

RECOGNIZED AS UNIQUE IN THE INDUSTRY FOR FULFILLING IT'S PROMISE.



JINDAL HOTELS LIMITED

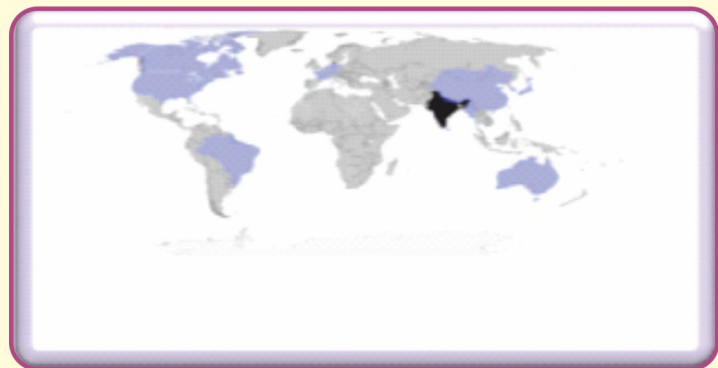
30th ANNUAL REPORT 2014-15

www.suryapalace.com



THE LEGENDARY GREEK-AMERICAN COMPOSER, KEYBOARDIST, PIANIST, MUSIC PRODUCER & PERFORMER YIANNIS CHRYSOMALLIS (YAANI) HAD CHOSEN ONE AND ONLY SURYA PALACE IN THE VADODARA CITY TO STAY DURING VAD FEST 2015 AND WAS OVERWHELMED BY OUR WARM HOSPITALITY AND CUSTOMISED SERVICES.

JOURNEY DURING THE YEAR 2014-15



AS OUR GLOBETROTTER PM TRAVELS THE
WORLD
EXCHANGING VOWS OF INTERNATIONAL
FRIENDSHIP AND GOODWILL
WE AT SURYA PALACE COMPLETE OUR YEAR
2014-2015.

WE MAY NOT BE ABLE TO ACCOMPANY HIM
TO HIS INTERNATIONAL VISITS AND TRIPS.

BUT WE CERTAINLY TRY TO RECREATE THEM
IN OUR KITCHEN WITH OUR CULINARY SKILLS.
AZURE SERVES FLAVORS FROM ACROSS THE
GLOBE IS ALWAYS A GOURMET'S DELIGHT.
HE WENT AROUND THE WORLD IN 365 DAYS
AZURE GIVES A WORLD TOUR THROUGH EVERY
SINGLE MORSEL.

FROM FINE WINES AND BREADS FROM
EUROPE TO INDIAN TREATS LADEN
WITH SPICES.

THE NECTAROUS DESSERTS OF
AMERICA TO SUCCULENT MEAT DISHES FROM
SOUTH ASIA

EVERYTHING SO AMBROSIAL!

WE HAVE LEFT OUR GUESTS OVERWHELMED
WITH OUR SERVICES AND WARM HOSPITALITY.

WE LOOK FORWARD THE SAME FOR OUR
COMING YEAR.

Seychelles



Mauritius



Sri Lanka



Singapore



France



Germany



Canada



China



Mongolia



South Korea



United States



Nepal



Myanmar



Japan



Fiji



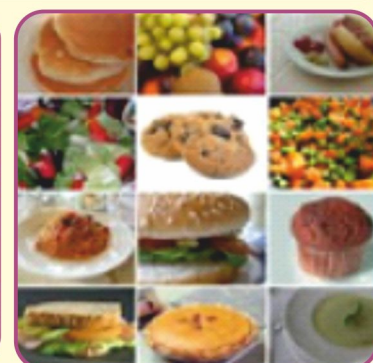
Brazil



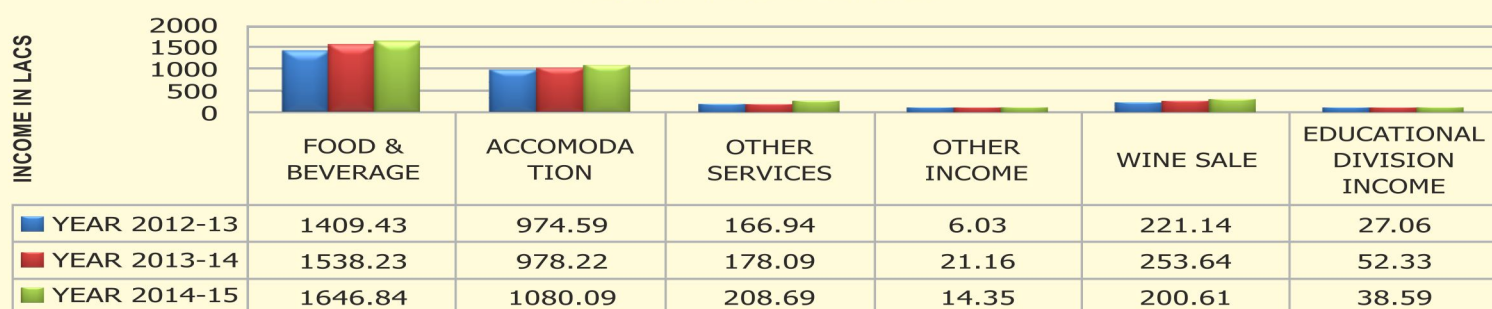
Bhutan



Australia



YEAR WISE SALES



JINDAL HOTELS LIMITED, BARODA

Hotel Surya Palace, Sayajigunj, Baroda - 390 020.



CORPORATE INFORMATION

Name: JINDAL HOTELS LIMITED

CIN: L18119JG1984PLC006922

Registered Office

Hotel Surya Palace,

Sayajigunj,

Vadodara- 390 020.

Ph.: (0265) 2363366/2226000/2226044

Fax: (0265) 2363388

E-mail: share@suryapalace.com

Website: www.suryapalace.com

REGISTRAR & SHARE TRANSFER AGENTS

MCS Share Transfer Agents Limited

10, Aram Apartment,

12, Sampatrao Colony,

B/h. Laxmi Hall,

Alkapuri, Vadodara – 390 007.

Ph. No. (0265) 2314757

Fax:-(0265)-2341639

E mail: mcsltdbaroda@gmail.com

COMPANY SECRETARY

Ms. Karuna V Advani

AUDIT COMMITTEE

Name of Director	Designation
Mr. Jatil Patel	Chairman
Ms. Chanda Shah	Member
Mr. Ambalal Patel	Member
Mr. Mukund Bakshi	Member (w.e.f. 26 th May, 2015)

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

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

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BANKER

BANK OF MAHARASHTRA

Akota - Alkapuri Branch, Vadodara

3, Raj Nagar Society, Opp. D Mart,

Off Old Padra Road,

Alkapuri, Akota, Vadodara 390020

AUDITORS

M/s. V. Shah & Associates,

Chartered Accountants,

12, Dhayber Colony,

B/H Baroda High School,

Near Polo Ground, Vadodara - 390 001

BOARD OF DIRECTORS

Name of Director	Designation
Mr. Ambalal Patel	Chairman, Independent Non-Executive Director
Mr. Piyush Shah	Managing Director
Mr. Jatil Patel	Independent Non-Executive Director
Mr. Mukund Bakshi	Independent Non-Executive Director
Ms. Chanda Shah	Non-Executive Director
Mr. Nilesh Shah	Non-Executive Director

JINDAL HOTELS LIMITED, BARODA

Hotel Surya Palace, Sayajigunj, Baroda - 390 020.



Dear Members,

You are cordially invited to attend the 30th Annual General Meeting of members of Jindal Hotels Limited to be held at the Registered office of the Company : Hotel Surya Palace, Sayajigunj, Baroda, Gujarat on Tuesday, 22nd September, 2015 at 3:30 p.m.

We are glad to inform you that in compliance with provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Clause 35B of the Listing Agreement, the Company is to provide its Members facility of remote e-voting (to cast their vote electronically from a place other than the venue of the AGM), through e-voting services provided by Central Depository Services Limited (CDSL) on all resolutions set forth in this Notice. The process of e-voting to be followed forms part of Notice (i.e. Please refer point No. 14 on Page no. 2).

NOTICE

Notice is hereby given that the **30th Annual General Meeting** of the members of M/s. Jindal Hotels Limited, will be held on Tuesday, the **22nd day of September, 2015 at 3:30 p.m.**, at Company's **Registered office** at: Hotel Surya Palace, Sayajigunj, Baroda - 390020, Gujarat, to transact the following business:

ORDINARY BUSINESS:

Item No. 1. Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2015, the Report of the Board of Directors' and Auditors' thereon.

Item No.2. Declaration of Dividend

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

Item No.3. Appointment of Director

To appoint Director in place of Shri Piyush Shah (DIN 00010884), Director who retires by rotation and is eligible for re-appointment.

Item No. 4. Ratification of appointment of Auditor and to fix their remuneration

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 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. V. Shah & Associates., Chartered Accountants (Registration No.109816W) Baroda as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company to be held in the year 2016 to examine and audit the accounts of the Company for the financial year 2015-16, at such remuneration plus service tax etc., as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS

5. Adoption of new set of Articles of Association.

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

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association which is available for inspection at the Registered Office of the Company, be and are hereby approved and adopted, in substitution and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to undertake all such acts, deeds, matters and things to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to settle any question, difficulty or doubt that may arise in this regard and to give effect to this resolution either on its own or by delegating all or any of its powers to any of the Director or any other officer of the Company."

Registered Office
Hotel Surya Palace,
Sayajigunj, Baroda - 390 020
CIN: L18119GJ1984PLC006922
e-mail: share@suryapalace.com

By Order of the Board of Directors of
JINDAL HOTELS LIMITED

Place : Baroda
Date : May 26, 2015

Karuna 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 (48) 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 member.
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 pg. No. 23 for details)
3. **Members are requested**
To bring duly filled attendance slip (page 44) along with the copy of Annual Report to the Meeting and PHOTO ID Proof for attending the meeting.



To **notify immediately, changes in their address, mandate/ Income Tax Permanent Account Number PAN / 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 Update Details:**

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act, requires the Company to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. Members holding shares in physical form are requested to submit the details to the Company and Members holding shares in electronic form are requested to submit the details 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), MICR (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. Please refer NECS mandate at Company's website.

4. The Company has notified closure of Register of Members and Share Transfer Books from Tuesday, September 15th, 2015 to Tuesday September 22nd, 2015 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
5. (a) **TRANSFER OF UNCLAIMED/UNPAID DIVIDENDS TO INVESTORS EDUCATION AND PROTECTION FUND (IEPF):** Pursuant to Section 124 of the Companies Act, 2013 read with the relevant Rules, all unclaimed / unpaid dividend remaining unclaimed / unpaid with the Company on the expiry of 7 (seven) years from the date of its transfer to the unclaimed / unpaid account, will be transferred to the Investors Education and Protection Fund set up by the Central Government. Members are requested to write to the Company and/or Share Transfer Agents, if any dividend warrants are not encashed so that fresh / re-validated warrants could be issued by the Company. It may be noted that unpaid dividend for the Financial Year ended March 31, 2008, is due for transfer to the IEPF on 22nd October, 2015. **Members, who have not yet encashed their dividend warrant for the financial year ended 31-03-2008 to 31-03-2014, 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 9th September, 2014 (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 / unclaimed dividends for the financial year 2006-2007 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 desirous of making a nomination in respect of their shareholding, as permitted under Section 72 of the Companies Act, 2013, are requested to submit the prescribed **Form SH 13 (Nomination Form) & Form SH 14 Cancellation or Variation of Nomination**, accordingly to the Share Department of the Company or to the office of the Registrar & Share Transfer Agent, The said forms can be downloaded from the Company's website www.suryapalace.com under the section "Corporate Information".
8. In order to maintain decorum amidst the proceedings, members are requested to attend the Meeting without accompanying guests or children.
9. **GREEN INITIATIVE:** Members are requested to register/ update email address for receiving electronic communication.
10. The Notice of the AGM along with the Annual Report of 2014-15 is being sent by electronic mode to those Members whose email addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copy is being sent by permitted mode.
11. 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.
12. Relevancy of questions and the order of speakers at the meeting shall be decided by the Chairman.
13. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, during business hours, upto the date of the Annual General Meeting (AGM).
14. **The Process for e-voting:** (E voting)

The instructions for members voting electronically are as under:

Please note that the Electronic Voting Sequence Number (EVSN) is : 150714004

- (a) **The remote e-voting period commences at 10:00 a.m. on Friday, 18th September, 2015 and ends at 5:00 p.m. on Monday, 21st September, 2015. The remote e-voting module shall be disabled by CDSL for voting thereafter.**
- (b) During the remote e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the **cut-off date i.e. 15th September, 2015** may cast their vote electronically.
- (c) **Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.**
- (d) Voting rights of the members shall be in proportion to their respective shareholding as on the cut-off date i.e. 15th September, 2015.
- (e) The facility for voting through Ballot/ polling paper shall be made available at the AGM and members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through polling paper.
- (f) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.



(g) Any person, who becomes a member of the Company after dispatch of notice of the meeting and holding shares as on the cutoff date (i.e. 15th September, 2015) may cast their vote by following the instructions and process of remote e-voting as provided in the Notice of AGM uploaded at our website www.suryapalace.com and CDSL website www.cdslindia.com

(I) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.

- (i) The members should log on to the e-voting website www.evotingindia.com.
- (ii) Click on "Members" tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 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.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a First Time User follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat members as well as physical members) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant (DP) are requested to use the serial number printed on address slip (affixed on Annual Report).
Dividend Bank Details OR Date of Birth (DOB)	Enter the Date of Birth as registered with the DP/RTA in dd/mm/yyyy format Or Enter the Dividend Bank Details as recorded with your DP/RTA. Please note - In respect of Physical shareholding and whose DOB and Dividend bank details are not registered with DP/RTA should enter No. of shares held by you as on the cut-off date i.e. "15 th September, 2015"

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions 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.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the Electronic Voting Sequence No (150714004) of <JINDAL HOTELS LIMITED> on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) 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.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Note for Non- Individual Members and custodians

- Non – Individual Members and Custodians (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to 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 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

(II) The voting rights of members shall be in proportion to their shares of the paid-up equity share 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, Sayajiganj, Baroda - 390005) as Scrutinizer for conducting the e-voting process in fair and transparent manner.

JINDAL HOTELS LIMITED, BARODA

Hotel Surya Palace, Sayajigunj, Baroda - 390 020.



(IV) Copy of the notice (Annual Report) has been placed on the website of the Company viz. www.suryapalace.com and 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 30th Annual General Meeting to be held on Tuesday, 22nd September, 2015. 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.

15. 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")

Item No. 4

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

Ratification of the appointment of Statutory Auditors and to fix their remuneration: In the 29th Annual General Meeting (AGM) of the Company held on September 9, 2014, M/s. V. Shah & Associates., Chartered Accountants (Registration No.109816W) Baroda, have been appointed as the Statutory Auditors of the Company for a period up to 3 years effective April 1, 2014. As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by Members at every AGM. Accordingly, ratification of the Members is being sought for the proposal contained in the Resolution set out at Item No. 4 of the Notice.

The Board commends the Resolution for approval by the Members. None of the Directors or Key Managerial Personnel (KMP) or their respective relatives are in any way concerned or interested in the said Resolution.

Item No. 5

The existing Articles of Association (AoA) are in line with the provisions of the Companies Act, 1956 and many Articles contain specific reference to the Sections of Companies Act, 1956. As the Companies Act, 2013 is now in force, the provisions of the Companies Act, 1956 are required to be replaced by provisions of the Companies Act, 2013 and the rules made there under.

Accordingly, it is proposed to replace the existing articles to streamline and align it with the corresponding provisions of the Companies Act, 2013 by adopting them, afresh. Therefore the Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 5 of the Notice.

Registered Office

Hotel Surya Palace,
Sayajigunj, Baroda 390 020
CIN: L18119GJ1984PLC006922
e-mail: share@suryapalace.com

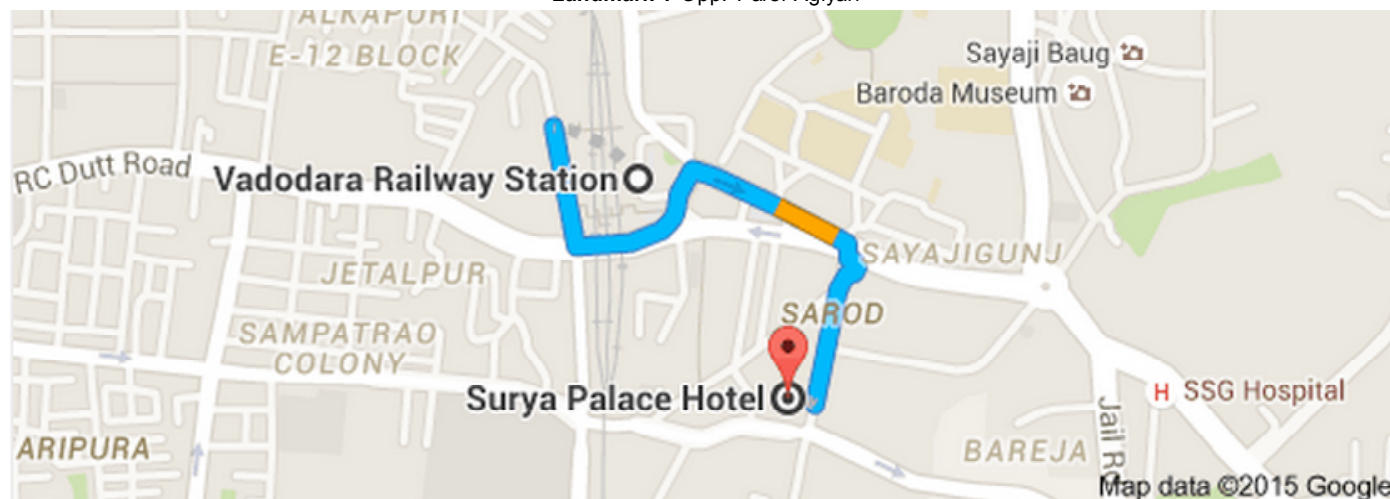
Place : Baroda

Date: 26th May, 2015

By Order of the Board of Directors of
JINDAL HOTELS LIMITED

Karuna Advani
Company Secretary

Venue of AGM : Route Map : Pursuant to SS-2 : Secretarial Standard on General Meeting.
Landmark : Opp. Parsi Agiyari



4 min (1.1 km) via Indubhai Patel Marg/Shastri Bazaar Rd


Directions

EXPLANATORY STATEMENT



Boards' Report & Management Discussion and Analysis

TO THE MEMBERS,

Your Directors are pleased to present the Thirtieth Annual Report on the business and operations of your Company with the audited financial statement for the financial year ended March 31st, 2015.

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.

Financial Highlights

Your Company's financial performance for the year ended March 31, 2015 is as below:

(Rs. in '000)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Turnover	318918	302167
Less: Expenditure	207467	201430
Profit before Depreciation, Interest and Taxation	111451	100737
Interest	48594	40808
Depreciation & Amortization	39059	29842
Profit before Taxation	23798	30087
Provision for Income Tax / Def. Tax	7991	12813
Net Profit after Taxation	15807	17274
Profit Brought Forward	94319	85194
Disposable Surplus	110126	102468
Depreciation pertaining to transitional period (net of tax)	(13837)	-
Transfer to General Reserve	3000	2533
Proposed Equity Dividend	4800	4800
Tax on Dividend	977	815
Profit Carried forward	87512	94320

Review of Operations

The hotel industry experienced a moderate revenue growth in 2014-15. The GDP growth in India was aided by improved performance of agriculture and services, whilst manufacturing and mining continued to report subdued performance as explained by the Index of Industrial Production. Inflation started easing during second half of the year on account of reducing demand and monetary control by RBI. Exchange rate remained stable for most part of the year losing around 3% in the second half of the year due to strengthening of the Dollar against all major currencies.

The tourism industry has had a remunerative effect on the hospitality sector with an increase in the occupancy ratios. The revenue growth was largely driven by the incremental rooms along with food and beverage income. The supply of premium rooms, however, has gone up as hospitality chains are gradually building up their room inventory on expectations of higher demand. The average room rates, which drive revenue growth, have remained flat because of competition in the industry, while occupancies improved by 2 to 4 %.

Hotel companies had been trying to put a lid on costs/ expenses to protect their profitability. Hotel operators have also heightened their focus on the food and beverage segment, revenues of which have been consistently increasing and to attract a wide range of global tourists, besides generating interest among domestic travelers.

Your Company performed reasonably well during the year, under review. The sales and other income of Financial Year 2014-15 was recorded at Rs.3189.18 lacs and have increased by 5.54% as compared to previous Financial Year 2013-14 (P.Y Rs.3021.67 lacs).

In the Financial year 2014-15, there was moderate growth in RevPAR (Revenue per available Room). There was increase in room occupancy rate due to renovation, refurbishment and up gradation of guest rooms, supported by personalized service and provision of special amenities for guest comfort.

The Company emphasizes for a sharp focus on marketing strategy as well as consistent sales effort and this has contributed well to increase room occupancy and ARR. Our innovative food and beverage offerings also got their due recognition and patronage with significant increase in Restaurant and Banquet business. Due to efficiency at every stage of operation, internal cost control system and prudent management measures, the bottom line has also improved considerably.

The long term outlook for the Indian hospitality business continues to be positive, both for the business and leisure segments with the potential for economic growth, increases in disposable incomes and the burgeoning middle class.

Prospects & Concerns

India's travel and tourism industry has huge growth potential. The medical tourism market in India is projected to hit US\$ 3.9 billion mark this year having grown at a Compounded Annual Growth Rate (CAGR) of 27 per cent over the last three years, according to a joint report by FICCI and KPMG. Also, inflow of medical tourists is expected to cross 320 million by 2015 compared with 85 million in 2012. The tourism industry is also looking forward to the E-visa scheme which is expected to double the tourist inflow to India. Enforcing the Electronic Travel Authorisation (ETA) before the next tourism season, which starts in November, will result in a clear jump of at least 15 per cent. ICRA Ltd rating agency expects the revenue growth of Indian hotel industry strengthening to 9-11 per cent in 2015-16. According to ICRA Research, India has over 29,000 premium rooms under construction to be launched over the next six years.

India is projected to be number one for growth globally in the wellness tourism sector in the next five years, clocking over 20 per cent gains annually through 2017, according to a study conducted by SRI International.

However, measures taken by the Union government to drive tourism through several strong policy initiatives could bring in stronger demand, supporting the industry.



Indirect Taxes are a concern for this segment. The high VAT rate & increase in rate of service tax had resulted in increase in the cost of materials and services. The imposition of service tax affected Indian hotels at large, which led to a decrease in growth of hotel industry.

Current Year

Demand is likely to surge in the current year. We expect to have increase in market share (room division) with the addition in rooms. Our main forte and focus has been the popularity of Food and beverages facilities. The foray of Indian restaurants into a variety of global cuisines is having a positive impact on the F&B sector. Customers are more willing to experiment with different cuisines because it is now easily accessible in the cities they live in, and this trend had increased Indian consumers' frequency of eating out.

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 & renowned personalities from national & international platform. **The legendary Greek-American composer, keyboardist, pianist, and music producer & performer Yiannis Chryssomallis (Yaani) during the Vad Fest 2015 (Vad Fest is the biggest International art and cultural festival organized in Baroda) was overwhelmed by our warm hospitality & customized services during his stay.**

We are indeed proud to share that your Company has been recognized and duly awarded Certificate of Excellence for the year 2015 by its guests by TRIP ADVISOR. in world's most trusted travel advice portal .

A strong Guest Relations Management (GRM) initiative has been activated through personalized services, collection and analysis of guest information, effective communication and proper networking system. This will ensure that we retain as well as build upon current businesses and consolidate our market positions. 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.

Your Hotels communication campaign is through leading dailies, magazines, hoardings and social networking (Facebook and Twitter) also. The management has taken active steps to promote the property with some effective marketing initiatives. We are launching some new services to add to the brand portfolio. Internal skill sets are being honed and developed for better utilization and implementation of available resources. With these efforts, we hope to maintain the profitability of your Company in the coming years.

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.

Expansion & Renovation Project

Your Company have already completed the major part of expansion project of the adjoining building by launching "Ball Room" (largest Banquet Hall), three conference Halls & a dedicated Board Room on first floor. Another Banquet hall with open terrace on 2nd floor of the adjoining building is well-nigh completed i.e. interiors and furnishing job is in progress.

Under the Renovation of Rooms Project for existing Hotel Building the company plans 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.

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

DIRECTORS

Mr Piyush D Shah, Director ,retiring by rotation, being eligible for reappointment offers himself for re election.

In the last Annual General Meeting held on 9th September, 2014, three independent Directors (namely, Mr. A C Patel, Mr. J G Patel & Mr. M P Bakshi) were appointed for a term of 5 years.

RESERVES

The Board proposes Rs. 30,00,000 (RupeeThirty lacs) to carry to General Reserves.

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 31st March, 2015, subject to approval of the members at the Annual General Meeting.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125 of the Companies Act, 2013, any unclaimed or unpaid Dividend for the financial year ended March 31, 2008 is due for remittance on 22nd October, 2015 to the Investor Education and Protection Fund established by the Central Government.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished below pertaining to conservation of energy , technology absorption, foreign exchange earnings and out go.

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 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.

TECHNOLOGY ABSORPTION

In the Opinion of the Board, the required particulars, pertaining to technology absorption are not applicable as hotels form part of service industry.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, your Company earned Foreign Exchange of Rs106,92,369 /- (Previous year Rs. 1,55,38,492 /-), whereas outflow of foreign exchange was Rs.34,22,564/- (Previous year Rs 74,59,293/-) .

**STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Company has been taking proactive approach concerning the development and implementation of a Risk Management Policy after identifying the following elements of risks which in the opinion of the Board may threaten the very existence of the Company itself.

(a) financial; (b) legal and regulatory; (c) operating; and (d) commercial risks, including health, safety and environment.

The Company does not have any Risk Management Committee as the Board takes into consideration all the risk factors at regular intervals at its meetings.

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.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has zero tolerance for sexual harassment at its workplace. The Company has adopted an Anti-harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee are set up to redress complaints received regularly and are monitored by women line supervisors who directly report to the Chairman & Managing Director. All female employees are covered under the policy. There was no complaint received from any employee during the financial year 2014-15 and hence, no complaint is outstanding as on March 31, 2015 for redressal.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There was no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

DETAILS OF SIGNIFICANT & MUTUAL ORDERS PASSED BY THE REGULATORS OR COURTS

No such order passed.

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are applicable to the Company and hence the Company has devised policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 and for details refer link www.suryapalace.com.

FORMAL ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its committees. The Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The Board of Directors expressed their satisfaction with the evaluation process.

STATUTORY AUDITORS

M/s V Shah & Associates Chartered Accountants, Baroda were appointed as Statutory Auditors for a period of 3 years in the 29th Annual General Meeting held on 9th September, 2014. Their continuance of appointment and payment of remuneration is to be ratified in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if members ratify their appointment, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

SECRETARIAL AUDIT REPORT

A Secretarial Audit Report issued by Mr. Kashyap Shah, a company secretary in practice is annexed with the report as Annexure 1 (Form No. MR-3) with an observation that the Company had complied with all the provisions except the consent order issued by Gujarat Pollution Control Board valid upto 15-11-2014, for which necessary steps have been taken by the Company for its renewal.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There was no qualifications, reservations or adverse remarks made by the either by the Auditors or by the Practicing Company Secretary in their respective reports.

EXTRACT OF ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure 2 (Form No. MGT- 9) and is attached to this Report.

DISCLOSURE UNDER RULE-5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION) RULES, 2014

Disclosure required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration) Rules, 2014 have been annexed as Annexure 3.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review is furnished in Annexure 4 (AOC 2) and is attached to this report.

CORPORATE GOVERNANCE CERTIFICATE

The Compliance certificate from Practicing Company Secretaries regarding compliance of conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement is annexed as Annexure 5 to the report.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had five Board meetings during the financial year under review and details are given in the Corporate Governance Report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

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.