

Annual Report 2003 - 2004

Report  on.com



HOTEL LEELAVENTURE LIMITED

The Essence of India

Plumerias from The Leela Gardens

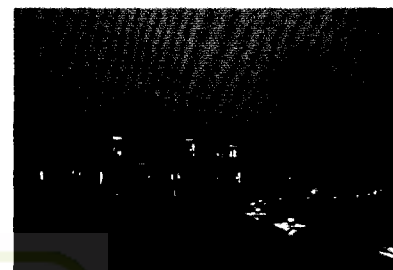
Palatial suites. Ancient ayurveda
Exotic spice gardens
Truly the 'Essence of India'



THE LEELA KEMPINSKI, MUMBAI



THE LEELA PALACE KEMPINSKI, BANGALORE



THE LEELA GOA



THE CNN
ULTIMATE SERVICE
AWARD 2003 AND
AGAIN IN 2004

At the Leela Palaces and Resorts we believe in spoiling you to the core. Be it taking a stroll down your own private beach in Goa, living the life of luxury within the royal realms of The Leela, Bangalore, or having all your needs met by your personal butler in Mumbai. With such unashamed luxury at your service, no wonder that The CNN Ultimate Service Award 2004 has been once again won by The Leela Palace Kempinski Bangalore, while The Leela Goa brought home the distinguished Imperial Mark. Global recognition that salutes service and performance, raising benchmarks forever.



IMPERIAL MARK
2004


THE LEELA
PALACES & RESORTS
MUMBAI GOA BANGALORE
The Essence of India


THE LEELA
Kempinski Mumbai

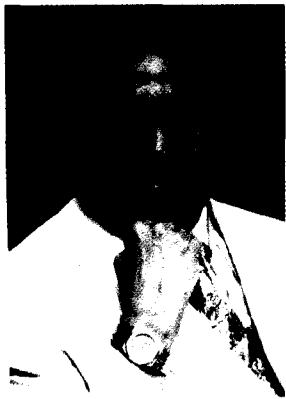

THE LEELA
GOA



THE LEELA PALACE
Kempinski Bangalore

Visit us at www.theleela.com

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Capt. C. P. Krishnan Nair,
Chairman, Hotel Leelaventure Limited

Spreading The Essence of India.

India is emerging as a super power and hence nothing should stop us from forging ahead. In the same spirit we wish to take the Leela Group forward which in a short span of time has emerged as a distinguished brand in the hospitality sector.

'I have made the journey. Through the freedom struggle and in freedom thereafter ... I have seen simple, humble men with lofty ideals, move impossible mountains. They emerged stalwarts and giants on free India's horizon. Their conviction, commitment and crusade, has been my inspiration... to make reality of, an India of my dreams, in my own humble way...

We are God's gifted land of bountiful natural resources. With collective intellect and sterling leadership, India can be the land of plenty. Where every child is rightfully educated. Every adult equipped with the means and opportunity to work. Where fulfilling basic needs and wants is not a struggle. Where state-of-the-art information, communication and networking must make the world an accessible oyster.

Where every inch of land is lush green. Where trust, faith and respect extends across man, flora, fauna. Where barriers of the mind melt into harmony and peace, and love binds all.

This love should exude and beckon people from across the globe to come and savour India, where race, religion, colour, caste and creed add ethnic diversity and captivating intrigue to the cultural fabric and tapestry of India.

In this flight to progress into the global arena, each one of us must retain 'The Essence of India'. Like at The Leela we exemplify

'Atithi Devo Bhava' the traditional four thousand year old Rig Veda philosophy of service.

In this positive light, with head held high, every man must be proud to say 'I am an Indian.'

Hotel Philosophy

Atithi Devo Bhava The Guest is God

In ancient India there were monks (sadhus) who travelled extensively across the country. During his travel, a Sadhu would seek shelter at any place he wished. The host would welcome him, feed him and make him comfortable for as long as he stayed. That was ancient Indian hospitality. Where the guest was no less than God. He still is for us at The Leela.

CHAIRMAN's STATEMENT

Good Times Ahead

Ladies and Gentlemen,

Good Morning, I welcome all of you to the Twenty-third Annual General Meeting of your Company. It gives me great pleasure to share with you the buoyancy in the hospitality and tourism industry in India and the world over. Over the years, the Leela Group too has emerged as the benchmark of luxury in hoteliering while retaining the essence of India.

Overall improvement in the Hospitality Industry

The World Travel and Tourism Council (WTTC) reports India's emergence as the world's second fastest growing travel economy in the coming decade. Foreign Tourist arrivals into India is slated to grow at 16% in 2004 with total arrivals estimated at over 3.50 Million. The positive economic trends in all the vital sectors specially in the IT& ITES Sector augur well for the growth of travel and tourism.

To add to the upbeat mood, government has focussed on the successful campaign "Incredible India" to promote tourism in the overseas markets. Taxes applicable have been progressively reduced. There are plans for upgradation of airports at Mumbai,

Delhi and new international airports to be built at Bangalore and Hyderabad. Further, changes like the Open sky policy, visa on arrival and modernisation of the fleets of Air India and Indian Airlines will substantially improve the overall tourist product. With India's latent market potential, growing world image and leading position in the IT field, India is poised to emerge as a very important tourism destination in the Asia Pacific Region.

Our achievements

I am happy to inform you that two out of the three hotels in our Group have topped the CRISIL charts, having been the best performing hotels in terms of RevPar in their respective locations-Bangalore and Goa. Another feather in our cap is that The Leela Palace Kempinski, Bangalore has been rated as the leader in RevPar, ARR and occupancy rate amongst all hotels in India.

With your support, The Leela is executing plans for upgradations and introduction of new luxury products like The Club at Goa and The Royal Club at Bangalore.

While The Leela Palace Kempinski, Bangalore and The Leela, Goa emerging as market leaders, The Leela Kempinski, Mumbai is readying itself, through an extensive refurbishment programme to regain its premier position shortly. The refurbished rooms and other public facilities will be most contemporary and well appointed. Expansion plans are also on the anvil in some of the cities where already hotel capacity shortages are being felt.

Awards and Accolades

Our commitment to consistent high quality standards continues to receive accolades, as in the past. Your hotel, The Leela Palace, Kempinski Bangalore, has for the second consecutive year been given the distinction of being the only hotel in the Indian sub-continent/Indian Ocean area to bag the CNN Ultimate Service Award for the year 2003. Earlier, Forbes had voted The Leela Palace Kempinski, Bangalore as one amongst the best eight new Business Hotels in the world.

For the first time ever, The Leela Goa, a GHM Hotel was awarded the coveted Royal British Warrant 'The Imperial Mark' given by the Imperial Mark Commission, a 300-year-old

international award that recognises unmatched excellence in the field of hospitality. With this honour, The Leela now joins the ranks of the Carlyle of New York and Dorchester of London amongst hotels and BBC, CNN, Rolex, Nestle and Omega amongst others.

Financial Performance

The Company is now set to perform even better in the coming years and this is evidenced by the improved financial results for the year. Better results have been due to effective financial management and higher income realisation owing to improved ARR and room occupancy. The future performance of your Company is also likely to outperform that of the industry consistently in the years to come.

Realisation of the balance dues from HUDCO and its application to reduce the debt would lead to lower gearing and consequently improve the profitability of your Company. This would also help chart a future growth plan with several opportunities being offered to us. We have also institutionalised ways to improve our financial parameters in anticipation of changes in the ever dynamic financial market and to re-orient strategy to meet with the aspirations of all our stakeholders.

Acknowledgement

Once again, I record my sincere thanks to Housing Development Finance Corporation Limited, Banks and other Financial Institutions for the continued and unstinted support that has enabled our resurgence amidst challenges. I would like to thank all my colleagues on the Board for their support and advise and *all the shareholders for their continued faith, understanding and co-operation*. My sincere appreciation to all the people who work for us for their dedicated and passionate hard work that has led to the success of the Company's hotels. And finally I would like to thank the Airports Authority of India, the Ministry of Tourism, Government of India, the Government of Maharashtra, Goa, and Karnataka for their support to the tourism industry.

Thank you.

Board of Directors

Capt. C.P. Krishnan Nair

Mr. Vivek Nair

Mr. Dinesh Nair

Mr. R. Venkatachalam

Mr. Venu Krishnan

Mrs. Madhu Nair

Mr. Vijay Amritraj

Mr. P.C.D. Nambiar

Mrs. Anna Malhotra

Air Vice Marshal H.M. Shahul

Mr. Anil Harish

Dr. K.U. Mada

Mr. Sudhir Kumar

Mr. V. Suresh (upto 14-4-2004)

Mr. M.L.Majumdar (from 15-4-2004 to 11-8-2004)

Auditors

Picardo & Co.

Chartered Accountants

Banks/Institutions

Bank of Baroda

Bank of India

Housing Development Finance Corporation Limited

Infrastructure Development Finance Company Limited

Oriental Bank of Commerce

State Bank of India

The Jammu & Kashmir Bank Limited

The United Western Bank Limited

Union Bank of India

Vijaya Bank

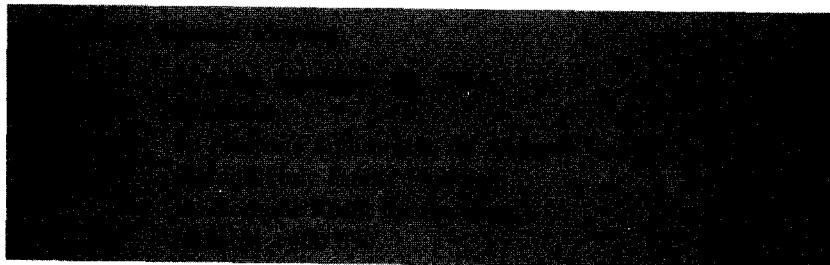
Solicitors

Kanga & Co.

Registered Office

The Leela Kempinski,

Sahar, Mumbai – 400 059



Hotel Leelaventure Limited

NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of Hotel Leelaventure Limited will be held at St. Andrew's Auditorium, St. Andrew's College, St. Dominic Road, Bandra West, Mumbai - 400 050 on Monday, 20th September, 2004 at 11.00 a.m. to transact the following business :-

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 and the Profit and Loss Account for the year ended on that date and Reports of the Directors and Auditors.
2. To appoint a Director in place of Mr. Anil Harish who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Capt. C.P.Krishnan Nair who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business

5. To consider and if thought fit, to pass, with or without modifications, as an Ordinary Resolution, the following :-

"RESOLVED THAT pursuant to the provisions of Section 256 and other applicable provisions, if any, of the Companies Act, 1956, the vacancy caused by the retiring Director Air Vice Marshal H.M. Shahul, not seeking re-election, be and is hereby not filled up."

6. To consider and if thought fit, to pass, with or without modifications, as a Special Resolution, the following :-

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII thereto and of the Articles of Association of the Company and subject to such approvals and sanctions as may be necessary, the Company hereby accords its consent and approval to the re-appointment of Mr. Dinesh Nair as the Joint Managing Director of the Company for a period of five years with effect from 1st May, 2004 with the remuneration, perquisites and benefits as approved by the Remuneration Committee in its meeting held on 30th April, 2004 and with the powers and authority as set out in the draft Agreement submitted to this meeting and for identification initialled by the Vice Chairman and Managing Director of the Company, which Agreement is hereby specifically approved with the liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration in such manner as may be agreed to between the Board of Directors and Mr. Dinesh Nair.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including powers conferred by this Resolution) be and is hereby authorised to vary or increase the remuneration including salary, commission,

perquisites, allowances, etc. within such limit or ceiling as may be prescribed under such amendment, modification or relaxation and the agreement between the Company and the Joint Managing Director be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in General Meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds and things as may be considered necessary, proper and expedient to give effect to this Resolution."

7. To consider and if thought fit, to pass, with or without modifications, as a Special Resolution, the following :-

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions of the Companies Act, 1956, read with Schedule XIII thereto and of the Articles of Association of the Company and subject to such approvals and sanctions as may be necessary, the Company hereby accords its consent and approval to the re-appointment of Mr. R.Venkatachalam as Director-Finance and Chief Financial Officer of the Company for a period of three years with effect from 24th March, 2004 with the remuneration, perquisites and benefits as approved by the Remuneration Committee in its meeting held on 11th May, 2004 and with the powers and authority as set out in the draft Agreement submitted to this meeting and for identification initialled by the Vice Chairman and Managing Director of the Company, which Agreement is hereby specifically approved with the liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration in such manner as may be agreed to between the Board of Directors and Mr. R. Venkatachalam.

RESOLVED FURTHER THAT the remuneration including benefits, amenities and perquisites as set out in the draft agreement shall nevertheless be paid and allowed to Mr. R. Venkatachalam as minimum remuneration for the financial year in case of absence or inadequacy of profits for the financial year.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds and things as may be considered necessary, proper and expedient to give effect to this Resolution."

By order of the Board of Directors
For HOTEL LEEAVENTURE LIMITED

V.S.Satyamoorthy
Company Secretary

Mumbai
28th July, 2004

Registered Office :
Hotel Leelaventure Limited
The Leela Kempinski, Sahar,
Mumbai - 400 059

NOTES FOR MEMBERS' ATTENTION :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The instrument appointing Proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 7th September, 2004 to Tuesday, 21st September, 2004 (both days inclusive).
4. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under Item Nos. 5 to 7 above and the relevant details in respect of item nos. 2, 3 & 6 & 7, pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, are annexed hereto.
5. During the current Financial Year viz. 2004-05, the Company will be required to transfer to the Investor Education and Protection Fund, the Unpaid/Unclaimed Dividend for the year ended 31st March, 1997. Those shareholders who have not encashed their warrants are requested to immediately return the outdated warrants to the Company or to write to the Company in the matter to enable the Company to issue Demand Draft in lieu thereof.
6. Members holding shares in the physical form are requested to promptly notify any changes in their addresses/bank account details to the Company. Members holding shares in the dematerialised form are requested to notify the aforesaid changes to their depository participant(s) where they hold their depository account.
7. Members desiring any information as regards the Accounts are requested to write to the Company 10 days in advance so as to enable the Company to keep the information ready.



Hotel Leelaventure Limited

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

ITEM NO. 5

Section 256(4)(a) of the Companies Act, 1956 provides that the Company in General Meeting may, by an ordinary resolution resolve not to fill up the vacancy of a retiring Director not seeking re-election. Air Vice Marshal H.M. Shahul, who retires by rotation at the ensuing Annual General Meeting, has not sought re-election and the vacancy so caused is not proposed to be filled up.

The Directors commend the Resolution for your approval.

No other Director of the Company is concerned or interested in the said Resolution.

ITEM NO. 6

At the Seventeenth Annual General Meeting of the Company held on 23rd September, 1998, the members approved the re-appointment of Mr. Dinesh

Nair as Joint Managing Director of the Company for a period of five years from 1st May, 1999 to 30th April, 2004.

Mr. Dinesh Nair has been associated with the Company since its inception and with his able guidance and supervision, the Company could set up the prestigious hotel at Bangalore and the Galleria at Mumbai and Bangalore. Considering the valuable contribution made by him to the Company and his expertise in the hotel industry the Board has approved his re-appointment as the Joint Managing Director at its meeting held on 30th April, 2004 for a period of five years from 1st May, 2004 to 30th April, 2009. The terms and conditions on which Mr. Dinesh Nair has been re-appointed as the Joint Managing Director of the Company shall contain the following remuneration which was approved by the Remuneration Committee in its meeting held on 30th April, 2004:-

Sr. No	Description	Proposed Remuneration
1.	Salary	Rs.2,00,000 per month
2.	Increment	Not exceeding 20% of the salary per annum
3.	Commission	1% of the net profits of the Company for each year
4.	Perquisites & Allowances	
	a) Furnished Accommodation	Furnished Company Accommodation alongwith the benefits for upkeep and maintenance of such accommodation.
	b) Gas, water and electricity	Actuals
	c) Medical expenses	Actual expenses incurred in India and/or abroad for self and family (including dependent children and parents).
	d) Club Fees	Actuals for two Clubs.
	e) Leave Travel Allowance	Actuals for self and family (including dependent children) for each year.
	f) Telephones	Actuals
	g) Mediclaim policy	For self and family – Actual premium
	h) Free use of Company's car with Driver for use on the Company's business	As per the rules of the Company
5.	(i) Company's contribution to Provident Fund, Superannuation Fund, Annuity Fund, etc.	As per the rules of the Company
	(ii) Gratuity	Half month's salary for each year of completed service.
6.	Minimum Remuneration	Where in any financial year, during the currency of the tenure of the Joint Managing Director, the Company has no profits or its profits are inadequate, the Company will pay the remuneration by way of salary and perquisites and allowances as per the maximum amount permissible under Schedule XIII to the Companies Act, 1956.
7.	Other benefits	1) Personal Accident Insurance Policy for self and family – Actual premium
		2) Leave and encashment of leave in accordance with the rules.

The information as required under Schedule XIII to the Companies Act, 1956 is given hereunder :-

I. GENERAL INFORMATION

Nature of Industry

Hotel Leelaventure Limited is in the business of owning and operating five star deluxe hotels in the country. At present, the Company is operating three prestigious hotels.

Commercial Operation

The Company is operating three prestigious hotels viz. The Leela Kempinski Mumbai, The Leela Goa and The Leela Palace Kempinski Bangalore and two commercial complexes viz. The Leela Galleria at Mumbai and Bangalore.

Financial Performance

During the year ended 31st March, 2004, the Company achieved a revenue of Rs.207.63 crores, profit before depreciation and taxes of Rs. 34.90 crores and profit after tax of Rs. 7.88 crores.

Foreign Exchange Earnings

During the year ended 31st March, 2004, the Company has earned foreign exchange equivalent to Rs.129.90 crores.

Foreign Investments and Collaborations

The Company has not made any investments outside India. It has entered into a Sales and Marketing Agreement with Kempinski for The Leela Kempinski, Mumbai and The Leela Palace Kempinski, Bangalore and a collaboration arrangement with GHM (Mauritius) Ltd., for The Leela, Goa.

II. INFORMATION ABOUT THE APPOINTEE

Background Details

Mr. Dinesh Nair is a promoter Director of the Company having rich and varied industrial experience of 27 years and is working in the capacity of Joint Managing Director of the Company since 1st May, 1989.

Past remuneration

Mr. Dinesh Nair, Joint Managing Director was drawing a monthly basic salary of Rs.1,00,000 (Rupees One Lakh only) plus other allowances and perquisites. Besides this, he was also drawing commission on the net profits of the Company calculated as per the provisions of the Companies Act, 1956.

Recognition

Mr. Dinesh Nair is the Joint Managing Director of the Company since 1989. He is also the Managing Director of Leela Scottish Lace Private Limited, one of the leading Garment export Companies of the country that has won several awards. He holds the position of a Director in various other Companies. He is a Member of the Apparel Export Promotion Council and the Federation of Indian Export Organisations.

Job Profile and his suitability

Mr. Dinesh Nair, a Graduate in Commerce from Bombay University, has been associated with the Company since 3rd August, 1983.

He has been responsible for the day to day operations of the Company under the superintendence, direction and control of the Board. The Company has undertaken various expansion projects which require preview of operation

Hotel Leelaventure Limited

and decision making on day to day basis and the Company would be benefited by his mature advice.

Remuneration Proposed

Keeping in view his responsibility and role in the development of the Company, it is proposed to increase his monthly basic salary to Rs.2,00,000 (Rupees Two Lacs only) plus perquisites and other allowances in accordance with the rules of the Company or as per the agreed terms. Further, he would also be entitled for commission @ 1% of the net profits of the Company as in the past.

Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

The salary structure of the managerial personnel has undergone a major change in the industry in the recent past. Keeping in view the type of the Industry, the size of the Company and the responsibilities and capabilities of Mr. Dinesh Nair, the proposed remuneration is competitive with the remuneration paid by other Companies for similar positions.

Pecuniary relationship with the Company, or relationship with the managerial personnel

Mr. Dinesh Nair is a promoter Director of the Company. Further, he is related to Capt.C.P. Krishnan Nair, Mr. Vivek Nair and Mrs. Madhu Nair, Directors of the Company.

III. OTHER INFORMATION

Reasons for inadequate profits

The Hotel Industry showed a significant increase in revenue after a long gap of 3 years. The performance of the Company for the year ended 31st March, 2004 indicates the financial recovery with higher operating profits.

Steps taken / to be taken for improvement

During the year, the Company's performance improved as compared to 2002-03. The improved operating results have been recorded due to higher revenues and lower financial costs on account of successful reorganisation of the debts of the Company. The strategy of the Company to swap its existing costlier debts with cheaper and structured borrowings led to higher profit.

Expected increase in productivity and profits

The prospects for the financial year 2004-05 seem to be encouraging and the Company is hopeful of achieving better performance during the current year with substantial increase in the gross revenue and rental income.

The Board of Directors recommends the resolution for approval of the members. The approval of the Central Government will also be duly obtained by the Company.

The terms and conditions for the re-appointment and the remuneration payable to Mr. Dinesh Nair as Joint Managing Director of the Company as set out in the Notice and Explanatory Statement should be treated as an Abstract of the terms of his re-appointment and memorandum of interest under Section 302 of the Companies Act, 1956.

A Draft of the agreement proposed to be entered between the Company and Mr. Dinesh Nair in connection with his re-appointment as Joint Managing Director of the Company is available for inspection of the members at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p.m.

Mr. Dinesh Nair may be deemed to be concerned or interested in this Resolution and in his re-appointment.

Except for Capt.C.P. Krishnan Nair, Mr. Vivek Nair and Mrs. Madhu Nair, who are relatives of Mr. Dinesh Nair, no other Director of the Company is concerned or interested in the said Resolution.

ITEM NO. 7

At the Twentieth Annual General Meeting of the Company held on 28th September, 2001, the members approved the appointment of Mr. R.Venkatachalam as Director-Finance of the Company for a period of three years from 24th March, 2001 to 23rd March, 2004.

Mr. R.Venkatachalam, is a qualified Chartered Accountant with over 23 years of post qualification experience. He has been associated with the Company since 1999 and has been instrumental in raising funds for the completion of our new hotel, viz. The Leela Palace Kempinski Bangalore, and The Galleria at Mumbai & Bangalore and the Club at The Leela Goa. With astute strategy and timely decision, he has turned around the Company retrieving from a state of financial difficulties and amidst depressed and unfavourable market conditions. He has re-organised the entire debt, while raising funds in tandem with the future business prospects of the Company. Considering the valuable contribution made by him to the Company, the Board has approved his re-appointment and re-designated him as Director-Finance & Chief Financial Officer of the Company at its meeting held on 30th April 2004, for a period of three years from 24th March, 2004 to 23rd March, 2007. The terms and conditions on which Mr. R.Venkatachalam has been re-appointed as Director-Finance and Chief Financial Officer of the Company, shall contain the following Remuneration which was approved by the Remuneration Committee in its meeting held on 11th May 2004.

A. Remuneration :

Sr. No.	Particulars	Proposed Remuneration
1.	(a) Basic Salary (b) Increment	Rs.3,00,000 per month Not exceeding 20% of the salary per month
2.	Other Allowances (a) Business Development Allowance (b) Gas & Electricity (c) Conveyance (d) City Compensatory Allowance (e) Education Allowance (f) Attire Allowance (g) Special Allowance (h) Books & Periodicals	(Rs. per month) 15,000 6,000 15,000 15,000 10,000 18,000 16,000 5,000
	TOTAL	Rs.1,00,000
3.	Ex-Gratia	Subject to a maximum of 20% of the salary.
4.	Leased Furnished Accommodation / Lease Rent	Actuals.
5.	L.T.A.	Actuals for each year for self and family.
6.	Medical	Actuals for self and family (including dependent children)
7.	Club Fee	Actuals for one club
8.	Free use of Company's car with Driver for use in the Company's business.	As per the Rules of the Company
9.	(i) P.F. (ii) Gratuity	12% of Basic salary Half Month's salary for each year of completed service.
10.	Travelling and halting allowance	Actuals
11.	Telephones	Actuals
12.	Other benefits (a) Personal Accident Insurance Policy (b) Mediclaim Policy for self and family (c) Any other	Actual Premium Actual Premium As per Company's policy
13.	Leave Encashment	Balance of all leaves subject to a maximum of 30 days per annum as per the Rules of the Company.



Hotel Leelaventure Limited

(B) Minimum Remuneration:

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of the Director – Finance and Chief Financial Officer, the Company has no profits or its profits are inadequate, the Company will pay the remuneration by way of salary and perquisites and allowances as specified above subject to the approval of the Central Government.

The information as required under Schedule XIII to the Companies Act, 1956 is given hereunder:-

IV. GENERAL INFORMATION

Nature of Industry

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V. INFORMATION ABOUT THE APPOINTEE

Background Details

Mr. R.Venkatachalam has been associated with the group since 1999. He has been working in the capacity of Director-Finance of the Company since 2001.

Past remuneration

Mr. R.Venkatachalam was drawing a monthly basic salary of Rs.2,35,000/- (Rupees Two Lakhs and Thirty Five Thousand only) plus other allowances and perquisites, as approved by the shareholders and the Central Government.

Recognition

Mr. R.Venkatachalam has made substantial contribution to the Company in the areas of Finance, Taxation, Accounts, Commercial, Project implementation, cost control and other related matters. He had been responsible for the turnaround of the Company withering numerous uncertainties and challenges during the last four turbulent years of the industry.

Job Profile and his suitability

Mr. R.Venkatachalam is a qualified Chartered Accountant with over 23 years of post qualification experience. He has been associated with the Company since 1999 and has been instrumental in raising funds for the completion of our new hotel viz. The Leela Palace Kempinski Bangalore, The Galleria at Mumbai and Bangalore and The Club at The Leela Goa.

He re-organised the Company's financial structure and brought down the cost of funds through a process of swift debt swaps with mix of instruments and effective control on financial commitments of the Company. While raising funds for completion of all projects, he ensured to re-organise the debt in tandem with the future business prospect so as to ensure a comfortable financial situation taking into account the competitive and cyclical business environment.

He has initiated and introduced various corporate and strategic policies and decisions that helped the company to revive its performance during the last 3 to 4 years. He has been playing a very active role in rationalising the operational costs of the Company in the globalised environment. It is hoped that his continuous association with the company would help to ward off future challenges efficiently and enable exploitation of emerging business opportunities beneficially.

Remuneration Proposed

Keeping in view his responsibility and achievements of the past and considering the further challenges involved in improvising and improving the financial competence in the emerging globalised and competitive atmosphere, it is proposed to increase his monthly basic salary to Rs 3,00,000 (Rupees Three Lacs only) plus perquisites and other allowances in accordance with the rules of the Company or as per the agreed terms as mentioned above.

Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

The salary structure of managerial personnel has undergone a major change in the industry in the recent past. Keeping in view the type of the Industry, the size of the Company and the responsibilities and capabilities of Mr. R.Venkatachalam, the proposed remuneration is competitive with the remuneration paid by other Companies for similar positions, especially considering the fact that he is not entitled to commission on the profits of the Company.

Pecuniary relationship with the Company, or relationship with the managerial personnel

Mr.R.Venkatachalam is not related to any Director of the Company.

VI. OTHER INFORMATION

Reasons for inadequate profits

The Hotel Industry showed a significant increase in revenue after a long gap of 3 years. The performance of the Company for the year ended 31st March, 2004 indicates the financial recovery with higher operating profits.

Steps taken / to be taken for improvement

During the year, the Company's performance improved as compared to 2002-03. The improved operating results have been recorded due to higher revenues and lower financial costs on account of successful re-organisation of the debts of the Company. The strategy of the Company to swap its existing costlier debts with cheaper and structured borrowings led to higher profits.

Expected increase in productivity and profits

The prospects for the financial year 2004-05 seem to be encouraging and the Company is hopeful of achieving better performance during the current year with substantial increase in the gross revenue and rental income.

The Board of Directors recommends the resolution for approval of the members. The approval of the Central Government will also be duly obtained by the Company.

The terms and conditions for the re-appointment and the remuneration payable to Mr. R.Venkatachalam as Director-Finance and Chief Financial Officer of the Company as set out in the Notice and Explanatory Statement should be treated as an Abstract of the terms of his re-appointment and memorandum of interest under Section 302 of the Companies Act, 1956.

A Draft of the agreement proposed to be entered between the Company and Mr. R. Venkatachalam in connection with his re-appointment as Director-Finance and Chief Financial Officer of the Company is available for inspection of the members at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p.m.

Mr. R.Venkatachalam may be deemed to be concerned or interested in this Resolution and in his re-appointment.

Except for Mr. R.Venkatachalam, no other Director of the Company is concerned or interested in the said Resolution.

By order of the Board of Directors
For HOTEL LEEAVENTURE LIMITED

V.S. Satyamoorthy
Company Secretary

Mumbai
28th July, 2004

Registered Office :
Hotel Leelaventure Limited
The Leela Kempinski, Sahar,
Mumbai – 400 059

Hotel Leelaventure Limited

**Details of the Directors seeking appointment/ re-appointment
in the Forthcoming Annual General Meeting.**
(In pursuance of Clause 49 [VI][A] of the Listing Agreement)

Name of the Director	Mr. Anil Harish	Capt. C.P. Krishnan Nair	Mr. Dinesh Nair	Mr. R. Venkatachalam
Date of Birth	19.03.1954	01.04.1923	24.12.1955	19.06.1957
Date of Appointment	13.04.1998	29.10.1982	03.08.1983	24.03.2001
Expertise in specific functional areas	Advocate	Capt. C.P. Krishnan Nair is the Chairman of The Leela Group of Companies. He is a distinguished hotelier who has won many laurels for his contribution to the development of India's Tourism and Hotel Industry as well for the cause of environment protection. He is also a recipient of the prestigious United Nations Environment Program Award – The Global 500 Roll of Honour for the world wide Environment Movement. He has also received the V.P. Menon Award for his achievement as Industrialist, hotelier and environmentalist. He was the first in the organised sector to set up a unit to produce cotton laces in India with Scottish collaborations and a pioneer in export of garments to U.S.A.	Associated with the Company since its inception. 27 years experience in the areas of management, administration, exports, marketing, materials and hotel management.	23 years experience in handling finance, taxation, accounts, commercial, project implementation, cost control and other related matters.
Qualifications	B.A., LL.B., LL.M. (U.S.A)	Matriculate	B.Com	B.Com, A.C.A
Directorships held in other Companies	<p>Director of the following Companies</p> <ol style="list-style-type: none"> 1) Valecha Engineering Limited 2) Tolani Shipping Co. Ltd. 3) Hinduja TMT Ltd. 4) K.C. Maritime (India) Ltd. 5) Advani Hotels & Resorts (India) Ltd. 6) Tower Insurance & Reinsurance Services (India) Ltd. 7) IndusInd Bank Limited 8) Prebon Yamane India Limited 9) Mukta Arts Limited 10) Unitech Limited 11) Trans Atlantic Consultants Pvt. Ltd. 12) Trans Atlantic Trading Pvt. Ltd. 13) Oasis Construction (Overseas) Pvt. Ltd. 14) Sherbrook International Pvt. Ltd. 15) Pune Software Park Pvt. Ltd. 16) Quantum Advisors Pvt. Ltd. 17) Helpyoungo.com India Pvt. Ltd. 18) Freight Connection India Pvt. Ltd. 19) Ges India Pvt. Ltd. 20) Orinoco Marine Consultancy India Pvt. Ltd. 21) Eurasia Travel Services Pvt. Ltd. 22) Paramount Shipping & Management Pvt. Ltd. 23) Bernhard Schulte Shipping (India) Pvt. Ltd. 24) Eurasia Maritime Management (India) Pvt. Ltd. 25) Reza Progetti India Pvt. Ltd. 26) Cenmar Maritime Agencies (India) Pvt. Ltd. 	<p>a) Chairman of the following companies :</p> <ol style="list-style-type: none"> 1) Leela Scottish Lace Pvt. Ltd. 2) Leela Capital & Finance Limited 3) Vision Hotels & Resorts Limited 4) Amin Group Hotel Limited <p>b) Director of the following Companies :</p> <ol style="list-style-type: none"> 1) Leela International Limited 2) Mumbai International Convention and Exhibition Centre Limited 3) Aushim Soft Pvt. Ltd. 4) Leela Soft Pvt. Ltd. 	<p>a) Managing Director of Leela Scottish Lace Pvt., Ltd.</p> <p>b) Director of the following Companies</p> <ol style="list-style-type: none"> 1) Leela Capital & Finance Limited 2) Amin Group Hotel Limited 3) Leela International Limited 4) Leela Lace International Limited 5) Mumbai International Convention & Exhibition Centre Limited 6) Vision Hotels & Resorts Limited 7) Standard Precious Alloy Industries Pvt. Ltd. 8) Buena Vista Travels Pvt. Ltd. 9) Wondercraft Apparels Pvt. Ltd. 10) Armcess Engineers Pvt. Ltd. 11) VIBGYOR Leasing Pvt. Ltd. 12) Elegant Eateries Pvt. Ltd. 13) PSPL Polymers Pvt. Ltd. 14) Aushim Soft Pvt. Ltd. 15) Leela Soft Pvt. Ltd. 16) Leela Housing Pvt. Ltd. 17) Season Apparels Pvt. Ltd. 18) Splendour Realtors (India) Pvt. Ltd. 19) Leela Fashions Pvt. Ltd. 20) Tropicat Textiles Pvt. Ltd. 21) Design Creations (Mumbai) Pvt. Ltd. 22) Chemtec Water Conditioners Pvt. Ltd. 	<ol style="list-style-type: none"> 1. Redrose Capfin Pvt. Ltd.
Committee positions held in other Companies	<ol style="list-style-type: none"> 1) IndusInd Bank Limited (Chairman – Audit Committee) 2) Hinduja TMT Ltd. (Chairman – Audit Committee & Chairman – Investor's Grievances) 3) Mukta Arts Limited (Member – Audit Committee) 4) Tolani Shipping Co. Ltd. (Member – Audit Committee) 5) Unitech Limited (Member – Audit Committee) 	<ol style="list-style-type: none"> 1) Leela Capital & Finance Limited Chairman – Audit Committee 	<ol style="list-style-type: none"> 1) Leela Capital & Finance Limited (Member–Audit Committee) 	Nil