



Ball Room: The largest Banquet Hall in Vadodara City



JINDAL HOTELS LIMITED

28th ANNUAL REPORT 2012-13

www.suryapalace.com

COMPANY INFORMATION

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.

28th ANNUAL GENERAL MEETING

Date : 24th September, 2013
Day : Tuesday
Time : 3:30 pm
Venue : Surya Palace Hotel, Sayajigunj,
Vadodara, Gujarat-390020

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@gmail.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 28th 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, 24th September , 2013 at 3:30 p.m.***

At Annual General Meeting you will be asked to transact matters relating to ordinary business, special 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 your email id for registration as a step towards a sustainable green environment supported by responsible citizen.

Registration of email id form can be downloaded from our website: www.suryapalace.com

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twenty Eighth Annual General Meeting of the members of M/s. Jindal Hotels Limited, will be held on **Tuesday, the 24th day of September, 2013 at 3:30 p.m., at Company's Registered office at: Hotel Surya Palace, Sayajigunj, Vadodara - 390020, Gujarat**, to transact the following business:

ORDINARY BUSINESS

- 01.** To receive and adopt the Audited Statement of Accounts for the year ended 31st March, 2013, together with the Report of Directors and Auditors thereon.
- 02.** To elect Director in place of Mr. Ambalal Patel who retires by rotation, being eligible, offers himself for reappointment.
- 03.** To elect Director in place of Ms. Chanda Shah who retires by rotation, being eligible, offers herself for reappointment.
- 04.** To declare Dividend on Equity Shares for the year ended 31st March, 2013.
- 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.

SPECIAL BUSINESS

06. Special Resolution - Re-appointment of Managing Director

To consider and if thought fit to pass, with or without modifications, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provision, if any, of the Companies Act, 1956 read with Section II of Part II of the said Act and the consent of the members be and is hereby accorded to the Company for the reappointment of Mr. Piyush Shah as Managing Director of the Company for a period of 3 years with effect from 1st August, 2013 to 31st July, 2016 , not liable to retire by rotation and payment of remuneration on terms and conditions as set out in the agreement entered in to between the Company & Mr. Piyush Shah & approved by Remuneration Committee (including remuneration to be paid in the event of any loss, absence or inadequacy of profit during his term) mentioned in the explanatory statement which is annexed to the notice convening the Annual General Meeting.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification/(s) or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorized to alter or vary any or all of the terms ,condition and remuneration of the said appointment as approved vide this resolution as they deemed fit in such manner as may be agreed to between the Board of Directors and Mr. Piyush Shah, and in keeping with the provision of Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT notwithstanding anything herein above stated where in any financial year, the Company incurs no profit or its profit are inadequate, the Company shall pay remuneration by way of salary, perquisite and any other allowances, in accordance with Section II, Part II of Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

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

By Order of the Board of Directors of
JINDAL HOTELS LIMITED

Place : Vadodara
Date : 06.08.2013

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.** The Company has notified closure of Register of Members and Share Transfer Book from 17th September, 2013 to 24th September, 2013 (both days inclusive) for determining the names of members eligible for Dividend on Equity Shares, if declared at the meeting.

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.

JINDAL HOTELS LIMITED, BARODA

Hotel Surya Palace, Sayajigunj, Baroda - 390 020.



- (c) To **DEMATERIALIZED** their Shares Certificates through your Depository Participants (DP).
- (d) **Remittance of Dividend through Electronic Mode:** 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 NECS(National Electronic Clearing System) / RTGS (Real Time Gross Settlement) / NEFT (National Electronic Fund Transfer). 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 who have not yet availed NECS/RTGS/NEFT facility and wish to avail the same may have their Bank Account details (name of bank & branch, bank A/c no, IFSC(Indian Financial System Code) MICR(Magnetic Ink Character Recognition), for the purpose along with a photocopy of a Cheque of the same account bearing MICR Code, updated with their respective Depository Participants (DPs) or Company's Registrars and Transfer Agents, M/s. MCS Ltd, Baroda, where shares are held in dematerialized form and in the physical form, respectively.
04. In order to maintain decorum amidst the proceedings, members are requested to attend the Meeting without accompanying guests or children.
05. **Unclaimed Dividend**
- (a) 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. It may be noted that unpaid dividend for the financial year ended March 31, 2006, is due for transfer to the IEPF on 26th October, 2013. **Members, who have not yet encashed their dividend warrant for the financial year ended 31-03-2006 to 31-03-2012, are requested to lodge their claims to the Company, without any delay.**
- (b) And pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 25th September, 2012 (date of last Annual General Meeting) on the website of the Company (www.suryapalace.com), as also on the Ministry of Corporate Affairs website.
- (c) The Company has transferred the unpaid or unclaimed dividends for the financial year 2004-2005 to the **Investor Education and Protection Fund (the IEPF)**.
06. **Nomination Facility:** Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.suryapalace.com under the section "Corporate Information: Nomination Form".
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. **GREEN INITIATIVE:** The Ministry of Corporate Affairs has undertaken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. And also amendment to the Listing Agreement with the Stock Exchange permits companies to send copies of Annual Report to all those shareholders who have registered their e-mail address for said purpose. We look forward to your valuable support in this 'Go Green' initiative. Members are requested to register / update email address for receiving electronic communication. Accordingly, **if you hold shares in physical mode**, we request you to send the same to M/s. MCS Limited or e-mail to share@suryapalace.com quoting Folio No. Shareholders holding **shares in demat mode** are requested to give their E-mail ID to their Depository Participant (DP) in the format provided by them.
09. 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.
10. Relevancy of questions and the order of speakers at the meeting shall be decided by the Chairman.
11. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business as per item No. 6 herein above, is annexed hereto.

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

By Order of the Board of Directors of
JINDAL HOTELS LIMITED

Place : Vadodara
Date : 06.08.2013

Karuna V Advani
Company Secretary



EXPLANATORY STATEMENT

Pursuant to section 173 of the Companies Act, 1956, accompanying Notice dated 6th August, 2013.

Item No 6

The Board of Directors in its meeting held on 14th May, 2013 re appointed Mr. Piyush Shah as Managing Director of the Company for a period of 3 years with effect from 1st August, 2013 to 31st July, 2016 on terms and condition as approved by the Remuneration Committee subject to the approval of members. The following information is given as per Clause (B) of Section II of Part II of Schedule XIII of The Companies Act, 1956:

I. General Information

1. **Nature of Industry** : Jindal Hotels Limited is in the business of Hotel & Restaurant.
2. **Date or expected date of commencement of commercial production** : The Company started commercial operation in February, 1987.
3. **Financial Performance**

		(Rs. in '000)
Particulars		Year ended 31 st March, 2013
Turnover/ Sales		280519
Profit before interest Depreciation and Tax		80996
Net Profit		24437
Debt Equity Ratio		1.55
Current Ratio		1.20
Net Worth		226997

4. **Foreign exchange earnings** : During Financial Year 2012- 2013 Rs. 1,55,16,438/-
5. **Export Performance & Net foreign exchange collaborations** : NIL
6. **Foreign investments or collaborations, if any** : NIL

II. Information about the Appointee (Mr. Piyush Shah):

- 1 **Background details, Job Profile and suitability:** Mr. Piyush Shah, aged 61 years holds a degree of Commerce and Bachelors in Law. Since 4th May, 1984 he had occupied the position of Joint Managing Director and thereafter from 1st August, 1990 he has been Managing Director of the Company. He looks after the overall operations of the Company.
- 2 **Past Remuneration: (a) Salary:** Rs.1,50,000→ Rs.15,000→ Rs.1,95,000 per month. **(b) Perquisites & Allowances** Overall limit of Rs.25000 per month as approved by members in the AGM held on 28th September, 2010.
- 3 **Recognition or Awards:** Under his leadership, the Company has received awards viz: The First Runner- Up award in Travel & Tourism Category at ICICI Bank and CNBC TV18's Emerging India Awards 2008 powered by CRISIL and NASSCOM- CNBC IT User Award, 2008 for the best IT Adoption in the Tourism Sector.
- 4 **Profile and Suitability:** Mr. Piyush Shah has vast and enriched experience of more than 40 years in Hotel Industry. He is one of the Promoter Director of Jindal Hotels Limited, since 1984. He oversees the operation of the Company wholly and renders uninterrupted outstanding services. The business strategies are based on his wide experience in all core areas of the Company's operation.
- 5 **Remuneration Proposed for the year 2013-14 and onwards:** (a) **Salary:** Rs.2,00,000→ Rs.25,000 →2,50,000 p.m
(b) **Perquisites & Allowances:** Overall limit of Rs.25,000 per month.

Additional Terms: He 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, medical reimbursement incurred for himself and his family, , 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, encashment of leave at the end of the tenure and leave travel concession for self and their family including dependants, as per the rules of the company, shall not be included in the computation of overall ceiling of remuneration or perquisites aforesaid.

He shall also be eligible to an annual increment as mentioned above during his tenure as Managing Director.

The Agreement may be terminated by either party Company or the Managing Director by giving the other three months prior notice of termination in writing.

The above may be treated as an abstract of the agreement entered into between the Company and Mr. Piyush Shah, Managing Director, pursuant to Section 302 of the Companies Act, 1956.

The Agreement executed on 14th July, 2013 between the Company and Mr. Piyush Shah, Managing Director is 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.

Minimum Remuneration: Notwithstanding anything contained herein, where in any financial year during the currency of the tenure, the company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above.

- 6 **Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person:** Taking in to consideration the size of the Company , level headedness of Mr. Piyush Shah and the industry benchmarks, the remuneration proposed to be paid is commensurate with remuneration packages paid to similar senior level incumbents, in other hotel operating companies.

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Hotel Surya Palace, Sayajigunj, Baroda - 390 020.



- 7 **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:** Mr. Piyush Shah is a founder promoter of the Company. Ms. Chanda Shah, Non Executive Director (NED) is spouse and Mr. Nilesh Shah (NED) is brother.

III. Other Information:

- 1 **Reasons for inadequacy of Profits**
- Increase in cost of inputs due to persistently high inflation.
 - High Competition.
 - At national level, slowdown in the economy, so demand for the business travel remains stable.
 - Due to part completion of expansion and renovation project in the hotel, interest and depreciation cost have increased.
- 2 **Steps taken by the Company to improve performance**
- Efforts taken to increase market share (room division) with the addition in rooms.
 - Main forte and focus is on popularity of food and beverages facilities.
 - A strong Guest Relations Management (GRM) initiative has been activated.
 - Efforts to launch some new services to add to the broad portfolio.
 - In Nov2012 the Company had launched the "Ball Room" : largest Banquet Hall in Vadodara.
 - Brand Development with ACCOR Group of Hotels.
- 3 **Expected Increase in turnover and profits in measurable terms**
- With above mentioned steps taken by the Company and with revival of the economies, the company will be able to improve its sales and profitability.

IV. DISCLOSURES:

The required disclosure to the shareholders of the Company about remuneration package of the managerial personnel and elements of remuneration package etc. of all the directors has been made in the Annual report of the Company for the Financial Year 2012-13, wherever applicable.

The Board of Directors recommends the passing of resolution set out in item No.6 as Special Resolution of notice.

None of the Directors of the Company is concerned or interested except Mr. Piyush Shah, Mr. Nilesh Shah & Ms. Chanda Shah.

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

By Order of the Board of Directors of
JINDAL HOTELS LIMITED

Place : Vadodara
Date : 06.08.2013

Karuna V Advani
Company Secretary

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

Mr. Ambalal C. Patel, is a B Sc. 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. His guidance and advice in the area of finance and company law matters is respected and appreciated.



Name of Director	Mr. Ambalal Patel
Date of Appointment	22/07/2004
Date of birth	1 st April, 1944
Shareholding in Equity Shares of the Company and % of holding	3900 Shares (0.07%)
List of other Companies in which Directors	Sal Steel Ltd, Nandan Exim Ltd, Vishal Malleable Ltd, Circuit System Ltd, Sumeru Industries Ltd, Chiripal Industries Ltd, Precoated Steels Ltd, Karnavati Hospital Limited, Ajmera Reality & Infrastructure Ltd., CIL Nova Petrochemicals Ltd.
List of CM/Membership of other Committee	Chairman of Audit Committee of Nandan Exim Ltd. & CIL Nova Petrochemicals Ltd. Member of Audit Committee of Shri Precoated Steels Ltd, Sal Steel Ltd, Ajmera Reality & Infrastructure Ltd. & Jindal Hotels Ltd.

Mrs. Chanda P Shah is a Science Graduate and has more than 27 years experience as a Hotelier. She has been rendering her services as a Non Executive Director of our Company since 23rd September, 1993. 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.



Name of Director	Ms. Chanda Shah
Date of Appointment	23/09/1993
Date of birth	24th June ,1954
Shareholding in Equity Shares of the Company and % of holding	3590 Shares (0.06%)
List of other Companies in which Directors	Jindal Agro Processing Pvt. Ltd, Riser Holding Private Limited, Synergy Commodities Private Limited and Synergy Stock Holding Pvt. Ltd
List of CM/Membership of other Committee	Chairperson of Share holders Grievance Committee and Member of Audit Committee of our Company.



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 28th Annual Report and Audited Statement of Accounts for the financial year ended 31st March, 2013.

I am pleased to report that your Company has endured a difficult year with forethought and determination and performed reasonably well in the financial year 2012-13. This period, as we all know, has been one of immense economic challenge and turbulence. Over the years, your Company has pursued a very proactive strategy and approach, anticipating the evolving trends and developing mechanisms to meet diverse crisis and situations, enabling it to build a robust and sustainable business practice.

Your Directors believe that the Company should offer increasing value to all its stakeholders. We have maintained this with our tradition and policy of offering high quality content and services. While we guard our high levels and benchmarks, we innovate to improve and upgrade our activities and offerings.

As stewards of the Company, we will always share our vision of growth with you. Our guiding principles retain a blend of realism with optimism, a kind of expediency that we have suited for our plans and actions. This has been and will remain the guiding force of all our future endeavors too.

A summary of the operating results for the year and appropriation of divisible profits is given below: (Rs. in '000)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Turnover	280519	266423
Less: Expenditure	199523	192861
Profit before Depreciation, Interest and Taxation	80996	73562
Interest	23026	14149
Depreciation & Amortization	21569	15944
Profit before Taxation	36401	43469
Provision for Income Tax / Def. Tax	11964	13251
Net Profit after Taxation	24437	30218
Profit Brought Forward	68873	47734
Disposable Surplus	93309	77951
Transfer to General Reserve	2500	3500
Proposed Equity Dividend	4800	4800
Tax on Dividend	815	778
Balance Profit c/f	85194	68873

Review of Operations

During the year ended on 31st March, 2013, the Company has reached a sales turnover of Rs. 2805.19 lacs and have increased by 5.29% as compared to previous Financial Year 2011-12 (P.Y Rs. 2664.23 lacs) and posted a net profit of Rs. 244.37 lacs. Your Company would have posted higher quantum of profit if increased cost of depreciation and interest payment had not been collocated due to ongoing expansion & renovation project in the hotel.

In the Financial year 2012-13, there was a decline in RevPAR (Revenue per available Room) growth and in room occupancy rate. Room occupancy rate came down as certain rooms were under renovation in the year under review. The Company thought it most appropriate to take rooms under renovation in this period of economic slowdown. The Company also emphasizes for a sharp focus on marketing strategy as well as consistent sales effort to increase room occupancy and ARR.

Our innovative food and beverage offerings also got their due recognition and patronage with healthy 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

According to World Trade Organization, world trade growth (in volume terms) in 2012 was sharply lower when compared to the 5.2 % in 2011. WTO has projected 3.3% for 2013 which is below the 20 year average growth of 5.3%, and well below the pre-crisis period (1990-2008) trend of 6%.

Economic recovery is losing track as the Rupee depreciated against the US dollar by over 10 % in the last 12 months. The sharp erosion in the value of the domestic currency and relative loss of the country's manufacturing sector competitiveness are matters of concern. The problem area include input costs such as raw material costs and power, infrastructure constraints and legal hassles. Added to this is the high cost of credit of about 12.5% to 15% , as against less than 2% in the US and below 5% in much of the ASEAN bloc.

Indirect Taxes are again a concern for this segment. The high VAT rate & increase in rate and scope 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's Budget had added fuel to the fire by imposing Service Tax @ 12.36% on business effected in Air conditioned Restaurant w e f 01.04.2013

Current Year:

As per the different surveys carried out by reputed agencies like, Cushman and Wakefield, Knight and Frank, etc. demand for hotel rooms are likely to remain steady in this financial year. However, during the current year, we expect to increase our market share by the addition of 17 rooms. This year the main focus would be to exceed the expectation of our room guests who have patronised us for the last three decades. Due to austerity drive in most of the corporate sector, the enhancement of Average Room Rate would be a tough this year but our efforts will be to optimize our room occupancy. Our main forte and focus has been the popularity of 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 corporate leaders.



There is current oversupply in the hotel sector in some key cities in India, which is reflected with decrease in the three key performance metrics (occupancy, average daily rate and revenue per available room) during the first nine months of 2012. New hotels are coming up in and around Baroda resulting in declining demand with increasing supply. This situation is likely to be neutralized in the near future. Currently, 3 & 4 star category hotels together account for 22% of the total room supply in India, which clearly indicates growth potential for budget hotels. Meetings, Incentives, Conventions and Events' (MICE) is a new concept which many hospitality companies are adapting to and there is an ample room for growth.

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 for growth.

A strong Guest Relations Management (GRM) initiative has been activated. Successive upgrades to the guest satisfaction tracking system has led to better data analysis and identification of improvement opportunities. Intelligent feedback forms designed for user specific feedback on products and services help to generate focused feedback data, which is reviewed at regular forums to ensure continued focus on creating Guest Delight.

The launching of large banquet hall and also proposed launching of other additional banquet facilities in the adjoining building is expected to fetch good amount of Banquet business and consequently increased demand of guest rooms may add up. With these efforts, barring unforeseen circumstances, we hope to maintain the profitability of your Company in the coming years.

Expansion & Renovation Project

Your Company have already completed the part of expansion project in month Nov, 2012 by launching the "Ball Room" largest Banquet Hall in Vadodara. The remaining Expansion Project will be completed by end of this Financial year. After completion of Expansion Project in the adjoining building, your company will have additional facilities of large Banquet Hall on ground floor, three conference Halls & a dedicated Board Room on first floor, two Banquet halls with open terrace on 2nd floor.

The Renovation of Rooms Project for existing Hotel Building is well-nigh completed. Now, your company is planning to add more 17 guest rooms by removing banquet facilities on sixth floor of existing Hotel Building so as to cope up with possible increase in room demand, consequent to increase in large banquet facilities.

ACCOLADE: CERTIFICATE OF EXCELLENCE

We are indeed proud to share that your Company has been recognized and duly awarded Certificate of Excellence for the year 2013 by its guests by trip advisor, in world's most trusted travel advice portal.

Website

The corporate website www.suryapalace.com reflecting the new architecture is far more experimental, with large images showcasing the property and its facilities, enhanced content, both in quantity and quality, with in depth information on experiences, services and facilities.

Brand Development

Your hotel has given a middling performance despite adverse markets during the year under review. As time rolls, there is bound to be pressure, with fluctuating market and increasing competition from formidable rivals. Your Directors have discussed and deliberated on the road ahead and feel that its time to consider a collaboration or tie up with an international brand. This will strengthen our brand equity as well as marketing network. We have initiated dialogue with leading chains that are compatible with the character and culture of our Company.

Dividend

In view of considerable fund requirement for "Expansion & Renovation Project" your Directors, recommend a dividend @ 8% i.e. Rs. 0.80 per Equity Share of Rs. 10/- each for the financial year ended March 31st, 2013, subject to approval of the shareholders at the Annual General Meeting.

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.

Information regarding conservation of energy etc.

Information required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988 pertaining to conservation of energy, technology absorption, foreign exchange earnings and out go are to the extent possible, in the opinion of your Directors is as mentioned.

(A) CONSERVATION OF ENERGY

The Company is extremely cautious with regard to resource management & particularly the energy conservation be it electrical or gas consumption. We have installed necessary capacitors in our electrical sub stations & VFD (Variable Frequency Drive) in most of the motors. All the halogens, incandescent bulbs & even the PL tubes (Plug in light) are either already replaced with LED (Light Emitting Diodes) or in the process of replacement. The entire property has magnetic door locks which monitors the overall supply to individual guest rooms & thermostats controls are provided for guest comfort & energy saving. All the glass window are replaced with Double Glaze DGU & fixed sunscreen protection are laid on them.

Way back in 1992 our Company was the first hotel to install VAHC (Vapor Absorption Heat Chiller) for the air conditioning with the help of natural gas.

During the Current year : (i) even this VAHC plant has been replaced with magnetic Chiller for air conditioning of the entire hotel & also (ii) we have installed highly efficient DG set with proper acoustic. This new chiller has contributed to nearly 30% of the energy saving used for HVAC (Heating, Ventilation and Air Conditioning) plant.

Every Quarter we have a trend of celebrating Energy Saving Week where in entire team is motivated not only to save energy but also to contribute their ideas for energy conservation.

(B) TECHNOLOGY ABSORPTION

In the Opinion of the Board, the required particulars, pertaining to technology absorption in terms of Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988 are not applicable as hotels form part of service industry and the company does not have any significant manufacturing operation.

JINDAL HOTELS LIMITED, BARODA

Hotel Surya Palace, Sayajigunj, Baroda - 390 020.



(C) During the year under review, your Company earned Foreign Exchange of Rs.1,55,16,438 (Previous year. Rs. 2,20,68,770), whereas outflow of foreign exchange was Rs.1,19,56,122 (Previous year Rs. 76,73,097).

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

Your Company has in place an adequate system of Internal Controls, with documented procedures covering all corporate functions and hotel operating unit 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 2013, the Company had 137 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 2013-14 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 judgements 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, 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: 14.05.2013

Mr. Ambalal Patel
Chairman



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.

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 2012-13.

1. BOARD OF DIRECTORS

Jindal Hotels Board is a balanced Board comprising of Executive, Non Executive as well as Independent Directors. The Chairman is an Independent Non Executive Director. The Directors possess experience in fields as varied as banking, finance, marketing and hoteliering to social service and architecture. The skill and knowledge of the Directors have proved to be of immense value to the Company.

(a) Composition

Name of Director	Category	No. Meeting attended (out of 5 held)	Attendance at last AGM (25.09.2012)	Other Director-ships (including JHL)	Committee Position (including JHL)	
					Member	Chairman
Mr. A C Patel	CM, NED & IND	5	Yes	11	6	2
Mr. P D Shah	MD	5	Yes	6	-	-
Mrs. C P Shah	NED	5	Yes	5	1	-
Mr. N D Shah	NED	5	Yes	4	-	-
Mr. J G Patel	NED & IND	4	Yes	1	1	1
Mr. M P Bakshi	NED & IND	4	Yes	1	-	-

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

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

During the year under review, the Board of Directors met five times. The dates of Board Meeting held during the financial year are : 08.05.2012, 17.07.2012, 25.09.2012, 30.10.2012, and 05.02.2013.

2. AUDIT COMMITTEE

(a) 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	3
Ms. Chanda Shah	NED	4
Mr. Ambalal Patel	NED & IND	4

(c) Meeting and Attendance during the period

Four Audit Committee Meetings on 08.05.2012, 17.07.2012, 30.10.12 and 05.02.13 were held during the F. Y. 2012-13. The meetings were attended by the members of the Audit Committee.

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