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For **INDIAN RESORT HOTELS LIMITED**

10/1/2000
(P.D. PHATAK)
Company Secretary

INDIAN RESORT HOTELS LIMITED

25th Annual Report 1996-97

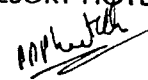
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THE TAJ GROUP of HOTELS



GUARANTEED TRUE COPY
For INDIAN RESORT HOTELS LIMITED


(P.D. PHATAK)
Company Secretary

INDIAN RESORT HOTELS LIMITED

25th Annual Report 1996-97

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INDIAN RESORT HOTELS LIMITED

25th Annual Report 1996-97

DIRECTORS
As on 20th June, 1997

A. B. KERKAR (Chairman)
S. R. VAKIL
N. A. SOONAWALA
M. M. MADHWANI
R. V. PANDIT
T. S. NATARAJAN
K. D. PARAKH
I. M. KADRI
J. M. VERMA
L. A. MENEZES

COMPANY SECRETARY

P. D. PHATAK

AUDITORS

C. C. CHOKSHI & CO.
RATAN S. MAMA & CO.
Chartered Accountants

LEGAL ADVISER

S. R. VAKIL

BANKERS

AMERICAN EXPRESS BANK LIMITED
STATE BANK OF INDIA
BANK OF BARODA
DRESDNER BANK A.G.

REGISTERED OFFICE

MANDLIK HOUSE, MANDLIK ROAD,
MUMBAI 400 001.

TWENTY-FIFTH ANNUAL GENERAL MEETING
ON MONDAY, 25TH AUGUST, 1997, AT THE BOMBAY HOUSE AUDITORIUM
BOMBAY HOUSE, 24, HOMI MODY STREET, MUMBAI 400 001, AT 11 A.M.



TWENTY-FIFTH ANNUAL REPORT 1996-97**NOTICE**

NOTICE is hereby given that the **TWENTY-FIFTH ANNUAL GENERAL MEETING OF INDIAN RESORT HOTELS LIMITED** will be held at the Bombay House Auditorium, Bombay House, 24, Homi Mody Street, Mumbai 400 001, on **Monday, 25th August, 1997, at 11.00 a.m.** to transact the following business :

ORDINARY BUSINESS :

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31st March, 1997, and the Balance Sheet as at that date.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. A. B. Kerkar who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. N. A. Soonawala who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. L. A. Menezes who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :**7. Increase in the Directors' Borrowing Powers**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT in supersession of the resolution passed at Twenty-second Annual General Meeting of the Company, held on 31st August, 1994, consent of the Company be and is hereby accorded under the provisions of Section 293(1)(d) of the Companies Act, 1956, and all other enabling provisions, if any, to the Board of Directors of the Company borrowing from time to time any sum or sums of money which together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board and outstanding at any time shall not exceed the limit of Rs.50 Crores (Rupees Fifty Crores only)."

8. Creation of Charges

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, to the creation by the Board of Directors of the Company of such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company as the Board may direct on such of the assets of the Company, both present and future, in such manner as the Board may direct together with power to take over the management of the Company in certain events, to or in favour of all or any of the financial institutions/banks/any other investing agencies/trustees for the holders of debentures/bonds/other instruments which may be issued to and subscribed by all or any of the financial institutions/banks/any other investing agencies or any other person(s)/bodies corporate by private placement or otherwise, to secure rupee/foreign currency loans, debentures, bonds or other instruments of an equivalent aggregate value not exceeding Rs.50 Crores (Rupees Fifty Crores only) together with interest thereon at the respective agreed rates, compound

INDIAN RESORT HOTELS LIMITED

interest, additional interest, liquidated damages, commitment charges, premia on pre-payment, or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under the Agreements/Arrangements entered into/to be entered into by the Company in respect of the said loans/debentures/bonds or other instruments."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with the aforesaid parties or any of them, the documents for creating the mortgages/charges/hypothecations and accepting or making any alterations, changes, variations to or in the terms and conditions, to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this Resolution."

NOTES:

- (a) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under Item Nos. 7 and 8 above is annexed hereto.
- (b) 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. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 14th August, 1997 to Saturday, 16th August, 1997, both days inclusive.
- (d) The Dividend on Shares as recommended by the Directors for the year ended 31st March, 1997, if passed at the Meeting, will be made payable on or after the 9th day of September, 1997 to those members whose names stand on the Register of Members of the Company on 14th August, 1997.
- (e) Pursuant to Section 205 A of the Companies Act, 1956, all unclaimed dividends upto the financial year ended 31st March, 1993 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, Mumbai.
- (f) Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.

Mumbai, 20th June, 1997

By Order of the Board of Directors

Regd. Office:

Mandlik House

Mandlik Road

Mumbai 400 001

P. D. PHATAK
Company Secretary

TWENTY-FIFTH ANNUAL REPORT 1996-97**EXPLANATORY STATEMENT****As required by Section 173 of the Companies Act, 1956**

The following Explanatory Statement sets out all the material facts relating to the Special Business mentioned under Item Nos. 7 & 8 of the accompanying Notice dated 20th June, 1997.

Item No: 7**Increase in the Directors' Borrowing Powers:**

2. Under Section 293(1)(d) of the Companies Act, 1956 and Article 187 of the Articles of Association of the Company, the Board of Directors cannot, except with the consent of the Company in General Meeting, borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves, that is to say, reserves not set apart for any specific purpose.
3. At the Twenty-second Annual General Meeting of the Company held on 31st August, 1994, the shareholders had authorised the Board of Directors to borrow moneys for the purposes of the Company not exceeding Rupees Ten Crores in the aggregate.
4. In order to enable the Board of Directors to raise funds for new projects, modernisation and upgradation of the Hotels of the Company, it is proposed to increase the borrowing powers of the Board of Directors to Rs.50 Crores only (excluding temporary loans) as mentioned in Item No.7 of the Notice.
5. None of the Directors are interested in the resolution.

Item No: 8**Creation of Charges:**

6. To meet the requirement of funds for the new projects, modification and upgradation of the Hotels of the Company and also the increased working capital needs, the Company proposes to obtain in the coming years further financial assistance from financial institutions/banks/investing agencies by way of loans (including foreign currency loans), issue of debentures/bonds/other instruments on private placement basis or otherwise as set out in the Resolution at Item No. 8 of the Notice. Therefore, the Resolution proposes the creation of mortgages, charges and hypothecations of the assets of the Company upto a value not exceeding Rs.50 Crores.
7. To secure such borrowings, the Company would have to mortgage/charge/hypothecate the assets and properties of the Company, both present and future, as may be required by the lenders/trustees.
8. As the documents to be executed between the Company and the lenders/trustees for the debentures/bonds/other instruments may contain the power to take over the management of the Company in certain events, it is necessary for the Members to pass a Resolution under Section 293 (1) (a) of the Act, before the creation of mortgages/charges/hypothecations.
9. None of the Directors are interested in the resolution.

Mumbai, 20th June, 1997

By Order of the Board of Directors

Regd. Office:

Mandlik House
Mandlik Road
Mumbai 400 001

P. D. PHATAK
Company Secretary

INDIAN RESORT HOTELS LIMITED

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors hereby present the Twenty-fifth Annual Report of the Company together with the Audited Statements of Account for the year ended 31st March, 1997.

FINANCIAL RESULTS

	Current Year Rupees	Previous Year Rupees
2. Total Income	17,98,93,751	17,26,84,918
The gross profit for the year amounted to	5,69,13,460	5,45,10,616
Less : Depreciation	60,43,422	57,63,646
Interest	19,07,006	36,18,733
Profit Before Tax	4,89,63,032	4,51,28,237
Less : Provision For Tax	80,00,000	82,35,875
Profit After Tax	4,09,63,032	3,68,92,362
Less : Amount transferred to Foreign Exchange Earnings Reserve	1,50,00,000	1,50,00,000
Add : Balance brought forward from previous year	50,74,738	20,07,376
The distributable profit	3,10,37,770	2,38,99,738
3. The Directors recommended a dividend of 50 % i.e. Rs.5.00 (Previous Year Rs.6.50) per share on 21,00,000 Equity Shares which if approved by the Shareholders, at the Annual General Meeting to be held on Monday, the 25th August, 1997 will be paid out of the provision for dividend amounting to	1,05,00,000	68,25,000
Tax on Dividends	10,50,000	-
Amount transferred to General Reserve	1,00,00,000	1,20,00,000
Balance carried to Balance Sheet	94,87,770	50,74,738

OPERATIONS

- The total income for the Year under report was Rs. 1798.94 Lakhs compared to Rs. 1726.85 Lakhs in the previous year. The profit after tax was Rs. 409.63 Lakhs as against Rs. 368.92 Lakhs for the previous year.
- During the year under report, the average occupancy of Fort Aguada Beach Resort and The Aguada Hermitage was lower compared to the previous year. Conferences, Seminars etc. organised by reputed companies with Fort Aguada Beach Resort as the venue, continued in the year under report inspite of adverse conditions for the tourism industry in general and competition from the other new hotels.