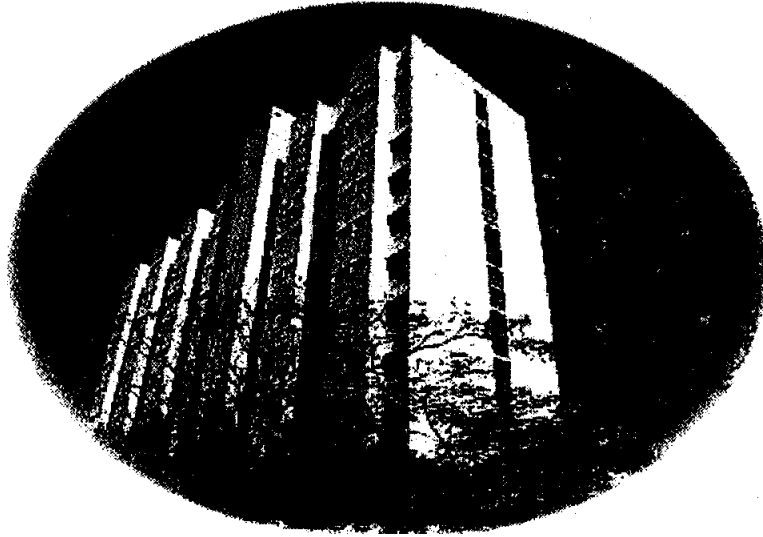


**17th ANNUAL REPORT  
2001-2002**



**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 R.N. Joshi  
Shri D.R. Shah  
Smt. C.P. Shah
- Registered Office :** Opp. Parsi Agiari,  
Sayajigunj,  
Baroda - 390 005
- Financial Institution :** Tourism Finance Corporation of India Ltd.,  
5<sup>th</sup> Floor, IFCI Bhavan,  
Nehru Place,  
New Delhi 110 019.
- Bankers :** Canara Bank, Alkapuri, Baroda.  
Anyonya Cooperative Bank Ltd., Baroda.
- Auditors :** M/s. V. Shah & Associates,  
Chartered Accountants,  
4, Raj Bhavan Colony,  
B/H Baroda High School,  
Near Polo Ground  
Baroda 390 001.

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# JINDAL HOTELS LIMITED, BARODA

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

## SEVENTEENTH ANNUAL REPORT – 2001-2002

### NOTICE TO SHAREHOLDERS

Notice is hereby given that the Seventeenth Annual General Meeting of the members of M/s. Jindal Hotels Limited, will be held on Tuesday, the 17<sup>th</sup> day of September, 2002 at 4:00 p.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 Statement of Accounts for the year ended 31<sup>st</sup> March, 2002, together with the Directors' Report.
02. To elect Director in place of Shri D.C. Gami who retires by rotation, from the Board of Directors.
03. To elect Director in place of Smt. C.P. Shah, who retires by rotation, from the Board of Directors.
04. To appoint Auditors to hold office till the conclusion of the next Annual Meeting and to authorize Board of Directors to fix their remunerations.

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

**By Order of the Board of Directors**  
**of JINDAL HOTELS LIMITED**

**Place : Baroda**  
**Date : 22.06.2002**

**P. D. Shah**  
**Managing Director**

#### **NOTES :**

01. The Register of Members of the Company will remain closed from 10.09.2002 to 17.09.2002 (both days inclusive) for effecting transfer of shares.
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. Members are requested to DEMATERIALISE their Shares Certificates through your Depository participants (DP).
06. In order to maintain decorum amidst the proceedings, Members are requested to attend the Meeting without accompanying guests or children.
07. Consequent upon amendment to section 205 A of the Companies Act, 1956 and introduction of Section 205 C by the Companies (Amendment) Act, 1999, the amount of dividend for the Financial Year 1995-1996 and onwards, remaining unpaid or unclaimed for a period Seven years from the date of transfer to Unpaid dividend Account of the Company, shall be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made, in respect of any such claims by the fund. Members who have not yet availed dividend for the Financial year ended 31.3.1996 to 31.3.2000, are requested to make their claims to the Company accordingly, without any delay.

**JINDAL HOTELS LIMITED, BARODA**

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

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Seventeenth Annual Report and the Audited Accounts for the year ended 31<sup>st</sup> March, 2002.

**Financial Performance**

	Year ended 31.03.2002 (Rs. in lacs)	Year ended 31.03.2001 (Rs. in lacs)
Turnover	591.15	655.00
Less : Expenditure	483.50	555.86
Profit before Depreciation, Interest and Taxation	107.65	99.14
Interest	22.92	13.88
Depreciation	69.02	46.57
Profit before Taxation	15.71	38.69
Provision for Taxation		
a) Income Tax	1.20	2.90
b) Deferred Tax Expense	6.03	—
Net Profit after Taxation	8.48	35.79
Deferred Tax Liabilities (net) of earlier years	154.96	—
Withdrawn from General Reserve towards opening deferred Tax Liabilities(Net)	154.96	—
Brought forward Profit	12.46	26.67
Disposable Surplus	20.93	62.46
Transfer to General Reserve	—	50.00
Balance Profit C/F	20.93	12.46

**Operations**

You Company is passing through difficult times. The recent communal riots in the state of Gujarat affected the working of your Company to a large extent. Having sandwiched between higher cost of operations and lower room utilization, the turnover has gone down from Rs.655 lacs to Rs.591 lacs, a reduction of 10%. Consequently the Net Profit has gone down from Rs.35.79 lacs to Rs.8.48 lacs.

**Expansion Project**

While reviewing the economic situation all over the world and also its likely impact on the hospitality industry, your Board felt and suggests that it is better to concentrate by providing further amenities like health club etc; and also better services to the customer than to expand the room capacity. Having taken this view, the expansion program stands to reduce from Rs. 7 crores to 6 crores. Consequently reducing the term loan from Rs.4.50 crores to Rs.3.85 crores. The revised program is likely to be completed by Feb.2003.

**JINDAL HOTELS LIMITED, BARODA**

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

Keeping the general trend with the Information Technology and as envisaged in the last year's Annual Report about adverse situation of Dot.Com. Industry as a whole, Company has suspended its operations of Software.

**Dividend**

The Board has not recommended any dividend for the year as internal accruals are to be applied towards financing the project as per stipulation of Financial Institutions.

**Prospects for the year**

The Current year working in the beginning was adverse due to outbreak of communal riots from 27th of Feb. in all over Gujarat State, which has affected considerably the working of the Company. With a view to increasing profitability, the Company has undertaken various cost controlling measures without affecting the operational efficiency. Your directors are confident that given riot free situation and expected improvement in domestic economic scenario, your Company will show better performance in the current year.

**Directors**

Shri D.C. Gami and Smt. C.P. Shah retire by rotation, and being eligible, offer themselves for reappointment.

**Insurance**

All the properties including buildings, plant, Machinery and stocks have been adequately insured against all possible risks and hazards.

**Requirement u/s 217(2A) and 217(1)(E)**

The Company has no employee during the year covered under Section 217(2A) of the Companies Act, 1956.

The provision under Section 217(i) (a) of the Companies Act, 1956 are not applicable to the Company since the Company is hospitality industry.

During the year under review, your Company earned foreign exchange of Rs. 4.23 lacs (Previous year Rs. 5.67 lacs), whereas there was outflow of foreign exchange of Rs.14.73 lacs (Previous year Rs.22.41 lacs).

**Auditors**

Members are requested to appoint M/s. V. Shah & Associates, Chartered Accountants, Baroda, as Auditors of the Company for the Current Year to hold office from the conclusion of ensuing Annual General Meeting until the conclusion of the next Annual General Meeting.

**Directors responsibility statement**

Pursuant to the requirement under Section 217 (2 A A) of the Companies Act, 1956, your Directors confirm that :

- (i) In the preparation of the Annuay Accounts, the applicable accounting standards have been followed.
- (ii) The have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the 'state of affairs of the Company at 31st March 2002 and of the profits of the Company for the year ended 31st March 2002.
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Company Act, 1956, for the safe guarding the assets of the Company and for preventing and deduction fraud and other irregularities.
- (iv) They have prepared the Annual Accounts for the financial year ended 31st March 2002 on a going concern basis.

## **JINDAL HOTELS LIMITED, BARODA**

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

### **Fixed Deposits**

The Company has not accepted any public deposit during the year.

### **Acknowledgement**

The Directors acknowledge the continued cooperation and support received from Financial Institutions, Banks, Central and State Governments, Insurance Company and Vadodara Municipal Corporation.

The Directors also place on record their appreciation of the contribution made by employees at all levels and also valued customers.

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

Place : Baroda  
Date : 22.06.2002

D.C.Gami  
Chairman



## JINDAL HOTELS LIMITED, BARODA

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

### AUDITORS' REPORT

To,  
The Members of  
Jindal Hotels Limited

- I. We have audited the attached Balance Sheet of JINDAL HOTELS LTD., as at 31<sup>st</sup> March 2002 and also the Profit & 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.

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

- a. 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.
- b. 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.
- c. The Company's Balance Sheet and Profit & Loss Account dealt with by the report are in agreement with the books of account.
- d. 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.
- e. 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 31<sup>st</sup> March 2002, and
  - (ii) In case of Profit & Loss Account, of the Profit of the company for the year ended on that date.
- f. On the basis of the written representation from the Directors taken on record by the Board of Directors, none of the Director is disqualified as on 31<sup>st</sup> March 2002, from being appointed as a Director under Section 274(1)(g) of the Companies Act, 1956.

**JINDAL HOTELS LIMITED, BARODA**

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

## g. Attention is invited to Schedule 18.

Note No. 7(d) read with Note No. 20 in accordance with past practice followed by the company gratuity, leave encashment benefits on retirement are accounted for on the basis of claims received and paid. This is contrary to the requirement of the Standard on Accounting for Retirement Benefits in the Financial Statements of Employers (AS 15) issued by the Institute of Chartered Accountants of India, which has come into force from 1<sup>st</sup> April 1995 and which requires that provision be made for the accrued future liability determined on an actuarial basis. The accrued future liability has not been determined.

- 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 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 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.
  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.
  6. 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.
  7. The company has taken loans 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. The terms of loans are not prejudicial to the interest of the Company.
  8. 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.
  9. 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.
  10. 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.



## JINDAL HOTELS LIMITED, BARODA

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

11. (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.
12. 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.
13. The Company has not accepted the deposits from the public.
14. As explained to us, no reliable by-products are generated by the company's operations.
15. Company has an internal audit system which in our opinion commensurate with the size and nature of the business of the company.
16. Central Govt. has not prescribed maintenance of cost records under section 209(1) (d) of The Companies Act, 1956 for the company's products and activities.
17. The Company is generally regular in depositing Provident Fund and Employees State Insurance dues with the appropriate authorities.
18. There is not undisputed amount payable in respect of Income Tax, Sales Tax, Custom Duty and Excise Duty outstanding as on 31.03.2002 for a period more than six months from the date they become payable.
19. No personal expenses of directors as well as of employees have been charged to revenue account.
20. As explained to us, the company is not a Sick Industrial Company within the meaning of Clause (O) of sub-section (1) of section (3) of Sick Industrial Companies (Special Provisions) Act, 1985.
21. In our opinion, the company has reasonable system of recording receipts, issue and consumption of materials and stores and the same commensurate with the size of the company and the nature of its business.
22. The nature of business of the company does not require system of allocation of man hours.
23. There is a reasonable system of authorization at proper levels with the necessary control on issue of stores and allocation of the same to operation department and in our opinion, there are proper internal control procedures which commensurate with the size of the company and nature of its business.

Report Junction

For V. SHAH & ASSOCIATES,  
Chartered Accountants

PLACE : BARODA  
DATE : 22.06.2002

(V. R. Shah)  
PROPRIETOR

**JINDAL HOTELS LIMITED, BARODA**

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

**BALANCE SHEET AS AT 31ST MARCH 2002**

<b>PARTICULARS</b>	<b>SCHED ULES</b>	<b>AS ON 31.03.02 Rupees</b>	<b>AS ON 31.03.02 Rupees</b>	<b>2000-2001 Rupees</b>
<b>A SOURCE OF FUNDS</b>				
<b>1 Shareholders fund</b>				
Share Capital	1	35234600		35234600
Reserve & Surplus	2	21768149		36415866
			57002749	71650466
<b>2 Loan Fund</b>				
Secured Loans	3	21675478		6761220
Unsecured Loans	4	11326400		14769757
			33001878	21530977
<b>3 Current Liabilities &amp; Provision</b>	5			
Current Liabilities		8873613		11015151
Provisions		120199		290194
			8993812	11305345
<b>4 Deferred tax Liabilities (net)</b>			16098752	0
<b>TOTAL</b>			<b>115097191</b>	<b>104486788</b>
<b>B APPLICATION OF FUNDS</b>				
<b>1 Fixed Assets</b>	6			
Gross Block		117212894		115652485
Less : Depreciation		41822475		34920898
		75390419		80731587
Capital work in Progress		14057469		489045
Preoperative expenses pending allocation		2712287		
Net Block			92160175	81220632
<b>2 Investments</b>	7		287101	378037
<b>3 Current Assets, Loans &amp; Advances</b>	8			
Inventories		3722522		3166087
Sundry Debtors		4973143		4630568
Cash & Bank Balances		2822702		856751
Loans & Advances		5942388		6176898
			17460755	14830304