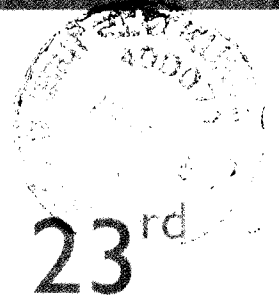
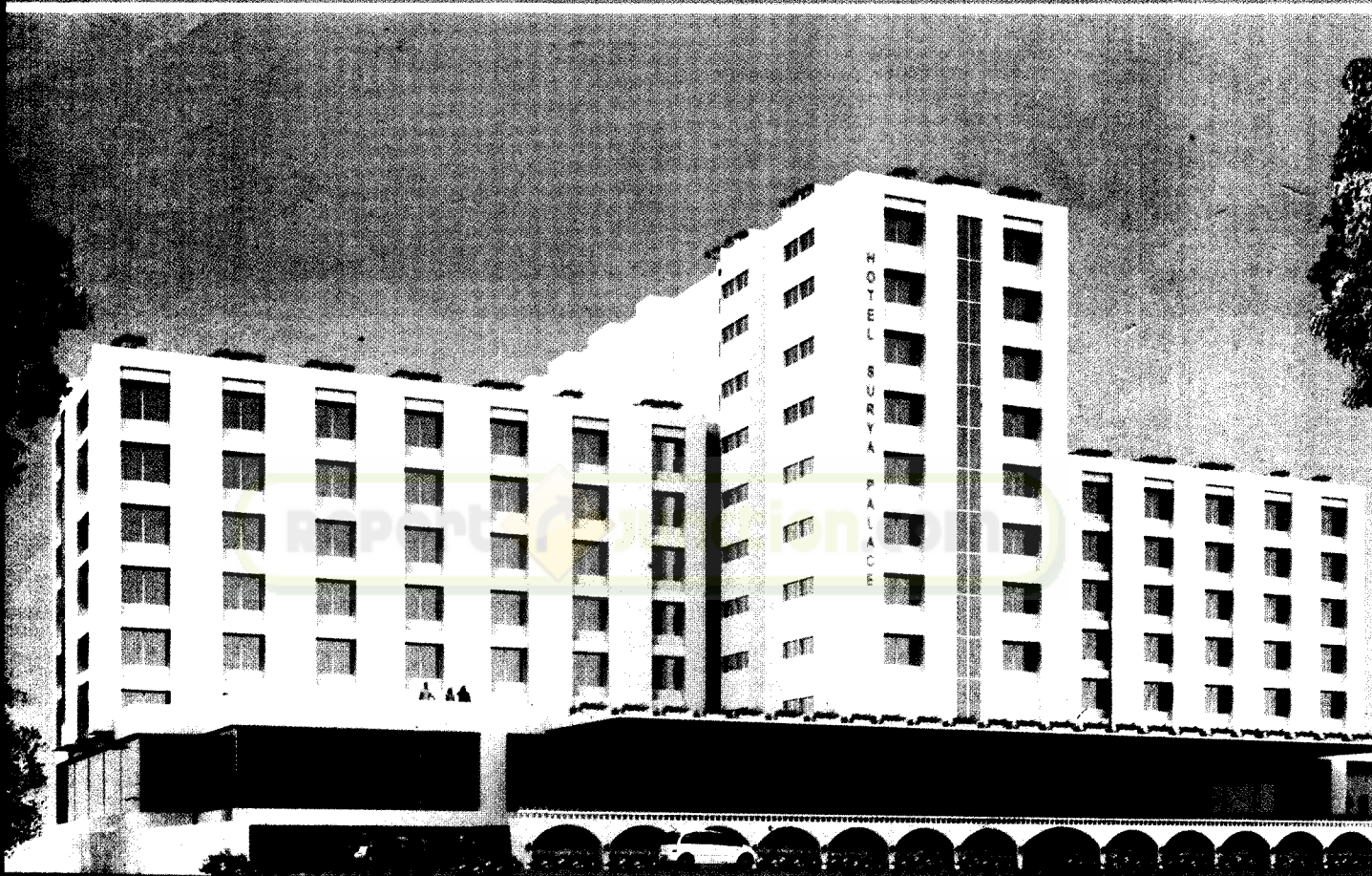


JINDAL HOTELS LIMITED



ANNUAL REPORT

2007-2008

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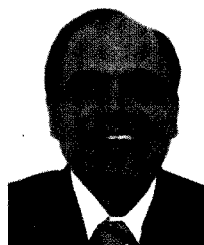
Business Excellence

Jindal Hotels Limited is the proud recipient of the First Runner-Up Award in the Travel & Tourism Category at the ICICI Bank and CNBC TV18's Emerging India Awards 2008 powered by CRISIL. This is the biggest business award that honours India's most globally competitive small and medium enterprises (SME) across different sectors. Mr. Piyush Shah, Chairman and Managing Director of Jindal Hotels Limited, made a presentation on the brand of JHL and its futuristic endeavours in the presence of an eminent jury in Mumbai on 18th June, 2008. The Award Ceremony to felicitate the winners was held in London on the 8th of July, 2008. Mr. Kamalnath, Minister of Commerce & Industry, Government of India, leading business tycoon Mr. Laxmi N Mittal Chairman and CEO, Arcelor Mittal and other senior dignitaries were present at the Award ceremony held in London to felicitate the winners.

Board of Directors



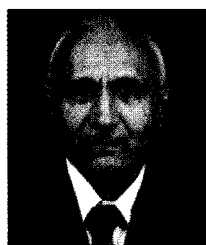
Ex-Chairman
Shri D.C. Gami



Chairman & MD
Shri Piyush Shah



Executive Director
Shri Nilesh Shah



Director
Shri Ambubhai Patel



Director
Smt. Chanda Shah



Director
Shri Jatil Patel

Cover Page...

The cover page this year depicts an architect's image of Hotel Surya Palace after expansion plans are complete by 2011

JINDAL HOTELS LIMITED, BARODA

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

Board of Directors	:	Shri P. D. Shah (Chairman & Managing Director) Shri N. D. Shah (Executive Director) Shri J. G. Patel Shri A. C. Patel Smt. C. P. Shah
Registered Office	:	Opp. Parsi Agiari, Sayajigunj, Vadodara 390 005.
Name of the Hotel	:	Surya Palace Hotel Sayajigunj, Vadodara 390 005.
Financial Institution	:	Tourism Finance Corporation of India Ltd., 5th Floor, IFCI Bhavan, Nehru Place, New Delhi - 110 019.
Banker	:	State Bank of India Specialised Commercial Branch Trident Complex, Race Course, Vadodara - 390 007.
Auditors	:	M/s. V. Shah & Associates, Chartered Accountants, 12, Dhayber Colony, B/H Baroda High School, Near Polo Ground, Vadodara - 390 001.
Company Secretary	:	Ms. Karuna V. Advani
Registrar & Share Transfer Agent	:	MCS Limited. Neelam Apartment, 88, Sampatrao Colony, Alkapuri, Vadodara – 390 007.

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

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twenty Third Annual General Meeting of the members of M/s. Jindal Hotels Limited, will be held on Tuesday, the 23rd day of September, 2008 at 12:00 noon, at the Company's Registered Office :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, 2008, together with the Report of Directors and Auditors thereon.
02. To elect Director in place of Smt. C.P.Shah who retires by rotation, being eligible offers herself for reappointment.
03. To declare Dividend on Equity Share for the year ended 31st March, 2008.
04. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

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

By Order of the Board Directors of
JINDAL HOTELS LIMITED

Place : Vadodara
Date : 22.07.2008

Karuna V. Advani
Company Secretary

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. Share Transfer Book and the Register of Members of the Company will remain closed from **15.09.2008 to 23.09.2008** (both days inclusive) for effecting transfer of shares, payment of Dividend and other allied matters.
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 at the Annual General Meeting.
 - (c) **To DEMATERIALIZE their Shares Certificates through your Depository participants (DP).**
 - (d) **To avoid loss of dividend warrant/s in transit and undue delay in respect of receipt of dividend warrant/s, the Company has now provided the facility to the Members for payment of dividend through the Electronic Clearing System (ECS). The ECS facility is available at the locations identified by our banker / Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to furnish your Bank Account details as follows, for the purpose along with a photocopy of a Cheque of the same account bearing MICR Code, to the Company's Registrars and Transfer Agents, M/s. MCS Ltd, Baroda.**

FOLIO NO.	
NAME OF SHAREHOLDER	
BANK NAME & BRANCH	
ACCOUNT NO.	
MICR NO.	

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 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 Company. Members who have not yet availed dividend for the Financial year ended 31.3.2005, 31.03.2006 and 31.03.2007, are requested to make their claims to the Company accordingly, without further delay.
06. In terms of Section 109 A of the Companies Act, 1956, members are entitled to make nomination of shares held by them in physical form. Members desirous of making nominations are requested to send their request in Form 2B in duplicate to the registered office of the Company or the Registrars. The nomination forms will be made available to the members on request & also on the company's website : www.suryapalace.com
07. Members desiring any relevant information or clarifications on the accounts at the Annual General Meeting are requested to write to the Company Secretary atleast ten days in advance of the meeting, so as to enable the management to compile the information and provide details at the meeting.

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 Twenty third Annual Report and the Audited Accounts for the year ended 31st March, 2008.

(Rs. In lacs)

Financial Performance	Year ended 31.03.2008	Year ended 31.03.2007
Turnover	1570.80	1227.32
Less : Expenditure	1146.78	879.03
Profit before Depreciation, Interest and Taxation	424.02	348.29
Interest	98.88	84.98
Depreciation	119.14	111.07
Profit before Tax	206.00	152.24
Provision for Income Tax / FBT / Def. Tax	74.95	46.62
Net Profit after Tax	131.05	105.62
Income Tax of previous year	(1.24)	0.52
Profit Brought Forward	54.12	15.96
Disposable Surplus	183.93	122.10
Transfer to General Reserve	35.00	35.00
Proposed Equity Dividend	28.19	28.19
Tax on Dividend	4.79	4.79
Balance Profit C/F	115.95	54.12

Operations

The year under review has shown a consistent upward trend in demand in the hospitality sector. The overall revenue of the Company recorded a growth of 28% as compared to 26% during the previous year, whereas Gross Operating Profit to Sales Ratio was maintained at 27% during the year under review. This is due to the improved economic environment that has been witnessed in India. Credit is also due to the Government of Gujarat, who has taken proactive steps to enable the development of tourism industry. The hospitality industry saw significant growth in both domestic as well as international tourism business. There was remarkable growth in all segments, with noteworthy rise in average room rate as well as occupancy level. The increase in number of business travelers to the city as well as the general surge in consumption patterns has led to the improved performance of the Company. Your Directors are confident that the Company is on the right path and will continue to excel by taking advantage of the multiple opportunities in the hospitality sector.

Awards and Acclamations

We are indeed proud to share that your **Company's performance and business excellence has once again been recognized and awarded. We were nominated as one of the top 3 hotels in India at the CNBC TV 18 Emerging India Awards 2008 powered by CRISIL.** The award is widely acknowledged to recognize and honor India's most globally competitive small and medium enterprises (SME) across different sectors, including Travel & Tourism. Around three and a half lakh SMEs pan India participated this year, including over 350 participants in Travel & Tourism category.

This recognition follows our coveted nomination twice as the "Business Hotel of the Year- Economy" at India's prestigious H & FS Awards for Excellence, in the year 1999 as well as 2002. Jindal Hotels Limited, thus, has consistently succeeded in receiving acclaim for its standard and service.

We thank all patrons, well wishers and team members who have made this possible.

Expansion & Upgradation

At present, there exists a significant increase in demand generated by substantially more number of business visitors to Vadodara. In addition, the guests are willing to pay a premium for better services. Keeping in view these trends, the Company has already started construction of 19 rooms on the 9th floor of Hotel Building and has incurred capital expenditure of Rs. 243.21 lacs as on 30.06.2008. These rooms will be in operation in near future and thereafter upgradation of rooms located on 3rd & 4th floors will be commenced. The Company is planning to complete expansion cum refurbishment project by June 2009. On completion of the above activities, the Hotel will have 119 luxurious rooms, which will improve the overall profitability of the company.

New Hotel Project

As envisaged in last year's Annual Report, the Company has acquired land adjacent to the existing Hotel for future growth. The Company has already started work on 4 star category hotel project on acquired land and has also received necessary approval for construction from the local authorities. The Company has planned to construct an eleven storey building, consisting of ninety guest rooms, two large banquet halls, two restaurants, along with various facilities and amenities for hotel guest. The total cost of project is estimated at Rs. 38 crores. The Company plans to commence construction in January 2009 and expects to complete it within a span of 3 years. The Company has approached for financial tie-up with the banks.

Dividend

Your Directors have considered the fund requirement for expansion and thereby decided to recommend dividend @ 8% on equity share capital for the financial year ended March 31st, 2008, subject to approval of the shareholders at Annual General Meeting.

Prospects & Concerns

Strong growth in the service industry has led to an interesting consequence. There has been an enormous increase in business travel. Similarly, rising disposable incomes and spending habits has led to increased inbound tourism. This has led to an acute shortage of quality hotel rooms across India. Double digit growth rate in the tourism industry has had a cascading effect in the hospitality sector which has recorded an estimated 12.50% growth in 2007-08. Occupancy rates are at their peak at more than 70%.

Room demand is expected to grow at a CAGR (Compounded Annual Growth Rate) of 10% over the next five to ten years and it is estimated that another 1,00,000 to 1,50,000 rooms need to be added across the country to meet the increasing demand.

Therefore, on completion of expansion cum upgradation project, your Company expects sizeable growth in sales revenue and profitability in the coming years.

Increasing crude prices, rising inflation, political instability, downturn in capital markets and increase in debt servicing costs are the main concerns that may impact the future growth of the Company.

JINDAL HOTELS LIMITED, BARODA

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

Directors

There is change in the composition of the Board of Directors as Mr. D.C.Gami resigned from the Board due to limitations posed by his advancing age. Shri D.C.Gami was the Chairman of the Company since 1986 and had played a vital role in nurturing growth of the Company. His resignation as Director as well as Chairman was accepted in the meeting of Board of Directors held on 17.05.2008. The Board expresses its sincere gratitude to him for his vision and leadership from the inception of the company. Shri Piyush D Shah, Managing Director, in the above meeting was appointed as the Chairman of the Company.

Smt. C.P.Shah, who retires by rotation, and being eligible, offers herself for reappointment.

Insurance

All the assets of the company including building, plant & machinery, furniture & fixtures and stocks have been adequately insured against all possible risk 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. 51.76 lacs (Previous year Rs. 55.81 lacs), whereas outflow of foreign exchange of Rs. 13.49 lacs (Previous year Rs.44.68 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 reappoint 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 Agreement with the Bombay Stock Exchange, 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 immediate reporting of deviations. Compliance with laws and regulations is also ensured and confirmed and is checked by the internal Auditor of the Company.

The reports of the Internal Auditor are reviewed in the meetings of the Audit Committee of the Board. The Audit Committee also reviews adequacy of internal controls, system and procedures, insurance coverage of assets from various risks and steps are taken to manage foreign currency exposures. The 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 sufficiency of various controls.

Management of Human Resources

The Company understands the importance of its relationship with employees as a crucial factor for its success and future growth. Its human relation initiatives focus on making employees empowered and involved at every level, so that they can act responsibly and contribute constructively. HRD activities help in realising employees' true potential and special incentives are provided to increase productivity and reward efficiency.

The Company is committed to providing the necessary training to employees for the future development. The Company arranges workshops on job- training in various areas including safety, emergency-handling etc.

By the end of March 2008, the Company employed 133 permanent employees.

We are proud to have an exceptional team of executives, professionals and skilled manpower, who ensures that the guests are delighted around the clock.

Listing of Securities

The shares of the Company are listed at Bombay Stock Exchange Limited. The listing fee for Financial Year 2008-09 has 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 and that no material departures have been made from the same;
- (ii) Appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) Proper and sufficient care has been 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 fraud and other irregularities;
- (iv) The Annual Accounts have been prepared on a going concern basis.

Fixed Deposits

The Company has not accepted fresh deposit during the year under review.

Acknowledgement

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

The Board desires to place on record, its sincere appreciation to all employees of the Company who during the year under review with sustained dedicated effort enabled the Company to deliver a good all- round record performance and also the patronage and support of its valued customers.

Lastly, your directors are deeply grateful for the confidence and faith shown by the members of the Company.

By Order of the Board of Directors
For JINDAL HOTELS LTD

Place : Vadodara
Date : 22.07.2008

Piyush D. Shah
Chairman & Managing Director

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 31st March, 2008.

The Company's Philosophy on Corporate Governance

Jindal Hotels Ltd believes that Corporate Governance is about commitment to values and ethical business conduct. Proper, accurate and timely disclosure of information regarding the affairs of the company, its financial position, performance, ownership and governance is an integral part of the philosophy of Corporate Governance. The Company's corporate governance philosophy is based on the following principles :

1. To follow the laws of land, not only in letter, but in spirit too.
2. Transparent, truthful and complete disclosure of information.
3. Distinguish between personal conveniences and company's resources and properties.
4. The Company firmly believes and proclaims that the shareholders are the cause of and ultimate beneficiaries of our business and economic epicenter.

Your Board of Directors is proud to assert that much before the code of Corporate Governance, in its present state, was thought of Jindal Hotels Limited was following it in strict as well as literal sense. The Company has complied with almost all the mandatory requirements of Corporate Governance as laid down by the Stock Exchange are detailed hereunder :

Pursuant to Clause 49 of the Listing Agreement entered with Bombay Stock Exchange, the Company hereby presents a Report on Corporate Governance to its members for the Financial Year 2007-08.

1. BOARD OF DIRECTORS

(a) Composition

Name of Director	Category	No. Board Meeting		Attendance at last AGM (29.09.2007)	Other Directorships (including JHL)	Committee Position (including JHL)	
		Held	Attended			Member	Chairman
Mr. D C Gami	NED & IND	6	6	Yes	5	1	4
Mr. P D Shah	CMD	6	6	Yes	3	1	-
Mrs C P Shah	NED	6	5	Yes	3	1	1
Mr. N D Shah	ED	6	6	Yes	3	1	-
Mr. J G Patel	NED & IND	6	6	Yes	1	1	1
Mr. A C Patel	NED & IND	6	6	Yes	10	4	1

(NED – Non Executive Director, IND – Independent, CMD – Chairman & Managing Director, ED – Executive Director)

Up to 17th May, 2008, Shri D. C. Gami was the Chairman of the Board of Directors and at present Shri Piyush D Shah is the Chairman & Managing Director of the Company. The Company is under process to appoint a new independent Director on the Board.

(b) Number of Board Meetings held and the dates there of :

Six Board Meetings were held during the financial year as on 24.04.2007, 21.07.2007, 14.09.2007, 29.09.2007, 23.10.2007 and 24.01.2008.

2. AUDIT COMMITTEE

(a) Terms of Reference

- a) 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;
- b) To review compliance with internal control systems;
- c) To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
- d) To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit Report;
- e) Recommending the appointment of statutory auditors and fixing of their remuneration.

(b) Composition, Names of Members and Chairman

Name of Director	Category	No of Meeting Attended
Shri D. C. Gami	NED & IND	4
Smt. C. P. Shah	NED	3
Shri J. G. Patel	NED & IND	4
Shri A. C. Patel	NED & IND	4

Shri D. C. Gami was the Chairman of Audit Committee until 17th May, 2008. On the same day in the meeting of Board of Directors, Mr. J. G. Patel was appointed as the Chairman of Audit Committee.

(c) Meeting and Attendance during the period

Four Audit Committee Meetings were held during the F. Y. 2007 – 08.

The dates of the meetings are 24.04.07, 21.07.07, 23.10.07 and 24.01.08 The meetings were attended by the members of the Audit Committee.

3. SHAREHOLDER GRIEVANCES COMMITTEE

(a) Terms of Reference

- (i) To approve transfer / transmission of shares in physical form.
- (ii) To approve sub-division/consolidation other than the market lot of shares.
- (iii) To issue duplicate share certificates.

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

- (iv) To secure advice of outsider/professional with relevant expertise, if considered necessary.
- (v) To approve dematerialization of equity shares of the Company.
- (vi) To attend and to resolve grievances of the shareholders.

(b) Composition, Names of Member and Chairperson

The Shareholders Grievances Committee comprises of 3 members namely Smt C.P Shah, Director, Shri P. D. Shah, Managing Director and Shri N. D. Shah, Executive Director. Smt. C.P. Shah is the Non Executive Director of the Company and Chairperson of the Committee.

(c) Meetings and Attendance during the period

23 Meetings of the Shareholders Grievances Committee were held during the financial year ended on 31st March, 2008.

Name of the Member	Designation	No. of Meeting Attended
Mrs. C P Sháh	Chairperson	23
Mr. P D Shah	Member	23
Mr. N D Shah	Member	23

(d) SHARE HOLDERS GRIEVANCE

Ms .Karuna Advani is the Compliance Officer of the Company. The complaints were received during year -7, Disposed of during the year -7, Un resolved at the end of the year – Nil from the shareholders / SEBI.

The company has furnished necessary documents and information to SEBI, BSE and shareholders, wherever necessary. There is no pending complaint for share transfer / transmission etc.

4. Remuneration Committee

The Company has constituted a Remuneration Committee. Upto 17th of May, 2008 Shri D.C.Gami was the Chairman of the Committee. Thereafter, Shri A C Patel is appointed as the Chairman of Committee. The broad terms of reference of the Remuneration Committee are to recommend to the Board salary (including annual increments), perquisites and commission to be paid to the Company's Managing / Whole-time directors (MD / WTDs),

The composition of the Remuneration Committee given below :

Names of Members	Category	No. of Meetings attended during in the year 2007-08
Shri D C Gami	Independent, Non Executive	Since there was no proposal for
Shri J G Patel	— do —	enhancement in the remuneration
Shri A C Patel	— do —	of any Director, the Committee did not meet during the year under review.

The Company has complied with the non-mandatory requirement of Clause 49 regarding the Remuneration Committee.

The Company has paid remuneration to Directors during F.Y. 2007-08 as resolved in the Annual General Meeting held on 27.09.2005.

All elements of remuneration paid (Rs)

(i)	Shri P D Shah, Managing Director	8,82,146
	Shri N D Shah, Executive Director	6,49,600
(ii)	Non- whole time directors	Sitting Fees paid (Rs.)
	Shri D.C. Gami	25,000
	Shri J. G. Patel	25,000
	Smt C.P.Shah	20,000
	Shri A.C.Patel	25,000

5. Code of Conduct

The Board of Directors of your Company has laid down its code of conduct and ethics for all board members and senior management personnel of the Company and the same has been posted on the website of the Company. All Board members and senior management personnel have affirmed compliance with the code.

5A. GENERAL BODY MEETINGS

(I) Date, Time and Location where the last three AGMs were held

Date	Time	Location	Number of Special Resolution passed
27.09.2005	12.00 noon	Opp Parsi Agiari, Sayajigunj, Vadodara	03 (three) Special Resolution passed
26.09.2006	12.00 noon	Opp Parsi Agiari, Sayajigunj, Vadodara	03 (three) Special Resolution passed
29.09.2007	12.00 noon	Opp Parsi Agiari, Sayajigunj, Vadodara	No Special Resolution passed

(II) Postal Ballot :

- (1) Whether Special resolutions were put through Postal Ballot last Year ? **No**
- (2) Are polls proposed to be conducted through postal ballots this year ? **No**

5B. NOTES OF DIRECTOR SEEKING RE-APPOINTMENT

Smt. Chanda P. Shah is a Science Graduate and has more than 25 years experience as a Hotelier. She has been rendering her services as a Non Executive Director of our Company since 23.09.93. She is a member of Audit Committee & chairperson of Shareholders Grievance Committee of our Company. She is on the Board of Jindal Agro Processing Pvt. Ltd & Synergy Stock Holding Pvt. Ltd. She is also partner in M/s. Kalyan Confectioners & Caterers, M/s. Hotel Kalyan & Restaurant and M/s. Kalyan Restaurant. Her experience, guidance and advice benefits the Company, particularly in the areas of Housekeeping, Interior Design and Landscaping. The ambience of the hotel created by her is a combination of tranquility and serenity along with grandeur and luxury.