

INDIAN RESORT HOTELS LIMITED
34TH ANNUAL REPORT 2005-06

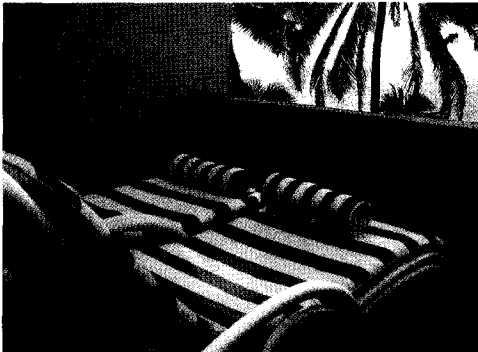




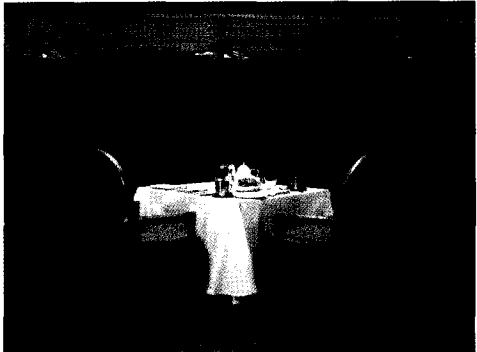
Il Camino



Lobby



Private Sit-out



SFX Lounge

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**Annual General Meeting
at Bombay House Auditorium,
Bombay House,
on August 9, 2006
at 4.00 p.m.**

INDIAN RESORT HOTELS LIMITED

Board of Directors
(as on June 14, 2006)

Raymond N. Bickson	<i>Chairman</i>
I. M. Kadri	<i>Directors</i>
Anil P. Goel	
Ajoy Misra	
Jyoti Narang	
Anant Narain Singh	
R. V. Pandit	
M. M. Madhvani	

Bipin Singh	<i>Company Secretary</i>
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Committees of the Board**Audit Committee**

I. M. Kadri	<i>Chairman</i>
Anil P Goel	
Anant Narain Singh	
R. V. Pandit	

Shareholders'/Investor Grievance Committee

Raymond N. Bickson	<i>Chairman</i>
I. M. Kadri	
Anant Narain Singh	

Registered Office

Mandlik House
Mandlik Road
Mumbai 400 001.
Tel : 022 2202 6260
Fax : 022 2202 7442
Email : shares.dept@tajhotels.com

Auditors

C. C. Chokshi & Company
RSM & Company

Share Transfer Agent

TSR Darashaw Limited
Army & Navy Building
148, Mahatma Gandhi Road
Fort, Mumbai 400 001.
Tel : 022 56568484
Fax : 022 56568494

Bankers

Centurian Bank Limited
State Bank of India
Bank of India
Bank of Baroda

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HIGHLIGHTS	2005-2006	2004-2005
Gross Revenue (Rs. Lakhs)	3789.56	3263.36
Profit Before Tax (Rs. Lakhs)	1314.40	1004.08
Profit After Tax (Rs. Lakhs)	900.79	663.30
Dividend (Rs. Lakhs)	361.83	289.46
Retained Earnings (Rs. Lakhs)	679.78	521.79
Funds Employed (Rs. Lakhs)	4900.96	4486.89
Net Worth (Rs. Lakhs)	4490.02	4001.77
Debt: Equity Ratio	—	0.02:1
Net Worth Per Equity Share (Rs.10/- each) (Rs.)	123.93	110.45
Earnings Per Equity Share (Rs. 10/- each) (Rs.)	24.90	17.99
Dividend Per Equity Share (Rs. 10/- each) (Rs.)	10.00	8.00

NOTICE

Notice is hereby given that the **THIRTY FOURTH 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 **Wednesday, the 9th day of August, 2006, at 4.00 P.M.**, to transact the following business :-

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2006, and the Balance Sheet as at that date together with the Report of Board of Directors and the Auditors thereon.
- 2) To declare a dividend on equity shares.
- 3) To appoint a Director in place of Mr. M. M. Madhvani who retires by rotation and is eligible for re-appointment.
- 4) To appoint a Director in place of Mr. Raymond N. Bickson who retires by rotation and is eligible for re-appointment.
- 5) To appoint a Director in place of Mr. Anant Narain Singh who retires by rotation and is eligible for re-appointment.
- 6) To appoint Auditors and fix their remuneration.

NOTES :

- a. **MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
- b. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, July 28, 2006, to Wednesday, August 9, 2006, both days inclusive
- c. The dividend on Equity Shares, as recommended by the Directors, if declared at the Annual General Meeting, will be paid on or after August 10, 2006, to those Members whose names appear on the Company's Register of Members on August 9, 2006 As regards shares held in electronic form, the dividend will be payable to the 'beneficial owners' of the shares whose names appear in the Statement of Beneficial Owners furnished by National Securities Depository Limited and the Central Depository Services (India) Limited as at the close of business hours on July 27, 2006.
- d. Members/Proxies should bring the attendance slip sent herewith, duly filled in, for attending the meeting.
- e. Dividends remaining unclaimed for seven years from the date they first became due for payment are now required to be transferred to the "Investor Education and Protection Fund" established by the Central Government, under the amended provisions of the Companies Act, 1956. Members shall not be able to claim any unpaid dividend from the said Fund nor from the Company thereafter. It may be noted that unpaid dividend for the financial year ended March 31, 1999, is due for transfer to the Investor Education and Protection Fund on November 17, 2006.
- f. To avoid loss of dividend warrants in transit and undue delay in the receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through Electronic Clearing System (ECS). The ECS facility is available at locations identified by the Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in a physical form and who are desirous of availing this facility are requested to contact the Company's Share Department at the Registered Office of the Company.
- g. Members holding shares in physical form are requested to kindly notify TSR Darashaw Limited, the Share Transfer Agents of the Company, of any change in their addresses so as to enable the Company to address future communications

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to their correct addresses. Members holding shares in electronic form may notify the change in address to their Depository Participant.

- h. Pursuant to Clause 49 of the Listing Agreement, particulars of Directors seeking appointment / re-appointment at the meeting are annexed.
- i. Members desiring any information as regards the accounts are requested to write to the Company Secretary at an early date so as to enable the Management to reply at the Meeting.
- j. Members are requested to kindly bring their copies of the Annual Report to the Meeting.

Mumbai, June 14, 2006

By Order of the Board of Directors

Registered Office:

Mandlik House
Mandlik Road
Mumbai 400 001.

Bipin Singh
Company Secretary



INDIAN RESORT HOTELS LIMITED**Details of the Directors seeking reappointment at the forthcoming Annual General Meeting of the Company**
(Pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges)

Name of the Director	Mr. M. M. Madhvani	Mr. Raymond N. Bickson	Mr. Anant Narain Singh
Date of Birth	March 15, 1930	December 16, 1955	August 26, 1960
Date of Appointment	January 28, 1974	September 11, 2003	September 11, 2003
Expertise in specific functional areas	Business	Hoteliering	Management of properties, charitable trusts, mechanized laundry of Star Hotels
Qualifications	Graduate	Advanced Management Program at Harvard Business School in Boston. Also studied at the Goethe Institute in Berlin, the Alliance Française in Paris, the Université de Sorbonne in Paris, L'école Hotellière, Lausanne and Cornell University in New York.	B. Com. (Hons), Benaras Hindu University
Details of Shares held in the Company	56,000	Nil	Nil
List of Companies in which outside Directorship held as on March 31, 2006 (excluding foreign companies)	<ol style="list-style-type: none"> Mulco Electronics Ltd. Gujarat Mulco Electronics Ltd. Saurashtra Salt Works Pvt. Ltd. Bharat Cement Works Pvt. Ltd. Madhvani Investments Holding Pvt. Ltd. 	<ol style="list-style-type: none"> The Indian Hotels Co. Ltd. Taj GVK Hotels & Resorts Ltd. Oriental Hotels Ltd. Taj Trade & Transport Co. Ltd. Piem Hotels Ltd. Roots Corporation Ltd. Taj Wilderness Lodges Ltd. Taj Sats Air Catering Ltd. Tata Ceramics Ltd. United Hotels Ltd. 	<ol style="list-style-type: none"> Benares Hotels Ltd. Aditya Dairies Pvt. Ltd. Anant Electric Lamp Works Pvt. Ltd. Imlak (Varanasi) Development Pvt. Ltd. Vibhuti Glass works Ltd. Anant Trading Co. Ltd. Aditya Dairies Pvt. Ltd.
Chairman / Member of the *Committees of other Companies on which he is a Director as on March 31, 2006	Nil	<ol style="list-style-type: none"> The Indian Hotels Co. Ltd.- Shareholders/Investor Grievance Committee- Chairman Taj GVK Hotels & Resorts Ltd.- Audit- Member Roots Corporation Ltd.- Audit- Chairman Taj Sats Air Catering Ltd. – Audit – Chairman Piem Hotels Ltd.- Audit- Chairman United Hotels Ltd. – Audit- Member 	Nil

* The Committees include the Audit Committee and the Shareholders'/Investors Grievance Committee.

DIRECTORS' REPORT**TO THE MEMBERS,**

The Directors hereby present the Thirty Fourth Annual Report of the Company together with the Audited Statements of Account for the financial year ended March 31, 2006 and the Balance Sheet as at that date:

FINANCIAL RESULTS

	Rupees	
Particulars	FY 2005/06	FY 2004/05
Total Income	37,89,55,579	32,63,35,792
Gross Profit for the year	15,07,64,583	12,16,31,144
Less: Depreciation	1,91,51,839	2,00,74,494
Interest	1,72,833	11,48,754
Profit Before Tax	13,14,39,911	10,04,07,896
Less : Provision For Tax :		
- Current	4,07,50,000	3,18,50,000
- Deferred	2,70,853	22,27,414
- Fringe Benefit Tax	3,39,835	—
Profit After Tax	9,00,79,223	6,63,30,482
Excess (Short) Provision for Income Tax in respect of earlier years (Net)	3,961	(12,19,740)
Add: Balance brought forward from previous year	3,98,36,400	1,77,31,617
Amount available for appropriations	12,99,19,584	8,28,42,359
The Directors have recommended a final dividend of 100% i.e. Rs.10/- per equity share. It may be noted that in respect of the previous year a dividend of 80% i.e. Rs. 8.00/- per equity share was declared and paid to the Members	3,61,82,810	2,89,46,248
Tax on Dividend	50,74,639	40,59,711
Amount transferred to General Reserve	1,00,00,000	1,00,00,000
Balance carried to Balance Sheet	7,86,62,134	3,98,36,400

OPERATIONS

Financial Performance by the Fort Aguada Beach Resort (FABR) for the year ended March 31, 2006 achieved significant growth during the year under review vis a vis competition and previous periods.

The Company's total income for the year was Rs. 3,790 lakhs as against Rs. 3,263 lakhs for the previous year.

Operating costs increased in line with the increased levels of activity. Operating cost was Rs. 2,282 lakhs for the year as compared with Rs. 2,047 lakhs for the previous year.

Profits before tax for the year amounted to Rs. 1,314 lakhs against Rs. 1,004 lakhs for the previous year.

Profit after tax was Rs. 901 lakhs for the year against Rs. 651 lakhs for the previous year.

DIVIDEND

Taking into account the profits for the year and prospects for the future, your Directors have recommended a Dividend of 100% or Rs.10/-per equity share of Rs. 10/- each.

FINANCE

The fixed deposits placed with the Company have been repaid in full (previous year Rs.76.94 lakhs) except Rs.5.34 lakhs (previous year Rs.4.84 lakhs), which remained unclaimed by depositors as on March 31, 2006.

The Directors wish to place on record their appreciation of the cooperation received by the Company from the Company's Bankers.

DIRECTORS

Pursuant to the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. M. M. Madhvani, Mr. Raymond N. Bickson and Mr. Anant Narain Singh retire by rotation and are eligible for re-appointment.

Mr. R. K. Krishna Kumar, Director and Chairman of the Board of Directors of the Company resigned as the Director of the Company with effect from May 18, 2006. The Board wishes to place on record, its appreciation of the valuable services rendered by Mr. Krishna Kumar during his tenure as the Chairman of the Company.

Mr. Jamshed Daboo resigned as the Director of the Company with effect from May 18, 2006. The Board wishes to place on record, its appreciation of the valuable services rendered by Mr. Daboo during his tenure as the Director of the Company.

Further, Ms. Jyoti Narang was appointed as a Director on the Board of the Company with effect from May 18, 2006, to fill in the casual vacancy caused by the resignation of Mr. Jamshed Daboo. In terms of Section 262(2) of the Companies Act, 1956, Ms. Jyoti Narang would hold office as Director of the Company up to the date till Mr. Daboo would have otherwise continued to be the Director of the Company.

Mr. K. D. Parakh, a Director of your Company passed away after a brief illness on January 02, 2006. The Board extends its condolences to the bereaved family of the late Mr. Parakh. The Board also wishes to place on record its appreciation of the services rendered by Mr. Parakh during his tenure as a Director since the inception of the Company.

AUDITORS

At the Annual General Meeting the members will be requested to appoint M/s. RSM & Co. as the Statutory Auditor for the current year and authorise the Board to determine their remuneration.

M/s. C. C. Chokshi & Company vide their letter dated June 12, 2006, have expressed their wish to not seek re-appointment as Statutory Auditors of the Company at the ensuing Annual General Meeting. Their appointment is valid till the date of the ensuing Annual General Meeting. The Board desires to place on record its appreciation of the services rendered by M/s. C. C. Chokshi & Company.

ENERGY CONSERVATION, TECHNOLOGY TRANSFER AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of the provisions of Section 217 (1)(e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, your Directors wish to inform you that electricity, diesel, petrol and cooking gas are purchased at the prevailing market rates from the Government Agencies at Goa. Generation of electricity is required to supplement the power supply from Electricity Boards/ Agencies.

The activities of the Company are not covered under the list of specified industries in the Schedule to the Rules as stated above.

The information relating to foreign exchange earnings and outgo is furnished at point nos. 12, 13 & 14 in the Notes on Accounts on page 43 & 44.

OTHER INFORMATION

The Company does not have any employee drawing salary in terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.