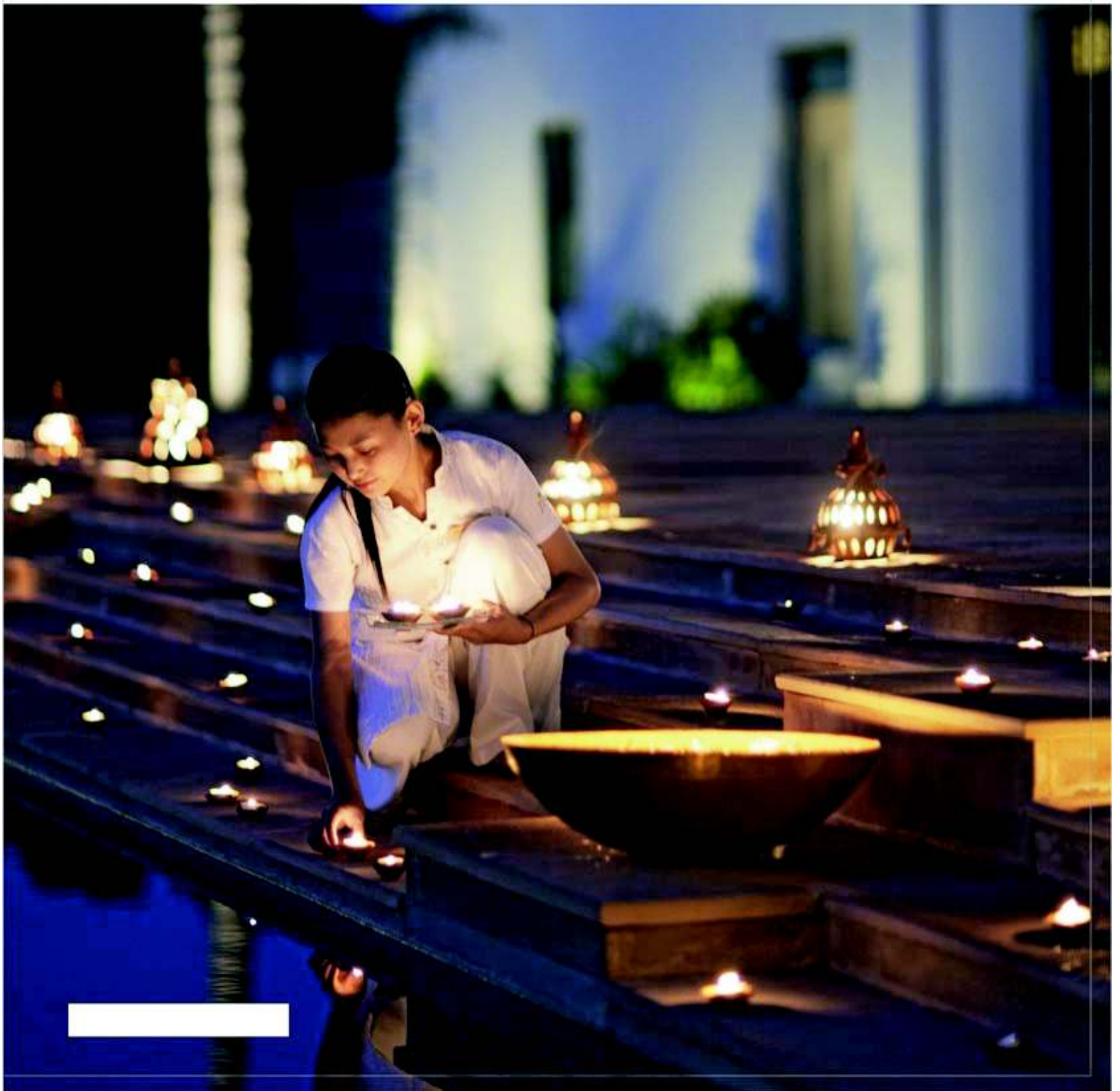


**BENARES HOTELS LIMITED**  
44th ANNUAL REPORT 2014-15





Nadesar Palace, Varanasi

## **Corporate Information**

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### **Board of Directors**

DR. ANANT NARAIN SINGH  
(Chairman)

RAKESH SARNA  
(appointed w.e.f. March 24, 2015)

SHRIRAMAN

RUKMANI DEVI

B. L. PASSI

D. R. KAARTHIKEYAN

ROHIT KHOSLA  
(appointed w.e.f. May 7, 2015)

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### **Company Secretary**

P. K. Bhatia

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### **Auditors**

N. Krishnaswamy and Company  
Chartered Accountants  
71A, Kashi Raj Apartments, Kamachha,  
Varanasi - 221 001

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### **Registered Office**

Nadesar Palace Compound,  
Varanasi - 221 002  
Phone: 0542-6660001  
CIN-L55101UP1971 PLC 003480  
Website: [www.benareshotelslimited.com](http://www.benareshotelslimited.com)

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### **Registrar and Share Transfer Agent**

The Indian Hotels Company Limited  
Mandlik House, Mandlik Road  
Mumbai - 400 001  
Phone: 022-66395515  
Fax: 022-22027442  
Email: [investorrelations@tajhotels.com](mailto:investorrelations@tajhotels.com)

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**BENARES HOTELS LIMITED**  
Forty Fourth Annual Report 2014-15

<b>HIGHLIGHTS</b>	<b>2014-15</b> ₹ Lacs	<b>2013-14</b> ₹ Lacs
<b>Gross Revenue</b>	<b>4824.06</b>	4411.88
<b>Profit Before Tax</b>	<b>1425.78</b>	1375.70
<b>Profit After Tax</b>	<b>922.62</b>	897.99
<b>Dividend</b>	<b>260</b>	260
<b>Retained Earnings</b>	<b>4790.57</b>	4180.88
<b>Funds Employed</b>	<b>6332.84</b>	5500.77
<b>Net Worth</b>	<b>4920.57</b>	4310.88
<b>Debt : Equity Ratio</b>	<b>0:1</b>	0:1
<b>Net Worth Per Equity Share</b> (₹ 10/- each)	<b>₹ 378.51</b>	₹ 331.61
<b>Earnings (EAT) Per Equity Share</b> (₹ 10/- each)	<b>₹ 70.97</b>	₹ 69.08
<b>Profit before Tax Ratio to Turnover</b>	<b>29.54%</b>	31.18%
<b>Dividend Per Equity Share</b> (₹ 10/- each)	<b>₹ 20.00</b>	₹ 20.00
	<b>200%</b>	200%

## Notice to the Members

Notice is hereby given that the Forty Fourth Annual General Meeting of the Members of BENARES HOTELS LIMITED will be held at the Registered Office of the Company at Nadesar Palace Compound, Varanasi 221002, on Friday, 21st August, 2015 at 3.00 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2015 together with the Reports of the Board of Directors and Auditors thereon.

2. To declare a dividend.

3. To appoint a Director in place of Dr. Anant Narain Singh (DIN 00114728), who retires by rotation and is eligible for reappointment.

4. To appoint Auditors of the Company

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s N. Krishnaswamy & Company, Chartered Accountants (Firm Registration Number 001555S), be and is hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of next Annual General Meeting of the Company at a remuneration of Rs. 2.50 lakhs plus service tax and out-of-pocket expenses.”

### SPECIAL BUSINESS

5. **Appointment of Mr. Rakesh Sarna as a Director**

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

**“RESOLVED** that Mr. Rakesh Kumar Sarna (DIN: 01875340), who was appointed an

Additional Director of the Company with effect from March 24, 2015 by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company.”

6. **Appointment of Mr. Rohit Khosla as a Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED** that Mr. Rohit Khosla (DIN: 07163135), who was appointed an Additional Director of the Company with effect from May 7, 2015 by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company.”

7. **Approval of material related party transactions**

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

**“RESOLVED THAT** pursuant to the provisions of Clause 49(VII) of the Equity Listing Agreement and other applicable provisions, if any, of the Equity Listing Agreement and/or the Companies Act, 2013, the approval of the Company be and is hereby accorded to the material related party transactions entered into with The Indian Hotels Co. Ltd., a related party, aggregating to Rs. 723.48 lakhs during the financial year

## BENARES HOTELS LIMITED

### Forty Fourth Annual Report 2014-15

2014-15, as detailed in the Explanatory Statement pertaining to this item as attached to the Notice which, in aggregate exceeded 10% of the annual consolidated gross turnover of the Company in the previous year.

**RESOLVED FURTHER THAT** since the aforesaid material related party transactions with The Indian Hotels Co. Ltd. are apropos the long term contract/arrangement valid till 29th January, 2033, pursuant to the provisions of Clause 49(VII) of the Equity Listing Agreement and other applicable provisions, if any, of the Equity Listing Agreement and/or the Companies Act, 2013, the approval of the Company be and is hereby accorded for entering into such material related party transactions with The Indian Hotels Co. Ltd., a related party, till the financial year ending 31st March, 2033.”

#### NOTES

- (a) The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to Special Business under Item Nos. 5-7 mentioned in the accompanying Notice is annexed hereto .
- (b) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten per cent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder The instrument appointing the proxy should be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies must be supported by appropriate resolution/authority, as applicable.
- (c) Members are requested to intimate to the Company, changes, if any, in their Registered Address along with Pin Code Number. Members whose shareholdings are in demat form are requested to send the intimation for change of address to their respective Depository Participant(s).
- (d) Members are requested to register their email id and the changes therein from time to time with the Company to enable the Company to send notices/documents through email as permitted in law.
- (e) The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 14th August, 2015 to Thursday, 27th August, 2015 (both days inclusive).
- (f) The dividend as recommended by the Directors for the year ended 31st March, 2015, if passed at the meeting, will be made payable on or after Monday, 31st August, 2015, to those members whose names appear on the Register of Members of the Company on Friday, the 14th August, 2015. As regards shares held in electronic form the dividend will be payable to the beneficial owners of shares whose names appear in the statement of beneficial ownership furnished by the Depositories as at the end of business hours on Thursday, 13th August, 2015.
- (g) Members who are holding shares in identical order of names in more than one folio are requested to write to the Company for consolidating their holding in one folio.
- (h) Pursuant to Section 205C of the Companies Act, 1956, all unclaimed/unpaid dividends for a period of 7 years from the date of transfer to the 'Unpaid Dividend Account' are required to be transferred by the Company to the "Investor Education and Protection Fund" (IEPF) established by the Central Government. Accordingly, the unclaimed dividend paid up to the financial year ended 31st March, 2008, shall be transferred by the Company to the said Fund on the due date in 2015. No claim shall lie against the Company or IEPF for the amounts



so transferred prior to March 31, 2015 nor shall any payment be made in respect of such claim.

(i) **National Electronic Clearing Service (NECS):**

To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided National Electronic Clearing Service (NECS) facility to the Members for remittance of dividend. NECS facility is available at locations identified by Reserve Bank of India from time to time. Members holding shares in physical form and desirous of availing this facility are requested to provide their latest bank account details along with their Folio Number, to the Company. Members holding shares in electronic form are requested to provide the details to their respective Depository Participants.

Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

(j) Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

(k) Members holding shares in physical form are requested to advise any change of address and are also requested to submit their specimen signatures duly attested by their Bank immediately to the Company. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant.

(l). Members/Proxies should bring the Attendance slip sent herewith duly filled in for attending the meeting.

(m) Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking appointment/re-appointment at the meeting are annexed to the Notice.

(n) The Notice of the AGM along with the Annual Report of 2014-15 is being sent by electronic mode to those Members whose email addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copy is being sent by permitted mode. To support 'Green Initiative' Members who have not registered their email addresses are requested to register the same with the Company / Depository.

(o) **Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Clause 35B of the Listing Agreement, the Company is pleased to provide its Members facility of remote e-voting (to cast their vote electronically from a place other than the venue of the AGM), through e-voting services provided by Central Depository Services Limited (CDSL) on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

**(A) In case of Members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Image Verification as displayed and click on "Login").



## BENARES HOTELS LIMITED

### Forty Fourth Annual Report 2014-15

- (iv) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth in dd/mm/yyyy format as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).</p>

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) 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.

- (vii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN of Benares Hotels Limited.
- (ix) 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.
- (x) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xi) 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.
- (xii) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xiii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xiv) 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.
- (xv) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) prior to the e-voting.

After receiving the login details a compliance user should be created using the ADMIN login and password. The compliance user would be able to link the account(s) for which they wish to vote on and the list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) prior to the voting and on approval of the accounts they would be able to cast their vote.

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 should be uploaded in the system for the Scrutinizer to verify the same.

- (B) In case of Members receiving the physical copy of the Notice of the Meeting (for Members whose email addresses are not registered with the Company/ Depositories)

Please follow all steps from sl. no. (i) to sl. no. (xv) above to cast vote.

(C) **Other Instructions:**

- (i) The e-voting period begins on August 18, 2015 at 9.00 a.m. IST and ends on August 20, 2015 at 5.00 p.m IST. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. August 14, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he/ she shall not be allowed to change it subsequently or cast the vote again.
- (ii) 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.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (iii) The voting rights of the Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut off date i.e. August 14, 2015. 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, voting through Ballot Form, as well as voting at the AGM.

- (iv) Any person, who acquires shares of the Company and becomes a Member of the Company after despatch of the Notice and holding shares as of the cut-off date, may cast their vote by remote e-voting or Ballot Form or through Poll at the Meeting. However, if you are already registered with CDSL for remote e-voting then you can use existing user ID and password for casting your vote. If you forget your password you can reset your password by using Forgot Password option available on [www.evotingindia.com](http://www.evotingindia.com).
- (v) Mr. Shreepad Korde, Practicing Company Secretary (Membership No. ACS 563) has been appointed as the Scrutinizer by the Board of Directors of the Company to scrutinize the remote e-voting and the voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- (vi) The Scrutinizer shall immediately after the conclusion of the voting period, first count the votes at the meeting, thereafter unblock the votes through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than 3 days of the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman or any person authorised by the Chairman in writing, who shall countersign the same.
- (vii) In order to enable its Members, who do not have the access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this

## **BENARES HOTELS LIMITED**

### **Forty Fourth Annual Report 2014-15**

Notice, may send duly completed Ballot Form in the enclosed self-addressed postage prepaid envelope (enclosed with the Annual Report) directly to the Scrutinizer so as to reach the Scrutinizer, Mr. Shreepad Korde, Practicing Company Secretary, (Membership No. ACS 563), at the Office of Registrar and Share Transfer Agent of the Company not later than August 20, 2015 at 5.00 p.m. IST. The instructions for Ballot Form are given on the reverse of the said Form.

- (viii) The Members who have cast their vote by remote e-voting or by Ballot Form prior to the Meeting may also attend the meeting but shall not be entitled to cast their vote again at the Meeting.
- (ix) Members have the option to request for duplicate physical copy of the Ballot Form by sending an e-mail to investorrelations@tajhotels.com by mentioning their Folio/ DP ID and Client ID. However, the duly completed Ballot Form should reach the Office of Registrar and Share Transfer Agent of the Company not later than August 20, 2015 at 5.00 p.m. IST.
- (x) Ballot Form received after August 20, 2015 at 5.00 p.m IST will be treated as invalid.
- (xi) A Member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid. Facility of voting through Ballot Form shall also be available at the Meeting. Members holding shares as on cut off date i.e. August 14, 2015 and attending the Meeting, who have not already cast their vote by remote e-voting or through Ballot Form shall be able to exercise their right at the Meeting.
- (xii) The Chairman or the person authorised by him in writing shall forthwith on receipt of the consolidated Scrutinizer's Report declare the Results of the voting. The

Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.benareshotelslimited.com](http://www.benareshotelslimited.com) and on the website of CDSL immediately after the results are declared by the Chairman.

- (p) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. August 21, 2015.
- (q) All documents referred to in the accompanying Notice and the Explanatory Statement, if any, shall be open for inspection at the Registered Office of the Company during normal business hours on all working days, except Sundays and public Holidays, up to and including the date of the Annual General Meeting of the Company.

By order of the Board of Directors  
of **BENARES HOTELS LTD.**

**P. K. Bhatia**  
Company Secretary

Place: Mumbai  
Date: 7th May, 2015

## Statement Annexed to notice

### **Pursuant to Section 102 of the Companies Act, 2013**

The following Statement sets out all material facts relating to the business under Item No. 5 to 7 mentioned in the accompanying Notice dated 7th May, 2015.

#### **Item No. 5**

Mr. Rakesh Sarna was appointed as an Additional Director of the Company with effect from 24th March, 2015 by the Board of Directors under Section 161 of the Act and Article 122 of the Articles of Association of the Company and holds office up to the date of the forthcoming Annual General Meeting but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose Mr. Sarna's appointment as a Director. The appointment of Mr. Sarna is proposed to be made in terms of Section 178 of the Companies Act, 2013 on the recommendation of Nomination and Remuneration Committee to the Board

Mr. Sarna is the Managing Director and Chief Executive Officer of The Indian Hotels Company Limited (IHCL), having a rich experience with the Hotel Industry. Mr. Sarna was with Hyatt before joining Taj Group where he was holding many a senior positions during his illustrious career. His vast knowledge and experience would be of immense help to the Board. Mr. Sarna brings over three decades of experience across various leadership roles with Hyatt Hotels Corporation. He is a professional with Diploma in Hospitality Administration from Ottawa.

The Board commends to the Shareholders the appointment of Mr. Sarna as Director on the Board of the Company. Except Mr. Sarna, no other Director, Key Managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

#### **Item No. 6**

Mr. Rohit Khosla was appointed as an Additional Director of the Company with effect from 7th May, 2015 by the Board of Directors under Section 161 of the Act and Article 122 of the Articles of Association of the Company and holds office up to the date of the forthcoming Annual General Meeting but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose Mr. Khosla's appointment as a Director. The appointment of Mr. Khosla is proposed to be made in terms of Section 178 of the Companies Act, 2013 on the recommendation of Nomination and Remuneration Committee to the Board.

Mr. Khosla is the Senior Vice President-Operations, Delhi Region of The Indian Hotels Co. Ltd. having a rich experience with the Taj Group holding many a senior positions including that of the Area Director - Srilanka and General Manager, Taj Samudra, Colombo during his illustrious career. Mr. Khosla holds a Diploma in Hotel Management and the Post Graduate Diploma in Hotel Administration and Management. His vast knowledge and experience would be of immense help to the Board.

The Board commends to the Shareholders the appointment of Mr. Khosla as Director on the Board of the Company. Except Mr. Khosla, no other Director, Key Managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 6 of the Notice.

#### **Item No. 7**

The Indian Hotels Co. Ltd.,(IHCL) renders consultancy and advisory services to the Company pursuant to the Consultancy & Advisory Services Agreement valid till 29th January, 2033 and is paid the compensation by way of a fee and reimbursement of expenses including that of salaries of the staff deputed by IHCL to the Company for rendering such services. IHCL, being the ultimate Holding Company of the Company, is a related

## BENARES HOTELS LIMITED

### Forty Fourth Annual Report 2014-15

party in terms of the provisions of Section 188 of the Companies Act, 2013. The aforesaid transactions carried out by the Company with IHCL are at arm's length and in the ordinary course of business and are duly approved by the Audit Committee and the Board as required under the provisions of the Companies Act, 2013. However, Clause 49 (VII) of the equity listing agreement as revised by Securities and Exchange Board of India (SEBI) Circular CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and effective from 1st October, 2014, as further amended vide SEBI circular CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014 prescribes that all material related party transactions with the related party in the previous financial year which exceeded 10% of the annual consolidated turnover of the Company during the previous financial year shall require prior approval of the Audit Committee and all material transactions

with related party shall require approval of the Shareholders of the Company through special resolution and the related parties shall abstain from voting on such resolutions. The "Material Transaction" has been defined to mean any transaction to be entered either individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company. The transactions with IHCL under the aforesaid contract/arrangement during financial year 2014-15 amounted to Rs. 723.84 Lacs which exceeded 10% of the annual consolidated turnover of the Company during 2013-14 at Rs. 4411.88 Lacs. It is, therefore, proposed to obtain the approval of the shareholders by way of a special resolution in terms of the provisions of Clause 49 (VII) of the equity listing agreement. The particulars of the transactions are as under:

a. Name of the related party:	The Indian Hotels Company Limited
b. Name of the Director or Key Managerial personnel who is related, if any:	Refer last paragraph
c. Nature of relationship:	The Indian Hotels Company Limited is the ultimate Holding Company.
d. Nature of contract:	Consultancy & Advisory Services Agreement valid till 29th January, 2033
e. Material Terms and Particulars of the contract:	Rendering of consultancy & advisory services to the Company by operating the units of the Company against operating fee, reimbursement of expenses including reimbursement of deputed staff salaries
f. Any other information relevant or important for the members to make a decision on the proposed transaction	IHCL has been rendering the consultancy and advising services to hotels of the Company since inception under the umbrella of Taj Group which has immensely benefited the Company.

Since the transactions with IHCL are pursuant to a continuing agreement/arrangement valid till 29th January, 2033, the value of transactions with IHCL is likely to exceed 10% of the annual gross turnover of the Company every year. It is therefore proposed to seek shareholders approval by this resolution for such transactions till the validity of the agreement/arrangement with IHCL in terms of Clause 49(VII) of the equity listing agreement.

The Directors commend the special resolution for your approval. None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested,

financially or otherwise, in the said resolution, except to the extent that Mr. Rakesh Sarna, Director is the Managing Director and CEO of IHCL; Mr. Rohit Khosla, Director, represents IHCL on the Board of the Company being its employee; Mr. Ahmar Siddiqui and Mr. P. K. Bhatia, Key Managerial Personnel are deputed to the Company from IHCL.

By order of the Board of Directors  
of **BENARES HOTELS LTD.**

Place: Mumbai

Date: 7th May, 2015

**P. K. Bhatia**  
**Company Secretary**

**BENARES HOTELS LIMITED**  
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**Profile of Directors**  
(Seeking Appointment / Re-appointment)

Name of Director	Dr. Anant Narain Singh	Mr. Rakesh Sarna	Mr. Rohit Khosla
Date of Birth	August 26, 1960	March 29, 1957	November 4, 1966
Date of Appointment	January 31, 2001	March 24, 2015	May 7, 2015
Expertise in specific functional area	Agriculture	Hoteliering	Hoteliering
Qualifications	B.Com (Hons.) in Company Law	Diploma in Hospitality Administration from Ottawa.	- Post Graduate Diploma in Hotel Administration & Management - Diploma in Hotel Management
Details of shares held in the Company	24000	NIL	NIL
List of Companies in which outside Directorships held as on 31.03.2015 (excluding private & foreign companies)	Vibhuti Glass . Works Ltd	- The Indian Hotels Company limited - Oriental Hotels Limited - Roots Corporation Limited - Taj Sats Air Catering Limited - Taj GVK Hotels and Resorts Limited - Piem Hotels Limited	-
Chairman/Member of the Committees of other Companies on which he is a Director as on 31.03.2015	Audit Committee None	Audit Committee - The Indian Hotels Company Limited - Oriental Hotels Limited	Audit Committee None
	Stakeholders & Relationship Committee None	Stakeholders Relationship Committee None	Stakeholders Relationship Committee None



## BOARD'S REPORT TO THE MEMBERS

The Directors hereby present the Forty Fourth Annual Report of the Company together with the Financial Statement (Audited Statements of Account) for the year ended 31st March, 2015.

### OPERATING AND FINANCIAL RESULTS

	(₹ Lacs)	(₹ Lacs)
	<u>2014-15</u>	<u>2013-14</u>
Income .....	4824.06	4411.88
Gross Profit for the year .....	1693.01	1565.98
Less: Depreciation .....	267.23	190.28
Less: Interest .....	—	—
Profit before tax .....	1425.78	1375.70
Less: Provision for tax:		
- Current Tax .....	445.84	459.89
- Deferred Tax .....	57.77	11.33
- Earlier years Taxes .....	(0.45)	6.49
Net Profit .....	922.62	897.99
Add: Balance brought forward from previous year .....	2012.80	1519.00
Balance available for appropriations .....	2935.42	2416.99

### APPROPRIATIONS :

(a) A dividend @ 200 % i.e. Rs.20/- per equity share (previous year 200% i.e. Rs. 20/- per equity share) on 13,00,000 Equity Shares, which, if approved by the Shareholders at the Annual General Meeting, to be held on Friday, 21st August, 2015, will be paid out of the provision for dividend .....	260.00	260.00
(b) Tax on Dividend .....	52.93	44.19
(c) Amount transferred to General Reserve .....	—	100.00
(d) Balance carried forward .....	2622.49	2012.80

### OPERATIONS

The Company has improved its performance during the year registering 9% growth in revenue. While Room revenue was 11% higher than previous year, the Food and Beverage revenue was higher by 7% over previous year.

During the year under report, The Gateway Hotel, Balaghat Road, Gondia, Maharashtra comprising 34 rooms and related facilities has been made operational. The directors hope that the hotel will be well received in the market.

Owing to the opening of new hotel at Gondia, the Depreciation for the year was higher at Rs. 267.23 Lacs as compared to Rs. 190.28 Lacs in the previous year. The Profit before taxes for the year at Rs. 1425.78 Lacs was 4% higher than the previous year.

### DIVIDEND

Your Directors recommend the payment of dividend @200% (previous year dividend @ 200%) per equity share involving distribution of Rs. 260.00 lacs.

# **BENARES HOTELS LIMITED**

## **Forty Fourth Annual Report 2014-15**

### **PARTICULARS OF EMPLOYEES**

The Company had no employees during the year who were in receipt of remuneration aggregating to:

- (a) Not less than Rs. 60.00 lacs for the year, if employed throughout the financial year, or
- (b) Not less than Rs. 5.00 lacs per month, if employed for part of the financial year.

### **DIRECTORS**

During the year under report, Mr. Raymond N. Bickson resigned from the directorship of the Company with effect from 1st September, 2014. Mr. Prabhat Verma resigned from the directorship of the Company w.e.f. 29th April, 2015. The Directors place on record their appreciation of the services rendered by Mr. Bickson and Mr. Verma during their tenure as Director of the Company.

Mr. Rakesh Sarna and Mr. Rohit Khosla were appointed as Additional Directors by the Board of Directors at its meeting held on 24th March, 2015 and 7th May, 2015 respectively on the recommendation of the Nomination & Remuneration Committee. In terms of Section 161 of the Companies Act, 2013 and Article 122 of the Articles of Association of the Company, Mr. Sarna and Mr. Khosla hold office up to the date of the Annual General Meeting of the Company. It is proposed to appoint Mr. Sarna and Mr. Khosla as Director(s) of the Company at the ensuing Annual General Meeting. The Board of Directors commends their appointment. Except Mr. Sarna and Mr. Khosla, no other Director is interested in this item.

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Dr. Anant Narain Singh, Director of the Company is liable to retire by rotation and being eligible seeks reappointment.

### **KEY MANAGERIAL PERSONNEL**

During the year under report, in terms of Section 203 of Companies Act, 2013, your Company has appointed Mr. Ahmar Siddiqui as the Chief Executive Officer (CEO), Mr. Ravi Sharma as the Chief Financial Officer (CFO) and formalized the appointment of Mr. Prakash Bhatia, who already was the Company Secretary of the Company, as the Key Managerial Personnel of the Company.

### **INFORMATION PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The information pursuant to Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure I.

### **SUBSIDIARY COMPANIES**

The Company does not have any subsidiary company.

### **HOLDING COMPANY**

The Indian Hotels Company Limited (IHCL) is the Ultimate Holding Company of the Company.

### **NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR**

The Company had convened 5 (five) Board Meetings during the financial year under report.

### **AUDIT COMMITTEE AND VIGIL MECHANISM**

In terms of Section 177 of the Companies Act, 2013, your Company has an Audit Committee with Mr. B.L. Passi, Mr. Shriraman, and Mrs. Rukmani Devi as its members.

Your Company has adopted the policy on vigil mechanism/Whistleblower policy in the Meeting of the Board of Directors held on 17th July, 2014 providing mechanism for employees of the Company to report their grievances to the Audit Committee with adequate protection against victimization to those who express their concerns.

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

In terms of Section 135 of the Companies Act, 2013 (the Act), your Directors have constituted the Corporate Social Responsibility Committee (CSR Committee) of the Board with Dr. Anant Narain Singh, Mr. D.R. Kaarthikeyan and Mr. Rohit Khosla as the members of the Committee. The terms of reference of the CSR Committee include the matters specified in Section 135 of the Act read with rules thereunder. Your Company has adopted the Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the

Company and the monitoring thereof as recommended by the CSR Committee. The details as required under Section 135 of the Companies Act, 2013 read with rule 8 of (Corporate Social Responsibility Policy) Rules, 2014, are given in Annexure 2 to this Report.

#### **NOMINATION AND REMUNERATION COMMITTEE**

In terms of Section 178(1) of the Companies Act, 2013 (the Act), the Company has a Nomination and Remuneration Committee (NRC) of the Board with Dr. Anant Narain Singh, Mrs. Rukmani Devi and Mr. Shriraman as the members of the Committee. The Committee met twice during the year on 17th, July, 2014 and 24th March, 2015.

In terms of the requirement of section 178(3) and Clause 49 of the Listing Agreement, NRC formulated and recommended to the Board a policy relating to the remuneration for the directors, KMPs and other employees which was adopted by the Board. The key features of the said policy are:

- Overall remuneration (sitting fees and Commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company;
- Overall remuneration practices should be consistent with recognized best practices
- Within the parameters prescribed under the law, the payment of sitting fees and commission will be recommended by NRC and approved by the Board.
- The aggregate commission payable to the Directors will be recommended by NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- The quantum of commission for each director shall be recommended by NRC to the Board based upon the outcome of the evaluation process drive by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by the Directors other than in meetings.

#### **INTERNAL COMPLAINTS COMMITTEE**

The Company has an 'Internal Complaints Committee' under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the prevention and redressal of complaints of sexual harassment and for the matters concerned, connected or incidental thereto.

The Company has not received any complaint on sexual harassment during the financial year 2014-15.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

In terms of Section 149(7) of the Companies Act, 2013 (the Act), the Independent Directors have given a declaration that they meet the criteria of independence as per Section 149(6) of the Act.

#### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

In addition to the Corporate Governance Guidelines discussed and adopted by the Board which, inter alia, included the role, rights and responsibilities of independent directors, a familiarization programme for independent directors was conducted during the year under report per details on the website of the Company [www.benareshotelslimited.com](http://www.benareshotelslimited.com).

#### **LOANS, GUARANTEES AND INVESTMENTS MADE UNDER SECTION 186**

During the year under report, the Company has placed a sum of Rs. 7.00 crores as short term Inter Corporate Deposits with bodies corporate within the limits prescribed under Section 186 of the Companies Act, 2013.

#### **SECRETARIAL AUDIT REPORT**

In terms of Section 204(1) of the Companies Act, 2013, M/s A K Bhayana & Associates, Company Secretaries, were appointed by the Company as the Secretarial Auditor. The secretarial audit report as obtained from them is attached to this Report as Annexure 3. The report is self explanatory and does not call for any comments.

#### **ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules 2014 is furnished in Annexure 4 to this Report.

# BENARES HOTELS LIMITED

## Forty Fourth Annual Report 2014-15

### CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year under report were at arm's length basis and in the ordinary course of business.

The Company has developed a Related Party Transactions Framework under the Policy on Related Party Transactions, which policy is also available at Company's website [www.benareshotelslimited.com](http://www.benareshotelslimited.com), for the purpose of identification and monitoring of such transactions. Prior omnibus approval of the Board is obtained for transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all the related party transactions is placed before the Audit Committee for its approval on a quarterly basis.

### CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Auditors' Certificate regarding compliance of conditions of Corporate Governance, forms part of the Annual Report.

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's Operations.

### RISK MANAGEMENT POLICY

Pursuant to Clause 49 of the Listing Agreement, the Company has formulated a Risk Management Policy. The Company has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

Existing control measures are evaluated against Critical Success Factors (CSFs) and Key Performance Indicators (KPIs) identified for those specific controls. Guiding principles to determine the risk consequence (impact), probability of occurrence (likelihood factor) and mitigation plan effectiveness have been set out in Risk Register.

The key business risks identified by the Company and its mitigation plans are as under:

**Strategy Risks:** Risk of erosion of market dominance by losing market share, which originates from the choices we make on markets, resources and delivery models that can potentially impact our competitive advantage in the medium and long term. Loss of F&B attractiveness on account of pricing / design / competition.

**Industry and Economic Risks:** High dependence on US, Europe and East Asian markets for foreign tourists arrival. The economic situation in these parts of the world has a potential impact on the entire tourism industry. Risks arising from the development in the regulatory environment that could impact the Hotel/Tourism Industry. Risks due to geographic concentration of business, primarily in the city of Varanasi.

**Operational Risks:** High dependence on several technology platforms & systems to operate business - both Internal & External. Cost overruns/ delays in completion of projects. Loss of critical / sensitive data due to leakage / loss / hacking. Increase in fixed cost elements beyond entity control. Highly litigious nature of the industry / adverse consequences of litigation against company. Non-renewal of key licenses and NOCs.

**Safety and Security Risks:** Risks arising from factors such as Fire, Accidents, Electricity mishaps, etc. Business interruption on account of natural calamities / act of God / riots & strikes / political instability and terrorism.

**Resources:** Risks arising from sub-optimal succession planning and retention of talent pool. Inappropriate utilization of financial capital, talent and infrastructure.

### KEY RISK MANAGEMENT PRACTICES

Risk Identification and Impact Assessment: Risk assessment enables risks to be appropriately rated and

graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures and included in the risk register. Apart from risk register, internal audit findings also provide input for risk identification and assessment, which is carried out on an annual basis across all functions.

Operational risks are assessed primarily on three dimensions, namely strength of underlying controls, compliance to policies and business procedure effectiveness.

**Risk reporting and Disclosure:** Risks to the achievement of key business objectives, trend line of risk level, impact and mitigation actions are reported and discussed. The escalation of risk information is timely, accurate and gives complete coverage of the key risks to support management decision making at all levels.

**Risk Mitigation and Monitoring:** Each Manager creates a risk mitigation plan by employing an effective system of internal controls & checks and balances to mitigate the risks in the most effective manner, including designating responsibilities and providing for upward and onward communication of any significant issues that may merit attention or escalation. All employees actively engage in risk management within their own areas of responsibility.

**Integration with Strategy and Business Planning:** Identified risks to the business objectives in the near term, medium term and long term are used as one of the key inputs for the development of strategy and annual business plan. Key strategic initiatives are identified to mitigate specific risk.

## **AUDITORS**

At the Annual General Meeting the Members will be required to appoint the Auditors for the current year and fix their remuneration.

## **CONSERVATION OF ENERGY**

The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this end. The Company has implemented following energy conservation initiatives at the hotel:

- Installation of LED lights in lobby, public areas and corridors in place of CFL lights.
- Replacing Existing split AC's with energy efficient inverter AC's at Nadesar Palace.
- Replacing oil based hot water generation with heat pump that also generates useful chilled water concurrently and reduces heat loss.
- Converting primary and secondary pumping system into single variable primary system resulting in savings in electricity consumption.
- Improving power factor and reducing line losses by installing suitable capacitors.

## **TECHNOLOGY ABSORPTION**

The activities of the Company do not involve the absorption of technology as envisaged to be furnished pursuant to The Companies (Accounts) Rules, 2014.

## **FOREIGN EXCHANGE EARNINGS AND OUTGO**

In terms of the provisions of Section 134(3)(f)(m) of the Companies Act, 2013, read with Rule 8(3)(C) of The Companies (Accounts) Rules, 2014, the Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows is furnished in Notes on Accounts (Refer Note 28 and 29 in Notes to Financial Statements).

## **DIRECTORS EVALUATION**

The Board of Directors has made the annual evaluation of its own performance and that of its committees and individual directors based on the review conducted by the Nomination & Remuneration Committee by assessing the questionnaires furnished by the directors/members of various committees in respect of their self assessment as well as the assessment of the Board/Committees following by the discussions with the directors/members of the Committees.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organisation. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

## **BENARES HOTELS LIMITED**

### **Forty Fourth Annual Report 2014-15**

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(3)(C) & 134(5) of the Companies Act, 2013, the Board of Directors, based on the representations received from the Operating Management, hereby confirms that.

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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 as at March 31, 2015 and of the profit of the Company for that period;
- c) The Directors had taken proper and sufficient care for the 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 fraud and other irregularities;

- d) The Directors had prepared the annual accounts on a going concern basis;
- e) The Directors had laid down internal financial controls to be followed by Company and that such internal financial controls are adequate and were operating effectively; and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **ACKNOWLEDGEMENTS**

The Board desires to place on record its appreciation of the services rendered by the employees of the Company during the year under review.

On behalf of the Board of Directors

**Dr. Anant Narain Singh**  
**Chairman**

Place : Mumbai  
Date : 7th May, 2015

## Annexure 1

### The information pursuant to Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Particulars of Disclosures																															
The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the year 2014-15.	<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 5%;">1.</td><td style="width: 85%;">Dr. A. N. Singh</td><td style="width: 10%; text-align: right;">4.5:1</td></tr> <tr><td>2.</td><td>Mr. Rakesh Sarna</td><td style="text-align: right;">N.A.</td></tr> <tr><td>3.</td><td>Mr. Shriraman</td><td style="text-align: right;">3.0:1</td></tr> <tr><td>4.</td><td>Mrs. Rukmani Devi</td><td style="text-align: right;">3.0:1</td></tr> <tr><td>5.</td><td>Mr. B. L. Passi</td><td style="text-align: right;">3.5:1</td></tr> <tr><td>6.</td><td>Mr. D. R. Kaarthikeyan</td><td style="text-align: right;">1.3:1</td></tr> <tr><td>7.</td><td>Mr. Prabhat Verma (resigned w.e.f 29-4-2015)</td><td style="text-align: right;">2.3:1</td></tr> <tr><td>8.</td><td>Mr. Rohit Khosla</td><td style="text-align: right;">N.A.</td></tr> </table>	1.	Dr. A. N. Singh	4.5:1	2.	Mr. Rakesh Sarna	N.A.	3.	Mr. Shriraman	3.0:1	4.	Mrs. Rukmani Devi	3.0:1	5.	Mr. B. L. Passi	3.5:1	6.	Mr. D. R. Kaarthikeyan	1.3:1	7.	Mr. Prabhat Verma (resigned w.e.f 29-4-2015)	2.3:1	8.	Mr. Rohit Khosla	N.A.						
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8.	Mr. Rohit Khosla	N.A.																													
<p>The percentage increase in remuneration of each Director*, Chief Financial Officer etc. in the financial year</p> <p>* Directors are entitled to get Commission on the net profit of the Company and the sitting fee for attending the Board Meetings.</p>	<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 5%;">1.</td><td style="width: 85%;">Dr. A. N. Singh</td><td style="width: 10%; text-align: right;">70.5%</td></tr> <tr><td>2.</td><td>Mr. Rakesh Sarna</td><td style="text-align: right;">N.A.</td></tr> <tr><td>3.</td><td>Mr. Shriraman</td><td style="text-align: right;">36.5%</td></tr> <tr><td>4.</td><td>Mrs. Rukmani Devi</td><td style="text-align: right;">23.8%</td></tr> <tr><td>5.</td><td>Mr. B. L. Passi</td><td style="text-align: right;">16.0%</td></tr> <tr><td>6.</td><td>Mr. D. R. Kaarthikeyan</td><td style="text-align: right;">14.9%</td></tr> <tr><td>7.</td><td>Mr. Prabhat Verma</td><td style="text-align: right;">N.A.</td></tr> <tr><td>8.</td><td>Mr. Ahmar Siddiqui (CEO)</td><td style="text-align: right;">14.5%</td></tr> <tr><td>9.</td><td>Mr. Ravi Sharma (CFO)</td><td style="text-align: right;">13.1%</td></tr> <tr><td>10.</td><td>Mr. P K Bhatia (CS)</td><td style="text-align: right;">N.A.</td></tr> </table>	1.	Dr. A. N. Singh	70.5%	2.	Mr. Rakesh Sarna	N.A.	3.	Mr. Shriraman	36.5%	4.	Mrs. Rukmani Devi	23.8%	5.	Mr. B. L. Passi	16.0%	6.	Mr. D. R. Kaarthikeyan	14.9%	7.	Mr. Prabhat Verma	N.A.	8.	Mr. Ahmar Siddiqui (CEO)	14.5%	9.	Mr. Ravi Sharma (CFO)	13.1%	10.	Mr. P K Bhatia (CS)	N.A.
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The percentage increase in the median remuneration of employees in the financial year	6.6%																														
The number of permanent employees on the rolls of company for the year 2014-15	125																														
The explanation on the relationship between average increase in remuneration and company performance	While during the year, the PBT increased by 3.6% from Rs. 1375.70 Lacs in the previous year to Rs. 1425.78 Lacs, the average employee remuneration increased by 8.9%.																														
Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the company	The remuneration paid to the KMP during the year amounts to 3.02% of the PBT.																														



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<p>Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year</p>	<p>A. Market Capitalization and P/E Ratio As at 31.3.2014- Rs. 77.25 Crs. As at 31.3.2015- Rs. 164.97 Crs.</p> <p>P/E Ratio As at 31.3.2014- 8.6 As at 31.3.2015- 17.88</p> <p>B. Percentage increase in market quotation in the shares in comparison to the rate at which the company came out with the last public offer :- 12590%. The last public offer was in May 1987 by way of an at par rights issue.</p>						
<p>Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration</p>	<p>Average percentile increase in the remuneration of KMP is 14.0% while the average percentile increase in the salaries of employees other than KMP is 8.1%</p>						
<p>Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company</p>	<p>As against the increase in PBT by 3.6% the remuneration of KMP increased as follows:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">CEO-</td> <td style="text-align: right;">14.5%</td> </tr> <tr> <td>CFO-</td> <td style="text-align: right;">13.1%</td> </tr> <tr> <td>Company Secretary-</td> <td style="text-align: right;">N.A.</td> </tr> </table>	CEO-	14.5%	CFO-	13.1%	Company Secretary-	N.A.
CEO-	14.5%						
CFO-	13.1%						
Company Secretary-	N.A.						
<p>The key parameters for any variable component of remuneration availed by the directors</p>	<p>The remuneration to directors comprises the sitting fees for attending the Board meetings and the commission on net profit of the Company. Attendance at the meetings, contribution at the meeting and the contribution other than in meetings are the key parameters for deciding the commission payable to directors.</p>						
<p>The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year</p>	<p>Not applicable as the Company has only non-executive directors whose remuneration comprises only the sitting fee and the commission on net profit equivalent to a maximum of 3% of the net profit in aggregate for all the directors.</p>						

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

Place : Mumbai  
Date : 7th May, 2015

**Dr. Anant Narain Singh**  
Chairman

## Annexure 2

### Annual Report on Corporate Social Responsibility Activities

#### [Pursuant to (Companies Corporate Social Responsibility Policy) Rules, 2014]

1. A brief outline of the Policy

The CSR theme of the Company is “Building Livelihoods” and improving the quality of the life of the communities we serve through long term stakeholder value creation. The CSR activities were designed to:

- Serve and be seen to serve society and community and create significant and sustained impact in their lives
- Provide opportunities for Tata employees to contribute to these efforts through volunteering.

The programmes/projects were undertaken in line and as specified in Schedule VII of the Act.

The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of Directors is available on the Company’s website [www.benareshotelslimited.com](http://www.benareshotelslimited.com).

2. Composition of the CSR Committee

- i) Chairman: Dr. Anant Narain Singh
- ii) Member: Mr. D.R. Kaarthikeyan
- iii) Member: Mr. Rohit Khosla

3. Average Net Profit of the Company for the last three Financial Years : Rs. 1182.62 lacs

4. Prescribed CSR Expenditure : Rs. 23.65 lacs

5. Details of CSR spent during the Financial Year 2014-15: Rs. 38.66 lacs

A) Manner in which the amount spent during the year is detailed below:-

S.No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programmes	Amount Outlay (budget) project or programme wise	Amount spent on the projects or programmes	Cumulative expenditure upto 31st March, 2015	Amount spent: Direct or through implementing agency
1.	Employment opportunity to the candidates in hospitality through training in the Skills Certification Centre	Employability	Benares	Rs. 25 Lacs (Capital Cost) Rs. 4.50 Lacs (Operating Cost)	Rs. 26.32 Lacs (Capital Cost) Rs. 1.68 Lacs (Operating Cost)	Rs. 26.32 Lacs (Capital Cost) Rs. 1.68 Lacs (Operating Cost)	Direct
2.	Health check-up and medicine distribution to underprivileged at the ghats of Varanasi	Health & Awareness	Benares	–	Rs. 0.19 Lacs	Rs. 0.19 Lacs	Direct

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	Constructing Basic Toilet cum Bath facility in the village Sarai Mohana, Varanasi in underprivileged weavers' houses, and promoting basic hygiene standards in their life		Benares	Rs. 8.00 Lacs	Rs. 8.16 Lacs	Rs. 8.16 Lacs	Direct
3.	Adoption of Munshi Ghat and maintaining the same as Model Ghat for Varanasi setting an example of cleanliness and hygiene	Environment	Benares	Rs. 2.28 Lacs	Rs. 2.31 Lacs	Rs 2.31 Lacs	Direct
	<b>Total</b>					<b>38.66 lacs</b>	

6. The CSR Committee Responsibility Statement.

The activities of the Company are in compliance with the CSR objectives and CSR policy of the Company

On behalf of the Board of Directors

**Shriraman**  
**Director**  
**(DIN: 00114913)**

**Dr. Anant Narain Singh**  
**Chairman, CSR Committee**  
**(DIN: 00114728)**

Place : Mumbai  
Date : 7th May, 2015

## Annexure 3

### Secretarial Audit Report

#### The Members

#### Benares Hotels Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BENARES 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 audit period covering the financial year ended on 31st March, 2015 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there-under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. 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;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. And other applicable laws like Factories Act, 1948, The Payment of Gratuity Act, 1972 and other Labour laws.
- vii. And all other laws applicable to Hospitality and Hotel industry and in particular Food and Beverages, the list of which was provided by the Company.
- viii. And all direct tax and indirect tax laws including excise, customs and service tax.

## **BENARES HOTELS LIMITED**

### **Forty Fourth Annual Report 2014-15**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Though SS1 and SS2 are applicable from 1st July 2015)
- (ii) The Listing Agreements entered into by the Company with respective Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, and nothing significant has come to our knowledge which impacts the Company's operations materially.

We further report that:

The Company has placed short term inter corporate deposits with bodies corporate within the limits prescribed under section 186 of the Companies Act, 2013.

The Company has formulated Policy on Related Party Transactions and the Policy is available on the Company's website. The Company has related party transactions (RPT) under section 188 of the Companies Act, 2013, which are done at Arm's Length Pricing arrived at on the basis of report submitted by an independent agency.

The Company has complied with section 135 of the Companies Act, 2013 read with schedule VII, by constituting a CSR committee and undertaking activities as given in CSR policy. The CSR systems and process of evaluation is in place.

The Company has complied with section 203 of the Companies Act, 2013, by appointing Key Managerial Persons.

The meeting of the Independent Directors under section 149 read with schedule IV of the Companies Act, 2013 was duly held on 24th March, 2015.

The Board of Directors of the Company is duly constituted with proper balance of, 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.

Adequate notice, along with agenda and detailed notes on agenda is given to all the directors for the Board Meetings 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.

Majority decision is carried through and recorded as part of the minutes.

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.

**A K Bhayana & Associates**

Company Secretaries

**Anil Kumar Bhayana**

Prop.

Membership No. FCS1585

CP 624

Date: 7th May, 2015

Place: New Delhi

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**Annexure - A**

**The Members  
Benares Hotels Limited**

**Our report of even date is to be read along with this letter.**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. We have obtained the Management Representation about the compliance of laws, rules and regulations and other applicable laws.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
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.

**A K Bhayana & Associates**  
Company Secretaries

**Anil Kumar Bhayana**  
Prop.  
Membership No. FCS1585  
CP 624

Date: 7th May, 2015  
Place: New Delhi

**BENARES HOTELS LIMITED**  
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**Annexure 4**

**Form No. MGT - 9**

**Extract of Annual Return**

(As on the financial year ended on 31/03/2015)

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN:-	L55101UP1971PLC003480
ii)	Registration Date	03/11/1971
iii)	Name of the Company	Benares Hotels Limited
iv)	Category / Sub-Category of the Company:	Company Limited by Shares/Indian Non Government Company
v)	Address of the Registered office and contact details	Nadesar Palace Compound, Varanasi 221 002 Phone: 0542 6660001
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	The Indian Hotels Co. Ltd. Registrar & Share Transfer Agent Unit: Benares Hotels Limited Mandlik House, Mandlik Road, Mumbai 400 001. E-mail id: investorrelations@tajhotels.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Hoteliering	55101	100%



II. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	The Indian Hotels Company Limited	L74999MH 1902PLC0 00183	Ultimate Holding	53.70 (together with its subsidiaries)	2(87)(ii)

II. IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	60250	22550	82800	6.37	60250	22550	82800	6.37	No change
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	729138		729138	56.09	729138		729138	56.09	No change
e) Banks/FI									
f) Any Other..									
<b>Sub-total (A) (1):-</b>	<b>789388</b>	<b>22550</b>	<b>811938</b>	<b>62.46</b>	<b>789388</b>	<b>22550</b>	<b>811938</b>	<b>62.46</b>	No change
(2) Foreign									
a) NRIs-Individuals									
b) Other-Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
<b>Sub-total (A) (2):-</b>	<b>789388</b>	<b>22550</b>	<b>811938</b>	<b>62.46</b>	<b>789388</b>	<b>22550</b>	<b>811938</b>	<b>62.46</b>	No change
<b>Total shareholding of Promoter (A) = (A)(1)+(A) (2)</b>									
B. Public Shareholding									
I. Institutions									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	<b>0.00</b>		<b>0.00</b>		<b>0.00</b>		<b>0.00</b>		

**BENARES HOTELS LIMITED**  
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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions									
a) Bodies Corp.	26796	815	27611	2.12	27938	815	28753	2.21	0.09
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	244084	90382	334466	25.72	254933	86727	341660	26.29	0.57
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	63852	20000	83852	6.45	61852	20000	81852	6.29	0.16
c) Others									
- Trust	100		100	0.00	100		100	-	
- Directors & their Relatives	7448	9040	16488	1.26	798	9000	9798	0.76	0.50
- Non-resident Indians	1980		1980	0.16	2120	-	2120	0.16	No Change
- Clearing members	529		529	0.04	107		107	-	
- HUF	23076		23076	1.78	23672		23672	1.82	1.78
<b>Sub-total (B)(2):-</b>									
Total Public									
Shareholding (B) = (B)(1) + (B)(2)	367865	120197	488062	37.54	371520	11654	488062	37.54	No change
C. Shares held by Custodian for GDRs & ADRs	-			-					
Grand Total (A+B+C)	1157253	142747	1300000	100.00	1160908	139092	1300000	100	

## (ii) Shareholding of Promoters

S. No.	Shareholders Name	Shareholding at the beginning of the year			Share holding at the end of the year			% 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	TIFCO Holdings Limited	350825	26.99	–	350825	26.99	–	–
2	The Indian Hotels Company Limited	293000	22.54	–	293000	22.54	–	–
3	Piem Hotels Limited	54063	4.16	–	54063	4.16	–	–
4	All India Kashiraj Trust	30000	2.31	–	30000	2.31	–	–
5	Imlak Varanasi Developments Private Limited	1050	0.80	–	1050	0.80	–	–
6	Northern India Hotels Limited	150	0.01	–	150	0.01	–	–
7	Oriental Hotels Limited	50	–	–	50	–	–	–
8	Anant Narain Singh	24000	1.85	–	24000	1.85	–	–
9	M.K. Krishna Priya	17550	1.35	–	17550	1.35	–	–
10	M K Vishnupriya	13000	1.00	–	13000	1.00	–	–
11	Maharaj Kumari Hari Priya	12450	0.96	–	12450	0.96	–	–
12	Anamika Kunwar	5700	0.44	–	5700	0.44	–	–
13	Maharaj Kumari Har Priya	5100	0.39	–	5100	0.39	–	–
14	Maharaj Kumari Vishnupriya	5000	0.38	–	5000	0.38	–	–
	Total	812018	62.46		812018	62.46		

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment/ transfer/bonus/sweat equity etc):	<del>NO CHANGE</del>			
	At the End of the year				

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Raghubirsingh R Gohil</b>				
	At the beginning of the year	23802	1.83	23802	1.83
	At the end of the year	23802	1.83	23802	1.83
<b>2</b>	<b>Brij Raj Singh of Kishangarh</b>				
	At the beginning of the year	20000	1.54	20000	1.54
	At the end of the year	20000	1.54	20000	1.54
<b>3</b>	<b>Vinodchandra Mansukhlal Parekh</b>				
	At the beginning of the year	19252	1.48	19252	1.48
	At the end of the year	19252	1.48	19252	1.48
<b>4</b>	<b>Arjun Ramani</b>				
	At the beginning of the year	18798	1.45	18798	1.45
	At the end of the year	18798	1.45	18798	1.45
<b>5</b>	<b>Arjun Dhunichand Ramani</b>				
	At the beginning of the year	11391	0.88	11391	0.88
	At the end of the year	11391	0.88	11391	0.88
<b>6</b>	<b>Muktilal Ganulal Paldiwal</b>				
	At the beginning of the year	7602	0.55	7602	0.55
	At the end of the year	7602	0.55	7602	0.55
<b>7</b>	<b>Jitendra Mansukhlal Parekh</b>				
	At the beginning of the year	7141	0.55	7141	0.55
	At the end of the year	7141	0.55	7141	0.55
<b>8</b>	<b>Sharda Ramani</b>				
	At the beginning of the year	6700	0.52	6700	0.52
	At the end of the year	6700	0.52	6700	0.52
<b>9</b>	<b>Dinesh Muktilal Paldiwal</b>				
	At the beginning of the year	6502	0.50	6502	0.50
	At the end of the year	6502	0.50	6502	0.50
<b>10</b>	<b>Munira M Pancha</b>				
	At the beginning of the year	6375	0.49	6375	0.49
	At the end of the year	6375	0.49	6375	0.49

## (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dr. Anant Narain Singh (Chairman)				
	At the beginning of the year	24000	1.85	24000	1.85
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	No change		No change	
	At the End of the year	24000	1.85	24000	1.85
2.	Mr. Shriraman (Director)				
	At the beginning of the year	4500	0.35	4500	0.35
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	No change		No change	
	At the End of the year	4500	0.35	4500	0.35
3.	Mrs. Rukmani Devi (Director)				
	At the beginning of the year	798	0.06	798	0.06
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	No change		No change	
	At the End of the year	798	0.06	798	0.06

## BENARES HOTELS LIMITED

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#### V. INDEBTEDNESS

The Company had no indebtedness with respect to secured or unsecured loans or deposits during the financial year 2014-15.

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. The Company is a Board managed Company and does not have any Managing Director, Whole-time Directors and / or Manager.

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors	Mr. D.R. Kaarthikeyan	Mr. Shriraman	Mr. B.L. Passi	Mrs. Rukmani Devi	
	Fee for attending Board meetings	25,000	20,000	20,000	25,000	90,000
	Commission @ (for 2013-14)	295700	709700	828800	709300	2543500
	Others, please specify	-	-	-	-	-
	Total (1)	320700	729700	848800	734300	2633500
2.	Other Non-Executive Directors	Dr. A. N. Singh	Mr. Prabhat Verma	Mr. Rakesh Sarna*	Mr. Rohit Khosla**	
	Fee for attending Board meetings	25,000	25,000	-	-	50,000
	Commission @ (for 2013-14)	10,65,000	5,18,000	NA	NA	15,83,000
	Others, please specify	-	-	-	-	-
	Total (2)	10,90,000	5,43,000	-	-	16,33,000
	Total (B) = (1+2)					42,66,500
	Total Managerial Remuneration					42,66,500
	Overall Ceiling as per the Act	3% of the net profit of the Company excluding sitting fees				

\* Appointed as Additional Director w.e.f. 24th March, 2015

\*\* Appointed as Additional Director w.e.f. 7th May, 2015

@ An amount of Rs. 42.81 lacs has been provided in the books of Account towards the commission payable to the Directors for the financial year ended 31st March, 2015 and shall be paid as may be decided by the Board on the recommendation of the Nomination and Remuneration Committee after adoption of accounts by the shareholders at the Annual General Meeting to be held on 21st August, 2015

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,27,449	–	14,18,285	38,45,734
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	3,00,976	–	–	3,00,976
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961				
2.	Stock Option	–	–	–	–
3.	Sweat Equity	–	–	–	–
4.	Commission				
	- as % of profit	–	–	–	–
	- others, specify...				
5.	Others, (PE, Superannuation, Gratuity)	1,07,137	–	61,976	1,69,113
	Total	28,35,562	–	14,80,261	43,15,823

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties/ punishments/ compounding of offences for breach of any Section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

On behalf of the Board of Directors

Place : Mumbai  
Date : 7th May, 2015

**Dr. Anant Narain Singh**  
Chairman

## Management Discussion and Analysis

Foreign Tourist Arrival to India during the period January- December 2014 exhibited an accelerated growth of 7.1% to 7.46 Million, as compared to the FTAs of 6.97 Million with a growth of 5.9% during January- December 2013 over the corresponding period of 2012. As against the growth rate of 4.7% in the International Tourist Arrivals (ITAs) during 2014, (as per UNWTO barometer, January 2015), India has recorded better growth rate and the outlook remains positive. This high growth may be attributed to introduction of ETA (Electronic Travel Authorization) enabled TVoA (Tourist Visa on Arrival) for 150 countries as against coverage of earlier TVoA scheme for 12 countries only. Through this initiative, Indian Tourism is eyeing on increasing current share of 0.6% to 1% of International Tourist Arrivals. During January-March 2015, a total of 75,859 tourist arrived by ETA enabled TVoA as compared to 5,841 TVoA during January- March 2014, registering a growth of around 12 times.

The percentage share of top 10 source countries for ETA enabled TVoA, in India during March 2015, were as follows: USA (33.25%), Germany (14.64%), Russian Federation (13.13%), Australia (8.37%), Republic of Korea (6.39%), Ukraine (4.21%), Mexico (2.93%), Japan (1.99%), New Zealand (1.91%) and Israel (1.68%).

For 2015, UNWTO forecasts international tourist arrivals to grow between three and four per cent. By region, growth is expected to be stronger in Asia and the Pacific (up four per cent to five per cent), while India may experience an even better growth rate between seven to eight percent.

The city of Varanasi, continues to attract both domestic and international tourist with its rich religious and cultural heritage. Apart from that, Varanasi has been experiencing rise in corporate and commercial movements with several large and medium size industries getting established over the

past few years. Produce from cottage industries, including Banarasi Silk Saree making, the production of textiles such as hand-woven carpets, and handicrafts are exported worldwide. Other industries that have gained prominence in Varanasi over the years are Manufacturing, Mining and Services Industry, and thus boosting the business from corporate segment.

Recently, the Minister of State for Tourism for Union Government announced that the government will be setting up a coordination committee for the integrated promotion of tourism and culture in Varanasi. Addressing the hoteliers and tour operators at the Seminar, he urged to fully utilize the opportunity of spiritual and religious tourism along the holy river Ganga. He requested the hoteliers to adopt the Ghats for cleaning them as well as take care of their maintenance.

The city has also been experiencing growth with improvement in infrastructure particularly in terms of better flights connectivity and a better linkage between the people of Varanasi and other Metro cities. It is expected that all these factors will further boost both the leisure and corporate travelling in the city.

During the year, the company opened its new Gateway Hotel at Gondia, Maharashtra, which is the first hotel from the Taj Group in this part of the country. The hotel is located on Balaghat Road, around 4 km from the Railway Station and 17 km from the Rajiv Gandhi National Flying Training Institute's Airport. The Gateway Hotel Balaghat Road Gondia is the first full service branded hotel in the city. The hotel is 170 km from Nagpur International Airport, and can be reached in approximately 3 hours. This 34 key Hotel has a coffee shop with the city's largest meeting/conferencing area and sprawling lawns, which can host up to 1000 guests. While the hotel has opened and started its services during the year, the company is in the process of a formal media launch of the hotel.



The risks in the macroeconomic context are essentially a high rise in operating costs on account of inflation, particularly the fuel and power costs, which is being mitigated by phased capital spent on energy efficient equipment and other cost control measures by the operating management. In the micro economic context, there is no significant new competition expected in Varanasi in the near future and your property, The Gateway Hotel Ganges has maintained its market dominance very emphatically.

### **Financial Performance**

The financial performance of your company bettered in 2014-15 as compared to the previous year. The total revenues increased from Rs. 44.12 Crs in 2013-14 to Rs. 48.24 Crs in 2014-15, while the operating expenses increased from Rs. 30.36 Crs to Rs. 33.98 Crs in the same period. The Profit before tax has increased from Rs. 13.76 Crs in 2013-14 to Rs. 14.26 Crs in 2014-15, whereas Profit after Tax went up from Rs. 8.98 Crs to Rs. 9.23 Crs.

Being a listed company, the Board Meetings are held at least 4 times a year and the results are communicated to the stock exchanges in Mumbai, Delhi and Kanpur (UP) where the shares are listed.

### **Internal control systems and their adequacy**

Your Company has in place an adequate system of internal controls, with documented procedures covering all functions in the hotel operating units. Systems of internal controls are designed to provide

reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

Adequate internal control measures are in the form of various policies & procedures issued by the Management covering all critical and important activities viz. Revenue Management, Hotel Operations, Purchase, Finance, Human Resources, Safety, etc. These policies & procedures are updated from time to time and compliance is monitored continuously. The Company continues its efforts to align all its processes and controls with global best practices.

### **Certifications and Awards**

Your Company has been participating in the globally recognised 'EarthCheck' benchmarking and certification system. EarthCheck certifications are a result of extensive assessments and audits by Independent Environmental Assessors' - mapping indicators ranging from energy & water consumption, waste management to sensitivity exhibited vis-à-vis social and cultural dimensions in all areas of hotel operations. The Company has been certified EarthCheck 'Silver' for its Gateway Hotel for the fifth consecutive time.

### **Workforce**

Total manpower employed by the company was 307 as on March 31, 2015 as against the previous year number of 277 as on March 31, 2014.

## Report on Corporate Governance

### Philosophy on Corporate Governance

The key parameters of the Corporate Governance philosophy of the Company have been the wealth creation protection & interest enhancements for all the stakeholders including shareholders, creditors, customers, employees and suppliers and for society besides complying with legal and regulatory requirements and meeting environmental and local community needs with the highest standards of integrity, transparency and accountability.

While maintaining a steadfast commitment to ethics and code of conduct adhered by the Company, we maximize shareholder value while safeguarding and promoting the interests of other stakeholders. We believe that retaining and enhancing stakeholder trust is essential for sustained corporate growth. The articulator of the values, ethics and business principles that should be adhered to by employees are part of its philosophy on Corporate Governance.

The Company has complied with the provisions of Clause 49 of the Listing Agreement of the Stock Exchange, which deals with the compliance of Corporate Governance requirements as detailed below:-

### Board of Directors:

1. The Board of Directors comprises Non-Executive, Independent Directors as well as a Woman Director. More than half of the Board of Directors comprises Independent Directors, with the Chairman being a Promoter & Non executive Director. The Directors possess experience in fields as diverse as hoteliering, finance, management, Agriculture and social service. The experience and wisdom of the Directors, have proved to be of immense assistance to the Company. The details of Directors seeking re-appointment at the ensuing Annual General Meeting have been attached with the Notice of the Annual General Meeting.
2. "Independent Directors" i.e. Directors who apart from receiving Directors' remuneration, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which, in the judgement of the Board, may affect the independence of judgement of the Director, comprise half of the Board. The Board has received the Declaration from all the Independent Directors of the Company under section 149(6) of the Companies Act, 2013 regarding meeting the criteria of Independence.
3. During the year under review, the Board of Directors of the Company met five times and the period between any two meetings did not exceed one hundred and twenty days. The dates of the Board Meetings held during each quarter are as follows:

No.	Date of Meeting	For the quarter
1	29th April, 2014	April to June
2	17th July, 2014	July to September
3	3rd November, 2014	October to December
4	20th January, 2015	January to March
5	24th March, 2015	

As required under Annexure I to Clause 49 of the listing Agreement with the Stock Exchanges, all the necessary information was placed before the Board from time to time.

4. The Non-Whole-time Directors of the Company are paid, in addition to commission, sitting fees @ Rs. 5,000/- per meeting for attending meetings of the Board of Directors.
5. None of the Directors of the Board serve as members of more than 10 Committees nor are they Chairman of more than 5 Committees, as per the requirements of the Listing Agreement. "Committees" for this purpose include the Audit Committee and the Shareholders' Relationship Committee alone is considered.

6. The details of the above are as follows:-

**Board of Directors:**

Names	Category	Remuneration paid ₹			No. of outside Directorships		No of outside Committee positions held		No. of Board Meetings attended	Attendance at the last Annual General Meeting held on 28.08.2014
		Salary & Perks 2014-2015	Sitting Fees 2014-2015	Commission 2013-14	Indian	Foreign	As Member	As Chairman		
Dr. Anant Narain Singh	Promoter Non-executive	N.A.	25,000	10,65,000	1	—	—	—	4	Yes
Mr. Raymond N Bickson*	Promoter Non-executive	N.A.	N.A.	N.A.	—	—	—	—	—	No
Mr. Shriraman	Independent Non-executive	N.A.	20,000	7,09,700	—	—	—	—	4	Yes
Mrs. Rukmani Devi	Independent Non-executive	N.A.	25,000	7,09,300	—	—	—	—	4	Yes
Mr. B L Passi	Independent Non-executive	N.A.	20,000	8,28,800	1	—	—	—	4	No
Mr. D.R. Kaarthikeyan	Independent Non-executive	N.A.	25,000	2,95,700	7	—	5	—	4	Yes
Mr. Prabhat Verma**	Promoter Non-executive	N.A.	25,000	5,18,000	5	—	—	—	4	Yes
Mr. Rakesh Sarna***	Non-executive	N.A.	—	—	6	6	4	2	—	N.A.
Mr. Rohit Khosla****	Non-executive	N.A.	—	—	—	—	—	—	—	N.A.

\* Resigned from the Directorship w.e.f. 1st September, 2014.

\*\* Resigned from the Directorship w.e.f. 29th April, 2015.

\*\*\* Appointed as Additional Director on 24th March, 2015.

\*\*\*\* Appointed as Additional Director w.e.f. 7th May, 2015

**NOTE:** Traditionally, the Directors are paid commission each year, after the Annual Accounts are approved by the Members at the Annual General Meeting of the Company. A sum of Rs. 42.81 lakhs has been provided as commission to Non Executive Directors for the year 2014-15.

7. The Company has adopted a Code of Conduct for its Non-Executive Directors and all Non-Executive Directors have affirmed compliance with the said Code. All Senior Management of the Company have affirmed compliance with the Tata Code of Conduct.

8. Other than the transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transaction during the year, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and/or relatives save and except that the transaction with The Indian Hotels Co. Ltd., the ultimate holding company during the year exceeded 10% of the annual gross turnover of the Company for the previous year and therefore the same is placed before the shareholders for approval by way of a special resolution.

# BENARES HOTELS LIMITED

## Forty Fourth Annual Report 2014-15

### COMMITTEES OF THE BOARD:

The Committees constituted by the Board of Directors of the Company are as under:

#### 1. Audit Committee:

As per Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has an Audit Committee. The terms of reference of the Audit Committee include the matters as follows:-

- i. Reviewing with management the quarterly/annual financial statements before submission to the Board for approval, with particular reference to:-
  - Matters required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of clause C of sub section 3 of Section 134 of the Companies Act, 2013
  - Any changes in accounting policies and practices and reasons thereof.
  - Major accounting entries based on exercise of judgment by the Management.
  - Qualifications in the draft audit report.
  - Significant adjustments made in the financial statements, arising out of audit findings.
  - The Going Concern assumption.
  - Compliance with Accounting Standards.
  - Disclosure on any related party transactions.
  - Compliance with listing and other legal requirements relating to financial statements.
- ii. Reviewing with the management, performance of statutory and internal auditors and the adequacy of internal control systems.
- iii. Discussion with internal auditors on any significant findings and follow-up thereon.
- iv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- v. Discussion with external/statutory auditors before the audit commences, nature and scope of audit, as well as have post-audit discussion to ascertain any area of concern.
- vi. The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- vii. Review and monitor the auditors independence and performance, and effectiveness of audit process
- viii. Examination of the financial statement and auditors' report thereon.
- ix. Approval or any subsequent modification of transactions of the company with related parties
- x. Scrutiny of Inter corporate loans and investments
- xi. Valuation of undertakings or assets of the company, wherever it is necessary
- xii. Evaluation of internal financial controls and risk management systems
- xiii. Monitoring the end use of funds raised through public offers and related matters

The details of the composition, names of Members of the Audit Committee as well as the number of meetings held and attendance thereat during the year are as under:-

Sl.No.	MEMBERS	ATTENDANCE AT AUDIT COMMITTEE MEETINGS HELD ON			
		29.04.2014	17.07.2014	03.11.2014	20.01.2015
1	Mr. B L Passi, Chairman	✓	✓	✓	✓
2	Mr. Shriraman	–	✓	✓	✓
3	Mr. Prabhat Verma*	✓	✓	✓	✓
4	Mrs. Rukmani Devi	✓	✓	✓	✓
5	Mr. Rohit Khosla**	NA	NA	NA	NA

\* Since resigned w.e.f. 29th April, 2015

\*\*appointed w.e.f. 7th May, 2015

Audit Committee meetings are attended by invitation by the Director Finance of Gateway Division, Group Internal Audit and the Statutory Auditors. The Company Secretary acts as the Secretary to the Audit Committee.

## 2. Nomination & Remuneration Committee:

As per Section 178(1) of the Companies Act, 2013, the Company has a Nomination & Remuneration Committee comprising Dr. Anant Narain Singh, Mr. Shriraman, Mrs. Rukmani Devi as its members.

The role of Nomination and Remuneration Committee is as follows:

- To identify persons who are qualified to become directors and who are appointed in senior management;
- Recommend to the Board the appointment of directors/senior management and their removal
- To carry out the evaluation of every directors' performance
- To formulate the criteria for discovering qualifications, positive attributes and independence of directors and recommending to the Board the policies relating to remuneration for the directors, KMP and other employees.

The Committee met twice during the year on 17th July, 2014 and 24th March, 2015 and inter alia, considered the appointment of Independent Directors in terms of Section 149 of the Companies Act, 2013, appointment of Key Managerial Personnel under Section 203 of the Companies Act, 2013, recommended to the Board for adoption the Policy for payment of remuneration by way of commission on net profit to the Directors and the commission payable to Directors on net profit for the year 2013-14 and recommended the appointment of Mr. Rakesh Sarna and Mr. Rohit Khosla as a Director based on criteria envisaged in Section 178(2) and (3) of the Companies At, 2013. The Committee also carried out the evaluation of performance of Directors.

## 3. Stakeholders Relationship Committee:

As per Section 178(5) the Company has a Stakeholders Relationship Committee comprising Dr. Anant Narain Singh, Mr. Shriraman and Mr. Rohit Khosla as its members to redress the shareholder and investor complaints like transfer of shares, non receipt of Annual Report, non receipt of dividends etc. Dr. Anant Narain Singh, Non-Executive Director, heads the Committee.

There were no pending investor complaints which remain unresolved. The company has also cleared all the complaints received through BSE and SEBI Complaints Redress System (SCORES) a centralized web based complaints redress system which serves as a centralized database of all complaints received. The status of complaints received from shareholders during the year 2014-15 is as under:-

**BENARES HOTELS LIMITED**  
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Complaints received	Pending as on March 31, 2015
3	Nil

**Amounts Transferred to IEPF**

As per the provisions of Section 205A read with Section 205C of the Companies Act, 1956, the Company is required to transfer unpaid dividends, matured deposits, redeemed debentures and interest accrued thereon remaining unclaimed and unpaid for a period of 7 years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

Given below are the proposed dates for transfer of the unclaimed dividend to the IEPF by the Company: -

Financial Year	Date of Declaration of Dividend	Proposed Date of Transfer to IEPF*
2007-08	21.08.2008	27.09.2015
2008-09	27.08.2009	03.10.2016
2009-10	13.08.2010	19.09.2017
2010-11	10.08.2011	16.09.2018
2011-12	13.08.2012	19.09.2019
2012-13	16.08.2013	23.09.2020
2013-14	28.08.2014	04.10.2021

\* Indicative dates, actual dates may vary

During the year under review, the total amount transferred to IEPF of the Central Government was Rs. 2,98,030/-

It may be noted that no claims will lie against the Company nor the IEPF in respect of the said unclaimed amounts transferred to the Fund.

**Compliance Officer : Mr. P K Bhatia**  
**Company Secretary**  
Benares Hotels Ltd.

Address : Corporate Office, Taj Palace Hotel,  
Sardar Patel Marg, New Delhi 110 021

Phone : 011-6650 3704

Fax : 011-2687 6043

E-mail : investorrelations@tajhotels.com

**Disclosure regarding Remuneration of Directors & Shares held by them:-**

**Remuneration to Non Executive Directors:**

The remuneration drawn by the Non-Executive Directors is in the form of commission distributed out of the net profits of the Company subject to a maximum of 3%. The commission payable to Non-Executive Directors is decided by the Board on the recommendation of the Nomination and Remuneration Committee and is distributed based on a number of factors, including number of Board and Committee meetings attended, individual contribution thereat etc.

**Details of shares of the Company held by the Non-Executive Directors as on March 31, 2015, are as under:**

Dr. Anant Narain Singh	-	24000
Mr. Shriraman	-	4500
Mrs. Rukmani Devi	-	798

**Details on General Meetings:**

Location, date and time of the General Meetings held in the last 3 years are as under:

Location	Date	Time
<b>Annual General Meetings</b>		
Registered office at	August 28, 2014	3.30 p.m.
Nadesar Palace Compound,	August 16, 2013	3.00 p.m.
Varanasi 221 002	August 13, 2012	3.30 p.m.

The special resolution passed in the Annual General Meetings of the company held in 2012 and 2013 was passed by show of hands by the Members present and voting at the said meeting. All the resolutions at the Annual General Meeting held in 2014 were passed by e-voting in terms of the provisions of the Companies Act, 2013.

**Postal Ballot**

The Company did not pass any resolution vide postal ballot during the year.

**Means of Communication:**

Quarterly, half-yearly and annual results of the Company were published in leading English and vernacular newspapers Indian Express and Hindustan.

The Annual Report containing, inter alia, the Financial Statement (Audited Accounts), Directors Report, (Board's Report), Auditors Report, Secretarial Audit Report and other important information is circulated to the investors. Management Discussion and Analysis and Corporate Governance Report form part of the Annual Report. The Annual Reports are also available on the Company's website [www.benareshotellimited.com](http://www.benareshotellimited.com)

**Disclosures:**

The Board of Directors receive, from time to time, disclosures relating to financial and commercial transactions from key managerial personnel of the Company, where they and / or their relatives have personal interest. There are no materially significant related party transactions, which have potential conflict with the interest of the Company at large.

The details of the Related Party transactions are placed before and reviewed by the Company's Audit Committee in terms of the provisions of the Companies Act, 2013 and Clause 49 the Listing Agreement.

The Company has complied with the requirements of the Stock Exchanges / Securities and Exchange Board of India/statutory authorities on all matters relating to capital markets, during the last 3 years.

Pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges regarding CFO Certification, the CFO has issued a certificate to the Board, for the year ended March 31, 2015.

# BENARES HOTELS LIMITED

## Forty Fourth Annual Report 2014-15

### General Shareholder Information

#### Annual General Meeting

<b>Date and Time</b>	:	August 21, 2015 at 3.00 p.m..
<b>Venue</b>	:	Nadesar Palace Compound Varanasi 221 002
<b>Registered Office</b>	:	Nadesar Palace Compound Varanasi 221 002
<b>Telephone No.</b>	:	91- 542 666 0001
<b>Facsimile No.</b>	:	91- 542- 2503291
<b>Website</b>	:	www.benareshotelslimited.com
<b>E-mail</b>	:	investorrelations@tajhotels.com

#### Financial Calendar

Financial reporting for:

- Quarter ending 30th June, 2015 on or before August 15, 2015
- Quarter ending 30th September, 2015 on or before November 15, 2015
- Quarter ending 31st December, 2015 on or before February 15, 2016
- Quarter ending 31st March, 2016 on or before May 30, 2016

<b>Financial Year :</b>	:	2015-16
<b>Date of Book Closure</b>	:	14th August, 2015 to 27th August, 2015 (both days inclusive)
<b>Dividend Payment Date</b>	:	On or after 31st August, 2015

#### Listing on Stock Exchanges

➤ Equity Shares	:	BSE Ltd.
	:	UP Stock Exchange Ltd.
	:	Delhi Stock Exchange Ltd.

<b>Corporate Identification No.(CIN)</b>	:	L55101UP1971PLC003480
<b>ISIN NO.:</b>	:	INE750A01012
<b>Stock Code:</b>	:	509438

The Company has paid the annual listing fees to each of the above Stock Exchanges in respect of the financial year 2014-15 & 2015-16.



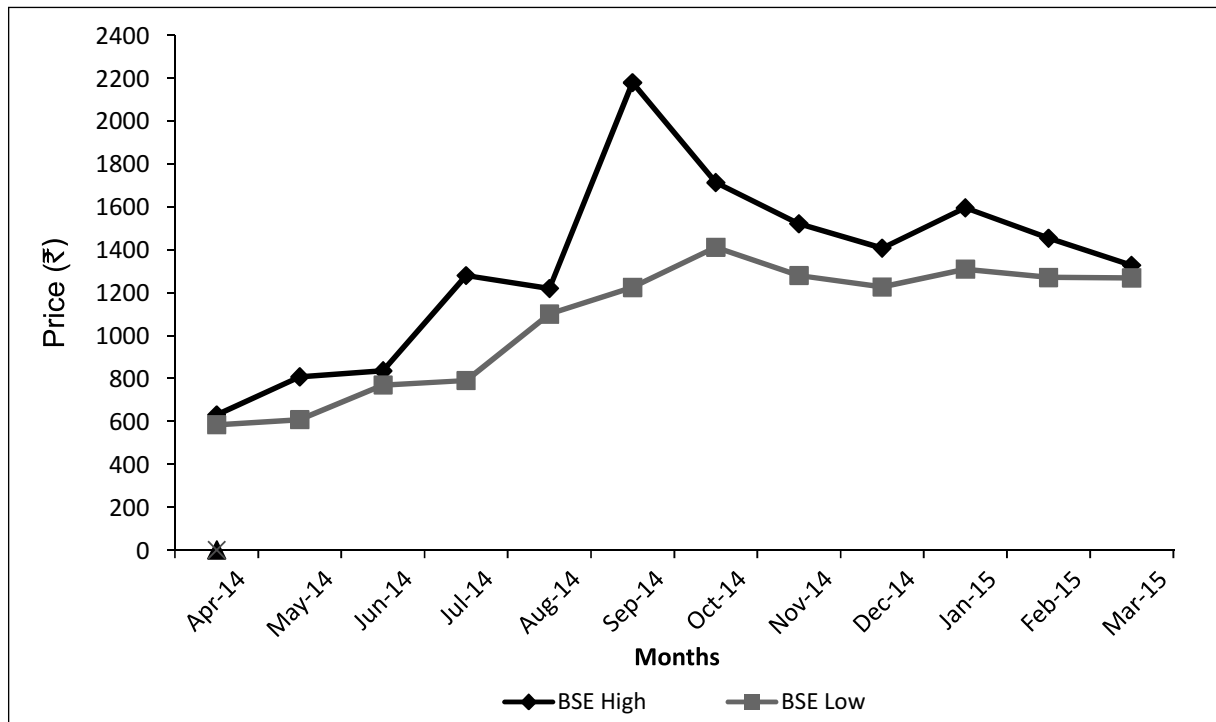
**Market Price Data:**

High/Low market price of the Company's shares and performance in comparison to Sensex Indices on BSE Limited, Mumbai during the financial year 2014-15 is furnished below:-

₹

Months	BSE High	BSE Low
April 2014	630.85	585.15
May 2014	806.80	608.55
June 2014	835.00	770.00
July 2014	1280.35	791.05
August 2014	1220.00	1100.00
September 2014	2179.00	1225.00
October 2014	1712.55	1412.20
November 2014	1521.75	1280.00
December 2014	1407.80	1227.10
January 2015	1595.00	1310.00
February 2015	1454.50	1271.00
March 2015	1328.00	1200.25

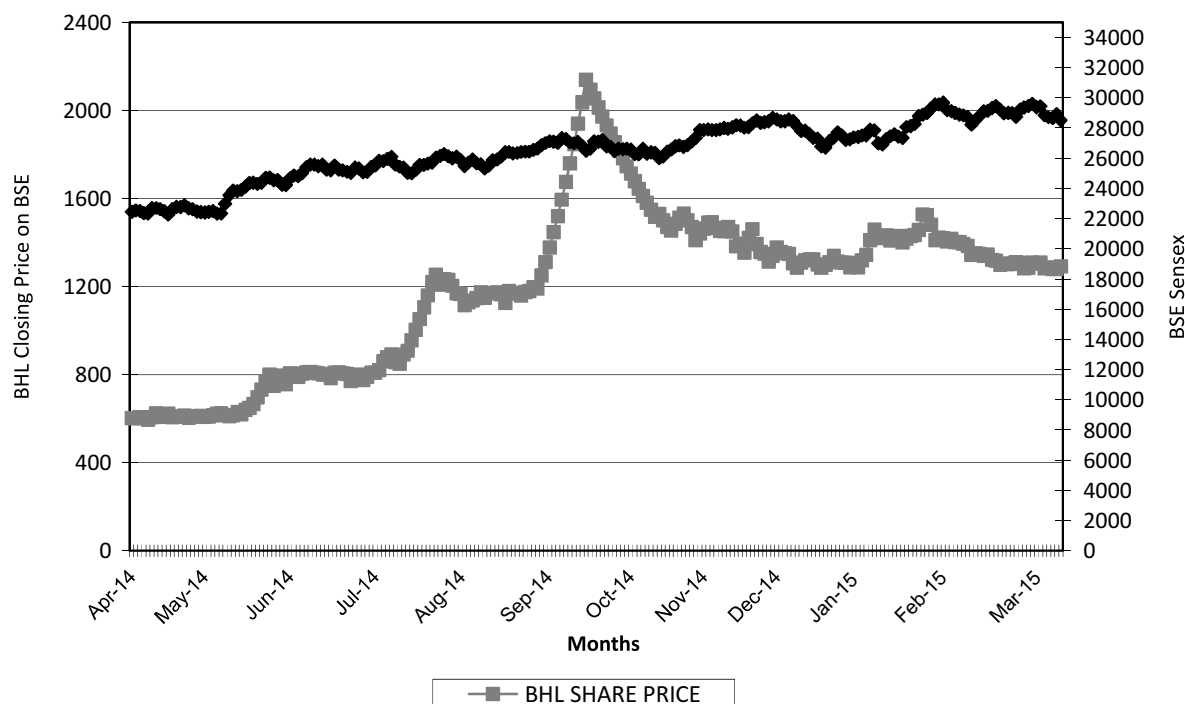
**Share Price Movement**



# BENARES HOTELS LIMITED

## Forty Fourth Annual Report 2014-15

### Performance in Comparison to broad-based indices such as BSE Sensex



### BHL Distribution of Shareholding as on March 31, 2015

Category of Shareholders	No. of Shares held	% to Paid up capital
Promoters	8,11,938	62.46
Directors & their Relatives	9,798	0.75
Resident Individuals & HUF	4,47,284	34.41
Non-Resident Indians	2,120	0.16
Clearing Member	107	0.01
Corporate Bodies	28,753	2.21

### Secretarial Audit

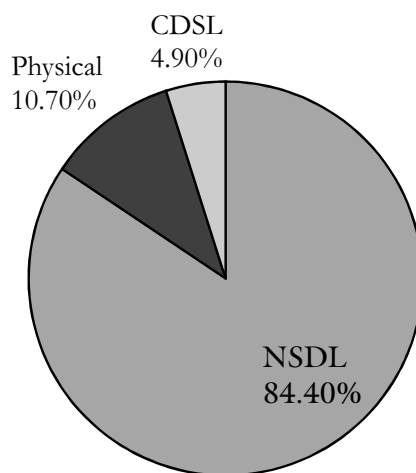
In terms of Section 204 of the Companies Act, 2013, the secretarial audit of the Company for the year 2014-15 has been carried out by the Secretarial Auditor appointed by the Company. The report of the Secretarial Auditor forms part of the Board's Report.

In keeping with the requirement of the SEBI and the Stock Exchanges, a secretarial audit by a practicing Company Secretary is carried out to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The said audit confirms that the total issued / paid up capital tallies with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

### Dematerialisation of Shares & Liquidity

As of the end of March 31, 2015, shares comprising approximately 90% of the Company's Equity Share Capital have been dematerialised.

### Status on Dematerialised Shares



**Registrar & Share Transfer Agents:** The Indian Hotels Company Limited  
Mandlik House  
Mandlik Raod  
Mumbai 400 001.  
Phone: 022 - 66395515  
Fax: 022 - 22027442  
E-mail: investorrelations@tajhotels.com

### Investor Correspondence

For any queries, investors are requested to get in touch at the following addresses

The Indian Hotels Co. Ltd.  
Registrar & Share Transfer Agent  
Unit: Benares Hotels Limited  
Mandlik House,  
Mandlik Road, Mumbai 400 001.  
e-mail id: investorrelations@tajhotels.com

OR

Benares Hotels Ltd.  
C/o Corporate Office  
Taj Palace Hotel  
S P Marg, New Delhi 110 021  
Phone: 011-66503549  
Fax- 011-26876043

# **BENARES HOTELS LIMITED**

## **Forty Fourth Annual Report 2014-15**

### **Usage of Electronic payment modes for Making Cash payments to the Investors**

To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided National Electronic Clearing Service (NECS) facility to the Members for remittance of dividend. NECS facility is available at locations identified by Reserve Bank of India from time to time. Members holding shares in physical form and desirous of availing this facility are requested to provide their latest bank account details along with their Folio Number, to the Company. Members holding shares in electronic form are requested to provide the details to their respective Depository Participants.

### **Declaration by the Chairman on behalf of the Board of Directors regarding adherence to the CODE OF CONDUCT as specified in Clause 49**

In accordance with Clause 49 (II)E(2) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the Financial Year ended March 31, 2015.

**For Benares Hotels Limited**

**Anant Narain Singh**  
**Chairman**  
**(DIN 00114728)**

## Auditors' Certificate

### **TO THE MEMBERS OF BENARES HOTELS LIMITED**

We have examined the compliance of conditions of Corporate Governance by BENARES HOTELS LIMITED ("THE Company") for the year 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements in all material respects.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For N. Krishnaswamy & Company**  
Chartered Accountants

**N. Krishnaswamy**  
Partner  
(Regn No. 004797)

Place: Mumbai  
Dated: 7th May, 2015

## Independent Auditor's Report

### TO THE MEMBERS OF BENARES HOTELS LIMITED

#### 1. Report on the Financial Statements

We have audited the accompanying financial statements of The Benares Hotels Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### 2. Management's Responsibility for the Financial Statements

2.1 The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 the Companies (Accounts) Rules, 2014.

2.2 This responsibility also 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; and design, implementation and maintenance of adequate internal financial controls, that were 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.

#### 3. Auditor's Responsibility

3.1 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.

3.2 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

3.3 An audit involves performing procedures to obtain audit evidence about the amounts and 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 internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### 4. 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 March 31, 2015;
- (b) in the case of the Statement of Profit and Loss, of the profit 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.

#### **5. Report on Other Legal and Regulatory Requirements**

5.1 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 the paragraph 3 and 4 of the Order, to the extent applicable.

5.2 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 it appears from our examination of those books;
- (c) the balance sheet, the 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 aforesaid financial statements comply with the 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 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

(f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements refer Note 24 to financial statements.
- ii. the Company did not enter into any long-term contracts including derivative contracts for which there were any material foreseeable loss;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For N. Krishnaswamy & Co**  
Chartered Accountants  
(Registration No. 001555S)

**N. Krishnaswamy**  
Partner (M. No. 004797)  
Mumbai, 7th May, 2015

# BENARES HOTELS LIMITED

## Forty Fourth Annual Report 2014-15

### Annexure to the Auditor's Report

The Annexure referred to in our report to the members of Benares Hotels Limited for the year ended on 31/03/2015. We report that: -

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the Management during the year and there is a regular programme of verification which in our opinion, is reasonable having regard to the size of the company and the nature of its assets
- (ii) (a) The Physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) The procedures of physical verification of inventory followed by the management are 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 and the same has been properly dealt with in the books of account.
- (iii) The company has not taken or given any loan from or to any companies covered in the register under section 189 of the Companies Act, 2013.
- (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, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) The company has not accepted any deposits from the public under the provision of the Sec.73 to76 of the Act.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company
- (vii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, service tax and value added tax have not been deposited by the Company on account of disputes.

Statue	Amount (Rs. In Lacs)	Pertaining to Years	Forums where Pending
Income Tax Act, 1961	141.18	2008-09 to 2011-12	CIT- Appeals (Varanasi) and ITAT - Allahabad
Service Tax (Finance Act, 1994)	19.08	2008-09 to 2011-12	Addl. Commissioner, Central Excise Allahabad
Uttar Pradesh Trade Tax Act	26.27	2006-07 and 2007-08	1st Appellate Tribunal, UPVAT

- (c) According to the information and explanations given to us the 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 made there-under has been transferred to such fund within time.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses
- (ix) The Company did not have any outstanding dues to financial institutions, banks or 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) The Company did not have any term loans outstanding during the year.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For and on behalf of  
**N. KRISHNASWAMY & COMPANY**  
Chartered Accountants  
Firm Registration No. 001555S

**N. KRISHNASWAMY**  
Partner (Membership No. 004797)

Place: Mumbai. Dated : 7th May, 2015



## Balance Sheet as at 31st March, 2015

	Note	₹ Lacs	₹ Lacs	Previous Year ₹ Lacs
<b>EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' Funds</b>				
(a) Share Capital .....	3	130.00		130.00
(b) Reserves & Surplus .....	4	<u>4,790.57</u>		<u>4,180.88</u>
Total .....			4,920.57	4,310.88
<b>2. Non Current Liabilities</b>				
(a) Deferred Tax Liabilities (net).....	5	303.41		245.64
(b) Other Long-term Liabilities.....	6	2.19		—
(c) Long-term Provisions .....	7	<u>21.39</u>		<u>15.92</u>
Total .....			326.99	261.56
<b>3. Current Liabilities</b>				
(a) Trade Payables .....	8	405.10		310.13
(b) Other Current Liabilities .....	9	362.45		309.92
(c) Short-term Provisions .....	10	<u>317.72</u>		<u>308.28</u>
Total .....			1,085.27	928.33
<b>Total</b> .....			<u><u>6,332.84</u></u>	<u><u>5,500.77</u></u>
<b>ASSETS</b>				
<b>1. Non-current Assets</b>				
(a) Fixed Assets				
(i) Tangible Assets .....	11	4,259.83		2,554.24
(ii) Intangible Assets .....	12	116.13		16.16
(iii) Capital Work-in-Progress .....		<u>83.59</u>		<u>1,076.19</u>
			4,459.55	3,646.59
(b) Long-term Loans and Advances .....	13		<u>82.40</u>	<u>71.15</u>
Total .....			4,541.95	3,717.74
<b>2. Current Assets</b>				
(a) Inventories .....	14	115.28		105.03
(b) Trade Receivables .....	15	240.06		245.98
(c) Cash and Bank Balances .....	16	595.70		232.72
(d) Short-term Loans and Advances .....	17	788.11		1,159.65
(e) Other Current Assets .....	18	<u>51.74</u>		<u>39.65</u>
Total .....			1,790.89	1,783.03
<b>Total</b> .....			<u><u>6,332.84</u></u>	<u><u>5,500.77</u></u>
Summary of Significant Accounting Policies .....	2			
The Accompanying Notes form an Integral part of the Financial Statements .....	1-36			

As per our Report of even date attached  
For **N. KRISHNASWAMY & CO.**  
Chartered Accountants  
ICAI Firm Registration No. 001555S  
**N. KRISHNASWAMY**  
Partner  
(Membership No.: 004797)

Date : 7th May, 2015  
Place: Mumbai

For and on behalf of the Board

**DR. ANANT NARAIN SINGH**  
Chairman  
DIN: 00114728

**D. R. KAARTHIKEYAN**  
Director  
DIN: 00327907

**P. K. BHATIA**  
Company Secretary

**RAVI SHARMA**  
Chief Financial Officer

**BENARES HOTELS LIMITED**  
Forty Fourth Annual Report 2014-15

Statement of Profit and Loss for the Year Ended 31st March, 2015

	Note	₹ Lacs	Previous Year ₹ Lacs
<b>I. INCOME (Revenue)</b>			
1. Rooms, Restaurants, Banquets and Other Operating Income .....	19	4,716.63	4,319.35
2. Other Income .....	20	107.43	92.53
3. Total Revenue .....		<u>4,824.06</u>	<u>4,411.88</u>
<b>II EXPENSES</b>			
1. Food and Beverages Consumed .....	21	495.42	478.06
2. Employee Benefit Expense and Payment to Contractors.....	22	719.06	630.85
3. Finance Costs .....		—	—
4. Depreciation and Amortisation .....	11/12	267.23	190.28
5. Other Operating and General Expenses .....	23	1,916.56	1,736.99
Total Expenses .....		<u>3,398.27</u>	<u>3,036.18</u>
<b>III PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS.....</b>		<b>1,425.78</b>	<b>1,375.70</b>
<b>IV EXCEPTIONAL ITEMS.....</b>		—	—
<b>V PROFIT/(LOSS) BEFORE TAX.....</b>		<b>1,425.78</b>	<b>1,375.70</b>
<b>VI TAX EXPENSES</b>			
1. Current Tax .....		445.84	459.89
2. Deferred Tax .....		57.77	11.33
3. Short/(Excess) Provision of Tax of Earlier Years (net) .....		(0.45)	6.49
Total.....		<u>503.15</u>	<u>477.71</u>
<b>PROFIT/(LOSS) AFTER TAX.....</b>		<u><b>922.62</b></u>	<u><b>897.99</b></u>
<b>VII EARNINGS PER SHARE .....</b>	35		
1. Basic and Diluted - (₹) .....		70.97	69.08
2. Face Value per Ordinary Share - (₹) .....		10.00	10.00
Summary of Significant Accounting Policies.....	2		
The Accompanying Notes form an Integral part of the Financial Statements.....	1-36		

As per our Report of even date attached  
For **N. KRISHNASWAMY & CO.**  
Chartered Accountants  
ICAI Firm Registration No. 001555S  
**N. KRISHNASWAMY**  
Partner  
(Membership No.: 004797)

Date : 7th May, 2015  
Place: Mumbai

For and on behalf of the Board

**DR. ANANT NARAIN SINGH**  
Chairman  
DIN: 00114728

**D. R. KAARTHIKEYAN**  
Director  
DIN: 00327907

**P. K. BHATIA**  
Company Secretary

**RAVI SHARMA**  
Chief Financial Officer

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

	Note	2014-15 ₹ Lacs	2013-14 ₹ Lacs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit Before Tax .....		1,425.78	1,375.70
Adjustments for:			
Depreciation and Amortisation .....		267.23	190.28
Provision for Doubtful Debts .....		(0.70)	1.32
Loss on Sale of Assets .....		1.25	3.35
Interest (Net) .....		(95.63)	(77.96)
Provision for Employee Benefits .....		6.17	3.26
		<u>178.32</u>	<u>120.25</u>
<b>Cash Operating Profit Before Working Capital Changes .....</b>		<b>1,604.10</b>	<b>1,495.95</b>
Adjustments for:			
Trade Receivables .....		6.63	(12.92)
Inventories .....		(10.25)	(16.64)
Long Term Loans and Advances .....		4.00	(9.44)
Short Term Loans and Advances .....		21.54	(23.98)
Other Current Assets .....		(11.95)	80.55
Trade Payables .....		94.97	(122.90)
Other Current Liabilities .....		59.40	58.79
Other Long Term Liabilities .....		2.19	—
		<u>166.53</u>	<u>(46.54)</u>
Cash Generated from Operating Activities .....		1,770.63	1,449.41
Direct Taxes Paid .....		(425.00)	(470.26)
<b>Net Cash From Operating Activities (A) .....</b>		<b>1,345.63</b>	<b>979.15</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets .....		(1,125.85)	(737.65)
Sale of Fixed Assets .....		1.89	3.73
Short Term Inter Corporate Deposits Placed .....		350.00	(1,050.00)
Interest Received .....		95.49	72.09
Bank Balances Not Considered as Cash and Cash Equivalents .....		(6.87)	(4.14)
<b>Net Cash Used in Investing Activities (B) .....</b>		<b>(685.34)</b>	<b>(1,715.97)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividend Paid (Including tax on dividend) .....		(304.19)	(304.19)
<b>Net Cash Used in Financing Activities (C) .....</b>		<b>(304.19)</b>	<b>(304.19)</b>
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C).....		356.10	(1,041.01)
Cash and Cash Equivalents - Opening - 1st April, 2014 .....		203.32	1,244.33
Cash and Cash Equivalents - Closing - 31st March, 2015 .....		559.43	203.32
<b>FOOTNOTE:</b>			
<b>Reconciliation of Cash and Cash equivalents with Cash and bank balances as per the Balance Sheet</b>			
Cash and Cash equivalents as above .....		559.43	203.32
<b>Add: Other Cash and Bank Balances not considered Cash and Cash Equivalent</b>			
Earmarked balances for Unclaimed Dividends .....		36.27	29.40
<b>Cash and bank balances classified as Current in Note 16 .....</b>		<b>595.70</b>	<b>232.72</b>

The accompanying notes form an integral part of the financial statements 1- 36

As per our Report of even date attached  
**For N. KRISHNASWAMY & CO.**  
Chartered Accountants  
ICAI Firm Registration No. 001555S  
**N. KRISHNASWAMY**  
Partner  
(Membership No.: 004797)

Date : 7th May, 2015  
Place: Mumbai

For and on behalf of the Board

**DR. ANANT NARAIN SINGH**  
Chairman  
DIN: 00114728

**P. K. BHATIA**  
Company Secretary

**D. R. KAARTHIKEYAN**  
Director  
DIN: 00327907

**RAVI SHARMA**  
Chief Financial Officer

# BENARES HOTELS LIMITED

## Forty Fourth Annual Report 2014-15

### Notes to Financial Statements for the year ended March 31, 2015

#### NOTE 1: CORPORATE INFORMATION

Benares Hotels Limited (“BHL” or the “Company”), is a listed public limited company incorporated in 1971. The Company operates its hotels, viz. The Gateway Hotel Ganges and Nadesar Palace in Varanasi and The Gateway Hotel, Gondia in Maharashtra. The Company became a subsidiary of The Indian Hotels Company Limited in May, 2011.

#### NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the presentation of the financial statements are as under:

**(a) Accounting Standards:**

The Financial Statements have been prepared on the basis of historical cost convention following the accrual system of accounting.

**(b) Fixed Assets:**

Fixed Assets are stated at cost less accumulated depreciation. None of the Assets were revalued during the course of the year.

**(c) Depreciation/ Amortisation:**

i. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Plant and machinery	- 10 to 20 years
Electrical installations and equipment	- 20 years
Hotel Wooden Furniture	- 15 years
End User devices-Computers, Laptops, etc	- 6 years

In respect of Leasehold land, depreciation is provided from the date land is put to use for commercial operations, over the balance period of the lease. The renewal of these leases is considered as certain in view of past experience for the purpose of depreciation of building on leased property. In respect of improvements to buildings, depreciation is provided based on estimated useful life.

Intangible assets with finite lives are amortised over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year. The rates currently used for amortising intangible assets are as under:

Website Development Cost	20.00%
Cost of Customer Reservation System (including licensed software)	16.67%
Service & Operating Rights	10.00%

ii. The Company has reassessed the useful lives of its tangible fixed assets on and from April 1, 2014, and based on a technical evaluation, revised the useful lives to match those specified in Part C of Schedule II to the Companies Act, 2013, for all classes of assets, other than end-user computers, electrical installation and equipment, plant and machinery and select items of furniture. Management believes that the revised useful lives of the assets reflect the periods over which these assets are to be used. As a result of the change, the charge on account of Depreciation for year ended March 31, 2015, is higher by Rs. 19.04 Lacs as compared to the useful lives estimated in earlier periods.

## Notes to Financial Statements for the year ended March 31, 2015

**(d) Inventories:**

Inventories of Stores, Operating Supplies and Food and Beverages are valued at lower of cost and net realisable value. Cost is determined on weighted average basis.

**(e) Retirement Benefits:**

i. **Provident Fund:** Liability is determined on the basis of contribution as required under the Statute / Rules.

ii. **Gratuity:** Liability is determined on the basis of an independent Actuarial valuation made at the year end and is fully funded by the Company.

**(f) Foreign Currency Transaction:**

Transactions in foreign currency are recorded at prevailing rates of exchange in force, at the time the transactions are affected. At the year end, monetary items denominated in foreign currency are reported using the closing rates of exchange. Exchange differences arising on foreign currency transactions are recognized as Income or Expense in the period in which they arise.

**(g) Revenue Recognition:**

Revenue (Income) is recognized when no significant uncertainty as to its determination or realization exists.

**(h) Provisions and Contingent Liabilities:**

Provisions are recognised in terms of Accounting Standard 29 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29), notified by the Companies (Accounting Standards) Rules, 2006 (as amended), when there is a present legal obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent Assets are not recognised in the financial statements.

**(i) Taxes on income:**

Tax expense comprises both current and deferred tax at the applicable enacted rates. Current tax represents the amount of income tax payable/recoverable in respect of the taxable income/loss for the reporting period. Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods.

**(j) Leave Encashment:**

The liability on account of leave encashment is determined on the basis of independent actuarial valuation made at the year end.

**BENARES HOTELS LIMITED**  
Forty Fourth Annual Report 2014-15

Notes to Financial Statements for the year ended March 31, 2015

**NOTE 3: SHARE CAPITAL**

	₹ Lacs	Previous year ₹ Lacs
<b>1. Authorised Share Capital</b>		
Ordinary Shares		
15,00,000 Ordinary Shares of ₹ 10/- each .....	150.00	150.00
<b>2. Issued Share Capital</b>		
13,00,000 (Previous Year - 13,00,000) Ordinary Shares of ₹ 10/- each (with voting rights) .....	130.00	130.00
<b>3. Subscribed and Paid Up</b>		
13,00,000 (Previous Year - 13,00,000) Ordinary Shares of ₹ 10/- each fully paid [Refer Foot note (a)].....	130.00	130.00

**Foot Notes:**

(a) Of the above, 6,98,088 (53.70%) ordinary shares are held by The Indian Hotels Company Limited (the ultimate holding company) and its subsidiaries / associates as follows:

Name of Shareholder	Relationship	As at 31st March 2015	As at 31st March 2014
		No. of Shares Held	No. of Shares Held
The Indian Hotels Co. Ltd.	Ultimate Holding Company	2,93,000	2,93,000
TIFCO Holdings Limited	Subsidiary of Ultimate Holding Company	3,50,825	3,50,825
Piem Hotels Limited	Subsidiary of Ultimate Holding Company	54,063	54,063
Northern India Hotels Ltd.	Subsidiary of Ultimate Holding Company	150	150
Oriental Hotels Limited	Associate of Ultimate Holding Company	50	50

(b) List of Shareholders holding more than 5% of the share capital

Name of Shareholder	As at 31st March 2015		As at 31st March 2014	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
The Indian Hotels Co. Ltd.	2,93,000	22.54	2,93,000	22.54
TIFCO Holdings Limited	3,50,825	26.99	3,50,825	26.99

**NOTE 4: RESERVES AND SURPLUS**

	₹ Lacs	Previous year ₹ Lacs
<b>1. Capital Reserve</b>		
Opening and Closing Balance .....	0.86	0.86
<b>2. General Reserve</b>		
Opening Balance .....	2,167.22	2,067.22
Add: Transferred from Surplus in Statement of Profit and Loss .....	—	100.00
<b>Closing Balance</b> .....	2,167.22	2,167.22
<b>3. Surplus in Statement of Profit and Loss</b>		
Opening Balance.....	2,012.80	1,519.00
Add: Net Profit for the Current Year.....	922.62	897.99
Less: Proposed Dividend.....	260.00	260.00
Less: Tax on Dividend.....	52.93	44.19
Less: Transfer to General Reserve.....	—	100.00
<b>Closing Balance</b> .....	2,622.49	2,012.80
<b>Total</b> .....	4,790.57	4,180.88

## Notes to Financial Statements for the year ended March 31, 2015

### NOTE 5: DEFERRED TAX LIABILITIES (net)

	₹ Lacs	Previous year ₹ Lacs
<b>Deferred Tax Liability:</b>		
Depreciation on fixed Assets .....	372.46	291.12
<b>Total (A)</b> .....	<u>372.46</u>	<u>291.12</u>
<b>Deferred Tax Assets:</b>		
Provision for Employee Benefits .....	9.06	7.24
Provision for Bad Debts .....	6.17	6.30
Others .....	53.81	31.94
<b>Total (B)</b> .....	<u>69.04</u>	<u>45.48</u>
<b>Net Deferred Tax Liabilities (A-B)</b> .....	<u><u>303.41</u></u>	<u><u>245.64</u></u>

### NOTE 6: OTHER LONG TERM LIABILITIES

	₹ Lacs	Previous year ₹ Lacs
<b>Trade Deposits</b>		
Secured .....	—	—
Unsecured .....	2.19	—
<b>Total</b> .....	<u>2.19</u>	<u>—</u>

### NOTE 7: LONG TERM PROVISIONS

	₹ Lacs	Previous year ₹ Lacs
<b>Provision for Employee Benefits</b>		
Compensated absences .....	21.39	15.92
<b>Total</b> .....	<u>21.39</u>	<u>15.92</u>

**BENARES HOTELS LIMITED**  
Forty Fourth Annual Report 2014-15

Notes to Financial Statements for the year ended March 31, 2015

**NOTE 8: TRADE PAYABLES**

	₹ Lacs	Previous Year ₹ Lacs
<b>Trade Payables:</b>		
Micro and Small Enterprises .....	—	—
Vendor payables.....	211.86	167.26
Accrued Expenses and Others .....	193.24	142.87
<b>Total .....</b>	<b>405.10</b>	<b>310.13</b>

**NOTE 9: OTHER CURRENT LIABILITIES**

	₹ Lacs	Previous Year ₹ Lacs
<b>Payables on Current Account Dues:</b>		
Related Parties .....	0.96	0.53
Others .....	2.19	2.96
<b>Total .....</b>	<b>3.15</b>	<b>3.49</b>
<b>Trade Deposits</b>		
Secured .....	—	—
Unsecured.....	33.12	35.78
<b>Total .....</b>	<b>33.12</b>	<b>35.78</b>
Income Received in Advance .....	—	1.60
Advances Collected from Customers.....	79.79	66.44
Creditors for Capital Expenditure .....	74.68	51.83
Unclaimed Dividend.....	36.27	29.40
Other Liabilities.....	135.44	121.38
<b>Total .....</b>	<b>362.45</b>	<b>309.92</b>

**NOTE 10: SHORT TERM PROVISIONS**

	₹ Lacs	Previous Year ₹ Lacs
<b>Provisions for Employees Benefits</b>		
Compensated Absences.....	4.79	4.09
<b>Total .....</b>	<b>4.79</b>	<b>4.09</b>
<b>Provision - Others</b>		
Proposed Dividend.....	260.00	260.00
Tax on Dividend.....	52.93	44.19
<b>Total.....</b>	<b>312.93</b>	<b>304.19</b>
<b>Total .....</b>	<b>317.72</b>	<b>308.28</b>



## Notes to Financial Statements for year ended March 31, 2015

### NOTE 11: TANGIBLE ASSETS

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	Opening 01.04.2014	Additions	Deductions	Closing 31.03.2015	Opening 01.04.2014	Charge for the year	Deductions	Closing 31.03.2015	Opening 01.04.2014
<b>1. Freehold Land</b> (PT)	<b>13.05</b> 13.05	—	—	<b>13.05</b> 13.05	—	—	—	<b>13.05</b> 13.05	<b>13.05</b> 13.05
<b>2. Buildings</b> (PT)	<b>1,716.16</b> 1,663.52	<b>1,044.97</b> 57.53	— (4.89)	<b>2,761.13</b> 1,716.16	<b>254.27</b> 227.79	<b>43.37</b> 27.61	— (1.12)	<b>297.65</b> 254.27	<b>1,461.89</b> 1,435.73
<b>3. Plant &amp; Machinery</b> (PT)	<b>1,681.10</b> 1,579.33	<b>718.16</b> 123.56	<b>(10.49)</b> (21.79)	<b>2,388.77</b> 1,681.10	<b>847.73</b> 763.72	<b>117.53</b> 103.16	<b>(7.70)</b> (19.16)	<b>957.56</b> 847.73	<b>833.37</b> 815.60
<b>4. Furniture &amp; Fixtures</b> (PT)	<b>596.88</b> 576.97	<b>156.36</b> 23.85	<b>(1.29)</b> (3.94)	<b>751.95</b> 596.87	<b>380.05</b> 337.46	<b>75.65</b> 45.84	<b>(0.94)</b> (3.25)	<b>454.76</b> 380.05	<b>216.83</b> 239.50
<b>5. Office Equipments</b> (PT)	<b>133.35</b> 127.76	<b>44.98</b> 5.59	—	<b>178.33</b> 133.35	<b>104.63</b> 92.60	<b>18.96</b> 12.03	—	<b>123.59</b> 104.63	<b>28.72</b> 35.16
<b>6. Vehicles</b> (PT)	<b>3.18</b> 3.18	—	—	<b>3.18</b> 3.18	<b>2.80</b> 2.57	<b>0.21</b> 0.23	—	<b>3.02</b> 2.80	<b>0.37</b> 0.60
<b>Total</b> (PT)	<b>4,143.72</b> 3,963.81	<b>1,964.46</b> 210.54	<b>(11.78)</b> (30.62)	<b>6,096.40</b> 4,143.72	<b>1,589.48</b> 1,424.15	<b>255.72</b> 188.87	<b>(8.64)</b> (23.53)	<b>1,836.57</b> 1,589.48	<b>2,554.24</b> 2,539.66

(i) Additions during the year include additions made towards assets used for the purpose of CSR - ₹ 26.32 lacs (refer Note 31). The category wise additions amounts of such assets are (a) Buildings- ₹ 14.26 lacs, (b) Plant & Machinery- ₹ 9.26 lacs, (c) Furniture and Fixtures- ₹ 2.07 lacs, (d) Office Equipments - ₹ 0.73 lacs.

### NOTE 12: INTANGIBLE ASSETS

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	Opening 01.04.2014	Additions	Deductions	Closing 31.03.2015	Opening 01.04.2015	Charge for the year	Deductions	Closing 31.03.2015	Opening 01.04.2014
<b>Service and Operating Rights</b> (PT)	<b>18.62</b> 3.39	<b>112.06</b> 15.23	—	<b>130.68</b> 18.62	<b>2.46</b> 1.05	<b>12.10</b> 1.41	—	<b>14.55</b> 2.46	<b>16.16</b> 2.34

**BENARES HOTELS LIMITED**  
Forty Fourth Annual Report 2014-15

Notes to Financial Statements for the year ended March 31, 2015

**NOTE 13: LONG-TERM LOANS AND ADVANCES**

	₹ Lacs	Previous Year ₹ Lacs
<b>Unsecured, Considered Good Unless Stated Otherwise</b>		
Capital Advances .....	—	6.90
<b>Sundry Deposits</b>		
Public Bodies and Others .....	44.37	41.47
<b>Other Loans and Advances</b>		
Advance Income Tax paid (net)/ Taxes Refundable .....	38.03	22.78
<b>Total</b> .....	<u>82.40</u>	<u>71.15</u>

**NOTE 14: INVENTORIES (At lower of cost and net realisable value)**

	₹ Lacs	Previous Year ₹ Lacs
(a) Food and Beverages .....	55.08	45.75
(b) Stores and Operating Supplies .....	60.20	59.28
<b>Total</b> .....	<u>115.28</u>	<u>105.03</u>

**NOTE 15: TRADE RECEIVABLES (Unsecured)**

	₹ Lacs	Previous Year ₹ Lacs
<b>Outstanding Over Six Months:</b>		
(a) Considered Good .....	18.07	22.74
(b) Considered Doubtful.....	17.82	18.53
Total .....	35.89	41.27
<b>Others:</b>		
(a) Considered Good .....	221.99	223.24
(b) Considered Doubtful .....	—	—
<b>Total</b> .....	<u>221.99</u>	<u>223.24</u>
	257.88	264.51
Less: Provision for Doubtful Debts.....	17.82	18.53
<b>Total</b> .....	<u>240.06</u>	<u>245.98</u>

## Notes to Financial Statements for the year ended March 31, 2015

### NOTE 16: CASH AND BANK BALANCES

	₹ Lacs	Previous Year ₹ Lacs
<b>Cash and Cash Equivalents</b>		
(a) Cash on Hand .....	3.32	9.79
(b) Balances with Bank in Current Account .....	222.72	191.95
(c) Balances with bank in Call and Short-Term Deposit Accounts.....	333.39	1.58
<b>Total</b> .....	<u>559.43</u>	<u>203.32</u>
<b>Other Balances with Banks:</b>		
(a) Earmarked Balances .....	36.27	29.40
<b>Total</b> .....	<u>595.70</u>	<u>232.72</u>

### NOTE 17: SHORT-TERM LOANS AND ADVANCES

	₹ Lacs	Previous Year ₹ Lacs
<b>Sundry Deposits</b>		
(a) Related parties .....	200.00	550.00
(b) Public Bodies and Others.....	503.08	502.52
<b>Total</b> .....	<u>703.08</u>	<u>1,052.52</u>
<b>Other advances</b>		
(a) Considered good .....	85.03	107.13
(b) Considered doubtful .....	—	—
<b>Total</b> .....	<u>85.03</u>	<u>107.13</u>
<b>Total</b> .....	<u>788.11</u>	<u>1,159.65</u>

### NOTE 18: OTHER CURRENT ASSETS

	₹ Lacs	Previous Year ₹ Lacs
<b>Interest Receivable</b>		
(a) Related Parties .....	1.87	6.78
(b) Others .....	11.70	6.65
<b>Total</b> .....	<u>13.57</u>	<u>13.43</u>
<b>On Current Account dues:</b>		
(a) Related Parties .....	30.32	22.54
(b) Others .....	7.85	3.68
<b>Total</b> .....	<u>38.17</u>	<u>26.22</u>
<b>Total</b> .....	<u>51.74</u>	<u>39.65</u>

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Notes to Financial Statements for the year ended March 31, 2015

**NOTE 19: ROOMS, RESTAURANTS, BANQUETS AND OTHER OPERATING INCOME**

	₹ Lacs	Previous Year ₹ Lacs
1. Income from Operations .....	4,716.63	4,319.35
2. Other Operating Income .....	—	—
Total .....	<u>4,716.63</u>	<u>4,319.35</u>
<b>Income from Operations is Derived from the Following:</b>		
1. Room Income .....	2,359.93	2,126.10
2. Food, Restaurants and Banquets .....	2,161.43	2,028.55
3. Shop Rentals .....	52.44	47.55
4. Membership Fees .....	2.99	2.66
5. Car Hire Income .....	29.32	—
6. Spa Income .....	67.70	69.87
7. Laundry Income .....	24.18	23.45
8. Others .....	18.64	21.17
Total .....	<u>4,716.63</u>	<u>4,319.35</u>

**NOTE 20: OTHER INCOME**

	₹ Lacs	Previous Year ₹ Lacs
<b>Interest Income</b>		
1. Inter-corporate Deposits .....	34.00	21.56
2. Deposits with Banks .....	12.47	29.30
3. Deposits with Related Parties .....	49.16	27.00
4. Others .....	—	0.10
Total .....	<u>95.63</u>	77.96
5. Others .....	11.80	14.57
Total .....	<u>107.43</u>	<u>92.53</u>

## Notes to Financial Statements for the year ended March 31, 2015

### NOTE 21: FOOD AND BEVERAGES CONSUMED

	₹ Lacs	Previous Year ₹ Lacs
Opening Stock .....	45.75	39.14
Add: Purchases .....	504.75	484.67
Total.....	<u>550.50</u>	<u>523.81</u>
Less: Closing Stock .....	55.08	45.75
Food and Beverage Consumed .....	<u>495.42</u>	<u>478.06</u>

	March 31, 2015		March 31, 2014	
	₹ Lacs	%	₹ Lacs	%
Imported .....	—	—	—	—
Indigenous.....	495.42	100.00	478.06	100.00
Total .....	<u>495.42</u>	<u>100.00</u>	<u>478.06</u>	<u>100.00</u>

### NOTE 22: EMPLOYEE BENEFIT EXPENSE AND PAYMENT TO CONTRACTORS

	₹ Lacs	Previous Year ₹ Lacs
1. Salaries, Wages, Bonus, etc. ....	419.54	379.41
2. Company's Contribution to provident and Other Funds .....	36.31	32.41
3. Reimbursement of Expenses on Personnel Deputed to the Company .....	120.52	85.65
4. Payment to Contractors .....	51.71	45.54
5. Staff Welfare Expenses .....	90.98	87.84
<b>Total</b> .....	<u>719.06</u>	<u>630.85</u>

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Notes to Financial Statements for the year ended March 31, 2015

**NOTE 23: OTHER OPERATING AND GENERAL EXPENSES**

	₹ Lacs	Previous Year ₹ Lacs
<b>I Operating Expenses Consist of the Following:</b>		
1. Linen and Room Supplies .....	67.29	89.43
2. Catering Supplies.....	44.43	39.76
3. Other Supplies.....	9.53	5.78
4. Fuel, Power and Light.....	366.78	352.12
5. Repairs to Buildings .....	50.86	38.15
6. Repairs to Machinery.....	66.47	61.04
7. Repairs to Others .....	8.17	7.96
8. Garden Expenses .....	38.65	37.86
9. Linen and Uniform Washing and Laundry Expenses.....	56.16	57.60
10. Operating Fees .....	355.12	319.87
11. Payment to Orchestra Staff, Artistes and Others .....	2.65	2.34
12. Guest Transportation .....	17.49	1.69
13. Travel Agents' Commission .....	24.40	20.15
14. Discount to Collecting Agents .....	35.98	30.18
15. Other Operating Expenses.....	119.14	117.40
<b>Total .....</b>	<b>1,263.12</b>	<b>1,181.33</b>

**Linen, Room, Catering and Other Supplies Consumed**

	March 31, 2015		March 31, 2014	
	₹ Lacs	%	₹ Lacs	%
Imported .....	—	—	—	—
Indigenous .....	121.25	100.00	134.97	100.00
<b>Total .....</b>	<b>121.25</b>	<b>100.00</b>	<b>134.97</b>	<b>100.00</b>

**II General Expenses Consist of the Following**

1. Rent .....	29.65	22.60
2. Licence Fees .....	30.02	24.72
3. Rates and Taxes .....	93.43	67.95
4. Insurance .....	10.12	10.30
5. Advertising and Publicity .....	140.65	136.96
6. Printing and Stationery.....	21.95	18.18
7. Security Expenses .....	35.95	26.18
8. Corporate Services.....	46.55	43.91
9. CRS/ CIS Expenses .....	46.55	43.91
10. Passage and Travelling .....	18.99	19.83
11. CSR Expenses (refer Note 31).....	12.34	4.69
12. Telephone and Internet Expenses .....	25.51	10.07
13. Provision for Doubtful Debts .....	(0.70)	1.32
14. Professional Fees.....	22.74	15.07
15. Outsourced Support Services .....	15.60	12.46
16. Exchange Loss (Net) .....	0.06	0.75
17. Loss on Sale of Fixed Assets (Net) .....	1.25	3.35
18. Payment made to Statutory Auditors (Refer Footnote ii)...	4.19	4.04
19. Directors' Fees and Commission .....	44.13	43.50
20. Other Expenses .....	54.46	45.88
<b>Total .....</b>	<b>653.44</b>	<b>555.66</b>
<b>TOTAL .....</b>	<b>1,916.56</b>	<b>1,736.99</b>

## Notes to Financial Statements for the year ended March 31, 2015

### NOTE 23: OTHER OPERATING AND GENERAL EXPENSES (Contd.)

#### Foot Notes:

	₹ Lacs	Previous Year ₹ Lacs
<b>(i) Expenditure Recovered from Other Parties:</b>		
Fuel, Power and Light .....	18.23	20.92
<b>Total</b> .....	<u>18.23</u>	<u>20.92</u>
<b>(ii) Payment Made to Statutory Auditors:</b>		
As Auditors .....	2.50	1.75
As Tax Auditors .....	1.30	0.80
For Management Services .....	0.14	0.94
For Other Services .....	0.25	0.55
<b>Total</b> .....	<u>4.19</u>	<u>4.04</u>
<b>(iii) Provision for Doubtful Debts:</b>		
<b>Opening Balance</b> .....	18.53	47.05
Add: Provision During the Year .....	—	2.72
<b>Total</b> .....	<u>18.53</u>	<u>49.77</u>
Less: Bad Debts Written Off .....	—	29.84
Less: Provision no Longer Required, Written Back .....	0.70	1.40
<b>Closing Balance</b> .....	<u>17.83</u>	<u>18.53</u>

### NOTE 24: CONTINGENT LIABILITIES (to the extent not provided for)

#### (a) On account of Income Tax Matters in Dispute:

- i. In respect of matters which have been decided in the Company's favour by the CIT-Appeals, where the Income Tax Department has preferred an appeal in ITAT ₹ 127.97 Lacs (previous year - ₹ 118.35 Lacs).
- ii. In respect of other matters for which Company's appeals are pending with appellate authorities against the order of the assessing officer ₹ 23.21 Lacs (previous year ₹ 60.05 Lacs)

#### (b) On account of other disputes in respect of:

- i. Service Tax - ₹ 19.08 Lacs (previous year - ₹ 19.08 Lacs)
- ii. Sales tax - ₹ 36.27 Lacs (previous year - ₹ 36.27 Lacs)
- iii. Others - ₹ 3.45 lacs (previous year - ₹ 3.45 Lacs)

### NOTE 25: CAPITAL COMMITMENTS:

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 41.67 Lacs (Previous year - ₹ 672.64 Lacs).

### NOTE 26: CAPITAL WORK IN PROGRESS

The total Capital Work in Progress consists of the following:

	₹ Lacs	Previous Year ₹ Lacs
Capital Work in Progress at Varanasi Hotel .....	83.59	141.09
Capital Work in Progress at Gondia Hotel .....	—	935.10

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## Notes to Financial Statements for the year ended March 31, 2015

### NOTE 27: VALUE OF IMPORTS

	₹ Lacs	Previous Year ₹ Lacs
Stores, Supplies and Spare Parts for Machinery .....	13.43	11.68
Value of Capital Imports (CIF) .....	33.13	24.67

### NOTE 28: EXPENDITURE IN FOREIGN CURRENCY

	₹ Lacs	Previous Year ₹ Lacs
Professional and Consultancy Fees .....	6.65	0.99
Other Expenditure in Foreign Currency .....	12.33	14.31

### NOTE 29: EARNINGS IN FOREIGN EXCHANGE

	₹ Lacs	Previous Year ₹ Lacs
Earnings in Foreign Exchange.....	1,809.09	1,636.50
(As certified by the Management and verified by the Auditors)		

### NOTE 30: PROVISION FOR DOUBTFUL DEBTS AND BAD DEBTS WRITTEN OFF

- (a) During the year, an amount of ₹ 0.70 lacs was written back from provision for doubtful debts due to provision no more required on some debts.
- (b) There is no provision for doubtful debts or amounts written off or written back during the year for debts due from or to related parties.

### NOTE 31: CSR (Corporate Social Responsibility) EXPENDITURE

During the year, the company incurred an expenditure of ₹ 38.66 Lacs towards Corporate Social Responsibility in terms of the provision of Section 135 of the Companies Act, 2013. A brief summary along with the breakup of expenditure along with type, i.e. revenue/ capital, is as follows:

#### Capital Expenditure (Capitalized as Fixed Assets)

CSR Programs	CSR Projects	Cost Incurred
Employability	Setting up of Skills Certification Centre in the premises of The Gateway Hotel Ganges, Varanasi	₹ 26.32 Lacs

#### Revenue Expenditure

CSR Programs	CSR Projects	Cost Incurred
Employability	Cost of running the Skills Certification Centre in the premises of The Gateway Hotel Ganges, Varanasi	₹ 1.68 Lacs
Health & Awareness	Construction of 16 nos. Toilets in Weavers Village, Varanasi and Health Awareness Camps	₹ 8.35 Lacs
Environment	Maintenance of Munshi Ghat at Varanasi	₹ 2.31Lacs
	<b>Total</b>	<b>₹ 12.34 Lacs</b>



## Notes to Financial Statements for the year ended March 31, 2015

### NOTE 32: SEGMENT REPORTING

The Company's business consists of its hotel operations only and hence no separate information for segment-wise disclosures under Accounting Standard on 'Segment Reporting (AS-17)', issued by the Institute of Chartered Accountants of India, is given.

### NOTE 33: RELATED PARTY DISCLOSURES

(a) As per Accounting Standard - 18, "Related Parties Disclosure" notified by the Companies (Accounting Standards) Rules 2006, the following is the list of Related Parties:

<b>i Holding Company</b>	
<b>Name of the Company</b>	<b>Country of Incorporation</b>
The Indian Hotels Company Limited .....	India
<b>ii Fellow Subsidiary Companies of the Holding Company</b>	
<b>Name of the Company</b>	<b>Country of Incorporation</b>
TIFCO Holdings Ltd .....	India
Residency Foods & Beverages Ltd .....	India
KTC Hotels Ltd .....	India
United Hotels Ltd.....	India
Taj SATS Air Catering Ltd .....	India
Roots Corporation Ltd .....	India
Taj Enterprises Ltd.....	India
Taj Trade and Transport Ltd. ....	India
Inditravel Ltd .....	India
Piem Hotels Ltd. ....	India
Northern India Hotels Ltd. ....	India
Taj Rhein Shoes Co. Ltd. ....	India
Ideal Ice & Cold Storage Co. Ltd. ....	India
TIFCO Security Services Limited. ....	India
<b>International</b>	
Samsara Properties Ltd. ....	British Virgin Islands
Apex Hotel Management Services (Pte) Ltd. ....	Singapore
Chieftain Corporation NV .....	Netherlands Antilles
IHOCO BV .....	Netherlands
St. James Court Hotel Ltd. ....	United Kingdom
Taj International Hotels Ltd. ....	United Kingdom
IHMS (Australia) Pty. Ltd. ....	Australia
IHMS Inc.United States of America .....	USA
Taj International Hotels (H.K.) Ltd. ....	Hong Kong
PIEM International (H.K.) Ltd. ....	Hong Kong
BAHC 5 Pte. Ltd. ....	Singapore
Premium Aircraft Leasing .....	Ireland
<b>(iii) Key Managerial Personnel</b>	
Ahmar Siddiqui - Chief Executive officer	
Ravi Sharma - Chief Financial officer	

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Notes to Financial Statements for the year ended March 31, 2015

**NOTE 33: RELATED PARTY DISCLOSURES (Contd.)**

**(b) Details of related party transactions during the year ended March 31, 2015**

Particulars	Holding Company ₹ Lacs	Fellow Subsidiaries Companies ₹ Lacs	KMP ₹ Lacs	Other ₹ Lacs
Interest received/accrued .....	–	<b>49.16</b>	–	–
	<i>(17.09)</i>	<i>(9.90)</i>	–	–
Operating / Management fees paid .....	<b>345.73</b>	–	–	–
	<i>(312.22)</i>	–	–	–
Fee Paid for Other Services .....	<b>210.28</b>	–	–	–
	<i>(192.28)</i>	–	–	–
Deputed Staff Salaries Paid .....	<b>89.74</b>	–	–	–
	<i>(95.42)</i>	<i>(4.25)</i>	–	–
Transportation and Conveyance Expenses ....	–	<b>5.61</b>	–	–
	–	<i>(10.02)</i>	–	–
License Fee paid (Nadesar Palace) .....	–	–	–	<b>27.36</b>
	–	–	–	<i>(24.02)</i>
Dividend Paid .....	<b>58.60</b>	<b>81.01</b>	–	–
	<i>(58.60)</i>	<i>(81.01)</i>	–	–
Other Income Earned .....	–	<b>2.46</b>	–	–
	–	<i>(3.40)</i>	–	–
ICD Placed during the year .....	–	–	–	–
	<i>(700.00)</i>	<i>(550.00)</i>	–	–
ICD Encashed during the year .....	–	350.00	–	–
	<i>(700.00)</i>	–	–	–
Remuneration Paid / Payable .....	–	–	<b>43.15</b>	–
	–	–	<i>(37.85)</i>	–
<b>Balances outstanding at the end of the year</b>				
Current Account Receivables .....	<b>30.11</b>	<b>0.21</b>	–	–
	<i>(26.86)</i>	<i>(3.36)</i>	–	–
Trade Payables .....	–	<b>0.96</b>	–	–
	<i>(27.66)</i>	<i>(4.56)</i>	–	–
ICD Receivable .....	–	<b>200.00</b>	–	–
	–	<i>(550.00)</i>	–	–
Interest Receivable .....	–	<b>1.86</b>	–	–
	–	<i>(6.79)</i>	–	–

**Footnotes:** (i) Figures in italics are of the previous year.

**(c) Statement of Material Transactions**

Company Name	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
<b>Holding Company</b>	As per note 33(b) above	As per note 33(b) above
<b>The Indian Hotels Company Limited</b>		
<b>Fellow Subsidiary Company</b>		
<b>Roots Corporation Limited</b>		
Interest Received/ Accrued .....	<b>49.16</b>	9.90
ICD placed during the year .....	–	550.00
ICD encashed during the year .....	<b>350.00</b>	–

## Notes to Financial Statements for the year ended March 31, 2015

### NOTE 33: RELATED PARTY DISCLOSURES (Contd.)

Company Name	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
<b>Piem Hotels Limited</b>		
Deputed Staff Salaries Paid .....	-	4.25
Dividend Paid .....	10.81	10.81
<b>Inditravels Limited</b>		
Transportation and Conveyance Expenses .....	5.61	10.02
Other Incomes earned .....	2.46	3.40
<b>TIFCO Holdings Limited</b>		
Dividend Paid .....	70.17	70.17
<b>Directors and Entities controlled by Director</b>		
License Fee paid (Nadesar Palace)		
<b>Dr. Anant Narain Singh</b> .....	13.68	12.01
<b>Companies/ Trust Controlled by</b>		
<b>Dr Anant Narain Singh</b>		
Maharaja Prabhu Narain Physical Cultural trust	3.42	3.00
<b>Aditya Dairies Pvt Ltd</b> .....	6.84	6.01
<b>Ananta Electric Lamp Works Pvt Ltd</b> .....	3.42	3.00

### NOTE 34: EMPLOYEE BENEFITS

- (a) The Company has recognised the following expenses as defined contribution plan under the head “Company’s Contribution to Provident Fund and Other Funds”(net of recoveries) :

	March 31, 2015 ₹ Lacs	March 31, 2014 ₹ Lacs
Provident Fund .....	24.12	22.41

- (b) The Company operates post retirement defined benefit plans as follows :-

**Funded : Post Retirement Gratuity**

- (c) **Defined Benefit Plans As per Actuarial Valuation on March 31, 2015 :-**

- (i) **Amount to be recognised in Balance Sheet and movement in net liability**

	Gratuity Funded ₹ Lacs	March 31, 2014 ₹ Lacs
Present Value of Funded Obligations .....	140.64	131.29
Fair Value of Plan Assets .....	(135.00)	(136.41)
Net (asset) / Liability .....	5.63	(5.11)

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**NOTE 34: EMPLOYEE BENEFITS (Contd.)**

(ii) Expenses recognized in the Statement of Profit & Loss

	<b>Gratuity Funded</b>	March 31, 2014
	₹ Lacs	₹ Lacs
Current Service Cost .....	7.77	7.80
Interest Cost .....	11.84	10.21
Expected return on Plan Assets .....	(9.70)	(9.65)
Actuarial Losses / (Gain) recognised in the year .....	5.82	(1.39)

(iii) Reconciliation of Defined Benefit Obligation

	<b>Gratuity Funded</b>	March 31, 2014
	₹ Lacs	₹ Lacs
Opening Defined Benefit Obligation .....	131.29	126.73
Current Service Cost .....	7.77	7.80
Interest Cost .....	11.84	10.21
Actuarial Losses / (Gain) .....	8.73	(4.29)
Benefits Paid .....	(19.00)	(9.16)
Closing Defined Benefit Obligation .....	140.63	131.29

(iv) Reconciliation of Fair Value of Plan Assets

	<b>Gratuity Funded</b>	March 31, 2014
	₹ Lacs	₹ Lacs
Opening Fair Value of Plan Assets .....	136.41	133.81
Expected return on Plan Assets .....	9.70	9.65
Actuarial (Gain) / Losses .....	2.90	(2.90)
Contribution by Employer .....	5.00	5.00
Benefits Paid .....	(19.00)	(9.16)
Closing Fair Value of Plan Assets .....	135.00	136.40
Expected Employer's contribution next year .....	5.63	5.00

(v) Description of Plan Assets

	<b>Gratuity Funded</b>	March 31, 2014
	₹ Lacs	₹ Lacs
Government of India Securities .....	0%	0%
Corporate Bonds .....	0%	0%
Equity .....	0%	0%
Others .....	100%	100%
Grand Total .....	100%	100%

(vi) Actuarial Assumptions

Discount rate (p.a.) .....	7.90%	9.15%
Expected Rate of Return on Assets (p.a.) .....	7.50%	7.50%
Salary Escalation Rate (p.a.) .....	5.00%	5.00%
Mortality Table Used .....	2006-08	2006-08

## Notes to Financial Statements for the year ended March 31, 2015

### NOTE 34: EMPLOYEE BENEFITS (Contd.)

#### (vii) Experience Adjustments

	2014/15	2013/14	2012/13	2011/12	2010/11
	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs
Defined Benefit Obligation .....	140.63	131.29	126.73	105.59	98.59
Plan Assets .....	134.99	136.40	133.82	111.44	100.04
Surplus/ (Deficit) .....	(5.63)	5.11	7.08	5.85	1.45
Experience Adjustment on Plan Liabilities	(2.40)	5.63	8.32	1.22	10.11
Experience Adjustment on Plan Assets ...	2.90	(2.89)	16.62	(1.75)	0.35

### NOTE 35: EARNINGS PER SHARE (EPS)

Earnings Per Share is calculated in accordance with Accounting Standard 20 'Earnings Per Share', notified by the Company's (Accounting Standards) Rules, 2006 as amended.

Particulars	March 31, 2015	March 31, 2014
	₹ Lacs	₹ Lacs
Profit after tax - (₹ Lacs) .....	922.62	897.99
Number of Ordinary Shares .....	13,00,000	13,00,000
Weighted Average Number of Ordinary Shares .....	13,00,000	13,00,000
Earnings Per Share - (₹) Basic and Diluted .....	70.97	69.08

### NOTE 36: SHAREHOLDING PATTERN

Particulars	March 31, 2015	March 31, 2014
	₹ Lacs	₹ Lacs
<b>Public Shareholding</b>		
Number of Shares .....	488062	488062
Percentage of Shares .....	37.54%	37.54%
<b>Promoters and Promoter Group Shareholding</b>		
(a) Pledged/Encumbered		
Number of Shares .....	Nil	Nil
Percentage of Shares (as a % of the total shareholding of promoter and promoter group) .....	Nil	Nil
Percentage of Shares (as a % of the total share capital of the Company) .....	Nil	Nil
(b) Non-encumbered		
Number of Shares .....	811938	811938
Percentage of Shares (as a % of the total shareholding of promoter and promoter group) .....	100%	100%
Percentage of Shares (as a % of the total share capital of the Company) .....	62.46%	62.46%

# FINANCIAL STATISTICS

(Rs./Lacs)

YEAR	CAPITAL ACCOUNTS										REVENUE ACCOUNTS									
	Capital	Reserves & Surplus	Borrowing	Deferred Taxes	Fixed Assets		Investments	Misc Ex-penses	Gross Revenue	Expenditure (including Interest)	Depreciation Extraord. Items & Taxes	Profit before Taxes	Taxes	Adjustments	Profit After Taxes	Adjustments	Net Transfer to Reserves	Dividend	Tax on Dividend	Rate of Dividend %
					Gross Block	Net Block														
1989-90	130.00	28.54	223.51	223.51	354.89	233.57	—	—	293.01	222.09	18.93	51.99	3.10	—	48.89	—	38.49	10.40	10.40	8%
1990-91	130.00	44.85	218.63	218.63	502.44	363.19	—	—	285.11	237.94	20.47	26.70	—	—	26.70	—	16.30	10.40	26.00	8%
1991-92	130.00	125.83	181.95	181.95	528.47	360.75	—	—	421.79	286.34	28.46	106.99	—	—	106.99	—	80.99	26.00	26.00	20%
1992-93	130.00	181.24	145.70	145.70	572.99	375.23	—	—	421.09	309.84	30.52	80.73	(0.67)	—	81.40	—	55.40	26.00	26.00	20%
1993-94	130.00	231.84	101.98	101.98	617.92	389.34	—	—	462.66	343.17	32.89	86.60	10.00	—	76.60	—	50.60	26.00	39.00	20%
1994-95	130.00	284.46	79.46	79.46	639.16	377.10	—	—	516.45	382.22	34.11	100.12	8.50	—	91.62	—	52.62	39.00	58.50	30%
1995-96	130.00	427.78	48.94	48.94	689.27	390.25	—	—	755.19	498.42	36.95	219.82	18.00	—	201.82	—	143.34	58.50	78.00	45%
1996-97	130.00	616.01	9.88	9.88	740.91	487.35	—	—	904.31	595.56	33.73	275.02	35.50	—	239.52	34.51	188.23	78.00	7.80	60%
1997-98	130.00	781.67	9.74	9.74	785.95	498.88	—	—	985.31	668.39	35.96	280.96	29.50	—	251.46	—	165.66	78.00	7.80	60%
1998-99	130.00	981.38	9.74	9.74	985.95	661.34	—	—	1,083.29	716.74	46.65	319.89	33.60	—	286.29	—	199.71	78.00	8.58	60%
1999-00	130.00	1,161.94	9.74	9.74	1,032.95	661.53	—	—	1,105.09	736.19	48.19	320.70	37.71	+5.79	288.78	—	180.56	97.50	10.73	75%
2000-01	130.00	1,313.88	12.97	12.97	1,123.18	706.71	—	58.54	1,252.47	865.18	47.09	340.20	54.00	(5.32)	280.88	—	151.94	117.00	11.93	90%
2001-02	130.00	1,106.06	12.97	141.16	1,282.28	812.41	—	—	936.29	776.22	55.17	104.90	32.50	—	72.40	—	(25.10)	97.50	—	75%
2002-03	130.00	1,124.68	12.97	145.08	1,411.13	876.48	—	—	1,104.34	857.04	64.77	182.54	53.92	—	128.62	—	18.62	97.50	12.49	75%
2003-04	130.00	1,188.07	12.97	152.81	1,530.16	929.83	—	—	1,298.42	957.70	67.29	273.44	92.73	—	180.71	—	63.39	104.00	13.33	80%
2004-05	130.00	1,334.76	14.26	145.75	1,518.08	919.67	100.45	—	1,532.17	1,046.88	72.16	413.13	140.44	—	272.69	—	146.69	110.50	15.50	85%
2005-06	130.00	1,497.84	14.26	146.71	1,759.20	1,112.36	105.19	—	1,574.94	1,071.05	67.56	436.33	147.25	—	289.08	—	163.08	110.50	15.50	85%
2006-07	130.00	1,732.48	22.97	153.78	2,141.70	1,468.78	111.50	—	1,943.33	1,269.77	86.66	586.90	200.17	—	386.73	—	234.64	130.00	22.09	100%
2007-08	130.00	1,990.41	22.97	164.09	2,323.36	1,548.51	—	—	2,168.87	1,397.41	101.93	669.52	229.08	—	440.45	—	257.93	156.00	26.51	120%
2008-09	130.00	2,182.89	25.27	175.62	3,331.83	2,469.11	—	—	2,018.78	1,417.40	109.56	491.81	170.05	—	321.76	—	192.48	110.50	18.77	85%
2009-10	130.00	2,362.78	30.58	205.33	3,534.63	2,522.04	—	—	2,347.19	1,635.69	153.20	568.30	181.34	—	376.96	—	179.89	169.00	28.07	130%
2010-11	130.00	2,656.11	30.58	231.32	3,769.96	2,674.02	—	—	2,773.17	1,879.79	160.04	733.35	242.89	—	490.46	—	293.39	169.00	28.07	130%
2011-12	130.00	3,033.66	—	249.27	4,228.85	2,978.46	—	—	3,519.50	2,387.20	170.72	961.58	342.35	—	619.23	—	377.49	208.00	33.74	160%
2012-13	130.00	3,587.08	—	234.31	4,401.84	3,108.90	—	—	3,984.62	2,550.28	180.51	1,253.83	396.22	—	857.61	—	553.42	260.00	44.13	200%
2013-14	130.00	4,180.88	—	245.64	5,238.53	3,646.59	—	—	4,411.88	2,845.90	190.28	1,375.70	477.71	—	897.99	—	593.80	260.00	44.19	200%
2014-15	130.00	4,790.57	—	303.41	6,310.67	4,459.55	—	—	4,824.06	3,131.04	267.23	1,425.78	503.15	—	922.67	—	609.69	260.00	52.93	200%

**BENARES HOTELS LIMITED**

Corporate Identification No. (CIN) L55101UP1971PLC003480  
Registered Office: Nadesar palace Compound, Varanasi 221 002  
Phone: 0542-6660001 E-mail: investorrelations@tajhotels.com Website: www.benareshotelslimited.com

**Attendance Slip** (To be presented at the entrance)

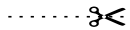
I hereby record my presence at the FORTY FOURTH ANNUAL GENERAL MEETING of the Company at the Registered Office of the Company at Nadesar Palace Compound, Varanasi 221 002 at 3.00 p.m. on Friday, August 21, 2015 and at any adjournment thereof.

Folio No. .... DP ID No ..... Client ID No. ....

Name of the Member ..... Signature .....

Name of the Proxyholder ..... Signature.....

- 1. Only Member/Proxyholder can attend the Meeting.
- 2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.



**BENARES HOTELS LIMITED**

Corporate Identification No. (CIN) L55101UP1971PLC003480  
Registered Office: Nadesar palace Compound, Varanasi 221 002

**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) : .....

Registered Address : .....

E-mail Id : .....

Folio No./Client ID No. : .....

I/We, being the member (s) of Benares Hotels Limited, holding..... shares hereby appoint

1. Name : ..... E-mail Id : .....

Address : .....

Signature : ....., or failing him/her

2. Name : ..... E-mail Id : .....

Address : .....

Signature : ....., or failing him/her

2. Name : ..... E-mail Id : .....

Address : .....

Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Forty Fourth Annual General Meeting of the Company, to be held on Friday, 21st August, 2015 at 3.00 p.m. at the Registered Office of the Company at Nadesar Palace Compound, Varanasi 221 002 and at any adjournment thereof in respect of such resolutions as are indicated below :

Please put a (✓) in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.

Item No.	Resolution	Type of Resolution	I / We assent to the resolution	I / We dissent to the resolution
			FOR	AGAINST
1	Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2015	Ordinary		
2	Declare a Dividend			
3	Reappointment of Dr. Anant Narain Singh as a Director of the Company.	Ordinary		
4	To appoint the Auditors of the Company.	Ordinary		
5	Appointment of Mr. Rakesh Kumar Sarna as a Director of the Company	Ordinary		
6	Appointment of Mr. Rohit Khosla as a Director of the Company	Ordinary		
7	Approval of material Related Party Transactions	Special		

Signed this ..... day of ..... 2015

Signature of Member.....

Signature of Proxy holder(s).....



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Nadesar Palace Compound, Varanasi 221 002, not less than 48 hours before the commencement of the Meeting.



Nadesar Palace, Varanasi





**FORM A**  
**Format of covering letter of the annual audit report to be filed with the stock exchanges**

1. Name of the Company:	Benares Hotels Limited
2. Annual financial statements for the year ended	31st March, 2015
3. Type of Audit observation	Un-qualified.
4. Frequency of observation	Third time consecutively unqualified.
5. To be signed by-	
• Chief Executive Officer	<i>Ashwani Arora</i> <i>ASL</i>
• Audit Committee Chairman	<i>Ashwani Arora</i> B. L. Passi <i>ASL 591</i>
• Chief Financial Officer	<i>Ravi Sharma</i> Ravi Sharma
• Auditor of the company	For N. Krishnaswamy and Co. Chartered Accountants (Firm Registration No. 001555S) <i>N. Krishnaswamy</i> N. Krishnaswamy (Membership No. 004797)

