



BEST EASTERN HOTELS LIMITED

71st Annual Report 2013 - 2014



BOARD OF DIRECTORS

Vinaychand Kothari
Chairman & Managing Director

Dilip V. Kothari
Joint Managing Director

Dr. Ramnik K. Baxi
Mangal S. Chheda
Manohar R. Tambat
Mehernoz C. Dangore

AUDITORS

M/s. AMAR BAFNA & ASSOCIATES
Chartered Accountants

COMPANY LAW CONSULTANT

M/s. N. BAFNA & CO.
Company Secretaries

BANKERS

UNION BANK OF INDIA
HDFC BANK

REGISTRARS & TRANSFER AGENT

Sharex Dynamic (India) Pvt. Ltd.,
Unit - 1, Luthra Ind. Premises, Safed Pool,
Andheri - Kurla Road, Andheri (E),
Mumbai - 400 072
Tel - 2851 5606 Fax - 2851 2885

REGISTERED OFFICE :

401, Chartered House,
293/299, Dr. C. H. Street,
MUMBAI - 400 002.
Tel.: 91 22 2207 8292
Fax: 91 22 2206 1324
Email: booking@ushaascot.com

HOTEL SITE :

USHA ASCOT
M. G. Road,
Matheran, Dist. Raigad.
Tel.: 91 2148 230360
Fax: 91 2148 230213
Web site: www.ushaascot.com

-: NOTICE :-

NOTICE is hereby given that the 71th Annual General Meeting of the members of the Best Eastern Hotels Ltd. will be held on Thursday, 21st August 2014 at 1st Floor, Maheshwari Bhavan, J. S. S. Road, Chira Bazar, Mumbai – 400 002 at 4.30 p.m. to transact the following businesses:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Profit and Loss Account for the year ended on that date together with the Report of the Directors and Auditors thereon.
2. To declare dividend on Redeemable Preference Shares and Equity Shares.
3. To appoint Director in place of Mr. Manohar R. Tambat, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and for the purpose to consider and, if thought fit, to pass with or without modification, the following Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendation of the Audit committee of the Board of Directors (“the Board”) the retiring Auditors M/s. Amar Bafna & Associates (Firm Registration No. 114854 W), be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 75th AGM of the Company (subject to ratification of the appointment at every AGM) and to fix their remuneration for the financial year ending ending 31st March, 2015.”

AS SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification following Resolution as an Ordinary Resolution :
“**RESOLVED THAT** pursuant to the proviso of section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. R. K. Baxi, Director (DIN 00011048), whose period of office is liable to determination by retirement of Directors by rotation and who has offered himself for appointment as Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto March 31, 2019.
6. To consider and if thought fit, to pass with or without modification following Resolution as an Special Resolution :
“**RESOLVED AS SPECIAL RESOLUTION THAT** pursuant to section 196, 197, 198, 202 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013/1956 (including any statutory modification or re-enactment thereof for the time being in force) (to the extent enacted) and subject to such other consents, approvals and permissions if any needed, the Company hereby approves re-appointment of Mr. Vinaychand Kothari (DIN: 00010974) as a Managing Directors of the Company for the further period of five years w.e.f. 1st June, 2014 on the terms and conditions as set out herein below as to remuneration.
 - 1) **Remuneration** : In the scale of Rs. 1,50,000-15,000-2,10,000 per month with a annual increments 1st time on 1st April, 2016 and thereafter effective from April, 1st each financial year commencing from April 1st 2016.
 - 2) The Managing Director will also be eligible following perquisites, benefits and facilities.
 - i) Medical Reimbursement : Expenses incurred by and / or his family subject to a ceiling of one month’s salary per year or three months salary over a period of three years.
 - ii) Leave Travel Concession: Leave travel concession for him and his family, once in a year incurred in accordance with the Rules of the Company.
 - iii) Personal Accident Insurance : Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs.20,000/-
 - iv) Contribution to Provident Fund, Superannuation fund or Annuity Fund as per the rules of the Company from time to time which will not be included in the computation of the ceiling to the extent these either singly or put together are not taxable under the Income Tax Act.
 - v) Gratuity : Benefits in accordance with the rules and regulations in force in the Company from time to time, but shall not exceed half a month’s salary for each completed year of service.
 - vi) Leave Encashment : Encashment of unutilised leave will be as per the Rules and regulations of the Company.

- vii) The Company shall provide a car with a driver and telephone at the residence of Mr. Vinaychand Kothari. Provision of car for use in company's business and telephone at residence will not be considered as perquisites.
- viii) OTHER BENEFITS
 - i) Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time.
 - ii) Such other benefits and amenities as may be provided by the company to other senior officers from time to time.
- ix) Notwithstanding absence or inadequacy of profits in any financial year during the currency of their tenure of appointment, shall be paid above remuneration as a minimum remuneration.

3) Commission:

Such remuneration by way of commission, in addition to the salary and perquisites and allowances, payable calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors (which includes any committee thereof) in its absolute discretion deem fit, for each Corporate Financial Year, provided that the total remuneration including salary, perquisites and commission shall not exceed the overall ceilings prescribed under Section 197 of the Companies Act, 2013.

- 4) He shall be entitled to all amounts incurred by them in the course of Company's business including entertainment and travel for and on behalf of the Company commensurate with their position.
 - 5) Either party shall be entitled to terminate the services by giving not less than three months notice in writing.
 - 6) He during the tenure of his employment or at any time thereafter not to divulge or disclose to any person or make use of any confidential information or knowledge obtained by them during his employment as to the business or affairs or methods of or as to any trade secrets or secret information of the Company or of any subsidiary, associate or affiliated Company.
 - 7) He shall not be engaged or interested directly or indirectly in any undertaking or business of a nature similar to or competitive to the Company's business or any manner conflicting with the Company's interest.
 - 8) The employment of the appointee shall forthwith terminated if he shall be become an insolvent or make any composition or arrangement with his creditors or shall cease to be the Managing Director.
 - 9) So long as he function as the Managing Director shall not be paid any sitting fees for attending the meeting of the Board or committees thereof.
 - 10) Mr. Vinaychand Kothari to be entrusted with the Management and control of the whole of the affairs of the Company subject to superintendent, control and direction of the Board, the relevant provisions of the Act, and Memorandum and Articles of Association of the Company.
 - 11) He shall devote his whole time and attention to the business of the Company and shall use his best endeavor to promote its interest and welfare.
7. To consider and if thought fit, to pass with or without modification following Resolution as an Special Resolution :
- "RESOLVED AS SPECIAL RESOLUTION THAT** pursuant to section 196, 197, 198, 202 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013/1956 (including any statutory modification or re-enactment thereof for the time being in force) (to the extent enacted) and subject to such other consents, approvals and permissions if any needed, the Company hereby approves re-appointment of Mr. Dilip V. Kothari (DIN: 00011043) as a Joint Managing Director of the Company for the further period of five years w.e.f. 1st June, 2014 on the terms and conditions as set out herein below as to remuneration.
- 1) **Remuneration** : In the scale of Rs. 1,30,000-10,000-1,70,000 per month with a annual increments 1st time on 1st April, 2016 and thereafter effective from April, 1st each financial year commencing from April 1st 2016.
 - 2) Jt. Managing Director will also be eligible following perquisites, benefits and facilities.
 - i) Medical Reimbursement : Expenses incurred by and / or his family subject to a ceiling of one month's salary per year or three months salary over a period of three years.
 - ii) Leave Travel Concession: Leave travel concession for him and his family, once in a year incurred in accordance with the Rules of the Company.

- iii) Personal Accident Insurance : Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs. 20,000/-
- iv) Contribution to Provident Fund, Superannuation fund or Annuity Fund as per the rules of the Company from time to time which will not be included in the computation of the ceiling to the extent these either singly or put together are not taxable under the Income Tax Act.
- v) Gratuity : Benefits in accordance with the rules and regulations in force in the Company from time to time, but shall not exceed half a month's salary for each completed year of service.
- vi) Leave Encashment : Leave Encashment : Encashment of unutilized leave will be as per the Rules and regulations of the Company.
- vii) The Company shall provide a car with a driver and telephone at the residence of Mr. Dilip V. Kothari. Provision of car for use in company's business and telephone at residence will not be considered as perquisites.
- viii) OTHER BENEFITS
 - i) Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time.
 - ii) Such other benefits and amenities as may be provided by the company to other senior officers from time to time.
 - ix) Notwithstanding absence or inadequacy of profits in any financial year during the currency of their tenure of appointment, shall be paid above remuneration as a minimum remuneration.
- 3) **Commission:** Such remuneration by way of commission, in addition to the salary and perquisites and allowances, payable calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors (which includes any committee thereof) in its absolute discretion deem fit, for each Corporate Financial Year, provided that the total remuneration including salary, perquisites and commission shall not exceed the overall ceilings prescribed under Section 197 of the Companies Act, 2013.
- 4) He shall be entitled to all amounts incurred by them in the course of Company's business including entertainment and travel for and on behalf of the Company commensurate with their position.
- 5) Either party shall be entitled to terminate the services by giving not less than three months notice in writing.
- 6) He during the tenure of his employment or at any time thereafter not to divulge or disclose to any person or make use of any confidential information or knowledge obtained by them during his employment as to the business or affairs or methods of or as to any trade secrets or secret information of the Company or of any subsidiary, associate or affiliated Company.
- 7) He shall not be engaged or interested directly or indirectly in any undertaking or business of a nature similar to or competitive to the Company's business or any manner conflicting with the Company's interest.
- 8) The employment of the appointee shall forthwith terminated if he shall be become an insolvent or make any composition or arrangement with his creditors or shall cease to be the Jt. Managing Director.
- 9) So long as he function as the Jt. Managing Director shall not be paid any sitting fees for attending the meeting of the Board or committees thereof.
- 10) Mr. Dilip Kothari will look after the Marketing and Finance part of the company under the control of Managing Director and subject to superintendent, control and direction of the Board, the relevant provisions of the Act, and Memorandum and Articles of Association of the Company.
- 11) He shall devote his whole time and attention to the business of the Company and shall use his best endeavor to promote its interest and welfare.

By order of the Board

Dilip V. Kothari
Joint Managing Director

Mumbai, 14th July, 2014.

Registered Office :
401, Chartered House,
293/299, Dr. C.H. Street,
Mumbai – 400 002.

-: NOTES :-

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 TO BE THE MEMBER OF THE COMPANY.** Proxies, in order to be effective, should be duly completed, stamped and signed and must be deposited at the registered office of the company not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books will remain closed from Tuesday, 19th, August 2014 to Thursday, 21st August 2014 (Both days inclusive).
3. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Shareholders holding shares in physical mode are requested to file a Nomination Form in respect of their shareholdings. Any shareholder wishing to avail of this facility may submit to the Company's Registrar & Share Transfer Agent M/s. Sharex Dynamic (India) Pvt. Ltd. Unit No. 1, Luthra Industrial Premises, Safed Pool, Andheri (E), Mumbai – 400 072 in the prescribed statutory form SH-13. For any assistance, shareholders should get in touch with M/s. Sharex Dynamic (India) Pvt. Ltd.
4. Shareholders are requested to notify immediately any change in their addresses to the Company's Registrar & Share Transfer Agent.
5. Copies of the Annual Report 2014 are being sent by electronic mode only to those members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes. Any member may request for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2014 are being sent by the permitted mode. However such members are requested to register their respective e-mail address with the Company / Depository Participant.
6. Additional information pursuant to Clause 49 of the Listing Agreement with the stock exchanges in respect of the Directors seeking appointment / re-appointment at the AGM is furnished and forms a part of the Notice.
7. **Unclaimed Dividends:** Dividends remaining unclaimed for 7 years from the date of disbursement will be transferred as per section 205 C of the Companies Act, 1956 to the Investors Education and Protection Fund of the Central Govt. (IEPF). As no claim shall lie against either the company or the IEPF after a period of 7 years from the date of disbursement, shareholders who have not yet encashed their dividend warrants are urged to contact the Registered office of the company for revalidation and encash them before the due date for transfer to the IEPF as mentioned below.

Sr. No.	Dividend for F.Y.	Disbursed on	Due Date for Transfer to IEPF
1	2007-2008	18/03/2008	17/03/2015
2	2008-2009	16/03/2009	15/03/2016
3	2009-2010	15/03/2010	14/03/2017
4	2010-2011	16/03/2011	15/03/2018
5	2011-2012	16/03/2012	15/03/2019
6	2012-2013	16/03/2013	15/03/2020

8. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on close of business hours on 18th July 2014 i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 1.00 a.m. on Saturday, 16th August, 2014 and will end at 11.30

p.m. on Saturday, 16th August, 2014. The Company has appointed Mr. Pradeep Sancheti, Practicing Chartered Accountant, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

The instructions for members for voting electronically are as under:-

In case of members receiving email

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “Best Eastern Hotels Ltd.” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department(Applicable for both demat shareholders as well as physical shareholders)• Members who have not updated their PAN with the company / Depository Participant are requested to use the first two letters of their name and last 8 digits of the folio / demat account number in the PAN field.• In case the folio number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut-off date in the dividend bank details field.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant business of Best Eastern Hotels Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins at 1.00 a.m. on Saturday, 16th August, 2014 and will end at 11.30 p.m. on Saturday, 16th August, 2014. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18th July 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

Your Directors recommends all the resolutions.

By order of the Board

Mumbai, 14th July, 2014

Regd. Office :
401,Chartered House,293,
Dr. C.H. Street, Mumbai – 400 002.

Dilip V. Kothari
Joint Managing Director

EXPLANATORY STATEMENT**(Pursuant to section 102 of the Companies Act, 2013)****Item No. 5.**

Dr. R. K. Baxi, was appointed as an Additional Director of the Company at the meeting of the Board of directors held on 03.04.2000. He was subsequently appointed by the members at the Annual General Meeting held on 30.09.2000 in accordance with the erstwhile provisions of Section 257 of the Companies Act, 1956. Pursuant to the coming into force of Section 149 of the Companies Act, 2013 ("the Act") from April 1, 2014 the Company has re-assessed the status of its Directors with a view to determine their qualifying for classification as Independent Directors in terms of Section 149 (6) of the Act. Accordingly, Dr. R. K. Baxi fulfills the criteria laid out in Section 149(6) of the Act in this regard. Section 149 (10) of the Act restrict the tenure of Independent Director to two terms of upto 10 years, with a single term not exceeding 5 years, which shall be effective from April 1, 2014. In compliance with the provision of Section 149 of the Act, it is proposed to appoint Dr. R. K. Baxi as an Independent Director of the Company to hold office for a term upto March 31, 2019.

The Board of Directors are of the view that your company would greatly benefit from the rich and varied experience of Dr. R. K. Baxi and accordingly recommends the Ordinary Resolution set for in item no.5 of the Notice for approval of the Members.

In the opinion of the Board, Dr. R. K. Baxi fulfills the conditions specified in the Act and the Equity Listing Agreement and he is independent of the management.

Save and except Dr. R. K. Baxi, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in anyway concerned or interested in the resolution.

Item No. 6 & 7.

The appointment of Shri Vinaychand Kothari (DIN: 00010974) and Shri Dilip V. Kothari (DIN: 00011043) as Managing Director and Joint Managing Director has been expired on 31st May, 2014. The board of Directors at their meeting held on 30th May, 2014 re-appointed Shri Vinaychand Kothari and Shri Dilip V. Kothari as Managing Director and Joint Managing Director respectively subject to requisite approvals and in accordance with the recommendations of the Remuneration Committee, approved the appointment and remuneration payable to Shri Vinaychand Kothari and Shri Dilip V. Kothari for further period of 5 years w.e.f. 1st June, 2014 on the terms and conditions as set out in the resolution and the same is within the limit prescribed by Schedule XIII of the Act..

Shri Vinaychand Kothari and Shri Dilip V. Kothari having wide and varied business experience in the hotel industry. The Company has made a tremendous progress under their able management and came on a dividend list. The Board is of the opinion that their appointment is in the interest of the Company and the remuneration as proposed is in accordance with market trends and industry standards.

This may also be considered as an abstract of terms of their appointment and remuneration, as contemplated under Section 302 of the Companies Act, 1956. The Company is not entering in to any formal agreement with the appointees.

Shri Vinaychand Kothari, Shri Dilip V. Kothari being relative of each other may be deemed concern or interested in the resolution.

The appointment is subject to approval of the members of the Company by way of Special Resolution and therefore the approval of members is sought.

Your Directors recommends all the resolutions.

INFORMATION ON DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ORTHCOMING ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE 49(IV)(G)(i) OF THE LISTING AGREEMENT)

Name of Director	Mr. Vinaychand Kothari	Mr. Dilip V. Kothari	Mr. Manohar R. Tambat	Dr. Ramnik K. Baxi
Date of Birth	09.07.1948	15.01.1967	28.07.1942	05.10.1952
Date of Original Appointment	31.10.1998	09.03.1999	30.08.2003	03.04.2000
Expertise in specific functional Areas	Overall Management	Overall Management	General Management	General Management
Qualification	Matriculate	B. Com, C.A.	Under Graduate	M.B.B.S
Directorship in other Public Limited Companies	Nil	Nil	Nil	Nil
Membership of Committees in other Public Limited Companies	N. A.	N. A.	N. A.	N. A.
Other Information	<ul style="list-style-type: none"> ● No. of Shares held – 4346970 Equity Shares 	<ul style="list-style-type: none"> ● No. of Shares held – 2190530 Equity Shares 	<ul style="list-style-type: none"> ● Non-executive Independent Director ● No. of Shares held – 2000 Equity shares 	<ul style="list-style-type: none"> • Non-executive Independent Director • No. of Shares held – Nil

By order of the Board

**Dilip V. Kothari
Joint Managing Director**

Mumbai, 14th July, 2014

Regd. Office :
401, Chartered House, 293,
Dr. C.H. Street, Mumbai – 400 002.

DIRECTORS' REPORT

To the Members,

Your Directors hereby present the 71st Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS :

Particulars	Rupees in 000's	
	Year Ended 31.03.2014	Year Ended 31.03.2013
Revenue	47,941	46,144
Profit before Taxation	6,182	7,306
Less : Provision for Tax		
Current Tax	1,950	2,175
Deferred Tax	139	(94)
Excess/(Short) Provision for Tax Earlier Years	183	(112)
Profit after Tax for the year	3,910	5,337
Add : Brought forward profit	9,582	9,357
Profit available for appropriation	13,492	14,694
Transfer To General Reserve	—	500
Dividend : On Preference Shares	1,440	1,440
On Equity Shares	1,685	2,528
Dividend Tax on dividend	507	644
Balance carried over to Balance Sheet	9,860	9,582

Operating Results:

The total revenue of the Company for the year ended 31st March, 2014 was stood at Rs. 479.41 lacs (previous year Rs. 461.44 lacs) and the profit before tax is Rs. 61.82 lacs (previous year Rs. 73.06 lacs). The profit after tax is stood at Rs. 39.10 lacs (previous year Rs. 53.37 lacs).

Dividend on Equity and Preference Shares:

Your Directors recommend dividend of Rs. 0.10/- (10%) per equity share of Re. 1/- each & Rs. 1.20/- (12%) on Preference Shares of Rs. 10/- each for the year ended 31st March, 2014. If approved, the dividend will be paid to the share holders/beneficial holders whose names appear in the Register of Members as on 21st August, 2014. The total amount of dividend outgo will be Rs. 36.32 Lacs including dividend tax (previous year dividend outgo Rs. 46.11 lacs including dividend tax).

Fixed Deposit:

The Company has neither invited nor accepted any deposits from Public within the meaning of Section 58A & 58AA of the Companies Act, 1956.

Directors:

Mr. Manohar R. Tambat retires by rotation and being eligible offers himself for re-appointment.

During the year, the Ministry of Corporate Affairs (MCA) has notified majority of the provisions inter alia provisions relating to selection, manner of appointment, roles, functions, duties, re-appointment of independent directors (IDs) and the relevant rules under the Companies Act, 2013 (the Act 2013) and made them effective 1st April 2014.

The existing composition of the Company's board is fully in conformity with the applicable provisions of the Act 2013 and Clause 49 of the Listing Agreement having the following directors as non-executive IDs, namely Dr. Mr Ramnik Baxi, Mr. Mangal Chheda and Mr. Mahernoz Dangoer,.

In terms of the provisions of Section 149(10) read with Section 149(5) of the Act 2013, IDs are eligible to hold office for a term upto five consecutive years on the board and eligible for re-appointment for the second term on passing special resolutions by the Company. During the period, they will not be liable to 'retire by rotation' as per the provisions of Sections 150(2), 152(2) read with Schedule IV to the Act 2013.

It is, therefore, proposed to appoint them as IDs for a consecutive period of five years at the AGM. Necessary declarations have been obtained from them, as envisaged under the Act 2013.

The board also ensured that their appointments as IDs are in compliance with the requirements under the relevant statutes and that there were appropriate balance of skills, experience and knowledge in the board, so as to enable the board to discharge its functions and duties effectively.

In terms of the provisions of sub-section (6) read with explanation to Section 152 of the Act 2013, two-third of the total number of directors i.e., excluding IDs, are liable to retire by rotation and out of which, one-third is liable to retire by rotation at every annual general meeting.

The brief resume of these directors proposed to be appointed and re-appointed and other relevant information have been furnished in the Notice convening the AGM. Appropriate resolutions for their appointment / re-appointment are being placed for approval of the members at the AGM.

The board, therefore, recommends their appointment / re-appointment as directors of the Company

Directors Responsibility Statement:

Pursuant to sub-section (2AA) of section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that :

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for that period.
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. The Directors had prepared the annual accounts on a going concern basis.

Social Responsibility Statement:

As a social responsible Corporate Citizen, the company continues to support a wide spectrum of community initiative through N.G.O.s / Charitable Institutes as well as programs for health, education and environment. Also your company do carry Medical Camps for the locals of Matheran & around on Regular Basis, including vaccination for school children.

Auditors:

The Company, in terms of section 139 (1) and (2) of the Act 2013 is required to appoint statutory auditors for a term of 5 consecutive years i. e. till the conclusion of sixth annual general meeting and ratify their appointment, during the period, in every annual general meeting by an ordinary resolution.

The period for which any firm has held office as auditor prior to the commencement of the Act, 2013 will be taken into account for calculating the period of five consecutive years, as per the fourth proviso to section 139(2) of the Act 2013 read with Rule 6 (3) of the Companies (Audit and Auditors) Rules, 2014, M/s. Amar Bafna & Associates, Chartered Accountant, Mumbai who were earlier appointed as statutory auditors of the Company at the annual general meeting held on 22.08.2013, are eligible to be appointed for the remaining period of 4 years out of the first term of 5 consecutive years in terms of the Act, 2013.

Company has obtained necessary certificate under Section 141 of the Act, 2013 from the auditor conveying their eligibility for the above appointment.

Auditors Report:

The comments made in Auditors Report read with notes on accounts are self-explanatory and therefore, in the opinion of the Directors, do not call for any further explanation.

Listing:

The Equity Shares of the Company are listed on Bombay Stock Exchange Ltd., Mumbai. It may be noted that there are no payment outstanding to the said Exchange by way of listing fees etc.

Secretarial Compliance Report:

A Secretarial Compliance Report Pursuant to the proviso to sub section (1) of Section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001 as amended are annexed hereto forming part of the Directors' Report.

Particulars of Employees:

The provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended are not applicable to your company since none of the employee employed on a remuneration of Rs. 5,00,000/- p.m. or Rs. 60,00,000/- p. a.

Energy Conservation, Technology Transfer and Foreign Exchange Earnings and Outgo:

The information as required under 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 is furnished hereunder:

- a) **Conservation of Energy:** The Company has always given high priority to energy conservation. Constant efforts have been made to reduce energy consumption on continuous basis. Employee awareness and effective monitoring of uses of energy are being pursued. The Company is also examining the use of alternative source of energy. It had already implemented Hot Water System at the hotel site and converting normal lighting to PL/CFL lighting to save fuel and electricity consumption to the considerable extent.
- b) **Technology Absorption:** The company being in the hospitality industry, its activities do not as such involve any technology absorption or expenditure on research and development. Nonetheless, the Company's endeavors would be to achieve what is best possible in its business.

- c) **Foreign Exchange Earnings & Outgo:** Rs. 1.94 Lacs being realization under credit cards (Previous year Rs. 3.13 Lacs). Outgo Rs. Nil (Previous year Rs. Nil).

Corporate Governance:

Provision of Clause 49 of Listing Agreement in respect of Corporate Governance is not applicable to your Company since the paid up capital of the company is less than Rs. 3 crore.

Acknowledgements:

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from Shareholders, Bankers, Central & State Government, Local Authorities and all other authorities during the year under review. Your Directors also like to thanks to its customers, contractors and suppliers for their continuous support and confidence in its management.

Your Directors would like to appreciate the efforts of the Company's employees for their continued support extended to the company.

For and on behalf of the board,

Mumbai, 14th July, 2014

Vinaychand Kothari
Chairman

NANDLAL BAFNA

B. COM., LL.B., FCS

N. BAFNA & Co.

COMPANY SECRETARIES

C-47, Niranjn, Gandhi Chowk, Next to Reti Bhavan, M. G. Road, Dombivli (West)-421 202

Tel. No. (0251)-2484763 / 2482948 Mobile 9821345670

E-mail: nbbafna@yahoo.co.in/nbbafna@gmail.com

SECRETARIAL COMPLIANCE REPORTCompany No. **11-40199**Authorised Capital Rs. **6,00,00,000/-**

To,
The Members.
M/s. Best Eastern Hotels Ltd.
401, Chartered House,
293/299 Dr. C. H. Street,
MUMBAI -400 002

We have examined the registers, records, books and papers of M/s. **BEST EASTERN HOTELS LTD.** as required to be maintained under the Companies, Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended **31st March 2014** (Financial year). In our opinion and to the best of our information and according to the examination carried out by us and explanation furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being a limited company has the minimum prescribed paid up capital.
4. The Board of Directors duly met 8 times respectively on 29-05-2013, 18-7-2013, 13-08-2013, 24-9-2013, 5-11-2013, 13-11-2013, 13-02-2014 and 24-03-2014 in respect of which meeting proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company has closed its Register of Members and Transfer Register from 20th August 2013 to 22nd August 2013 for the purpose of AGM and kept record date on 18-11-2013 for subdivision of shares during the year and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March 2013 was held on 22-08-2013 after giving due notice to the members of the company and the resolutions passed thereat duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting(s) was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to U/s. 295 of the Act.
9. The Company has not entered into any contracts falling under section 297 of the Act during the relevant period.
10. The Company was not required to make any entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, during the relevant period of this report, the company has not obtained any approvals from the Board of Directors, members or Central Government as the case may be.

12. The Company has not issued any duplicate certificates during the financial year.
13. The Company has:
 - i) Delivered all the certificates on lodgement thereof for transfer in accordance with the provisions of the Act. There was no allotment/ transmission of securities during the financial year.
 - ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - iii) not posted warrants to any member of the Company as no dividend was declared during the financial year
 - iv) Transferred the amounts in unpaid dividend account which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund .
 - v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional director, alternate directors and directors to fill casual vacancy during the financial year.
15. The company has not appointed any Managing Director/Whole Time Director / Manager during the relevant period of this report.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Directors, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares of debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits within the purview of section 58 A during the relevant period of the report.
24. The amount borrowed by the company from directors, members, public, financial institutions, banks and others during the financial year ended 31st March 2014 are within borrowing limits of the company.
25. The company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the name of the company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to object of the company during the year under scrutiny.
29. The Company has altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has altered its articles of association during the financial year.
31. There was/were no prosecution initiated against or show cause notices received by the company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.

33. The company has deposited both employees and employers contribution to provident Fund with prescribed authorities pursuant to section 418 of the Act.

For N. Bafna & Co.
Company Secretaries

Place: Mumbai
Date: 14th July, 2014

(Nandlal B. Bafna)
Proprietor
C. P. No. 1154.

ANNEXURE 'A'

Registers as maintained by the Company

- 1) Register of Members U/s. 150.
- 2) Register of Directors U/s.303.
- 3) Register of Transfer U/s. 108
- 4) Register of Directors' shareholding U/s. 307.
- 5) Register of Contracts U/s. 301.
- 6) Register of Disclosers U/s.299.
- 7) Minute Book of Board Meetings.
- 8) Minute Book of General Meetings.
- 9) Register of Charge u/s. 125
- 10) Directors attendance Register.
- 11) Shareholders attendance Register

ANNEXURE 'B'

Forms and Returns as filed by the company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2014.

1. Secretarial Compliance Report for the year ended 31st March 2013 in Form No. 66
2. Annual Accounts for the financial year ended 31st March 2013 in Form No. 23AC XBRL and 23ACA XBRL filed U/s. 220
3. Annual return made up to 22-8-2013 filed in Form No. 20B U/s. 159
4. Form 1 INV
5. Form 1 INV
6. Form 5INV Deposited unpaid divided to Investor Education & Protection Fund
7. Form 5INV Deposited unpaid divided to Investor Education & Protection Fund
8. Form No. 23B filed by auditors
9. Form No. 23 for alteration of capital clause of MOA & AOA with and additional fee.
10. Form No. 5 for alteration of capital clause with and additional fee.

**M/s Amar Bafna & Associates
(Chartered Accountants)**

INDEPENDENT AUDITORS' REPORT

**To
The Members of
Best Eastern Hotels Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **Best Eastern Hotels Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"), read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the

accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- (2) As required by section 227(3) of the Act, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of the written representations received from the directors as on 31st March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act

For AMAR BAFNA & ASSOCIATES
Chartered Accountants
Firm Reg. No. 114854 W

Amar Bafna
Partner
Membership No. 48639

Mumbai, 30th May, 2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- I.**
- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. We have been informed that the fixed assets have been physically verified by the management during the year and that no material discrepancies were noticed on such verification.
 - c. During the year, the Company has not disposed off any substantial / major part of fixed assets.
- II.**
- a. As explain to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. The procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- III.**
- a. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
 - b. Since the company has not granted any loans to the parties under Section 301 of the act, hence the question of interest and other conditions does not arise.
 - c. Since the Company has not granted any loan hence question of repayment does not arise.
 - d. Since the Company has not granted any loan hence question of overdue amount does not arise.
 - e. The company has taken unsecured loan of Rs. 1,29,36,498/- (year end balance) from six parties, covered in the register maintained under Section 301 of the Act.
 - f. The rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the company.
 - g. The payment of the principal amount and interest are also regular wherever applicable.
- IV.** In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods / services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- V.**
- a. According to information and explanations given to us, we are of the opinion that contracts & arrangements needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements of any entered if any in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- VI.** According to the information and explanations given to us, we are of the opinion that the Company has not accepted any deposits from the public within the meaning of Section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- VII.** In our opinion, the Company does not have formal internal audit system commensurate with the size and nature of its business.

- VIII.** The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the Company's products and activities.
- IX.** According to the information and explanations given to us in respect of statutory and other dues:
- a.** The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Income tax, Sales Tax, MVAT, Luxury Tax, Service Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year.
- b.** According to information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, MVAT, Luxury Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears, as at 31st March 2014 for a period of more than six months from the date they became payable.
- c.** According to information and explanations given to us, there are no dues of Income Tax, Sales Tax, MVAT, Luxury Tax, Service Tax, Custom Duty, Excise Duty, Wealth Tax and Cess which have not been deposited on account of any dispute.
- X.** The Company does not have accumulated losses and has not incurred cash losses during the financial year or in the immediate preceding financial year.
- XI.** In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- XII.** In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII.** In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XIV.** In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XV.** According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- XVI.** Based on our examination of documents and records and according to the information and explanations given to us by the Management, the Company has not taken any term loan during the year.
- XVII.** According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment or vice versa except permanent working capital.
- XVIII.** According to the information and explanations given to us, during the year the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- XIX.** Based on our examination of documents and records and according to the information and explanations given to us by the Management, the Company has not issued any debentures during the year.
- XX.** Based on our examination of documents and records and according to the information and explanations given to us by the Management, the Company has not raised any money by public issue during the year.
- XXI.** According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the period of our audit.

For AMAR BAFNA & ASSOCIATES
Chartered Accountants
Firm Reg. No. 114854 W
Amar Bafna
Partner
Membership No. 48639

Mumbai, 30th May, 2014

	NOTES	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
EQUITY AND LIABILITIES			
SHARE HOLDERS' FUNDS			
Share Capital	2	28,850,000	28,850,000
Reserve & Surplus	3	13,959,849	13,682,357
		42,809,849	42,532,357
NON-CURRENT LIABILITIES			
Long Term Borrowings	4	12,936,498	16,338,699
Deferred Tax Liability (Net)	5	8,025,681	7,886,330
		20,962,179	24,225,029
CURRENT LIABILITIES			
Short Term Borrowings	6	6,108,694	2,938,732
Trade Payables	7	1,319,226	1,280,983
Other Current Liabilities	8	4,435,139	5,495,946
Short Term Provisions	9	5,581,953	2,818,650
		17,445,012	12,534,311
TOTAL		81,217,040	79,291,698
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	10		
Tangible Assets		68,993,229	70,934,839
In-Tangible Assets		138,308	52,146
Capital Work In Progress		4,891,791	—
Non Current Investments		—	—
		74,023,328	70,986,985
CURRENT ASSETS			
Inventories	11	1,242,631	979,681
Trade Receivables	12	809,885	1,532,875
Cash & Bank Balances	13	1,021,148	1,471,734
Short Term Loans & Advances	14	4,120,048	4,320,423
		7,193,712	8,304,713
TOTAL		81,217,040	79,291,698
Significant Accounting Policies	1		
Notes	1 – 20		
As Per Our Report of Even Date		For and on behalf of the Board	
For Amar Bafna & Associates		Vinaychand Kothari	— Chairman & Managing Director
Chartered Accountants		Dilip V. Kothari	— Joint Managing Director
Firm Reg. No. 114854 W		Dr. R. K. Baxi	— Director
Amar Bafna		Mangal S. Chheda	— Director
Partner		Mehernoz C. Dangore	— Director
Membership No. 48639			
Mumbai, 30th May, 2014			

BEST EASTERN HOTELS LIMITED



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

	NOTES	₹	For the year ended	
			31st March, 2014	31st March, 2013
			₹	₹
INCOME				
Revenue from Operations	15		46,353,875	44,962,480
Other Income	16		1,587,241	1,181,248
TOTAL REVENUE			47,941,116	46,143,729
EXPENDITURE				
Cost of Material Consumed	17		8,478,792	6,807,224
Employee Benefit Expenses	18		11,273,181	11,378,788
Finance Cost			1,880,547	1,427,632
Depreciation	10		4,935,977	4,463,932
Other Expenses	19		15,190,443	14,759,704
TOTAL EXPENSES			41,758,940	38,837,280
PROFIT BEFORE TAX			6,182,176	7,306,448
LESS : TAX EXPENSE				
Current Tax		1,950,000		2,175,000
Deferred Tax		139,351		(93,959)
Excess/(Short) Provision for Tax - Earlier Years		183,380	2,272,731	(111,348)
PROFIT FOR THE YEAR			3,909,445	5,336,755
Earning Per Equity Share				
Basic & diluted Earnings Per Share (Rs.)			0.13	0.22

Significant Accounting Policies
Notes 1
1 - 20

As per our Report of Even Date

For and on behalf of the Board

For **Amar Bafna & Associates**
Chartered Accountants
Firm Reg. No. 114854 W

Amar Bafna
Partner
Membership No. 48639

Mumbai, 30th May, 2014

Vinaychand Kothari	—	Chairman & Managing Director
Dilip V. Kothari	—	Joint Managing Director
Dr. R. K. Baxi	—	Director
Mangal S. Chheda	—	Director
Mehernoz C. Dangore	—	Director

NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2014 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE :

NOTE – 1.

I. Significant Accounting Policies :

1) Basis of preparation of financial statements :

The financial statements have been prepared in accordance with the applicable mandatory accounting standards dealt with section 211(3C) of the Companies Act, 1956 and as specified by the Institute of Chartered Accountants of India.

2) Basis of Accounting :

The accounts have been prepared using historical cost convention and on the basis of going concern, with revenue recognized and expenses accounted on accrual basis.

3) Revenue Recognition :

Revenue recognized when there is reasonable certainty of its ultimate realization / collection, Sales and Services are stated at net of taxes.

4) Fixed Assets :

- i) Fixed Assets are stated at cost of acquisition and subsequent improvement thereto inclusive of freight and other incidental expenses related to acquisitions, improvements and installations.
- ii) Depreciation on Fixed Assets is provided on the basis of Straight Line Method as per the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

5) Inventories :

Inventories are valued at cost. Unserviceable / damaged / discarded stocks and shortages are charged to the Profit & Loss Account.

6) Investments :

Investment held by the Company which are long term in nature are stated at cost unless there is any permanent diminution in value.

7) Retirement Benefits :

Retirement benefits are provided in the accounts on accrual basis in the following manner:

- a) The Company makes contribution to provident fund as and when they become due.
- b) Gratuity is accounted for on the basis of actuarial valuation and funded to an approved Gratuity Fund.
- c) Liability of Leave encashment provided in the books is paid in the subsequent years.

8) Contingent Liabilities :

No provision is made for liabilities which are contingent in nature, unless it is probable that future events will confirm that an asset has been impaired or a liability incurred as at the Balance Sheet date and a reasonable estimate of the resulting loss can be made. However, all known and material contingent liabilities are disclosed by way of separate notes.

9) Foreign Currency Transactions :

Foreign currency transactions (realization through credit cards) are recorded on the basis of certificates issued by the concerned banks at the year end.

10) Taxes on Income

Provision for tax for the year comprises current income tax determined to be payable in respect of taxable income as per the provisions of Income Tax Act, 1961 and deferred tax being the tax effect of timing difference representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on account of timing differences are recognized only to the extent there is reasonable certainty of its realization.

11) Borrowing Cost :

Borrowing cost that is attributable to the acquisition / construction of fixed assets is capitalized as part of the cost of the respective assets. Other borrowing costs are recognized as expenses in the year in which they arise.

NOTES FORMING PART OF BALANCE SHEET

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
NOTE - 2		
SHARE CAPITAL :		
AUTHORISED :		
4,80,00,000 Equity Shares of Rs.1/- Each (Previous year 2,40,00,000 Equity Shares of Rs. 2/- each)	48,000,000	48,000,000
12,00,000 12% Non-Cumulative Preference Shares of Rs.10/- Each (Previous year 12,00,000 12% Non-Cumulative Preference Shares of Rs. 10/- each.)	12,000,000	12,000,000
	60,000,000	60,000,000
ISSUED, SUBSCRIBED AND PAID-UP :		
1,68,50,000 Equity shares of Rs.1/= each (Previous year 84,25,000 Equity Shares of Rs. 2/- each) (Out of the above Equity Shares amounting to Rs.4,00,000/- have been issued as Bonus shares & equity shares amounting to Rs.1,50,00,000/- have been issued other than Cash)	16,850,000	16,850,000
12,00,000 12% Non-Cumulative Preference Shares of Rs.10/- each. (Previous year 12,00,000 12% Non-Cumulative Preference Shares of Rs. 10/- each.)	12,000,000	12,000,000
	28,850,000	28,850,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	<u>March 31, 2014.</u>		<u>March 31, 2013.</u>	
	No. of Shares	Rs.	No. of Shares	Rs.
At the beginning of the year (Rs.2/- paid up)	84,25,000	16,850,000	8,425,000	16,850,000
	-	-	-	-
Outstanding at the end of the period (Rs.1/- paid up) (Refer point 'd' hereunder)	16,850,000	16,850,000	8,425,000	16,850,000

b) Details of Equity shareholders holding more than 5% shares in the company

Particulars	<u>March 31, 2014.</u>		<u>March 31, 2013.</u>	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Vinaychand Kothari	4,346,970	25.80%	2,173,485	25.80%
Meena Kothari	4,250,000	25.22%	2,125,000	25.22%
Dilip Kothari	2,190,530	13.00%	1,500,000	17.80%
Neelam Kothari	600,000	3.56%	500,000	5.94%
Vandeep Holding Pvt. Ltd.	1,250,000	7.42%	625,000	7.42%
Vandeep Developers Pvt. Ltd.	-	-	625,000	7.42%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

c) 12% Non-Cumulative Preference Shares of Rs.10/- each to be redeemed on or before 27th June, 2019 but not later than 27th June, 2019.

d) Each equity share of the nominal value of Rs. 2/- each sub-divided into 2 (two) equity shares of Re.1/- each w.e.f. 18/11/2013.

NOTES FORMING PART OF BALANCE SHEET

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
NOTE - 3		
RESERVES AND SURPLUS		
A) General Reserve		
Opening Balance	4,100,000	3,600,000
Add : Transferred from Profit & Loss Account	—	500,000
Closing Balance	4,100,000	4,100,000
B) Surplus in Profit & Loss Account		
Opening Balance	9,582,357	9,356,888
Add: Profit for the year	3,909,445	5,336,755
Less: Dividend on Preference Shares	1,440,000	1,440,000
Dividend on Equity Shares	1,685,000	2,527,636
Tax on Dividend	506,953	643,650
Transfer to General Reserve	—	500,000
Closing Balance	9,859,849	9,582,357
Total Reserve & Surplus (A+B)	13,959,849	13,682,357
NOTE - 4		
LONG TERM BORROWINGS		
UNSECURED :		
From Corporates	3,092,656	2,845,357
From Directors	9,843,842	13,493,342
	12,936,498	16,338,699
NOTE - 5		
DEFERRED TAX LIABILITY (NET)		
Deffered Tax Liability	8,025,681	7,886,330
NOTE - 6		
SHORT TERM BORROWINGS		
SECURED		
Secured Overdraft Limits from Bank	6,108,694	2,938,732
	6,108,694	2,938,732

Secured Overdraft Limit is secured by Equitable Mortgage on property known as "Usha Ascot" at Matheran & further secured by personal guarantee of two directors.

NOTES FORMING PART OF BALANCE SHEET

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
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NOTE - 7

TRADE PAYABLES

Sundry Creditors	1,319,226	1,280,983
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NOTE - 8

OTHER CURRENT LIABILITIES

Other Payables	3,561,478	3,275,288
Advance From Customers	770,364	2,052,786
Unclaimed Dividend	103,297	167,872
	4,435,139	5,495,946

NOTE - 9

SHORT TERM PROVISIONS

Provision For Income Tax	1,950,000	2,175,000
Provision For Dividend on Equity Shares	1,685,000	-
Provision For dividend on Preference Shares	1,440,000	-
Tax on Interim Dividend	506,953	643,650
	5,581,953	2,818,650

NOTE - 10

FIXED ASSETS

Particulars	GROSS BLOCK - AT COST				DEPRECIATION				NET BLOCK	
	As at 01/04/2013	Additions/ Adjustments	Deductions/ Adjustments	As at 31/03/2014	Upto 31/03/2013	For the Year	Deductions/ Adjustments	Upto 31/03/2014	As at 31/03/2014	As at 31/03/2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets										
Land	3,700,000	-	-	3,700,000	-	-	-	-	3,700,000	3,700,000
Buildings	78,796,788	590,587	-	79,387,375	30,399,971	2,636,839	-	33,036,810	46,350,565	48,396,817
Electrical Installation	7,454,380	272,500	-	7,726,880	4,851,689	361,637	-	5,213,326	2,513,554	2,602,691
Plant & Machinery	23,415,390	504,776	-	23,920,166	12,478,349	1,114,367	-	13,592,716	10,327,450	10,937,041
Computer Equipment	1,077,586	93,050	613,889	556,747	871,356	69,088	613,859	326,585	230,162	205,117
Furniture & Fixtures (Hotel)	20,683,990	1,519,896	-	22,203,886	16,085,455	664,032	-	16,749,487	5,454,399	4,598,535
Furniture & Fixtures (Office)	6,163	-	-	6,163	4,878	390	-	5,268	895	1,285
Motor Cars	812,094	-	-	812,094	318,741	77,149	-	395,890	416,204	493,353
In-Tangible Assets										
Software & Licenses	89,188	99,750	-	188,938	38,155	12,475	-	50,630	138,308	52,146
Total Assets	136,035,579	3,080,559	613,889	138,502,249	65,048,594	4,935,977	613,859	69,370,712	69,131,537	70,986,985
Previous Year	126,884,693	10,852,713	1,701,827	136,035,579	60,584,662	4,463,932	-	65,048,594	70,986,985	-

NOTES FORMING PART OF BALANCE SHEET

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
NOTE - 11		
INVENTORIES :		
(At cost)		
Taken as valued & certified by the The Directors of the Company.		
Provisions Stores	981,353	774,687
Miscellaneous Parlour Goods	43,596	36,841
Permit Room Liquors	217,682	168,153
	1,242,631	979,681
 NOTE - 12		
TRADE RECEIVABLES :		
(Unsecured, considered good)		
a) More than Six Months	-	-
b) Others	809,885	1,532,875
	809,885	1,532,875
 NOTE - 13		
CASH AND BANK BALANCES :		
a) Cash on Hand	591,372	1,119,989
b) Balances with Scheduled Banks in :		
Current Accounts	326,479	183,872
Dividend Accounts	103,297	167,872
	1,021,148	1,471,734
 NOTE - 14		
SHORT TERM LOANS & ADVANCES :		
(Unsecured; Considered good)		
Loans & Advances Recoverable in Cash or in Kind		
or for Value to be received	1,738,973	15,61,012
Advance Income Tax	1,672,904	2,216,290
Income Tax Refund Receivable	254,871	187,621
Security Deposits	322,300	294,500
Loan to Employees	131,000	61,000
	4,120,048	4,320,423

NOTES FORMING PART OF PROFIT & LOSS ACCOUNT

	As at 31st March,2014 ₹	As at 31st March,2013 ₹
NOTE - 15		
INCOME :		
REVENUE FROM OPERATIONS		
a) Lodging	31,428,650	29,789,771
b) Boarding	14,696,217	14,660,643
c) Other Services & Charges	229,009	512,067
	46,353,875	44,962,480
 NOTE - 16		
OTHER INCOME :		
a) Interest Income	23,885	50,000
b) Miscellaneous Income	1,371,568	710,535
c) Dividend Income	-	288
d) Debit / Credit Balances Written Off	160,136	116,894
e) Scrap Sale	22,731	-
f) Profit on Sale of Assets	8,920	-
g) Long Term Capital Gain on Shops (Immovable Asset)	-	298,173
h) Long Term Capital Gain on Sale of Investments	-	5,358
	1,587,241	1,181,248
 NOTE - 17		
COST OF MATERIAL CONSUMED		
Food & Beverages Cost		
Opening Stock	979,681	614,762
Add: Purchases	8,741,742	7,172,143
	9,721,423	7,786,905
Less: Closing Stock	1,242,631	979,681
Net Consumption	8,478,792	6,807,224
 NOTE - 18		
Employee Benefit Expenses		
Salary & Wages	5,667,454	5,828,793
Directors' Remuneration	3,510,000	3,250,000
Gratuity	200,000	200,000
Employer's Contribution to Provident Fund	895,976	887,071
Employer's Contribution to Labour Welfare Fund	2,808	3,072
Bonus to Staff	484,218	494,515
Leave Encashment	341,340	317,426
Staff Welfare Expenses	29,892	16,128
Incentives & Exgratia	141,493	381,783
	11,273,181	11,378,788

NOTES FORMING PART OF PROFIT & LOSS ACCOUNT

	For the year ended	
	31st March, 2014	31st March, 2013
	₹	₹
NOTE - 19		
OTHER EXPENSES		
A) Operating Expenses		
Water Charges	746,122	754,190
Power & Fuel Expenses	4,564,742	4,295,269
Repairs to Building	365,210	423,575
Repairs to Plant & Machinery	412,989	551,187
Repairs to Others	529,969	628,679
Commission to Agents & Guides	442,059	435,646
VAT Expenses	695,886	697,624
Linen, Cloth & Uniforms	576,430	590,824
Laundry Operating Expenses	485,785	493,502
Other Operating Expenses	494,679	326,884
	9,313,871	9,197,380
B) General Expenses		
Advertisement Expenses	1,506,307	1,895,199
Insurance Charges	136,742	123,801
Rent, Rates & Taxes	367,529	368,977
Communication Expenses	261,573	227,807
Office Rent	840,000	840,000
Printing & Stationery	123,776	91,012
Legal Expenses	2,950	6,018
Professional Fees	133,000	231,942
Travelling Expenses	108,717	106,814
Conveyance Expenses	260,772	244,725
Motor Car Expenses	157,444	121,534
Filing Fees	10,000	3,000
Listing Fees	252,723	30,336
Share Registrar Expenses	42,264	30,469
Payment to Auditors	125,000	100,000
Profession Tax (Company)	2,500	2,500
Other Administrative & Selling Expenses.	1,545,276	1,138,189
	5,876,572	5,562,324
Total Other Expenses (A+B)	15,190,443	14,759,704

NOTE – 20.

NOTES TO THE ACCOUNTS :

- a) Contingent Liability : In respect of Water Charges Rs. 2,19,644/- payable to Matheran Jivan Pradhikaran.
- b) Capital Commitment : Estimated amount of contracts remaining to be executed on account of capital account is Rs. 20 Lakh approx. (Net of advances).
- c) In the opinion of the management, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the Balance Sheet and provisions for all known liabilities have been made as at the year end.
- d) Balance of Creditors, Debtors, Unsecured Loans and Advances are subject to confirmation and reconciliation thereof, if any.
- e) The Company is not required to give any quantitative and value-wise information in respect of purchase, consumption, turn over, stocks etc. as the same is exempted vide Notification No. S.O. 301 (E) dated 8th February, 2011 issued under Saction 211 (3) of The Companies Act 1956 by the Ministry of Corporate affairs, Govt. of India.
- f) Payment to Auditors :

	Current Year	Previous year
As Statutory Auditors	Rs. 90,000	Rs. 75,000
Tax Audit Fees	Rs. 35,000	Rs. 25,000
Other Services	Rs. 25,000	—
Out of Pocket Expenses	Rs. 18,540	—

- g) Amount payable to the undertakings registered under The Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March, 2014 is NIL (to the extent information available with the Management)..
- h) Earning in Foreign Exchange : Rs. 1.94 Lacs through realization under credit cards (Previous year Rs. 3.13 Lacs) Expenditure in foreign currency: Rs. Nil. (Previous year Rs. Nil)
- i) Remuneration to Managing Director and Joint Managing Director :

	Current Year Rs.	Previous Year Rs.
Remuneration & Other Allowance	35,10,000	32,50,000
Employer's Contribution to Provident Fund	3,88,800	3,60,000
Total	38,98,800	36,10,000

j) **Related Party Disclosure :**

(I) **Relationship :**

- (a) Parties where control exists : Nil
 (b) Other parties with whom the Company has entered into transaction or not during the year – Associates:

Vandeep Holdings Pvt. Ltd.
 Vandeep Developers LLP.
 Vandeep Hotels Pvt. Ltd.
 Matheran Ropeway Pvt. Ltd.

- (c) Key Management Personnel :
 Mr. Vinaychand Kothari (Chairman & Managing Director)
 Mr. Dilip V. Kothari (Joint Managing Director)

- (d) Relatives of Key Management Personnel :
 Mrs. Meena V. Kothari
 Mrs. Neelam D. Kothari
 Mr. Parasmal Kothari
 Mrs. Monica Daga

(II) **Summary of transactions during the year (Rupees in Lakhs) :**

Particulars	Associates	Key Management Personnel	Relatives of Key Management Personnel
Loans Repayment (Net)	0.60 (23.00)	49.36 (—)	— (—)
Loans taken (Net)	— (—)	— (71.50)	— (—)
Interest provided	3.41 (3.79)	14.29 (6.99)	— (—)
Rent	— (—)	8.40 (8.40)	— (—)
Salary & Contribution to Provident Fund	— (—)	— (—)	4.48 (1.68)
Outstanding Balances As on 31st March, 2014			
- Payables	30.93 (28.45)	98.44 (134.93)	0.40 (—)

- Note : (1) Details of remuneration to Managing Director & Joint Managing Director are given in the note 'i' in the notes to Accounts
 (2) Figures in brackets are in respect of Previous Year

k) The Company is exclusively engaged in the business of hoteliering. This, in the context of Accounting Standard 17 on Segment Reporting is considered to continue one single primary segment and accordingly no segment information as required under Accounting Standard 17 is furnished.

l) Earning Per Equity Share :

(In Rs.)

	For the year ended	
	31/03/2014	31/03/2013
Profit after taxation	39,09,445	53,36,755
Less : Dividend on Preference Shares including Tax on Dividend.	16,73,604	16,73,604
Net Profit available for Equity Shareholders	22,35,841	36,63,151
Number of equity shares outstanding	1,68,50,000	1,68,50,000*
Basic Earning per share (face value – Re. 1/- per share)	0.13	0.22

***Each equity share of the nominal value of Rs. 2/- each sub-divided into 2 (two) equity shares of Re.1/- each w.e.f. 18/11/2013.**

m) Previous year's figures have been re-grouped / re-arranged wherever necessary.

Signature to Notes 1 to 20

As per our report of Even Date

For and on behalf of the Board

For AMAR BAFNA & ASSOCIATES
Chartered Accountants
Firm Reg. No. 114854 W

Amar Bafna
Partner
Membership No. 48639

Mumbai, 30th May, 2014

Vinaychand Kothari — Chairman & Managing Director

Dilip V. Kothari — Joint Managing Director

Dr. R. K. Baxi — Director

Mangal S. Chheda — Director

Mehernoz C. Dangore — Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	For the year ended	
	31st March, 2014	31st March, 2013
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before taxation and extraordinary items	6,182,176	7,306,448
Adjustments for :		
Depreciation	4,935,977	4,463,932
Provision for gratuity		
Long term Capital Gain on sale of Fixed Assets	(8,920)	(298,173)
Long term Capital Gain on Sale of Investments	-	(5,358)
Interest	1,880,547	1,427,632
Interest Received	(23,885)	(50,000)
Operating profit before working capital changes	12,965,895	12,844,481
Movements in working capital :		
Decrease / (increase) in sundry debtors	722,990	978,667
Decrease / (increase) in Inventories	(262,950)	(364,919)
Decrease / (increase) in Loans & Advances	(275,761)	332,279
(Decrease) / increase in Current liabilities	2,147,398	(1,041,126)
Cash Generated from Operations	15,297,572	12,749,383
Direct Taxes Paid (net of refunds)	(1,882,246)	(2,111,910)
Net Cash from Operating Activities (a)	13,415,326	10,637,473
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(3,080,559)	(10,432,848)
Capital Work in progress	(4,891,791)	-
Interest Received	23,885	50,000
Sale of Investments	-	30,064
Sale of fixed assets	8,950	2,000,000
Cash from Investing Activities (b)	(7,939,515)	(8,352,784)
C. CASH FROM FINANCING ACTIVITIES :		
Repayment Unsecured Loans	(3,402,201)	4,203,343
Dividend Paid (including corporate dividend tax)	(643,650)	(4,611,286)
Interest Paid	(1,880,547)	(1,427,632)
Net Cash used in Financing Activities (c)	(5,926,398)	(1,835,575)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(450,587)	449,114
Cash & Cash Equivalents at the beginning of the period	1,471,734	1,022,621
Cash & Cash Equivalents at the end of the period	1,021,148	1,471,734

Notes :-

1. Cash flow statement has been prepared following the indirect method
2. Proceeds from Short/Long terms and other borrowing are shown net of repayment
3. Figures in brackets represents outflow.
4. Previous year's figures have been regrouped / reclassified wherever applicable.

As per our Report of Even Date

For **Amar Bafna & Associates**
Chartered Accountants
Firm Reg. No. 114854 W

Amar Bafna
Partner
Membership No. 48639

Mumbai, 30th May, 2014

For and on behalf of the Board

Vinaychand Kothari	—	Chairman & Managing Director
Dilip V. Kothari	—	Joint Managing Director
Dr. R. K. Baxi	—	Director
Mangal S. Chheda	—	Director
Mehernoz C. Dangore	—	Director

BEST EASTERN HOTELS LIMITED



BEST EASTERN HOTELS LIMITED

Regd. Office : 401, Chartered House, 293/299, Dr. C. H. Street, MUMBAI – 400 002.

CIN No: L99999MH1943PLC040199

DP ID*	
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Folio No.	
-----------	--

Client ID*	
------------	--

No. of Share	
--------------	--

Name & Address of Shareholder : _____

I/We hereby record my presence at the 71st Annual General Meeting of the company at 1st Floor, Maheshwari Bhavan, 603, J. S. S. Road, Chira Bazar, Mumbai – 400 002 on Thursday the 21st August, 2014 at 4.30 p.m.

*Applicable for investors holdings shares in electronic form.

Signature of Shareholder / Proxy

BEST EASTERN HOTELS LIMITED

CIN No: L99999MH1943PLC040199

Regd. Office : 401, Chartered House, 293/299, Dr. C. H. Street, MUMBAI – 400 002.

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : _____

Folio No. / Client ID, DP ID : _____

Registered address : _____

E-mail ID : _____

I/We being the member(s) of _____ shares of the above named company hereby appoint:

- Name _____ Address _____
Email Id _____ Signature _____ or failing him;
- Name _____ Address _____
Email Id _____ Signature _____ or failing him;
- Name _____ Address _____
Email Id _____ Signature _____ or failing him;

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 71st Annual General Meeting of the Company to be held on Thursday, August 21, 2014 at 4.30 p.m. at 1st Floor, Maheshwari Bhavan, 603, J. S. S. Road, Chira Bazar, Mumbai – 400 002 and at any adjournment thereof in respect of such resolutions as are indicated

Sr. No.	Resolution	Optional	
		For	Against
1	Adoption of Audited Financial Statements and Reports of the Directors and Auditors thereon for the year ended 31 st March, 2014.		
2	Declaration of Dividend		
3	Re-appointment of Director Mr. Manohar R. Tambat, who retires by rotation and being eligible, offers himself for re-appointment.		
4	Re-appointment of M/s. Amar Bafna & Associates, Chartered Accountants, as the statutory auditors of the company.		
	Special Business		
5	Re-appointment of Director Dr. Ramnik K. Baxi, who retires by rotation and being eligible, offers himself for re-appointment.		
6	Re-appointment of Mr. Vinaychand Kothari as the Managing Director of the company.		
7	Re-appointment of Mr. Dilip Kothari as the Joint Managing Director of the company.		

Signed this day of 2014

Signature of the Member

Signature of the proxy holder(s)

Affix
Re, 1
Revenue
Stamp

Notes :

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- For the resolutions, explanatory statements and Notes, please refer to the Notice of 71st Annual General.
- It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
- Please complete all details including details of member(s) in the above box before submission.

FORM - A

1	<i>Name of the Company</i>	Best Eastern Hotels Ltd.
2	<i>Annual financial statements for the year ended</i>	31 st March, 2014.
3	<i>Type of Audit observation</i>	Nil
4	<i>Frequency of observation</i>	Nil
5	<i>Managing Director</i> <i>Auditor of the company</i> <i>CFO and Audit Committee Chairman</i>	<i>Vinay Chand Kishan</i> <i>[Signature]</i> <i>[Signature]</i>