

*Hotel Leelaventure Limited.*



## Mission Statement

Hoteliering has gone beyond the status of an industry. It is today an art form. It starts with innovation, continues the search for excellence and finally celebrates perfection. These are precisely the three pillars on which The Leela Group has built its reputation.

- Innovation
- Excellence
- Perfection

They also represent the three faces of modern India. The India which dares to take on the world with its world class technology, its great tradition enriched over the centuries and its obsessive desire to be hospitable to travellers from all over the world. But beyond all this is the simple fact: we love and enjoy people.

It is this that has made us what we are. It is this that must inspire us in the years to come.

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



## 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 Speaks...



Dear Shareholders and Friends,

It gives me great pleasure to welcome you to the 20<sup>th</sup> Annual General Meeting of your Company.

The fiscal year 2000-01 witnessed a growing international interest in Indian business, enabled by a stable government at the Centre. Further thrust on liberalisation paved way for increased interest from international investors who form the creamy layer for our industry's growth.

The first-generation reforms implemented through the nineties ensured unshackling of regulations and protection. The second-generation reforms are

likely to ensure that quality alone succeeds and endures. Your Company that has created hallmarks in performance in the hospitality industry is fully poised to be a proactive player in the new and challenging environment in the years to come.

## Hospitality Industry...

Tourism is the largest industry in term of revenue generated, employment created and foreign exchange earned by many countries in the world. But, India's share has remained meagre as well as stationery with the tourist arrival of just about 2.6 million. This accounts for a mere 0.41% of the world tourist population of over 700 million. Thus, these figures pale into insignificance when compared with the tourist arrivals of 38.4 million in China, 5 million in Indonesia and 9 million in Thailand. Despite our paltry share in the global volume, the tourism industry is the third largest foreign exchange earner after textiles and software exports.

We could possibly catch with other Asian countries if the Government lays due emphasis for the industry. As India gets more and more integrated into the world economy in the new millennium, I see a positive upswing in the fortunes of companies in the service sector. The hospitality industry is a key player in such a scenario where the first impression and the lasting impression caused will influence the outlook of our nation overseas. A co-ordinated approach between the Government and the industry would facilitate unleashing the vast potential leading to multifold growth in a short span as compared to other industries. The recent announcement by The Government of India for the **grant of visas on arrival** is a step in the right direction and we hope for more such initiatives to promote tourist arrivals.

## Leela Group of Hotels...

Your company has carved a niche for itself in the industry with its superlative quality in hospitality and service. The Mumbai and Goa hotels have continued their good performances. We have now extended our market presence with the commissioning of the most beautiful and palatial hotel 'The Leela Palace' at Bangalore as part of the mix-use complex housing both hotel and commercial complex. With this, the Company has achieved another hallmark in its history. While the palaces are being converted into hotels, your Company has created a palace in the form of a hotel.

We believe that a good hotel is one that offers the best of comfort with the best of environment involving nature. Accordingly, all our hotels incorporate eco-friendly features and huge gardens which are the hallmarks that have even brought recognition from The United Nations for our contribution to the environment. The Bangalore hotel would add to this contribution. We have now recently made all our rooms intelligent and smart besides being comfortable and luxurious. We believe in offering homes to our

guests and not just rooms. We have also introduced the unique ayurvedic rejuvenation and treatment facilities in all our hotels, another first in the industry.

## The Leela Palace, Bangalore...

Mr. Deva Gowda former Prime Minister of India while laying the foundation stone for the hotel envisioned.... "a seven star hotel is being born in India". True to his words, the hotel that has been largely designed on The Mysore Palace in an art-deco form with very outstanding features of conventional, contemporary and most



Mr. Deva Gowda, former Prime Minister of India lighting the lamp at the foundation laying ceremony for The Leela Palace, Bangalore.

modern architecture, has now been completed with facilities which have so far been just dreams in our part of the world. Thus, it's a story of a dream made reality and a vision accomplished into an achievement.

The Bangalore City is the Silicon Valley of India and is the most happening place in our country. Most leading foreign and multinational companies have established their presence in Bangalore. With the advent of the new millennium, the Indians have caught up with the rest of the 'developed world' with their intellectual contribution. The Bangalore City, with the enviable advantage of very comfortable climatic conditions, has become the hub and workstation for these intellectuals. The city can probably claim to employ more than one third of the foreign nationals working on the Indian soil.

The Leela Palace Bangalore was inaugurated on 15<sup>th</sup> July, 2001 by Mr. Deepak S. Parekh, one of the most astute banker and a well-known financial wizard. Mr. Parekh remarked that he was privileged to open the 'Leela doors to the world at large'. The hotel



Mr. Deepak S. Parekh, Chairman of HDFC Ltd., lighting the lamp at the inaugural ceremony of The Leela Palace, Bangalore.

has subsequently gone into commercial operations. The whole inventory of rooms with all other facilities will be fully into commercial operation during the course of the year. This hotel is expected to perform outstandingly and emerge flag bearer for the company in the years to come.

## The Leela Palace, Goa...

The Leela Palace Goa, the superior resort hotel, won the repeated recognition as the Asia-Pacific's Leading Resort of the millennium from World Travel Agents Forum. The Forbe's Magazine has also listed the hotel as 'one of the finest beach resort' in its magazine.

This hotel has become very popular with foreign leisure travellers. With the positioning of Goa as an international tourist destination and the 'open skies' policy being pursued by the Central



The Leela Palace, Goa

Government, the revenue from operation is expected to grow at a compounded average growth rate of 25-30% every year during the next 3-4 years.

### **The Leela, Mumbai...**

The Leela Mumbai has once again won the National Tourism Award (western region) for the sixth time (5<sup>th</sup> time in a row) from the Ministry of Tourism, Government of India. This repeated recognition goes to confirm our corporate commitment towards Innovation, Excellence and Perfection that have helped us set hallmarks of performance.

The operational performance of Mumbai has however been under pressure due to gathering of competition resulted out of growth



The Leela, Mumbai

in number of rooms in the vicinity. The new hotels have caused pressure by underselling the rooms. It is important to recognise the need that maintain high quality of service standards to attract the foreign travellers. The room tariff as well the operating costs are directly linked to the standards of the services offered and hence a trade off between the tariff and high quality of service standard would impair the long term qualitative and profitable survival of the companies in the industry. We hope this factor gains recognition and the leading hotel majors accordingly hold their tariffs enabling continuous high quality service standards. This would help face the competition coming from overseas consequent to the globalisation and integration of our economy with the rest of the world.

### **The Leela Galleries...**

The commercial complex projects, The Leela Galleries at Mumbai and Bangalore have also been completed and are put into operations. In recognition of the quantum jump in the activities and also the substantial revenue that are possible to be generated from their operations, a separate division called 'The Leela Realty' has been formed. This activity will generate huge revenue with very high profitability in the years to come. This will go to supplement the profits from the hotel operations. This would also help the Company to insulate its future profitability to a great extent in view of fixed income arising therefrom.

### **Financial Restructuring...**

As you are aware, the last two years have been a challenging and

testing period for your company's endurance. Despite the constraints that arose due to the lock-in of a substantial sum with HUDCO in New Delhi, withdrawal of a slated GDR issue and other extraneous factors, the Company has managed to meet the heavy capital outlay committed to new projects. Though this phase impacted the performance adversely, we have prepared ourselves to meet the future with added strength. Your company has successfully managed to complete all the on-going projects. Your company has successfully carried out the first phase of debt restructuring and streamlining program that led to huge saving in the financial cost. We have now embarked upon the next phase of restructuring to regain the financial comfort that will result in substantial improvement in the rating for your Company.

We have also taken various and effective steps to reduce the debt level of the Company. These are likely to bear fruit in the next 6-9 months period. These steps will help bolster the profitability and enhance the value for all the stakeholders of the company, substantially.

In recognition of the high standards of operation and quality of your hotels, the company has been receiving serious offers to operate the hotels, with and without equity participation. The proposals are being evaluated and a suitable tie-up would be formalised no sooner than a mutually beneficial association is facilitated. The Company would like to assure you that maximisation of the value to all the stakeholders of the company would be the fundamental approach to any such decision.

The Arbitration process in the HUDCO matter has been completed. We are hopeful that we will receive due justice and the sums due to us, shortly.

As informed earlier, we have already formalised an arrangement to develop a huge commercial complex on the land at Andheri-Kurla Road, Mumbai. This project will help generate substantial surplus proceeds that would also go to reduce the debt level and thus will help make the company financially stronger.

### **To conclude ...**

Dear Shareholders and friends, winning awards has become our habit. But the business performance has become more uncertain due to intertwining of the Indian economy inextricably with the global markets. Travel and Tourism industry, the largest in the world, has always contributed significantly to the turn-around and growth of several economies in the world. Tourism is an industry of industries. This will prosper if supported with quality and proper scale of infrastructure. And this will help other industries to grow.

We hope the Government recognises the industry and gives it its due importance that can contribute to the sustenance of the capital intensive and long gestation investments needed for setting up and operation of the hotels.

We, in our company, have, other initiatives on the anvil which are different that will make your company financially very strong and help retain the premium and leadership positions in the years to come. We shall share these with you at an opportune time before any final decision is taken.

I would like to thank the Financial Institutions and Banks and everyone else who have supported us in our efforts and ventures. Further, I would also like to record my sincere appreciation for the employees at all levels for their dedication and hard work, that has bestowed yet another personal recognition in the form of Lifetime Achievement Award by The Federation of Hotel and Restaurant Associations of India.

I shall also thank all the stakeholders of the Company, especially the members for their continued faith and their well wishes but for which we could not have travelled this far. With your whole-hearted support, we are sure to build on our excellence and set more and more hallmarks in the times ahead.

Thanks.

**Board of Directors**

Capt. C.P. Krishnan Nair

Mr. Vivek Nair

Mr. Dinesh Nair

Mr. Venu Krishnan

Mr. R. Venkatachalam

Mr. Vijay Amritraj

Mr. P.C.D. Nambiar

Dr. Gunter Berendt

Mrs. Anna Malhotra

Air Vice Marshal H.M. Shahul

Mr. Anil Harish

Mr. R.J. Treasurywala

Dr. (Mrs.) Lata Singh

Dr. K.U. Mada

**Auditors**

Picardo & Co.

Chartered Accountants

**Bankers**

State Bank of India

Global Trust Bank Limited

Bank of Baroda

State Bank of Travancore

**Solicitors**

Kanga & Co.

**Registered Office**

The Leela,

Sahar, Mumbai – 400 059

## Hotel Leelaventure Limited

### NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Members of Hotel Leelaventure Limited will be held at Shree Bhaidas Maganlal Sabhagriha, U-1, Juhu Development Scheme, Vile Parle (W), Mumbai 400 056 on Friday, 28<sup>th</sup> September, 2001 at 11.00 a.m. to transact the following business :-

#### Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2001 and the Profit and Loss Account for the year ended on that date and Reports of the Directors and Auditors.
2. To confirm the payment of interim dividend on cumulative redeemable preference shares as final dividend.
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Mrs. Anna Malhotra who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Mr. Anil Harish who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Air Vice Marshal H.M. Shahul who retires by rotation and being eligible, offers himself for re-appointment.
7. 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

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

**"RESOLVED THAT** Mr. R. Venkatachalam, be and is hereby appointed as a Director of the Company."

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

**"RESOLVED THAT** subject to the approval of the Central Government, the Company hereby accords its approval and consents under Sections 198, 269 and 309 of the Companies Act, 1956, and all other applicable provisions, if any, to the appointment of Mr. R. Venkatachalam as Director-Finance for a period of three years with effect from the 24<sup>th</sup> day of March, 2001 and to his receiving remuneration, benefits and amenities as Director-Finance of the Company upon the terms and conditions and stipulations contained in an agreement to be entered into between the Company and Mr. R. Venkatachalam, a draft whereof is placed before the Meeting and for the purposes of identification, is initialled by the Vice-Chairman & Managing Director of the Company.

**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, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

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

**"RESOLVED THAT** the Authorised Share Capital of the Company be and is hereby re-classified from 10,00,00,000 (Ten Crores) equity shares of Rs.10/- (Rupees Ten) each and 65,00,000 (Sixty Five Lakhs) redeemable preference shares of Rs.100/- (Rupees One Hundred) each to 7,50,00,000 (Seven Crores Fifty Lakhs) equity shares of Rs.10/- (Rupees Ten) each and 90,00,000 (Ninety Lakhs) redeemable preference shares of Rs.100/- (Rupees One Hundred) each.

**RESOLVED FURTHER THAT** the existing Clause V of the Memorandum of Association of the Company relating to share capital be and is hereby substituted by the following Clause :-

"V. The Authorised Share Capital of the Company is Rs.165,00,00,000 (Rupees One Hundred Sixty Five Crores) divided into 7,50,00,000 (Seven Crores Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each and 90,00,000 (Ninety Lakhs) Redeemable Preference Shares of Rs.100/- (Rupees One Hundred) each with the rights, privileges and conditions attached thereto as provided by the regulations of the Company for the time being in force and with power to increase and reduce the Capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided for the regulations of the Company."

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

**"RESOLVED THAT** in terms of Sections 80, 81 & all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company and the listing agreements entered into by the Company with the Stock Exchanges, where the shares of the Company are listed and subject to the consent of all concerned authorities, if and to the extent necessary and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the



## Hotel Leelaventure Limited



Company and/or a duly authorised Committee thereof for the time being exercising the powers conferred by the Board of Directors (hereinafter referred to as "the Board") the consent of the Company be and is hereby accorded to the Board to offer/issue/allot, in the course of domestic and/or international offering, Redeemable Preference Shares of the face value of Rs.100/- each upto a sum not exceeding Rs. 90 crores (Rupees Ninety Crores only), to be subscribed, by any person or persons, whether or not shareholders of the Company, (including one or more of the members, promoters, debenture holders, employees, financial institutions, banks, mutual funds, foreign investors, non-resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Multilateral Agencies, Venture Capital Funds, Foreign Financial Institutions, bodies corporate, companies, private or public and other entities), whether through public issue, rights issue, private placement or otherwise, in one or more modes or combinations thereof and in one or more tranches and on such terms and conditions (including the rate of dividend, amount of premium, if any, on redemption, redemption period, manner of redemption, and matters incidental thereto) as the Board may in its absolute discretion decide;

**RESOLVED FURTHER THAT** such of these preference

shares to be issued as are not subscribed may be disposed of by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion think most beneficial to the Company;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment and utilisation of the proceeds and to finalise and execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit."

By order of the Board of Directors  
For **HOTEL LEELAVENTURE LIMITED**

**V.S. Satyamoorthy**  
Assistant Company Secretary

Mumbai  
Date : 28<sup>th</sup> July, 2001

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

## NOTES FOR MEMBERS' ATTENTION:

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special business is annexed hereto.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 12<sup>th</sup> September, 2001 to Wednesday, 26<sup>th</sup> September, 2001 (both days inclusive).
3. 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.
4. 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.
5. All members who have either not received or have not encashed their dividend warrants for the financial years 1995-96, 1996-97, 1997-98, 1998-99, and 1999-2000 are requested to write to the Company's share department at the aforesaid address, mentioning the relevant Folio No.(s) or the depository account number(s), for issuance of duplicate / revalidated dividend warrant(s).
6. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios alongwith the relevant share certificates to the Company.
7. 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.
8. Members who would like to ask any questions on the Accounts are requested to send their questions to the Registered Office of the Company atleast 10 days before the Annual General Meeting in order to enable the Company to answer the questions satisfactorily.
9. Members are requested to inform their Bank Account Numbers and Bank branch details to the Company to enable it to include these details in the dividend warrants and thus minimise the chances of any fraudulent encashment of dividend warrants. The above information may be given to the Company before 12<sup>th</sup> September, 2001.
10. Dividend on Equity Shares as recommended by the Directors for the year ended 31<sup>st</sup> March, 2001, when declared at the meeting, will be paid :
  - (i) to those members whose names appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company before 12<sup>th</sup> September, 2001.
  - (ii) in respect of shares held in electronic form, to those "deemed members" whose names appear on the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), at the end of business hours on 11<sup>th</sup> September, 2001.

# Hotel Leelaventure Limited

## EXPLANATORY STATEMENT

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

### ITEM NO. 8

At a meeting of the Board of Directors held on 24<sup>th</sup> March, 2001, your Board appointed Mr.R.Venkatachalam as an Additional Director in terms of the provisions of the Companies Act, 1956, and Article 121 of the Articles of Association of the Company. Mr. R. Venkatachalam has done his graduation in Commerce. He is an Associate Member of the Institute of Chartered Accountants of India.

Before joining the Board, Mr. R. Venkatachalam was the Senior Vice President - Corporate Finance of the Company at Mumbai. He was responsible for successfully implementing the Financial Restructuring Plan which resulted in substantial saving of the interest costs to the Company and also enabled completion of on-going projects.

Mr. R. Venkatachalam will be holding office as Director only upto the date of this meeting. His candidature for Directorship of the Company has been proposed by a shareholder pursuant to Section 257 of the Companies Act, 1956 alongwith a deposit of Rs.500/-. The Board considers that the Company will benefit from the association of Mr. R. Venkatachalam and hence recommends the resolution for your approval.

The notice of the shareholder received by the Company, pursuant to Section 257 of the Companies Act, 1956 referred to above, is available for inspection during office hours on all working days at the Registered Office of the Company.

None of the Directors of the Company are concerned or interested in this Resolution.

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

### ITEM NO. 9

At a meeting of the Board of Directors of the Company held on 24<sup>th</sup> March, 2001, your Board appointed Mr. R. Venkatachalam as Director – Finance of the Company for a period of 3 years with effect from the same date.

The terms and conditions on which Mr. R. Venkatachalam has been appointed as the Director– Finance of the Company, shall contain the following remuneration :-

- (i) Salary : Rs. 2,35,000/- per month
- (ii) Increments : Such increments as may be determined by the Board of Directors or such other authority as may be delegated by the Board of Directors from time to time.
- (iii) Perquisites & Allowances
  - (a) In addition to the salary payable, the Director – Finance shall also be entitled to perquisites and allowances like leased/hired accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, club fees, medical reimbursement and Leave Travel concession for himself and his family,

mediclaime insurance, personal accident insurance and such other perquisites, allowances, benefits, privileges, facilities and amenities, in accordance with the rules of the Company or as may be agreed to by the Board of Directors or such other authority as may be delegated by the Board of Directors from time to time upto the limit of Rs. 2 Lacs per month.

- (b) For the purposes of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost. Provision for use of the Company's car for official duty and telephone at Residence (including payment for local calls and long distance official calls), shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- (c) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent this is not taxable under the Income Tax Act, gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
- (iv) Minimum Remuneration: Notwithstanding anything to the contrary herein contained wherein any financial year during the currency of the tenure of the Director – Finance, 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 appointment and remuneration paid / payable to Mr. R. Venkatachalam require your approval by Ordinary Resolution. The Directors are of the opinion that Mr.R.Venkatachalam's knowledge and experience has been of immense value to the Company. The Board therefore recommends the acceptance of the Resolution set out in the Notice convening the meeting.

This explanation together with the accompanying Notice is to be regarded as an Abstract of Terms and Memorandum of Interest under Section 302 of the Companies Act, 1956.

The Draft of the agreement to be executed between Mr. R. Venkatachalam and the Company is available for inspection by the members at the Registered Office of the Company at The Leela, Sahar, Mumbai 400 059 between 11.00 A.M. and 1.00 P.M. on any working day.

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

None of the Directors of the Company is in anyway concerned or interested in this Resolution.

### ITEM NO. 10

The present Authorised Share Capital of the Company is Rs.165 Crores divided into 10,00,00,000 Equity Shares of Rs.10/- each and





## Hotel Leelaventure Limited

65,00,000 Redeemable Preference Shares of Rs.100/- each. It is proposed to re-classify the Authorised Share Capital by reduction of 2,50,00,000 Equity Shares of Rs.10/- each and creation of 25,00,000 Redeemable Preference Shares of Rs.100/- each since the Company feels the need to issue more preference shares than equity shares. Consequently, Clause V in the Memorandum of Association of the Company needs to be changed in order to reflect such reclassification.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alteration is available for inspection at the Registered Office of the Company between 11.00 A.M. & 1.00 P.M. on any working day of the Company.

The Board recommends the resolution for the approval of the members.

None of the Directors is in any way concerned or interested in the resolution.

### ITEM NO. 11

It is proposed to authorise the Board of Directors to raise funds upto Rs.90 Crores by issue of Redeemable Preference Shares either by way of Rights to the shareholders or by way of private placement or otherwise subject to the approval of members in one or more tranches and at such times as the Directors may think fit as the funds may be required for meeting the capital expenditure and working capital needs as also for the redemption of Preference Shares and such other purposes as may be decided by the Board.

Section 81 of the Companies Act, 1956, provides that when a Company proposes to increase its subscribed capital by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81. The section further provides that further shares may

be offered to any person in any manner whatsoever if a special resolution to that effect is passed by the Company in general meeting.

The Listing Agreements with the Stock Exchanges provide, inter-alia, that a listed Company in the first instance should offer all shares and securities to be issued for subscription pro-rata to the equity shareholders unless the shareholders in a general meeting decide otherwise.

The consent of the Shareholders is being sought to enable the Company for issuing further share capital in the manner set out at item No. 11 of the notice pursuant to the provisions of Sections 80, 81 and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing Agreements with the various Stock Exchanges where the Company's Securities are listed.

The said resolution is an enabling resolution conferring authority on the Board to cover all contingencies and corporate requirements.

Your directors commend the resolution for approval of the members.

All the Directors of the Company may be deemed to be concerned or interested to the extent the preference shares that may be offered to them.

By order of the Board of Directors  
For **HOTEL LEEAVENTURE LIMITED**

**V.S. Satyamoorthy**  
Assistant Company Secretary

Mumbai  
Date : 28<sup>th</sup> July, 2001  
Registered Office :  
Hotel Leelaventure Limited  
The Leela, Sahar,  
Mumbai - 400 059

Report Junction.com

## Hotel Leelaventure Limited

### DIRECTORS' REPORT

#### To the Members

1. Your Directors have pleasure in presenting the Twentieth Annual Report and audited statement of accounts for the year ended 31st March, 2001 together with the Auditors' report thereon.

#### 2. Financial Results

	(Rupees in crores)	
	Year ended 31.03.2001	Year ended 31.03.2000
Revenue	136.28	136.46
Profit before interest, depreciation & taxes	57.36	59.65
Interest	20.11	30.08
Profit before depreciation & taxes	37.25	29.57
Depreciation	19.17	18.79
Loss on assets sold	0.32	0.01
Miscellaneous expenditure written off	0.85	0.85
Provision for taxation	1.48	1.17
Net profit	15.43	8.75
Prior Period Adjustments	0.10	(0.11)
Profit brought forward	2.48	7.60
Transfer from :		
Foreign Exchange Earnings Reserve	4.00	19.00
Debenture Redemption Reserve	5.00	-
Transfer to :		
Capital Redemption Reserve	-	1.50
Debenture Redemption Reserves	11.18	19.68
Foreign Exchange Earnings Reserve	7.75	4.00
Dividends		
Cumulative Redeemable Preference Shares	4.14	5.19
Equity Shares	2.77	1.64
Tax on dividends	0.71	0.75
Net Profit carried forward	0.46	2.48

#### 3. Allotment of Equity Shares

During the year 2000-01, the Company allotted 2,36,77,400 equity shares of Rs.10/- each at a premium of Rs.21/- per share on a preferential basis to M/s. Leela Scottish Lace Limited, pursuant to the approval granted by the shareholders at the Extra-ordinary General Meeting held on 29<sup>th</sup> March, 2000.

The Company also allotted 39,62,342 equity shares of Rs.10/-each at a premium of Rs.15/- per share to the Warrantholders who exercised the option of conversion of warrants.

#### 4. Redemption of Cumulative Redeemable Preference Shares

During the year, the Company redeemed Cumulative Redeemable Preference Shares aggregating to Rs. 22.50 crores.

#### 5. Dividend on Cumulative Redeemable Preference Shares

The Company declared an Interim Dividend of Rs.4.14 crores @ 12.5% on the Cumulative Redeemable Preference Shares for the year. The Board recommends the Interim Dividend as the final dividend.

#### 6. Dividend on Equity Shares

Your Directors recommend for your consideration payment of dividend on Equity Shares @ 5% for the year ended 31<sup>st</sup> March, 2001.

#### 7. Operations

The total revenue of the Company for the year ended 31st March, 2001 was Rs.136.28 crores as against Rs.136.46 crores for the previous year.

During the year 2000-01, the total revenue of The Leela Palace Goa was Rs. 28.42 crores (previous year Rs. 22.47 crores). The total revenue of The Leela Mumbai was Rs. 107.86 crores (previous year Rs. 113.99 crores).

The Leela Palace Goa has emerged as an attractive destination to leisure travellers, international and domestic. The intensive efforts of the management have started yielding results in a gradual manner. The management is conscious that a more intensive and focussed attention be put in the months ahead.