



JINDAL HOTELS LIMITED



27TH ANNUAL REPORT
2011 - 12

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**ANNUAL GENERAL MEETING**Date : 25th September, 2012

Day : Tuesday

Time : 3:30 pm

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

Board of Directors

Mr. Ambalal Patel (Chairman)
 Mr. Piyush Shah (Managing Director)
 Mr. Nilesh Shah
 Mr. Jatil Patel
 Mr. Mukund Bakshi
 Ms. Chanda 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 : mcsltbaroda@yahoo.com

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JINDAL HOTELS LIMITED, BARODA

Hotel Surya Palace, Sayajigunj, Baroda - 390 020.



Dear Shareholders,

You are cordially invited to attend the 27th Annual General Meeting of shareholders of Jindal Hotels Limited to be held at the Registered office of the Company: Hotel Surya Palace, Sayajiganj, Vadodara, Gujarat on Tuesday, 25th September, 2012 at 3:30 p.m.

At Annual General Meeting you will be asked to transact matters relating to ordinary business and any other business as properly may come before the Annual General Meeting.

It is important that your shares be represented and voted whether or not you plan to attend the Annual General Meeting in person. You may vote by completing and mailing a proxy form. If you do attend the meeting, you may withdraw your proxy should you wish to vote in person. Please send us form on last page for registration of Email ID as a step towards a sustainable green environment supported by a responsible citizen.

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twenty Seventh Annual General Meeting of the members of M/s. Jindal Hotels Limited, will be held on **Tuesday, the 25th day of September, 2012 at 3:30 p.m., at Company's Registered office: Hotel Surya Palace, Sayajigunj, Vadodara, Gujarat 390020** to transact the following business :

ORDINARY BUSINESS

01. To receive and adopt the Audited Statement of Accounts for the year ended 31st March, 2012, together with the Report of Directors and Auditors thereon.
02. To elect Director in place of Mr. Jatil Patel who retires by rotation, being eligible, offers himself for reappointment.
03. To elect Director in place of Mr. Mukund Bakshi who retires by rotation, being eligible, offers himself for reappointment.
04. To declare Dividend on Equity Share for the year ended 31st March, 2012.
05. 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 :
Hotel Surya Palace,
Sayajigunj,
Vadodara 390 020

By Order of the Board of Directors of
JINDAL HOTELS LIMITED

Place : Vadodara
Date : 17.07.2012

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 close from **18.09.2012 to 25.09.2012** (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, 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 **DEMATERIALIZED** their 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.	

04. In order to maintain decorum amidst the proceedings, members are requested to attend the Meeting without accompanying guests or children.

05. 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 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.

JINDAL HOTELS LIMITED, BARODA

Hotel Surya Palace, Sayajigunj, Baroda - 390 020.



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
27 th September, 2011	2010-2011	26 th October, 2018

Members, who have not yet encashed their dividend warrant for the financial year ended 31-03-2005 to 31-03-2011, are requested to lodge their claims to the Company, without any delay.

- 06. Nomination Facility:** In terms of Section 109A 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**
- 07. PAN** – Share holders holding shares in the physical (certificate) form are requested to as 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.
- 08.** 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.
- 09.** Relevancy of questions and the order of speakers at the meeting shall be decided by the Chairman.

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

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

**Place : Vadodara
Date : 17.07.2012**

**Karuna V Advani
Company Secretary**

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

Mr. Jatil Patel is M.Sc. from The M S University of Baroda. In March 2001, he retired as Deputy General Manager of Bank of Baroda. He had served Bank of Baroda for more than 30 years, including 8 years in branches at Abu Dhabi (UAE) and Fiji Islands. He has had an exemplary career with the bank and has received numerous awards for exceeding various targets. He possesses wide exposure in finance and banking, an expertise that is always available to the Company.



Name of Director	Mr. Jatil Gordhan Patel
Date of Appointment	22/07/2003
Date of birth	6 th October, 1946
Shareholding in Equity Shares of the Company and % of holding	-
List of other Companies in which Directors	-
List of CM/Membership of other Committee	Chairman – Audit Committee

Mr. Mukund Bakshi, 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. Mr. Bakshi has over 20 years of experience in corporate finance, accounts, audit, taxation and legal matters. He is responsible for strategic financial matters including corporate finance and corporate strategy.



Name of Director	Mr. Mukund Bakshi
Date of Appointment	20/07/2010
Date of birth	4 th March, 1964
Shareholding in Equity Shares of the Company and % of holding	-
List of other Companies in which Directors	M/s Composite Solutions Pvt. Ltd
List of CM/Membership of other Committee	Member of Remuneration Committee & Selection Committee of our Company



Report of the Directors & Management Discussion and Analysis

Dear Members,

Your Directors take pleasure in presenting the 27th Annual Report and Audited Statement of Accounts for the financial year ended 31st March, 2012.

Financial Performance

Your Company's financial performance for the year ended March 31, 2012 is as below:

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Turnover	26,64,23,229	23,04,22,947
Less: Expenditure	19,28,61,532	16,63,48,642
Profit before Depreciation, Interest and Taxation	7,35,61,697	6,40,74,305
Interest	1,41,48,774	1,25,98,232
Depreciation & Amortization	1,59,44,025	1,44,35,001
Profit before Taxation	4,34,68,898	3,70,41,072
Provision for Income Tax / Def. Tax	1,32,50,934	1,18,49,331
Net Profit after Taxation	3,02,17,964	2,51,91,741
Profit Brought Forward	4,77,33,748	3,16,20,807
Disposable Surplus	7,79,51,712	5,68,12,548
Transfer to General Reserve	35,00,000	35,00,000
Proposed Equity Dividend	48,00,000	48,00,000
Tax on Dividend	7,78,800	7,78,800
Balance Profit C/F	688,72,912	4,77,33,748

Review of Operations

Your Company performed well during the year, under review. The sales and other income of Financial Year 2011-12 was recorded at Rs.2664.23 lacs and have increased by 15.63% as compared to previous Financial Year 2010-11 (P.Y Rs.2304.22 lacs).

In the financial year 2011-12, there was a healthy RevPAR (Revenue per available Room) growth being observed. There was increase in room occupancy rate due to renovation, refurbishment and up gradation of guest rooms, supported by personalized service and provision of special amenities for guest comfort. The Company emphasizes for a sharp focus on marketing strategy as well as consistent sales effort and this has contributed well to increase room occupancy and ARR. Our innovative food and beverage offerings also got their due recognition and patronage with significant increase in Restaurant and Banquet business. Due to efficiency at every stage of operation, internal cost control system and prudent management measures, the bottom line has also improved considerably.

Prospects & Concerns

Global economic recovery is losing track due to continuing weakness in the US economy and Euro Zone debt crisis. And at national level, the state of the economy is a matter of growing concern with slowing economy, increase in cost of inputs due to persistently high inflation, unstable political environment, hike in petroleum prices, drought situation in many regions of India, continued turbulence in the aviation sector and devaluation of Indian rupee. The United Nations World Tourism Organization (UNWTO) expects growth to continue for the tourism sector in 2012 although at a slower rate. Due to economic and political scenario worldwide, demand for business travel may remain stable.

World Travel & Tourism Council (WTTC) expects travel and tourism (T&T) demand in India to grow above 8 per cent annually till 2019, the highest growth, thereby making India, a second highest tourist destination after China. Several studies have highlighted that there is a gap in the demand-supply of hotel rooms in India. A greater need is being felt in the mid-market and budget hotels segment. It is estimated that the room demand in the premium segment hotels in 10 major cities in India increased by around 5 per cent since the past one year. The room demand in rest of India is expected to grow by approximately 10 per cent over the next five years.

Indirect Taxes are again a concern for this segment. The high VAT rate & increase in rate of service tax had resulted in increase in the cost of materials and services.

Last year's Budget has shown a negative impact on Indian hotels. The imposition of service tax on Room Sale affected Indian hotels at large, which led to a decrease in growth of hotel industry.

Current Year:

Demand is likely to remain steady in the current year. We expect to have increase in market share (room division) with the addition in rooms. Our main forte and focus has been the popularity of our Food and beverages facilities.

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 Corporates. We are indeed proud to share that your Company has been recognized and duly awarded Certificate of Excellence for the year 2012 by its guests by *TRIP ADVISOR*, in world's most trusted travel advice portal.

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.

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.

Your Hotels communication campaign is through leading dailies, magazines, hoardings and social networking (Facebook and Twitter) also. 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 coming years.

Expansion Project

Your Company is progressing ahead in the expansion on project on adjoining land of existing hotel building. The profile of expansion project is as specified:

- **Ball Room** : 6500 sq.ft of pillar-less banqueting with around 3500 sq.ft of pre-function area. This would be the largest banqueting and conferencing facility available in the City.
- **Board Room / Business Centre**: Apart from the above mentioned hall there are 4 break away halls of more than 1000 sq.ft each with a state of art Board Room & Business Center.
- **Specialty Restaurant/ Terrace Restaurant/ Grill Restaurant /Deli**: The food & beverage would have a complete new look with the addition of specialty restaurant, one open terrace barbeque & grill restaurant & a Deli along with a sprawling wellness spa & swimming pool facility.

The Management is taking effective steps for completion of the project at stipulated time and within the budget.

Dividend

Your Directors are pleased to recommend a dividend @ 8% i.e. Rs. 0.80 Per Equity Share of Rs. 10/- each for the financial year ended March 31st, 2012.



Directors

Mr. N D Shah, had been positioned as Non executive Director w.e.f. 1st March, 2012. Mr. N D Shah was an Executive Director of the company since 1995 till 29th February, 2012 and had played an important role in nurturing and developing the Company.

Mr. J. G. Patel and Mr. M. P. Bakshi, Directors, who retires by rotation, are eligible for reappointment and have shown their 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 equivalent to Rs. 2,20,68,770 (Previous year Rs.67,80,977), whereas outflow of foreign exchange was equivalent to Rs.76,73,097 (Previous year Rs. 6,79,346) .

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 transactions. 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 2012, the Company had 161 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 2012-13 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 adopted 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, Shareholders and their relatives. 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 socio economic growth.

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, and Business Associates 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 : 17.07.2012

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 2011-12.

1. BOARD OF DIRECTORS

(a) Composition

Name of Director	Category	No. Board Meeting		Attendance at last AGM (27.09.2011)	Other Director-ships (including JHL)	Committee Position (including JHL)	
		Held	Attended			Member	Chairman
Mr. A C Patel	CM,NED & IND	5	5	Yes	11	6	2
Mr. P D Shah	MD	5	5	Yes	9	-	-
Mrs C P Shah	NED	5	4	Yes	5	1	-
Mr. N D Shah	NED*	5	5	Yes	5	-	-
Mr. J G Patel	NED & IND	5	5	Yes	1	1	1
Mr. M P Bakshi	NED & IND	5	5	Yes	2	-	-

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

*Upto 29th February, 2012, Mr. N D Shah acted as Executive Director and thereafter he is designated as Non Executive Director w.e.f. 1st March, 2012.

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

Five Board Meetings were held during the financial year as on 26.04.2011, 26.07.2011, 27.09.2011, 08.11.2011, and 07.02.2012.

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
Mr. Jatil Patel	CM, NED & IND	4
Ms. Chanda Shah	NED	3
Mr. Ambalal Patel	NED & IND	4

(c) Meeting and Attendance during the period

Four Audit Committee Meetings on 26.04.2011, 26.07.2011, 08.11.11 and 07.02.12 were held during the F. Y. 2011-12. 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.



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
- (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 Ms. C.P Shah, Director, Mr. P. D. Shah, Managing Director and Mr. N. D. Shah, Director. Ms. C.P. Shah is the Non Executive Director of the Company and Chairperson of the Committee.

(c) Meetings and Attendance during the period

24 Meetings of the Shareholders Grievances Committee were held during the financial year ended on 31st March, 2012.

Name of the Member	Designation	No. of Meeting Attended
Mrs. C P Shah (NED)	Chairperson	24
Mr. P D Shah	Member	24
Mr. N D Shah	Member	24

(d) Share Holders Grievance

Ms .Karuna Advani is the Compliance Officer of the Company. The complaints received during year –04, Disposed of during the year -04, unresolved at the end of the year – NIL from the shareholders / SEBI.

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

A Link: 'Shareholders Arena' is provided at the official website of the company www.suryapalace.com which facilities the direct email to the compliance officer and hereby shareholders can lodge their complaints.

(e) SCORES- SEBI Complaints Redress System.

SEBI has initiated processing of investor complaints in a centralized web- based complaint redress system "SCORES". Under the paid system the complaints received from SEBI will be processed in-house. The salient features of the system are:-

- Centralised database of all complaints.
- Online movement of complaints to the concerned listed companies.
- Online upload of Action Taken Reports (ATRs) by the concerned companies, and
- Online Viewing by investors of actions taken on the complaint and its current status.

The Company had responded to two complaints through SCORES during the financial year 2011-12.

4. A. Remuneration Committee

The remuneration of the Directors is decided by the Board of Directors, keeping in view the provisions of the Articles of Association of the Company and the Companies Act, 1956 subject to such approvals from shareholders as and when necessary. The Company pays sitting fee @ Rs.7,500 per meeting to the Directors. No sitting fee however is being paid to Managing Director & Executive Director.

Mr. A C Patel is 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 the year 2011-12
Shri A C Patel	Independent, Non Executive	During the year 2011-12, no business warranted the holding of the meeting of the Remuneration Committee.
Shri J G Patel	do	
Shri M P Bakshi	do	

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. 2011-12 as resolved in the Annual General Meeting held on 28.09.2010. The details of remuneration paid to directors is as follow: (in ₹)

Name	Remuneration	PF Contribution	Perks	Sitting Fees	Total
Shri P D Shah (MD)	19,20,000	1,90,800	1,31,147	-	22,41,947
Shri N D Shah (ED)	11,70,000	1,40,400	-	-	13,10,400
Total					35,52,347
Non Executive Director					
Shri J G Patel	-	-	-	67,500	67,500
Shri A C Patel	-	-	-	62,500	62,500
Smt. C P Shah	-	-	-	52,500	52,500
Shri M.P.Bakshi	-	-	-	40,000	40,000



4B. Selection Committee

The Company has constituted Selection Committee in the year 2011-2012 as per the requirement under Section 314(1)(B) of The Companies Act, 1956. The broad terms of reference of the Selection Committee is to recommend remuneration to the relative of Directors including annual increments, perquisites and commission.

Mr. Jatil Patel is the Chairman of Committee. The composition of the Selection Committee given below:

Names of Members	Category	No. of Meetings attended during in the year 2011-12
Mr. Jatil Patel	Independent, Non Executive Director	On 17 th May, 2011, meeting was held to revise the salary of Ms. Shagun Mehra, Head of Marketing. The Company has paid remuneration to Ms. Shagun during F.Y. 2011-12 as resolved in the AGM held on 27.09.2011.
Mr. Mukund Bakshi	Independent, Non Executive Director	
Mr. Pradeep Goradia	Tax Consultant	
Mr. Pradeep Chavan	Consultant to Hotel Industry	

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
29.09.2009	12:00 noon	Surya Palace Hotel, Sayajiganj, Vadodara	No Special Resolution passed.
28.09.2010	3:00 p.m.	Auditorium, ICAI Bhavan, Kalali – Tandalja Road, Atladara, Baroda- 390 012,	3 special resolutions passed.
27.09.2011	3:30 p.m	Surya Palace Hotel, Sayajiganj, Vadodara	1 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: Mr. Jatil Patel & Mr. Mukund Bakshi (see page no: 3)

5C. OTHER DIRECTORS PROFILE

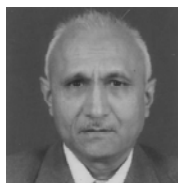
Mr. Piyush D. Shah, aged 60 years, holds a Masters degree in Commerce and is a Law Graduate from The M. S. University of Baroda. He has attended national & international level short courses and seminars on the following: Management, Marketing, Finance and Team Building. He is the 3rd generation of a family of hoteliers. He is a philanthropist and is associated with NGOs health and education concerns at the state level. Due to his profound leadership skills, he has successfully leveraged a team of energetic and committed professionals in the Company.



Mr. Nilesh D. Shah aged 54 years, is B.E. (Civil) from The M. S. University of Baroda. He is one of the co-promoters of the Company. He has been rendering services as an Executive Director since 1995 till 29th February, 2012. Thereafter he is designated as Non Executive Director w.e.f. 1st March, 2012. He is co-promoter of Hotel Kalyan, Sayajigunj, Baroda. He possesses to his credit more than 20 years experience in the civil construction activities and looks after planning, construction, engineering & maintenance of the hotel property of the Company. He is director of various other Companies viz Om Hospitality Private Limited, Synergy Stock Holdings Private Limited, Kalayan Hospitality Private Limited & Oro Hotels Private Limited.



Mr. Ambalal C. Patel, aged 68 years, is a BSc. (Chem.) and B E (Metallurgy). He has gained more than 35 years of experience in project evaluation, project finance and technical appraisal of various undertakings, while working with Gujarat Industrial & Investment Corporation Limited (GIIC). He had retired as a Deputy General Manager from GIIC in April 2004 and joined the Board of the Company in July 2004. He is at present Director of Shri Precoated Steels Ltd, Sal Steel Ltd, Nandan Exim Ltd, Vishal Malleable Ltd, Circuit System Ltd, Sumeru Industry Ltd, Chir Pal Industries Ltd, Karnavati Hospital Limited, Ajmera Reality & Infrastructure Ltd.,CIL Nova Petrochemicals Ltd. His guidance and advice in the area of finance and company law matters is respected and appreciated.



Smt. Chanda P Shah aged 58 years, is a Science Graduate and has more than 26 years experience as a Hotelier. She has been rendering her services as a Non Executive Director of our Company since 23rd September, 1993. She is a member of Audit Committee and Chairperson of Shareholder Grievances Committee of our Company. She is on the Board of Jindal Agro Processing Pvt. Ltd, Riser Holdings Pvt. Ltd, Synergy Commodities 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.

