



26th Annual Report
2010-2011



World Cuisine Restaurant



**Certificate of
Excellence**

MAY 2011

Surya Palace Hotel

 **tripadvisor®**

**ANNUAL GENERAL MEETING**Date : 27th September, 2011

Day : Tuesday

Time : 3:30 pm

Venue : Surya Palace Hotel, Sayajigunj, Vadodara, Gujarat-390020

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,
Gujarat-390020

Name of the Hotel :

"Surya Palace Hotel"
Sayajigunj, Vadodara - 390020.
Ph. : (0265) 2363366/2226000/2226226
Fax : (0265) 2363388
E-mail : share@suryapalace.com
cs@jindalhotels.com
Website : www.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 Agents :

MCS Limited
Neelam Apartment, 88, Sampatrao Colony,
Alkapuri, Vadodara – 390 007.
Ph. No. (0265) 2314757 / 2339397
Fax: - 0265-2341639
Email : mcsltdbaroda@yahoo.com

CONTENTS**Page No.**

Notice of Annual General Meeting	02
Report of the Directors & Management Discussion & Analysis	05
Report on Corporate Governance	07
Auditors Report	12
Balance Sheet	14
Profit & Loss Account	15
Cash Flow Statement	16
Schedules to the Accounts	17
Balance Sheet Abstract	26

JINDAL HOTELS LIMITED, BARODA

Hotel Surya Palace, Sayajigunj, Baroda - 390 020.



NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twenty Sixth Annual General Meeting of the members of M/s. Jindal Hotels Limited, will be held on **Tuesday, the 27th day of September, 2011 at 3:30 p.m., at Company's Registered office : Hotel Surya Palace, Sayajigunj, Vadodara, Gujarat** to transact the following business :

ORDINARY BUSINESS

1. To receive and adopt the Audited Statement of Accounts for the year ended 31st March, 2011, together with the Report of Directors and Auditors thereon.
2. To elect Director in place of Mrs. C.P.Shah who retires by rotation, being eligible, offers herself for reappointment.
3. To declare Dividend on Equity Shares for the year ended 31st March, 2011.
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 Special Resolution .
RESOLVED THAT subject to approval of Members in General Meeting and in pursuance of Section 314 of the Companies Act or any other applicable provisions of the Companies Act, 1956, Ms. Shagun Mehra, Head of Marketing be paid remuneration of Rs.1,00,000 p.m. including incentive and Bonus, plus other perquisites and allowances to the extent of Rs. 20,000/- p.m. with effect from 01.06.2011 for a period of 3 years. She shall be entitled for annual increment of Rs. 10,000/- p.m.

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 **20.09.2011 to 27.09.2011** (both days inclusive) for effecting transfer of shares, payment of Dividend and other allied matters.
3. Members are requested
 - (a) To notify immediately, changes in their address, mandate/ bank details if any, to the Company.
 - (b) Members are requested to bring their attendance slips along with copy of the Reports and Accounts to the AGM.
 - (c) To **DEMATERIALIZE** Shares Certificates through your Depository Participants (DP).
 - (d) **ECS Facility:** 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. Unclaimed Dividend:

Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 2000, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred

JINDAL HOTELS LIMITED, BARODA

Hotel Surya Palace, Sayajigunj, Baroda - 390 020.



to the Investors' 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 shall not be able to claim any unpaid dividend from the said fund nor from the company thereafter.

Details of dividend to be transferred to Investors' Education & Protection Fund (IEPF) :

Date of Declaration	Financial Year of Declaration	Due date for transfer to IEPF
27 th September, 2005	2004-2005	26 th October, 2012
26 th September, 2006	2005-2006	25 th October, 2013
29 th September, 2007	2006-2007	28 th October, 2014
23 rd September, 2008	2007-2008	22 nd October, 2015
29 th September, 2009	2008-2009	28 th October, 2016
28 th September, 2010	2009-2010	27 th October, 2017

Members who have not yet encashed their dividend warrant(s) for the financial year ended 31-03-2005 to 31-03-2010, are requested to lodge their claims to the Company, without any delay.

- 6. Nomination Facility:** In terms of Section 109 A of the Companies Act, 1956, members are entitled to make change/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. PAN** – Share holders holding shares in the physical (certificate) form are requested to furnish a copy of PAN CARD as SEBI has made mandatory in the following cases :-
 1. Transferee's PAN card for transfer of shares.
 2. Surviving joint holder's PAN card for deletion of name of deceased shareholders.
 3. Legal Heir's PAN card for transmission of shares.
 4. Joint Holder's PAN card for transposition of shares.
8. 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.
9. Relevancy of questions and the order of speakers at the meeting shall be decided by the Chairman.
10. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business as per item No.5 herein above, is annexed hereto.

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

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

**Place : Vadodara
Date : 26.07.2011**

**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, 2011, the Company has complied with the requirements of the said sub clause.

**Place: Vadodara
Date: 26.07.2011**

**Palak Gandhi
Chief Financial Officer**

**P D Shah
Managing Director**

JINDAL HOTELS LIMITED, BARODA

Hotel Surya Palace, Sayajigunj, Baroda - 390 020.



EXPLANATORY STATEMENT

In conformity with the provisions of Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all the material facts relating to the Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

Item No 5 : To increase Remuneration of Mrs. Shagun Mehra, Head of Marketing

Mrs. Shagun Mehra has done PG (Diploma in Hotel Management) and Advance Level WSET, UK, and was appointed as Head of marketing w.e.f 1st June, 2009 and her appointment was approved by the members in the Extra Ordinary Meeting held on 23rd day of June, 2009.

Considering the progress achieved and development of business of the Company as a result of her efficient Marketing Strategies, the Board of Directors in their meeting held on 26th July, 2011, resolved to increase the remuneration of Mrs. Shagun Mehra. Prior to this, Selection Committee had also recommended to increase the remuneration of Ms. Shagun Mehra.

As per the recommendation, her salary will be Rs. 1,00,000 p.m.(Rs. One lac only) including incentive and Bonus, plus other perquisites and allowances to the extent of Rs. 20,000/- p.m. with effect from 01.06.2011 for a period of 3 years. She shall be entitled for annual increment of Rs. 10,000/- p.m.

She 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 self and her family, medical insurance and such other perquisites and/or allowances, up to the amounts specified above, subject to overall ceiling of remuneration, stipulated in Section 314 of the Companies Act, 1956. 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.

Mrs. Shagun Mehra is relative of Mr. P.D Shah and C.P Shah, Directors of the Company

In view of provisions of Section 314 of the Companies Act, 1956, the increase in remuneration of relative of Director/s shall be approved by the members in the General Meeting. Therefore, your Directors recommend the resolution for your approval.

None of the Directors except Shri P D Shah and Smt. C P Shah are interested or deemed to be concerned or interested in the resolution.

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

By Order of the Board Directors of
JINDAL HOTELS LIMITED

Place : Vadodara
Date : 26.07.2011

Karuna V Advani
Company Secretary

The particulars of the Director seeking re-appointment are furnished below as per the provisions of Clause 49.

Name of Director	Mrs. Chanda P Shah
Date of Appointment	23/09/1993
Date of birth	24 th June 1955
Qualification	B.Com
Details of shares held in the company	3590
List of other Companies in which Director	Synergy Stock Holdings Pvt Ltd (Director) Jindal Agro Processing Pvt Ltd (Director) Riser Holdings Pvt. Ltd (Director) Synergy Commodities Pvt. Ltd. (Director) Modutech Building Systems Pvt. Ltd (Director)
List of CM/Membership of other Committee	Chairperson of Shareholder Grievances Committee of Jindal Hotels Ltd.
Expertise	Smt. Chanda P Shah is a Commerce Graduate and has more than 25 years experience as a Hotelier. She has been rendering services as a Non Executive Director of our Company since 23.09.93. She is a member of Audit Committee and Chairperson of Shareholder Grievances Committee of our Company. 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.

JINDAL HOTELS LIMITED, BARODA

Hotel Surya Palace, Sayajigunj, Baroda - 390 020.



Report of the Directors & Management Discussion and Analysis

Dear Members,

Your Directors take pleasure in presenting the 26th Annual Report and Audited Statement of Accounts for the financial year ended 31st March, 2011.

Financial Performance

Your Company's financial performance for the year ended March 31, 2011 is as below:

(₹ In lakhs)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Turnover	2304.23	1920.99
Less: Expenditure	1664.82	1389.58
Profit before Depreciation, Interest and Taxation	639.41	531.41
Interest	122.50	106.72
Depreciation	144.24	138.10
Profit before Taxation	372.66	286.59
Provision for Income Tax / Def. Tax	120.74	103.05
Net Profit after Taxation	251.92	183.54
Profit Brought Forward	316.21	201.08
Disposable Surplus	568.13	384.62
Transfer to General Reserve	35.00	35.00
Proposed Equity Dividend	48.00	28.65
Tax on Dividend	7.79	4.76
Balance Profit C/F	477.34	316.21

Review of Operations

During the year under review, your Company performed well in adverse market conditions and registered overall sales growth above 20% over previous year. The renovation, refurbishment and up gradation of guest rooms, supported by personalized service and provision of special amenities for guest comfort, have earned goodwill and guest loyalty. The Company emphasizes the need for a sharp focus on marketing strategy as well as consistent sales effort and this has contributed well to the increased room occupancy and ARR. Our innovative food and beverage offerings also got their due recognition and patronage with significant increase in Restaurant, Banquet and Outdoor Catering businesses. Due to efficiency at every stage of operation, stringent internal cost control system and prudent management measures, the bottom line has also improved considerably.

Prospects & Concerns

The hotel industry in India is currently going through an uncertain phase, much like a roller coaster. As an industry directly impacted by the economic scenario as well as security concerns at national and global levels, there is apprehension and anxiety in the current context of slowdowns in developed countries and global recession, ongoing wars as well as threats from terrorist attacks. Demand is not likely to improve in the coming year. The pace of economic growth to around 8 % of GDP will directly affect business travel and companies are likely to cut expenditure on corporate travel as a part of their austerity measures amidst slackened industrial development. The hotel business in general is also sensitive to government policies and regulations, fluctuations in interest rates and foreign exchange rates. Further the imposition of 5% service tax by the Central Government w.e.f. 1st May, 2011 on accommodation offered by a hotel with a declared tariff of Rs. 1,000/- or more is likely to have a major blow to the hotel industry, which is already heavily taxed. Further, increase and volatility in domestic air fares may also affect the occupancy levels at hotels.

Your Company continues in its quest for excellence by constant improvement of the guest experience through better service levels and product upgrades. A lot of credit for these enhanced satisfaction levels goes to the positive experience at the newly furnished rooms. The suites as well as renovated rooms have been very well received and were a key differentiator that facilitated in the hotel garnering high profile business from corporate leaders. Many celebrities from various fields: art, sports and bollywood, including Noble Prize winner Shri Venkatraman Ramakrishnan, preferred to be our guest over other hotels that belong to national chains due to the image and reputation that your Company has built over the last twenty five years.

We are indeed proud to share that your Company has been recognized and duly rewarded by *TRIP ADVISOR*, in world's most trusted travel advice portal: Certificate of Excellence in May 2011.

A strong Guest Relations Management (GRM) initiative has been activated through personalized services, collection and analysis of guest information, effective communication and proper networking system. This will ensure that we retain as well as build upon current businesses and consolidate our market positions all the time. The optimism surrounding the Indian hospitality industry is not without challenge. The industry faces certain obstacles, which need to be overcome to realize its potential to the fullest.

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.

Expansion Project

Your Company is progressing ahead in the expansion on project on adjoining land of existing hotel building. The Company has carried out desired changes in the profile of expansion project, as per the advice of experts and desired requirements. There will be addition of Ball Room which will be largest in Baroda City, five meeting rooms, mid size multipurpose hall, a specialty restaurant, spa & health club, swimming pool and additional thirty budget rooms. The Management is taking effective steps for completion of the project at stipulated early date.

Your Company continues to pursue the completion of ongoing project to achieve sustainable and profitable growth.

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 and 13,01,000 Warrants were converted into Equity Shares on 18.10.2010. 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 trading permission for the aforementioned converted shares.

Dividend

Your Directors, in consideration of the fund requirements for "New Hotel Project", are pleased to recommend a dividend @ 8% i.e. ₹ 0.80 per Equity Share of ₹ 10/- each for the financial year ended March 31st, 2011.

JINDAL HOTELS LIMITED, BARODA

Hotel Surya Palace, Sayajigunj, Baroda - 390 020.



Directors

Smt. C.P.Shah, Director, who retires by rotation, is eligible for reappointment and has shown her 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 ₹ 67.81 lacs (Previous year ₹100.86 lacs), whereas outflow of foreign exchange was ₹ 6.78 lacs (Previous year ₹17.80 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 strength of your Company lies in its team of competent and motivated personnel. This has made possible for your Company to make significant strides in all areas of its functioning.

The Company has also continued its endeavor to impart appropriate and relevant training to its employees at various levels with a view to equip them to take up the challenges that are ahead and to enhance their performance in the overall interest of the Company. HRD activities help tap and utilize the potential of team members and special incentives are provided to increase productivity and reward efficiency.

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 2011, the Company had 146 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 2011-12 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 / their relatives 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.

Corporate Social Responsibility

The Company is associated with various charitable, social, religious and philanthropic activities and thereby playing a pro active role in the societal growth and community development.

Acknowledgement

Your Directors wish to place on record their appreciation towards all associates including Customers, Banks, Financial Institutions, Shareholders and the society at large who have reposed their confidence in the Company.

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.

For JINDAL HOTELS LTD

Place : Vadodara
Date : 26.07.2011

P. D. Shah
Managing Director



REPORT ON CORPORATE GOVERNANCE

The Company's Philosophy on Corporate Governance:

Jindal Hotels Ltd believes that Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. 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 the 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 2010-11.

1. BOARD OF DIRECTORS

(a) Composition

Name of Director	Category	No. Board Meeting		Attendance at last AGM (28.09.2010)	Other Director-ships (including JHL)	Committee Position (including JHL)	
		Held	Attended			Member	Chairman
Mr. A C Patel	CM, NED & IND	5	5	Yes	12	6	2
Mr. P D Shah	MD	5	5	Yes	8	-	-
Mrs C P Shah	NED	5	4	Yes	6	1	-
Mr. N D Shah	ED	5	5	Yes	4	-	-
Mr. J G Patel	NED & IND	5	4	No	1	1	1
Mr. M P Bakshi	NED & IND	5	4	Yes	1	-	-

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

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

Five Board Meetings were held during the financial year as on 20.04.2010, 20.07.2010, 28.09.2010, 18.10.2010, and 08.02.2011.

2. AUDIT COMMITTEE

The Audit Committee presently comprises of three Directors. All the members of the Committee have wide knowledge and experience in the field of Corporate Finance and Accounts. The scope of the activities of the said Committee is as set out in Clause 49 II(D) of the Listing Agreements with Stock Exchanges read with Section 292A of the Companies Act, 1956.

Major terms of reference of the committee are :

1. To review the Company's Financial Reporting Process and its financial statements/results before submission to Board.
2. To review the accounting and financial policies and practices.
3. To review the adequacy of Internal Control Systems.
4. To review the Company's Financial and Risk Management Policies and ensure compliance with regulatory guidelines.
5. To review reports furnished by the internal and statutory auditors.
6. To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit Report;
7. 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 J G Patel	CM, NED & IND	4
Smt. C P Shah	NED	3
Shri A C Patel	NED & IND	4

(c) Meeting and Attendance during the period

Four Audit Committee Meetings on 20.04.2010, 20.07.2010, 18.10.10 and 08.02.11 were held during the F. Y. 2010-11. The meetings were attended by the members of the Audit Committee.

Managing Director & Executive Director are also invited to attend the meetings as a Special Invitee. The Internal Auditors & Statutory Auditors are also invited to attend the meetings as and when required. The Company Secretary acts as Secretary to the Committee.