

Annual Report

PARK HYATT GOA[®]

RESORT AND SPA



Blue Coast
Hotels and Resorts Ltd.

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Late Shri Arun Suri
(1960-2005)

True leadership is a rare quality.

It can make men create miracles and turn every impossible to possible. It can motivate, inspire and create perfection - leaving a lasting impression for generations to follow.

Shri Arun Suri was a leader extraordinaire!

Under his stewardship, we have transformed Park Hyatt Goa, Resort and Spa from a new entrant in the hospitality sector to one of the finest resorts in the world. Today, as we grow in the customers' esteem, we continue to cherish the ideals he held dear. And pledge to follow in the path he carved out for us.

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Board Of Directors

Mr. P L Suri, Chairman & Managing Director.
Mrs. Sunita Suri, Executive Director.
Mrs. Mamta Suri
Mr. B K Goswami
Mr. K S Mehta
Dr. V M Kaul
Mr. Ashoka Kini

Executives

Mr. I S Deo
Vice President (Corporate Affairs)
& Company Secretary

Mr Suresh Gupta
General Manager Finance & Accounts

Auditors

M/s M. Kamal Mahajan And Co.
Chartered Accountants
SCO 61 Madhya Marg,
Sector 26, Chandigarh

Registered Office

263C, Arossim, Cansaulim,
Goa 403712

Corporate Office

415 - 417, Antriksh Bhawan
22, Kasturba Gandhi Marg
New Delhi - 110 001

Share Transfer Agent

RCMC Share Registry Pvt. Ltd.
1515, (1st Floor), Bhisham Pitamah Marg
Kotla Mubarakpur
New Delhi 110003
Tel: 011-24692346, 24601017
Fax: 011-24692345

Notice

NOTICE is hereby given that the **Annual General Meeting** of the members of Blue Coast Hotels and Resorts Limited will be held at 263C, Arossim, Cansaulim, Goa 403712 on Saturday, the 16th September, 2006 at 11.00 a.m. to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2006 and the Profit & Loss Account of the Company for the period ended on that date along with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Dr. V M Kaul, who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. B K Goswami, who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.
4. To appoint M/s M. Kamal Mahajan And Co., Chartered Accountants, Chandigarh, the retiring Auditors, as the Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED that Mr. Ashoka Kini be and is hereby appointed as a Director of the Company liable to retire by rotation as per provisions of section 255 of the Companies Act, 1956."

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

"RESOLVED that subject to the provisions of section 198,269,309,311 and all other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the conditions as contained in Schedule XIII to the Act and Letter No. 1/435/2005CL.VII dt. 17th July, 2006 of the Central Government, approval be and is hereby accorded for payment of remuneration made to Late Mr. Arun Suri, who was re-appointed as Managing Director of the Company on 1st August 2005 and held office up to 12th November 2005 on the terms and conditions as set out in the explanatory statement annexed to the notice convening this Annual General Meeting."

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

"RESOLVED THAT Mr. Parduman Lal Suri be and is hereby appointed as a Director of the Company as per provisions of section 255 of the Companies Act, 1956.

RESOLVED FURTHER THAT subject to the provisions of section 198,269,309,311 and all other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the conditions as per Schedule XIII to the Act and subject to the approval(s) of the Central Government as may be necessary the approval of the Company be and is hereby accorded to the appointment of Mr. Parduman Lal Suri as the Chairman & Managing Director of the company for a period of 3 (THREE) years w.e.f 16th November 2005 on the terms and conditions as set out in the explanatory statement annexed to the notice convening this Annual General Meeting."

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

"RESOLVED THAT Mrs. Sunita Suri be and is hereby appointed as a Director of the Company as per provisions of section 255 of the Companies Act, 1956.

RESOLVED FURTHER THAT subject to the provisions of section 198, 269, 309, 311 and all other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the conditions as per Schedule XIII to the Act and subject to the approval(s) of the Central Government as may be necessary the approval of the Company be and is hereby accorded to the appointment of Mrs. Sunita Suri as the Executive Director of the company for a period of 3 (THREE) years w.e.f from 16th November 2005 on the terms and conditions as set out in the explanatory statement annexed to the notice convening this Annual General Meeting."

For and on behalf of the Board

New Delhi
August 10, 2006

IS DEO
Company Secretary

Notes

- a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company.
- b) Instrument appointing proxies in order to be effective should be duly stamped, signed and complete in all respect must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
- c) A blank proxy form for use of the members is enclosed to this notice.
- d) The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
- e) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 12, 2006 to Saturday, September 16, 2006 (both days inclusive).
- f) Members/ Proxies should bring the Attendance Slip sent herewith duly filled in and signed for attending the meeting.
- g) Members of the Company are requested to complete all the formalities for conversion of their shares from physical form into demat form as the equity shares of the Company are traded in demat form.
- h) Relevant details in respect of the Directors seeking Appointment/Reappointment are given at the end of the NOTICE.

Explanatory Statement (Pursuant to the provisions of section 173(2) of the Companies Act, 1956)

Item No. 5.

Mr. Ashoka Kini was appointed as an Additional Director on the Board of the Company on 29th April, 2006 within the meaning of Section 260 of the Companies Act, 1956 and holds this office up to the date of this Annual General Meeting of the Company. The Company has received a notice from a member of the Company proposing his appointment in the Annual General Meeting alongwith the necessary deposit as required u/s 257 of the Companies Act, 1956. Hence the resolution.

None of the Directors except Mr. Ashoka Kini is interested in the resolution to the extent of his appointment.

Item No. 6

On the recommendation of the Remuneration Committee the Board of Directors' of the Company at its meeting held on 30th July, 2005 has considered and the reappointed Mr. Arun Suri as the Managing Director of the Company for another period of 3(THREE) years w.e.f 1st August, 2005 at the following remuneration:

- a) Salary: Rs. 2,50,000/- p.m. in addition to the various perks subject to a maximum limit of Rs. 1,25,000/- per month.
- b) In addition to the above the following perks were sanctioned which shall not be included in the limits as above:
 - a) Contribution to Provident Fund, Superannuation Fund or annuity Fund to the extent not taxable under Income Tax Act.
 - b) Gratuity payable @ not exceeding half a month's salary for each completed year of service.
 - c) Encashment of leave at the end of tenure.

In the event of loss or inadequacy of Profits, the remuneration payable as above shall be treated as minimum remuneration under the Provisions of the Companies Act, 1956.

Unfortunately Mr. Arun Suri expired on 12th November, 2005.

The re-appointment of Late Mr. Arun Suri and payment of remuneration made to him for the period 1.8.2005 to 12.11.2005 requires the approval of shareholders of the Company by way of special resolution in terms of Letter No. 1/435/2005CL.VII dated 17th July, 2006 of the Central Government. Hence the resolution.

None of the Directors except Mr. P L Suri, Mrs. Mamta Suri and Mrs. Sunita Suri being relative are interested in this resolution.

Item No. 7

Mr. P L Suri has been appointed as Director on 16th November 2005 to fill the casual vacancy caused by the death of Late Mr. Arun Suri. The Company has received a notice from a member of the Company proposing his appointment as Director in the Annual General Meeting alongwith the necessary deposit as required u/s 257 of the Companies Act, 1956.

Further, the Board in its meeting held on 16th November, 2005 has appointed Mr. P L Suri as the Chairman and Managing Director of the Company to fill the vacancy created by the death of Late Mr. Arun Suri the Chairman and Managing Director of the Company. As per the terms of appointment, he was not to receive any remuneration till the company earns profit. As the Company has earned sufficient profit during the year ended 31st March 2006, the Board of Directors of the Company, based on the recommendations of the Remuneration Committee of the Board, has in its meeting held on 10th August 2006 has approved the payment of remuneration to Mr. P L Suri as detailed hereunder w.e.f 11th August 2006 till the expiry of his current tenure:

- A. An all inclusive monthly remuneration of Rs. 4,50,000/- per month which shall not exceed the limit as prescribed under Section 198 and 309 read with Schedule XIII of the Companies Act, 1956.
- B. In the event of loss or inadequacy of profits in any financial year during the tenure of Mr. P L Suri the Chairman & Managing Director of the Company, the remuneration payable aforesaid shall not exceed the limit as prescribed under Para 1(A) of Section II of Part II of Schedule XIII of the Companies Act, 1956. However, for the purpose of the said limit the following perquisites shall not be included:
 - a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent not taxable under Income Tax Act.
 - b) Gratuity payable @ not exceeding half a month's salary for each completed year of service.
 - c) Encashment of leave at the end of tenure.

As per requirement of the Companies Act, 1956 read with Schedule XIII of the Act this requires approval of the members of the Company. Hence the resolution.

None of the Directors except Mr. P L Suri is interested in the resolution to the extent of his appointment and payment of remuneration to him. Mrs. Mamta Suri & Mrs. Sunita Suri being relative shall also be considered as interested in this resolution.

Item No. 8

Mrs. Sunita Suri has been appointed as an additional director of the Company on 16th November 2005 and holds office upto the date of the ensuing Annual General Meeting of the Company. The Company has received a notice from a member of the Company proposing her appointment as Director in the Annual General Meeting alongwith the necessary deposit as required u/s 257 of the Companies Act, 1956.

Further, the Board in its meeting held on 16th November, 2006 has appointed Mrs. Sunita Suri as the Executive Director of the Company. As per the terms of appointment she was not to be paid any remuneration till the Company earns profit. As the Company has earned sufficient profit during the year ended 31st March 2006, the Board of Directors of the Company, based on the recommendations of the Remuneration Committee of the Board, has in its meeting held on 10th August 2006 approved the payment of remuneration to Mrs. Sunita Suri as detailed hereunder w.e.f 11th August 2006 till the expiry of her current tenure:

- A. An all inclusive monthly remuneration of Rs. 4,00,000/- per month which shall not exceed the limit as prescribed under Section 198 and 309 read with Schedule XIII of the Companies Act, 1956.
- B. In the event of loss or inadequacy of profits in any financial year during the tenure of Mrs. Sunita Suri the Executive Director of the Company, the remuneration payable aforesaid shall not exceed the limit as prescribed under Para 1(A) of Section II of Part II of Schedule XIII of the Companies Act, 1956. However, for the purpose of the said limit the following perquisites shall not be included:
 - a. Contribution to Provident Fund, Superannuation Fund or annuity Fund to the extent not taxable under Income Tax Act.
 - b. Gratuity payable @ not exceeding half a month's salary for each completed year of service.
 - c. Encashment of leave at the end of tenure.

As per requirement of the Companies Act, 1956 read with Schedule XIII of the Act this requires approval of the members of the Company. Hence the resolution.

None of the Directors except Mrs. Sunita Suri is interested in the resolution to the extent of her appointment and payment of remuneration. Mr. P L Suri & Mrs. Mamta Suri being relatives shall also be considered as interested in the resolution.

All the documents referred to in the Notice and the Explanatory Statement are available for inspection by the Members of the Company at the Registered Office between 10.30 a.m. and 5.30 p.m. on all working days from the date hereof up to the date of the meeting.

For and on behalf of the Board

New Delhi
August 10, 2006

I S DEO
Company Secretary

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT IN THE ANNUAL GENERAL MEETING
BEING HELD ON SEPTEMBER 16, 2006**

Name of Director	Mr P L Suri	Mrs Sunita Suri	Mr Ashoka Kini	Mr. B K Goswami	Dr V M Kaul
Date of Birth	15.07.1937	27.08.1963	13.12.1962	29.01.1935	22.06.1956
Date of Appointment	16.11.2005	16.11.2005	29.04.2006	16.04.1998	28.03.2003
Expertise in specific functional areas	Mr Suri has old hands in running of business enterprises and has strong entrepreneurial expertise.	Mrs Sunita Suri is a business women in her own right and is very strong in administrative functions.	With more then 20 years of experience in Indian Army has handled several key assignment of planning and execution. Also as Comptroller of President's Household was in complete charge of hospitality and protocol.	Has held important government position in the field of tourism. Received Hall of Fame Award in the year 1995 from India Association of Tour Operators	Hold MBBS and Post Graduate Degree and is a Member of Indian Medical Association. He is a life member of HP Institute of Public Administration Shimla.
List of companies in which outside Directorship held	Shivalik Pesticides & Chemicals Pvt Limited Morepen Tradelink Limited Morepen Golf Resort Limited React Investment & Financial Services Pvt Limited Blue Coast Infrastructure Development Limited Sunset Resort Limited	Solace Investment & Financial Services Pvt Limited Solitary Investments & Financial Services Pvt Limited Silver Ring Drinks Pvt Limited 3H Stores Limited Infoplanet Technologies Limited Mid Med Financial Services Pvt Limited	NIL	Jaypee Greens Limited Jaiprakash Power Ventures Limited Taj Kerala & Resorts Limited Quest Venture Co-ordinators Pvt Limited Global Trust Capital Finance Limited Mata Securities Pvt Limited Great India Aviation Limited New Kenilworth Hotels Limited Unisons Hotels Limited American Hotels and Restaurants Pvt Limited L H Sugar Factories Limited Bhola Nath International Limited Jagson Airlines Limited GGL Hotels Limited Mayor India Limited	Sanjay Aluminum Pvt Limited Pamposh Pharma Pvt Limited