

REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2001

Your Directors submit their Report and Accounts for the financial year ended 31st March, 2001.

PERFORMANCE

Your Company achieved a turnover of Rs. 117.35 lacs, registering a decrease of 12% over previous year and earned a net profit of Rs. 2.30 lacs as against a net profit of Rs. 14.72 lacs as reported in the previous year. The lower performance is due to recast of hotels portfolio during the year under review. During the year, your Company received an amount of Rs. 30,00,000/- as compensation for cessation of rights under a contract which is in the nature of a capital receipt and accordingly the same was transferred to Capital Reserve.

Your Company operates six hotels including Fortune Resort Bay Island at Port Blair, which became operational under 'Fortune' banner effective 1st April, 2001, and has operating agreements in respect of five hotel projects which are slated to open during the course of next two years. Negotiations are underway at several attractive locations.

CONSERVATION OF ENERGY/FOREIGN EXCHANGE

Considering the nature of business of your Company, no comment is made on conservation of energy. There has been no foreign exchange income or outflow during the year under review.

DIRECTORS

In accordance with the provisions of Article 143 of the Articles of Association of the Company, Mr. S.S.H. Rehman and Mr. Nakul Anand will retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES

The particulars of employees as required to be disclosed in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, are annexed to this Report.

ANNEXURE TO THE REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2001

Particulars of Employees under Section 217(2A) of the Companies Act, 1956 and forming part of the Report of the Directors

Name	Age	Designation/ Nature of Duties	Gross Remuneration (Rs.)	Qualifications	Experi- ence (Years)	Date of Comm- ence- ment of Em- ploy- ment	Previous Em- ploy- ment/ Position Held
Employed throughout the year and in receipt of remuneration aggregating Rs. 12,00,000/- or more							
Ravi Suri	57	Managing Director	13,67,241	Diploma in Hotel Management	32	01.01.2000	ITC Hotels Limited Vice President - Food & Beverage (External)

COMPLIANCE CERTIFICATE UNDER COMPANIES ACT, 1956

A certificate issued by M/s. S. R. Sundaram & Associates, Company Secretaries in terms of the provisions of Section 383A of the Companies Act, 1956, to the effect that the Company has complied with the applicable provisions of the said Act is attached to this Report.

AUDITORS

The Auditors of your Company, M/s. Lovelock & Lewes, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, your Directors state that :

a) in the preparation of annual accounts under review the applicable accounting standards had been followed b) appropriate accounting policies were selected and applied consistently and reasonable and prudent judgements and estimates were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit or loss of the Company for that period c) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities d) the annual accounts are prepared on a going concern basis. The required disclosures and significant accounting policies followed are appearing in Schedules 14 & 15, respectively, in the annual accounts.

On behalf of the Board

RAVI SURI *Managing Director*

M. RIAZ AHMED *Director*

New Delhi, 8th May, 2001

ANNEXURE TO THE REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2001

Particulars of Employees under Section 217(2A) of the Companies Act, 1956 and forming part of the Report of the Directors

Employed for a part of the year and in receipt of remuneration aggregating Rs. 1,00,000/- or more per month

NONE

Notes:

- Gross remuneration comprises salary, allowances, value of perquisites, Company's contribution to Provident, Pension and Gratuity Funds etc.
- The appointment is contractual.
- The employee is not related to any Director of the Company.

On behalf of the Board

RAVI SURI *Managing Director*

M. RIAZ AHMED *Director*

New Delhi, 8th May, 2001

COMPLIANCE CERTIFICATE

Regn. No. of the Company : 55-99973
Nominal Capital : Rs. 2,00,00,000/-

To
The Members
M/s Fortune Park Hotels Limited
25, Community Centre
Basant Lok
Vasant Vihar
New Delhi – 110 057

We have examined the registers, records, books and papers of M/s Fortune Park Hotels Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2001. In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the period –

- The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the Rules made thereunder and all entries therein have been duly recorded.
- The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies within the time prescribed under the Act and the Rules made thereunder.
- The Company, being a public limited company, comments are not required.
- The Board of Directors of the Company met four times respectively on 9th May, 2000, 13th September, 2000, 7th November, 2000 and 30th March, 2001. In respect of such meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
- The Company has not closed the Register of its Members during the financial year.
- The Annual General Meeting of the Company for the financial year ended 31st March, 2000 was held on 18th August, 2000 after giving due notice to the Members of the Company and the resolutions passed thereat were duly recorded in the Minutes book maintained for the purpose.
- No Extraordinary General Meeting was held during the financial year.
- The Company has not advanced any loan to its Directors and/or persons or firms or companies referred to in Section 295 of the Act.

- The Company has not entered into any contracts falling within the purview of Section 297 of the Act, as no such contracts were made during the financial year.
- The Company is maintaining the register under Section 301 of the Act and has made necessary entries during the year.
- As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
- The Company has not issued any duplicate share certificates during the financial year.
- (i) There was no allotment/ transfer/ transmission of securities during the financial year.
(ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
(iii) The Company was not required to post warrants to any Member of the Company as no dividend was declared during the financial year.
(iv) The Company has generally complied with the applicable requirements of Section 217 of the Act in respect of last year.
- The Board of Directors of the Company is duly constituted and the appointment of Directors and Additional Directors have been duly made.
- The Company appointed Mr. Ravi Suri as Managing Director with effect from 1st January, 2000 and got approval of Central Government on 3rd October, 2000 for his appointment and remuneration upto 1st March, 2000. The approval in respect of remuneration after 1st March, 2000 is yet to be received from the Department.
- The Company has not appointed any sole selling agents during the financial year.
- The Company has sought clarification from the Central Government in respect of remuneration payable to Managing Director, which is under consideration.
- The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder.
- The Company has not issued any shares, debentures or other securities during the financial year.
- The Company has not bought back any shares during the financial year.
- There was no redemption of preference shares or debentures during the financial year.
- There was no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.

COMPLIANCE CERTIFICATE (Contd.)

23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from Banks during the financial year is within the borrowing limits of the Company.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum during the year under scrutiny, with respect to :
 - (i) situation of the Company's Registered Office from one State to another
 - (ii) the objects of the Company
 - (iii) the name of the Company and
 - (iv) share capital of the Company.
27. The Company has not altered its Articles of Association during the financial year.
28. There was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
29. The Company has not received any money as security from its employees during the financial year.
30. The Company has not constituted Provident Fund for its employees and as such, Section 418 of the Act is not applicable to the Company.

For S.R. Sundaram & Associates

S. Ramasundaram
Proprietor
C.P. No. 2530

New Delhi, 8th May, 2001

ANNEXURE – A

Registers as maintained by the Company :
Statutory Registers

1. Register of Members under Section 150
2. Minutes Book of Board Meetings
3. Minutes Book of General Meetings
4. Books of Account under Section 209
5. Register of particulars of contracts in which Directors are interested under Section 301
6. Register of Directors under Section 303
7. Register of Directors' Shareholding under Section 307

Annexure 'B'

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended 31st March, 2001.

S.No.	Form No./Return	Filed under Section	For	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	Annual Return	159	For the AGM held on 18.8.2000	14.9.2000	Yes	N.A.
2.	Balance Sheet	220	As on 31.3.2000	14.9.2000	Yes	N.A.

REPORT OF THE AUDITORS TO THE MEMBERS

1. We report that we have audited the Balance Sheet of Fortune Park Hotels Limited as at 31st March, 2001 and the relative Profit and Loss Account for the year ended on that date, both of which we have signed under reference to this report and the above mentioned accounts are in agreement with the books of account.
2. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Profit and Loss Account together with the notes thereon/attached thereto, give in the prescribed manner, the information required by the Companies Act, 1956 of India ('The Act'), and also give respectively, subject to matter stated in paragraph 2.1 given below, a true and fair view of the state of the Company's affairs as at 31st March, 2001 and its profit for the year ended on that date.
- 2.1. Reference Note (i) of Schedule 14, the remuneration paid to the Managing Director to the extent indicated therein is subject to the approval of the Central Government. The Company has already made an application in this regard and the approval is awaited.
3. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for our audit. In our opinion, proper books of account have been kept as required by law so far as it appears from our examination of the books. In our opinion, the Profit and Loss Account and the Balance Sheet have been prepared in compliance with the Accounting Standards issued by the Institute of Chartered Accountants referred to in Section 211(3C) of 'The Act' to the extent applicable.
4. Based on representations made by all the Directors of the Company and the information and explanations as made available, the Directors of the Company do not prima facie have any disqualification as referred to in clause (g) of sub-section (1) to Section 274 of 'The Act'.
5. As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988 dated 7th September, 1988 and issued by the Central Government of India and on the basis of such checks as we considered appropriate and the information and explanations given to us, we further report that :
 - i) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets. The fixed assets have been physically verified by the management at regular intervals and no material discrepancies between the book records and the physical inventory have been noticed.
 - ii) The fixed assets of the Company have not been revalued during the year.
 - iii) The Company has not taken any loans, secured or unsecured, from Companies, firms or other parties as listed in the register maintained under Section 301 of 'The Act'. In terms of sub section (6) of Section 370 of 'The Act', provisions of the section are not applicable to a Company on or after the commencement of the Companies (Amendment) Act, 1999 of India.
 - iv) The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties listed in the register maintained under Section 301 of 'The Act'. In terms of sub section (6) of Section 370 of 'The Act', provisions of the section are not applicable to a Company on or after the commencement of the Companies (Amendment) Act, 1999 of India.
 - v) The Company has not granted any loans or advances in the nature of loans to other parties. The employees to whom loans or advances in the nature of loans have been given by the Company are repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.

- vi) In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of plant & machinery, equipment and other assets and for services rendered.
- vii) There are no transactions for purchase of goods and materials and services, which were made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and aggregating during the year to Rs. 50,000/- or more in value in respect of each party.
- viii) The Company has not accepted any deposits from the public.
- ix) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- x) The Company is regular in depositing Provident Fund and dues with the appropriate authorities in India. Employee State Insurance Act is not presently applicable to the Company.
- xi) There are no undisputed amounts in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty outstanding as at 31st March, 2001 for a period of more than six months from the date they became payable.
- xii) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any personal expenses which have been charged to Profit and Loss Account, other than those payable under contractual obligations and accepted business practices, nor have we been informed of any such case by the management.
- xiii) The Company is not a Sick Industrial Company within the meaning of Clause (o) of Sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 of India.
- xiv) Item numbers (iii), (iv), (v), (vi), (xii), (xiv), (xvi) of Clause A of paragraph 4 of the aforesaid order are not applicable to the Company since it renders service activities which do not involve purchase of finished goods, stores & spares, raw materials and sale of goods.
- xv) In respect of services rendered:
 - a) The Company carries on service activities, which do not involve consumption of materials and stores.
 - b) Considering the nature of its activities, the allocation of man-hours to the various jobs is not considered practicable by the management.

For LOVELOCK & LEWES
Chartered Accountants

KAUSHIK DUTTA
Partner

New Delhi, 8th May, 2001

BALANCE SHEET AS AT 31ST MARCH, 2001

Schedule	As at 31st March, 2001		As at 31st March, 2000	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
I. SOURCES OF FUNDS				
1. Shareholders' Funds				
(a) Share Capital	1	45,00,080	45,00,080	
(b) Reserves & Surplus	2	54,31,367	22,01,763	67,01,843
2. Loan Funds				
(a) Secured Loans	3			
Total		1,18,31,404		67,01,843
II. APPLICATION OF FUNDS				
1. Fixed Assets	4			
(a) Gross Block		42,68,751	41,27,338	
(b) Less – Depreciation		16,41,085	11,95,761	
(c) Net Block		26,27,666		29,31,577
2. Current Assets, Loans & Advances				
(a) Sundry Debtors	5	64,88,687	46,48,618	
(b) Cash & Bank Balances	6	33,65,982	12,01,035	
(c) Other Current Assets	7	11,07,622	35,900	
(d) Loans & Advances	8	10,93,087	9,20,869	
		1,20,55,378	68,06,422	
Less : Current Liabilities & Provisions Liabilities	9	28,95,838	30,91,406	
Net Current Assets		91,59,540		37,15,016
3. Miscellaneous Expenditure (To the extent not written off or adjusted)				
Preliminary Expenses	10	44,198		55,250
Total		1,18,31,404		67,01,843
Notes to the Accounts	14			
Significant Accounting Policies	15			

The Schedules referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our Report of even date.

For LOVELOCK & LEWES
Chartered Accountants

KAUSHIK DUTTA
Partner
New Delhi, 8th May, 2001

On behalf of the Board

RAVI SURI Managing Director
M. RIAZ AHMED Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2001

Schedule	For the year ended 31st March, 2001 (Rs.)	For the year ended 31st March, 2000 (Rs.)
I. INCOME		
Income from Operations	11	1,14,33,711
Other Income	12	3,00,841
		1,17,34,552
II. EXPENDITURE		
Operating and Administrative Expenses	13	1,10,21,500
Depreciation		4,45,324
Preliminary Expenses Written off		11,052
		1,14,77,876
	(Rs.)	(Rs.)
III. PROFIT		
Profit before Taxation		2,56,676
Provision for Taxation – Current Year		1,50,000
Less : Earlier Years Adjustments		1,22,928
Profit after Taxation		2,29,604
Profit Brought Forward		21,86,422
Extraordinary Capital Receipt		30,00,000
Available for Appropriation		54,16,026
IV. APPROPRIATIONS		
Capital Reserve		30,00,000
Profit Carried Forward		24,16,026
		54,16,026
Notes to the Accounts	14	
Significant Accounting Policies	15	

The Schedules referred to above form an integral part of the Profit & Loss Account.
This is the Profit & Loss Account referred to in our Report of even date.

For LOVELOCK & LEWES
Chartered Accountants

KAUSHIK DUTTA
Partner
New Delhi, 8th May, 2001

On behalf of the Board

RAVI SURI Managing Director
M. RIAZ AHMED Director

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2001 (Rs.)	As at 31st March, 2000 (Rs.)		As at 31st March, 2001 (Rs.)	As at 31st March, 2000 (Rs.)
1. SHARE CAPITAL			2. RESERVES AND SURPLUS		
Authorised			Capital Reserve	(Rs.)	
20,00,000 Equity Shares of Rs. 10/- each	2,00,00,000	2,00,00,000	At the commencement of the year	—	—
Issued, Subscribed and Paid-up			Add : Transfer from Profit & Loss Account	30,00,000	30,00,000
4,50,008 Equity Shares of Rs. 10/- each	45,00,080	45,00,080	General Reserve	15,341	15,341
	45,00,080	45,00,080	Balance in Profit & Loss Account	24,16,026	21,86,422
Includes				54,31,367	22,01,763
— 4,50,001 Equity Shares of Rs. 10/- each fully paid up are held by the holding company, ITC Hotels Limited.			3. SECURED LOAN		
			From Bank – Overdraft*	18,99,957	—
			*Secured by way of pledge of Fixed Deposit	18,99,957	—

4. FIXED ASSETS - AT COST

Particulars	Original Cost as at 01.04.2000 (Rs.)	Additions during the year (Rs.)	Withdrawals during the year (Rs.)	Original Cost as at 31.03.2001 (Rs.)	Depreciation for the year (Rs.)	Depreciation on Withdrawals (Rs.)	Depreciation up to 31.03.2001 (Rs.)	Net Block as at 31.03.2001 (Rs.)	Net Block as at 31.03.2000 (Rs.)
1. Office Equipment	8,92,344	10,995	—	9,03,339	39,651	—	1,97,537	7,05,802	7,34,458
2. Furniture & Fittings	10,73,869	16,793	—	10,90,662	84,394	—	2,63,265	8,27,397	8,94,998
3. Computers	15,36,889	1,13,625	—	16,50,514	2,61,977	—	11,20,009	5,30,505	6,78,857
4. Vehicle	6,24,236	—	—	6,24,236	59,302	—	60,274	5,63,962	6,23,264
Total	41,27,338	1,41,413	—	42,68,751	4,45,324	—	16,41,085	26,27,666	29,31,577
Previous Year	37,78,553	7,63,556	4,14,771	41,27,338	3,83,615	72,400	11,95,761	29,31,577	—

SCHEDULES TO THE ACCOUNTS (Contd.)

	As at 31st March, 2001 (Rs.)	As at 31st March, 2000 (Rs.)
5. SUNDRY DEBTORS (Unsecured — considered good)		
a) Debts outstanding for period exceeding six months	35,40,504	6,66,714
b) Other debts	<u>29,48,183</u>	<u>39,81,904</u>
	<u>64,88,687</u>	<u>46,48,618</u>
6. CASH AND BANK BALANCES		
With Scheduled Banks		
On Current Accounts	3,63,480	11,55,797
On Fixed Deposit*	<u>30,00,000</u>	<u>—</u>
Cash on hand	<u>2,502</u>	<u>45,238</u>
	<u>33,65,982</u>	<u>12,01,035</u>
*Pledged with Bank		
7. OTHER CURRENT ASSETS (Unsecured — considered good)		
Interest Accrued but not due on Deposit	97,622	—
Deposits with Public Bodies & Others	<u>10,10,000</u>	<u>35,900</u>
	<u>11,07,622</u>	<u>35,900</u>
8. LOANS AND ADVANCES (Unsecured — considered good)		
Advances recoverable in cash or in kind or for value to be received	50,914	53,725
Income Tax (net of provisions)	<u>10,42,173</u>	<u>8,67,144</u>
	<u>10,93,087</u>	<u>9,20,869</u>
9. LIABILITIES		
Sundry Creditors	<u>28,95,838</u>	<u>30,91,406</u>
	<u>28,95,838</u>	<u>30,91,406</u>
10. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Preliminary Expenses	55,250	66,301
Less : Written off during the year	<u>11,052</u>	<u>11,051</u>
	<u>44,198</u>	<u>55,250</u>
	For the year ended 31st March, 2001 (Rs.)	For the year ended 31st March, 2000 (Rs.)
11. INCOME FROM OPERATIONS		
Management Consultancy & Other Services*	<u>1,14,33,711</u>	<u>1,31,19,700</u>
	<u>1,14,33,711</u>	<u>1,31,19,700</u>
*Tax Deducted at Source Rs. 6,30,831/- (Previous Year — Rs. 6,27,838/-)		
12. OTHER INCOME		
Interest on Deposits**	1,26,126	6,030
Others	<u>1,74,715</u>	<u>1,05,865</u>
	<u>3,00,841</u>	<u>1,11,895</u>
**Tax Deducted at Source Rs. 28,504/- (Previous Year — Rs. NIL)		
13. OPERATING AND ADMINISTRATIVE EXPENSES		
Salaries, Wages and Bonus	34,58,186	21,59,782
Contribution to Provident, Gratuity and Other Funds	4,68,071	2,02,499
Staff Welfare Expenses	3,56,115	2,73,618
Power and Fuel	4,20,135	5,47,255
Rent	4,47,884	6,47,000
Repairs — Others	3,56,135	3,24,077
Reimbursement of Remuneration to persons on deputation	<u>17,76,123</u>	<u>24,39,584</u>
Insurance	62,570	18,376
Rates and Taxes	—	98,772
Advertising/Sales Promotion & Market Research	<u>10,90,128</u>	<u>8,65,431</u>
Bad Debts written off	—	7,04,005
Legal & Professional Fees	3,25,500	4,02,995
Travelling & Conveyance	11,31,580	7,48,073
Postage, Telephones, Fax etc.	6,87,598	6,56,008
Printing, Stationery, Books etc.	1,20,478	1,14,884
Auditors' Remuneration	(Rs.)	(Rs.)
— Audit Fees	30,000	30,000
— Fees for Tax Audit	21,000	15,750
— Certification/Other Services etc.	<u>8,500</u>	<u>33,000</u>
	59,500	78,750
Bank Charges	1,28,696	47,535
Miscellaneous — Others	<u>1,32,801</u>	<u>2,21,251</u>
	<u>1,10,21,500</u>	<u>1,05,49,895</u>

14. NOTES TO THE ACCOUNTS

(i) Managing Director's Remuneration	Current Year (Rs.)	Previous Year (Rs.)
— Salary & Allowances	9,72,000	2,43,000
— Other Perquisites	1,85,241	39,500
— Contribution to Provident and Other Funds	<u>2,10,000</u>	<u>52,500</u>
	<u>13,67,241</u>	<u>3,35,000</u>

The remuneration of Managing Director for the year ended March 31, 2001 is subject to the approval of the Central Government.

Remuneration paid in excess of the limits specified under the Companies Act, 1956 is Rs. 2,57,241/-.

The Company has made an application to the Ministry of Law, Justice and Company Affairs, Department of Company Affairs, Government of India seeking approval in this regard which is still pending.

(ii) No amounts are due to small scale industrial undertakings (SSI), as defined under Section 3(j) of the Industries (Development & Regulation) Act, 1951, which are more than Rupees One lac and are outstanding for more than one month as on 31st March, 2001.

(iii) The Salaries, Wages and Bonus, Contribution to Provident, Gratuity and Other Funds, Staff Welfare Expenses & Reimbursement of remuneration to persons on deputation is net of recoveries of Rs. 24,36,727/- (Previous Year - Rs. 21,15,201/-).

(iv) During the year, the Company has received an amount of Rs. 30,00,000/- as compensation for cessation of rights under a contract which is in the nature of a capital receipt and transferred to Capital Reserve.

(v) Previous year figures have been re-arranged/re-grouped wherever considered necessary.

15. SIGNIFICANT ACCOUNTING POLICIES

(i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

To prepare financial statements in accordance with the historical cost convention, generally accepted accounting principles and relevant presentational requirements of the Companies Act, 1956.

(ii) FIXED ASSETS

To state Fixed Assets at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition.

(iii) DEPRECIATION

To provide depreciation in respect of all Assets on Straight line method at the rates specified in Schedule XIV of the Companies Act, 1956.

(iv) REVENUE RECOGNITION

Income from services rendered are booked on accrual basis, in accordance with agreements/arrangements with the concerned parties.

(v) RETIREMENT BENEFITS

To make regular contributions to the Provident Fund and Gratuity Fund which are charged to revenue. The contribution in respect of Gratuity Fund are made to LIC based on evaluation by the LIC and the Provident Fund and Family Pension Fund contributions are statutorily deposited with the Government.

(vi) PROPOSED DIVIDEND

To provide for Dividend as proposed by the Directors in the books of account, pending approval at the Annual General Meeting.

(vii) PRELIMINARY EXPENSES

To amortise Preliminary Expenses in equal instalments over the period of ten financial years.

On behalf of the Board

RAVI SURI *Managing Director*
M. RIAZ AHMED *Director*

New Delhi, 8th May, 2001

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(As per Schedule VI, Part IV of the Companies Act, 1956)

I. Registration Details

Registration No. State Code
Balance Sheet Date
Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue Rights Issue
Bonus Issue Private Placement

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

Total Liabilities Total Assets
Sources of Funds
Paid up Capital Reserves & Surplus
Secured Loans Unsecured Loans

Application of Funds

Net Fixed Assets Investments
Net Current Assets Misc. Expenditure
Accumulated Losses

IV. Performance of Company (Amount in Rs. Thousands)

Turnover** Total Expenditure

** Includes Other Income

Profit/Loss Before Tax Profit/Loss After Tax

(Please tick the appropriate box + for profit, - for loss)

Earnings per Share in Rs. Dividend Rate %

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No.

Product Description

*** No Item code has been assigned to 'Hotels' under the Indian Trade Classification.