



JINDAL HOTELS LIMITED



25th Annual
Report
2009 - 2010

Jindal Hotels Limited is proud to announce its Silver Jubilee celebration this year. Incorporated in 1985, the Company launched its flagship brand Surya Palace in 1987. Today the reputation that Surya Palace holds is truly noteworthy. We wish to thank all our esteemed shareholders whose unconditional support has helped us relentlessly achieve new goals.

We would also like to take this opportunity to let you all know about the new expansion plan of the group which is now in its final stage. We have roped in the best talent in the industry backed by a dedicated workforce to build a topnotch hotel in our city. We intend to announce the completion by the end of 2012.

Truly, we owe this to you and your support and faith in our capabilities.

We assure you to maintain the excellence levels in our hospitality which indeed will mutually benefit us.

“In the midst of conquering new heights”



JINDAL HOTELS LIMITED, BARODA

Hotel Surya Palace, Sayajigunj, Baroda - 390 020.
www.suryapalace.com

Board of Directors	: Shri A. C. Patel (Chairman) Shri P. D. Shah (Managing Director) Shri N. D. Shah (Executive Director) Shri J. G. Patel Shri M.P. Bakshi Smt. C. P. Shah
Registered Office	: Hotel Surya Palace Sayajigunj, Vadodara - 390 020.
Name of the Hotel	: Surya Palace Hotel Sayajigunj, Vadodara - 390020. Ph. : (0265) 2363366/2226000/2226226 Fax : (0265) 2363388 E-mail : sales@suryapalace.com share@suryapalace.com
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. Ph. No. (0265) 2314757 / 2339397 / 2350490 Email : mcsbaroda@yahoo.com

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NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twenty Fifth Annual General Meeting of the members of M/s. Jindal Hotels Limited, will be held on **Tuesday, the 28th day of September, 2010 at 3:00 p.m.**, at the Auditorium, ICAI Bhavan, Kalali – Tandalja Road, Atladara, Baroda- 390 012, to transact the following business :

ORDINARY BUSINESS

1. To receive and adopt the Audited Statement of Accounts for the year ended 31st March, 2010, together with the Report of Directors and Auditors thereon.
2. To elect Director in place of Mr. A. C. Patel who retires by rotation, being eligible offers himself for reappointment.
3. To declare Dividend on Equity Share for the year ended 31st March, 2010.
4. 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.

SPECIAL BUSINESS

5. To consider and, if thought fit, pass, with or without modification, the following Resolution as an Ordinary Resolution.
“**RESOLVED THAT**, Shri Mukund P Bakshi be and is hereby appointed as a Director of the Company liable to retire by rotation.”
6. To consider and, if thought fit, to pass, with or without modification, the following Resolution as Special Resolution.
“**RESOLVED THAT** subject to approval of members in General Meeting and pursuant to the provisions of Sections 198,269,309,311,314, Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, sanction be and is hereby accorded for the reappointment of Shri P D Shah as Managing Director for a period of three years with effect from 01-08-2010 and payment of remuneration as set out in the agreement entered into between the company and Shri P D Shah, which agreement is hereby specifically approved with liberty to the Board of Directors (“the Board”) to alter and vary the terms and conditions of the said agreement but so as not to exceed the limits specified in Schedule XIII of the Act or any amendments thereto, as may be agreed to between the Board and Shri P D Shah.”
“**FURTHER RESOLVED THAT** The Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”
7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as Special Resolution.
“**RESOLVED THAT** subject to approval of members in General Meeting and pursuant to the provisions of Sections 198,269,309,311,314, Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, sanction be and is hereby accorded for the reappointment of Shri N D Shah as Executive Director for a period of three years with effect from 01.08.2010 and payment of remuneration as set out in the agreement entered into between the company and Shri N D Shah, which agreement is hereby specifically approved with liberty to the Board of Directors (“the Board”) to alter and vary the terms and conditions of the said agreement but so as not to exceed the limits specified in Schedule XIII of the Act or any amendments thereto, as may be agreed to between the Board and Shri N D Shah.”
“**FURTHER RESOLVED THAT** The Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”
8. To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution:
“**RESOLVED THAT** pursuant to provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company, be and are hereby altered in the following manner:
The following amended Article be substituted with the existing Article 124 (b) and Article 127.

Article 124 (b) : Inspection of Minutes Books of General Meetings

Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in clause (a) above, on payment of ₹ One (or any sum as may be prescribed from time to time) for every one hundred words or fractional part thereof required to be copied.

Article 127: BOARD OF DIRECTORS

Unless otherwise determined by the Company in General Meeting the number of Directors shall not be less than three and not more than twelve.

The Present Directors of the Company are:

(1) Mr. Piyush D Shah (2) Mr. Nilesh D Shah (3) Mr. Ambalal C Patel (4) Mr. Jatil G Patel (5) Mrs. Chanda P Shah (6) Mr. Mukund P Bakshi

NOTES :

1. 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.
2. Share Transfer Book and the Register of Members of the Company will remain close from **21.09.2010 to 28.09.2010** (both days inclusive) for effecting transfer of shares, payment of Dividend and other allied matters.

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3. 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 **DEMATERIALIZED** 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 National Electronic Clearing System (NECS). The NECS 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.	

- 4 In order to maintain decorum amidst the proceedings, members are requested to attend the Meeting without accompanying guests or children.
5. 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 encashed the Dividend Warrants for the Financial year ended 31.3.2005, 31.03.2006, 31.03.2007, 31.03.2008, and 31.03.2009 are requested to make their claims to the Company's Share Department at the registered office of the Company accordingly, without further delay.
6. 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**
7. Members desiring any relevant information or clarifications on the accounts at the Annual General Meeting are requested to write to the Company Secretary at least ten days in advance of the meeting, so as to enable the management to compile the information and provide details at the meeting.
8. The Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956, in respect of the Special business as per item Nos.5 to 8 herein above, is annexed hereto.

Registered Office :
Hotel Surya Palace,
Sayajigunj,
Vadodara 390 020

Place : Vadodara
Date : 20.07.2010

By Order of the Board Directors of
JINDAL HOTELS LIMITED

Karuna V Advani
Company Secretary

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EXPLANATORY STATEMENT

Pursuant to section 173 of the Companies Act, 1956, Accompanying Notice dated 20th July, 2010.

Item No 5 : Appointment of Shri Mukund P Bakshi, as Additional Director.

The Board of Directors of the Company appointed Shri Mukund P Bakshi as an Additional Director, with effect from 20.07.10, in terms of Section 260 of the Act and Clause 134 of Article of Association of Company. Shri Mukund P Bakshi holds office till the conclusion of this Annual General Meeting.

Shri Mukund Bakshi, aged 46 years, is a Fellow Member of the Institute of Chartered Accountants of India and a Practising Chartered Accountant. He is a partner of M/s Mukund & Rohit, Chartered Accountants, Baroda. Besides, he has wide experience in the area of accounting & auditing, taxation and legal matters. He is on the Board of Directors of M/s Kemrock Industries & Exports Ltd. and is the Chairman of Audit Committee, a Member of Shareholders' Grievance Committee and Remuneration Committee of the said Company. His knowledge, experience, guidance and advice will be beneficial to the company in long run. He is appointed as a Member of Remuneration Committee of our Company.

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

Save and except Shri Mukund P Bakshi, no other Director is concerned or interested in the respective resolution.

ITEM 6 & 7 : Reappointment of Managing Director and Executive Director

The term of Shri P D Shah as Managing Director expires on 31.07.2010. Considering the responsibilities rendered by Shri P D Shah, the Board of Directors of the Company have considered in their meeting held on 20.07.2010 to extend the term of office of Shri P D Shah, as Managing Director for a further period of three years with effect from 01.08.2010, subject to necessary approval of the shareholders at the General Meeting of the Company.

The term of Shri N D Shah as Executive Director expires on 31.07.2010. Considering his qualifications, experience and excellency at work, Board of Directors have considered in their meeting held on 20.07.2010 to reappoint him as Executive Director from 1st August, 2010 for a period of three years, subject to necessary approval of the shareholders at the General Meeting of the Company.

The Remuneration Committee recommended a revision in the remuneration payable to Managing Director and Executive Director, with a view to align remuneration packages with the best corporate practices prevailing in the industry.

In accordance with the recommendations, Shri P D Shah as Managing Director and Shri N D Shah as Executive Director are entitled to the remuneration stated below as approved by the Remuneration Committee as well as by the Board in pursuance of Section 198, 269, 309, 311, 314 of the Companies Act read with Schedule XIII there to and subject to the approval of members in the General Meeting.

REMUNERATION

- | | |
|---|--|
| (a) Salary | (i) Shri P D Shah ₹ 1,50,000 - ₹ 15,000 – ₹ 1,95,000 per month. |
| | (ii) Shri N D Shah ₹ 1,00,000 - ₹ 10,000 – ₹ 1,30,000 per month. |
| (b) Perquisites
& Allowances | (i) Shri P D Shah – Overall limit of ₹ 25000 per month. |
| | (ii) Shri N D Shah – Overall limit of ₹ 20000 per month. |

They shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses/or allowances for utilization of gas, electricity, water, furnishing and repairs, telecommunication facilities at residence, medical reimbursement incurred for himself and his family, leave travel concession for self and their family including dependants, club fees, medical insurance and such other perquisites and/or allowances, up to the amounts specified above, subject to overall ceiling of remuneration, stipulated in Section 198 and 309 of the Companies Act, 1956, read with Schedule XIII, thereto. The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules there under (including any statutory modification(s) or re-enactment thereof, for the time being in force). However, company's contribution to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax Act, and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the company, shall not be included in the computation of overall ceiling of remuneration or perquisites aforesaid.

They shall also be eligible to an annual increment as mentioned above during their tenure as Managing Director and / or Executive Director.

In case of no profits or inadequate profits in any financial year, remuneration and perquisites shall be subject to overall limits as prescribed above.

Shri P D Shah, Managing Director and Shri N D Shah, Executive Director are appointed as Non Rotational Director in terms of Section 255 of the Companies Act, 1956.

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The terms and conditions as set out in the agreement may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments made thereto.

The Agreement may be terminated by either party (Company or the Managing Director / Executive Director) by giving the other three months period notice of termination in writing.

The above may be treated as an abstract of the agreement entered into between the company and Shri P D Shah, Managing Director and, also with Shri N D Shah, Executive Director, pursuant to Section 302 of the Companies Act, 1956.

The Agreement entered into between the Company and Shri P D Shah, Managing Director and also with Shri N D Shah, Executive Director are available for inspection by the Members of the Company at the registered office of the Company on any working day excluding Sunday and holidays, up to the date of the ensuing Annual General Meeting between 1.00 pm and 3.00 pm.

Your Directors recommend the resolution for your approval.

Shri P D Shah, Smt. C P Shah and Shri N D Shah Directors of the Company are interested or deemed to be concerned or interested in the resolution.

ITEM No. 8 : Amendment of Articles of Association

The Board is of the view to alter the Articles of Association as proposed in the Resolution. It is a right of every member to inspect the Minutes Book of General Meeting and to have copy of the same. For receiving copy of the Minutes, it is necessary to pay by the member certain charges to the Company as prescribed in Section 196 (2) of The Companies Act, 1956. These charges have been revised from 37 paise to ₹ 1/- for every one hundred words. Therefore it is necessary to amend Clause 124 (b) of the Articles of association of the Company.

Further there has been change in the composition of the Board of Directors due to demise of Mr. D.C.Gami and also appointment of Mr. M.P Bakshi as Director. Therefore to reflect present composition of Board of Directors, it is necessary to amend clause 127 of Articles of association of the Company.

Your Board recommend to alter these two clauses of Articles of Association in the interest of the Company. For alteration of Articles of Association, it is inherent to avail consent of the Members in the General Meeting by Special Resolution. Hence the above referred Special Resolution is placed before you for your accord.

None of the Directors of the Company are interested or concerned in the proposed resolution.

A copy of the Memorandum and Articles of Association of the company together with the proposed alteration is available for inspection by the Members of the Company at its Registered office between 1.00 p.m to 3.00 p.m on any working day.

Registered Office :
Hotel Surya Palace,
Sayajigunj,
Vadodara 390 020

By Order of the Board Directors of
JINDAL HOTELS LIMITED

Place : Vadodara
Date : 20.07.2010

Karuna V Advani
Company Secretary

DECLARATIONS :

Managing Director (CEO) and Chief Financial Officer (CFO) Certification

As required by sub clause V of clause 49 of the listing agreement entered with the Bombay Stock Exchange, we have certified to the Board that for the financial year ended 31st March, 2010, the Company has complied with the requirements of the said sub clause.

Place : Vadodara
Date : 20.07.2010

Palak Gandhi
Chief Financial Officer

P D Shah
Managing Director

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Report of the Directors & Management Discussion and Analysis

Dear Members,

On behalf of the Board of Directors of your Company, I take pleasure in presenting the 25th Annual Report and Audited Statement of Accounts for the financial year ended 31st March, 2010.

Financial Performance

(₹ In lakhs)		
Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Turnover	1920.99	1805.71
Less: Expenditure	1389.58	1311.21
Profit before Depreciation, Interest and Taxation	531.41	494.50
Interest	106.72	98.73
Depreciation	138.10	130.12
Profit before Taxation	286.59	265.65
Provision for Income Tax / FBT / Def. Tax	99.42	108.29
Net Profit after Taxation	187.17	157.36
Profit Brought Forward	201.08	115.95
Income Tax of earlier years	(3.63)	(4.25)
Disposable Surplus	384.62	269.06
Transfer to General Reserve	35.00	35.00
Proposed Equity Dividend	28.65	28.19
Tax on Dividend	4.76	4.79
Balance Profit C/F	316.21	201.08

Review of Operations

During the year under review, your Company has done reasonably well, in spite of depressive market condition observed globally throughout the year. The turnover has registered growth at 6.38% as compared to previous year. Due to operational efficiency at every stage, sharp focus on marketing strategy and stringent internal cost control systems, the Company had 19.87% higher profit as compared to the previous year. The bottom line margins have improved by prudent management measures.

Prospects & Concerns

The Current year has been challenging for the Indian hotel industry. This is due to a multiplicity of factors i.e US & Greece financial crisis, inflationary trend, swine flu pandemic, slow rate of GDP and fears of erratic and insufficient monsoons. India has emerged as one of the world's leading as well as most robust and resilient economies. The country has coped successfully with the challenge of the recent economic and financial crisis as well as recession worldwide. The last two quarters of the year has witnessed a gradual recovery in the hospitality sector.

The slowdown in the tourism sector has had a cascading effect, showing a decrease in the room occupancy and average room rates. To combat the drop in revenue due to the global events, stringent cost control measures with no compromise in quality were implemented. The guest satisfaction scores at our hotel reflect that despite the measures, the quality of our hospitality services continues to be excellent. Credit for this goes to the positive experience at the newly furnished rooms as well as continual effort for better services offered to the guests.

The management has taken active steps to promote the property with some effective marketing initiatives. We are launching some new services to add to the brand portfolio. Internal skill sets are being honed and developed for better utilization and implementation of available resources. With these efforts, we hope to maintain the profitability of your Company in the times to come.

However, increase in petroleum prices as well as their decontrol, and uncertainty of rain fall in various parts of country are the main concerns for Hotel Industry as a whole.

Expansion Project

The Company is progressing ahead in the expansion on project on adjoining land of existing hotel building.

The Company is at an advanced stage of negotiation with a leading National Chain of Hotels for a Branding and Marketing Tie-Up and is likely to finalize the agreement in the coming months. They have completed Techno Eco Feasibility Study and have submitted their GAP Documents. Now, the team of technical and financial experts as well as banker of the Company are appraising the revised expansion project. The Company will carry out desired changes in the profile of our incoming expansion project, as per their advice and requirements. The Management is taking effective steps to commence implementation of the project at an early date.

Issue of Warrants convertible into Equity Shares on Preferential Basis

The Board of Directors of the Company, in its meeting held on 1st July, 2009, allotted 24,76,540 Warrants of ₹ 20 each, convertible into Equity Shares of ₹10/- each, at a premium of ₹10/- per share on preferential basis. Out of which 11,75,540 Warrants were converted into Equity shares of ₹ 10/- each, at premium of ₹ 10/- per share on 16th March, 2010. In addition, the Company had already received Warrant Application Money of ₹ 65.05 lacs towards 13,01,000 warrants convertible into Equity Shares of the Company, having paid up value of ₹ 5/- per warrant. The proceeds of the issue of above shares have been utilized for the purpose of repayment of term loan and unsecured loans, augmentation of working capital, up gradation and modernization of plant / property of the Company. BSE has granted listing permission for the aforementioned converted shares.

Dividend

Your Directors, in consideration of the fund requirements for "New Hotel Project", have decided to recommend a dividend @ 8% i.e. ₹ 0.80 per Equity Share of ₹ 10/- each for the financial year ended March 31st, 2010, subject to approval of the shareholders at the Annual General Meeting. However on additional 11,75,540 Equity shares allotted during the year under review, the Board recommended the same rate of dividend on pro rata basis i.e. ₹ 0.04 per Equity Share of ₹ 10/- each.

Directors

On 20.07.2010, in the Meeting of Board of Directors, your Company had appointed Shri Mukund Bakshi, as an additional Director. Mr. Bakshi is a practising Chartered Accountant at Baroda and has a wide range of clientele. His forte is in the field of legal, finance and taxation matters. His association with the Company will prove beneficial in many respects. You are requested to give your accord for appointing him as a Director.

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Shri A.C. Patel, Director, who retires by rotation, is eligible for reappointment and has shown his willingness to be reappointed as Director.

Insurance

The Company has a broad-banded approach towards insurance. Adequate cover has been taken for all movable and immovable assets against numerous risks and hazards.

Statutory Disclosures

None of the Directors of your Company is disqualified as per the provisions of Section 274(1) (g) of the Companies Act, 1956. Your Directors have made the necessary disclosures, as required under various provisions of the Act and Clause 49 of the Listing Agreement.

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 since the Company belongs to the hospitality industry.

During the year under review, your Company earned foreign exchange of ₹ 100.86 lacs (Previous year ₹ 100.28 lacs), whereas outflow of foreign exchange was ₹ 17.80 lacs (Previous year ₹ 46.86 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 has always emphasized the importance of its employee relationships as a necessary factor for its success and future growth. Its human development initiatives ensure that employees are trained, motivated and involved at every level, so that they can act responsibly and contribute constructively. HRD activities help tap and utilize the potential of team members and special incentives are provided to increase productivity and reward efficiency.

The Company is committed to providing the opportunities to prepare our people with the skill sets they will require in the future. Our approach always amalgamates corporate goals and individual needs.

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

By the end of March 2010, the Company had 149 permanent employees.

The Company is proud to possess an exceptional pool of skilled manpower, professionals and executives who are committed to deliver value and satisfaction all the time.

Listing of Securities

The Shares of the Company are listed with the Bombay Stock Exchange, Mumbai. The listing fees for Financial Year 2010-11 have 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 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 invited deposit from public. However, the Company has accepted interest free deposits during the year under review from Directors and Shareholders. The Company has complied with the provisions of Rule 10 of the Companies (Acceptance of Deposits) Rules, 1975 as well as the provisions of Section 58A and 58AA of The Companies Act, 1956.

Acknowledgement

The Board of Directors acknowledges the cooperation and support received from Vendors, Traders, Customers, Banks, Financial Institutions, Shareholders and the society at large.

The support of the Bankers, Central and State Government Officials, Solicitors, Advisors, Business Associates and Members of Jindal family need a special mention here. Without their unflinching support, this performance of the Company would not have been possible.

The Directors also wish to place on record their appreciation to the team of executives, staff and workers, who have shown immense dedication and efficiency in performing their duties.

Your Directors look forward to a long and fruitful association with all of them.

Place : Vadodara
Date : 20.07.2010

For JINDAL HOTELS LTD
P. D. Shah
Managing Director