

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 70th Annual General Meeting of the members of the Best Eastern Hotels Ltd. will be held on Thursday, 22nd August, 2013 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, 2013 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. Dilip V. Kothari, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Mr. Mehernoz C. Dangore, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the company and fix their remuneration.
6. To consider and if thought fit, to pass with or without modification following Resolution as an Special Resolution :

“RESOLVED AS SPECIAL RESOLUTION THAT each of the equity shares of the nominal value of Rs. 2/- each in the capital of the company be and is hereby sub-divided into 2 (Two) Equity Shares of Rs. 1/- each and Clause V in the Memorandum and Article No.3 of Articles of Association of the Company stand altered accordingly.”

RESOLVED FURTHER that pursuant to the sub-division of the Equity Shares of the Company, the 84,25,000 (Eighty Four Lacs Twenty Five Thousand) Issued, Subscribed and paid-up Equity shares of the face value of Rs. 2/- (Rupees Two) each, shall stand sub-divided into 1,68,50,000 (One Crore Sixty Eight Lacs Fifty Thousand) Equity Shares of the face value of Rs. 1/- (Rupees One) each.

RESOLVED FURTHER that the Share Certificate in relation to such of the issued Equity Shares of the Company be cancelled and fresh certificates be issued in lieu thereof with regard to the sub-divided Equity Shares in accordance with the provisions of the Companies (Issue of Share Certificate) Rules, 1960

RESOLVED FURTHER that for the purpose of giving effect to this Resolution and for removal of any doubts or difficulties, the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee or any person which the Board may nominate/ constitute to exercise its powers, including the powers conferred under this Resolution) be and is hereby authorised to do all acts, deeds, matters and things and to give, from time to time, such directions as may be necessary, expedient, usual or proper to give effect to this Resolution and to settle any question or doubt that may arise in relation thereto or as the Board in its absolute discretion may think fit and its decision shall be final and binding on all the members.”

By order of the Board

Dilip V. Kothari
Joint Managing Director

Mumbai, 18th July, 2013.

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

-: NOTES :-

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT TO BE THE MEMBER OF THE COMPANY.** Proxies, in order to be effective, should be duly completed, stamped and signed and must be deposited at the registered office of the company not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books will remain closed from Tuesday, 20th, August 2013 to Thursday, 22nd August 2013 (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.
6. **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	2005-2006	08/09/2006	07/09/2013
2	2006-2007	20/03/2007	19/03/2014
3	2007-2008	18/03/2008	17/03/2015
4	2008-2009	16/03/2009	15/03/2016
5	2009-2010	15/03/2010	14/03/2017
6	2010-2011	16/03/2011	15/03/2018
7	2011-2012	16/03/2012	15/03/2019
8	2012-2013	16/03/2013	15/03/2020

Your Directors recommends all the resolutions.

By order of the Board

Dilip V. Kothari
Joint Managing Director

Mumbai, 18th July, 2013.

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

EXPLANATORY STATEMENT

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

ITEM No. 6

The existing Authorised Share Capital of the Company is Rs. 6,00,00,000 (Rupees Six Crores) divided into 2,40,00,000 (Two Crores Forty Lacs) Equity Shares of Rs. 2/- (Rupee Two) each and 12,00,000 (Twelve Lacs) Preference Shares of Rs. 10/- (Rupees Ten) each. The present Issued, Subscribed and paid-up Share Capital of the Company is Rs. 2,88,50,000 (Rupees Two Crores Eighty Eight Lacs Fifty Thousand only) divided into 84,25,000 (Eighty Four Lacs Twenty Five thousand) Equity Shares of Rs.2/- (Rupees Two) each and 12,00,000 (Twelve Lacs) preference Shares of Rs. 10/- (Rupees Ten) each.

It is proposed to reorganize the Authorised Share Capital as well as Issued, Subscribed and paid-up Share Capital of the Company by sub-dividing the One Equity Shares of the face value of Rs.2/- (Rupees Two) each into Two Equity Shares of the face value of Rs.1/- (Rupee One) each.

Accordingly, the Equity Shares comprised in the Authorised Share Capital of the Company will be divided into 4,80,00,000 (Four Crores Eighty Lacs) Equity Shares of Rs. 1/- (Rupee One) each. The Issued, Subscribed and Called-up Equity Shares of the Company will also be sub-divided into 1,68,50,000 (One Crore Sixty Eight Lacs Fifty Thousand) Equity Shares of face value of Rs.1/- (Rupee One) each.

The proposed sub-division of the equity Shares of smaller denomination, as aforesaid, would facilitate easy accessibility to the Company's Equity Shares by Investors and enhance the Liquidity of the company's Shares.

Consequent to the sub-division of Shares, it is necessary to alter the Capital Clause in the Memorandum and Articles of Association of the Company. Accordingly, Resolution also provides for amendment in Clause V of the Memorandum of Association. The Special Resolution at Item No.6 seeks to make corresponding amendment in Article 3 of the Articles of Association, to give effect to the above Resolution.

Consequent on Sub-division of shares, new shares will be credited in the Dematerialised Account and in case of physical share certificates, new share certificates will be issued as on the Record Date as may be fixed by the Board of Directors in this regard. On issue of new share certificates the old share certificates will be stand cancelled automatically without any further action.

A copy of the Memorandum and Articles of Association of the company showing proposed alterations is available for inspection by the members of the Company at the Registered Office between 2.00 p.m. and 4.00 p.m. on any working day of the company.

The Directors of the Company may be deemed to be interested in the Resolution at Item No. 6 of the Notice to the extent of their respective shareholdings, if any, in the company.

By order of the Board

Dilip V. Kothari
Joint Managing Director

Mumbai, 18th July, 2013.

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

DIRECTORS' REPORT

To the Members,

Your Directors hereby present the Seventieth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS :

Particulars	Rupees in 000's	
	Year Ended 31.03.2013	Year Ended 31.03.2012
Revenue	46,144	44,150
Profit before Taxation	7,306	7,309
Less : Provision for Tax		
Current Tax	2,175	2,425
Deferred Tax	(94)	(98)
Excess/(Short) Provision for Tax Earlier Years	(112)	(56)
Profit after Tax for the year	5,337	5,038
Add : Brought forward profit	9,357	9,430
Profit available for appropriation	14,694	14,468
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	644	643
Balance carried over to Balance Sheet	9,582	9,357

Operating Results:

The total revenue of the Company for the year ended 31st March, 2013 was stood at Rs. 461.44 lacs (previous year Rs. 441.50 lacs) and the profit before tax is Rs. 73.06 lacs (previous year Rs. 73.09 lacs). The profit after tax is stood at Rs. 53.37 lacs (previous year Rs. 50.38 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, 2013 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. 46.11 lacs including dividend tax).

Fixed Deposit:

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

Directors:

Mr. Dilip V. Kothari & Mr. Mehernoz C. Dangore 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:

M/s. D. C. Surana & Associates, Chartered Accountants, have shown their unwillingness for re-appointment.

Your Directors recommend the appointment of M/s. Amar Bafna & Associates, Chartered Accountants as the auditors of the company from the conclusion of ensuing Annual General Meeting up to the conclusion of the next Annual General Meeting.

Auditors Report:

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

Listing:

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

Secretarial Compliance Report:

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

Particulars of Employees:

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

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

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

- a) **Conservation of Energy:** The Company has always given high priority to energy conservation. Constant efforts have been made to reduce energy consumption on continuous basis. Employee awareness and effective monitoring of uses of energy are being pursued. The Company is also examining the use of alternative source of energy. It had already implemented Hot Water System at the hotel site and converting normal lighting to PL/CFL lighting to save fuel and electricity consumption to the considerable extent.
- b) **Technology Absorption:** The company being in the hospitality industry, its activities do not as such involve any technology absorption or expenditure on research and development. Nonetheless, the Company's endeavors would be to achieve what is best possible in its business.
- c) **Foreign Exchange Earnings & Outgo:** Rs. 1.63 Lacs being realization under credit cards (Previous year Rs. 3.13 Lacs). Outgo Rs. Nil (Previous year Rs. Nil).

Corporate Governance:

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

Acknowledgements:

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

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

For and on behalf of the board,
Vinaychand Kothari

Mumbai, 18th July, 2013.

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: nbbafna@yahoo.co.in/nbbafna@gmail.com

SECRETARIAL COMPLIANCE REPORTCompany No. **11-40199**Authorised Capital Rs. **6,00,00,000/-**To,
The Members.**M/s. Best Eastern Hotels Ltd.**401, Chartered House,
293/299 Dr. C. H. Street,**MUMBAI -400 002**

We have examined the registers, records, books and papers of M/s. **BEST EASTERN HOTELS LTD.** as required to be maintained under the Companies, Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended **31st March 2013** (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 **5** times respectively on 15-05-2012, 13-08-2012, 12-11-2012, 14-02-2013 and 11-03-2013 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 21st September 2012 to 25th September 2012 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 2012 was held on 25-09-2012 after giving due notice to the members of the company and the resolutions passed thereat duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting(s) was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to U/s. 295 of the Act.
9. The Company has not entered into any contracts falling under section 297 of the Act during the relevant period.
10. The Company was not required to make any entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, during the relevant period of this report, the company has not obtained any approvals from the Board of Directors, members or Central Government as the case may be.

12. The Company has not issued any duplicate certificates during the financial year.
13. The Company has:
 - i) Delivered all the certificates on lodgement thereof for transfer in accordance with the provisions of the Act. There was no allotment / transmission of securities during the financial year.
 - ii) Deposited the amount of interim dividend declared in a separate Bank Account on 16-03-2013 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 2013 for the year 2012-2013.
 - 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 2013 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 not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not 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: 29th May, 2013.

(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 2013.

1. Secretarial Compliance Report for the year ended 31st March 2012 in Form No. 66
2. Annual Accounts for the financial year ended 31st March 2012 in Form No. 23AC XBRL and 23ACA XBRL filed U/s. 220
3. Annual return made up to 25-9-2012 filed in Form No. 20B U/s. 159
4. Form 1 INV
5. Form 1 INV
6. Form 5 INV Deposited unpaid divided to Investor Education & Protection Fund
7. Form 5 INV Deposited unpaid divided to Investor Education & Protection Fund
8. Form No. 23B filed by auditors

D. C. SURANA & ASSOCIATES
CHARTERED ACCOUNTS

Address :-
Crasto Building, 2nd Floor,
294, Dr. C. H. Street, Marine Lines,
Mumbai 400 002.
Phone : 2201 9557 / 7611

INDEPENDENT AUDITORS' REPORT

To
The Members of
Best Eastern Hotels Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Best Eastern Hotels Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

For D C Surana & Associates
Chartered Accountants
Firm Registration No: 115961W

Place: Mumbai
Date: 29th May, 2013.

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. 1,63,38,699/- (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 2013 for a period of more than six months from the date they became payable.
- c.** According to information and explanations given to us, there are no dues of Income Tax, Sales Tax, MVAT, Luxury Tax, Service Tax, Custom Duty, Excise Duty, Wealth Tax and Cess which have not been deposited on account of any dispute.
- X.** The Company does not have accumulated losses and has not incurred cash losses during the financial year or in the immediate preceding financial year.
- XI.** In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- XII.** In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII.** In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XIV.** In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XV.** According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- XVI.** Based on our examination of documents and records and according to the information and explanations given to us by the Management, the Company has not taken any term loan during the year.
- XVII.** According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment or vice versa except permanent working capital.
- XVIII.** According to the information and explanations given to us, during the year the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- XIX.** Based on our examination of documents and records and according to the information and explanations given to us by the Management, the Company has not issued any debentures during the year.
- XX.** Based on our examination of documents and records and according to the information and explanations given to us by the Management, the Company has not raised any money by public issue during the year.
- XXI.** According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the period of our audit.

For D.C. SURANA & ASSOCIATES

Chartered Accountants

Firm Reg. No. 115961 W

D. C. Surana

Proprietor

Membership No. 100-34074

Mumbai, 29th May, 2013

NOTES	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
EQUITY AND LIABILITIES		
SHARE HOLDERS' FUNDS		
Share Capital	2 28,850,000	28,850,000
Reserve & Surplus	3 13,682,358	12,956,888
	42,532,358	41,806,888
NON-CURRENT LIABILITIES		
Long Term Borrowings	4 16,338,699	12,135,356
Deferred Tax Liability (Net)	5 7,886,330	7,980,289
	24,225,029	20,115,645
CURRENT LIABILITIES		
Short Term Borrowings	6 2,938,732	4,635,056
Trade Payables	7 1,280,983	1,280,969
Other Current Liabilities	8 5,495,946	4,840,762
Short Term Provisions	9 2,818,650	3,068,650
	12,534,311	13,825,437
TOTAL	79,291,698	75,747,970
ASSETS		
NON-CURRENT ASSETS		
Fixed Assets	10	
Tangible Assets	70,935,952	66,236,568
In-Tangible Assets	51,033	63,463
Capital Work In Progress	-	419,865
Non Current Investments	11 -	24,706
	70,986,985	66,744,602
CURRENT ASSETS		
Inventories	12 979,681	614,762
Trade Receivables	13 1,532,875	2,511,542
Cash & Bank Balances	14 1,471,734	1,022,621
Short Term Loans & Advances	15 4,320,423	4,854,443
	8,304,713	9,003,368
TOTAL	79,291,698	75,747,970

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**
Chartered Accountants
Firm Reg. No. 115961 W

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

Mumbai, 29th May, 2013

Vinaychand Kothari

Dilip V. Kothari

Dr. R. K. Baxi

Mangal S. Chheda

Manohar R. Tambat

— Chairman & Managing Director

— Joint Managing Director

— Director

— Director

— Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

	NOTES	₹	For the year ended	
			31st March, 2013 ₹	31st March, 2012 ₹
INCOME				
Revenue from Operations	16		44,962,480	42,425,307
Other Income	17		1,181,248	1,724,348
TOTAL REVENUE			46,143,729	44,149,655
EXPENDITURE				
Cost of Material Consumed	18		6,807,224	5,968,609
Employee Benefit Expenses	19		11,378,788	10,184,223
Finance Cost			1,427,632	1,292,474
Depreciation	10		4,463,932	4,262,063
Other Expenses	20		14,759,704	15,133,756
TOTAL EXPENSES			38,837,280	36,841,125
PROFIT BEFORE TAX			7,306,448	7,308,530
LESS : TAX EXPENSE				
Current Tax		2,175,000		2,425,000
Deferred Tax		(93,959)		(98,010)
Excess/(Short) Provision for Tax - Earlier Years		(111,348)	1,969,693	(56,796)
PROFIT FOR THE YEAR			5,336,755	5,038,336
Earning Per Equity Share				
Basic & diluted Earnings Per Share (Rs.)			0.43	0.40

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**
Chartered Accountants
Firm Reg. No. 115961 W
D. C. Surana
Proprietor
Membership No. 100-34074

Vinaychand Kothari	—	Chairman & Managing Director
Dilip V. Kothari	—	Joint Managing Director
Dr. R. K. Baxi	—	Director
Mangal S. Chheda	—	Director
Manohar R. Tambat	—	Director

Mumbai, 29th May, 2013

NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2013 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE :

NOTE – 1.

I. Significant Accounting Policies :

1) Basis of preparation of financial statements :

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

2) Basis of Accounting :

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

3) Revenue Recognition :

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

4) Fixed Assets :

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

5) Inventories :

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

6) Investments :

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

7) Retirement Benefits :

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

- a) The Company makes contribution to provident fund as and when they become due.
- b) Gratuity 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, 2013 ₹	As at 31st March, 2012 ₹
NOTE - 2		
SHARE CAPITAL :		
AUTHORISED :		
2,40,00,000 Equity Shares of Rs.2/- Each (Previous year 2,40,00,000 Equity Shares of Rs. 2/- each)	48,000,000	48,000,000
12,00,000 12% Non-Cumulative Preference Shares of Rs.10/- Each (Previous year 12,00,000 12% Non-Cumulative Preference Shares of Rs. 10/- each.)	12,000,000	12,000,000
	60,000,000	60,000,000
ISSUED, SUBSCRIBED AND PAID-UP :		
84,25,000 Equity shares of Rs.2/= each (Previous year 84,25,000 Equity Shares of Rs. 2/- each) (Out of the above Equity Shares amounting to Rs.4,00,000/- have been issued as Bonus shares & equity shares amounting to Rs.1,50,00,000/- have been issued other than Cash)	16,850,000	16,850,000
12,00,000 12% Non-Cumulative Preference Shares of Rs.10/- each. (Previous year 12,00,000 12% Non-Cumulative Preference Shares of Rs. 10/- each.)	12,000,000	12,000,000
	28,850,000	28,850,000

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

Particulars	<u>March 31, 2013.</u>		<u>March 31, 2012.</u>	
	No. of Shares	Rs.	No. of Shares	Rs.
At the beginning of the year (Rs.2/- paid up)	8,425,000	16,850,000	8,425,000	16,850,000
Outstanding at the end of the period (Rs.2/- paid up)	8,425,000	16,850,000	8,425,000	16,850,000

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

Particulars	<u>March 31, 2013.</u>		<u>March 31, 2012.</u>	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Vinaychand Kothari	2,173,485	25.80%	2,173,485	25.80%
Meena Kothari	2,125,000	25.22%	2,125,000	25.22%
Dilip Kothari	1,500,000	17.80%	1,500,000	17.80%
Neelam Kothari	500,000	5.94%	500,000	5.94%
Vandeep Holding Pvt. Ltd.	625,000	7.42%	625,000	7.42%
Vandeep Developers Pvt. Ltd.	625,000	7.42%	625,000	7.42%

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

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

NOTES FORMING PART OF BALANCE SHEET

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
NOTE - 3		
RESERVES AND SURPLUS		
A) General Reserve		
Opening Balance	3,600,000	3,100,000
Add : Transferred from Profit & Loss Account	500,000	500,000
Closing Balance	4,100,000	3,600,000
B) Surplus in Profit & Loss Account		
Opening Balance	9,356,888	9,429,838
Add: Profit for the year	5,336,756	5,038,336
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	643,650
Transfer to General Reserve	500,000	500,000
Closing Balance	9,582,358	9,356,888
Total Reserve & Surplus (A+B)	13,682,358	12,956,888
NOTE - 4		
LONG TERM BORROWINGS		
UNSECURED :		
From Corporates	2,845,357	4,804,681
From Directors	13,493,342	7,330,675
	16,338,699	12,135,356
NOTE - 5		
DEFERRED TAX LIABILITY (NET)		
Deffered Tax Liability	7,886,330	7,980,289
NOTE - 6		
SHORT TERM BORROWINGS		
SECURED		
Secured Overdraft Limits from Bank	2,938,732	4,635,056
	2,938,732	4,635,056

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, 2013 ₹	As at 31st March, 2012 ₹
NOTE - 7		
TRADE PAYABLES	1,280,983	1,280,969
NOTE - 8		
OTHER CURRENT LIABILITIES		
Other Payables	3,275,288	2,718,959
Advance From Customers	2,052,786	1,754,612
Unclaimed Dividend	167,872	367,191
	5,495,946	4,840,762
NOTE - 9		
SHORT TERM PROVISIONS		
Provision For Income Tax	2,175,000	2,425,000
Tax on Interim Dividend	643,650	643,650
	2,818,650	3,068,650

NOTE - 10 : FIXED ASSETS

Particulars	GROSS BLOCK - AT COST				DEPRECIATION				NET BLOCK	
	As at 01/04/2012 ₹	Additions/ Adjustments ₹	Deductions/ Adjustments ₹	As at 31/03/2013 ₹	Upto 31/03/2012 ₹	For the Year ₹	Deductions/ Adjustments ₹	Upto 31/03/2013 ₹	As at 31/03/2013 ₹	As at 31/03/2012 ₹
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
Buildings	74,005,672	4,791,116	-	78,796,788	27,872,477	2,527,494	-	30,399,971	48,396,817	46,133,195
Electrical Installation	6,086,055	1,368,325	-	7,454,380	4,546,958	304,731	-	4,851,689	2,602,691	1,539,097
Plant & Machinery	21,781,560	1,633,830	-	23,415,390	11,410,888	1,067,461	-	12,478,349	10,937,041	10,370,672
Computer Equipment	947,011	130,575	-	1,077,586	818,025	53,331	-	871,356	206,230	127,873
Furniture & Fixtures (Hotel)	17,755,123	2,928,867	-	20,683,990	15,663,396	422,059	-	16,085,455	4,598,535	2,091,727
Furniture & Fixtures (Office)	6,163	-	-	6,163	4,488	390	-	4,878	1,285	1,675
Motor Cars	812,094	-	-	812,094	241,592	77,149	-	318,741	493,353	570,502
In-Tangible Assets										
Software & Liceryes	89,188	-	-	89,188	26,838	11,317	-	38,155	51,033	63,463
Total Assets	126,884,693	10,852,713	1,701,827	136,035,579	60,584,662	4,463,932	-	65,048,594	70,986,985	66,300,031
Previous Year	120,980,434	5,904,259	-	126,884,693	56,322,599	4,262,063	-	60,584,662	66,300,031	-

NOTES FORMING PART OF BALANCE SHEET

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
NOTE - 11		
NON - CURRENT INVESTMENTS :		
INVESTMENT IN SHARES (Quoted) (At Cost)		
Ambalal Sarabhai Enterprises Ltd.		
Nil Equity shares of Rs.10/= each (Previous year 230 equity shares of Rs. 10/- each)	-	2,109
Sarabhai Electric Ltd.		
Nil Equity shares of Rs.10/= each (Previous year 34 equity shares of Rs. 10/- each)	-	291
The Mysore Sugar Company Ltd.		
Nil Equity shares of Rs.10/= each (Previous year 1540 equity shares of Rs. 10/- each)	-	16,618
The Mysore Lamp Works Ltd.		
Nil Equity shares of Rs.10/= each (Previous year 110 equity shares of Rs. 10/- each)	-	4,250
Larsen & Toubro Ltd.		
Nil Equity shares of Rs.1/= each (Previous year 16 equity shares of Rs. 1/- each)	-	408
Ultratech Cement Ltd.		
Nil Equity shares of Rs.10/= each (Previous year 3 equity shares of Rs. 10/- each)	-	30
Recron Synthetics Ltd.		
Nil Equity shares of Rs.10/= each (Previous year 100 equity shares of Rs. 10/- each)	-	1,000
	-	24,706
Aggregate Market value of Quoted Investment are Rs Nil (Previous year Rs. 25,431/-)		
NOTE - 12		
INVENTORIES :		
(At cost)		
Taken as valued & certified by the The Directors of the Company.		
Provisions Stores	774,687	522,280
Miscellaneous Parlour Goods	36,841	22,463
Permit Room Liquors	168,153	70,019
	979,681	614,762
NOTE - 13		
TRADE RECEIVABLES :		
(Unsecured, considered good)		
a) More than Six Months	-	-
b) Others	1,532,875	2,511,542
	1,532,875	2,511,542
NOTE - 14		
CASH AND BANK BALANCES :		
a) Cash on Hand	1,119,989	440,538
b) <u>Balances with Scheduled Banks in :</u>		
Current Accounts	183,872	214,891
Dividend Accounts	167,872	367,191
	1,471,734	1,022,621

NOTES FORMING PART OF PROFIT & LOSS ACCOUNT

	As at 31st March,2013 ₹	As at 31st March,2012 ₹
NOTE - 15		
SHORT TERM LOANS & ADVANCES :		
(Unsecured; Considered good)		
Loans & Advances Recoverable in Cash or in Kind or for Value to be received	1,622,012	1,673,180
Advance Income Tax	2,216,290	2,418,031
Income Tax Refund Receivable	187,621	472,732
Security Deposits	294,500	290,500
	4,320,423	4,854,443
NOTE - 16		
INCOME :		
REVENUE FROM OPERATIONS		
a) Lodging	29,789,771	28,250,007
b) Boarding	14,660,643	13,681,061
c) Other Services & Charges	512,067	494,239
	44,962,480	42,425,307
NOTE - 17		
OTHER INCOME :		
a) Interest Income	50,000	16,955
b) Miscellaneous Income	710,535	1,549,037
c) Dividend Income	288	250
d) Debit / Credit Balances Written Off	116,894	158,106
e) Long Term Capital Gain on Shops (Immovable Asset)	298,173	-
f) Long Term Capital Gain on Sale of Investments	5,358	-
	1,181,248	1,724,348
NOTE - 18		
COST OF MATERIAL CONSUMED		
Consumption of Provision Stores & Wines.		
Opening Stock	614,762	598,319
Add: Purchases	7,172,143	5,985,052
	7,786,905	6,583,371
Less: Closing Stock	979,681	614,762
Net Consumption	6,807,224	5,968,609
NOTE - 19		
Employee Benefit Expenses		
Salary & Wages	5,844,921	5,360,042
Directors' Remuneration	3,250,000	2,990,000
Gratuity	200,000	373,055
Employer's Contribution to Provident Fund	887,071	863,712
Employer's Contribution to Labour Welfare Fund	3,072	3,120
Bonus to Staff	494,515	312,839
Leave Encashment exp.	317,426	281,455
Incentives & Exgratia	381,783	-
	11,378,788	10,184,223

NOTES FORMING PART OF PROFIT & LOSS ACCOUNT

For the year ended
31st March,2013 **31st March,2012**
 ₹ ₹

NOTE - 20

OTHER EXPENSES

A) Operating Expenses

Water Charges	754,190	637,320
Power & Fuel Expenses	4,295,269	3,775,034
Repairs to Building	423,575	1,083,886
Repairs to Plant & Machinery	551,187	689,931
Repairs to Others	628,679	727,021
Commission to Agents & Guides	435,646	472,714
VAT Expenses	697,624	659,714
Linen Cloth & Uniform	590,824	695,421
Laundry Operating Expenses	493,502	518,138
Other Operating Expenses	326,884	660,281
	9,197,380	9,919,460

B) General Expenses

Advertisement Expenses	1,895,199	1,439,083
Insurance Charges	123,801	121,704
Rent, Rates & Taxes	368,977	373,977
Communication Expenses	227,807	262,649
Office Rent	840,000	840,000
Printing & Stationery	91,012	114,947
Legal Expenses	6,018	13,741
Professional Fees	231,942	183,385
Travelling Expenses	106,814	74,368
Conveyance Expenses	244,725	232,518
Motor Car Expenses	121,534	86,507
Filing Fees	3,000	2,000
Listing Fees	30,336	27,575
Share Registrar Expenses	30,469	54,707
Payment to Auditors	100,000	100,000
Profession Tax (Company)	2,500	2,500
Other Administrative & Selling Expenses.	1,138,189	1,284,635
	5,562,324	5,214,296

Total Other Expenses (A+B)

	14,759,704	15,133,756
--	-------------------	-------------------

NOTE – 21.

NOTES TO THE ACCOUNTS :

- a) Contingent Liability : Rs. 71.220/- in respect of water charges payable to Maharashtra Jeevan Pradhikaran. (MJP).
- b) Capital Commitment : Estimated amount of contracts remaining to be executed on account of capital account is Rs. Nil.
- c) Miscellaneous income (net) includes Rs. 6,14,637/- (previous year Rs. 13,32,639/-) advances received from parties towards the booking of hotel rooms remains unutilised hence forfeited.
- 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	Rs. 75,000	Rs. 75,000
Tax Audit Fees	Rs. 25,000	Rs. 25,000

- h) Amount payable to the undertakings registered under The Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March, 2013 is NIL (to the extent information available with the Management).
- i) Earning in Foreign Exchange : Rs. 1.63 Lacs through realization under credit cards (Previous year Rs. 3.13 Lacs) Expenditure in foreign currency: Rs. Nil. (Previous year Rs. Nil)
- j) Remuneration paid to Managing Director and Joint Managing Director :

	Current Year Rs.	Previous Year Rs.
Remuneration & Other Allowance	32,50,000	29,90,000
Employer's Contribution to Provident Fund	3,60,000	3,31,200
Total	36,10,000	30,32,400

k) Related Party Disclosure :

(I) Relationship :

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

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

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

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

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

Particulars	Associates	Key Management Personnel	Relatives of Key Management Personnel
Loans Repayment (Net)	23.00 (10.00)	— (—)	— (—)
Loans taken (Net)	— (—)	71.50 (24.00)	— (—)
Interest provided	3.79 (5.80)	6.99 (5.35)	— (—)
Rent	— (—)	8.40 (8.40)	— (—)
Salary & Contribution to Provident Fund	— (—)	— (—)	1.68 (1.68)
Outstanding Balances As on 31st March, 2013			
Payables	28.45 (48.05)	134.93 (73.71)	— (—)

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

- l) 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 :

(In Rs.)

	For the year ended	
	31/03/2013	31/03/2012
Profit after taxation	53,36,755	50,38,336
Less : Dividend on Preference Shares including Tax on Dividend.	16,73,604	16,73,604
Net Profit available for Equity Shareholders	36,63,151	33,64,732
Number of equity shares outstanding	84,25,000	84,25,000
Basic Earning per share (face value – Rs. 2/- per share)	0.43	0.40

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
Dr. R. K. Baxi	—	Director
Mangal S. Chheda	—	Director
Manohar R. Tambat	—	Director

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

Mumbai, 29th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	For the year ended	
	31st March, 2013	31st March, 2012
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before taxation and extraordinary items	7,306,448	7,308,530
Adjustments for :		
Depreciation	4,463,932	4,262,063
Provision for gratuity	—	(96,560)
Long Term Capital Gain on sale of Fixed Assets	(298,173)	—
Long Term Capital Gain on Sale of Investments	(5,358)	—
Interest	1,427,632	1,292,474
Interest Received	(50,000)	(16,955)
Operating profit before working capital changes	12,844,481	12,749,552
Movements in working capital :		
Decrease / (increase) in sundry debtors	978,667	(1,471,805)
Decrease / (increase) in Inventories	(364,919)	(16,443)
Decrease / (increase) in Loans & Advances	332,279	(1,137,295)
(Decrease) / increase in Current liabilities	(1,041,126)	902,831
Cash Generated from Operations	12,749,383	11,026,840
Direct Taxes Paid (net of refunds)	(2,111,910)	(2,609,775)
Net Cash from Operating Activities (a)	10,637,473	8,417,065
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(10,432,848)	(4,645,931)
Capital Work in progress	—	(419,865)
Interest Received	50,000	16,955
Sale of Investment	30,064	—
Sale of fixed assets	2,000,000	—
Cash from Investing Activities (b)	(8,352,784)	(5,048,841)
C. CASH FROM FINANCING ACTIVITIES :		
Repayment Unsecured Loans	4,203,343	2,404,221
Dividend Paid (including corporate dividend tax)	(4,611,286)	(4,626,611)
Interest Paid	(1,427,632)	(1,292,474)
Net Cash used in Financing Activities (c)	(1,835,575)	(3,514,864)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	449,114	(146,640)
Cash & Cash Equivalents at the beginning of the period	1,022,621	1,169,261
Cash & Cash Equivalents at the end of the period	1,471,734	1,022,621

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.

For D. C. SURANA & ASSOCIATES

Chartered Accountants
Firm Reg. No. 115961 W

D. C. Surana

Proprietor
Membership No. 100-34074

Mumbai, 29th May, 2013

Vinaychand Kothari
Dilip V. Kothari
Dr. R. K. Baxi
Mangal S. Chheda
Manohar R. Tambat

— Chairman & Managing Director

— Joint Managing Director

— Director

— Director

— Director

BEST EASTERN HOTELS LIMITED

ATTENDANCE SLIP

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 70th Annual General Meeting of the company at 1st Floor, Maheshwari Bhavan, 603, J. S. S. Road, Chira Bazar, Mumbai – 400 002 on Thursday, 22nd August, 2013 at 4.30 p.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 Thursday, 22nd August, 2013, 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 _____ 2013.

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.

FORM - A

1	<i>Name of the Company</i>	Best Eastern Hotels Ltd.
2	<i>Annual financial statements for the year ended</i>	31 st March, 2013.
3	<i>Type of Audit observation</i>	Un-qualified Nil
4	<i>Frequency of observation</i>	Nil
5	<i>Managing Director</i> <i>Auditor of the company</i> <i>CFO and Audit Committee Chairman</i>	<i>Vinaychandrasekar</i>  