



Surya Palace
HOTEL

**19 th ANNUAL REPORT
2003 - 2004**



**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 D. R. Shah
Smt. C. P. Shah
Shri J. G. Patel
Shri A. C. Patel (From 22-7-04)

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.

NINETEENTH ANNUAL REPORT - 2003-2004

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 28th day of September, 2004 at 12.00 noon, 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 31st March, 2004, together with the Report of Directors and Auditors thereon.
02. To elect a Director in place of Shri D. C. Gami who retires by rotation, being eligible offers himself for reappointment.
03. To elect Director in place of Smt. C. P. Shah who retires by rotation, being eligible offers herself for reappointments.
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.

☐ **SPECIAL BUSINESS :-**

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

" Resolved that, Shri Ambalal C. 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."

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

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

Place : Baroda
Date : 22.07.2004

P. D. Shah
Managing Director

JINDAL HOTELS LIMITED, BARODA

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

□ 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 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 31.3.1998 to 31.3.2000, are requested to make their claims to the Company accordingly, without any delay.

JINDAL HOTELS LIMITED, BARODA

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

EXPLANATORY STATEMENT

Pursuant to section 173 of the Companies Act, 1956. accompanying Notice dated 22nd July, 2004.

☐ **Item No 5 : Appointment of Shri Ambalal C. Patel, as Additional Director.**

The Board of Directors of the Company appointed Shri Ambalal C Patel as a Additional Director, with effect from 22.07.04, In terms of section 260 of the Act and clause 100 of Article of Association of Company. Shri Ambalal C. Patel holds office till the conclusion of this Annual General Meeting.

Shri Ambalal C Patel, aged 60 years, has passed B.Sc. Chemistry from M.G.Science , Ahmedabad and B E (Metallurgy) from the Indian Institute of Science, Bangalore. He gained more than 34 years of experience in Project Evalution, Project Finance and Technical Appraisal of various under takings. He retired as a Deputy General Manager from Gujarat Industrial & Investment Corporation Limited on 30.04.04. His knowledge, experience, guidance and advice will be beneficial to the company in long run. He is also appointed as a Member of Audit Committee of our Company.

In addition to this, he is Director on Board of other 7 Companies and Member of Audit Committee of two other Companies.

The Company has received notice under Section 257(1) of the Act from the members signifying their intention to propose Shri Ambalal C Patel for appointment as 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 Shri Ambalal C Patel as Director and recommend the adoption of resolution proposed under item No 5 of the Notice.

Save and except Shri Ambalal C Patel , no other Director is concerned or interested in the respective resolutions.

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

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

Place : Baroda
Date : 22.07.2004

P. D. Shah
Managing Director

JINDAL HOTELS LIMITED, BARODA

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

Report of the Directors & Management Discussion and Analysis

Your Directors have pleasure in presenting the Nineteenth Annual Report and the Audited Accounts for the year ended 31st March, 2004.

Financial Performance

	Year ended 31.03.2004 (Rs. in lacs)	Year ended 31.03.2003 (Rs. in lacs)
Turnover	729.49	639.90
Less : Expenditure	512.75	455.67
Profit before Depreciation, Interest and Taxation	216.74	184.23
Interest	54.40	55.75
Depreciation	99.20	72.33
Profit before Taxation	63.14	56.15
Provision for Taxation		
a) Income Tax	15.50	4.42
b) Deferred Tax Expense	5.78	12.17
Net Profit after Taxation	41.86	39.56
Profit brought Forward	10.49	20.93
Income Tax of earlier period	13.21	—
Disposable Surplus	39.14	60.49
Transfer to General Reserve	25.00	50.00
Balance Profit C/F	14.14	10.49

Operations

Despite the prevalent uncertainty in the Indian Economy, your Company has registered allround growth in the year under review. Turnover has increased by 14% and the Profit before Depreciation, Interest and Taxation, is 29.71% of Sales & Other Income (Previous Year - 28.80%). This is mainly due to continued efforts of the Management in providing value addition in its services to the guests as well as effective monitoring and control of inputs costs at each level of operation.

Dividend

To conserve resources and to maintain liquidity, the Board recommended not to declare any dividend for the year under review.

Prospects and Concerns

The Company's Operational and financial performance continued on a growth path. Your Management is also making efforts to reduce the burden of energy as well as interest costs, which may result into higher profitability. Therefore, barring unforeseen circumstances, your Company expects to continue its run of consistent and commendable financial performance in the coming period too. However, the proposed levy of service tax on catering business in The Finance Bill, 2004, political uncertainty and turbulent economy in the global markets are the main areas of concern.

Directors

Shri Ambalal C Patel has been appointed as an Additional Director of the Company with effect from 22.07.04 and will hold office till the date of the forth coming Annual General

JINDAL HOTELS LIMITED, BARODA

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

Meeting. A notice has been received from a member proposing the candidature of Shri Ambalal C Patel for his appointment as a Director of the company. He has expertise in Project Evaluation, Project Finance and Technical Appraisal of various undertakings, and his contribution as a Director will be extremely valuable to the Company.

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.

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. 23.78 lacs (Previous year Rs. 23.91 lacs), whereas there was outflow of foreign exchange of Rs.14.70 lacs (Previous year Rs.13.57 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 ensuring Annual General Meeting until the conclusion of 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.

Report 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.

JINDAL HOTELS LIMITED, BARODA

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

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, 2004, the Company employed 117 Permanent employees.

Listing of Security

The shares of the Company are listed with The Stock Exchange, Mumbai. The listing fees for Financial Year 2004-05 has already been paid.

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 2004 and of the profits of the Company for the year ended 31st March 2004.
- (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 2004 on a going concern basis.

Fixed Deposits

The Company has not accepted any deposit 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 and also valued customers.

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

Place : Baroda
Date : 22.07.2004

P. D. Shah
Managing Director

JINDAL HOTELS LIMITED, BARODA

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

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's report on Corporate Governance for the financial year ended 31.03.04.

The Company's Philosophy on Corporate Governance :

The management philosophy on Corporate Governance envisages the attainment of highest level 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 action must serve the interest of all the stake holders, while enhancing shareholder value.

The Company has complied with all the Mandatory requirements on Corporate Governance laid down by the Stock Exchanges 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	5	100%	Yes
Shri P. D. Shah	MD	5	100%	Yes
Smt C. P. Shah	NED	5	100%	Yes
Shri N. D. Shah	ED	5	100%	Yes
Shri D. R. Shah	NED	5	100%	Yes
Shri J. G. Patel	NED & IND	3	75%*	Yes
Shri A. C. Patel	NED & IND	-	—	NA

(From 22.07.04)

* On Pro – rata basis

(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

5 Board Meetings were held during the Financial Year. The dates are as under :

- | | |
|------------------------|----------------------|
| 1. 22nd April 2003 | 4. 17th October 2003 |
| 2. 22nd July 2003 | 5. 27th January 2004 |
| 3. 23rd September 2003 | |

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

JINDAL HOTELS LIMITED, BARODA

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

Name of the Director	No of other Companies In which Director	Number of Committee (other than JHL) in which member		
01. Shri D.C.Gami	6	Name of Committee	No.	Status
		Audit Committee	2	Chairman
		- do -	2	Member
		Share Committee	1	Chairman
02. Shri A.C.Patel	7	- do -	1	Member
		Audit Committee	2	Member
		Share Committee	1	Member

2. AUDIT COMMITTEE

(a) Terms of Reference

- To hold periodic discussion with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observation of the Auditors/Internal Auditors;
- To review compliance with internal control systems;
- To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
- To make recommendations to the Board on any matter relation to the financial management of the Company, including the Audit Report;
- Recommending the appointment of statutory auditors and fixation of their remuneration.

(b) Composition, Names of Members and Chairman

Name of Director	Category	No of Meeting Attended
Shri D. C. Gami	NED & IND	3
Smt C. P. Shah	NED	3
Shri J. G. Patel	NED & IND	2
Shri A. C. Patel	NED & IND	-
(From 22.07.04)		

Shri D. C. Gami is the Chairman of Audit Committee.

(c) Meeting and Attendance during the period

Three Audit Committee Meetings were held during the F. Y. 2003 – 04.

The Dates of the Meeting are 22.07.03, 17.10.03, and 27.01.04. The Meetings were attended by all Members.