



**XIVth ANNUAL REPORT
1998-99**



**HOTEL SURYA PALACE
JINDAL HOTELS LIMITED
BARODA**

JINDAL HOTELS LIMITED, BARODA

—Opp. Parsi Agiari, Sayajigunj, Baroda - 390 005.

Board of Directors : Shri D.C. Gami (Chairman)
Shri P.D. Shah (Managing Director)
Shri N.D. Shah (Executive Director)
Shri K.V. Raman (Nominee)
Shri R.N. Joshi
Shri D.R. Shah
Smt.C.P. Shah

Registered Office : Opp. Parsi Agiari,
Sayajigunj,
Baroda - 390 005.

Bankers : Canara Bank, Alkapuri, Baroda.
A.S.M. Co-operative Bank Ltd.
Baroda.

Auditors : M/s. U.S.Bohara & Company,
Chartered Accountants,
104, Regent Towers, 1st Floor,
Race Course Circle,
Baroda - 390 007.

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JINDAL HOTELS LIMITED, BARODA

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FOURTEENTH ANNUAL REPORT - 1998-99

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Fourteenth Annual General Meeting of the members of M/S Jindal Hotels Limited, will be held on Tuesday, the 28th day of September, 1999 at 11.00 a.m. at the Company's Registered Office at Opp. Parsi Agiari, Sayajigunj, Baroda - 390 005, to transact the following business :

ORDINARY BUSINESS :

01. To receive and adopt the Audited Statment of Accounts for the year ended 31st March, 1999, together with the Director's Report.
02. To declare dividend on Equity Shares.
03. To elect Director in place of Shri R.N. Joshi who retires by rotation, and being eligible, offers himself for reappointment.
04. To elect Director in place of Shri D.R. Shah, who retires by rotation, and being eligible, offers himself for reappointment.
05. To consider and if thought fit, to pass, with or without modification, the following resolution as **Ordinary Resolution**.

"Resolved that pursuant to the provisions of Section 224 and other applicable sections of the Companies Act, 1956, in place and stead of Messrs. U.S. Bohara & Company, Chartered Accountants, the retiring auditors, in respect of whom special notice pursuant to Section 225 read with section 190 of the said Act has been received, M/s. V. Shah & Associates, Chartered Accountants, be and are hereby appointed auditors of the Company to hold office from the conclusion of this meeting up to the conclusion of the next Annual General Meeting , on a remuneration to be fixed by the Board of Directors."

Registered Office :
Opp. Parsi Agiari,
Sayajigunj,
Baroda - 390 005.

By Order of the Board of Directors of
JINDAL HOTELS LIMITED

Place : Baroda
Date : 31.05.1999

P. D. Shah
Managing Director

JINDAL HOTELS LIMITED, BARODA

Opp. Parsi Agiari, Sayajigunj, Baroda - 390 005.

ANNEXURE TO NOTICE

Explanatory Statement as required under Section 173(2) of the Companies Act, 1956.

Item No. 5 (Ordinary Resolution)

M/s. U.S. Bohara & Company, Chartered Accountants, have been Auditors of the Company since its inception and were re-appointed as Auditors of the Company at the last Annual General Meeting to hold office till the conclusion of this Annual General Meeting. The Company has received special notice under the provisions of Section 225 read with section 190 of the Companies Act, 1956, proposing the appointment of M/s. V. Shah & Associates, Chartered Accountants, Near Commerce Centre, Sayajigunj, Baroda - 390 005, as the Auditors of the Company, in place of M/s. U.S. Bohara & Co., Chartered Accountants, retiring Auditors. While appreciating the audit work carried out by retiring Auditors, M/s. U. S. Bohara & Co., Chartered Accountants, Board of Directors, considered this as an opportunity to associate with new Auditors. The Board recommend appointment of M/s V. Shah & Associates, Chartered Accountants, Baroda, as statutory auditors.

None of the Directors of the Company is deemed to be concerned or interested in the Resolution.

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Registered Office :
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Sayajigunj,
Baroda - 390 005.

By Order of the Board of Directors of
JINDAL HOTELS LIMITED

Place : Baroda
Date : 31.05.1999

P. D. Shah
Managing Director

JINDAL HOTELS LIMITED, BARODA

Opp. Parsi Agiari, Sayajigunj, Baroda - 390 005.

NOTES :

01. The Register of Members of the Company will remain closed from 21.09.99 to 28.09.99 (both days inclusive) for effecting transfer of shares & payment of dividend.
02. The member entitled to attend and vote at the meeting, can appoint a proxy to attend and on a poll, to vote, instead of himself, and such proxy need not be a member. The proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
03. Members are requested to notify immediately, changes in their address, if any, to the Company.
04. Members are requested to bring their copy of the Annual Report, as no copy will be distributed in the Annual General Meeting.
05. The Dividend when sanctioned will be made available on or before 09.10.1999, in accordance with the resolution to be passed by the Share holders of the Company, to those Shareholders whose names will appear on the Registers of Members of the Company on 28.09.1999 or to their mandates.
06. The Members are requested to
 - (i) Intimate to the Company, changes, if any, in their Registered Addresses.
 - (ii) Furnish their Bank Account Number, Name of the Bank and Branch enabling the Company to draw Dividend Warrants in favour of the Bank, for credit to the account of the respective shareholders, so as to minimise the possibility of fraudulent encashments.
07. In order to maintain decorum amidst the proceedings, Members are, requested to attend the Meeting without accompanying guests or children.

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DIRECTORS REPORT

Your Directors are pleased to present herewith the Fourteenth Annual Report along with the audited accounts of the Company for the year ended 31st March, 1999.

FINANCIAL RESULTS

Particulars	Year ended 31.03.1999 Rs. in Lacs	Year ended 31.03.1998 Rs. in Lacs
Turnover	656.29	652.53
Less : Expenditure	505.66	484.72
Profit before Depreciation, Interest and Tax	150.63	167.81
Interest	13.32	15.12
Depreciation	42.46	37.40
Provision for Tax	10.07	12.50
Net Profit after Tax	84.78	102.79
Brought forward Profit	0.47	40.93
Disposable Surplus	85.25	143.72
Proposed Dividend	21.14	21.14
Tax on Dividend	2.33	2.11
Transferred to General Reserve	55.00	120.00
Transferred to Foreign Exchange Reserve	1.00	Nil
Balance Profit C/F	5.78	0.47

During the year under review, the turnover has increased marginally, while the net profit has reduced to 12.91% of turn over as compared to 15.75% in the previous year. This is mainly due to unprecedented rise in cost of raw materials, increased rate of minimum wages, rationalisation and gratuity payment to the retiring employees and increased cost of electricity.

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DIVIDEND

After due consideration of all aspects, your Directors recommend a dividend @ 6% on paid up share capital of the Company.

DONATION

During the year under review, the Company donated Rs.81,001/- to various Charitable Institutions and the Chief Minister Relief Fund for the cyclone affected in Kandla.

PROSPECTS FOR THE CURRENT YEAR

The continued slow down in the economy as a whole and the depressed business conditions have affected the overall performance of the Company. Room occupancy Rate is still lower than break even levels.

However, through astute management of resources, better marketing strategies, stringent control over various cost centers and avoidance of wasteful expenditure, Your Company, barring unforeseen circumstances, hopes to show better performance during the current year.

TERM LOANS

The term loans obtained from various Financial Institutions and Banks will be fully repaid together with interest thereon during the current year. Thereby, Your Company will become a Long Term Debt Free Company.

CAPITAL EXPENDITURES

With a view to further modernising current Plant and Machinery as well as updating Equipment to provide better services to our valuable customers, the Company incurred a Capital Expenditure of Rs. 50.88 lacs during the year under review.

DIRECTORS

Shri R.N. Joshi and Shri D. R. Shah, Directors of the Company, retire by rotation this year, and being eligible, offer themselves for reappointment.

FIXED DEPOSITS

There were no unpaid/unclaimed fixed deposits as on 31.03.99.

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The Company has maintained Fixed Assets Register showing full particulars including quantitative details and situation of Fixed Assets. Fixed Assets of the Company have been physically verified by the Management during the year and no material discrepancy was noticed on such physical verification.

None of the Fixed Assets have been revalued during the year.

Stock of Food & Beverages, Stores, Operating Supplies, etc., have been physically verified by the Management during the year. In our opinion frequency of verification is reasonable.

The procedure of physical verification of stock followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.

The discrepancies noticed on such physical verification of stocks as compared to book records were not significant and the same have been properly dealt with in the books of account.

On the basis of our examination, the valuation of above mentioned stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year and there is no change in the method of valuation.

The company has not taken any loan secured or unsecured from companies, firm or other parties listed in the register maintained under section 301 and 370(1B) of the Companies Act, 1956.

No loans – secured or unsecured have been granted to companies, firm or other parties listed in the register maintained under section 301 and / or companies under the same management as defined under section 370(1B) of the Companies Act 1956.

In respect of loans and advances in the nature of loans given to employees of the company, the repayment of principal amount and interest, wherever stipulated, are generally regular.

In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the company and nature of its business for the purchases of stores, operating supplies, components, plant & machineries, equipments and other assets.

(a) According to the information & explanations given to us, the transactions of purchases of goods and materials made in pursuance of contracts or arrangements entered in register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs.50,000/- or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices for such goods and materials.

(b) According to the information & explanations given to us, no transaction of sale and service aggregating Rs.50,000/- or more have been entered during the year with any party listed in the register maintained under section 301 of the Companies Act, 1956.

As explained to us, company has system of determination and disposal of unserviceable damaged stores, operating supplies and scrap items, and in our opinion, reasonable records have been maintained by the company for sale and disposal of these items.

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ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the co-operation and assistance extended to the Company during the year under review by various departments of the Central and State Government as well as Financial Institutions and Banks. Your Directors also thank all the loyal employees of the Company for their unstinted efforts and dedicated services.

By Order of the Board of Directors
For JINDAL HOTELS LTD.

Place : Baroda
Date : 31.05.1999

D.C.Gami
Chairman



JINDAL HOTELS LIMITED, BARODA**AUDITOR'S REPORT**

**To,
The Members of
Jindal Hotels Limited**

1. We have audited the attached Balance Sheet of M/s. Jindal Hotels Ltd; as on 31st March, 1999 and also the annexed Profit & Loss Account of the Company for the year ended on that date and we report as under :-
 1. We have obtained all the information and explanations 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 maintained by the company so far as appears from our examinations of those books.
 3. The Company's Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
 4. In our opinion the Profit & Loss Account and Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :-
 - (i) In case of Balance Sheet, of the state of affairs of the company as on 31st March, 1999 and
 - (ii) In case of Profit & Loss Account, of the Profit of the company for the year ended on that date.
- II. As required by the Manufacturing & Other Companies (Auditor's Report) Order 1988 issued by the Company Law Board in terms of Section 227 (4A) of The Companies Act, 1956 and on the basis of such examination of the books and the records of the Company as we considered appropriate and the information & explanations given to us during the course of the audit, we report as under :
 1. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. Fixed Assets of the Company have been physically verified by the Management during the year and no material discrepancy was noticed on such physical verification.
 2. None of the Fixed Assets have been revalued during the year.
 3. Stock of Food & Beverages, Stores, Operating Supplies etc., have been physically verified by the management during the year. In our opinion frequency of verification is reasonable.
 4. The procedure of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 5. The discrepancies noticed on such physical verification of stocks as compared to book records were not significant and the same have been properly dealt with in the books of account.