



reportjunction.com

32nd Annual Report 1996-97



Palace Heights Hotels Limited

MD	☒		BKC	☒
CS	☒		DPY	☒
RO	☒		DIV	☒
TRA	☒		AC	☒
AGM	☒	☒	TH	☒
YE	☒	☒		☒



Palace Heights Hotels Limited

BOARD OF DIRECTORS

P. Prabhakar Reddy	- Managing Director
D. Sreenivas Reddy	- Executive Director
C.D. Reddy	- Director
C. Chandrasekhar Reddy	- Director
M. Rabindranath Tagore	- Director
P. Sivakumar Reddy	- Director
B. M. Gupta	- Director (Nominee of TFCI)

AUDITORS

M/s. Mogili Sridhar & Co.
Chartered Accountants,
6-3-655/2/3, 1st Floor,
Somajiguda,
Hyderabad - 500 082.

BANKERS

State Bank of India
State bank of Hyderabad
Bank of Baroda

Report  junction.com

REGISTERED OFFICE

1-3-1036/3/1,
Lower Tank Bund Road,
Gandhinagar,
Hyderabad - 500 080.

SHARE TRANSFER AGENTS

M/s. Aarathi Consultants Pvt. Ltd.
1-2-285, Domalguda,
Hyderabad - 500 029.

Palace Heights Hotels Limited**NOTICE**

NOTICE is hereby given that the 32nd Annual General Meeting of the Members will be held on Monday, the 29th September, 1997 at 12.00 noon at Viceroy Hotel, 1-3-1036/3/1, Tank Bund Road Hyderabad - 500 080 to consider the following business.

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997, the profit and loss account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in the place of Mr. C. Chandrasekhar Reddy who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in the place of Mr. C.D. Reddy, who retires by rotation and being eligible offers himself for reappointment.
4. To declare dividend.
5. To appoint Auditors and fix their remuneration.

Special Business :

6. 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 to the Board of Directors of the Company in terms of Section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging of all the immovable and movable properties of the Company wheresoever situate, present and future, and the whole of the undertaking of the Company and/or conferring power to enter upon and take possession of the assets of the Company in certain events to or in favour of the following namely:-

1. Tourism Finance Corporation of India Limited (TFCI),
2. Industrial Finance Corporation of India Ltd. (IFCI),
3. State Bank of India (SBI),
4. State Bank of Hyderabad (SBH),
5. Bank of Baroda (BOB).

In connection with:-

1. Rupees Term Loan not exceeding Rs. 1381.00 (Rupees One Thousand Three Hundred Eighty One Lakhs Only) lent and advanced by TFCI to the Company.
2. Rupees Term Loan not exceeding Rs. 454.00 lakhs (Rupees Four Hundred Fifty Four Lakhs Only) lent and advanced by IFCI to the Company.
3. Rupees Term Loan not exceeding Rs. 90.00 lakhs (Rupees Ninety Lakhs Only) lent and advanced by SBI to the Company.
4. Rupee Term Loan not exceeding Rs. 40.00 lakhs (Rupees Fourty Lakhs Only) lent and advanced by SBH to the Company.



Palace Heights Hotels Limited

5. Rupee Term Loan not exceeding Rs. 70.00 lakhs (Rupees Seventy Lakhs Only) lent and advanced by BOB to the Company.

"RESOLVED FURTHER that the mortgage/charge created/to be created and /or all agreements/documents executed/to be executed and all acts done in terms of the above resolutions by and with the authority of the Board of Directors are hereby confirmed and ratified."

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

"Resolved that Mr. M. Rabindranath Tagore who was appointed as an additional Director of the Company by the Board, who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of the director be and is hereby appointed as a Director of the Company.

By order of the Board

Place : Hyderabad
Date : 28th August, 1997

P. Prabhakar Reddy
Managing Director

NOTES :

1. 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, to be effective must be received by the company at its registered office not later than 48 hours before commencement of the meeting.
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 pertaining to the Special Business set-out above is annexed hereto.
3. The Register of Members and the Share Transfer Books of the company will remain closed from 26th September, 1997 to 29th September, 1997 (both days inclusive).
4. The Dividend, if declared, will be payable on or after 18th October, 1997 to those members whose names appear in the Register of Members of the Company on 29th September, 1997.
5. Members are requested to notify immediately any change in their addresses to the Company's share transfer agents M/s. AARTHI CONSULTANTS PVT. LTD., 1-2-285, Domalguda, Hyderabad.

Palace Heights Hotels Limited



**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT**

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

Item No. 6

As a security for the loans sanctioned/to be sanctioned to the Company by TFCI, IFCL, SBI, SBH and BOB all the movable and immovable properties of the company both present and future are to be mortgaged. Section 293(1) (a) of the Companies Act, 1956, provide, inter alia, that the Board of Directors of a public company shall not, without the consent of such public company in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of the financial institutions can be considered to be disposal of the Company's properties, it is necessary for the members to pass a resolution under section 293(1) (a) of the Companies Act, 1956 before creation of the said mortgage/charge.

The Board recommends the passing of this resolution.

None of the Directors are interested in the resolution.

Item No. 7

Mr. M. Rabindranath Tagore was co-opted as an additional Director on 8th February, 1997 by the Board of Directors, According to section 260 of the Companies Act, 1956 he holds office as Director only upto the date of the ensuing Annual General Meeting. As required by Section 257 of the Act, a notice alongwith a deposit of Rs. 500/- has been received from a member signifying his intention to propose the appointment of Mr. M. Rabindranath Tagore as a Director.

The Board considers it desirable that the company should continue to avail itself of the services of Mr. M. Rabindranath Tagore.

The Board recommends the passing of this resolution.

None of the Directors are interested in the Resolution.

By order of the Board

Place : Hyderabad
Date : 28th August, 1997

P. Prabhakar Reddy
Managing Director

Palace Heights Hotels Limited**DIRECTORS' REPORT**

To

The Members

Your Directors have pleasure in presenting the 32nd Annual Report together with Audited Accounts of the Company for the year ended 31st March, 1997.

1. Performance / Financial Highlights:

The following is the comparative statistics for the year 1995-96 and 1996-97.

	(Rs. in Lakhs)	
	1996-97	1995-96
Income from operations	1365.87	1186.96
Profit before interest depreciation and tax	559.00	535.21
Interest	270.00	211.45
Depreciation	137.44	105.93
Provision for taxation	28.03	—
Profit after tax & depreciation	131.94	217.83
Appropriation dividend proposed	84.90	84.90
Transferred to General Reserve	6.60	10.89
Balance carried to Balance Sheet	233.62	201.67

During the Financial Year the Company's performance has been very good when compared to Financial year 1995-96. The total sales in the year has been increased to Rs. 1365.00 lacs from Rs. 1187.00 lacs. The increase over last year is Rs. 178.00 lacs which is very satisfactory.

Net profit for the current year is less when compared to previous year, due to Income Tax, Interest, Depreciation & Operational difficulties due to the expansion. However, EBIT is more than the last year.

During the current year company is expecting an impressive growth in the performance, because of lifting of the prohibition.

The Directors are pleased to inform you that additional 25 rooms have been in the operations from the beginning of the financial year, 29 Rooms will be added by October, 1997.

2. Dividend:

Your Directors recommended Dividend @ 15% subject to deduction of Income Tax. The recommended Dividend is on the equity capital of Rs. 566.00 lacs and amounts to Rs. 84.90 lacs.



Palace Heights Hotels Limited

3. Directors:

The Tourism Finance Corporation of India Ltd has nominated Mr. B.M. Gupta as a Director with effect from 2nd February, 1997.

Mr. M. Rabindranath Tagore was appointed as an additional Director with effect from 8th February, 1997. He holds office only upto the date of the Annual General Meeting and is eligible for appointment.

Mr. P.V. S. Raju resigned as Director. The Board places on record their appreciation for the services rendered by him.

Mr. C. Chandrasekhar Reddy and Mr. C.D. Reddy retire by rotation and being eligible offer themselves for reappointment.

4. Additional information as required under section 217 (1) (e) of the companies act, 1956.

a) Conservation of Energy:

All the Departmental/Section Heads are made responsible to ensure proper utilisation and conservation of energy.

b) Research and Development and Technology Absorption:

c) A Research & Development cell has been established to make continuous efforts to deep the best possible quality standards.

d) No technology either indigenous or Foreign is involved.

e) Foreign Exchange earnings and outgo :

During the year under review your company has earned Foreign exchange to an extent of Rs. 117.38 lacs through Traveller Cheques, Currencies, Credit Cards etc., The corresponding Foreign exchange outgo during the year was Nil resulting in a net foreign exchange earning of Rs. 117.38 lacs for the year.

5. Personnel :

The Company continued to maintain good industrial relation. The Directors express their appreciation of the support and contribution made by the employees at all levels for the successful operations of the Company during the year.

A statement containing particulars of the employees as required under Section 217(2A) of the Companies Act, 1956, and the rules framed thereunder is appended herewith and forms part of this report.

6. Deposits :

During the year under review, the company has neither invited nor received any Deposits from the Public.

7. Auditors :

M/s Mogili Sridhar & Co., Chartered Accountants, Hyderabad will retire at the ensuing Annual General Meeting and are eligible for reappointment.



Palace Heights Hotels Limited

8. Acknowledgement :

Your Company and its Directors sincerely thank the various Departments of Central/State Governments, Financial Institutions and Banks for their continued co-operation and support extended during the year. Your Directors also wish to acknowledge the continued support and confidence reposed in the management by the shareholders.

Your Directors also place on record their appreciation of the dedicated services by the employees of the company.

for and on behalf of the Board

Place : Hyderabad
Date : 28th August, 1997

P. Prabhakar Reddy
Managing Director

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees') Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 1997.

Name	Age (In years)	Qualifi- cation	Date of Employment	Designation	Remune- ration in Rupees	Experience (In years)	Last Employ- ment held
<i>Employed throughout the year:</i>							
P. Prabhakar Reddy	49	M.A., L.L.B..	1.10.90	Managing Director	3,00,000	7	Business
D. Srinivas Reddy	51	B.E., Civil	1.10.90	Executive Director	3,00,000	7	Business

Notes:

1. Remuneration includes Salary and House Rent Allowance.
2. The above appointment and the remuneration are with in the limits prescribed in Schedule XIII to the Companies Act and Section - 198, 269 & 309 of the Act.
3. The appointments are Non-contractual.
4. Mr. P. Sivakumar Reddy is a relative of Mr. P. Prabhakar Reddy, Managing Director.