – 411029 |
| Time | 11 : 30 a.m. |

(iii) Financial Calendar for 2009-10 (Tentative)

Financial Year: 1st April 2009 to 31st March 2010

1 st Quarterly Results	Last week of July 2009
2 nd Quarterly Results	Last week of October 2009
3 rd Quarterly Results	Last week of January 2010
Annual results for the year Ending 31.03.2010	Last week of July 2010

(iv) Particulars of Dividend : No dividend is recommended for the Equity shareholders of the Company.

(v) Book Closure for Annual General Meeting: The book closure is from 26th September 2009 to 30th September 2009 (Both days inclusive).

(vi) Listing

Shares are listed on Bombay Stock Exchange (BSE) - Stock Code : 531198

The listing fee of Bombay stock exchange is paid up-to-date.

(vii) Dematerialization

The Company has entered into dematerialization agreements with NSDL and CDSL. (ISIN: INE041F01015). The shareholders are welcome to send their shares to any of the depositories for dematerialization. As on 30th June 2009, 8.89% (23,16,450 shares) are held in demat form.

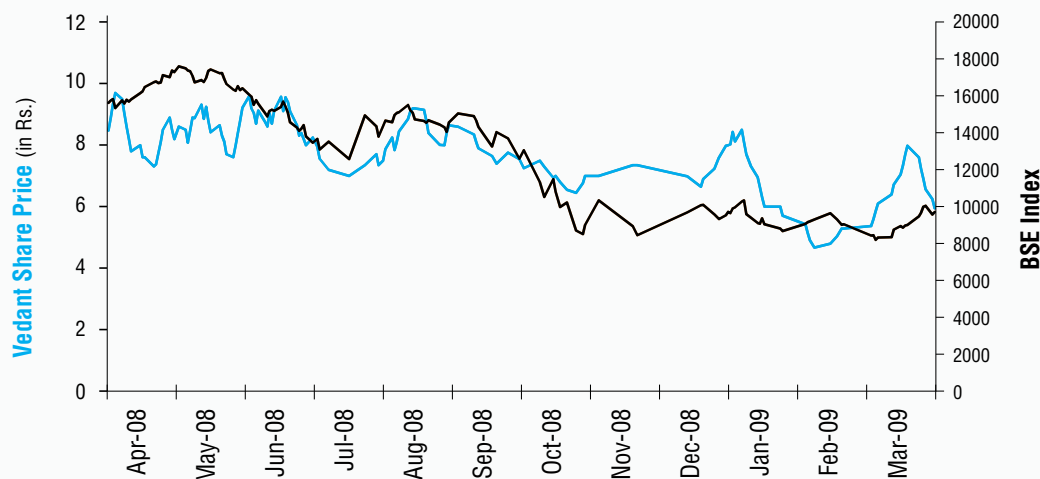
It may be noted that Dhanada Portfolio Management Limited owns 74.72% of the Company's Equity Shares and the same are held in physical form. If these shares were to be excluded from the total number of shares then dematerialized share accounted to 35.18%.

(viii) Market Price data

The monthly high/low prices of share of the Company on BSE from 1st April 2008 to 31st March 2009 are given below:

Sr.No.	Month	High (Rs.)	Low (Rs.)	Volume of Shares
1	April 2008	9.70	7.31	8400
2	May 2008	9.78	7.61	20900
3	June 2008	10.02	8.00	25200
4	July 2008	7.95	7.00	2800
5	August 2008	9.50	7.50	10600
6	September 2008	8.60	7.04	5600
7	October 2008	7.50	6.15	9100
8	November 2008	7.35	7.00	500
9	December 2008	8.40	6.65	805
10	January 2009	8.90	5.71	2345
11	February 2009	5.43	4.44	2740
12	March 2009	8.07	5.29	3493

The Chart below gives the movement of the closing price of the Company's share against the BSE Sensex for the period 1st April 2008 to 31st March 2009.



(ix) Share transfer system

The Company has appointed M/s. LINK INTIME INDIA PRIVATE LIMITED as Registrar & Transfer Agents (Formerly named as Intime Spectrum Registry Ltd.) for both physical and demat mode. Application for transfer of shares in physical form is complied with within 30 days from the date of receipt, if the application is in order.

(x) Share holding pattern as on 31st March 2009

Distribution of share holding as on 31st March 2009

No. of Equity Shares	No. of Members	% to total Members	No. of Shares	% to total Shares
Upto 5000	4340	97.86	2200678	17.60
5001-10000	45	1.01	328500	2.63
10001 & above	50	1.13	9970822	79.77
Total	4435	100.00	12500000	100.00

(xi) Categories of shareholders as on 31st March 2009

Category	No. of shares Held	Percentage of Shareholding
<u>Promoter's Holding</u>		
Indian Promoter	7959800	63.68
<u>Non-promoter's Holding</u>		
Mutual Funds and UTI	127500	1.02
Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non- govt. Institutions)	300000	2.40
Other Corporate Bodies	127649	1.02
Indian Public	3548100	28.38
NRIs / OCBs	435500	3.49
Any Other	1451	0.01
GRAND TOTAL	12500000	100.00

(xii) Location of Plant (Hotel)
Vedant Hotels Limited
S. No. 18349/1/1+2+3, Station Road,
Aurangabad 431005.

(xiii) Address for Correspondence:
Vedant Hotels Limited
Dhanada, 16/6, Erandwana Hsg. Soc.,
Plot No. 8, Patwardhan Baug, Pune 411004.
Email:vedant@vedanthotels.com

(xiv) Share Transfer Agents:

Head Office:

Link Intime India Private Ltd.
C-13, Pannalal Silk Mill Compound,
L.B.S. Marg, Bhadup (West),
Mumbai 400078

Pune Address:

Link Intime India Private Ltd.
Block No. 202, 2nd Floor, Akshay Complex,
Off. Dhole Patil Road, Near Ganesh Temple,
Pune – 411001.

Declaration by Managing Director

I, Ramesh Ramchandra Havele, Managing Director of Vedant Hotels Limited, hereby confirm pursuant to clause 49 (1) (D) of the listing agreement that:

The Board of Directors of Vedant Hotels Limited has laid down a code of conduct for all Board members and senior management of the Company. The said code of conduct has also been posted on the Company's website www.vedanthotels.com

All the Board members and senior management personnel have affirmed their compliance with the said code of conduct for the year ended 31st March 2009.

Ramesh Havele
Managing Director

ANNEXURE TO THE REPORT OF THE DIRECTORS CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Shareholders of Vedant Hotels Limited

We have examined the compliance of conditions of Corporate Governance by Vedant Hotels Limited, for the year ended on 31st March 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March 2009, no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Company which are presented to the Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For T. R. Jalnawala & Associates
Chartered Accountants

T. R. Jalnawala
Proprietor
M. No. 37084

Pune, 21st August 2009

Auditor's Report

Auditors Report to the Shareholders of VEDANT HOTELS LTD.

We have audited the attached Balance Sheet of **VEDANT HOTELS LTD.** as at **31st March 2009** and also the Cash Flow Statement and 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.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together, 'the order') 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.

Further to our comments in the Annexure referred to above, and subject to **Note 3 to Notes on Accounts** we report that;

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;

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.

The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.

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;

On the basis of written representations received from the directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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, 2009 and

b) In the case of the Profit and Loss Account, of the Profit/Loss for the year ended on that date; and

c) In the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

For T. R. Jalnawala & Associates
Chartered Accountants

T. R. Jalnawala
Proprietor
M. No. 37084

Pune, 21st August 2009

16 GRAYSON PERRY
Is all this talk about 'access' to
the arts just middle class guilt?

17 FIRST NIGHT
Sir John Tavener unwraps
his birthday present to Man...

A collection of single-shot
conciseness and the power

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Annexure to the Auditor's Report

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.

i. Fixed Assets

- The Company has generally maintained proper records showing 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.
- In our opinion, and according to the information and explanations given to us, none of the fixed assets have been revalued during the year under report.
- The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of that fixed assets of the company and such disposal has, in our opinion, not affected the going concern status of the company.

ii. Inventories

- As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.
- In our opinion and according to the information and explanations given to us, the Procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- In our opinion and according to the information and explanations given to us, the company has maintained adequate records of its inventories and no material discrepancies were noticed on physical verification.

iii. Loans given/taken by the Company

- The company has granted loans to Companies, firms and other parties covered in the register maintained under Section 301 of the Act. The details are as below:

Particulars	Maximum amount due at any time during the year Amount (Rs.)	Balance due as at the end of the Financial year Amount (Rs.)
Malkan Engineering Pvt. Ltd	3,06,82,584.00	1,82,32,584.00

- In our opinion, and according to the information and explanations given to us, The company has taken unsecured loan from companies, firms or their parties listed in the register maintained under section 301 & 307 (1B) of the Companies Act, 1956 during the year the terms and conditions for such loan are not prima facie prejudicial to the interest of the Company.

Particulars	Maximum amount due at any time during the year Amount (Rs.)	Balance due as at the end of the Financial year Amount (Rs.)
Dhanada Portfolio Management Ltd.	9,00,46,837.00	28,19,419.00

iv. Internal Control Systems

In our opinion and according to the information and explanation given to us there are adequate internal control, procedures commensurate with the size of the Company and the nature of its business for purchases of stores, raw materials including components, plant and machinery, equipment and other assets and for sales of good.

v. Transactions with related parties as per Register of Contract u/s 301

- According to the information and explanations given to us, we are of the opinion that the particulars of

transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

- b. According to information and explanation given to us the transactions of purchases of goods and material and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of Companies Act, 1956 and aggregating during the year to Rs. 5,00,000/- or more in respect of each party have been made at prices which in our opinion are reasonable having regard to prevailing market prices of goods materials and services or the prices at which similar transactions have been made with other parties and the Company's business needs exigencies.

vi. Deposits from the public

The company has not accepted deposits from the public during the year & hence the question of complying with the provision of section 58A & 58AA of the Company Act, 1956 and the rules framed there under does not arise.

vii. Internal Audit System

The Company has no formal internal audit department as such but its control procedures ensure reasonable internal checking of its financial and other records.

viii. Cost records

We are informed that the Central Govt. has not prescribed maintenance of cost records by the company under section 209 (1) (d) of the Companies Act, 1956, for any of the product of the company.

ix. Statutory Dues

- a. The company is generally regular in depositing undisputed statutory dues in respect of Provident Fund, Employee's State Insurance (ESI), Income Tax, Sales Tax, Luxury Tax and other material statutory dues.
- b. The following are outstanding dues on account of Repaymnt of Sales Tax Deferral:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which amount relates
Bombay Sales Tax Act	Sales Tax	1,05,373	2004-2005
Bombay Sales Tax Act	Sales Tax	1,18,851	2005-2006
Bombay Sales Tax Act	Sales Tax	2,17,051	2006-2007
Bombay Sales Tax Act	Sales Tax	2,98,881	2007-2008
Bombay Sales Tax Act	Sales Tax	4,65,128	2008-2009

- c. The company has disputed following Sales tax liability before Appellate Authority against order passed by S.T.O. for the year.

Forum where dispute is pending	Nature of dues	Amount	Financial year to which amount relates
Deputy Commissioner of Sales Tax, (Appeal) Aurangabad.	Sales Tax	5,000/-	1998-99
Deputy Commissioner of Sales Tax, (Appeal) Aurangabad.	Sales Tax	57,536/-	1999-00
Deputy Commissioner of Sales Tax, (Appeal) Aurangabad.	Sales Tax	88,239/-	2000-01

x. Accumulated Losses

The accumulated losses of the Company are not more than fifty per cent of its net worth at the end of the financial year. The Company has incurred cash loss during the year.

xi. Dues to financial Institutions

In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks.

xii. Secured Loans and advances granted

The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.

xiii. Chit Fund, Nidhi or Mutual Benefit Company

In our opinion, the Company is not a chit fund or nidhi or mutual benefit fund or society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003, (as amended), are not applicable to the Company.

xiv. Investments

The company has maintained proper records of transactions and contracts in respect of dealing or trading in Shares, Securities, debentures and other investments and timely entries have been made therein.

xv. Guarantees given by the company

According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutes. The question of terms and conditions does not arise.

xvi. Term Loan

In our opinion and according to the information and explanations given to us, and on an overall examination, the term loans taken have been applied for the purpose for which it was raised.

xvii. Sources of funds and its application

According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment (fixed assets etc) and vice versa, other than temporary deployment pending application.

xviii. Preferential Issue

The company has not made any preferential allotment of shares during the year to companies/firms/parties covered in the register maintained under Section 301 of the Act.

xix. Debentures

The company has not issued any debentures so far. Accordingly the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

xx. End use of Public Issue Fund

The company has not raised any money by way of public issue during the year.

xxi. Frauds

In our opinion and according to the information & explanations given to us, having regards to the nature of the company's business no fraud on or by the company was noticed or reported during the year.

For T. R. Jalnawala & Associates
Chartered Accountants

T. R. Jalnawala
Proprietor
M. No. 37084

Pune, 21st August 2009



Balance Sheet as at 31st March 2009

	Schedule	As at 31/03/2009 Rs.	As at 31/03/2008 Rs.
SOURCES OF FUND			
Shareholders' Funds			
a) Share Capital	1	112,500,000.00	112,500,000.00
b) Reserves & surplus	2	158,812,156.44	31,128,669.02
		<u>271,312,156.44</u>	<u>143,628,669.02</u>
Loan Funds			
a) Secured Loans	3	112,527,247.95	168,918,512.16
b) Unsecured Loans	4	4,923,607.02	92,991,966.02
		<u>117,450,854.97</u>	<u>261,910,478.18</u>
Total		<u>388,763,011.41</u>	<u>405,539,147.20</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
a) Gross Block	5	386,392,965.63	207,187,609.64
b) Less : Depreciation		54,293,268.48	77,251,063.81
c) Net Block		<u>332,099,697.15</u>	<u>129,936,545.83</u>
d) Capital Work-in-Progress		-	39,432,156.12
		<u>332,099,697.15</u>	<u>169,368,701.95</u>
INVESTMENTS	6	28,255,156.80	49,846,037.82
CURRENT ASSETS LOANS & ADVANCES			
a) Inventories		539,621.68	-
b) Stock of Securities		-	7,254,123.80
c) Sundry Debtors		745,745.28	2,068,349.30
d) Cash & Bank Balances		7,632,887.36	111,041,513.50
e) Loans & Advances		35,646,778.45	83,568,169.39
		<u>44,565,032.77</u>	<u>203,932,155.99</u>
Less : Current Liabilities & Provision	8		
a) Current Liabilities		15,138,633.31	4,399,396.56
b) Provisions		1,018,242.00	13,208,352.00
		<u>16,156,875.31</u>	<u>17,607,748.56</u>
NET CURRENT ASSETS		28,408,157.46	186,324,407.43
MISCELLANEOUS EXPENDITURE		-	-
Total		<u>388,763,011.41</u>	<u>405,539,147.20</u>

Subject to our Report of even date Annexed

For T. R. Jainawala & Associates
Chartered Accountants

T. R. Jainawala
Proprietor
M. No. 37084

Pune, 21st August 2009

For and on behalf of the Board

Ramesh R. Havele Chairman & Managing Director
Mrs. Veena R. Havele Director
Shreeniwas G. Kale Director
Gajanan M. Deshpande Director
Ravindra S. Golwalkar Director
Mrs. Sanjana Joshi Company Secretary

Profit and Loss Account for the year ended 31st March 2009

	Schedule	Year Ended 31/03/2009 Rs.	Year Ended 31/03/2008 Rs.
INCOME:			
A) Sales & Services Rendered :	A		
Direct Sale		15,555,583.05	-
Other Operating Income		518,162.07	778,500.00
B) Other Income	B	40,179,778.13	44,117,392.71
	Total	<u>56,253,523.25</u>	<u>44,895,892.71</u>
EXPENDITURE			
A) Food & Beverage Consumed			
1) Opening Stock		-	192,100.00
2) Add : Purchases		3,153,972.54	-
3) Less : Opening Stock W/Off		-	192,100.00
4) Less : Closing Stock		539,621.68	-
		<u>2,614,350.86</u>	<u>-</u>
B) Operating, Administration & Selling Expenses	C	30,394,960.24	4,248,796.55
C) Salaries, Wages & Staff Expenses	D	9,151,212.00	474,191.00
D) Financial Expenses	E	17,585,071.33	2,603,609.34
	Total	<u>59,745,594.43</u>	<u>7,326,596.89</u>
Profit / (Loss) before Depreciation & Tax		(3,492,071.18)	37,569,295.82
Less : Depreciation		7,153,950.83	4,266,170.63
Profit / (Loss) before Tax		<u>(10,646,022.01)</u>	<u>33,303,125.19</u>
Provision for Tax			
1) Income Tax		-	4,643,075.00
2) Fringe Benefit Tax		58,100.00	16,000.00
Profit / (Loss) after Tax		<u>(10,704,122.01)</u>	<u>28,644,050.19</u>
APPROPRIATIONS			
1) Proposed Dividend on Preference Shares		-	8,000,000.00
2) Income Tax on Dividend		-	1,359,600.00
Balance Carried to Balance Sheet		<u>(10,704,122.01)</u>	<u>19,284,450.19</u>

Subject to our Report of even date Annexed

For T. R. Jainawala & Associates
Chartered Accountants

T. R. Jainawala
Proprietor
M. No. 37084

Pune, 21st August 2009

For and on behalf of the Board

Ramesh R. Havele Chairman & Managing Director
Mrs. Veena R. Havele Director
Shreeniwas G. Kale Director
Gajanan M. Deshpande Director
Ravindra S. Golwalkar Director
Mrs. Sanjana Joshi Company Secretary

Cash Flow Statement for the year ended 31st March 2009

	Year Ended 31/03/2009 Rs.	Year Ended 31/03/2008 Rs.
A) CASH FLOW FROM OPERATING ACTIVITY		
Net Profit / (Loss) before tax and Extra-ordinary items	(10,646,022.01)	33,303,125.19
Adjustments for:		
Depreciation	7,153,950.83	4,266,170.63
Interest Expenses	17,584,958.97	2,601,928.44
Interest Received	(3,631,160.81)	(5,406,424.21)
Dividend Received	(5,000.00)	(12,030.00)
(Profit) / Loss on Sale of fixed assets (Net)	2,649,385.50	154,937.50
(Profit) / Loss on Sale of Investments (Net)	7,987,262.78	-
Operating profit before Working Capital changes	<u>21,093,375.26</u>	<u>34,907,707.55</u>
Adjustments for:		
Decrease/(Increase) in Trade & Other Receivables	1,322,604.02	-
Decrease/(Increase) in Inventories	6,714,502.12	37,942,931.34
Loans & Advances	47,921,390.94	(80,928,905.57)
Increase/(Decrease) in Trade & Other Payables	(1,450,873.25)	6,835,548.46
Cash generated from operations	<u>75,600,999.09</u>	<u>(1,242,718.22)</u>
Taxes Paid	(58,100.00)	(4,659,075.00)
Cash flow before extra-ordinary items	<u>75,542,899.09</u>	<u>(5,901,793.22)</u>
Misc. Expenditure W/off	-	-
Net cashflow from operating activity	<u>75,542,899.09</u>	<u>(5,901,793.22)</u>
B) CASH FLOW FROM INVESTING ACTIVITY		
(Purchase) of Fixed Assets	(172,736,331.53)	(38,183,587.43)
Sale of Fixed Assets	202,000.00	200,000.00
(Purchase) of Investments	(191,140.00)	(5,369,463.17)
Sale of Investments	13,794,758.24	-
Interest Received	3,631,160.81	5,406,424.21
Dividend Received	5,000.00	12,030.00
Net cashflow from investing activity	<u>(155,294,552.48)</u>	<u>(37,934,596.39)</u>
C) CASH FLOW FROM FINANCING ACTIVITY		
Share Amalgamation A/c.	137,546,668.43	-
Proceeds from/(Repayment of) Borrowing (Net)	(144,459,623.21)	110,630,098.59
Proceeds from/(Repayment of) Others (Net)	840,941.00	-
Proposed Dividend on Preference Shares	-	(8,000,000.00)
Proposed Dividend Tax on Preference Shares	-	(1,359,600.00)
Interest and Finance charges paid	(17,584,958.97)	(2,601,928.44)
Net cashflow from financing activity	<u>(23,656,972.75)</u>	<u>98,668,570.15</u>
D) NET INCREASE IN CASH AND CASH EQUIVALENT	<u>(103,408,626.14)</u>	<u>54,832,180.54</u>
Cash and Cash Equivalent as on 01-04-2008	111,041,513.50	56,209,332.96
Cash and Cash Equivalent as on 31-03-2009	<u>7,632,887.36</u>	<u>111,041,513.50</u>

Note : Figures in brackets represent Cash Outflow and without brackets Cash Inflow.

Subject to our Report of even date Annexed

For T. R. Jainawala & Associates
Chartered Accountants

T. R. Jainawala
Proprietor
M. No. 37084

Pune, 21st August 2009

For and on behalf of the Board

Ramesh R. Havele Chairman & Managing Director
Mrs. Veena R. Havele Director
Shreeniwass G. Kale Director
Gajanan M. Deshpande Director
Ravindra S. Golwalkar Director
Mrs. Sanjana Joshi Company Secretary

Schedules Forming Part of the Balance Sheet

	As at 31/03/2009 Rs.	As at 31/03/2008 Rs.
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED CAPITAL:		
Authorised Share Capital:		
5,80,00,000 Equity Shares of Re. 1/- each.	58,000,000.00	50,000,000.00
100,00,00,000 8% Cumulative Convertible Preference Shares of Re. 1/- each.	100,000,000.00	100,000,000.00
	158,000,000.00	150,000,000.00
 ISSUED, SUBSCRIBED & PAID UP CAPITAL		
12,500,000 Equity Shares of Re. 1/- each.	12,500,000.00	12,500,000.00
10,00,00,000 8% Cumulative Convertible Preference Shares of Re. 1/- each.	100,000,000.00	100,000,000.00
Total	112,500,000.00	112,500,000.00
 SCHEDULE : 2 :		
RESERVES & SURPLUS:		
Profit & Loss Account (Previous Year)	28,628,669.02	9,344,218.83
Add : Income Tax Differment Reversed	840,941.00	-
Add: Profit for the current year	(10,704,122.01)	19,284,450.19
Balance in Profit & Loss Account	18,765,488.01	28,628,669.02
Special Capital Incentives	2,500,000.00	2,500,000.00
Share Amalgamation A/c.	137,546,668.43	-
Total	158,812,156.44	31,128,669.02
 SCHEDULE : 3 :		
SECURED LOANS:		
Saraswat Co-op. Bank Ltd. - Term Loan I (Secured by mortgage/hypothication of property)	49,573,210.30	50,596,282.30
Saraswat Co-op. Bank Ltd. - Term Loan II (Secured by mortgage/hypothication of property)	60,737,028.00	60,161,096.00
Saraswat Co-op. Bank Ltd. (Overdraft against FD)	-	57,455,468.25
HDFC Bank Ltd. (Overdraft against FD)	-	705,665.61
HDFC Bank Ltd. (Vehicle Loan)	495,027.17	-
Axis Bank - Income A/c. (Overdraft against FD)	63,213.28	-
Axis Bank - Expenses A/c. (Overdraft against FD)	1,658,769.20	-
Total	112,527,247.95	168,918,512.16
 SCHEDULE : 4 :		
UNSECURED LOAN:		
Dhanada Portfolio Management Ltd., (Loan A/c)	2,819,419.00	90,046,837.00
Sales Tax Defferment Loan	2,104,188.02	2,104,188.02
Income Tax Defferment	-	840,941.00
Total	4,923,607.02	92,991,966.02
 SCHEDULE : 6 :		
INVESTMENTS:		
<u>Quoted Investments</u>		
Shares In NEPC India Ltd. (81694 Equity Shares) (Market Vaule Rs. 425,417.34)	3,039,016.80	24,821,037.82
<u>Unquoted Investments</u>		
Shares In The Saraswat Co-op. Bank Ltd. (2500 Shares of Rs. 10/- Each)	25,000.00	25,000.00
Shares In Malkan Engineering Pvt. Ltd. (2500000 Preference Shares of Rs. 10/- Each converted into 35715 Equity Shares)	-	25,000,000.00
Shares In Malkan Engineering Pvt. Ltd. (535715 Equity Shares)	25,186,140.00	-
National Saving Certificates	5,000.00	-
Total	28,255,156.80	49,846,037.82

Schedules Forming Part of the Balance Sheet

(in Rs.)

Description of Assets	Rate	Gross Block						Depreciation						Net Block As At 31/03/2009
		As At 31/03/2008	Additions on Account of Amalgamation	Additions During the Year	Ductions During the Year	As At 31/03/2009	Total up to 31/03/2008	Additions on Account of Amalgamation	Ductions during the Year	During the Year	Total up to 31/03/2009			
Land	-	7,134,324.00	36,098,100.00	-	-	43,232,424.00	-	-	-	-	-	-	43,232,424.00	
Building	1.63%	118,816,378.44	11,447,238.55	76,213,666.27	-	206,477,283.26	21,182,639.79	742,741.05	-	2,598,739.52	24,524,120.36	181,953,162.90		
Plant & Machinery	4.75%	48,366,340.26	141,485.00	26,146,348.18	900,000.00	73,754,173.44	25,694,305.08	19,680.56	545,062.50	2,815,497.69	27,984,420.83	45,769,752.62		
Plant & Machinery (Elect. items)	7.07%	-	-	26,136,490.92	-	26,136,490.92	-	-	-	743,332.72	743,332.72	25,393,158.20		
Furniture & Fixtures	6.33%	30,374,118.94	491,194.30	33,115,292.83	30,374,118.94	33,606,487.13	30,374,118.94	45,013.67	30,374,118.94	774,448.21	819,461.88	32,787,025.25		
Computers	16.21%	-	-	3,186,106.88	-	3,186,106.88	-	-	-	221,932.70	221,932.70	2,964,174.18		
Solar Water Heater	-	2,496,448.00	-	-	2,496,448.00	-	-	-	-	-	-	-		
Sub Total		207,187,609.64	48,178,017.85	164,797,905.08	33,770,566.94	386,392,965.63	77,251,063.81	807,435.28	30,919,181.44	7,153,950.63	54,293,268.48	332,099,697.15		
Work In Progress (W.I.P.)	-	39,432,156.12	-	60,042,550.19	99,474,706.31	-	-	-	-	-	-	-		
Total		246,619,765.76	48,178,017.85	224,840,455.27	133,245,273.25	386,392,965.63	77,251,063.81	807,435.28	30,919,181.44	7,153,950.63	54,293,268.48	332,099,697.15		

SCHEDULE 5
FIXED ASSETS (At Cost)

Schedules Forming Part of the Balance Sheet

	As at 31/03/2009 Rs.	As at 31/03/2008 Rs.
SCHEDULE 7 :		
CURRENT ASSETS & LOANS & ADVANCES:		
Inventories <i>(As Valued & Certified by Managing Director)</i>	539,621.68	-
Stock of Secureites <i>(As Valued & Certified by Managing Director)</i>	-	7,254,123.80
Receivables	745,745.28	2,068,349.30
CASH & BANK BALANCES:		
Cash in Hand	51,034.69	1,513.50
<u>Bank Balances</u>		
On Current A/c.	4,481,852.67	40,000.00
On Fixed Deposit A/c.	3,100,000.00	111,000,000.00
Sub Total	7,632,887.36	111,041,513.50
LOANS, ADVANCES & DEPOSITS:		
Loans & Advances	34,195,548.69	82,605,805.39
Deposits	1,451,229.76	962,364.00
Sub Total	35,546,778.45	83,568,169.39
Total	44,565,032.77	203,932,155.99
SCHEDULE 8 :		
CURRENT LIABILITIES & PROVISIONS:		
<u>Current Liabilities</u>		
Sundry Creditors	12,954,899.43	3,268,781.56
Other Payables	2,183,733.88	1,130,615.00
Sub Total	15,138,633.31	4,399,396.56
<u>Provisions</u>	1,018,242.00	13,208,352.00
Total	16,156,875.31	17,607,748.56

Schedules Forming Part of the Profit & Loss Account

	Year Ended 31/03/2009 Rs.	Year Ended 31/03/2008 Rs.
SCHEDULE A :		
SALE & SERVICES RENDERED:		
Food Sale	6,390,693.79	-
Liquor Sale	531,639.40	-
Room Revenue	8,403,832.33	-
Banquet Sale	12,799.59	-
Beverage Sale	201,603.94	-
Retention Charge	15,014.00	-
Total	<u>15,555,583.05</u>	<u>-</u>
Other Operating Income		
Business Center	795.00	-
Car Hire	7,934.00	-
Commission Received	11,135.60	-
Complimentary	1,026.00	-
DCC Reimbursement	147.52	-
Discount Received-Purchases	45,234.48	-
LCD Income	13,541.38	-
Miscellaneous	153,767.55	-
New Year Contribution A/C	15,900.00	-
Rent Received (Girija)	2,500.00	-
Travel Desk (Income)	147,000.00	-
WI Fi Card	31,462.49	-
Hall/Lawn Hire Charges	87,718.05	778,500.00
Total	<u>518,162.07</u>	<u>778,500.00</u>
SCHEDULE B :		
Securities Sales:		
	57,163,112.00	75,648,936.38
Less : Opening Stock of Securities	7,254,123.80	45,004,955.14
Less : Securities Purchases	13,500,000.00	-
Add : Closing Stock of Securities	-	7,254,123.80
Gain from Trading in Securities	36,408,988.20	37,898,105.04
Balance Written off (On account of Debtors & Creditors)		45,802.86
-		
Dividend	5,000.00	12,030.00
Interest on MSEDCL Security Deposit	22,497.00	2,310.00
Long Term Capital Gain- Securities	20,000.00	-
Rent Received MHL	18,000.00	-
Other Income	-	11,910.00
Insurance Refund	-	11,651.00
Excess Provision Written Back(Income Tax)	28,038.79	81,327.69
Income from Scrap Sales	-	693,634.77
Interest Received on Bank FDR & Othres	3,631,160.81	5,406,424.21
Round Off	290.47	-
Total	<u>40,179,778.13</u>	<u>44,117,392.71</u>

Schedules Forming Part of the Profit & Loss Account

	Year Ended 31/03/2009 Rs.	Year Ended 31/03/2008 Rs.
SCHEDULE C :		
OPERATING, ADMINISTRATION & OTHER EXPENSES:		
<u>Direct Expenses</u>		
Administration and General expenses	3,926,203.81	-
Beverage Cost	376,680.45	-
Fuel and Power expenses	5,509,197.50	856,585.00
Housekeeping expenses	643,913.84	-
Operating Expenses	2,024,153.40	-
Repairs and maintainance Expenses	782,008.46	32,657.50
Selling Expenses	538,817.00	-
 <u>Operating and other Expenses</u>		
Advertisement	579,839.00	283,918.00
Audit Fees	85,000.00	30,000.00
Books & Periodicals	15,160.00	1,428.00
Director Sitting Fees	40,000.00	37,500.00
Entertainment Expenses	108,503.00	57,923.00
Entertainment Tax	22,500.00	-
Insurance	170,787.00	-
Interest on Dividend Tax	40,788.00	-
Interest on FBT Payment	1,378.00	-
Interest on PT Amnesty Scheme	-	1,625.00
Interest Penalty on TDS Payment	66,358.00	-
Interest on TDS MVAT	42,587.00	340.00
Inventory written off	-	192,100.48
Legal & Professional Charges	457,650.65	511,546.46
Listing Fees (BSE & Other Stock Exchanges)	10,000.00	51,750.00
Long Term Capital Loss on Securities	6,511,181.33	-
Loss on Sales of Assets	2,649,385.50	154,937.50
Membership & Subscription	-	5,100.00
Municipal & Water Supply Tax	546,566.00	209,375.00
Office Expenses	395,244.85	30,649.95
Postage, Stamps & Courier	-	78,819.00
Printing & Stationary	313,174.00	233,628.00
Professional Tax	10,000.00	12,600.00
Property Tax paid - MHL	448,528.00	-
Rent Paid	-	79,500.00
ROC Filling Fees	24,500.00	2,000.00
Securities Transaction Tax	17,322.00	739.00
Short Term Capital Loss on Securities	1,496,081.45	-
Security Guards Charges	-	682,071.35
Service Tax (PMS Fees)	-	12,358.41
Stamp Duty & Other Charges	1,886.05	96,032.00
Telephone Bills	-	78,664.00
Written off- Exceptional Items	2,539,565.95	-
Travelling & Lodging Expenses	-	514,948.90
Total	30,394,960.24	4,248,796.55

Schedules Forming Part of the Profit & Loss Account

	Year Ended 31/03/2009 Rs.	Year Ended 31/03/2008 Rs.
SCHEDULE D :		
STAFF EXPENSES		
House Rent Allowance	164,750.00	-
Basic Salary of Staff	4,642,057.00	-
Employers Contribution to LWF	23,481.00	-
Employers Contribution towards Provident Fund	463,746.00	266,277.00
Employers Contribution toward ESIC	196,659.00	-
Gratuity of Employees	99,208.00	-
Industrial Trainees Stipdend	57,829.00	-
Leave Encashment	326,117.00	-
Other Allowances to Staff	1,774,562.00	-
Petrol Allowance	21,500.00	-
Salary Reimbursement	1,338,159.00	92,914.00
Salary & Wages	31,285.00	115,000.00
Staff Accomodation others	3,600.00	-
Staff Medical	4,369.00	-
Staff Training Expenses	3,890.00	-
Total	<u>9,151,212.00</u>	<u>474,191.00</u>
SCHEDULE E :		
FINANCIAL EXPENSES:		
Bank Commission & Charges	112.36	1,680.90
Interest on Loan (Exp)	43,099.31	-
Interest on Term Loan	12,325,813.00	-
Interest on Vehicle Loan	60,172.17	-
Interest on Bank Over Draft	5,155,874.49	2,601,928.44
Total	<u>17,585,071.33</u>	<u>2,603,609.34</u>

Schedule 9 : Notes Forming Part of Accounts

Notes Forming Part of the Balance Sheet as at 31st March 2009 and Profit & Loss Account for the Year ended 31st March 2009

1. A composite Scheme of Arrangement (referred to as "the Scheme") under sections 391 to 394 was sanctioned by the Hon'ble High Court of Judicature at Bombay vide its Order dated 16th July 2009 a copy of which was filed with Registrar of Companies Pune, on 13th August 2009 (hence the effective date) for inter alia;
 - a) Amalgamation of Maharashtra Hospitality Limited (the First Transferor Company) and Vedant Lapidary Private Limited (the Second Transferor Company) with Vedant Hotels Limited (the Transferee Company);
 - b) Reorganization of Share Capital of the Company; and
 - c) Acquisition of Land against issue of Shares.

2. The Scheme has become effective on 13th August 2009 and is operative from 1st April 2008 being the Appointed Date. These financial statements have been prepared giving effect to the Scheme as under:

- i. The Transferor Companies are deemed to have been acquired by Vedant Hotels Ltd. as going concerns with effect from Appointed Date i. e. 1st April, 2008.

Between the Appointed Date and 31st March 2009, the Transferor Companies are deemed to have carried on the business for and on behalf of the Transferee Company. Accordingly all profits, income, expenditure and losses of the transferor companies for the said period are deemed to be the profits, income, expenditure and losses of the transferee company.

- ii. The authorized share capital of the Transferee Company is calculated as the combined authorized Share capital of the transferee company and the transferor companies that is to say Rs.15,80,00,000/- divided into :

- Equity Share Capital of Rs. 5,80,00,000 divided into 5,80,00,000 equity shares of Re. 1/- each .
- Preference Share Capital of Rs 10,00,00,000/- divided into 10,00,00,000 8% Cumulative Convertible Preference Shares of Rs. 1 each.

- iii. The entire business and whole of the undertakings of the Transferor Companies of whatsoever nature, are transferred and / or deemed to be transferred to and vested in the Transferee Company so as to become the properties and assets of the Transferee Company. In consideration of the transfer and vesting of the Transferor Companies undertakings in the Transferee Company, the Transferee Company has issued and allotted on effective date:

- 8.12 Equity Shares of Re. 1/- each fully paid up in the capital of the Transferee Company for every One Equity Share of Rs. 10 each fully paid up and held in the capital of the First Transferor Company.
- 2.47 Equity Shares of Re. 1/- each fully paid up in the capital of the Transferee Company for every One Equity Share of Rs. 10 each fully paid up and held in the capital of the Second Transferor Company.

- iv. Against the loan amount of Rs. 9,00,46,837/- outstanding as at 31st March 2008 given by Dhanada Portfolio Management Ltd., the parent company, 1,29,68,300 equity shares of Re. 1/- at a premium of Rs. 5.94 per share were allotted to them on effective date and balance of Rs. 46,835/- will continue as loan repayable without carrying any interest and will be repaid by the Transferee Company within a period of six months from the effective date.

- v. As per the Scheme there is an acquisition of land from Mr. R. R. Havele, Chairman and Managing Director and Dr. Laxman V. Kulkarni a local resident.

In consideration of the land acquired the transferee company will allot Equity Shares to Shri. R. R. Havele and Dr. Laxman V. Kulkarni in following denomination;

- 29,00,879 Equity Shares of Re. 1/- Face Value @ Rs. 6.94 per share to Shri R. R. Havele.
- 17,96,254 Equity Shares of Re. 1/- Face Value @ Rs. 6.94 per share to Dr. Laxman V. Kulkarni.

- vi. In view of the aforesaid Scheme being operative from 1st April 2008, the Balance Sheet as at 31st March, 2009 and the Profit & Loss Account and Cash Flow Statement for the year ended 31st March 2009 are not comparable with those of the previous year.

3. The amalgamation has been accounted for under the Pooling of Interests method as per Accounting Standard (AS 14) on Accounting for Amalgamation issued by the Institute of Chartered Accountants of India. Accordingly, as required by the Accounting Standard and as per the scheme of amalgamation sanctioned by Honourable High Court of Judicature at Mumbai on 16th July 2009, the Accounting treatment has been given as under:

The Assets and the Liabilities as at 1st April 2008 have been incorporated in the Accounts of the Company at Book Value as under :

i. Total Assets of Maharashtra Hospitality Ltd.	11,250,000.00	
Total Assets of Vedant Lapidary Pvt. Ltd	2,000,000.00	13,250,000.00
ii Nande Land of R. R. Havele at Market Value		20,132,100.00
Nande Land of L. V. Kulkarni at Market Value		15,966,000.00
Conversion of Loan of Dhanada Portfolio Management Ltd.		90,000,002.00
		<u>139,348,102.00</u>
Less: Accumulated Losses and Miscellaneous Expenses of Transferor Companies		<u>1,801,433.57</u>
Net Amount of Share Amalgamation Account		137,546,668.43

- a. Since the effective date of scheme of amalgamation is 13th August 2009, the Share Allotment as per scheme is not made as on 31st March 2009, and the effect of share allotment and share premium is grouped under Share Amalgamation A/c. The assets have been added and grouped under respective heads of Assets.

- b. The Conveyance Deeds of land acquired as per scheme of amalgamation are yet to be executed and registered with sub-registrar.

4. The company has converted Preference Shares of Rs. 10,00,00,000/- into equity shares on 20th April 2009. As per the special resolution passed by the preference shareholders no dividend is payable to preference shareholders for the period 1st April 2008 to till conversion. Hence, there is no provision for preference dividend in the current year.
5. Previous year's figures are regrouped reworked and rearranged wherever necessary.
6. Quantitative information in respect of goods produced or manufactured pursuant to the provision of paragraph 2 & 4c of Part II of the Schedule VI to the Companies Act, 1956 has been given separately.

7. MANAGERIAL REMUNERATION

No managerial remuneration is paid or payable for the current year.

8. AUDITOR'S REMUNERATION

Audit Fees	Rs. 30,000/-
Tax Audit Fees	Rs. 20,000/-
VAT Audit Fees	Rs. 20,000/-
Sub Total	Rs. 70,000/-
Service Tax	Rs. 7,210/-
TOTAL	Rs. 77,210/-

9. Imports of C.I.F. basis NIL
Raw material & components (Including Software)
Stores & Spares, Capital goods
10. Expenditure in foreign currency NIL
Technical know-how fees
Overseas business expenses etc.
11. Earning in Foreign Exchange NIL
Income from service
12. The Quantitative data of closing stock & valuation of stock have been adopted as furnished & certified by the management of the company.
13. Depreciation has been provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956 during the year.
14. As there is no taxable income or book profit; provision of Income Tax is not made.
15. The outstanding balances of sundry creditors, sundry debtors and advances (taken or given) are subject to reconciliation & consequent adjustment if any.
16. As per explanations given by the management, there are no dues to accounts relating small and micro enterprises.
17. Employee Benefits:
- As per AS-15 (Revised) for Employee Benefits an amount of Rs. 99,208/- is recognized, as an expense in the Profit and Loss account in respect of gratuity payable, based on actuarial valuation.
 - Leave Encashment: Employees are eligible for Leave Encashment. The Company has provided for Rs. 3,26,117/- as Leave Encashment benefit on actuarial value basis.
 - Employees' State Insurance Scheme (ESIC) is the defined contribution scheme offered by the company. The contributions to this scheme are charged to the profit and loss account of the year in which contribution to such schemes are made / due.
18. As per Accounting Standard 16 for 'Borrowing Cost' the company has capitalized interest amounting to Rs. 11,591,149/- as it is directly attributable to refurbishment of the qualifying assets.
19. The main business of the company is Hotel Activity. All other activities of the company are incidental to the main business. Accordingly, there are no separate reportable segments in terms of this Accounting Standard 17 on Segment Reporting issued by ICAI.

20. The Company has availed a Term Loan from Saraswat Co.-Op. Bank Ltd. for refurbishment of the hotel. The entire Assets such as Land, Building, Plant & Machinery etc. situated at C.T.S. No. 18349/1/1+2+3 at Aurangabad have been mortgaged to the bank.
21. The Company has invested surplus funds in financial securities and has conducted trading activity of shares temporarily.
22. According to Accounting Standard 18 for Related Party Disclosures following are transaction during the year with related parties :

Sr. No.	Name of the Parties	Nature of Transaction	Opening Balance	Addition during the Year	(Payment)/ Receipt During the year	Balance Outstanding 31/03/2009
Following Associate Companies, Key Managerial personal & Sundry Creditors:						
1	Dhanada Portfolio Management Ltd. (Holding Company)	Unsecured Loan Taken	90,046,837 (Cr.)	2,772,584 (Cr.)	*(90,000,002)	2,819,419 (Cr.)
2	Malkan Engineering Pvt. Ltd. (Subsidiary Company)	Unsecured Loan Given	-	30,682,584 (Dr.)	12450,000 (Cr.)	18,232,584 (Dr.)
3	Dhanada Securities Trading Pvt. Ltd.	Share Application Money Given	-	31,00,000 (Dr.)	600,000 (Cr.)	25,00,000 (Dr.)

* These are no re-payments but, conversion of loan into 1,29,68,300 Equity Shares as per the Scheme of Arrangement/Amalgamation approved by the Hon'ble Bombay High Court

23. Earning Per Share (EPS):

As per Accounting Standard 20, issued by the Institute of Chartered Accountants of India the Disclosure of Earning Per Share is as under:

PARTICULARS	2008-2009	2007-2008
Net Profit as Per Profit & Loss	(10,704,122.01)	28,644,050.09
Less: Proposed Dividend on Preference Share	NIL	80,00,000.00
Less: Provision For Taxation for dividend on Preference Shares	NIL	13,59,600.00
Net Profit available for equity shareholder	(10,704,122.01)	19,284,450.19
Number of Equity Shares outstanding at the end of the year	1,25,00,000	1,25,00,000
Basic Earning Per Share (in Rs.)	(0.86)	1.54

24. Impairment of Fixed Assets (AS-28):

The Fixed assets specifically Land, Building and Plant & Machinery of the company have been valued from the approved valuer at a reasonable interval in order to comply with the Requirements of AS-28.

25. Events occurring after Balance Sheet Date:

Refer Note No. 3 & 4 of Notes forming part of Balance Sheet.

26. Provisions, Contingent Liabilities and Contingent Asset:

- Provisions are recognized when the company has present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimates can be made for the amount of the obligation
- The company has availed Bank Guarantee of Rs. 1,00,000/- from Saraswat Co-operative Bank.

27. The Company in its books has shown Rs. 23,89,519.33 as Service Tax receivable which represents the input credit unavailed during the year.
28. The Company has incurred following items of prior period expenses debited to Profit and Loss A/c. Loss is shown in excess to that extent.

<u>Particulars</u>	<u>Amount</u>	<u>Year</u>
Water Tax	1,61,280/-	2000-2008

SIGNIFICANT ACCOUNTING POLICIES

1. SYSTEM OF ACCOUNTING

The Company follows Mercantile System of Accounting and generally recognizes Income and Expenditure on accrual basis except in case of significant uncertainties.

Financial Statements are based on historical cost.

Estimates and Assumptions used in the preparation of the financial statements are based upon Management's evaluation of the relevant facts and circumstances as of the date of the Financial Statements, which may differ from the actual results at a subsequent date.

2. BASIS FOR PREPARATION OF ACCOUNTS

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards and the relevant provisions of the Companies Act, 1956.

3. REVENUE RECOGNITION

- a) Revenue from Hotel activity is recognized on rendering of services and billing to the customer.
- b) In case of Trading in shares/securities revenue is recognized on sale of securities

4. FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation. The Company capitalizes all direct costs relating to the acquisition and installation of fixed assets. Interest on borrowed funds, if any, used to finance the acquisition of fixed assets, is capitalized up to the date the assets are ready for commercial use. Under utilised assets are recorded at estimated realizable value.

5. METHOD OF DEPRECIATION

The Company provides depreciation on all its assets on the Straight Line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956, proportionate from the date they are put to use.

6. INVESTMENTS

Long term investments are carried at cost, after providing for any diminution in value, if such diminution is of permanent nature. Current investments are carried at lower of cost or market value. The determination of carrying amount of such investments is done on the basis of specific identification.

7. RETIREMENT BENEFITS

a. Gratuity:

The company provides for gratuity, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to gratuity plan are determined based on actuarial valuation carried out by independent actuary as at the Balance Sheet date.

Actuarial gains and losses are recognized in full in the profit and Loss account for the year in which they occur. (Refer note 17 above).

b. Provident Fund:

The eligible employees of the company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the company make monthly contributions at a specified percentage of the covered employee's salary. The contributions as specified under the law are paid to the Regional Provident Fund Commissioner by the Company.

c. Leave Encashment:

Employees are eligible for Leave Encashment. The Company has provided Leave Encashment benefit on actuarial value basis.

d. Employees' State Insurance Scheme (ESIC) is the defined contribution schemes offered by the company. The contributions to this scheme is charged to the profit and loss account of the year in which contribution to such schemes are made / become due.

8. INVENTORIES

Stock of food and beverages and operating supplies are carried at cost (computed on a weighted average basis) or Net Realizable Value, whichever is lower.

9. RESEARCH & DEVELOPMENT

The Company does not have a Separate Research & Development department and has not incurred any expenditure on Research & Development.

10. TAXATION

Provision for Fringe Benefit Tax is made in respect of employee benefits and other specified expenses, in accordance with Income Tax Act, 1961.

Deferred tax resulting from timing differences between book profits and taxable profits is accounted for using the tax rates that have been enacted or substantially enacted by the Balance Sheet date, to the

extent such differences are reversible in subsequent period. Deferred Tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their carrying values at each Balance Sheet date.

11. EARNINGS PER SHARE

The Company reports basic earnings per share in accordance with Accounting Standard 20 on 'Earnings per Share'. Basic earning per share is computed by dividing the net profit or loss for the period by the weighted average number of Equity shares outstanding during the period.

As per our report of even date Annexed

For T. R. Jalnawala & Associates
Chartered Accountants

T. R. Jalnawala
Proprietor
M. No. 37084

Pune, 21st August 2009

For and on behalf of the Board

Ramesh R. Havele	Chairman & Managing Director
Mrs. Veena R. Havele	Director
Shreeniwas G. Kale	Director
Gajanan M. Deshpande	Director
Ravindra S. Golwalkar	Director
Mrs. Sanjana Joshi	Company Secretary

**Statement Pursuant to Part IV of Schedules VI to the Companies Act, 1956.
Balance Sheet Abstract and Company's General Business Profile**

I. Registration Details

Registration No. : 40398 State Code : 11

Balance Sheet Date : 31st March 2009

II. Capital Raised During the Year (Amount in Thousands)

Public Issue : Nil Right Issue : Nil

Bonus Issue : Nil Private Placement : Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Thousands)

Total Liabilities : 388,763.01 Total Assets : 388,763.01

Sources Of Funds:

Paid-up Capital : 112,500.00 Reserves and Surplus : 158,812.16

Secured Loan : 112,527.25 Unsecured Loan : 4,923.61

Application of Funds:

Net Fixed Assets : 332,099.70 Investments : 28,255.16

Net Current Assets : 28,408.16 Misc. Expenditure : Nil

Accumulated Losses : Nil

IV. Performance of Company (Amount in Thousands)

Turnover : 56,253.52 Total Expenditure : 59,745.59

Profit/(Loss) Before Tax : (10,646.02) Profit/(Loss) After Tax : (10,704.12)

Earnings Per Share (in Rs.) : -0.86 Dividend Rate : Nil

V. Generic Names of Three Principal Products/Services of the Company

(As per monetary terms)

Item Code No. : Not Applicable

(ITC Code)

Product Description : Hotel

**Statement pursuant to section 212 of the Companies Act, 1956, relating to
Company's interest in subsidiary companies.**

1.	Name of the subsidiary company	Malkan Engineering Private Limited
2.	Date from which it became subsidiary company	10th February 2009
3.	Financial Year of the subsidiary	31st March 2009
4.	Shares of the subsidiary held by the Company on the above date	
	i) Number of Shares	535715 Equity Shares
	ii) Extent of holding	53.57%
5.	Net aggregate Profit or (Loss) for the current year (in Rs.)	(66,36,554.09)
6.	Net aggregate amount of the profit or loss of the subsidiary so far as those are dealt with in the accounts of holding company.	
	a) for the financial year of the subsidiary	NIL
	b) for the previous financial years of the subsidiary since it became its subsidiary.	NIL
7.	Net aggregate amount of the profit or loss of the subsidiary so far as it concerns the members of the holding company and is dealt with in the accounts of holding company.	
	a) for the financial year of the subsidiary	(Rs. 35,55,202.03)
	b) for the previous financial years of the subsidiary since it became its subsidiary	NIL
8.	Changes in the interest of the Company in the subsidiary Company between the end of financial year of the subsidiary and that of the Company.	NIL
9.	Material changes in respect of subsidiary's fixed assets, investments, lending and borrowing between the end of financial year of the subsidiary and that of the Company	NIL



16 **GRAYSON PERRY**
Is all this talk about 'access' to
the arts just middle class guilt?

17 **FIRST NIGHT**
Sir John Tavener unwraps
his birthday present to Mozart

A collection of single-shot s
conciseness and the power
whatever hap- bursts open the
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Annual Report 2008-09



MALKAN ENGINEERING PVT. LTD.

(A Subsidiary Company)

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Malkan Engineering, Bhosari, Pune





Board of Directors Ramesh Havele
Chairman
Nitin Pargaonkar
Managing Director
Veena Havele
Shreeniwas Kale

Auditors A. P. Dhavalikar & Co.
Chartered Accountants

Bankers 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 vedant@vedanthotels.com
Website www.vedanthotels.com

Plant Location J-276, MIDC, Bhosari,
Pune 411 026
Telephone : +91-20-41232206-11
Telefax : +91-20-41232207

Email info@malkanengineering.com
Website www.malkanengineering.com

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Directors' Report

To,
The Members,
MALKAN ENGINEERING PRIVATE LIMITED

The Directors of your Company present the 12th Annual Report together with the Audited statements of accounts for the year ended on 31st March, 2009.

FINANCIAL RESULTS

The performance of the company for the year as compared to the previous year is summarized below:

(Rs. in Thousands)

Particulars	2008-2009	2007-2008
Sales	5798.47	7828.71
Other Income	1595.57	1176.44
Profit/(Loss) before Tax	(6227.75)	1124.64
Provision for Tax	53.02	21.00
Profit/Loss after Tax	(6280.77)	1103.64
Proposed Dividend	NIL	NIL
Balance carried to Balance Sheet	(10048.67)	(3763.77)

OPERATIONS

The expansion and modernization of its plant commenced in the last year continued during the year under review. The project cost of Rs. 6 Crores approx. is being financed by a Term Loan from Saraswat Bank to the tune of Rs.520 lakhs and the balance from loan from parent Company. As on 31st March 2009, the project was partially completed, but as on date, is more or less complete.

The general economic slowdown, especially in automobile industry to which your company caters to, and constraints on production due to reconstruction of plant has affected the turnover of the Company for the year under review.

The losses are mainly due to increase in input costs, reduction in production and an extraordinary item of Rs. 27.04 lakhs for debit balances written off.

The Directors hope that the positive results of expansion and modernization will be visible during the current year.

CAPITAL

The Company with the consent of the Preference Shareholders, has converted the existing 35,00,000 8% Cumulative Convertible Pref. Shares of Rs.10/- each into 5,00,000 Equity Shares of Rs.10/- each at a premium of Rs.690/- per share. This will reduce the dividend out-flow of the Company and strengthen its capital structure.

SUBSIDIARY STATUS

As a result of the conversion aforesaid, Vedant Hotels Limited has become a majority shareholder of the Company and the Company has become a subsidiary of Vedant Hotels Limited with effect from February 10, 2009. As Vedant Hotels is a public limited company, your Company will also be deemed to be a public company under the Companies Act, 1956 and will have to forgo the exemptions bestowed on a Private Limited company under the said Act.

DIVIDEND

In view of the losses, the directors do not recommend any dividend for Equity and Preference share capital.

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.

EMPLOYEES

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

DIRECTORS

Shri. Ramesh R. Havele retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Your Directors recommend his re-appointment.

AUDITORS

The Company's auditors M/s. A. P. Dhavalikar & Co., Chartered Accountants, Pune will retire in the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Efforts are continuously made to achieve higher efficiency in utilization of energy by way of constant monitoring, selection of low energy consumption machines and efficient energy management and techniques.

The Company has neither purchased within India nor imported any technology from abroad.

FOREIGN EXCHANGE EARNINGS & OUTGO NIL

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors hereby confirm,

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation related to material departures;
2. 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 the profit or loss of the Company for that period;
3. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the Directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

The Directors express their sincere thanks to their customers, employees and the Bankers for their continued support.

For and on behalf of the Board of Directors
MALKAN ENGINEERING PRIVATE LIMITED

Pune, 25th July 2009

Ramesh Havele
Chairman

Nitin Pargonkar
Managing Director

Report of the Auditors to the Members

We have audited the attached Balance Sheet of MALKAN ENGINEERING PVT.LTD. Pune as on 31st March, 2009 and also the annexed Profit & Loss Account of the company for the year ended on that date. 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.

As required by The Companies (Auditor's Report) Order, 2003 and amended by the Companies (Auditors Report) (Amendment) Order, 2004 dated 25/11/2004 issued by the Department of Company Affairs, 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, on the basis of such checks as we considered appropriate and according to the information and explanations given to us.

Further to our comments in the Annexure referred to above, we report that:

- 1) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- 2) In our opinion, proper books of accounts, as required by law, have been kept by the company, so far as appears from the examination of the books.
- 3) The Balance Sheet and the Profit & Loss Account dealt with by the report are in agreement with the books of account.
- 4) In our opinion, the Profit & Loss Account and the Balance Sheet complies with the accounting standards referred to in Sub Section 3(c) of Section 211 of the Companies Act, 1956 to the extent applicable.

On the basis of the written representations received from the directors on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31st March, 2009 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanation given to us, the said accounts subject to and read with notes appearing thereon, give the information required by the Companies Act 1956, in the manner so required and a true and fair view,

- a. In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2009.
- b. In the case of Profit & loss Account, of the loss for the year ended on that date.

Pune, 25th July 2009

For A. P. Dhavalikar & Co.
Chartered Accountants.

A.P.Dhavalikar
(Proprietor)
M. No. 032946

Annexure to the Auditors Reports

As required by The Companies (Auditor's Report) Order, 2003 and amended by the Companies (Auditor's Report) (Amendment) Order, 2004 dated 25/11/2004 made by the Central Government under section 227 (4A) of The Companies Act 1956, we have to report that,

- 1) a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
b) The management has physically verified these fixed assets and no serious discrepancies were noticed.
c) None of the fixed assets have been revalued during the year.
- 2) a) As explained to us, the management, at reasonable intervals, during the year has physically verified stocks of finished goods, stores, and raw materials.
b) As explained to us, the procedure for physical verification of stocks followed by management, are in our opinion, reasonable and adequate in relation to the size of the company and nature of its business.
c) As per records produced to us for verification there were no material discrepancies noticed on physical verification of stocks as compared to book records and the same have been properly dealt with properly dealt with in books of account.
- 3) a) The company has granted loans to M/s. Vedant Hotels Ltd. and the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the company and the company has received the principal and interest amount during the year.
b) The company has taken loans from M/s. Vedant Hotels Ltd. and the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the company.
- 4) In our opinion and according to the information and explanations given to us, the company has adequate internal control systems for the purchase of inventories, fixed assets, and for the sale of goods and services.
- 5) According to information and explanations given to us, there were no transaction of purchase and sale of goods and materials made in pursuance, of contracts or arrangements entered in the register maintained under Section 301 of The Companies Act, 1956, aggregating Rs. 500000/- or more in respect of each party have been made and therefore the particulars of such contracts are not entered into.
- 6) The Company has not accepted deposits from the public and therefore the directives issued by RBI and provision of Section 58 A, 58 AA or any other relevant provisions are not required to be complied with.
- 7) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 8) The maintenance of cost records are not prescribed by the Central Government under section 209 (1) (d) of The Companies Act, 1956, in respect of products manufactured by the company.
- 9) a) According to the records of the company, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Custom duty, Excise duty, Service Tax, Cess and any other statutory dues with the appropriate authorities during the year.
b) As per our examination, there were no disputed or undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty or Excise Duty, Service Tax, Cess.
- 10) The Company is registered for a period of not less than 5 years and its accumulated losses at the end of the Financial Year are not more than 50% of its net worth. It has incurred cash losses in this Financial Year.

- 11) The Company has not defaulted in repayment of dues to any financial institution or Bank.
- 12) The Company has not granted loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- 14) As per our examination, the term loans were applied for the purpose for which they were obtained.
- 15) As per our examination of the records the funds raised on short-term basis have not been used for long term investments.
- 16) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the act.
- 17) The company has not issued debentures and therefore no charge is required to be created.
- 18) The management has not made any public issue and therefore the question of disclosure on the end use thereof does not arise.
- 19) As reported to us, no fraud on or by the company has been noticed or reported during the year.

For A. P. Dhavalikar & Co.
Chartered Accountants.

A.P.Dhavalikar
(Proprietor)
M. No. 032946

Pune, 25th July 2009

Balance Sheet as at 31st March 2009

	Schedule	As at 31/03/2009 Rs.	As at 31/03/2008 Rs.
SOURCES OF FUNDS			
Share Capital	A	10,000,000.00	107,000,000.00
Reserves and Surplus	B	34,500,000.00	-
Secured Loans	C	32,455,842.42	-
Unsecured Loan	D	18,232,584.00	-
	TOTAL	<u>95,188,426.42</u>	<u>107,000,000.00</u>
APPLICATION OF FUNDS			
Fixed Assets	F		
Gross Block		62,049,334.92	20,162,510.00
Less : Depreciation		8,128,483.57	7,486,540.00
Net Block		<u>53,920,851.35</u>	<u>12,675,970.00</u>
Investments		-	-
Deferred Tax Asset		723,201.00	738,221.00
Current Assets, Loans & Advances	G		
Inventories		19,222,645.15	72,561,961.00
Sundry Debtors		839,351.26	3,580,689.00
Cash & Bank Balances		5,399,186.75	16,153,577.00
Advances		6,730,083.14	13,534.00
Deposits		11,146.00	11,146.00
Other Current Assets		2,083,937.26	115,831.00
		<u>34,286,349.56</u>	<u>92,436,738.00</u>
Less : Current Liabilities & Provisions	H		
Liabilities		5,051,955.99	3,839,177.00
Provisions		540,113.84	225,292.00
		<u>5,592,069.83</u>	<u>4,064,469.00</u>
Net Current Assets	G-H	28,694,279.73	88,372,269.00
Miscellaneous Expenditure	E	11,850,094.34	5,213,540.00
	TOTAL	<u>95,188,426.42</u>	<u>107,000,000.00</u>

Subject to our Report of even date Annexed

For A. P. Dhavalikar & Co.
Chartered Accountants

A. P. Dhavalikar
Proprietor
M. No. 032946

Pune, 25th July 2009

For and on behalf of the Board

Ramesh R. Havele
Nitin Pargaonkar
Mrs. Veena Havele
Shreeniwas G. Kale

Chairman
Managing Director
Director
Director

Profit & Loss Account for the year ended 31st March 2009

	Schedule	As at 31/03/2009 Rs.	As at 31/03/2008 Rs.
INCOME			
Sales	1	5,798,474.61	7,828,706.00
Other income	2	1,595,573.46	1,176,437.00
	TOTAL	7,394,048.07	9,005,143.00
EXPENDITURE			
Stock Consumed	3	5,736,928.32	4,219,098.00
Other direct expenses	4	1,963,276.65	1,896,341.00
Payments to & Provisions for Employees	5	1,529,953.00	816,539.00
Administrative & Other Expenses	6	3,377,255.51	521,088.00
Interest & Bank Charge	7	724,100.01	27,319.00
	TOTAL	13,331,513.49	7,480,385.00
PROFIT (LOSS) BEFORE DEPRECIATION & TAXATION		(5,937,465.42)	1,524,758.00
Less : Depreciation		491,943.67	250,118.00
Less : Goodwill written off		150,000.00	150,000.00
Less : Deferred Tax Income as per AS-22		15,020.00	-
Less : Provision for MAT		-	8,000.00
Less : Fringe Benefit Tax		38,000.00	13,000.00
PROFIT / (Loss) for the year		(6,632,429.09)	1,103,640.00
Less Prior Period Expenses		4,125.00	358,121.00
BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		(3,763,766.25)	(4,509,285.00)
BALANCE CARRIED TO BALANCE SHEET		(10,400,320.34)	(3,763,766.00)

Accounting policies, notes on accounts & Schedules 1 to 7 form an integral part of the Profit & Loss A/c. This is the Profit & Loss A/c referred to in our report of even date.

Subject to our Report of even date Annexed

For A. P. Dhavalikar & Co.
Chartered Accountants

A. P. Dhavalikar
Proprietor
M. No. 032946
Pune, 25th July 2009

For and on behalf of the Board

Ramesh R. Havele
Nitin Pargaonkar
Mrs. Veena Havele
Shreeniwas G. Kale

Chairman
Managing Director
Director
Director

Schedules Forming Part of the Balance Sheet

	As at 31/03/2009 Rs.	As at 31/03/2008 Rs.
SCHEDULE - A		
Share Capital		
Authorised Equity Share Capital 10,00,000 (10,00,000) Equity share of Rs. 10/- each	10,000,000.00	10,000,000.00
Authorised Preference Share Capital 40,00,000 (40,00,000) 8% Cumulative fully convertible Preference Shares of Rs. 10/- each	<u>40,000,000.00</u>	<u>40,000,000.00</u>
	<u>50,000,000.00</u>	<u>50,000,000.00</u>
Issued, Subscribed & Fully Paid Up		
10,00,000 (9,50,000) Equity Shares of Rs.10/- each	10,000,000.00	9,500,000.00
NIL (35,00,000) Preference Shares of Rs.10/- each	-	35,000,000.00
	<u>10,000,000.00</u>	<u>44,500,000.00</u>
Share Application Money Vedant Hotels Ltd	-	62,500,000.00
TOTAL	<u>10,000,000.00</u>	<u>107,000,000.00</u>
SCHEDULE - B		
RESERVES & SURPLUS		
Share Premium A/C	34,500,000.00	-
SCHEDULE - C		
SECURED LOANS		
Car Loan - Saraswat Bank - 46699	1,553,653.00	-
Cash Credit - Saraswat Bank - 203834	3,051,291.42	-
Term loan - Saraswat Bank - 46377	2,179,345.00	-
Term loan - Saraswat Bank - 46430	23,145,855.00	-
Term loan - Saraswat Bank - 46461	2,525,698.00	-
	<u>32,455,842.42</u>	<u>-</u>
TOTAL	<u>32,455,842.42</u>	<u>-</u>
SCHEDULE - D		
UNSECURED LOANS		
Vedant Hotels Ltd (Holding Company)	18,232,584.00	-
SCHEDULE - H		
(A) Current Liabilities		
Sundry Creditors - Others	1,046,593.51	2,681,140.00
Sundry Creditors - Capital Goods	3,110,832.48	-
Profession tax payable	1,985.00	4,320.00
Sales Tax Payable	699,000.00	699,000.00
TDS on Interest	4,924.00	-
TDS on Profession Fees	11,073.00	90,450.00
TDS on Salary	17,078.00	12,050.00
TDS on Sub Contractors	35,094.00	10,238.00
TDS on Works Contract Act	26,247.00	-
VAT/CST Payable	99,129.00	341,979.00
	<u>5,051,955.99</u>	<u>3,839,177.00</u>
TOTAL	<u>5,051,955.99</u>	<u>3,839,177.00</u>
(B) Provisions		
Electricity Expenses payable	19,910.00	10,660.00
ESI payable	2,784.00	5,862.00
Fringe Benefit Tax Payable	38,000.00	13,000.00
Provident Fund payable	15,413.00	2,304.00
MAT Payable	-	8,000.00
Intersest Payable	18,979.50	-
Gratuity Payable	351,654.00	-
Labour Charges Payable	-	51,674.00
Professional Fees Payable	-	80,614.00
Salary & Wages Payable	80,841.00	29,875.00
Staff Welfare Payable	-	4,283.00
Telephone Expenses payable	11,881.34	3,657.00
Transportation Charges Payable	-	14,240.00
Water Charges payable	651.00	1,123.00
	<u>540,113.84</u>	<u>225,292.00</u>
TOTAL	<u>540,113.84</u>	<u>225,292.00</u>

Schedules Forming Part of the Balance Sheet

Fixed Assets Schedule - F

PARTICULARS	Rate of Depreciation	Gross Block						Depreciation up to 31/03/2008				Depreciation for the year				Amortisation During the Year	Cumulative Depre. Up to 31.03.09 (9+13+14)	W.D.V AS ON 31.03.08 (2-7)	W.D.V AS ON 31.03.09 (5-15)
		Gross block as on 1.4.2008	Additions During The Year	Deletion during the year	As on 31.03.09 (2+3+4)	Assets revalued included in gross block	Cumulative	Re-couped On Assets Sold	Adjusted Cumulative (7+8)	Chargeable W.D.V (5-6-9)	On opening balance (2-6-9)1	Prorata on additions during the year	Total (11-12)						
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
Goodwill	0%	1,500,000	-	-	1,500,000	1,350,000	450,000	-	450,000	0	0	-	-	150,000	600,000	1,050,000	900,000.00		
Land	0%	1,605,612	-	-	1,605,612	1,200,000	-	-	-	405,612	0	-	-	-	-	1,605,612	1,605,612.00		
Factory Building	10%	3,219,632	513,957	-	3,733,589	1,800,000	973,065	-	973,065	960,524	44,657	29,567	74,223.69	-	1,047,289	2,246,567	2,686,300.48		
Furniture & Fixtures	10%	111,045	16,150	-	127,195	-	79,626	-	79,626	47,569	3,142	438	3,579.90	-	83,206	31,419	43,988.71		
Computers	60%	318,365	-	-	318,365	-	307,648	-	307,648	10,717	6,430	-	6,430.11	-	314,078	10,717	4,286.74		
Electrical Installation	15%	23,753	-	-	23,753	-	22,464	-	22,464	1,289	193	-	193.32	-	22,658	1,289	1,095.51		
Plant & Machinery																			
- Machinery	15%	4,734,603	-	-	4,734,603	2,525,000	1,720,865	-	1,720,865	488,737	73,311	-	73,310.62	-	1,794,176	3,013,737	2,940,426.84		
- Dies	15%	7,207,865	30,478	-	7,238,343	4,000,000	2,735,607	-	2,735,607	502,736	70,839	2,157	72,995.63	-	2,808,603	4,472,258	4,429,739.96		
Office Equipments																			
- Fire Extinguisher	15%	11,300	-	-	11,300	-	10,571	-	10,571	729	109	-	109.33	-	10,680	729	619.55		
- Intercom System	15%	12,545	-	-	12,545	-	12,031	-	12,031	514	77	-	77.10	-	12,108	514	436.89		
- Fax machine	15%	18,700	-	-	18,700	-	17,532	-	17,532	1,168	175	-	175.15	-	17,707	1,168	992.52		
- Cooler	15%	20,600	-	-	20,600	-	19,219	-	19,219	1,381	207	-	207.15	-	19,426	1,381	1,173.86		
- Air Conditioner	15%	-	32,534	-	32,534	-	-	-	-	32,534	-	484	483.73	-	484	-	32,049.78		
- Inverter System	15%	44,750	-	-	44,750	-	39,782	-	39,782	4,968	745	-	745.15	-	40,528	4,968	4,222.50		
- Office fan	15%	4,859	-	-	4,859	-	4,505	-	4,505	354	53	-	53.10	-	4,558	354	300.88		
- Printer Brother	15%	6,827	-	-	6,827	-	499	-	499	6,328	949	-	949.13	-	1,449	6,328	5,378.40		
Vehicles																			
Kinetic-Honda	15%	35,760	-	-	35,760	-	34,295	-	34,295	1,465	220	-	219.81	-	34,514	1,465	1,245.56		
Car	15%	1,113,968	-	-	1,113,968	-	1,022,233	-	1,022,233	91,735	13,760	-	13,760.22	-	1,035,994	91,735	77,974.61		
Honda Accord	15%	-	2,084,242	-	2,084,242	-	-	-	-	2,084,242	-	244,113	244,113.28	-	244,113	-	1,840,128.72		
Motor Cycle	15%	38,711	-	-	38,711	-	36,596	-	36,596	2,115	317	-	317.26	-	36,913	2,115	1,797.80		
Capital WIP	-	133,615	39,209,465	-	39,343,080	-	-	-	-	-	-	-	-	-	-	-	39,343,080		
Total for the year		20,162,510	41,886,825	-	62,049,335	10,875,000	7,486,540	-	7,486,540	4,644,715	215,185	276,759	491,943.67	150,000	8,128,484	12,542,355	53,920,851.35		

Schedules Forming Part of the Balance Sheet

	As at 31/03/2009 Rs.	As at 31/03/2008 Rs.
SCHEDULE G		
CURRENT ASSETS, LOANS AND ADVANCES		
(A) Inventories		
<u>Stock of Goods</u>		
Raw Material	1,248,653.00	1,613,213.00
Work in Process	1,102,698.00	1,650,108.00
Stock of Shares <i>(Shares at cost of purchase)</i>	16,871,294.15	69,298,640.00
TOTAL	19,222,645.15	72,561,961.00
(B) Sundry Debtors. <i>(Unsecured, considered good, unless otherwise stated)</i>		
Exceeding Six months.	-	2,681,551.00
Others.	839,351.26	899,138.00
TOTAL	839,351.26	3,580,689.00
(C) Cash & Bank Balances.		
Cash in Hand.	10,005.90	5,549.00
Fixed Deposits with Bank		
FD with Saraswat for Bank Gaurantee	125,709.00	-
Fixed Deposit with HDFC	1,000,000.00	-
Fixed Deposit with Saraswat Bank	3,100,000.00	2,500,000.00
Fixed Deposit with Uco Bank	5,000.00	5,000.00
Bank balances		
The Saraswat Coop Bank Ltd current account	-	13,577,641.00
Bank of Maharashtra - current A/c-2464	83,514.26	57,784.00
HDFC Bank Ltd	1,067,354.59	-
IDBI Bank Ltd	7,603.00	7,603.00
TOTAL	5,399,186.75	16,153,577.00
(D) Advances		
Accrued Interest - HDFC -674470110761	24,687.23	-
Accrued Interest - Saraswat Bank Kd/16339	248,062.00	-
Accrued Interest - Vedant	34,220.31	-
Advance to Supplier for Capital Goods	6,400,146.22	-
Service Tax - I/P Services	-	5,851.00
TDS for F.Y.2007-08	7,683.37	7,683.00
TDS for F.Y.2008-09	15,284.01	-
TOTAL	6,730,083.14	13,534.00
(E) Deposits		
Security Deposit with Gaurav	5,000.00	5,000.00
Security Deposit with MIDC	1,686.00	1,686.00
Security Deposit with MSEB	1,460.00	1,460.00
Security Deposit with Reliance India	3,000.00	3,000.00
TOTAL	11,146.00	11,146.00
(F) Other Current Assets		
Vat Refund Receivable	845,266.27	-
Excise Duty	1,238,670.99	115,831.00
TOTAL	2,083,937.26	115,831.00
SCHEDULE - E		
Miscellaneous Expenditure <i>(to the extent not written off)</i>		
Preliminary Expenses- extension of business	1,449,774.00	1,449,774.00
Profit and Loss A/c Debit balance	10,400,320.34	3,763,766.00
TOTAL	11,850,094.34	5,213,540.00

Schedules Forming Part of the Profit & Loss Account

	Year Ended 31/03/2009 Rs.	Year Ended 31/03/2008 Rs.
SCHEDULE - 1		
Sales		
Sales less rejections	5,675,878.11	7,354,567.00
Labour Charges	122,596.50	474,139.00
TOTAL	5,798,474.61	7,828,706.00
SCHEDULE - 2		
OTHER INCOME.		
Miscellaneous Income	8,618.43	145,392.00
Profit (Loss) on Shares traded	(79,940.44)	1,031,045.00
Creditors written back	1,344,641.92	-
Interest on Bank FD	279,154.24	-
Interest on Loan	43,099.31	-
TOTAL	1,595,573.46	1,176,437.00
SCHEDULE - 3		
(A) RAW MATERIALS CONSUMED		
Opening Stock	1,613,213.00	393,213.00
Add : Purchases	4,824,958.32	5,791,663.00
Less : Closing Stock	1,248,653.00	1,613,213.00
Raw Materials Consumed :	5,189,518.32	4,571,663.00
(B) WORK-IN-PROCESS		
Opening Stock	1,650,108.00	1,297,543.00
Closing Stock	1,102,698.00	1,650,108.00
(Increase) / Decrease in Stock of WIP	547,410.00	(352,565.00)
TOTAL	5,736,928.32	4,219,098.00
SCHEDULE - 4		
OTHER DIRECT EXPENSES.		
Consumable - Fastners	519,023.72	-
Consumable - Gases	18,560.00	16,480.00
Consumable - Oil & lubricants	96,888.00	7,960.00
Consumable - Others	368,268.55	130,763.00
Electricity Charges	200,458.00	279,633.00
Octroi	16,457.00	40,898.00
Contract Labour Charges - Aishwarya	142,292.00	534,681.00
Outside Processing Charges	389,045.55	681,073.00
Testing & Calibration Charges	3,000.00	6,297.00
Transportation Charges	202,498.83	191,080.00
Water Charges	6,785.00	7,476.00
TOTAL	1,963,276.65	1,896,341.00

Schedules Forming Part of the Profit & Loss Account

	Year Ended 31/03/2009 Rs.	Year Ended 31/03/2008 Rs.
SCHEDULE - 5		
PAYMENTS TO & PROVISIONS FOR EMPLOYEES.		
Director's Remuneration	420,000.00	420,000.00
Salary, Bonus and Employer contribution to ESI & PF	1,090,044.00	353,815.00
Welfare Expenses	19,909.00	42,724.00
TOTAL	1,529,953.00	816,539.00
 SCHEDULE - 6		
ADMINISTRATIVE & OTHER EXPENSES.		
Consultation & Professional Charges	376,740.00	218,487.00
Debit Balance Written off	2,703,806.39	95,253.00
Gifts to Customers	7,933.00	8,500.00
Insurance	12,236.00	-
Legal & License Fees	16,993.00	14,128.00
Municipal tax	2,698.00	2,698.00
Office Expenses	12,841.28	15,057.00
Postage & Courier Charges	4,255.00	227.00
Printing & Stationery	15,341.00	23,426.00
Repairs & maintenance	34,842.08	30,343.00
Subscription & Membership	5,500.00	-
Telephone Expenses	90,285.76	65,667.00
Travelling & Conveyance Expenses	93,784.00	47,302.00
TOTAL	3,377,255.51	521,088.00
 Schedule -7		
INTEREST & BANK CHARGES		
Bank Charges	15,716.46	20,339.00
Interest on Bank Overdraft	529,094.62	-
Interest on Car Loan	143,728.00	-
Interest on Late Pymment of Sales tax	2,113.43	5,310.00
Interest on Late Pymment of TDS	7,815.00	1,670.00
Interest on Late Pymment of WCT	1,729.00	-
Interest on Loan (Exp)	23,903.50	-
TOTAL	724,100.01	27,319.00

Notes on Accounts for the financial year ending 31st March 2009

Additional information pursuant to the provisions of paragraph 3 & 4 of part 1 of the schedule VI to the Companies Act, 1956.

1. Closing Stock:

Closing stock of raw materials, consumables, packing material and work in process, as on 31st March 2009 has been verified, valued and confirmed by the management.

2. Auditors Remuneration :

(a) Audit Fees and Tax audit fee	82,725.00
(b) Others	1,34,832.00

3. Confirmation from Parties:

Confirmation from parties for amounts due to / from them as per books of accounts of the company is not received. Necessary adjustments, if any, will be made when the accounts are reconciled and settled.

4. The company does not owe, Rs. 1,00,000/- or more for more than 30 days or more, to any small scale industry.

5. In the opinion of the Board, Current Assets, Loans & Advances, etc are approximately of the value stated if realised in ordinary course of business.

6. The Provisions for all known liabilities are adequate except to the extent stated otherwise & is not in excess of the amount considered necessary.

7. Figures of last year are regrouped wherever necessary.

8. During the year under review the company has converted 35,00,000 convertible preference shares of Rs. 10/- each into 5,00,000 Equity shares of Rs 10/- each at premium of Rs 690/- per share.

DISCLOSURE OF ACCOUNTING POLICIES FOR THE YEAR ENDED ON 31.03.2009

1) BASIS OF ACCOUNTING

- The Company except under significant & uncertain circumstances follows the mercantile system of accounting and recognizes income & expenditure on accrual basis.
- The financial statements are based on historical costs. These costs are not adjusted to reflect the impact of the changing value in the current purchasing power of money.

2) FIXED ASSETS

Fixed assets are stated in the accounts at cost of acquisition.

3) DEPRECIATION

Depreciation on Fixed Asset has been provided on WDV method at the rates prescribed under the Income Tax Rules on pro rata basis.

4) INVENTORIES

Raw material : At cost worked out on the basis of last purchase price plus direct expenses
Work in Process : At material cost plus overheads.

5) REVENUE RECOGNITION

Sales are recognised when goods are invoiced on dispatch to customers and are net of excise, sales tax & goods returned.

6) RETIREMENT BENEFITS

Liability towards gratuity has been ascertained and provided in the books.

7) EVENTS OCCURRING AFTER BALANCE SHEET DATE

No significant events, which could affect the financial position as on 31.03.2009, have been reported by the company after balance sheet date till signing of the report.

8) FOREIGN CURRENCY TRANSACTIONS

The foreign currency transactions are of the nature of capital expenditure for purchase of plant and machinery.

9) INTANGIBLE ASSETS (AS – 26)

In F.Y. 2005-06, the Company has decided to amortise Goodwill acquired during the acquisition of Malkan Engineering over ten years from the year 2005-2006. Accordingly, 10% of Goodwill has been written off to Profit & Loss Account pursuant to provisions of AS – 26.

**Statement Pursuant to Part IV of Schedules VI to the Companies Act, 1956.
Balance Sheet Abstract and Company's General Business Profile**

I. Registration Details

Registration No. : 107644 State Code : 11

Balance Sheet Date : 31st March 2009

II. Capital Raised During the Year (Amount in Thousands)

Public Issue : Nil Right Issue : Nil

Bonus Issue : Nil Private Placement : Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Thousands)

Total Liabilities : 95,188.43 Total Assets : 95,188.43

Sources Of Funds:

Paid-up Capital : 10,000.00 Reserves and Surplus : 34,500.00

Secured Loan : 32,455.84 Unsecured Loan : 18,232.58

Application of Funds:

Net Fixed Assets : 53,920.85 Investments : Nil

Net Current Assets : 29,417.48 Misc. Expenditure : 11,850.09

IV. Performance of Company (Amount in Thousands)

Turnover : 5,798.47 Total Expenditure : 13,331.51

Profit/(Loss) Before Tax : (5,937.47) Profit/(Loss) After Tax : (6,636.55)

Earnings Per Share (in Rs.) : (6.64) Dividend Rate : Nil

V. Generic Names of Three Principal Products/Services of the Company

(As per monetary terms)

Item Code No. : Not Applicable

(ITC Code)

Product Description : Manufacturing of Sheet Metal Components



Consolidated Financial Statements 2008 - 2009

16 GRAYSON PERRY
Is all this talk about 'access' to
the arts just middle class guilt?

17 FIRST NIGHT
Sir John Tavener unwraps
his birthday present to Mozart

A collection of single-shot
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Auditors' Report to the Board of Directors of Vedant Hotels Limited on the Consolidated Financial Statements

1. We have audited the attached Consolidated Balance Sheet of VEDANT HOTEL LIMITED ("the Company"), its subsidiary, (the Company, its subsidiary entity together constitute "the Group") as at March 31, 2009, the Consolidated Profit and Loss Account of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have not audited the financial statements of the subsidiary company whose financial statements reflect total assets (net) of Rs. 8,33,38,332/- as at 31st March, 2009, total revenues of Rs. 73,94,048/- for the year then ended as considered in the Consolidated Financial Statements. The financial statements have been audited by other auditors, whose reports have been furnished to us and in our opinion, in so far as it relates to the amounts included in respect of these subsidiary is based solely on their reports.
4.
 - i) We report that the Consolidated Financial Statements have been prepared in accordance with the requirements of Accounting Standard 21, (Consolidated Financial Statements), as notified by the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited financial statements of the its subsidiary, included in the Consolidated Financial Statements, referred to in paragraph 3 above.
 - ii) Based on our audit and on consideration of the separate audit reports on individual financial statements of its aforesaid subsidiary, referred to in paragraph 3 above and to the best of our information and according to the explanations given to us, we are of the opinion that the aforesaid Consolidated Financial Statements, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2009;
 - b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and

For T. R. Jalnawala & Associates
Chartered Accountants

T. R. Jalnawala
Proprietor
M. No. 37084

Pune, 21st August 2009

Consolidated Balance Sheet as at 31st March 2009

	Schedule	As at 31/03/2009 Rs.
SOURCES OF FUND		
Shareholders' Funds		
a) Share Capital	1	112,500,000.00
b) Reserves & surplus	2	158,334,869.37
		<u>270,834,869.37</u>
Minority Interest		15,831,969.77
Loans Funds		
a) Secured Loans	3	144,983,090.37
b) Unsecured Loans	4	4,923,607.02
		<u>149,906,697.39</u>
	TOTAL	<u>436,573,536.53</u>
APPLICATION OF FUNDS		
FIXED ASSETS		
a) Gross Block	5	415,540,363.53
b) Less : Depreciation		62,421,752.03
c) Net Block		353,118,611.50
d) Capital Work-in-Progress		39,343,080.04
		<u>392,461,691.54</u>
INVESTMENTS	6	3,069,016.80
DEFERRED TAX ASSET		723,201.00
CURRENT ASSETS LOANS & ADVANCES	7	
a) Inventories		2,890,972.68
b) Stock of Securities		16,871,294.15
c) Sundry Debtors		1,585,096.54
d) Cash & Bank Balances		13,032,074.11
e) Loans & Advances		26,186,161.04
		<u>60,565,598.52</u>
Less : Current Liabilities & Provision	8	
a) Current Liabilities		20,156,368.99
b) Provisions		1,539,376.34
		<u>21,695,745.33</u>
NET CURRENT ASSETS		38,869,853.19
MISCELLANEOUS EXPENDITURE	9	1,449,774.00
	TOTAL	<u>436,573,536.53</u>

Subject to our Report of even date Annexed

For T. R. Jalhawala & Associates Chartered Accountants

T. R. Jalhawala
Proprietor
M. No. 37084

Pune, 21st August 2009

For and on behalf of the Board

Ramesh R. Havele Chairman & Managing Director
Mrs. Veena R. Havele Director
Shreeniwas G. Kale Director
Gajanan M. Deshpande Director
Ravindra S. Golwalkar Director
Mrs. Sanjana Joshi Company Secretary

Consolidated Profit and Loss Account for the year ended 31st March 2009

	Schedule	Year Ended 31/03/2009 Rs.
INCOME:		
Sales & Services Rendered :	A	
Direct Sales		21,354,057.66
Other Operating Incomes		526,780.50
Other Income	B	41,699,730.35
	TOTAL	<u>63,580,568.51</u>
EXPENDITURE		
Food & Beverage Consumed		
Opening Stock		1,613,213.00
Add : Purchases		7,978,930.86
Less : Closing Stock		1,788,274.68
		<u>7,803,869.18</u>
WORK IN PROCESS		
Opening Stock		1,650,108.00
Closing Stock		1,102,698.00
		<u>547,410.00</u>
(Increase) / Decrease in Stock of WIP		547,410.00
Operating, Administration & Selling Expenses	C	35,747,149.83
Salaries & Wages / Staff Expenses	D	10,681,165.00
Financial Expenses	E	18,230,511.10
	TOTAL	<u>73,010,105.11</u>
Profit before Depreciation & Tax		(9,429,536.60)
Less : Depreciation		7,645,894.49
		<u>(17,075,431.09)</u>
Profit before Tax		(17,075,431.09)
Provision for Tax		
Deferred Tax Income as per AS 22		15,020.00
Goodwill Written off		150,000.00
Fringe Benefit Tax		96,100.00
		<u>(17,336,551.09)</u>
Profit after Tax		(17,336,551.09)
Less : Minority Interest in Net Income/(Loss)		(3,079,337.34)
Net Profit after Minority Interest		(14,257,213.75)
APPROPRIATIONS		
Proposed Dividend on Preference Shares		-
Income Tax on Dividend		-
Transfer Goodwill A/c.		(3,075,804.67)
Balance Carried to Balance Sheet		<u>(11,181,409.08)</u>

Subject to our Report of even date Annexed

For T. R. Jalnawala & Associates Chartered Accountants For and on behalf of the Board

T. R. Jalnawala
Proprietor
M. No. 37084

Ramesh R. Havele Chairman & Managing Director
Mrs. Veena R. Havele Director
Shreeniwas G. Kale Director
Gajanan M. Deshpande Director
Ravindra S. Golwalkar Director
Mrs. Sanjana Joshi Company Secretary

Pune, 21st August 2009

Schedules Forming Part of the Consolidated Balance Sheet

	As at 31/03/2009 Rs.
SCHEDULE : 1 :	
SHARE CAPITAL :	
AUTHORISED CAPITAL:	
Authorised Equity Share Capital	
5,80,00,000 Equity Shares of Re. 1/- each.	58,000,000.00
Authorised Preference Share Capital	
100,000,000 8% Cumulative Convertible Preference Shares of Re. 1/- each.	100,000,000.00
	<u>158,000,000.00</u>
ISSUED, SUBSCRIBED & PAID UP CAPITAL	
12,500,000 Equity Shares of Re. 1/- each.	12,500,000.00
100,000,000 8% Cumulative Convertible Preference Shares of Re. 1/- each.	100,000,000.00
Total	<u>112,500,000.00</u>
SCHEDULE : 2 :	
RESERVES & SURPLUS:	
Profit & Loss Account (Previous Year)	28,628,669.02
Add: Income Tax Deferment Reversed	840,941.00
Add: Profit for the current year	<u>(11,181,409.08)</u>
Balance in Profit & Loss Account	18,288,200.94
Special Capital Incentives	2,500,000.00
Share Amalgamation A/c	<u>137,546,668.43</u>
Total	<u>158,334,869.37</u>
SCHEDULE : 3 :	
SECURED LOANS:	
Saraswat Co-op. Bank Ltd. Term Loan - I <i>(Secured by Mortgage/Hypothication of property)</i>	49,573,210.30
Saraswat Co-op. Bank Ltd. Term Loan - II <i>(Secured by Mortgage/Hypothication of property)</i>	60,737,028.00
HDFC Bank Ltd. (Vehile Loan)	495,027.17
Bank Overdraft - Axis Bank	63,213.28
Bank Overdraft - Axis Bank Expenses A/c O/D	1,658,769.20
Saraswat Co.Op Bank - Vehicle Loan A/c.	1,553,653.00
Saraswat Co.Op Bank - Cash Credit A/c.	3,051,291.42
Saraswat Co.Op. Bank - OD against FD A/c. -46377	2,179,345.00
Saraswat Co.Op. Bank - Term Loan A/c. -46430	23,145,855.00
Saraswat Co.Op. Bank - Term Loan A/c. -46461	2,525,698.00
Total	<u>144,983,090.37</u>
SCHEDULE : 4 :	
UNSECURED LOAN:	
Dhanada Portfolio Mgt. Ltd., (Loan A/c)	2,819,419.00
Sales Tax Defferment	<u>2,104,188.02</u>
Total	<u>4,923,607.02</u>

Schedules Forming Part of the Consolidated Balance Sheet

**SCHEDULE 5
FIXED ASSETS**

Description of Assets	Gross Block						Depreciation					Net Block	
	As At 31/03/2008	Additions on Account of Amalgamation	Additions During the Year	Ductions During the Year	As At 31/03/2009	Total up to 31/03/2008	Additions on Account of Amalgamation	Ductions during the Year	During the Year	Amortation During the Year	Total up to 31/03/2009	As At 31/03/2009	
GOODWILL ON CONSOLIDATION	-	-	6,441,143.02	-	6,441,143.02	-	-	-	-	-	-	6,441,143.02	
GOODWILL	1,500,000.00	-	-	-	1,500,000.00	450,000.00	-	-	-	150,000.00	600,000.00	900,000.00	
LAND	8,739,936.00	36,098,100.00	-	-	44,838,036.00	-	-	-	-	-	-	44,838,036.00	
BUILDING	122,036,010.54	11,447,238.55	76,727,623.27	-	210,210,872.36	22,155,704.72	742,741.05	-	2,672,963.21	-	25,571,408.98	184,639,463.38	
PLANT & MACH.	61,497,247.21	141,485.00	29,261,067.98	900,000.00	88,999,800.19	31,243,901.53	19,680.56	545,062.50	3,220,214.51	-	33,988,734.10	55,061,066.09	
PLANT & MACH. (Elect. items)	23,753.04	-	26,136,490.92	-	26,160,243.96	22,464.21	-	-	743,526.04	-	765,990.25	25,394,253.71	
FURNITURE & FIX.	30,604,744.46	491,194.30	33,163,976.34	30,374,118.94	33,885,796.16	30,557,885.13	45,013.67	30,374,118.94	780,827.92	-	1,009,607.78	32,876,188.38	
COMPUTER	318,364.96	-	3,186,106.88	-	3,504,471.84	307,648.12	-	-	228,362.81	-	536,010.93	2,968,460.91	
SOLAR WATER HET.	2,496,448.00	-	-	2,496,448.00	-	-	-	-	-	-	-	-	
SUB TOTAL	227,216,504.21	48,178,017.85	173,916,408.41	33,770,566.94	415,540,363.53	84,737,603.71	807,435.28	30,919,181.44	7,645,894.49	150,000.00	62,421,752.04	353,118,611.49	
WORK IN PROGRESS	39,565,771.12	-	99,252,015.23	99,474,706.31	39,343,080.04	-	-	-	-	-	-	39,343,080.04	
GRAND TOTAL	266,782,275.33	48,178,017.85	273,168,423.64	133,245,273.25	454,883,443.57	84,737,603.71	807,435.28	30,919,181.44	7,645,894.49	150,000.00	62,421,752.04	392,461,691.53	

(in Rs.)

Schedules Forming Part of the Consolidated Balance Sheet

	As at 31/03/2009 Rs.
SCHEDULE 6 :	
INVESTMENTS:	
Shares In The Saraswat Co.Op. Bank Ltd. <i>(2500 Equity Shares of Rs. 10/- Each)</i>	25,000.00
Shares In NEPC India Ltd. <i>(81694 Equity Shares at cost) (Market Value Rs. 450,417.34)</i>	3,039,016.80
National Saving Certificate	5,000.00
Total	<u>3,069,016.80</u>
 SCHEDULE 7 :	
CURRENT ASSETS & LOANS & ADVANCES:	
Inventories	
Raw Material	1,788,274.68
Work in Process <i>(As taken Valued & Certified by Director)</i>	1,102,698.00
Sub Total	<u>2,890,972.68</u>
Stock of Securities <i>(As taken Valued & Certified by Director)</i>	16,871,294.15
Receivables	1,585,096.54
CASH & BANK BALANCES:	
Cash in Hand	61,040.59
Bank Balance	12,971,033.52
Sub Total	<u>13,032,074.11</u>
 LOANS, ADVANCES & DEPOSITS:	
Loans & Advances	24,451,036.05
Deposits	1,735,124.99
Sub Total	<u>26,186,161.04</u>
Total	<u>60,565,598.52</u>
 SCHEDULE 8 :	
CURRENT LIABILITIES & PROVISIONS:	
<u>Current Liabilities</u>	
Sundry Creditors	17,112,325.42
Other Payables	3,044,043.57
Sub Total	<u>20,156,368.99</u>
Provisions	1,539,376.34
Total	<u>21,695,745.33</u>
 SCHEDULE 9 :	
MISCELLANEOUS EXPENDITURE	
Preliminary Expenses-extension of business	1,449,774.00
Total	<u>1,449,774.00</u>

Schedules Forming Part of the Consolidated Profit & Loss Account

	As at 31/03/2009 Rs.
SCHEDULE A :	
<u>Sales :</u>	
Room Revenue	8,403,832.33
Food Sale	6,390,693.79
Liquor Sale	531,639.40
Banquet Sale	12,799.59
Beverage Sale	201,603.94
Retention Charge	15,014.00
Sales Less Rejections	5,675,878.11
Labour Charges	122,596.50
Sub Total	21,354,057.66
 <u>Other Operating Income :</u>	
Business Center	795.00
Car Hire	7,934.00
Commission Received	11,135.60
Complimentary	1,026.00
DCC Reimbursement	147.52
Discount Received-Purchases	45,234.48
LCD Income	13,541.38
Miscellaneous	162,385.98
New Year Contribution A/C	15,900.00
Rent Received (Girija)	2,500.00
Travel Desk (Income)	147,000.00
WI Fi Card	31,462.49
Hall/Lawn Hire Charges	87,718.05
Sub Total	526,780.50
 SCHEDULE B :	
OTHER INCOME:	
Profit/(Loss) from Trading in Securities	
Securities Sales:	204,479,989.38
Less: Opening Stock of Securities	76,552,763.77
Less: Securities Purchases	108,469,472.00
Add: Closing Stock of Securities	16,871,294.15
Sub Total	36,329,047.76
 <u>Interest Income</u>	
Axis Bank Ltd.	46,234.00
Saraswat Co-op. Bank-Bank Gurantee	5,097.00
HDFC Bank Ltd.	111,894.55
Saraswat Co-op. Bank Ltd.	3,723,186.00
Interest on MSEDCL Security Deposit	22,497.00
 <u>Other Income</u>	
Balance Written Off	1,390,444.78
Dividend	5,000.00
Long term Capital Gain- Securities	20,000.00
Other Income	18,290.47
Excess Provision of Income Tax Written Back	28,038.79
Sub Total	5,370,682.59
Total	41,699,730.35

Schedules Forming Part of the Consolidated Profit & Loss Account

	As at 31/03/2009 Rs.
SCHEDULE NO. : C :	
OPERATING, ADMINISTRATION & OTHER EXPENSES <i>(Including Direct Expenses)</i>	
<u>Direct Expenses</u>	
Administration and General expenses	3,926,203.81
Beverage Cost	376,680.45
Fuel and Power expenses	5,728,215.50
Housekeeping expenses	643,913.84
Operating Expenses	2,024,153.40
Repairs and maintainance Expenses	816,850.54
Selling Expenses	538,817.00
Consumable - Fastners	519,023.72
Consumable - Oil & Lubricants	96,888.00
Consumable - Others	368,268.55
Octroi Charges	16,457.00
Contract Labour Charges - Aishwarya	142,292.00
Testing & Calibration Charges	3,000.00
Transportation Charges	202,498.83
Water Charges	6,785.00
<u>Operating and other Expenses</u>	
Advertisement	579,839.00
Books & Periodicals	15,160.00
Club Membership Refund	11,000.00
Legal, Consultation & Professional Charges	1,124,428.55
Debit Balance Written off	5,243,372.34
Demat charges	6,308.85
Depository Connectivity Charges	24,000.00
Director Sitting Fees	40,000.00
Entertainment Expenses	108,503.00
Entertainment Tax	22,500.00
Excess Provision of FBT written back	122.00
Fire License Renewal Charges	325,500.00
Food Festival Expenses	28,314.00
Gifts to Customers	7,933.00
Insurance	183,023.00
Interest Penalty on Late Payment of Taxes	162,768.43
Listing Fees (BSE & Other Stock Exchanges)	10,000.00
Long term loss on Securities	6,511,181.33
Loss on Sales of Assets	2,649,385.50
Membership & Subscription	5,500.00
Municipal Taxes	997,792.00
Office Expenses	370,111.28
Professional Tax	10,000.00
Registrar & Transfer Agent charges	201,000.65
Securities Transaction Tax	17,322.00
Short Term Capital Loss on Securities	1,496,081.45
Stamp Duty & Other Charges	1,886.05
Telephone Bills	90,285.76
Travelling & Lodging Expenses	93,784.00
Total	<u>35,747,149.83</u>

Schedules Forming Part of the Consolidated Profit & Loss Account

	As at 31/03/2009 Rs.
SCHEDULE NO. : D :	
STAFF EXPENSES	
House Rent Allowance	164,750.00
Basic Salary of Staff	4,642,057.00
Director's Remuneration	420,000.00
Employers Contribution to LWF	23,481.00
Employers Contribution towards Provident Fund	463,746.00
Employers Contribution toward ESIC	196,659.00
Gratuity of employees	99,208.00
Industrial Trainees Stipend	57,829.00
Leave Encashment	326,117.00
Other Allowances to Staff	1,774,562.00
Petrol Allowance	21,500.00
Salary Reimbursement	1,338,159.00
Salary & Wages	1,121,329.00
Staff Accommodation Others	3,600.00
Staff Medical	4,369.00
Staff Training Expenses	3,890.00
Welfare Expenses	19,909.00
Total	<u>10,681,165.00</u>
SCHEDULE NO. : E :	
FINANCIAL EXPENSES:	
Bank Commission & Charges	15,828.82
Interest on Term Loan	12,325,813.00
Interest on Vehicle Loan	203,900.17
Interest on Bank Over Draft	5,684,969.11
Total	<u>18,230,511.10</u>

Notes on Consolidated Balance Sheet and Profit and Loss Account

1. Basis of Consolidation:

The Consolidated Financial Statements relate to Vedant Hotels Ltd. ('the Company') and its Subsidiary. The Company and its subsidiary together constitute 'the Group'. The Consolidated Financial Statements have been prepared on the following basis:

- The financial statements of the Company and its Subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intragroup balances, intra-group transactions and unrealized profits or losses as per Accounting Standard 21 'Consolidated Financial Statements', as notified by the Companies (Accounting Standards) Rules, 2006.
- The financial statements of Subsidiary used in the consolidation are drawn upto the same reporting date.
- Minority Interest in the net assets of Subsidiaries consists of :
 - a. the amount of equity attributable to the minorities at the date on which investment in Subsidiary is made and
 - b. the minorities' share of movements in equity since the date the parent-subsidiary relationship came into existence.
- The detail of Subsidiary which is included in the consolidation is given below: -

Name of Company	Holding (%)	
	2008-09	2007-08
Malkan Engineering Pvt. Ltd.	53.57	Nil

- As per the Accounting Standard – 21 'Consolidated Financial Statements':

"On the first occasion that Consolidated Financial Statements are presented, comparative figures for previous period need not be presented."

Therefore the previous year(s) figures have not been incorporated.

2. Significant Accounting Policies

The financial statements are prepared under historical cost convention on an accrual basis and comply with the Accounting Standards (AS) notified by the Companies (Accounting Standards) Rules, 2006. The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. The significant accounting policies adopted in the presentation of the financial Statements are as under:-

a) Revenue Recognition:

- i. Rooms, Restaurants, Banquets and Other Services comprise of sale of rooms, food and beverages, allied services relating to hotel operations, including net income from telecommunication services and management and operating fees. Revenue is recognised upon rendering of the service.
- ii. In respect of the subsidiary company Sales are recognised when goods are invoiced on dispatch to customers and are net of excise, sales tax & goods returned.

b) Employee Benefits

Gratuity:

The Company provides for gratuity, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by independent actuary as at the Balance Sheet date. Actuarial gains and losses are recognised in full in the Profit and Loss account for the year in which they occur.

Provident fund:

The eligible employees of the company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the company make monthly contributions at a specified percentage of the covered employee's salary. The contributions as specified under the law are paid to the Regional Provident Fund Commissioner by the Company.

c) Fixed Assets:

Fixed assets are stated at cost less depreciation/amortisation and impairment losses, if any. Cost includes expenses incidental to the installation of assets and attributable borrowing costs.

d) Depreciation and Amortisation:

- i. In respect of the Company, depreciation is provided under the straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956
- ii. In respect of the subsidiary company depreciation is provided on WDV method at the rates prescribed under the Income Tax Rules on pro rata basis.

e) Inventories:

- i. Stock of food and beverages and operating supplies are carried at cost (computed on weighted average basis) or Net Realizable Value, whichever is lower.
- ii. In respect of Subsidiary Company, raw material is valued at cost worked out on the basis of last purchase price plus direct expenses and Work in Process is valued at material cost plus overheads.

f) Investments:

Long term investments are carried at cost, after providing for any diminution in value, if such diminution is of permanent nature. Current investments are carried at lower of cost or market value. The determination of carrying amount of such investments is done on the basis of specific identification.

3. Taxes on income:

As both the Companies have losses in the current financial year no provision for Taxes is made

4. Segment Reporting :

The Group is engaged in Hospitality, Engineering, Securities Trading and other business which is considered as the Primary reportable business segment as per Accounting Standard (AS) 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.

Primary Segment:

(Rs. In Lacs)

	Particulars	Hospitality	Engineering	Securities Trading	Others	Total
1.	Segment Revenue					
	a. External	160.74	57.98	363.29	53.79	635.80
	b. Inter-Segment	-	-	-	-	-
	c. Total Revenue	160.74	57.98	363.29	53.79	635.80
2.	Total Revenue of each segment as a percentage of Total Revenue of all Segments	25	9	57	9	100
3.	Segment Results (Profit/(Loss) before Interest, Depreciation & Taxes)	(179.40)	(67.57)	283.22	51.88	88.13
4.	Interest	175.42	7.00	-	-	182.42
5.	Depreciation / Amortisation	71.54	6.42	-	-	77.96
6.	Taxes	0.58	0.53	-	-	1.11
7.	Segment Result Net Profit / (Loss)	(426.94)	(81.52)	283.22	51.88	(173.36)
8.	Segment Assets	3,422.47	636.57	200.00	106.69	4,365.73
9.	Segment Assets as a percentage of all Segments	78	15	5	2	100
10.	Segment Liabilities	1,336.08	380.48	-	-	1,716.56
11.	Capital Expenditure	1,397.73	418.86	-	17.26	
12.	Non-Cash Expenses other than Depreciation and Amortisation	51.89	27.04	-	-	

Secondary Segment:

As the Group operates reportable business segment at single Geographical location, the Secondary reportable geographical segment as per Accounting Standard (AS) 17 is not applicable.

5. Earning Per Share (EPS):

As per Accounting Standard 20, issued by the Institute of Chartered Accountants of India the Disclosure of Earning per Share is as under:

PARTICULARS	2008-2009
Net Profit after minority interest as Per Profit & Loss A/c.	(14,257,213.75)
Less: Proposed Dividend on Preference Share	NIL
Less: Provision For Taxation for dividend on Preference Shares	NIL
Net Profit available for equity shareholder	(14,257,213.75)
Number of Equity Shares outstanding at the end of the year	12,500,000
Basic Earning Per Share (in Rs.)	(1.14)

6. Intangible Assets (AS – 26):

In respect of Subsidiary Company, in F. Y. 2005-06, it has decided to amortise Goodwill acquired during the acquisition of Malkan Engineering over ten years from the year 2005-2006. Accordingly, 10% of Goodwill has been written off to Profit & Loss Account pursuant to provisions of AS – 26.

7. Impairment of Fixed Assets (AS-28):

The Fixed assets specifically Land, Building and Plant & Machinery of the company have been valued from the approved valuer at a reasonable interval in order to comply with the Requirements of AS-28.

8. Events occurring after Balance Sheet Date:

Refer Note No. 3 of Notes forming part of Balance Sheet of Vedant Hotels Ltd.

9. Provisions, Contingent Liabilities and Contingent Asset:

Provisions are recognized when the company has present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimates can be made for the amount of the obligation





16 **GRAYSON PERRY**
Is all this talk about 'access' to
the arts just middle class guilt?

17 **FIRST NIGHT**
Sir John Tavener unwraps
his birthday present to Mozart

A collection of single-shot s
conciseness and the power
whatever hap- bursts open the
ted to the It wheels slow
like a smar
spra



2nd Room Night free*
(Pay for One Night & get the Second Night free)



Shareholder's Coupon

* Coupon is valid at VITS - Aurangabad, a property of Vedant Hotels Ltd.
* Subject to Terms & Conditions overleaf

Coupon No.: A
Name :
Tel. No. :



2nd Room Night free*
(Pay for One Night & get the Second Night free)



Shareholder's Coupon

* Coupon is valid at VITS - Aurangabad, a property of Vedant Hotels Ltd.
* Subject to Terms & Conditions overleaf

Coupon No.: B
Name :
Tel. No. :



2nd Room Night free*
(Pay for One Night & get the Second Night free)



Shareholder's Coupon

* Coupon is valid at VITS - Aurangabad, a property of Vedant Hotels Ltd.
* Subject to Terms & Conditions overleaf

Coupon No.: C
Name :
Tel. No. :



Valid only for F & B
30% Discount on F&B*



Shareholder's Coupon

* Coupon is valid at VITS - Aurangabad, a property of Vedant Hotels Ltd.
* Subject to Terms & Conditions overleaf

Coupon No.: D
Name :
Tel. No. :

Terms & Conditions:

1. Room will be subject to availability and to be booked 15 days in advance.
2. Room reservation to be made during office hrs. i. e. between 9 a. m. to 6 p. m. at VITS - Aurangabad and use of coupon with number to be mentioned, failing which, the discount will not be extended.
3. The Original Coupon needs to be presented to the Reception on check-in.
4. When making a booking, they must specify that they are share holdres.
5. The coupon will be valid for a double occupancy room only, extra bed will be charged Rs. 1,500/- plus taxes.
6. The above offer is valid for room only basis.
7. Check-in / check-out will be 12 noon.
8. One day advance has to be paid at the tome of booking.
9. Child below 12 yrs. will be free of charg if extra bed is not taken. over and above will be charged.
10. The rate of day for a standard room will be charged at the time of making the booking.
11. The Coupon will be valid till 31st August 2010.
12. The complimentary room is to be used immidiatly after the paid room and cannot be taken at a letter date.
13. The room booking has to be guaranteed by a credit card paymemnt or an advance payment.
14. A room booking cancellation will be honoured only if given in writing 24 hrs. in advance before the arrival.
15. Discount in F&B cannot be clubbed with any other discounts, promotions etc.

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9. Child below 12 yrs. will be free of charg if extra bed is not taken. over and above will be charged.
10. The rate of day for a standard room will be charged at the time of making the booking.
11. The Coupon will be valid till 31st August 2010.
12. The complimentary room is to be used immidiatly after the paid room and cannot be taken at a letter date.
13. The room booking has to be guaranteed by a credit card paymemnt or an advance payment.
14. A room booking cancellation will be honoured only if given in writing 24 hrs. in advance before the arrival.
15. Discount in F&B cannot be clubbed with any other discounts, promotions etc.

Terms & Conditions:

1. 30% Discount on Food & Beverages
2. The Original Coupon has to be presented to the Restaurant dining in.
3. Up to 10 pax can be entertained at any given time per coupon.
4. Discount in F&B cannot be clubbed with any othre discounts, promotions etc.
5. Coupon not valid for Banquets.



VITS Aurangabad a landmark of unparalleled luxury & superior style brings you a memorable experience in this historic city. VITS Aurangabad is centrally located near the Railway Station (2km) & Airport (9 km)

92 Luxurious & Comfortable Rooms to cherish.

Ideal option for the business traveler and ensuring the success of any business event, our business savvy spaces ensure that. Offering a range of Banquet Halls from ONYX, SAPPHIRE, TOPAZ, CORAL & CRYSTAL varying in their area to suit any and every occasion.

Coffee Shop

Snax

HERBS & SPICES
Build Up Protein

BEHIND THE BARS

iwellness
CLUB

FOOD & BEVERAGES OUTLETS

The coffee shop offers a wide variety of cuisine to please your palate

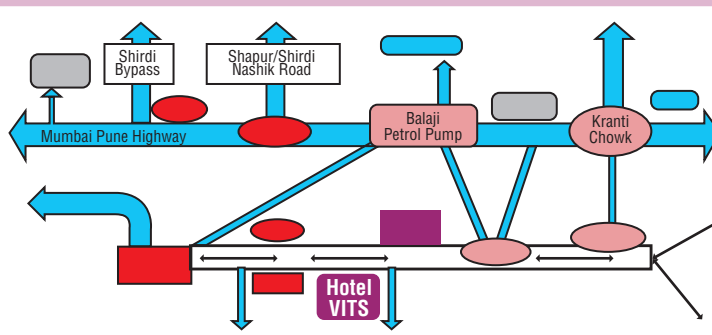
You will find "Snax" to be the perfect place to take care of your hunger pangs in between meals.

At "Herbs & Spices" you will find a tantalizing international vegetarian spread. Ensuring the taste buds are well looked offer.

"Behind Bars" is the perfect ambiance to lounge over and unwind after sunset.

LIESURE FACILITIES

The Wellness Club" boasts a range of the latest equipment to keep you in shape. Alternatively rejuvenate those fired muscles in our steam section.



Reservations :

Railway Station Road, Aurangabad 5 (M. S.)
Tel. : +91-240-2350701-4 / 6001 7555
Email : resvaurangabad@vitshotels.com

Regd. & Corporate Office:

'Dhanada', 16/6, Erandawana Housing Society,
Plot No. 8, Patwardhan Baug, Pune 411 004.
• Telefax : 020-25460661, 25462408
• E-mail: vedant@vedanthotels.com
• Website: www.vedanthotels.com



Vedant Hotels Ltd.

Regd. & Corporate Office
'Dhanada', 16/6,
Erandawane Housing Society,
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