



BEST EASTERN HOTELS LIMITED

72nd Annual Report 2014-15



BEST EASTERN HOTELS LIMITED

(CIN-L99999MH1943PLC040199)



BOARD OF DIRECTORS

Vinaychand Kothari (DIN-00010974)
Chairman & Managing Director

Dilip V. Kothari (DIN-00011043)
Joint Managing Director

Dr. Ramnik K. Baxi (DIN-00011048)
Mangal S. Chheda (DIN-00010927)
Manohar R. Tambat (DIN-00011062)
Mrs. Neelam D. Kothari (DIN-02312332)
Mehernoz C. Dangore (DIN-00010844)

AUDITORS

M/s. AMAR BAFNA & ASSOCIATES
Chartered Accountants

SECRETARIAL AUDITOR

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

BANKERS

UNION BANK OF INDIA
ICICI BANK LTD.
HDFC BANK LTD.

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 :

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

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-: NOTICE :-

NOTICE is hereby given that the 72nd Annual General Meeting of the members of the Best Eastern Hotels Ltd. will be held on Wednesday, 23rd September 2015 at REVIVAL, 39-B, Chowpatty Seaface, Girgaon Chowpatty, Mumbai – 400 007 at 4.30 p.m. to transact the following businesses:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 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 confirm and ratify the appointment of Auditors of Company 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 (2) and 142(1) of the Companies Act, 2013 the reappointment of the statutory auditors of company M/s Amar Bafna & Associates, Firm Registration No. 114854W Chartered Accountants, be and is hereby ratified by the members of the company for the financial year 2015-2016 at such remuneration as may be determined by the Board of Directors of the Company.

AS SPECIAL BUSINESS

4. 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, Mr. Mangal S. Chheda, Director (DIN 00010927), 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, 2020.

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, Mr. Mehernoz C. Dangore (DIN-00010844), 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, 2020.

6. To consider and if thought fit, to pass with or without modification following resolution as an ordinary resolution.

“RESOLVED THAT Mrs. Neelam D. Kothari (DIN-02312332) who was co-opted on the Board as Woman Director and Additional Director and who hold the office till the date of Annual General Meeting be and is hereby appointed as woman director liable to retire by rotation.”

By order of the Board

Dilip V. Kothari
Joint Managing Director

Mumbai, 14th August, 2015.

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 Friday, 18th, September 2015 to Wednesday, 23rd September 2015 (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 2015 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 2015 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	2008-2009	16/03/2009	15/03/2016
2	2009-2010	15/03/2010	14/03/2017
3	2010-2011	16/03/2011	15/03/2018
4	2011-2012	16/03/2012	15/03/2019
5	2012-2013	16/03/2013	15/03/2020
6	2013-2014	26/08/2014	25/08/2021

8. Voting through electronic means:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 20th September, 2015 (9:00 am) and ends on 22nd September, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Best Eastern Hotels Ltd."
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to psancheti@hotmail.com with a copy marked to evoting@nsdl.co.in
 - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
 - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 16th September, 2015.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 16th September, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or evoting@sharexindia.com

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Mr. Pradeep Sancheti, Chartered Accountant in Practice having Membership No. 074930 has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.ushaascot.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

Your Directors recommends all the resolutions.

By order of the Board

Dilip V. Kothari
Joint Managing Director

Mumbai, 14th August, 2015

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

EXPLANATORY STATEMENT

(Pursuant to section 102 of the Companies Act, 2013)

Item No. 4.

Mr. Mangal S. Chheda, was appointed as an Additional Director of the Company at the meeting of the Board of directors held on 30.10.2000. He was subsequently appointed by the members at the Annual General Meeting held on 28.09.2001. 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, Mr. Mangal S. Chheda 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 Mr. Mangal S. Chheda as an Independent Director of the Company to hold office for a term upto March 31, 2020.

The Board of Directors are of the view that your company would greatly benefit from the rich and varied experience of Mr. Mangal S. Chheda and accordingly recommends the Ordinary Resolution set for in item no.4 of the Notice for approval of the Members.

In the opinion of the Board, Mr. Mangal S. Chheda fulfills the conditions specified in the Act and the Equity Listing Agreement and he is independent of the management.

Save and except Mr. Mangal S. Chheda, 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. 5.

Mr. Mehernoz C. Dangore, was appointed as an Additional Director of the Company at the meeting of the Board of directors held on 01.05.2010. He was subsequently appointed by the members at the Annual General Meeting held on 21.09.2010. 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, Mr. Mehernoz C. Dangore 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 Mr. Mehernoz C. Dangore as an Independent Director of the Company to hold office for a term upto March 31, 2020.

The Board of Directors are of the view that your company would greatly benefit from the rich and varied experience of Mr. Mehernoz C. Dangore 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, Mr. Mehernoz C. Dangore fulfills the conditions specified in the Act and the Equity Listing Agreement and he is independent of the management.

Save and except Mr. Mehernoz C. Dangore, 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.

Mrs. Neelam D. Kothari was co-opted on the Board w.e.f. 20th March, 2015 as woman Director to comply the requirement of provision of Section 149 (1) of Companies Act 2013 who hold the office till the date of Annual General Meeting. Mrs. Neelam D. Kothari, who is arts graduate and is partner in Vandeeep Impex LLP (earlier known as Vandeeep Holdings Pvt. Ltd.) and is having experience of office administrator.

The Company has received a notice from the member together with the Deposit of Rs. 1,00,000/- signifying his intention to propose Mrs. Kothari for the office of woman director.

None of the director except Mr. Vinaychand Kothari, Mr. Dilip Kothari and Mrs. Neelam D. Kothari are not interested or concerned in the resolution.

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

Name of Director	Mr. Mangal S. Chheda	Mr. Mehernoz C. Dangore	Mrs. Neelam D. Kothari
Date of Birth	03.08.1943	02.02.1953	24.09.1971
Date of Original Appointment	30.10.2000	01.05.2010	20.03.2015
Expertise in specific functional Areas	General Management	General Management	General Management
Qualification	Under Graduate	B.Com	B.A.
Directorship in other Public Limited Companies	Nil	Nil	Nil
Membership of Committees in other Public Limited Companies	N. A.	N. A.	N. A.
Other Information	<ul style="list-style-type: none"> ● Non-executive Independent Director ● No. of Shares held – Nil 	<ul style="list-style-type: none"> ● Non-executive Independent Director ● No. of Shares held – 25000 Equity shares 	<ul style="list-style-type: none"> ● Non-executive Woman Director ● No. of Shares held – 6,00,000

Your Directors recommends all the resolutions.

By order of the Board

Mumbai, 14th August, 2015

**Dilip V. Kothari
Joint Managing Director**

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

DIRECTORS' REPORT

To the Members,

Your Directors hereby present the 72nd Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2015.

FINANCIAL RESULTS :

Particulars	Rupees in 000's	
	Year Ended 31.03.2015	Year Ended 31.03.2014
Revenue	48,804	47,941
Profit before Taxation	5,052	6,182
Less : Provision for Tax		
Current Tax	1,720	1,950
Deferred Tax	(450)	139
Excess/(Short) Provision for Tax Earlier Years	(22)	183
Profit after Tax for the year	3,804	3,910
Add : Brought forward profit	9,860	9,582
Profit available for appropriation	13,664	13,492
Transfer To General Reserve	—	—
Dividend : On Preference Shares	1,440	1,440
On Equity Shares	1,685	1,685
Dividend Tax on dividend	625	507
Balance carried over to Balance Sheet	9,914	9,860

Operating Results:

The total revenue of the Company for the year ended 31st March, 2015 was stood at Rs. 488.04 lacs (previous year Rs. 479.41 lacs) and the profit before tax is Rs. 50.52 lacs (previous year Rs. 61.82 lacs). The profit after tax is stood at Rs. 38.04 lacs (previous year Rs. 39.10 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, 2015. If approved, the dividend will be paid to the share holders / beneficial holders whose names appear in the Register of Members as on 21st September, 2015. The total amount of dividend outgo will be Rs. 37.50 Lacs including dividend tax (previous year dividend outgo Rs. 36.32 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:

Mrs. Neelam D. Kothari (DIN-02312332) was co-opted on the Board w.e.f. 20th March, 2015 as woman Director to comply the requirement of provision of Section 149 (1) of Companies Act 2013 who hold the office till the date of Annual

General Meeting. The Company has received a notice from the member together with the Deposit of Rs. 1,00,000/- signifying his intention to propose Mrs. Kothari for the office of woman director.

Mr. Mangal S. Chheda and Mr. Mehernoz C. Dangore who are already on the Board of the Company as Independent Directors are being appointed in the same position for a period 5 (five) years at the forthcoming Annual General Meeting of the Company pursuant to sub-sections (4) and (10) of Section 149 and other applicable provisions, if any, of the Companies Act, 2013. In accordance with sub-section (13) of Section 149, these Independent Directors will not retire by rotation. The Company has received Notices from shareholder(s) proposing the appointment of Mr. Mangal S. Chheda, and Mr. Mehernoz C. Dangore as Independent Directors on the Board for a period of 5 years at the forthcoming Annual General Meeting of the Company. The particulars of Directors are given in the Annexure to the Notice.

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

Directors Responsibility Statement:

Pursuant to sub-section (5) of section 134 of the Companies Act, 2013, the Board of Directors of the company hereby state and confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- ii) they have 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 profits of the Company for that period;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis;
- v) they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Corporate Social Responsibility (CSR):

Your Company's social welfare and community development initiatives focus on the key areas of education, health care. 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. These projects are largely in accordance with Schedule VII of the Companies Act, 2013.

Vigilance Function :

Your Company has developed a structured mechanism of vigilance functions and its focused towards creation of value for all the stakeholders. The practices involve multi-layer checks and balances to improve transparency. Vigilance Awareness and preventive vigilance activities were continuously carried out during the year. Guidelines of central vigilance commission (CVC) are being followed.

Particulars of Loan, Guarantees and Investments under Section 186:

During the year Company has not given any loan, guarantee or made investment covered under Sec 186 of CA, 2013.

Related Party Transactions:

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business. Please refer point 'j' of Note 20 to the Notes to the accounts.

Subsidiaries, Joint Ventures and Associate Companies:

During the year under review, no company has become or ceased to be the Company's subsidiaries, joint ventures or associate companies.

Details Of Significant And Material Orders Passed By The Regulators, Courts And Tribunals:

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

Disclosures Under Sexual Harassment Of Women At Workplace (Prevention, Prohibition & Redressal) Act, 2013:

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review, no case of sexual harassment was reported.

Material Changes And Commitment If Any Affecting The Financial Position Of The Company Occurred Between The End Of The Financial Year To Which This Financial Statements Relate And The Date Of The Report:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report

Meetings:

During the year 7 Board Meetings were held. Meetings were held on 30.05.2014, 14.07.2014, 14.08.2014, 21.08.2014, 14.11.2014, 13.02.2015 and 20.03.2015.

Extract of Annual Return:

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure 1"

Auditors:

M/s Amar Bafna & Associates (Firm Registration No. 114854W) ,Chartered Accountants have been appointed as statutory auditors of the company at the last Annual General Meeting held on 22.08.2014 for a period of Five years subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing Annual General Meeting.

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 Audit Report:

In accordance with Section 204 of the Companies Act, 2013, the Company had appointed M/s. N. Bafna & Co., Company Secretaries as Secretarial Auditors for the financial year ended 31st March, 2015. The Secretarial Auditor's report forms part of the Annual Report.

Particulars of Employees:

Information as per Section 197 of the Companies Act, 2013 (the 'Act') read with the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your company since none of the employees is 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:

Information required to be disclosed pursuant to section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earning & outgo are 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. 3.18 Lacs being realization under credit cards (Previous year Rs. 1.94 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,

Vinaychand Kothari
Chairman

Mumbai, 14th August, 2015

ANNEXURE '1' TO THE DIRECTOR'S REPORT**EXTRACT OF ANNUAL RETURN**

As on financial year ended 31.03.2015

[Pursuant to Section 92(3) of the Companies act, 2013 read with
[The Companies (Management and Administration) Rules, 2014] FORM NO. MGT-9

A. REGISTRATION AND OTHER DETAILS:

CIN:-	L99999MH1943PLC040199
Registration Date:	23.05.1943
Name of the Company:	Best Eastern Hotels Ltd.
Category / Sub-Category of the Company	Public Company - Company having share capital
Address of the Registered office and contact details:	401, Chartered House, 293/299, Dr. C. H. Street, Near Marine Lines Church, Mumbai - 400 002. Tel. 022-2207 82 92
Whether listed company	Listed on BSE Ltd., Mumbai.
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex (Dynamic) India Pvt. Ltd., Unit - 1, Luthra Ind. Premises, Safed Pool, Andheri-Kurla Road, Andheri (E), Mumbai - 400 072. Tel.: 28515606

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service% to total turnover of the company	% to total turnover of the company
a.	Short term accomodation activities	551	66.39%
b.	Restaurants and mobile food service activities	561	32.33%

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr.	Name and address of the company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held
a	N.A.	N.A.	N.A.	N.A.

D. SHARE HOLDING PATTERN

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2014				No. of Shares held at the end of the year 31/03/2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S									
(1). INDIAN									
(a). individual	11387500	–	11387500	67.582	11387500	–	11387500	67.582	–
(b). Central Govt.	–	–	–	–	–	–	–	–	–
(c). State Govt(s).	–	–	–	–	–	–	–	–	–
(d). Bodies Corpp.	1250000	–	1250000	7.418	1250000	–	1250000	7.418	–
(e). FIINS / BANKS.	–	–	–	–	–	–	–	–	–
(f). Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	12637500	–	12637500	75	12637500	–	12637500	75	–
(2). FOREIGN									
(a). Individual NRI / For Ind	–	–	–	–	–	–	–	–	–
(b). Other Individual	–	–	–	–	–	–	–	–	–
(c). Bodies Corporates	–	–	–	–	–	–	–	–	–
(d). Banks / FI	–	–	–	–	–	–	–	–	–
(e). Qualified Foreign Investor	–	–	–	–	–	–	–	–	–
(f). Any Other Specify	–	–	–	–	–	–	–	–	–
Sub-total (A) (2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	12637500	–	12637500	75.000	12637500	–	12637500	75.000	–
(B) (1). PUBLIC SHAREHOLDING									
(a). Mutual Funds	–	–	–	–	–	–	–	–	–
(b). Banks / FI	–	3320	3320	0.02	–	3320	3320	0.02	–
(c). Central Govt.	–	–	–	–	–	–	–	–	–
(d). State Govt.	–	–	–	–	–	–	–	–	–
(e). Venture Capital Funds	–	–	–	–	830	–	830	0.005	0.005
(f). Insurance Companies	–	–	–	–	–	–	–	–	–
(g). FIIs	–	–	–	–	–	–	–	–	–
(h). Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
(i). Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B) (1):-	–	3320	3320	0.02	830	3320	4150	0.025	0.005
2. Non-Institutions									
(a). BODIES CORP.									
(i). Indian	2120396	5670	2126066	12.618	125687	5670	131357	0.78	-11.838
(ii). Overseas	–	–	–	–	–	–	–	–	–
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	1120312	131690	1252002	7.43	3023120	131030	3154150	18.719	11.289
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	746152	–	746152	4.428	914647	–	914647	5.428	1
(c). Other (specify)									
Non Resident Indians	1310	1000	2310	0.014	2196	1000	3196	0.019	0.005
Overseas Corporate Bodies	–	–	–	–	–	–	–	–	–
Foreign Nationals	–	–	–	–	–	–	–	–	–
Clearing Members	82650	–	82650	0.491	5000	–	5000	0.03	-0.461
Sub-total (B)(2):-	4070820	138360	4209180	24.981	4070650	137700	4208350	24.976	-0.005
Total Public Shareholding (B) = (B)(1)+ (B)(2)	4070820	141680	4212500	25.001	4071480	141020	4212500	25.001	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	16708320	141680	16850000	100.00	16708980	141020	16850000	100.00	–

(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2014			Share holding at the end of the Year 31/03/2015			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	VANDEEP HOLDINGS PVT LTD	1250000	7.418	Nil	1250000	7.418	Nil	Nil
2	MEENA V KOTHARI	4250000	25.223	Nil	4250000	25.223	Nil	Nil
3	DILIP V KOTHARI	2190530	13	Nil	2190530	13	Nil	Nil
4	NEELAM D KOTHARI	600000	3.561	Nil	600000	3.561	Nil	Nil
5	VINAYCHAND KOTHARI	4346970	25.798	Nil	4346970	25.798	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SI No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2014			Share holding at the end of the Year 31/03/2015			
		No. of Shares at the beginning (01-04-2014)/ end of the year (31-03-2015)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	N.A.	NIL	NIL		N.A.	N.A.	NIL	NIL

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Name	No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company]
1	KAMAL JAGDISH GUPTA	145002	0.861	01/04/2014				
	-Closing Balance			31/03/2015			145002	0.861
2	NALIN JAGDISH GUPTA	150000	0.89	01/04/2014				
	-Closing Balance			31/03/2015			150000	0.89
3	ANITA RAJESH VASA	100000	0.593	01/04/2014				
	-Closing Balance			31/03/2015			100000	0.593
4	MONICA MAHENDRA DAGA	100000	0.593	01/04/2014				
	-Closing Balance			31/03/2015			100000	0.593
5	NILAY JAIN	85000	0.504	25/04/2014				
				20/06/2014	35000	Transfer	120000	0.712
				09/01/2015	67500	Transfer	187500	1.113
	-Closing Balance			31/03/2015			187500	1.113
6	NISHA JAIN	85000	0.504	25/04/2014				
				20/06/2014	35000	Transfer	120000	0.712
				09/01/2015	45000	Transfer	165000	0.979
	-Closing Balance			31/03/2015			165000	0.979
7	MAHENDRA GOKHARU	145150	0.861	01/04/2014				
				25/07/2014	3000	Transfer	142150	0.844
				24/10/2014	15	Transfer	142135	0.844
				31/10/2014	5	Transfer	142130	0.844
				13/03/2015	15	Transfer	142145	0.844
	-Closing Balance			31/03/2015			142145	0.844
8	SANTOSH AGRAWAL	70000	0.415	10/10/2014				
	-Closing Balance			31/03/2015			70000	0.415
9	RAHUL JAISWAL	50000	0.297	11/07/2014				
				18/07/2014	75000	Transfer	125000	0.742
	-Closing Balance			31/03/2015			125000	0.742
10	NEEL JAIN	87000	0.516	25/04/2014				
	-Closing Balance			31/03/2015			87000	0.516

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year 31/03/2015	
		No. of shares of the company	% of total shares	No. of shares of the company	% of total shares
1	DIRECTORS				
	MANOHAR RAMCHANDRA TAMBAT				
	At the beginning of the year	2000	0.012		
	At the End of the year			2000	0.012
2	MEHERNOZ C. DANGORE				
	At the beginning of the year	25000	0.148		
	At the End of the year			25000	0.148

(vi) INDEBTEDNESS : Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,108,694	12,936,498	–	19,045,192
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	6,108,694	12,936,498	–	19,045,192
Change in Indebtedness during the financial year				
● Addition	–	10,901,114	–	10,901,114
● Reduction	619,503	–	–	6,19,503
Net Change	619,503	10,901,114	–	10,281,611
Indebtedness at the end of the financial year				
i) Principal Amount	5,489,191	23,837,612	–	29,326,803
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not	–	–	–	–
Total (i+ii+iii)	5,489,191	23,837,612	–	29,326,803

(vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Vinaychand Kothari (M.D.)	Dilip V. Kothari (Jt. M. D.)	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,930,000	1,690,000	3,620,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission	–	–	–
	– as % of profit	–	–	–
	– others, specify...	–	–	–
5	Others, please specify	–	–	–
	Total (A)	1,930,000	1,690,000	3,620,000

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors Manager	Total Amount
1.	Independent Directors		Nil
	● Fee for attending board / committee meetings		Nil
	● Commission		Nil
	● Others, please specify		Nil
	Total (1)		Nil
2.	Other Non-Executive Directors		Nil
	● Fee for attending board / committee meetings		Nil
	● Commission		Nil
	● Others, please specify		Nil
	Total (2)		Nil
	Total (B) = (1+2)		Nil
	Total Managerial Remuneration		Nil

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD : Not Applicable.

(viii) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no Penalties / Punishment / Compounding of offences for the financial year ended 31st March, 2015.

Form No. MR-3**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED March 31, 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Best Eastern Hotels Ltd.
Mumbai – 400 002

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Best Eastern Hotels Limited** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2015 (hereinafter referred to as "Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings and rights issue of Compulsorily Convertible Debentures; (Not applicable as the company do not have external commercial borrowings)
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - iii. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the audit period under report:
 - i. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - ii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - iv. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - v. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

3. Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings were not attracted to the Company for the audit period.
4. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given below:
 - i. Other laws specifically applicable to the Company:
 - (a) Food Safety and Standards Act, 2006 and Food Safety and Standards Rules, 2011
 - (b) Food Safety and Standards (Packing & Labelling) Regulations, 2011
 - ii. Laws generally applicable to the Company;
 - i. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
 - ii. Acts prescribed under prevention and control of pollution;
 - iii. Acts prescribed under Environmental protection;
 - iv. Acts as prescribed under Direct Taxes and Indirect Taxes
 - v. Labour Welfare Acts of respective States;
 - vi. The Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013
 - vii. Local laws as applicable to various offices.
 - iii. We have also examined compliance with the applicable clauses of the following:
 - (i) the equity Listing Agreements entered into by the Company with Stock Exchanges viz., BSE Limited
 - (ii) For the audit period, Secretarial Standards issued by the Institute of Company Secretaries of India, were not applicable to the Company, as the same was made applicable w. e. f. 1st July 2015
5. We further report that:
 1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 3. Majority decision of the Board of Directors is carried through and are captured and recorded as part of the minutes. There were no dissenting views.
6. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
7. This report is to be read with my letter of even date which is annexed as Annexure A and form an integral part of the report.

For N. Bafna & Co.
Company Secretaries

Place: Mumbai
Date: 11th August 2015

(Nandlal Bafna)
Proprietor:
FCS 2185 CP 1154

ANNEXURE A TO SECRETARIAL AUDIT REPORT

To,
The Members,
Best Eastern Hotels Limited

Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **Best Eastern Hotels Limited** (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that, the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For N. Bafna & Co.
Company Secretaries

Place: Mumbai
Date: 11th August 2015

(Nandlal Bafna)
Proprietor:
FCS 2185 CP 1154

AMAR BAFNA & ASSOCIATES
CHARTERED ACCOUNTANTS

Address:

201, Apollo Chambers Premises Chs Ltd.
Mogra Village, Old Nagardas Road,
Andheri (E), Mumbai – 400 069.
Phone : 28209370 / 9371

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, 2015, 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 management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 judgement, 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 financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Management and Board of Directors, 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 aforesaid 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, 2015;
- (b) in the case of the Statement of Profit and Loss, of the loss 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (2) As required by section 143 (3) of the Act, we report that :
 - (a) we have sought and 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 applicable Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of sub-section (2) of section 164 of the Act.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014::
 - i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company has no long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Amar Bafna & Associates**
Chartered Accountants
Firm Registration No: 114854W

Amar Bafna
Partner
Membership No. 048639

Place: Mumbai
Date: May 30, 2015

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE BEST EASTERN HOTELS LIMITED, WE REPORT THAT :

Clause	Sub	Particulars
--------	-----	-------------

- | | | |
|-------|-----|---|
| (i) | (a) | The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. |
| | (b) | As explained to us, the inventory has been physically verified during the year by the management and as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable. |
| (ii) | (a) | As explained 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) | | The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company. |
| (iv) | | In our opinion and according to explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regards to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit. |
| (v) | | 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 73 to 76 of The Companies Act, 2013. |
| (vi) | | The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the Company's products and activities. |
| (vii) | (a) | According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable. |
| | (b) | According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, and excise duty which have not been deposited on account of any dispute. |

- (c) According to the information and explanations given to us there were no amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.
- (viii) The Company has does not have accumulated losses and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) 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 during the year.
- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) 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.
- (xii) According to the information and explanations given by the management, we report that no fraud on or by the company was noticed or reported during the year.

For **AMAR BAFNA & ASSOICATES**
Chartered Accountants
Firm Registration No: 114854W

Amar Bafna
Partner
Membership No. 048639

Place: May 30, 2015
Date: Mumbai

BEST EASTERN HOTELS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2015

	NOTES	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
EQUITY AND LIABILITIES			
SHARE HOLDERS' FUNDS			
Share Capital	2	28,850,000	28,850,000
Reserve & Surplus	3	12,784,560	13,959,849
		41,634,560	42,809,849
NON-CURRENT LIABILITIES			
Long Term Borrowings	4	23,837,612	12,936,498
Deferred Tax Liability (Net)	5	7,576,003	8,025,681
		31,413,615	20,962,179
CURRENT LIABILITIES			
Short Term Borrowings	6	5,489,191	6,108,694
Trade Payables	7	2,305,233	1,319,226
Other Current Liabilities	8	5,525,394	4,435,139
Short Term Provisions	9	5,469,816	5,581,953
		18,789,634	17,445,012
TOTAL		91,837,809	81,217,041
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	10		
Tangible Assets		79,516,617	68,993,229
In-Tangible Assets		99,707	138,308
Capital Work In Progress		3,085,582	4,891,791
Non Current Investments		—	—
		82,701,906	74,023,328
CURRENT ASSETS			
Inventories	11	1,412,969	1,242,631
Trade Receivables	12	780,473	809,885
Cash & Bank Balances	13	2,176,485	1,021,148
Short Term Loans & Advances	14	4,765,976	4,120,048
		9,135,903	7,193,712
TOTAL		91,837,809	81,217,040
Significant Accounting Policies	1		
Notes	1 – 20		-

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, 2015

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

Manohar Tambat – Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015

	NOTES	₹	For the year ended	
			31st March, 2015	31st March, 2014
		₹	₹	₹
INCOME				
Revenue from Operations	15		48,473,048	46,353,875
Other Income	16		331,294	1,587,241
TOTAL REVENUE			48,804,342	47,941,116
EXPENDITURE				
Cost of Material Consumed	17		7,325,968	8,478,792
Employee Benefit Expenses	18		12,280,804	11,273,181
Finance Cost			2,294,518	1,880,547
Depreciation	10		6,206,490	4,935,977
Other Expenses	19		15,644,414	15,190,443
TOTAL EXPENSES			43,752,194	41,758,940
PROFIT BEFORE TAX			5,052,148	6,182,176
LESS : TAX EXPENSE				
Current Tax		1,720,000		1,950,000
Deferred Tax		(449,678)		139,351
Excess/(Short) Provision for Tax - Earlier Years		(21,884)	1,248,438	183,380
PROFIT FOR THE YEAR			3,803,710	3,909,445
Earning Per Equity Share				
Basic & diluted Earnings Per Share (Rs.)			0.12	0.13

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**

Chartered Accountants

Firm Reg. No. 114854 W

Amar Bafna

Partner

Membership No. 48639

Mumbai, 30th May, 2015

Vinaychand Kothari – Chairman & Managing Director

Dilip V. Kothari – Joint Managing Director

Dr. R. K. Baxi – Director

Mangal S. Chheda – Director

Manohar Tambat – Director

NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2015 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 :

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.

5) Depreciation:

Depreciation on fixed assets is provided on Straight Line Method, at the rates and in the manner specified in Schedule II to the Companies Act, 2013.

6) Inventories :

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

7) Retirement Benefits :

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

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

8) Provision, Contingent Liabilities and Contingent Assets:

Provision are recognised for when the company has at present, legal or contractual obligation as a result of past events, only if it is probable that an outflow of resources embodying economic outgo or loss will be required and if the amount involved can be measured reliably.

Contingent liabilities being a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more future events not wholly in control of the company are not recognised in the accounts. The nature of such liabilities and an estimate of its financial effect are disclosed in notes to the Financial Statements.

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.

12) Earnings Per Share:

The Company reports basic and diluted earnings per share (EPS) in accordance with the Accounting Standard 20 as specified in the Companies (Accounting Standard) Rules 2006 (as amended). The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. The Diluted EPS has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the year.

13) Cash Flow Statement:**(i) Cash & Cash Equivalents (For the purpose of cash flow statement):**

Cash comprises cash on hand and demand deposit with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(ii) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

NOTES FORMING PART OF BALANCE SHEET

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
NOTE - 2		
SHARE CAPITAL :		
AUTHORISED :		
4,80,00,000 Equity Shares of Rs.1/- Each	48,000,000	48,000,000
(Previous year 4,80,00,000 Equity Shares of Rs. 1/- each)		
12,00,000 12% Non-Cumulative Preference Shares of Rs.10/- Each	12,000,000	12,000,000
(Previous year 12,00,000 12% Non-Cumulative Preference Shares of Rs. 10/- each.)	60,000,000	60,000,000
ISSUED, SUBSCRIBED AND PAID-UP :		
1,68,50,000 Equity shares of Rs.1/= each	16,850,000	16,850,000
(Previous year 1,68,50,000 Equity Shares of Rs. 1/- 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)		
12,00,000 12% Non-Cumulative Preference Shares of Rs.10/- each.	12,000,000	12,000,000
(Previous year 12,00,000 12% Non-Cumulative Preference Shares of Rs. 10/- each.)	28,850,000	28,850,000

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

Particulars	March 31, 2015.		March 31, 2014.	
	No. of Shares	Rs.	No. of Shares	Rs.
At the beginning of the year (Rs.1/- paid up) (refer point 'd')	16,850,000	16,850,000	8,425,000	16,850,000
	-	-	-	-
Outstanding at the end of the period (Rs.1/- paid up)	16,850,000	16,850,000	8,425,000	16,850,000
(Refer Point 'd' hereunder)				

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

Particulars	March 31, 2015.		March 31, 2014.	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Vinaychand Kothari	4,346,970	25.80%	4,346,970	25.80%
Meena Kothari	4,250,000	25.22%	4,250,000	25.22%
Dilip Kothari	2,190,530	13.00%	2,190,530	13.00%
Neelam Kothari	600,000	3.56%	600,000	3.56%
Vandeep Holding Pvt. Ltd.	1,250,000	7.42%	1,250,000	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, 2015 ₹	As at 31st March, 2014 ₹
NOTE - 3		
RESERVES AND SURPLUS		
A) General Reserve		
Opening Balance	4,100,000	4,100,000
Add : Transferred from Profit & Loss Account	(1,229,182)	-
Closing Balance	2,870,818	4,100,000
B) Surplus in Profit & Loss Account		
Opening Balance	9,859,848	9,582,357
Add: Profit for the year	3,803,710	3,909,445
Less: Dividend on Preference Shares	1,440,000	1,440,000
Dividend on Equity Shares	1,685,000	1,685,000
Tax on Dividend	624,816	506,953
Transfer to General Reserve	-	-
Closing Balance	9,913,742	9,859,849
Total Reserve & Surplus (A + B)	12,784,560	13,959,849

NOTE - 4

LONG TERM BORROWINGS

UNSECURED :

From Corporates	3,752,059	3,092,656
From Directors	20,085,553	9,843,842
	23,837,612	12,936,498

NOTE - 5

DEFERRED TAX LIABILITY (NET)

Deferred Tax Liability	7,576,003	8,025,681
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NOTE - 6

SHORT TERM BORROWINGS

SECURED

Secured Overdraft Limits from Bank	5,489,191	6,108,694
	5,489,191	6,108,694

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, 2015 ₹	As at 31st March, 2014 ₹
--	--------------------------------	--------------------------------

NOTE - 7

TRADE PAYABLES

Sundry Creditors

2,305,233

1,319,226

NOTE - 8

OTHER CURRENT LIABILITIES

Other Payables

3,422,352

3,561,478

Advance From Customers

1,995,461

770,364

Unclaimed Dividend

107,581

103,297

5,525,394

4,435,139

NOTE - 9

SHORT TERM PROVISIONS

Provision For Income Tax

1,720,000

1,950,000

Provision For Dividend on Equity Shares

1,685,000

1,685,000

Provision For dividend on Preference Shares

1,440,000

1,440,000

Tax on Interim Dividend

624,816

506,953

5,469,816

5,581,953

NOTE - 10 : FIXED ASSETS

Particulars	GROSS BLOCK - AT COST				DEPRECIATION					NET BLOCK	
	As at 01/04/2014	Additions/ Adjustments	Deductions/ Adjustments	As at 31/03/2015	Upto 31/03/2014	For the Year	Deductions/ Adjustments	Adjusted against Reserve General	Upto 31/03/2015	As at 31/03/2015	As at 31/03/2014
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets											
Land	3,700,000	-	-	3,700,000	-	-	-	-	-	3,700,000	3,700,000
Buildings	79,387,375	10,116,415	-	89,503,790	33,036,810	2,803,992	-	-	35,840,802	53,662,988	46,350,565
Electrical Installation	7,726,880	1,254,461	-	8,981,341	5,213,326	324,098	-	445,239	5,982,663	2,998,678	2,513,554
Plant & Machinery	23,920,166	1,605,148	4,793,424	20,731,890	13,592,716	1,403,543	4,478,788	395,827	10,913,298	9,818,592	10,327,450
Computer Equipment	556,747	13,000	-	569,747	326,585	168,668	-	7,408	502,661	67,086	230,162
Furniture & Fixtures (Hotel)	22,203,886	5,263,738	3,380,668	24,086,956	16,749,487	1,295,698	3,363,001	354,007	15,036,191	9,050,765	5,454,399
Furniture & Fixtures (Office)	6,163	-	-	6,163	5,268	-	-	894	6,162	1	895
Motor Cars	812,094	-	-	812,094	395,890	197,697	-	-	593,587	218,507	416,204
In-Tangible Assets											
Software & Licenses	188,938	-	-	188,938	50,630	12,794	-	25,807	89,231	99,707	138,308
Total Assets	138,502,249	18,252,762	8,174,092	148,580,919	69,370,712	6,206,490	7,841,789	1,229,182	68,964,595	79,616,324	69,131,537
Previous Year	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	-

NOTES FORMING PART OF BALANCE SHEET

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
NOTE - 11		
INVENTORIES :		
(At cost)		
Taken as valued & certified by the The Directors of the Company.		
Provisions Stores	752,110	981,353
Miscellaneous Parlour Goods	48,268	43,596
Permit Room Liquors	191,158	217,682
Goods in Transit	108,933	-
Consumables	312,500	-
	1,412,969	1,242,631
NOTE - 12		
TRADE RECEIVABLES :		
(Unsecured, considered good)		
a) More than Six Months	-	-
b) Others	780,473	809,885
	780,473	809,885
NOTE - 13		
CASH AND BANK BALANCES :		
a) Cash on Hand	923,189	591,372
b) <u>Balances with Scheduled Banks in :</u>		
Current Accounts	1,145,715	326,479
Dividend Accounts	107,581	103,297
	2,176,485	1,021,148
NOTE - 14		
SHORT TERM LOANS & ADVANCES :		
(Unsecured; Considered good)		
Loans & Advances Recoverable in Cash or in Kind or for Value to be received	1,940,186	1,738,973
Advance Income Tax	2,145,919	1,672,904
Income Tax Refund Receivable	292,871	254,871
Security Deposits	314,300	322,300
Loan to Employees	72,700	131,000
	4,765,976	4,120,048

NOTES FORMING PART OF BALANCE SHEET

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
NOTE - 15		
INCOME :		
REVENUE FROM OPERATIONS		
a) Lodging	32,400,391	31,428,650
b) Boarding	15,778,413	14,696,217
c) Other Services & Charges	294,244	229,009
	48,473,048	46,353,875

NOTE - 16

OTHER INCOME :

a) Interest Income	23,377	23,885
b) Miscellaneous Income	8,552	1,371,568
c) Debit / Credit Balances Written Off	299,365	160,136
d) Scrap Sale	-	22,731
e) Profit on Sale of Assets	-	8,920
	331,294	1,587,241

NOTE - 17

COST OF MATERIAL CONSUMED

Food & Beverages Cost		
Opening Stock	1,242,631	979,681
Add: Purchases	7,074,873	8,741,742
	8,317,504	9,721,423
Less: Closing Stock	991,536	1,242,631
Net Consumption	7,325,968	8,478,792

NOTE - 18

Employee Benefit Expenses

Salary & Wages	6,394,781	5,667,454
Directors' Remuneration	3,620,000	3,510,000
Gratuity	300,000	200,000
Employer's Contribution to Provident Fund	983,009	895,976
Employer's Contribution to Labour Welfare Fund	2,976	2,808
Bonus to Staff	605,348	484,218
Leave Encashment	197,373	341,340
Staff Welfare Expenses	36,945	29,892
Incentives & Exgratia	140,372	141,493
	12,280,804	11,273,181

NOTES FORMING PART OF PROFIT & LOSS ACCOUNT

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
NOTE - 19		
OTHER EXPENSES		
A) Operating Expenses		
Water Charges	739,028	746,122
Power & Fuel Expenses	4,300,811	4,564,742
Repairs to Building	365,006	365,210
Repairs to Plant & Machinery	656,370	412,989
Repairs to Others	645,981	529,969
Commission to Agents & Guides	320,884	359,659
VAT Expenses	749,602	695,886
Linen, Cloth & Uniforms	496,962	576,430
Laundry Operating Expenses	483,219	485,785
Other Operating Expenses	297,113	494,679
	9,054,976	9,231,471
B) General Expenses		
Advertisement Expenses	1,834,943	1,506,307
Insurance Charges	133,441	136,742
Rent, Rates & Taxes	397,542	367,529
Communication Expenses	311,464	261,573
Office Rent	840,000	840,000
Printing & Stationery	106,093	123,776
Legal Expenses	7,585	2,950
Professional Fees	117,000	133,000
Travelling Expenses	197,193	108,717
Conveyance Expenses	252,189	260,772
Motor Car Expenses	215,776	157,444
Filing Fees	36,000	10,000
Listing Fees	117,618	252,723
Share Registrar Expenses	27,297	42,264
Payment to Auditors	125,000	125,000
Profession Tax (Company)	2,500	2,500
Other Administrative & Selling Expenses.	1,867,797	1,627,676
	6,589,438	5,958,972
Total Other Expenses (A+B)	15,644,414	15,190,443

NOTE – 20.

NOTES TO THE ACCOUNTS :

- a) Contingent Liability : In respect of Water Charges Rs. 4,00,408/- payable to Matheran Jivan Pradhikaran.
- b) Capital Commitment : Estimated amount of contracts remaining to be executed on account of capital account is Rs. 15 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. 90,000
Tax Audit Fees	Rs. 35,000	Rs. 35,000
Other Services	—	Rs. 25,000
Out of Pocket Expenses	Rs. 15,450	Rs. 18,540

- g) Amount payable to the undertakings registered under The Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March, 2015 is NIL (to the extent information available with the Management)..
- h) Earning in Foreign Exchange : Rs. 3.18 Lacs through realization under credit cards (Previous year Rs. 1.94 Lacs) Expenditure in foreign currency: Rs. 63,573/-. (Previous year Rs. Nil)
- i) Remuneration to Managing Director and Joint Managing Director :

	Current Year ₹	Previous year ₹
Remuneration & Other Allowance	36,20,000	35,10,000
Employer's Contribution to Provident Fund	4,00,800	3,88,800
Total	40,20,800	38,98,800

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 Impex LLP. (Previously known as Vandeep Holdings Pvt. Ltd.)
Vandeep Developers LLP. (Previously known as Vandeep Developers Pvt. Ltd.)
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)	— (49.36)	— (—)
Loans taken (Net)	3.00 (—)	87.16 (—)	— (—)
Interest provided	3.99 (3.41)	16.95 (14.29)	— (—)
Rent	— (—)	8.40 (8.40)	— (—)
Salary & Contribution to Provident Fund	— (—)	— (—)	4.48 (4.48)
Outstanding Balances As on 31st March, 2015			
– Payables	37.52 (30.93)	200.86 (98.44)	0.40 (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	
	31/03/2015	31/03/2014
Profit after taxation	38,03,709	39,09,445
Less : Dividend on Preference Shares including Tax on Dividend.	17,27,915	16,73,604
Net Profit available for Equity Shareholders	20,75,794	22,35,841
Number of equity shares outstanding	1,68,50,000	1,68,50,000
Basic Earning per share (face value – Re. 1/- per share)	0.12	0.13

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

Amar Bafna
Partner
Membership No. 48639

Mumbai, 30th May, 2015

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

Manohar Tambat – Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	For the year ended	
	31st March, 2015	31st March, 2014
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before taxation and extraordinary items	5,052,148	6,182,176
Adjustments for :		
Depreciation	6,206,490	4,935,977
Provision for gratuity	—	—
Long term Capital (Gain) / Loss on sale of Fixed Assets	227,703	(8,920)
Long term Capital Gain on Sale of Investments	—	—
Interest	2,294,518	1,880,547
Interest Received	(23,377)	(23,885)
Operating profit before working capital changes	13,757,482	12,965,895
Movements in working capital :		
Decrease / (increase) in sundry debtors	29,412	722,990
Decrease / (increase) in Inventories	(170,338)	(262,950)
Decrease / (increase) in Loans & Advances	(153,950)	(275,761)
(Decrease) / increase in Current liabilities	1,456,759	2,147,398
Cash Generated from Operations	14,919,365	15,297,572
Direct Taxes Paid (net of refunds)	(2,395,920)	(1,882,246)
Net Cash from Operating Activities (a)	12,523,445	13,415,326
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(13360971)	(3080559)
Capital Work in progress	(3,085,582)	(4,891,791)
Interest Received	23,377	23,885
Sale of Investments	—	—
Sale of fixed assets	104,600	8,950
Cash from Investing Activities (b)	(16,318,576)	(7,939,515)
C. CASH FROM FINANCING ACTIVITIES :		
Repayment Unsecured Loans	10,901,114	(3,402,201)
Dividend Paid (including corporate dividend tax)	(3,656,128)	(643,650)
Interest Paid	(2,294,518)	(1,880,547)
Net Cash used in Financing Activities (c)	4,950,468	(5,926,398)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	1,155,337	(450,587)
Cash & Cash Equivalents at the beginning of the period	1,021,148	1,471,734
Cash & Cash Equivalents at the end of the period	2,176,485	1,021,148

Notes :-

- Cash flow statement has been prepared following the indirect method
- Proceeds from Short/Long terms and other borrowing are shown net of repayment
- Figures in brackets represents outflow.
- 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, 2015

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

Manohar Tambat — Director

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:

1. Name _____ Address _____
Email Id _____ Signature _____ or failing him;
2. Name _____ Address _____
Email Id _____ Signature _____ or failing him;
3. 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 72nd Annual General Meeting of the Company to be held on Wednesday, September 23, 2015 at 4.30 p.m. at REVIVAL, 39-B, Chowpatty Seaface, Girgaon Chowpatty, Mumbai – 400 007 and at any adjournment thereof in respect of such resolutions as are indicated

Sr. No.	Resolution	Optional	
Ordinary Business		For	Against
1	Adoption of Audited Financial Statements and Reports of the Directors and Auditors thereon for the year ended 31 st March, 2015.		
2	Declaration of Dividend		
3	Ratify the appointment of M/s. Amar Bafna & Associates, Chartered Accountants, as the statutory auditors of the company.		
Special Business			
4	Appointment of Mr. Mangal S. Chheda as Independent Director.		
5	Appointment of Mr. Mehernoz C. Dangore as Independent Director.		
6	Appointment of Mrs. Neelam D. Kothari as woman director.		

Signed this day of2015

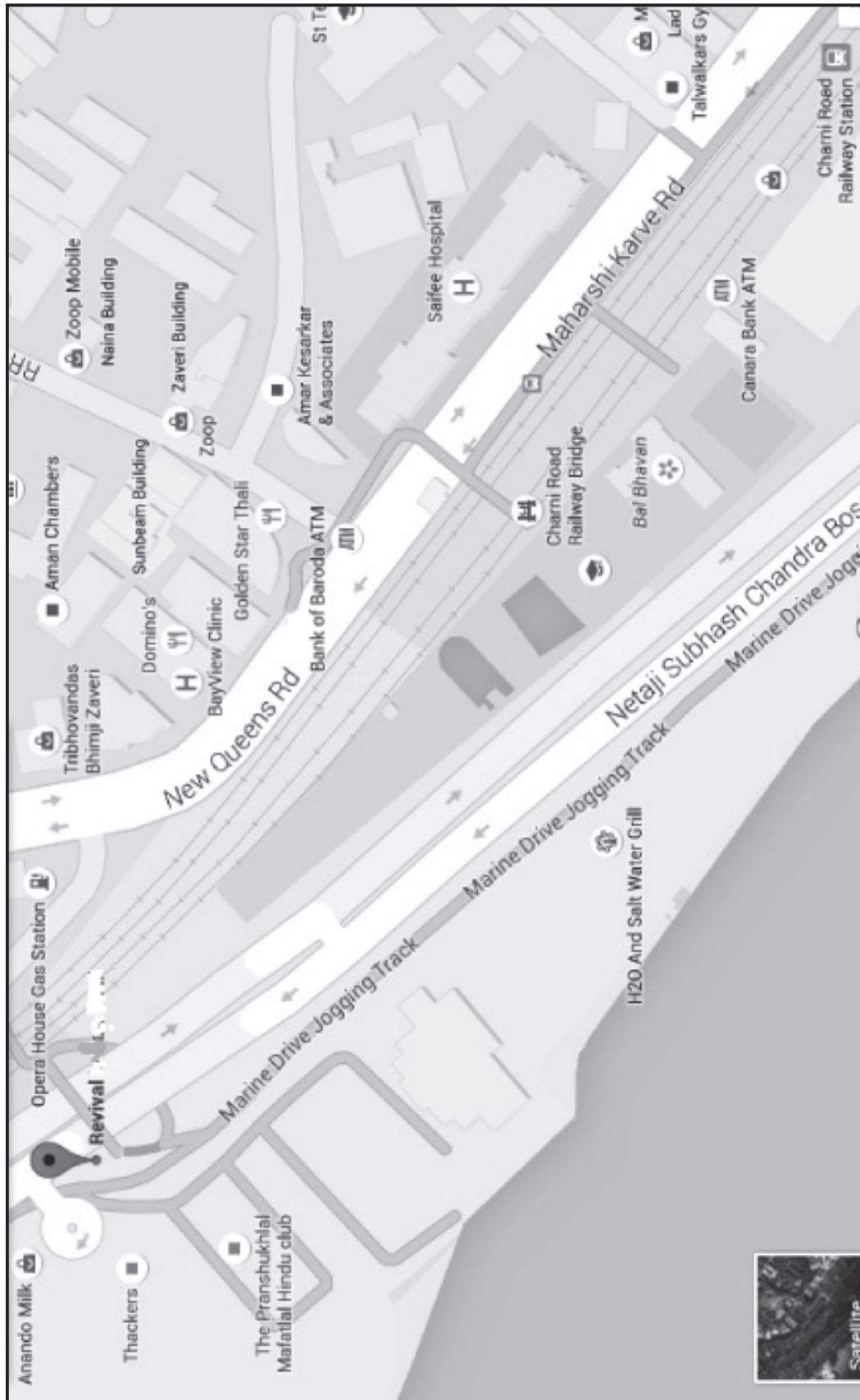
Signature of the Member

Signature of the proxy holder(s)



Affix Re. 1
Revenue
Stamp

Notes :

1. 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.
2. For the resolutions, explanatory statements and Notes, please refer to the Notice of 72nd Annual General.
3. 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.
4. 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, 2015.
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>	<p>For BEST EASTERN HOTELS LTD. <i>Vinaychand Kothari</i> MANAGING DIRECTOR</p> <p></p> <p></p> <p><i>Asst.</i></p> <p><i>[Signature]</i></p>