



**18 th ANNUAL REPORT
2002 - 2003**



**HOTEL SURYA PALACE
JINDAL HOTELS LIMITED
BARODA**

JINDAL HOTELS LIMITED, BARODA

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

Board of Director

: Shri D. C. Gami (Chairman)
Shri P. D. Shah (Managing Director)
Shri N. D. Shah (Executive Director)
Shri R. N. Joshi (up to 04.03.03)
Shri D. R. Shah
Smt. C. P. Shah
Shri Jatil Patel (From 22.07.03)

Registered Office

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

Financial Institution

: Tourism Finance Corporation of India Ltd.,
5th Floor, IFCI Bhavan,
Nehru Place,
New Delhi 110 019,

Banker

: Canara Bank, Alkapuri, Baroda.

Auditors

: M/s. V. Shah & Associates
Chartered Accountants,
4, Raj Bhavan Colony,
B/H Baroda High School,
Near Polo Ground,
Baroda 390 001.

Registrar & Share Transfer Agent

: MCS Limited
Neelam Apartment,
88, Sampatrao Colony,
Alkapuri, Baroda 390 007.

JINDAL HOTELS LIMITED, BARODA

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

EIGHTEENTH ANNUAL REPORT - 2002-2003

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Eighteenth Annual General Meeting of the members of M/s. Jindal Hotels Limited, will be held on Tuesday, the 23rd day of September, 2003 at 11.30 a.m, at its 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 31st March, 2003, together with the Report of Directors and Auditors thereon.
02. To elect a Director in place of Shri D. R. Shah who retires by rotation, being eligible offers himself for reappointment.
03. To appoint Auditors to hold office till the conclusion of the next Annual Meeting and to authorize Board of Directors to fix their remunerations.

☐ SPECIAL BUSINESS :-

04. To consider and, if thought fit, to pass, with or without modification, the following Ordinary Resolution.

"Resolved that , Mr Jatil Patel be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

05. To consider and, if through fit, to pass with or without modification, the following Resolution as a Special Resolution :-

"RESOLVED That, Subject to the provisions of the Companies Act, 1956, [including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter], the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and Subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), consent is hereby accorded to the Board to delist the Company's Equity Shares from Stock Exchanges Viz. The Stock Exchange Ahmedabad, at Ahmedabad and The Vadodara Stock Exchange Ltd, Baroda."

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

By Order of the Board of Directors
of JINDAL HOTELS LIMITED

Place : Baroda
Date : 22.07.2003

P. D. Shah
Managing Director

☐ **NOTES :**

01. 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.
02. The Register of Members of the Company will remain closed from 16.09.2003 to 23.09.2003 (both days inclusive) for effecting transfer of shares.
03. Members are requested
 - (a) To notify immediately, changes in their address, if any, to the Company.
 - (b) To bring their copy of the Annual Report, as no copy will be distributed in the Annual General Meeting.
 - (c) To DEMATERIALISE their Shares Certificates through your Depository participants (DP).
04. In order to maintain decorum amidst the proceedings, Members are requested to attend the Meeting without accompanying guests or children.
05. 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 1996-1997 to 1999-2000, 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 31.3.1997 to 31.3.2000, are requested to make their claims to the Company accordingly, without any delay.

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EXPLANATORY STATEMENT

Pursuant to section 173 of the Companies Act, 1956. accompanying Notice dated 22nd July, 2003.

☐ Item No 4 : Appointment of Mr. Jatil Patel, as Additional Director.

The Board of Directors of the Company has appointed Shri Jatil Patel as an Additional Director, with effect from 22.07.03, in terms of Section 260 of the ACT and clause 100 of Article of Association of Company. Mr Jatil Patel holds office till the conclusion of this Annual General Meeting.

Mr. Jatil Patel, aged 57 years, has passed M.Sc in the year 1968 from the M.S. University of Baroda and has more than 30 years of experience in Banking & Finance in India as well as abroad at Fiji Island & UAE. His knowledge, experience, contacts and his image will be more helpful for development of the Company in all respect. He is at present member of Audit Committee and Remuneration Committee of the Company. He is not on Board of any other Company.

The Company has received notice under Section 257(1) of the Act from the members signifying their intention to propose Mr. Jatil Patel for appointment as a Director of the Company at the ensuing Annual General Meeting along with the requisite deposit.

Your Directors are of the view that it will be in the best interest of the Company to appoint Mr. Jatil Patel as a Director and recommend the adoption of resolution proposed under item No 4 of the Notice.

Save and except Mr. Jatil Patel , no other Director is concerned or interested in the said resolution.

☐ Item No 5 : Delisting of Equity Shares with certain Stock Exchanges.

Presently the Company's Equity Shares are listed with The Stock Exchange Ahmedabad, and the Vadodara Stock Exchange Ltd, With the wide and extensive networking of centers of the BSE, the investors have access to online dealings in the Company's Equity Shares across the country. Moreover, the Company's Equity shares are one of the scripts which Securities and Exchange Board of India (hereinafter referred to as "SEBI") has specified for settlement only in demat form by all investors.

The trading volumes of the Company's Equity Shares on the Stock Exchanges at Ahmedabad and Baroda (hereinafter referred to as "the said Stock Exchanges") are practically Nil for more than three years. The shares are transacted on the Bombay Stock Exchange. The listing fees paid to the said Stock Exchanges constituted about 67% of the total listing fees payable to the total Three Stock Exchanges for each

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financial year. The annual recurring listing fees paid to the said Stock Exchanges, do not now offer commensurate benefits to the Company/its investors in the changed scenario of the nationwide trading terminals set up by the BSE. Further, the Company is subject to compliance and unnecessary costs in the form of Listing fees to these Stock Exchanges and adherence to procedural formalities, which can be avoided upon delisting. Therefore, the Board of Directors, at its meeting held on 22nd July, 2003 has decided to apply for the voluntary delisting of the Company's Equity Shares from the said Stock Exchanges.

The proposed voluntary delisting of the Company's Equity Shares from the said Stock Exchanges will not adversely affect any investors including the Members located in the regions where the said Stock Exchanges are situated. Pursuant to the SEBI (Delisting of Securities) Guidelines 2003, it is now proposed to seek the Members' approval by way of a Special Resolution for the voluntary delisting of the Company's Equity shares from the said Stock Exchanges as set out in the Resolution at item No 5. In terms of the said guidelines, as the Company's Ordinary Shares shall continue to remain listed on BSE, no Exit option is required to be offered to the shareholders.

The proposed delisting is in the interest of the Company and the Board commends the Resolution for acceptance by the Members. None of the Directors of the Company is concerned or interested in the Resolution at Item No 5.

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

By Order of the Board of Directors
of JINDAL HOTELS LIMITED

Place : Baroda
Date : 22.07.2003

P. D. Shah
Managing Director

JINDAL HOTELS LIMITED, BARODA

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

Report of the Directors & Management Discussion and Analysis

Your Directors have pleasure in presenting the Eighteenth Annual Report and the Audited Accounts for the year ended 31st March, 2003.

Financial Performance

	Year ended 31.03.2003 (Rs. in lacs)	Year ended 31.03.2002 (Rs. in lacs)
Turnover	639.90	591.15
Less : Expenditures	458.60	483.50
Profit before Depreciation, Interest and Taxation	184.23	107.65
Interest	55.75	22.92
Depreciation	72.33	69.02
Profit before Taxation	56.15	15.71
Provision for Taxation		
a) Income Tax	4.42	1.20
b) Deferred Tax Expense	12.17	6.03
Net Profit after Taxation	39.56	8.48
Deferred Tax Liabilities (net) of earlier years	—	154.96
Withdrawn from General Reserve towards opening Deferred Tax Liabilities(Net)	—	154.96
Brought Forward Profit	20.93	12.45
Disposable Surplus	60.49	20.93
Transfer to General Reserve	50.00	—
Balance Profit C/F	10.49	20.93

Operations

During the year under review, your Company has done extremely well, inspite of the depressive market conditions. Operational efficiency at every stage, innovative marketing strategy and stringent internal control systems have resulted in a much better financial performance i.e net profit of Rs 39.56 lacs as against Rs 8.48 lacs as compared to previous year. In this period, the turnover has increased only by 8.25%, i.e from Rs.591.15 lacs to Rs.639.90 lacs. The bottom line margins have improved by prudent management measures.

Expansion Project

As envisaged in the last Directors' Report, the expansion project has been completed on 28.02.2003. The Company has incurred Capital Expenditure of Rs. 652.54 lacs. The Company has availed a term loan of Rs. 360 lacs and the balance amount has been financed from internal accruals.

Dividend

The Board has not recommended any dividend for the year as internal accruals are allocated towards financing the Expansion Project, as per the stipulation of Financial Institutions.

Prospects and Concerns

The current year has started with a promising note. There is an increase in room occupancy ratio as compared to previous year. The additional capacity of Rooms as well as Banquet/Conference Halls created under the expansion project are fetching remunerative business. In addition, indicators of improving economy in the Global Market may lead to overall improvement in business. However, the possible entry of new star hotels, change in business clients and micro level growth of industry in and around Baroda city are the main concerns.

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Directors

During the under review, on 04.03.03, our Honorable Director Shri R N Joshi left us for heavenly abode. He was associated with us since 1985. He has been pivotal in the development of the Company. Without his wise and sound counsel, your Company would not have reached such high levels of achievement. The Board has taken on record his invaluable services to the Company. We are indeed grateful to have had the support and succor of such a wonderful soul and human being.

Shri Jatil Patel has been appointed as an Additional Director of the Company with effect from 22.07.03 and will hold office till the date of the forthcoming Annual General Meeting. A notice has been received from a member proposing the candidature of Shri Jatil Patel for his appointment as a Director of the Company. He has expertise in Banking & Finance, and his contribution as a Director will be extremely valuable to the Company.

Shri D.R. Shah retires by rotation, and being eligible, has offered himself for reappointment.

Insurance

All the properties, including buildings, plant, machinery and stocks, have been adequately insured against insurable risks and hazards.

Statutory Disclosures

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

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

During the year under review, your Company earned foreign exchange of Rs. 15.68 lacs (Previous year Rs. 4.23 lacs); whereas there was outflow of foreign exchange of Rs.13.57 lacs (Previous year Rs.15.70 lacs).

Auditors

M/s V Shah & Associates, Chartered Accountants, Baroda, hold office as Auditors of the Company till the ensuing Annual General Meeting, and being eligible, offer themselves for reappointment. 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.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

Internal Control Systems & their adequacy

The Company has proper and adequate system of Internal Control Procedures to ensure that all transactions are authorized, recorded and reported correctly. This ensures prompt financial reporting, optimum utilization of various resources and quick reporting of deviations. Compliance with laws and regulations is also ensured and confirmed and is also checked by the Internal Auditor of the Company.

Reports of Internal Auditor are reviewed in the meetings of the Audit Committee of the Board. Audit Committee also reviews adequacy of internal controls, of insurance coverage of assets from various risks and steps taken to manage foreign currency exposures. Audit Committee also interacts with Internal Auditors and Statutory Auditors of the Company to ensure compliance of various observations made during the conduct of audits and adequacy of various controls. Minutes of the meetings of the Audit Committee are placed before the Board for its information and necessary action.

Annual Capital Budget and updates, if any, are placed before the Board for its approval from time to time.

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Material Development in Human Resources/Industrial Front including No. of Employees Employed.

The Company sees its relationship with employees as a critical factor to its success and future. Its human relations agenda focuses on making employees as participative and involved in Management as possible, so that they can contribute constructively. HRD activities are geared to maximize employees' potential and generate the best productivity and efficiency.

The Company is committed to providing the necessary development and training opportunities to equip our people with skill sets they will need in the future. Our approach integrates development and training with business objectives, job performance and individual development needs.

The Company arranges for specific work training, safety/emergency/handling training and "on the job" training and coaching.

By the end of March, 2003, the Company employed 115 permanent employees.

Voluntary Delisting of the Company's Equity Shares from certain Stock Exchanges

The Equity Shares of the Company are, at present, listed on the Stock Exchanges at Mumbai, Ahmedabad and Baroda. The Shares of the Company are compulsorily traded in dematerialized form.

Specific attention of the Members is drawn to item No. 5 of the Notice of the Annual General Meeting and the Explanatory Statement attached thereto, whereby the Company proposes to de-list its Equity Share from Stock Exchanges at Ahmedabad & Vadodara. As listing with these two Stock Exchanges are not beneficial to the Company / its members, your Directors propose to de-list the Equity Shares of the Company from these two Stock Exchanges.

Directors' Responsibility Statement

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

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- (ii) They 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 as at 31st March 2003 and of the profits of the Company for the year ended 31st March 2003.
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for the safe guarding the assets of the Company and for prevention and detection of fraud and other irregularities.
- (iv) They have prepared the Annual Accounts for the financial year ended 31st March 2003 on a going concern basis.

Fixed Deposits

The Company has not accepted any deposits from Public during the year under review.

Acknowledgement

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

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

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

**Place : Baroda
Date : 22.07.2003**

**D. C. Gami
Chairman**

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REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the financial year ended 31.03.03.

The Company's Philosophy on Corporate Governance :

The management philosophy on Corporate Governance envisages the attainment of highest levels of transparency, accountability and equity, in all stages of its operations and in all its interactions with Shareholders, Employees, Suppliers, Customers, Government and Bankers. The Company believes that all its operations and actions must serve the interest of all the stake holders, while enhancing shareholder value.

The Company has complied with all mandatory requirements on Corporate Governance laid down by the Stock Exchange, as detailed hereunder:

1. BOARD OF DIRECTORS

(a) Composition :

Name of the Director	Category of Directorship	No of Meetings attended	% of Total Meetings Attended	Attendance At Last AGM
Shri D. C. Gami	NED & IND	6	100%	Yes
Shri P. D. Shah	MD	6	100%	Yes
Shri R. N. Joshi	NED & IND	6	100%	Yes
(Up to Dt 04.03.03)				
Smt C. P. Shah	NED	6	100%	Yes
Shri N. D. Shah	ED	6	100%	Yes
Shri D. R. Shah	NED	5	83%	Yes
Shri Jatil Patel	NED & IND	—	—	NA
(From 22.07.03)				

(NED-Non Executive Director, IND- Independent, MD- Managing Director, ED-Executive Director)

Shri D. C. Gami is a Chairman of Board Of Directors.

(b) Number of Board Meeting held and the dates thereof

6 Board Meetings were held during the financial year. The dates are as under :

1.	23rd April 2002	4.	17th September 2002
2.	22nd June 2002	5.	22nd October 2002
3.	23rd July 2002	6.	30th January 2003

(c) Number of other Companies or Committees the Director is a Director/ Member/ Chairman of