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JINDAL HOTELS LIMITED

29<sup>th</sup> ANNUAL REPORT 2013-14



## 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

### CORPORATE PROFILE:

**Name:** JINDAL HOTELS LIMITED

**CIN:** L18119GJ1984PLC006922

#### Registered Office

Hotel Surya Palace,

Sayajigunj,

Vadodara- 390 020.

**Ph.:** (0265)2363366/2226000/2226226

**Fax:** (0265) 2363388

**E-mail:** share@suryapalace.com

**Web Site.:** www.suryapalace.com

### COMPANY SECRETARY

Ms. Karuna V Advani

### REGISTRAR & SHARE TRANSFER AGENT

MCS Share Transfer Agent Limited

Neelam Apartment,

88, Sampatrao Colony,

Alkapuri, Vadodara – 390 007.

Ph. No. (0265) 2314757 / 2339397 / 2350490

Fax:-(0265)-2341639

E mail: mcsltbaroda@gmail.com

### AUDITORS

M/s. V. Shah & Associates,

Chartered Accountants,

12, Dhayber Colony,

B/H Baroda High School,

Near Polo Ground

Vadodara - 390 001

### BANKER

State Bank of India,

Specialized Commercial Branch,

Trident Complex,

Race Course,

Vadodara 390 007

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### AUDIT COMMITTEE

Mr. Jatil Patel	Chairman
Ms. Chanda Shah	Member
Mr. Ambalal Patel	Member

### STAKEHOLDERS RELATIONSHIP COMMITTEE

Mrs. Chanda Shah	Chairperson
Mr. Piyush Shah	Member
Mr. Nilesh Shah	Member

### NOMINATION & REMUNERATION COMMITTEE

Mr. Mukund Bakshi	Chairman
Mr. Ambalal Patel	Member
Mr. Jatil Patel	Member



**Dear Shareholders,**

You are cordially invited to attend the 29<sup>th</sup> Annual General Meeting of shareholders of Jindal Hotels Limited to be held at the Registered office of the Company : Hotel Surya Palace, Sayajigunj, Vadodara, Gujarat on Tuesday, 9<sup>th</sup> September, 2014 at 3:30 p.m.

We are glad to inform you that pursuant to applicability of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 Jindal Hotels Limited ("The Company") is offering e-voting facility to its members in respect of business to be transacted at the twenty ninth Annual General Meeting. The process of e-voting to be followed forms part of Notice (i.e. Please refer point No.12 on Page no. 3).

## **NOTICE**

Notice is hereby given that the **Twenty Ninth Annual General Meeting** of the members of M/s. Jindal Hotels Limited, will be held on Tuesday, the **9<sup>th</sup> day of September, 2014 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:****Item No 1. Adoption of Financial Statements**

To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date of the Company and the Reports of the Directors' and Auditors' thereon.

**Item No 2. Declaration of Dividend**

To declare Dividend on Equity Shares. The Board of Directors has recommended a Dividend of Rs.0.80/- per Equity Share of Rs.10/- each.

**Item No 3. Appointment of Director**

To elect a Director in place of Shri Nilesh Shah (holding DIN 00013598), Director who retires by rotation and being eligible, offers himself for re-appointment.

**Item No 4. Appointment of Auditors**

To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendations of the Audit Committee to the Board of Directors, M/s. V. Shah & Associates., Chartered Accountants (Registration . No.109816W) Vadodara, be and are hereby appointed as the Auditors of the Company to hold office, for the term of three years from the conclusion of this Annual General Meeting to the conclusion of the 32<sup>nd</sup> consecutive Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors.

**SPECIAL BUSINESS:****Item No 5. Appointment of Shri Ambalal Patel as an Independent Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Clause 49 of the Listing Agreement entered into with the BSE Ltd (as amended from time to time), Shri Ambalal Patel (holding DIN 00037870), an Independent Director of the Company and whose term of office was liable to be determined by retirement of director by rotation in accordance with the erstwhile applicable provisions of the Companies Act, 1956 and rules made thereunder, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31, 2019."

**Item No 6. Appointment of Shri Jatil Patel as an Independent Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Clause 49 of the Listing Agreement entered into with the BSE Ltd (as amended from time to time), Shri Jatil Patel (holding DIN 00021794), an Independent Director of the Company and whose term of office was liable to be determined by retirement of director by rotation in accordance with the erstwhile applicable provisions of the Companies Act, 1956 and rules made thereunder, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31, 2019."

**Item No 7. Appointment of Shri Mukund Bakshi as an Independent Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Clause 49 of the Listing Agreement entered into with the BSE Ltd (as amended from time to time), Shri Mukund Bakshi (holding DIN 00066993), an Independent Director of the Company and whose term of office was liable to be determined by retirement of director by rotation in accordance with the erstwhile applicable provisions of the Companies Act, 1956 and rules made thereunder, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31, 2019."

**Item No 8. To Increase the Borrowing Powers u/s 180(1)(c) of the Companies Act, 2013**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013 read with underlying rules viz. the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, including any statutory modifications or re-enactments



thereof and in supersession of all the earlier resolutions passed in this regard, the members of the Company hereby accord their consent to the Board of Directors (hereinafter referred to as the Board), to borrow money, as and when required, from any Bank and/or Public Financial Institution as defined under Section 2 (72) of the Companies Act, 2013 and/or eligible foreign lender and/or any entity/entities and/or authority/authorities and/ or through suppliers credit, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc. and/or through credit from official agencies, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs. 60 Crores (Rupees Sixty Crores Only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such actions and steps including delegation of authority as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

**Item No 9. Encumbrance on property of the Company for borrowing external funds**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of **Section 180 (1) (a) of the Companies Act, 2013** and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or re-enactments thereof the members of the Company hereby accord their consent to the Board of Directors, to create mortgage and/or charge on all or any of the moveable and/or immovable assets of the Company, both present and future and/or whole or any part of the Company in favour of the lenders, agents, trustees for securing the borrowings of the Company availed/ to be availed by way of loans (in foreign currency and/or in Indian currency) and securities (comprising of fully/partly convertible debentures and/ or secured premium notes and/or floating rates notes/ bonds or other debt instruments) issued/to be issued by the Company from time to time, in one or more tranches, up to an aggregate limit of Rs. 60 Crores (Rupees Sixty Crores Only) together with interest as agreed, additional interest in case of default, accumulated interest, liquidated damages and commitment charges, all other costs, charges and expenses and all other monies payable by the Company in terms of respective loan agreement(s) or any other document entered / to be entered into between the Company and the lenders/agents/investors and trustees in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or any committees thereof and the lenders, agents or trustees.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take such actions and steps including delegation of authority, as may be required to finalise the terms and conditions for creating the aforesaid mortgage and/or charge and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution."

**Item No 10. Mr. Piyush Shah, Managing Director liable to retire by rotation**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re enactment thereof for the time being in force), the period of office of Mr. Piyush Shah (holding DIN 00010884), Managing Director of the Company, who is a non retiring Director in terms of the erstwhile provisions of the Companies Act, 1956 shall henceforth be made liable to retire by rotation."

**Item No. 11 Acceptance of Deposits from Members u/s 73 of the Companies Act, 2013:**

To consider and if thought fit, to pass with or without modification, following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT**

- (i) pursuant to the provisions of Section 73 of the Companies Act, 2013 read with the provisions of the Companies (Acceptance of Deposits) Rules, 2014, and other applicable provisions, if any, and subject to such conditions and approval and permissions as may be necessary, consent of the Members of the Company is accorded to invite/ accept/ renew/ receive money by way of unsecured/ secured or in any other form deposits from the Members of the Company, through circular, advertisement or any other permissible mode, up to the permissible limits prescribed under the applicable provisions of law and on the terms and conditions as the Board of Directors in its sole discretion deems fit and necessary;
- (ii) for the purpose of giving effect to this Resolution, the Board of Directors is authorised to do all such acts, deeds and things, as may deem fit and necessary for proper and expedient fulfillment of the said Resolution."

**Registered Office**  
Hotel Surya Palace,  
Sayajigunj, Vadodara - 390 020  
CIN: L18119GJ1984PLC006922  
e-mail: [share@suryapalace.com](mailto:share@suryapalace.com)

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

**Place : Vadodara  
Date : July 22, 2014**

**Karuna V Advani  
Company Secretary**

**Notes:**

1. A member entitled to attend and vote at the annual general meeting (the "meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. The instrument appointing 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. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. (Please refer page No. 11 & 12 for details)



### 3. Members are requested

- To bring duly filled attendance slip (page 31) along with the copy of Annual Report to the Meeting.
  - To notify immediately, changes in their address, mandate/ bank details if any, to the Company/ MCS Share Transfer Agent Ltd. and if shares held in dematerialized form then to their respective Depository Participants.
  - To DEMATERIALISE their Shares Certificates through your Depository Participants (DP).
  - **Remittance of Dividend through Electronic Mode :** 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 A/c no., IFSC (Indian Financial System Code) MIRC (Magnetic Ink Character Recognition), for the purpose along with photocopy of Cheque of the same account bearing MIRC Code, updated with their respective Depository Participants (DPs) or Company's Registrar and Transfer Agents, M/s. MCS Share Transfer Agent Ltd, Baroda, where shares are held in dematerialized form and in physical form, respectively.
4. The Company has notified closure of Register of Members and Share Transfer Books from Wednesday, September 3<sup>rd</sup> 2014 to Tuesday September 9<sup>th</sup>, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
5. 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, 2007, is due for transfer to the IEPF on 4<sup>th</sup> November, 2014. **Members, who have not yet encashed their dividend warrant for the financial year ended 31-03-2007 to 31-03-2013, 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 24<sup>th</sup> September, 2013 (date of last Annual General Meeting) on the website of the Company ([www.suryapalace.com](http://www.suryapalace.com)), as also on the Ministry of Corporate Affairs website.
- c) The Company has transferred the unpaid / unclaimed dividends for the financial year 2005-2006 to the **Investor Education and Protection Fund (the IEPF)**
6. The Securities and Exchange Board of India (SEBI) has mandated the **submission of Permanent Account Number (PAN)** by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / MCS Share Transfer Agent Limited.
7. Members desiring any relevant information or clarifications on the accounts at the Annual General Meeting are requested to write to the Company Secretary at least 10 days in advance of the meeting, so as to enable the management to compile the information and provide details at the meeting.
8. Members holding shares in single name and 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.share@suryapalace.com](http://www.share@suryapalace.com) under the section "Corporate Information : **Nomination Form**" [Form SH-13]
9. In order to maintain decorum amidst the proceedings, members are requested to attend the Meeting without accompanying guests or children.
10. **GREEN INITIATIVE:** Member are requested to register / update email address for receiving electronic communication.
11. Relevancy of questions and the order of speakers at the meeting shall be decided by the Chairman.

### 12. The Process for e-voting:

- Step 1** : Open your web browser during the voting period i.e. **Wednesday September 3<sup>rd</sup>, 2014 at 10.00 a.m. to Friday, September 5<sup>th</sup>, 2014 at 06.00 p.m.** log on to the e-Voting Website: [www.evotingindia.com](http://www.evotingindia.com).
- Step 2** : Click on "Shareholders" to cast your vote(s)
- Step 3** : Please enter User ID –
- a. For account holders in CDSL :- Your 16 digits beneficiary ID
  - b. For account holders in NSDL :- Your 8 Character DP ID followed by 8 Digits Client ID
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Step 4** : Enter the Image Verification as displayed and Click on Login
- Step 5** : If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- Step 6** : If you are a first time user follow the steps given below:
- 6.1 Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.  
For members who have not updated their PAN with the Depository Participant are requested to use the first two letters of their name and the last 8 digits of the clients ID demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is **RAMESH KUMAR** with folio number 100 then enter **RA00000100** in the PAN field. **Please note** - If your name in the Register of Members of the Company starts with any Prefix like 'Dr.', 'Mr.', 'Mrs.', 'Shri', 'Smt' etc., then please use the first two letters of the Prefix. If the second letter in your name contains any special character, then use the number 0 in its place. For exact name, please refer the Address Slip.
  - 6.2 Enter the Date of Birth (DOB) recorded in the demat account or registered with the Company for the demat account in DD/MM/YYYY format#



6.3 Enter your Bank details (Account Number) recorded in the demat account or registered with the Company for the demat account#

# Any one of the details i.e. DOB or Bank details should be entered for logging into the account. If Bank details and Date of Birth are not recorded with the Depository or Company please enter the number of shares held by you as on the cut off date 8<sup>th</sup> August, 2014 in the Bank details field.

- Step 7** : After entering these details appropriately, click on "SUBMIT" tab.
- Step 8** : First time user holding shares in Demat form will now reach Password Generation menu wherein they are required to create their login password in the password field. Kindly note that this password is to be also used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system. Members holding shares in physical form will then directly reach the Company selection screen.
- Step 9** : Click on the Electronic Voting Sequence Number i.e. 140724017 of the Company "Jindal Hotels Limited" to vote.
- Step 10** : On the voting page, you will see Resolution description and against the same the option 'YES/NO' for voting. Select the relevant option as desired YES or NO and click on submit.
- Step 11** : Click on the Resolution File Link if you wish to view the Notice.
- Step 12** : After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- Step 13** : Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

#### NOTE:

(I) **Institutional shareholders** (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

(II) Voting will be based on the holding as on record date. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity shares capital of the Company.

(III) The Company has appointed Mr. Kashyap Shah, Practicing Company Secretary (Membership No. ACS 17509 and CPNo. 6672) (Address : B 203, Manubhai Tower, Sayajigunj, Vadodara - 390005) as Scrutinizer for conducting the e-voting process in the fair and transparent manner.

(IV) Copy of the notice (Annual Report) has been placed on the website of the Company viz. [www.suryapalace.com](http://www.suryapalace.com) and also on the website of CDSL.

(V) Members can vote during e voting period only.

(VI) **The result of voting will be announced by the Chairman of the Meeting on or after the 29<sup>th</sup> Annual General Meeting to be held on Tuesday, 9<sup>th</sup> September, 2014. The result of the voting will be communicated to the Stock Exchange and will be placed on the website of the Company [www.suryapalace.com](http://www.suryapalace.com).**

13. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

#### **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")**

##### **For Item Nos. 5, 6 & 7**

The Company had, pursuant to the provisions of clause 49 of the Listing Agreement entered with the Stock Exchange (BSE), appointed Mr. Ambalal Patel, Mr. Jatil Patel and Mr. Mukund Bakshi as Independent Directors at various times, in compliance with the requirements of the clause.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

It is proposed to appoint Mr. Ambalal Patel, Mr. Jatil Patel and Mr. Mukund Bakshi as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 34<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.

Mr. Ambalal Patel, Mr. Jatil Patel and Mr. Mukund Bakshi, Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Directors and they are independent of the management.

# JINDAL HOTELS LIMITED, BARODA

Hotel Surya Palace, Sayajigunj, Baroda - 390 020.



Mr. Ambalal Patel, Mr. Jatil Patel and Mr. Mukund Bakshi are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from member along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Ambalal Patel, Mr. Jatil Patel and Mr. Mukund Bakshi for the office of Directors of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

Brief resume of Mr. Ambalal Patel, Mr. Jatil Patel and Mr. Mukund Bakshi, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report

Mr. Ambalal Patel, Mr. Jatil Patel and Mr. Mukund Bakshi are deemed to be interested in the resolutions set out respectively at Item Nos. 5 to 7 of the Notice with regard to their respective appointments.

The Board recommends ordinary resolutions set out at Item Nos. 5,6 and 7 of the Notice for your approval of shareholders.

Save and except the above, none of the Directors/ Key Managerial Personnel of the Company / their relative are, in anyway, concerned or interested or otherwise, in these resolutions.

## **For Item No. 8**

The members of the Company at the Extra Ordinary General Meeting (EGM) held on 1<sup>st</sup> February, 2005 had authorised Board of Directors to exercise borrowing powers the outstanding amount of which at any time shall not exceed in the aggregate 45 Crores (Rupees Forty Five Crores only).

Section 180(1)(c) of the Companies Act, 2013 which has replaced Section 293(1)(d) of the Companies Act, 1956 provides that the Board of Directors shall not borrow in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution.

For meeting the expectations towards brand building and facilitating good hospitality services, equipments and utilities in the hotel shall be upgraded to the standard of ACCOR. And for fulfillment of these facilities the Company has to procure additional finance from Bank.

Therefore, considering present and future requirements of funds, the Board recommends special resolution set out at Item No. 8 of the Notice for the approval of shareholders, which you are requested to approve.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

## **For Item No. 9**

The members of the Company vide resolution passed in the EGM held on 1<sup>st</sup> February, 2005 had authorised the Board of Directors to create charge on all or any of the movable or immovable properties of the Company pursuant to Section 293(1)(a) of the Companies Act, 1956, subject to the limits upto 45 crores (Rupees Forty Five Crores only).

In view of increase in borrowing powers the Company will be required to create charge also. Accordingly, it is, therefore, necessary for the members to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of security upto limit specified in the resolution passed under Section 180(1)(c) of the Companies Act, 2013.

The Board recommends special resolution set out at Item No. 9 of the Notice for the approval of shareholders.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

## **For Item no.10**

Mr. Piyush Shah, Managing Director of the Company was re-appointed pursuant to the provisions of Sections 269 and other applicable provisions, if any, of the erstwhile Companies Act, 1956, by the shareholders at the 28<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> September, 2013 for a period of 3 years with effect from 1<sup>st</sup> August, 2013.

The period of office of Mr. Piyush Shah being the Managing Director was not liable to determination by retirement of directors by rotation in terms of the erstwhile provisions of the Companies Act, 1956.

The Board of Directors of your Company at present consists of six members, with whom three of them being Independent Directors, two being Non-Executive and remaining one being Managing / Executive Director.

The provisions of Section 152 of the Companies Act, 2013 provide that not less than two-thirds of the total number of directors of a public Company shall be persons whose period of office is liable to determination by retirement of directors by rotation, where the term "total number of directors" does not include Independent Directors whether appointed under the Companies Act, 2013 or any other law for the time being in force.

In the light of above-referred provisions of the Companies Act, 2013, it is desirable that the period of office of Mr. Piyush Shah, Managing Director is made liable to retire by rotation.

The Board recommends special resolution set out at Item No. 10 of the Notice for the approval of shareholders

Except Mr. Piyush Shah, Chanda Shah and Nilesh Shah, none of the other Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

## **For Item No. 11**

The Company had been accepting deposits from the promoters, directors and their friends and relatives in compliance with Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975, earlier in force.

However, with effect from April 1, 2014, the deposits are governed by the Companies Act, 2013 and corresponding rules made there under. Accordingly, a special resolution in the general meeting is required to be passed by the Company for inviting/ accepting/ renewing deposits from the Members of the Company. The Board therefore, submits the resolution for your consideration.

None of the Directors or the Key Managerial Persons or their relatives is in any way interested or concerned in the resolution except to the extent of their deposit holding/ shareholding in the Company, if any.

**Registered Office :**  
Hotel Surya Palace,  
Sayajigunj, Vadodara 390 020  
CIN: L18119GJ1984PLC006922  
e-mail: [share@suryapalace.com](mailto:share@suryapalace.com)  
Place : Vadodara  
Date : July 22, 2014

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

**Karuna V Advani  
Company Secretary**

EXPLANATORY STATEMENT





## **Draft Report of the Directors & Management Discussion and Analysis**

### **TO THE MEMBERS,**

Your directors are pleased to present the Twenty Ninth Annual Report of your Company with the audited accounts for the year ended March 31<sup>st</sup>, 2014. I am pleased to report that your Company performed reasonably well in the financial year 2013-14 despite the few ebbs and flows and the political instability that the whole economy was facing and is poised for long term sustainable growth and looks to stabilize and grow further in the near future.

Your Directors believe that the Company should offer increasing value to all its stakeholders and society at large. We have maintained this with our tradition and policy of offering high quality content and services. As stewards of the Company, we will always share our vision of growth with you.

**A summary of the operating results for the year and appropriation of divisible profits is given below:**

(Rs. in '000)

<b>Financial Performance</b>	<b>Year ended 31.03.2014</b>	<b>Year ended 31.03.2013</b>
Turnover	302167	280519
Less: Expenditure	201430	199523
Profit before Depreciation, Interest and Taxation	100737	80996
Interest	40808	23026
Depreciation & Amortization	29842	21569
Profit before Taxation	30087	36401
Provision for Income Tax / Def. Tax	12813	11964
Net Profit after Taxation	17274	24437
Profit Brought Forward	85194	68873
Disposable Surplus	102468	93309
Transfer to General Reserve	2533	2500
Proposed Equity Dividend	4800	4800
Tax on Dividend	815	815
Balance Profit c/f	94320	85194

### **Review of Operations**

During the year ended on 31<sup>st</sup> March, 2014, the sales and other income was recorded at Rs.3021.67 lacs and have increased by 7.71% as compared to previous Financial Year 2012-13 ( P.Y Rs.2805.19 lacs) and earned net profit of Rs. 172.75 lacs. Your Company would have posted higher quantum of profit if increased cost of depreciation and interest payment had not been arisen due to ongoing expansion & renovation in the hotel.

Hospitality industry was under duress in the year 2013 because of multiple reasons. Primarily due to the overall downturn in the global and local economy, resulting in relatively lower spending in the travel and hospitality indulgences by people, and secondly due to the disproportionate growth in supply of hotel rooms compared to the growth in demand in key markets in the country. The latter resulted in panic sale by hoteliers impacting the ADRs (Average Daily Rate) and RevPARs (Revenue per Available Room).

The Company emphasizes for a sharp focus on marketing strategy as well as consistent sales effort and this has contributed well to maintain room occupancy and ARR. Our innovative food and beverage offerings and Multiple Cuisines also got their due recognition and patronage with increase in Restaurant and Banquet business.

### **Prospects & Concerns**

The political stability under the new government is expected to stabilise the domestic industrial growth which in turn may result in the improvement of Indian economy as a whole. At present India is passing through a maturity phase. The government is taking steps to boost the Indian economy to new heights. The potential of hospitality industry in India is vast. The foray of Indian Hotels and Restaurants into a variety of global cuisines has created a positive impact as Indo Chinese has become a staple cuisine and new favorites such as Mexican, Italian, Thai and Japanese food are tickling the palates of Indian consumers.

At the macro economy level, the challenges are in terms of low GDP growth, sticky inflation, sluggish Index of Industrial Production, slowdown in the investment cycle and a widening current account deficit. The cascading effect of multiple taxes result in structural distortions in the industry's cost and pricing structure.

Regardless of these adversities, the hospitality industry continued to spread its wings across all markets giving expressions to changing lifestyles and aspirations of the people

### **Current Year**

The current year has started with a good note. The room sales and F & B sales is on positive trend. Your management team is working very hard to grab the opportunity by focusing on marketing strategies and consistent sales effort to increase room sales. The team is into the development of concept of Signature food and customized rooms. We are into bringing in signature restaurant that either specialize in international cuisine or celebrate local flavors. Needless to say, F&B income is a growing revenue stream for our hotel. And relating to Customized rooms there is no limit to how much one can tweak and customize hotels rooms.

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 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 has already launched the "Ball Room "largest Banquet Hall in Vadodara in 2012. The remaining Expansion Project will be completed by end of this calendar year. During the year there has been addition of three conference Halls & a dedicated Board Room on first floor and work is in progress relating to addition of one Banquet hall with open terrace on 2<sup>nd</sup> floor of the adjoining building.

The Renovation of Rooms Project for existing Hotel Building was completed in the month of October 2013 . And thereafter the count of guest rooms reached to 132. Now, your company is planning to add more guest rooms on fifth and eighth 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 2014 by its guests by Trip Advisor. in , the world's most trusted travel advice portal.

## Directors

The Board recommends the appointment of Mr. A C Patel, Mr. J G Patel & Mr. M P Bakshi as Independent Directors (not liable to retire by rotation) of the company for a period of five years w.e.f. April 01, 2014 uptill March 31, 2019.

Mr. Nilesh D Shah, Director, who retires by rotation, is eligible for reappointment and has shown his willingness to be reappointed as Director.

## Website

The corporate website [www.suryapalace.com](http://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. The website also displays financial & corporate information.

## Brand Development

As an integral part of business strategy and brand development, the Company has entered into a management and marketing agreement with ACCOR group of hotels, an international brand that is compatible with the character and culture of our Company to increase our business prospects and strengthen the marketing network. Their strong management systems will not only improve sales but will also contribute to profits. Accor has Sales offices in all international markets & major cities of India, the Average Rate of Room Realisation is much higher than the Average Rate of Room realised by the local/city based sales offices. Their Central Reservation system and association with Global distribution system will yield higher number of room reservations. ACCOR is known to be one of the best employer with state of an art training & HR practices. This will support the Company with high quality executives and improvement in guest and staff satisfaction level. ACCOR's Loyalty program for its customers has more than 7 lacs club "A" members and has also tied up with many national & international airlines and credit card companies. Thus it is expected to give high and sustainable business.

## 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 31<sup>st</sup>, 2014, 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 almost replaced with LED (Light Emitting Diodes). 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 Glace DGU & fixed sunscreen protection are laid on them.

The new magnetic chillers used for air conditioning process have proved to be major energy savers.

Every Quarter we have a trend of celebrating Energy Saving Week wherein 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.

### (C) (C) During the year under review, your Company earned Foreign Exchange of Rs.1,55,38,492/- (Previous year Rs. 1,55,16,438/-), whereas outflow of foreign exchange was Rs.74,59,293/- (Previous year Rs 1,19,56,122/- ) .

## Auditors

Re-appointment, M/s. V. Shah & Associates, Chartered Accountants, Baroda as Statutory Auditors of the Company and hold office from the conclusion of this Annual General Meeting until the conclusion of the third consecutive Annual General Meeting i.e. 32<sup>nd</sup> AGM for F.Y. 2016-17 and to fix their remuneration subject to the ratification by the shareholders at each AGM.



## 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 by the Audit Committee. 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 adequacy 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 "specialty", "safety/emergency handling" and "on the job" training.

By the end of March 2014, the Company had **231** 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 2014-15 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 / 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.

With the applicability of Companies Act, 2013 and Companies (Acceptance of Deposits) Rules w.e.f 1<sup>st</sup> April, 2014 the Company had repaid all the deposits from shareholders or relatives of Directors.

### 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: 27<sup>th</sup> May, 2014

Mr. Ambalal Patel  
Chairman