

BOARD OF DIRECTORS

Vinaychand Kothari
Chairman & Managing Director

Dilip V. Kothari
Joint Managing Director

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

AUDITORS
M/s. D. C. SURANA & ASSOCIATES
Chartered Accountants

COMPANY LAW CONSULTANT
M/s. N. BAFNA & CO.
Company Secretaries

BANKERS
UNION BANK OF INDIA
HDFC BANK

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

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

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

-: NOTICE :-

NOTICE is hereby given that the 69th Annual General Meeting of the members of the Best Eastern Hotels Ltd. will be held on Tuesday, 25th September 2012 at 1st Floor, Maheshwari Bhavan, J. S. S. Road, Chira Bazar, Mumbai – 400 002 at 4.30 p.m. to transact the following businesses:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date together with the Report of the Directors and Auditors thereon.
2. To confirm & take on record Interim Dividend paid on Redeemable Preference Shares and Equity Shares.
3. To appoint Director in place of Mr. Vinaychand Kothari, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Mr. Mangal S. Chheda, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the company and fix their remuneration.

By order of the Board

Dilip V. Kothari
Joint Managing Director

Mumbai, 13th August, 2012.

Registered Office :

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

-: NOTES :-

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT TO BE THE MEMBER OF THE COMPANY.** Proxies, in order to be effective, should be duly completed, stamped and signed and must be deposited at the registered office of the company not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books will remain closed from Friday, 21st September 2012 to Tuesday, 25th September 2012 (Both days inclusive).
3. Members are requested to notify immediately any change in their address, if any, to Company's Registrar and Share Transfer Agents.
4. As per the provisions of the Companies Act, 1956, facility for making nominations is now available for shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer Agents of the Company.
5. **Unclaimed Dividends:** Dividends remaining unclaimed for 7 years from the date of disbursement will be transferred as per section 205 C of the Companies Act, 1956 to the Investors Education and Protection Fund of the Central Govt. (IEPF). As no claim shall lie against either the company or the IEPF after a period of 7 years from the date of disbursement, shareholders who have not yet encashed their dividend warrants are urged to contact the Registered office of the company for revalidation and encash them before the due date for transfer to the IEPF as mentioned below.

Sr. No.	Dividend for F.Y.	Disbursed on	Due Date for Transfer to IEPF
1	2004-2005	27/09/2005	26/09/2012
2	2005-2006	08/09/2006	07/09/2013
3	2006-2007	20/03/2007	19/03/2014
4	2007-2008	18/03/2008	17/03/2015
5	2008-2009	16/03/2009	15/03/2016
6	2009-2010	15/03/2010	14/03/2017
7	2010-2011	16/03/2011	15/03/2018
8	2011-2012	16/03/2012	15/03/2019

Your Directors recommends all the resolutions.

By order of the Board

Mumbai, 13th August, 2012

**Dilip V. Kothari
Joint Managing Director**

Regd. Office :

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

DIRECTORS' REPORT

To the Members,

Your Directors hereby present the Sixty Ninth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS :

Particulars	Rupees in 000's	
	Year Ended 31.03.2012	Year Ended 31.03.2011
Revenue	44,167	43,661
Profit before Taxation	7,309	9,252
Less : Provision for Tax		
Current Tax	2,425	2,550
Deferred Tax	(98)	217
Excess/(Short) Provision for Tax Earlier Years	(56)	380
Profit after Tax for the year	5,038	6,105
Add : Brought forward profit	9,430	8,467
Profit available for appropriation	14,468	14,572
Transfer To General Reserve	500	500
Dividend : On Preference Shares	1,440	1,440
On Equity Shares	2,528	2,528
Dividend Tax on dividend	643	674
Balance carried over to Balance Sheet	9,357	9,430

Operating Results:

The total revenue of the Company for the year ended 31st March, 2012 was stood at Rs. 441.67 lacs (previous year Rs. 436.61 lacs) and the profit before tax is Rs. 73.09 lacs (previous year Rs. 92.52 lacs). The profit after tax is stood at Rs. 50.38 lacs (previous year Rs. 61.05 lacs).

Dividend on Equity and Preference Shares:

Your Directors had paid an interim dividend of Rs. 0.30/- (15%) per equity share of Rs. 2/- each & Rs. 1.20/- (12%) on Preference Shares of Rs. 10/- each for the year ended 31st March, 2012 and considering the working of the company during the year, your Directors do not recommend any final dividend. The same is to be treated as final dividend and to be taken on record at the ensuing Annual General Meeting. The total amount of dividend outgo was Rs. 46.11 Lacs including dividend tax (previous year dividend outgo Rs. 46.42 lacs including dividend tax).

Fixed Deposit:

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

Directors:

Mr. Vinaychand Kothari & Mr. Mangal S. Chheda retires by rotation and being eligible offer themselves for re-appointment.

Directors Responsibility Statement:

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

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

Social Responsibility Statement:

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

Auditors:

The retiring Auditors M/s. D. C. Surana & Associates, Chartered Accountants, being eligible offer themselves for reappointment.

Auditors Report:

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

Listing:

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

Secretarial Compliance Report:

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

Particulars of Employees:

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

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

The information as required under Section 217 (1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is furnished hereunder:

- a) **Conservation of Energy:** The Company has always given high priority to energy conservation. Constant efforts have been made to reduce energy consumption on continuous basis. Employee awareness and effective monitoring of uses of energy are being pursued. The Company is also examining the use of alternative source of energy. It had

already implemented Hot Water System at the hotel site and converting normal lighting to PL/CFL lighting to save fuel and electricity consumption to the considerable extent.

- b) **Technology Absorption:** The company being in the hospitality industry, its activities do not as such involve any technology absorption or expenditure on research and development. Nonetheless, the Company's endeavors would be to achieve what is best possible in its business.
- c) **Foreign Exchange Earnings & Outgo:** Rs. 3.13 Lacs being realization under credit cards (Previous year Rs. 3.26 Lacs). Outgo Rs. Nil (Previous year Rs. Nil).

Corporate Governance:

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

Acknowledgements:

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

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

For and on behalf of the board,
Vinaychand Kothari

Mumbai, 13th August, 2012

Chairman

NANDLAL BAFNA

B. COM., LL.B., FCS

N. BAFNA & Co.

COMPANY SECRETARIES

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

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

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

SECRETARIAL COMPLIANCE REPORT

Company No. **11-40199**

Authorised Capital Rs. **6,00,00,000/-**

To,
The Members.

M/s. Best Eastern Hotels Ltd.

401, Chartered House,
293/299 Dr. C. H. Street,

MUMBAI - 400 002

We have examined the registers, records, books and papers of M/s. **BEST EASTERN HOTELS LTD.** as required to be maintained under the Companies, Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended **31st March 2012** (Financial year). In our opinion and to the best of our information and according to the examination carried out by us and explanation furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being a limited company has the minimum prescribed paid up capital.
4. The Board of Directors duly met 7 times respectively on 14-05-2011, 08-08-2011, 16-08-2011, 20-09-2011, 14-11-2011, 09-02-2012, and 12-03-2012 in respect of which meeting proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company has closed its Register of Members and Transfer Register from 16th September 2011 to 20th September 2011 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March 2011 was held on 20-09-2011 after giving due notice to the members of the company and the resolutions passed thereat duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting(s) was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to U/s. 295 of the Act.
9. The Company has not entered into any contracts falling under section 297 of the Act during the relevant period.
10. The Company has made necessary entries in the register maintained under section 301 of the Act during the relevant period.

11. As there were no instances falling within the purview of section 314 of the Act, during the relevant period of this report, the company has not obtained any approvals from the Board of Directors, members or Central Government as the case may be.
12. The Board of Directors has approved the issue of duplicate certificates.
13. The Company has:
 - i) Delivered all the certificates on lodgement thereof for transfer in accordance with the provisions of the Act. There was no allotment/ transmission of securities during the financial year.
 - ii) deposited the amount of dividend declared in a separate Bank Account on 16-03-2012 which is within 5 days from the date of declaration of such dividend.
 - iii) the company has paid/posted warrants for dividends to all the members within period of 30 days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to Unpaid dividend account of the company with Corporation Bank, Nariman Point, Mumbai for the interim dividend declared in March 2011 for the year 10-11.
 - iv) transferred the amounts in unpaid dividend account which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional / alternate directors and directors to fill casual vacancy during the financial year.
15. The company has not appointed any Managing Director/Whole Time Director / Manager during the relevant period of this report.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Directors, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares of debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits within the purview of section 58 A during the relevant period of the report.
24. The amount borrowed by the company from directors, members, public, financial institutions, banks and others during the financial year ended 31st March 2012 are within borrowing limits of the company.
25. The company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the name of the company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to object of the company during the year under scrutiny.

29. The Company has altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has altered its articles of association during the financial year.
31. There was/were no prosecution initiated against or show cause notices received by the company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The company has deposited both employees and employers contribution to provident Fund with prescribed authorities pursuant to section 418 of the Act.

For N. Bafna & Co.
Company Secretaries

Place: Mumbai
Date: 13th August, 2012

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

ANNEXURE 'A'

Registers as maintained by the Company

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

ANNEXURE 'B'

Forms and Returns as filed by the company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2012.

1. Secretarial Compliance Report for the year ended 31st March 2011 in Form No. 66
2. Annual Accounts for the financial year ended 31st March 2011 in Form No. 23AC XBRL and 23ACA XBRL filed U/s. 220
3. Annual return made up to 20-9-2011 filed in Form No. 20B U/s. 159
4. Form 1 INV
5. Deposited unpaid dividend to Investor Education & Protection Fund
6. Form No. 5 for subdivision of equity shares
7. Form No. 23 for Special Resolution passed on 20-9-2011 for alteration of clause V of MOA and Article 3 of AOA.
8. Form No. 23B without fee

AUDITORS' REPORT

**TO
THE MEMBERS
BEST EASTERN HOTELS LIMITED**

1. We have audited the attached Balance Sheet of **BEST EASTERN HOTELS LIMITED** (hereinafter called as 'the Company'), as at 31st March 2012, the Profit and Loss Account of the Company and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (ii) 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;
 - (iii) the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) on the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;
 - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (b) in the case of the Profit and Loss Account, 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.

**For D.C. SURANA & ASSOCIATES.
Chartered Accountants
Firm Reg. No. 115961 W**

**Place:- Mumbai,
Dated:- 13th August, 2012**

**D.C.Surana
(Proprietor)
Membership No. 100-34074**

ANNEXURE TO THE AUDITORS' REPORT

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

- I.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. We have been informed that the fixed assets have been physically verified by the management during the year and that no material discrepancies were noticed on such verification.
 - c. During the year, the Company has not disposed off any substantial / major part of fixed assets.
- II.
 - a. As explain to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. The procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- III.
 - a. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
 - b. Since the company has not granted any loans to the parties under Section 301 of the act, hence the question of interest and other conditions does not arise.
 - c. The company has taken unsecured loan of Rs. 1,21,35,356/- (year end balance) from six parties, covered in the register maintained under Section 301 of the Act.
 - d. The rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the company.
 - e. The payment of the principal amount and interest are also regular wherever applicable.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods / services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- V.
 - a. According to information and explanations given to us, we are of the opinion that contracts & arrangements needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements of any entered if any in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- VI. According to the information and explanations given to us, we are of the opinion that the Company has not accepted any deposits from the public within the meaning of Section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- VII. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- VIII. The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the Company's products and activities.
- IX. According to the information and explanations given to us in respect of statutory and other dues:
 - a. The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Income tax, Sales Tax, MVAT, Luxury Tax, Service Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year.

- b. According to information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, MVAT, Luxury Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears, as at 31st March 2012 for a period of more than six months from the date they became payable.
- c. According to information and explanations given to us, there are no dues of Income Tax, Sales Tax, MVAT, Luxury Tax, Service Tax, Custom Duty, Excise Duty, Wealth Tax and Cess which have not been deposited on account of any dispute.
- X. The Company does not have accumulated losses and has not incurred cash losses during the financial year or in the immediate preceding financial year.
- XI. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- XII. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XIV. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XV. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- XVI. Based on our examination of documents and records and according to the information and explanations given to us by the Management, the Company has not taken any term loan during the year.
- XVII. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment or vice versa except permanent working capital.
- XVIII. According to the information and explanations given to us, during the year the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- XIX. Based on our examination of documents and records and according to the information and explanations given to us by the Management, the Company has not issued any debentures during the year.
- XX. Based on our examination of documents and records and according to the information and explanations given to us by the Management, the Company has not raised any money by public issue during the year.
- XXI. According to the information and explanations given to us, the embezzlement of cash of Rs. 6.43 lakh by an ex-employee of the company was noticed during the period of our Audit. [Refer Note - 21 - C (ii)]

For D.C. SURANA & ASSOCIATES
Chartered Accountants
Firm Reg. No. 115961 W

D. C. Surana
Proprietor
Membership No. 100-34074

Mumbai, 13th August, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

NOTES	As at	As at
	31st March, 2012	31st March, 2011
	₹	₹
<u>EQUITY AND LIABILITIES</u>		
SHARE HOLDERS' FUNDS		
Share Capital	2	28,850,000
Reserve & Surplus	3	12,956,888
		41,806,888
NON-CURRENT LIABILITIES		
Long Term Borrowings	4	12,135,356
Deferred Tax Liability (Net)	5	7,980,289
		20,115,645
CURRENT LIABILITIES		
Short Term Borrowings	6	4,635,056
Trade Payables	7	1,287,699
Other Current Liabilities	8	4,834,032
Short Term Provisions	9	3,068,650
		13,825,437
		75,747,969
		72,555,832
ASSETS		
NON-CURRENT ASSETS		
Fixed Assets	10	
Tangible Assets		66,300,031
Capital Work In Progress		419,865
Non Current Investments	11	24,706
		66,744,602
CURRENT ASSETS		
Inventories	12	614,762
Trade Receivables	13	2,511,542
Cash & Bank Balances	14	1,022,621
Short Term Loans & Advances	15	4,854,443
		9,003,368
		75,747,970
		72,555,832

Significant Accounting Policies & Notes on Accounts 1 - -

As Per Our Report of Even Date

For and on behalf of the Board

For **D. C. SURANA & ASSOCIATES**

Vinaychand Kothari – Chairman & Managing Director

Chartered Accountants
Firm Reg. No. 115961 W

Dilip V. Kothari – Joint Managing Director

D. C. Surana

Dr. R. K. Baxi – Director

Proprietor
Membership No. 100-34074

Mangal S. Chheda – Director

Manohar R. Tambat – Director

Mumbai, 13th August, 2012

Mehernoz C. Dangore – Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

	NOTES	₹	For the year ended	
			31st March, 2012 ₹	31st March, 2011 ₹
INCOME				
Revenue from Operations	16		42,617,565	42,607,948
Other Income	17		1,549,300	1,053,016
TOTAL REVENUE			44,166,864	43,660,964
EXPENDITURE				
Cost of Material Consumed	18		5,968,609	5,781,311
Employee Benefit Expenses	19		10,184,223	8,894,747
Finance Cost			1,292,474	1,241,101
Depreciation	10		4,262,063	4,086,246
Other Expenses	20		15,150,966	14,405,165
TOTAL EXPENSES			36,858,335	34,408,570
PROFIT BEFORE TAX			7,308,530	9,252,394
LESS : TAX EXPENSE				
Current Tax		2,425,000		2,550,000
Deferred Tax		(98,010)		217,420
Excess/(Short) Provision for Tax - Earlier Years		(56,796)	2,270,194	379,919
PROFIT FOR THE YEAR			5,038,336	6,105,055
Earning Per Equity Share				
Basic & diluted Earnings Per Share (Rs.)			0.40	0.52

Significant Accounting Policies & Notes on Accounts 1

As Per Our Report of Even Date

For **D. C. SURANA & ASSOCIATES**

Chartered Accountants
Firm Reg. No. 115961 W

D. C. Surana

Proprietor
Membership No. 100-34074

Mumbai, 13th August, 2012

For and on behalf of the Board

Vinaychand Kothari – Chairman & Managing Director

Dilip V. Kothari – Joint Managing Director

Dr. R. K. Baxi – Director

Mangal S. Chheda – Director

Manohar R. Tambat – Director

Mehernoz C. Dangore – Director

NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2012 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE :

NOTE – 1.

Significant Accounting Policies :

1) Basis of preparation of financial statements :

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

2) Basis of Accounting :

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

3) Revenue Recognition :

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

4) Fixed Assets :

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

5) Inventories :

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

6) Investments :

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

7) Retirement Benefits :

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

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

8) Contingent Liabilities :

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

9) Foreign Currency Transactions :

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

10) Taxes on Income

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

11) Borrowing Cost :

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

NOTES FORMING PART OF BALANCE SHEET

	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
NOTE - 2		
SHARE CAPITAL :		
AUTHORISED :		
2,40,00,000 Equity Shares of Rs.2/- Each (Previous year 48,00,000 Equity Shares of Rs. 10/- each)	48,000,000	48,000,000
12,00,000 12% Non-Cumulative Preference Shares of Rs.10/- Each (Previous year 12,00,000 12% Non-Cumulative Preference Shares of Rs. 10/- each.)	12,000,000	12,000,000
	60,000,000	60,000,000
ISSUED, SUBSCRIBED AND PAID-UP :		
84,25,000 Equity shares of Rs.2/= each (Previous year 16,85,000 Equity Shares of Rs. 10/- each) (Out of the above Equity Shares amounting to Rs.4,00,000/- have been issued as Bonus shares & equity shares amounting to Rs.1,50,00,000/- have been issued other than Cash)	16,850,000	16,850,000
12,00,000 12% Non-Cumulative Preference Shares of Rs.10/- each. (Previous year 12,00,000 12% Non-Cumulative Preference Shares of Rs. 10/- each.)	12,000,000	12,000,000
	28,850,000	28,850,000

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

Particulars	March 31, 2012.		March 31, 2011.	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the year (Rs.10/- paid up)	1,685,000	16,850,000	1,685,000	16,850,000
Sub-Divided during the year (Rs.2/- paid up)	8,425,000	-	-	-
Outstanding at the end of the period (Rs.2/- paid up)	8,425,000	16,850,000	1,685,000	16,850,000

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

Particulars	March 31, 2012.		March 31, 2011.	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Vinaychand Kothari	2,173,485	25.80%	434,697	25.80%
Meena Kothari	2,125,000	25.22%	425,000	25.22%
Dilip Kothari	1,500,000	17.80%	300,000	17.80%
Neelam Kothari	500,000	5.94%	100,000	5.94%
Vandeep Holding Pvt. Ltd.	625,000	7.42%	125,000	7.42%
Vandeep Developers Pvt. Ltd.	625,000	7.42%	125,000	7.42%

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

c) During the year, each Equity shares of Rs 10/- each has been sub divided into Five Equity share of Rs 2/- each

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

NOTES FORMING PART OF BALANCE SHEET

	As at 31st March,2012 ₹	As at 31st March,2011 ₹
NOTE - 3		
RESERVES AND SURPLUS		
A) General Reserve		
Opening Balance	3,100,000	2,600,000
Add : Transferred from Profit & Loss Account	500,000	500,000
Closing Balance	3,600,000	3,100,000
B) Surplus in Profit & Loss Account		
Opening Balance	9,429,838	8,466,719
Add: Profit for the year	5,038,336	6,105,055
Less: Dividend on Preference Shares	1,440,000	1,440,000
Dividend on Equity Shares	2,527,636	2,527,636
Tax on Dividend	643,650	674,300
Transfer to General Reserve	500,000	500,000
Closing Balance	9,356,888	9,429,838
Total Reserve & Surplus (A+B)	12,956,888	12,529,838
NOTE - 4		
LONG TERM BORROWINGS		
UNSECURED :		
From Corporates	4,804,681	5,282,282
From Directors	7,330,675	4,448,853
	12,135,356	9,731,135
NOTE - 5		
DEFERRED TAX LIABILITY (NET)		
<u>Deferred Tax Liability</u>		
Related to Fixed Assets	8,112,408	8,225,461
Total (A)	8,112,408	8,225,461
<u>Deferred Tax Assets</u>		
Employee Benefits	132,119	147,162
Total (B)	132,119	147,162
Deferred Tax Liability (Net) (A-B)	7,980,289	8,078,299
NOTE - 6		
SHORT TERM BORROWINGS		
SECURED		
Secured Overdraft Limits from Bank	4,635,056	4,654,661
	4,635,056	4,654,661

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

NOTES FORMING PART OF BALANCE SHEET

	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
NOTE - 7		
TRADE PAYABLES	1,287,699	707,450
NOTE - 8		
OTHER CURRENT LIABILITIES		
Other Payables	2,718,959	2,417,731
Advance From Customers	1,747,882	1,923,301
Unclaimed Dividend	367,191	150,813
	4,834,032	4,491,845
NOTE - 9		
SHORT TERM PROVISIONS		
Provision For Gratuity	-	96,560
Provision For Income Tax	2,425,000	2,741,744
Tax on Interim Dividend	643,650	674,300
	3,068,650	3,512,604

NOTE - 10 : FIXED ASSETS

Particulars	GROSS BLOCK - AT COST				DEPRECIATION				NET BLOCK	
	As at 01-04-2011 ₹	Additions/ Adjustments ₹	Deductions/ Adjustments ₹	As at 31-03-2012 ₹	Upto 31-03-2011 ₹	For the Year ₹	Deductions/ Adjustments ₹	Upto 31-03-2012 ₹	As at 31-03-2012 ₹	As at 31-03-2011 ₹
Tangible Assets										
Land	3,700,000	-	-	3,700,000	-	-	-	-	3,700,000	3,700,000
Shops at Padmavati Encl.	1,701,827	-	-	1,701,827	-	-	-	-	1,701,827	1,701,827
Buildings	69,333,037	4,672,635	-	74,005,672	25,479,106	2,393,371	-	27,872,477	46,133,195	43,853,931
Electrical Installation	6,086,055	-	-	6,086,055	4,257,078	289,880	-	4,546,958	1,539,097	1,828,977
Plant & Machinery	20,630,536	1,151,024	-	21,781,560	10,412,570	998,318	-	11,410,888	10,370,672	10,217,966
Computers & Softwares	955,599	80,600	-	1,036,199	680,570	164,293	-	844,863	191,336	275,029
Furniture & Fixtures (Hotel)	17,755,123	-	-	17,755,123	15,324,946	338,450	-	15,663,396	2,091,727	2,430,177
Furniture & Fixtures (Office)	6,163	-	-	6,163	4,097	391	-	4,488	1,675	2,066
Motor Cars	812,094	-	-	812,094	164,232	77,360	-	241,592	570,502	647,862
Total Tangible Assets	120,980,434	5,904,259	-	126,884,693	56,322,599	4,262,063	-	60,584,662	66,300,031	64,657,835
Previous Year	117,902,446	3,077,988	-	120,980,434	52,236,353	4,086,246	-	56,322,599	64,657,835	-

NOTES FORMING PART OF BALANCE SHEET

	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
NOTE - 11		
NON - CURRENT INVESTMENTS :		
INVESTMENT IN SHARES (Quoted) (At Cost)		
Ambalal Sarabhai Enterprises Ltd.		
230 Equity shares of Rs.10/= each (Previous year 230 equity shares of Rs. 10/- each)	2,109	2,109
Sarabhai Electric Ltd.		
34 Equity shares of Rs.10/= each (Previous year 34 equity shares of Rs. 10/- each)	291	291
The Mysore Sugar Company Ltd.		
1540 Equity shares of Rs.10/= each (Previous year 1540 equity shares of Rs. 10/- each)	16,618	16,618
The Mysore Lamp Works Ltd.		
110 Equity shares of Rs.10/= each (Previous year 110 equity shares of Rs. 10/- each)	4,250	4,250
Larsen & Toubro Ltd.		
16 Equity shares of Rs.1/= each (Previous year 16 equity shares of Rs. 1/- each)	408	408
Ultratech Cement Ltd.		
3 Equity shares of Rs.10/= each (Previous year 3 equity shares of Rs. 10/- each)	30	30
Recron Synthetics Ltd.		
100 Equity shares of Rs.10/= each (Previous year 100 equity shares of Rs. 10/- each)	1,000	1,000
	24,706	24,706
Aggregate Market value of Quoted Investment are Rs 25,431/- (Previous year Rs. 29,853/-)		
NOTE - 12		
INVENTORIES :		
(Valued at cost)		
Taken as valued & certified by the The Directors of the Company.		
Provisions Stores	522,280	478,279
Miscellaneous Parlour Goods	22,463	19,830
Permit Room Liquors	70,019	100,210
	614,762	598,319
NOTE - 13		
TRADE RECEIVABLES :		
(Unsecured, considered good)		
a) More than Six Months	—	—
b) Others	2,511,542	1,039,737
	2,511,542	1,039,737
NOTE - 14		
CASH AND BANK BALANCES :		
a) Cash on Hand	440,538	789,975
b) <u>Balances with Scheduled Banks in :</u>		
Current Accounts	214,891	232,473
Dividend Accounts	367,191	146,813
	1,022,621	1,169,261

NOTES FORMING PART OF PROFIT & LOSS ACCOUNT

	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
NOTE - 15		
SHORT TERM LOANS & ADVANCES : (Unsecured; Considered good)		
Loans & Advances Recoverable in Cash or in Kind or for Value to be received	1,673,180	535,885
Advance Income Tax	2,418,031	2,522,839
Income Tax Refund Receivable	472,732	458,422
Security Deposits	290,500	290,500
	4,854,443	3,807,646
NOTE - 16		
INCOME :		
REVENUE FROM OPERATIONS		
a) Lodging	28,250,007	27,828,670
b) Boarding	13,681,061	13,536,089
c) Other Services & Charges	686,497	1,243,189
	42,617,565	42,607,948
NOTE - 17		
OTHER INCOME :		
a) Interest Income	16,955	15,563
b) Miscellaneous Income	1,373,989	995,940
c) Dividend Income	250	218
d) Debit / Credit Balances Written Off	158,106	41,295
	1,549,300	1,053,016
NOTE - 18		
COST OF MATERIAL CONSUMED		
Consumption of Provision Stores & Wines.		
Opening Stock	598,319	394,839
Add: Purchases	5,985,052	5,984,791
	6,583,371	6,379,630
Less: Closing Stock	614,762	598,319
Net Consumption	5,968,609	5,781,311
NOTE - 19		
Employee Benefit Expenses		
Salary & Wages	5,360,042	4,543,879
Directors' Remuneration	2,990,000	2,730,000
Gratuity	373,055	250,000
Employer's Contribution to Provident Fund	863,712	788,453
Employer's Contribution to Labour Welfare Fund	3,120	2,928
Bonus to Staff	312,839	353,493
Leave Encashment exp.	2,81,455	2,25,994
	10,184,223	8,894,747

NOTES FORMING PART OF PROFIT & LOSS ACCOUNT

	As at 31st March,2012 ₹	As at 31st March,2011 ₹
NOTE - 20		
OTHER EXPENSES		
A) Operating Expenses		
Water Charges	637,320	593,519
Power & Fuel Expenses	3,775,034	3,504,725
Repairs to Building	1,083,886	1,080,610
Repairs to Plant & Machinery	689,931	602,500
Repairs to Others	727,021	836,009
Commission to Agents & Guides	472,714	734,091
VAT Expenses - For Current Year	659,714	659,372
Other Operating Expenses	1,891,050	1,107,063
	9,936,670	9,117,889
B) General Expenses		
Advertisement Expenses	1,439,083	1,417,943
Insurance Charges	121,704	129,243
Rent, Rates & Taxes	373,977	606,377
Communication Expenses	262,649	258,064
Office Rent	840,000	840,000
Donation	-	13,400
Printing & Stationery	114,947	140,038
Legal Expenses	13,741	18,560
Professional Fees	183,385	137,355
Travelling Expenses	74,368	119,056
Conveyance Expenses	232,518	267,806
Motor Car Expenses	86,507	93,213
Filing Fees	2,000	12,750
Listing Fees	27,575	11,030
Share Registrar Expenses	54,707	27,892
Payment to Auditors	100,000	100,000
Profession Tax (Company)	2,500	2,500
Other Administrative & Selling Expenses.	1,284,635	1,092,049
	5,214,296	5,287,276
Total Other Expenses (A+B)	15,150,966	14,405,165

NOTE - 21.

NOTES TO THE ACCOUNTS :

- a) Contingent Liability : Nil
- b) Capital Commitment : Estimated amount of contracts remaining to be executed on account of capital account is Rs. 7 Lakh approx.
- c) (i) Miscellaneous income (net) includes Rs.13,32,639/- (previous year Rs. 9,94,639/-) advances received from parties towards the booking of hotel rooms remains unutilised hence forfeited.
(ii) During the year fraud of cash for Rs. 6.43 lakhs by an ex-employee of the company had been done, against which company has initiated appropriate legal action.
- d) In the opinion of the management, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the Balance Sheet and provisions for all known liabilities have been made as at the year end.
- e) Balance of Creditors, Debtors, Unsecured Loans and Advances are subject to confirmation and reconciliation thereof, if any.
- f) The Company is not required to give any quantitative and value-wise information in respect of purchase, consumption, turn over, stocks etc. as the same is exempted vide Notification No. S.O. 301 (E) dated 8th February, 2011 issued under Saction 211 (3) of The Companies Act 1956 by the Ministry of Corporate affairs, Govt. of India.
- g) Payment to Auditors :

	Current Year	Previous year
As Statutory Auditors	₹ 75,000	₹ 75,000
Tax Audit Fees	₹ 25,000	₹ 25,000

- h) Amount payable to the undertakings registered under The Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March, 2012 is NIL (to the extent information available with the Management)..
- i) Earning in Foreign Exchange : Rs. 3.13 Lacs through realization under credit cards (Previous year Rs. 3.26 Lacs)
Expenditure in foreign currency: Rs. Nil. (Previous year Rs. Nil)
- j) Remuneration paid to Managing Director and Joint Managing Director :

	Current Year ₹	Previous Year ₹
Remuneration & Other Allowance	29,90,000	27,30,000
Employer's Contribution to Provident Fund	3,31,200	3,02,400
Total	33,21,200	30,32,400

k) **Related Party Disclosure :**

(As identified & certified by The Management of the Company)

(l) Relationship :

- (a) Parties where control exists : Nil

- (b) Other parties with whom the Company has entered into transaction or not during the year – Associates:
Vandeep Holdings Pvt. Ltd.
Vandeep Developers Pvt. Ltd.
Vandeep Hotels Pvt. Ltd.
Matheran Ropeway Pvt. Ltd.
- (c) Key Management Personnel :
Mr. Vinaychand Kothari (Chairman & Managing Director)
Mr. Dilip V. Kothari (Joint Managing Director)
- (d) Relatives of Key Management Personnel :
Mrs. Meena V. Kothari
Mrs. Neelam D. Kothari
Mr. Parasmal Kothari

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

Particulars	Associates	Key Management Personnel	Relatives of Key Management Personnel
Loans Repayment (Net)	10.00 (—)	— (71.49)	— (—)
Loans taken (Net)	— (25.50)	24.00 (—)	— (—)
Interest provided	5.80 (3.54)	5.35 (5.05)	— (—)
Rent	— (—)	8.40 (8.40)	— (—)
Salary & Contribution to Provident Fund	— (—)	— (—)	1.68 (1.26)
Outstanding Balances As on 31st March, 2012			
– Payables	48.05 (52.82)	73.71 (44.49)	— (—)

Note : (1) Details of remuneration to Managing Director & Joint Managing Director are given in the note 'J' in the notes to Accounts

(2) Figures in brackets are in respect of Previous Year

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

m) Earning Per Equity Share :

(₹)

	For the year ended	
	31/03/2012	31/03/2011
Profit after taxation	50,38,336	61,05,055
Less : Dividend on Preference Shares including Tax on Dividend.	16,73,604	16,84,728
Net Profit available for Equity Shareholders	33,64,732	44,20,327
Number of equity shares outstanding	84,25,000	84,25,000
Basic Earning per share (face value – Rs. 2/- per share)	0.40	0.52

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

Signature to Notes 1 to 21

As Per Our Report of Even Date

For and on behalf of the Board

For **D. C. SURANA & ASSOCIATES**
Chartered Accountants
Firm Reg. No. 115961 W

Vinaychand Kothari – Chairman & Managing Director

Dilip V. Kothari – Joint Managing Director

D. C. Surana
Proprietor
Membership No. 100-34074

Dr. R. K. Baxi – Director

Mangal S. Chheda – Director

Manohar R. Tambat – Director

Mumbai, 13th August, 2012

Mehernoz C. Dangore – Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	For the year ended	
	31st March, 2012	31st March, 2011
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before taxation and extraordinary items	7,308,530	9,252,394
Adjustments for :		
Depreciation	4,262,063	4,086,246
Provision for gratuity	(96,560)	(1,333,500)
Interest	1,292,474	1,241,101
Interest Received	(16,955)	(15,563)
Operating profit before working capital changes	12,749,552	13,230,678
Movements in working capital :		
Decrease / (increase) in sundry debtors	(1,471,805)	(957,101)
Decrease / (increase) in Inventories	(16,443)	(203,480)
Decrease / (increase) in Loans & Advances	(1,137,295)	150,380
(Decrease) / increase in Current liabilities	902,831	3,765,329
Cash Generated from Operations	11,026,840	15,985,806
Direct Taxes Paid (net of refunds)	(2,609,775)	(2,856,689)
Net Cash from Operating Activities (a)	8,417,065	13,129,117
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(4,645,931)	(2,108,305)
Capital Work in progress	(419,865)	(1,258,328)
Interest Received	16,955	15,563
Sale of fixed assets	-	-
Cash from Investing Activities (b)	(5,048,841)	(3,351,070)
C. CASH FROM FINANCING ACTIVITIES :		
Repayment Unsecured Loans	2,404,221	(3,825,983)
Dividend Paid (including corporate dividend tax)	(4,626,611)	(4,641,938)
Interest Paid	(1,292,474)	(1,241,101)
Net Cash used in Financing Activities (c)	(3,514,864)	(9,709,022)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(1,46,640)	69,025
Cash & Cash Equivalents at the beginning of the period	1,169,261	1,100,236
Cash & Cash Equivalents at the end of the period	1,022,621	1,169,261

Notes :-

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

As Per Our Report of Even Date

For **D. C. SURANA & ASSOCIATES**
Chartered Accountants
Firm Reg. No. 115961 W

D. C. Surana
Proprietor
Membership No. 100-34074
Mumbai, 13th August, 2012

For and on behalf of the Board

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



Best Eastern Hotels Limited

ATTENDANCE SLIP

BEST EASTERN HOTELS LIMITED

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

**PLEASE COMPLETE THIS ADMISSION CARD AND HAND IT OVER
AT THE ENTRANCE OF THE MEETING HALL**

I hereby record my presence at the 69th Annual General Meeting of the company at 1st Floor, Maheshwari Bhavan, 603, J. S. S. Road, Chira Bazar, Mumbai – 400 002 on Tuesday the 25th September, 2012 at 4.30p.m.

.....
Full Name of the Shareholder (in Block Letters) Signature

Folio No. DP ID No. * & Client ID No. * No. of Shares

* Applicable for members holding shares in electronic form.

.....
Full Name of proxy (in Block Letters) Signature

PROXY

BEST EASTERN HOTELS LIMITED

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

I/we _____ of _____ in the District of _____ being a member / members of the above mentioned company, hereby appoint _____ of _____ in the District of _____ or failing him _____ of _____ in the District of _____

as my / our proxy to attend and vote for me / us on my / our behalf at the 69th Annual General Meeting of **BEST EASTERN HOTELS LIMITED** to be held on Tuesday, 25th Day of September, 2012, at 4.30 P.M. at 1st Floor, Maheshwari Bhavan, 603, J. S. S. Road, Chira Bazar, Mumbai – 400 002, and at any adjournment thereof.

Signed this _____ day of _____ 2012.

Folio No. DP ID No. * & Client ID No. *

* Applicable for members holding shares in electronic form.

No. of Shares :

Members Signature(s) _____

Affix
One Rupee
Revenue
Stamp

NOTE : The Proxy duly completed must be returned so as to reach the registered office of the Company not less than 48 hours before the time of holding the aforesaid meeting. The Proxy need not be a member of the company.