

BENARES HOTELS LIMITED

41st ANNUAL REPORT 2011-12



The Gateway Hotel Ganges Varanasi



The Gateway Hotel Ganges Varanasi

Corporate Information

Board of Directors

DR. ANANT NARAIN SINGH
(Chairman)

RAYMOND N. BICKSON

SHRIRAMAN

RUKMANI DEVI

A. R. GANDHI

B. L. PASSI

D. R. KAARTHIKEYAN

P. K. MOHANKUMAR

Company Secretary

P. K. Bhatia

Auditors

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

Registered Office

Nadesar Palace Compound,
Varanasi-221 002
Phone : 0542-666 0001

Registrar and Share Transfer Agent

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

HIGHLIGHTS	2011-12	2010-11
	₹ Lakhs	₹ Lakhs
Gross Revenue	3,519.50	2,773.17
Profit Before Tax	961.58	733.35
Profit After Tax	619.23	490.46
Dividend	208.00	169.00
Retained Earnings	3,033.66	2,656.18
Funds Employed	4,087.29	3,620.75
Net Worth	3,163.66	2,786.18
Debt : Equity Ratio	0.00:1	0.00:1
Net Worth Per Equity Share (₹ 10/- each)	₹ 243.36	₹ 214.32
Earnings (EAT) Per Equity Share (₹ 10/- each)	₹ 47.63	₹ 37.73
Dividend Per Equity Share (₹ 10/- each)	₹ 16.00	₹ 13.00
	160%	130%

Notice to the Members

Notice is hereby given that the Forty First Annual General Meeting of the Members of Benares Hotels Limited will be held at the Registered Office of the Company at Nadesar Palace Compound, Varanasi-221002, on Monday, 13th August, 2012 at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31st March, 2012 and the Balance Sheet as at that date.
2. To declare a dividend.
3. To appoint a Director in place of Mr. B L Passi, who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. P K. Mohankumar, who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Mr. Shriraman, who retires by rotation and is eligible for reappointment.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

7. **Appointment of Mr. D R Kaarthiskeyan as Director**

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

“RESOLVED THAT Mr. D R Kaarthiskeyan be and is hereby appointed as a Director of the Company liable to retire by rotation.”

NOTES

- (a) The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under Item No. 7 is annexed hereto.

- (b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED TO THE COMPANY, DULY COMPLETED, NOT LESS THAN 48 HOURS BEFORE THE ANNUAL GENERAL MEETING.
- (c) Members are requested to intimate to the Company, changes, if any, in their registered address along with Pin Code Number. Members whose shareholding is in demat form are requested to send the intimation for change of address to their respective Depository Participant(s).
- (d) Members are requested to register their Email address and the changes therein from time to time with the Company to enable the Company to send notices/documents through email as permitted in law.
- (e) The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 1st August, 2012 to Thursday, 16th August, 2012 (both days inclusive).
- (f) The dividend as recommended by the Directors for the year ended 31st March, 2012, if passed at the meeting, will be made payable on or after Thursday, 23rd August, 2012 to those members whose names appear on the Register of Members of the Company on Wednesday, 1st August, 2012. As regards shares held in electronic form the dividend will be payable to the beneficial owners of shares whose names appear in the statement of beneficial ownership furnished by the Depositories as at the end of business hours on Tuesday, 31st July, 2012.

- (g) Members who are holding shares in identical order of names in more than one folio are requested to write to the Company for consolidating their holding in one folio.
- (h) Pursuant to Section 205C of the Companies Act, 1956, all unclaimed/unpaid dividends for a period of 7 years from the date of transfer to the 'Unpaid Dividend Account' are required to be transferred by the Company to the "Investor Education and Protection Fund" established by the Central Government. Accordingly, the unclaimed dividend paid upto the financial year ended 31st March, 2005, shall be transferred by the Company to the said Fund on the due date in 2012. Members are advised that once the unclaimed dividend is transferred to Investor Education and Protection Fund, no claim shall lie in respect thereof.
- (i) Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.

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

P K BHATIA
Company Secretary

Place: Mumbai
Date: 3rd May, 2012

Explanatory Statement

Pursuant to Section 173 of the Companies Act, 1956

The following Explanatory Statement sets out all material facts relating to the business under Item No. 7 mentioned in the accompanying Notice dated 3rd May, 2012.

Item No. 7

Mr. D R Kaarthikeyan was appointed as an Additional Director of the Company on 17th October, 2011. In terms of Section 260 of the Companies Act, 1956 and Article 122 of the Articles of Association of the Company, Mr. Kaarthikeyan holds the office up to the ensuing Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 has been received from a member signifying its intention to propose Mr. D R Kaarthikeyan's candidature to the office of the Director at the forthcoming Annual General Meeting.

Mr. Kaarthikeyan is an IPS Officer (Retd.) and has held the office of the Director, Central Bureau of Investigation (CBI) and the Director General, National Human Rights Commission (NHRC) and the Central Reserve Police Force (CRPF) in his distinguished career. He is a "PADMA SHRI" conferred on him by the President of India for exceptional and distinguished service rendered by him to the nation.

The Board commends to the shareholders the appointment of Mr. Kaarthikeyan as Director on the Board of the Company. Except Mr. Kaarthikeyan, no other Director is concerned or interested in the Resolution.

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

P K BHATIA
Company Secretary

Place: Mumbai
Date: 3rd May, 2012

BENARES HOTELS LIMITED
Forty First Annual Report 2011-12

Directors' Report to the Members

The Directors hereby present the Forty First Annual Report of the Company together with the Audited Statements of Account for the year ended 31st March, 2012.

OPERATING AND FINANCIAL RESULTS

	2011-12 (₹/Lacs)	2010-11 (₹/Lacs)
Income	3519.50	2773.17
Gross Profit for the year	1132.30	895.16
Less: Depreciation	170.72	160.04
Less: Interest	-	1.77
Profit before tax	961.58	733.35
Less: Provision for tax		
- Current Tax	286.25	216.89
- Deferred Tax	17.94	26.00
- Earlier years Taxes	38.15	-
Net Profit	619.23	490.46
Add: Balance brought forward from previous year	988.09	994.70
Balance available for appropriations	1607.32	1485.16

APPROPRIATIONS :

(a) A dividend @160% i.e. Rs. 16/- per equity share (previous year 130% i.e. Rs. 13 per equity share) on 13,00,000 Equity Shares, which, if approved by the Shareholders at the Annual General Meeting to be held on Monday, the 13th day of August, 2012 will be paid out of the provision for dividend...	208.00	169.00
(b) Tax on Dividend	33.74	28.07
(c) Amount transferred to General Reserve	300.00	300.00
(d) Balance carried forward	1,065.58	988.09

OPERATIONS

The Company has continued to improve its performance during the year under review with 27% growth in the revenues and 26% growth in Profit after Tax over the previous year. With steady growth expectations in the domestic tourism and foreign tourist arrivals and considering the overall economic and business scenario, your directors hope that the Company will continue the trend of improvement in the performance during the current financial year. The work on the Hotel project in Gondia, Maharashtra is progressing satisfactorily.

DIVIDEND

Your Directors recommend the payment of dividend @ 160% (previous year dividend @ 130%) per equity share involving distribution of ₹ 208.00 lacs.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956

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

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

DIRECTORS

During the year, Mr. D R Kaarthikeyan was appointed as an Additional Director of the Company on 17th October, 2011 In terms of Section 260 of the Companies Act 1956 and Article 122 of the Articles of Association of the Company, Mr. Kaarthikeyan holds the office upto the date of the Annual General Meeting of the Company. It is proposed to appoint Mr. Kaarthikeyan as Director of the Company at the ensuing Annual General Meeting. The Board of Directors commend his appointment.

In accordance with the Companies Act, 1956 and the Articles of Association of the Company, Mr. B L Passi, Mr. P K Mohankumar and Mr. Shriraman, Directors of the Company are liable to retire by rotation and being eligible seek reappointment.

STATUS OF COMPANY

Your Company became a subsidiary company of The Indian Hotels Company Ltd. (IHCL) during the year.

AUDIT COMMITTEE

Mr. Shriraman, Mr. B.L. Passi and Mr. P. K. Mohankumar are the members of the Audit Committee.

CORPORATE GOVERNANCE

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

AUDITORS

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of the provisions of Section 217 (1)(e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the information relating to foreign exchange earnings and outgo is furnished at point No. 5 & 6 in the Note No. 22 to the financial Statements.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Board of Directors, based on the representations received from the Operating Management, hereby confirms that :-

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
2. it has, in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the Company for that period;
3. it has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of their knowledge and ability. There are however, inherent limitations, which should be recognized while relying on any system of internal control and records;
4. it has prepared the annual accounts on a going concern basis.

ACKNOWLEDGMENTS

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

On behalf of the Board of Directors

Place : Mumbai
Date : 3rd May, 2012

Dr. Anant Narain Singh
Chairman

Management Discussion and Analysis

Overview of the Global & Indian Tourism Industry

The international travel and tourism industry is currently on a growth path and is set to cross an all time high of more than 1 billion international travelers in 2012. As per World Travel and Tourism Council (WTTC) estimates, the travel and tourism sector's economic contribution, from both direct and indirect activities combined, was US\$ 6.3 trillion in GDP, 255 million jobs, US \$743 billion in investment and US \$1.2 trillion in exports which accounts for 9% of global GDP, 1 in 12 jobs, 5% of investment and 5% of exports. According to the United Nations World Tourism Barometer, international tourist arrivals globally were up by 4.4% from 935 million in 2010 to 980 million in 2011.

In India, the total direct and indirect economic impact of the industry is 6.4% of the GDP which is expected to grow at 7.8% for the next 10 years according to the WTTC Report. As per statistics updated by the Indian Ministry of Tourism, the foreign tourist arrivals in India for 2011, has been 6.29 million which is an 8.9% increase over 5.8 million tourists of 2010, the growth being higher than the global scenario but less than the overall AsPac region.

Future Prospects

The United Nations World Tourism Organisation (UNWTO) expects growth to continue for the tourism sector in 2012, although at a slower rate. It forecasts international tourist arrivals to grow in the range of 3% to 4% in 2012. WTTC indicates that this growth will be moderate as the bounce-back for tourism destinations that faced specific challenges last year will be offset by a weaker performance in other countries. Travel & Tourism in China, India, Japan (bounce-back), Latin America and Africa is expected to perform well in 2012.

UNWTO, predicts that India will receive 25 million foreign tourists by the year 2015.

The city in which your company is operating, Varanasi, continues to be the religious and cultural capital of North India. Varanasi has several large and medium size industries. Produce from cottage industries, including Banarasi Silk sari making, the production of textiles such as hand-woven carpets, and handicrafts are exported worldwide. Other industries that have gained prominence in Varanasi over the years are- Manufacturing, Tourism, Mining and Services Industry. For instance, major cement manufacturers like JK Cement, ACC Cement, Pashupati Cement, beverage manufacturers- Hindustan Coca Cola Ltd. and PepsiCo India Ltd., Indian Railways and BHEL have manufacturing plants in Varanasi.

The city has been experiencing growth in the manufacturing and service sector along with improvement in infrastructure particularly in terms of new airport and flights connectivity. Today, there is a greater linkage between the people of Varanasi and other Metro cities. It is expected that all these factors will further boost both the leisure and corporate travelling in the city.

The risks in the macroeconomic context are essentially a high rise in operating costs on account of inflation, which is being mitigated by the rigorous cost control measures which are being pursued and implemented by the operating management. In the micro economic context, there is no significant new competition expected in Varanasi in the near future and your property, The Gateway Hotel Ganges has maintained its market dominance very emphatically. The capital expenditures in setting up the new hotel at Gondia are not expected to strain the cash flows of the company and borrowing, if needed, may be resorted to with minimal risk.

Financial Performance

The financial performance of your company was much better in 2011-12 as compared to the previous year. The turnover increased from ₹ 27.73 Crs in 2010-11 to ₹ 35.19 Crs in 2011-12, while the operating expenses increased from ₹ 20.39 Crs to ₹ 25.58 Crs in the same period. The Profit before tax has increased from ₹ 7.33 Crs in 2010-11 to ₹ 9.62 Crs in 2011-12, whereas Profit after Tax went up from ₹ 4.90 Crs to ₹ 6.19 Crs.

Internal control systems and their adequacy

Your Company has in place an adequate system of internal controls, with documented procedures covering all functions in the hotel operating units. Systems of internal controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

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

Certifications and Awards

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

The JIVA Spa at Nadesar Palace won the Best Boutique Hotel Spa Crystal Award AsPac, Singapore, 2011.

The Company has also been awarded following certifications:

1. ISO 14001:2004 EHS - Environment, Health & Safety
2. ISO 18001: 2007 OHSAS Occupational Health and Safety Management System (Occupational Health & Safety Advisory Services)
3. ISO 22000:2005 FSMS Food Safety Management System

Workforce

The total manpower employed by the Company as on March 31, 2012 was 298, which was almost at par with previous year 297 as on March 31, 2011.

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Report On Corporate Governance

Philosophy on Corporate Governance

Corporate Governance is a system of structuring, operating and controlling a company with a view to achieve long term strategic goals to satisfy its stakeholders - including shareholders, creditors, employees, customers and suppliers, as well as complying with the legal and regulatory requirements, apart from meeting environmental and local community needs. The aim is to align the interests of individuals, corporations and society to ensure transparency, accountability and equity in all areas. Good governance is an essential ingredient in corporate success and sustainable economic growth and the Company is committed to corporate governance and endeavors to adhere to the highest standards of corporate values and ethics.

Board of Directors:

1. The Board of Directors comprises Non-Executive as well as Independent Directors.

The Directors possess experience in fields as diverse as hoteliering, finance, management and social service. The experience and wisdom of Directors who are captains of industry, have proved to be of immense assistance to the Company. The details of Directors seeking appointment and re-appointment at the ensuing Annual General Meeting are as follows.

Name of Director	Mr. B L Passi	Mr. P K Mohankumar	Mr. Shriraman	Mr. D R Kaarthikeyan
Date of Birth	April 18, 1933	October 9, 1952	November 24, 1937	October 2, 1939
Date of Appointment	May 28, 1999	June 8, 2009	September 21, 1973	October 17, 2011
Expertise in Specific Functional Area	Management	Hoteliering	—	Administration/ Social Sector
Qualifications	—	HMCT -IHM Mumbai	M. Com	B.Sc., LL.B
Details of shares held in the Company	—	—	4,500	—
List of Companies in which outside Directorships held as on 31.03.2012 (excluding Private & Foreign companies)	- Pasco Resorts Hotels & Spas Limited - Sona Koyo Steering Systems Limited - B.P.T.P. Limited	- Taj Karnataka Hotels and Resorts Limited - Northern India Hotels Limited - Taj Rhein Shoes Company Limited - Taj Madurai Ltd. - Taj Kerela Hotels & Resorts Ltd. - KTC Hotels Ltd.	—	- Taj GVK Hotels & Resorts Ltd. - Star Health and Allied Insurance Company Limited - Raj Television Network Ltd. - Synergy Environics Limited - Oriental Hotels Limited - Roots Industries India Ltd. - Lotus Eye Care Hospital Ltd. - Radcliff E Schools Education Ltd. - Texmaco Rail & Engineering Ltd.
Chairman/Member of the Committees of Other Companies on which he is a Director as on 31-03-2012	Audit Committee None	Audit Committee None	Audit Committee None	Audit Committee None

2. "Independent Directors" i.e. Directors who apart from receiving Directors' remuneration, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which, in the judgement of the Board, may affect the independence of judgement of the Director, comprise half of the Board.
3. During the year under review, the Board of Directors of the Company met four times and the period between any two meetings did not exceed four months. The dates of the Board Meetings held during each quarter are as follows:

No.	Date of Meeting	For the quarter
1	2 nd May, 2011	April to June
2	10 th August, 2011	July to September
3	8 th November, 2011	October to December
4	7 th February, 2012	January to March

4. The Non-Whole-Time Directors of the Company are paid, in addition to commission, sitting fees @ Rs. 5,000/- per meeting for attending meetings of the Board of Directors.
5. None of the Directors of the Board serve as members of more than 10 Committees nor are they Chairmen of more than 5 Committees, as per the requirements of the Listing Agreement. "Committees" for this purpose include the Audit Committee and the Shareholders' / Investor Grievance Committee.
6. The details of the above are as follows:-

Board of Directors:

Names	Category	Remuneration paid ₹			No. of outside Directorships		No of outside Committee positions held		No. of Board Meetings attended	Attendance at the last Annual General Meeting held on 10.8.2011
		Salary & Perks 2011-2012	Sitting Fees 2011-2012	Commission 2010-11	Indian	Foreign	As Member	As Chairman		
Dr. Anant Narain Singh	Promoter Non-executive	N.A.	15,000	3,24,500	1	—	—	—	3	Yes
Mr. Raymond N Bickson	Promoter Non-executive	N.A.	15,000	2,46,500	11	8	5	2	3	Yes
Mr. Shriraman	Independent Non-executive	N.A.	20,000	3,08,500	—	—	—	—	4	Yes
Mrs. Rukmani Devi	Independent Non-executive	N.A.	20,000	2,46,500	—	—	—	—	4	Yes
Mr. A R Gandhi	Non-executive	N.A.	10,000	2,05,800	11	11	5	3	2	—
Mr. B L Passi	Independent Non-executive	N.A.	15,000	1,73,800	3	—	—	—	3	—
Mr. D.R. Kaarthikeyan	Independent Non-executive	N.A.	10,000	N.A.	9	—	—	—	2	N.A.
Mr. P K Mohankumar	Promoter Non-executive	N.A.	20,000	2,94,400	7	—	—	—	4	Yes

* Mr. D.R. Kaarthikeyan was appointed as a Director on 17th October, 2011.

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NOTE: Traditionally, the Directors are paid commission each year, after the Annual Accounts are approved by the Members at the Annual General Meeting of the Company. A sum of Rs. 28.83 lakhs has been provided as commission to Non Executive Directors for the year 2011-12.

7. The Company has adopted a Code of Conduct for its Non-Executive Directors and all Non-Executive Directors have affirmed compliance with the said Code. All Senior Management of the Company have affirmed compliance with the Tata Code of Conduct.
8. Other than transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the year, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and/or relatives.

COMMITTEES OF THE BOARD:

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

I. Audit Committee:

The Company's Audit Committee is constituted in line with Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The Committee has, inter alia, the following terms of reference :

- i. Reviewing with management the quarterly/annual financial statements before submission to the Board for approval, with particular reference to :
 - Matters required to be included in the Board's Report in terms of clause 2AA of Section 217 of the Companies Act, 1956
 - Any changes in accounting policies and practices and reasons thereof.
 - Major accounting entries based on the exercise of judgement by the Management.
 - Qualifications in the draft audit report.
 - Significant adjustments made in the financial statements, arising out of audit findings.
 - The Going Concern assumption.
 - Compliance with Accounting Standards.
 - Compliance with listing and other legal requirements relating to financial statements.
- ii. Reviewing with the management, performance of statutory and internal auditors and the adequacy of internal control systems.
- iii. Discussion with internal auditors on any significant findings and follow-up thereon.
- iv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- v. Discussion with external/statutory auditors before the audit commences, nature and scope of audit, as well as have post-audit discussion to ascertain any area of concern.

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

NO.	MEMBERS	ATTENDANCE AT AUDIT COMMITTEE MEETINGS HELD ON			
		02.05.2011	03.08.2011	08.11.2011	07.02.2012
1	Mr. B L Passi, Chairman	✓	✓	✓	✓
2	Mr. Shriraman	✓	✓	✓	✓
3	Mr. P K Mohankumar	✓	—	✓	✓

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

2. Share Transfer & Shareholders'/Investor Grievance Committee (SSIG):

The Company has a Shareholders'/Investor Grievance Committee with Dr. Anant Narain Singh, Mr. Shriraman and Mr. P K Mohankumar as its members to redress the shareholder and investor complaints like transfer of shares, non receipt of Annual Report, non receipt of dividends etc. The Company received no complaints during the year under review and there was no pending investor complaint which remained unresolved as at 31st March, 2012.

Amounts Transferred to IEPF

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

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

Financial Year	Date of Declaration of Dividend	Proposed Date of Transfer to IEPF*
2004-05	25.07.2005	31.08.2012
2005-06	08.08.2006	13.09.2013
2006-07	12.09.2007	19.10.2014
2007-08	21.08.2008	27.09.2015
2008-09	27.08.2009	03.10.2016
2009-10	13.08.2010	19.09.2017
2010-11	10.08.2011	16.09.2018

* Indicative dates, actual dates may vary

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During the year under review, the total amount transferred to IEPF of the Central Government was ₹ 2,21,000/-

Compliance Officer: Mr. P K Bhatia
Company Secretary

Benares Hotels Ltd.
Address: Corporate Office, Taj Palace Hotel,
Sardar Patel Marg, New Delhi 110 021
Phone : 011-6650 3704
Fax : 011-2687 6043
E-mail : investorrelations@tajhotels.com

Remuneration to Non Executive Directors:

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

Details of shares of the Company held by the Non-Executive Directors as on March 31, 2012, are as under:

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

Details on General Meetings:

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

Location	Date	Time
Annual General Meetings		
Registered office at Nadesar Palace Compound, Varanasi 221 002	August 10, 2011	3.30 p.m.
	August 23, 2010	3.30 p.m.
	August 27, 2009	3.30 p.m.

Means of Communication:

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

The Annual Report containing, inter alia, the Audited Accounts, Directors Report, Auditors Report and other important information is circulated to the investors. Management Discussion and Analysis forms part of the Annual Report. The Annual Reports are also available in the Company's web site www.benareshotelslimited.com

Disclosures:

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

The details of the Related Party transactions are placed before and reviewed by the Company's Audit Committee.

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

Subsidiary Companies:

The Company does not have any subsidiary company.

General Shareholder Information

Annual General Meeting

Date and Time	August 13, 2012 at 3.30 p.m.
Venue	Nadesar Palace Compound Varanasi 221 002
Registered Office	Nadesar Palace Compound Varanasi 221 002
Telephone No.	91- 542-666 0001
Facsimile No.	91- 542-250 3291
Website	www.benareshotelslimited.com
E-mail	investorrelations@tajhotels.com

Financial Calendar

Financial reporting for:

Quarter ending 30th June, 2012	on or before August 15, 2012
Quarter ending 30th September, 2012	on or before November 15, 2012
Quarter ending 31st December, 2012	on or before February 15, 2012
Quarter ending 31st March, 2013	on or before May 30, 2013

Dividend Payment Date On or after 23rd August 2012

Listing on Stock Exchanges

Equity Shares	BSE Limited UP Stock Exchange Limited Delhi Stock Exchange Limited
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Corporate Identification No. (CIN) L55101UP1971PLC003480

ISIN NO.: INE750A01012

Stock Code: 509438

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The Company has paid annual listing fees to each of the above Stock Exchanges in respect of the financial year 2011-12.

Market Price Data:

High/Low market price of the Company's shares and performance in comparison to Sensex Indices on Bombay Stock Exchange Limited, Mumbai during the financial year 2011-12 is furnished below:

	High	Low
April 2011	540.00	452.00
May 2011	498.00	460.55
June 2011	504.00	467.55
July 2011	530.00	479.00
August 2011	524.70	475.00
September 2011	529.00	460.00
October 2011	518.00	470.05
November 2011	498.70	466.05
December 2011	516.95	469.90
January 2012	524.70	475.05
February 2012	526.00	479.00
March 2012	531.00	476.35

₹

Date of Book Closure: August 1, 2012 to August 16, 2012 (both days inclusive)

BHL Distribution of Shareholding as on March 31, 2012

Category of Shareholders	No. of Shares held	% to Paid up capital
Promoters	8,11,938	62.46
Directors & their Relatives	14,398	1.11
Resident Individuals & HUF	4,41,662	33.97
Non-Resident Indians	1842	0.14
Clearing Member	12	0.00
Corporate Bodies	30,148	2.32

Secretarial Audit

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

Dematerialisation of Shares & Liquidity

As at the end of March 31, 2012, shares comprising approximately 83% of the Company's Equity Share Capital have been dematerialised.

Registrar & Share Transfer Agent: The Indian Hotels Company Limited
Mandlik House, Mandlik Road, Mumbai 400 001.
Phone : 022-6639 5515, Fax : 022-2202 7442

Investor Correspondence: For any queries, investors are requested to get in touch at the following addresses:-

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

OR

Benares Hotels Ltd.
C/o Corporate Office
Taj Palace Hotel, S P Marg
New Delhi 110 021
Phone : 011-6650 3704, Fax : 011-2687 6043

National Electronic Clearing Service (NECS)

RBI vide its Circular No.DPSS.(CO).EPPD.No.191.04.01.01/2009-2010 dated July 29, 2009 has instructed banks to move to the NECS platform w.e.f. October 1, 2009. Kindly provide your new account number allocated to you after implementation of Core Banking System by your Bank, to avoid ECS credit to your old account either being rejected or returned. Please provide us your new Bank Account particulars by quoting your reference folio number in case shares held by you are in physical form. In case shares are held in dematerialised form, you may kindly provide the details to your depository participant, to ensure your future dividend payments can correctly be credited to your new account.

DECLARATION BY THE CHAIRMAN UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with sub-clause I (D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the Financial Year ended March 31, 2012.

For Benares Hotels Limited

Dr. Anant Narain Singh
Chairman

BENARES HOTELS LIMITED
Forty First Annual Report 2011-12

Auditors' Certificate

TO THE MEMBERS OF BENARES HOTELS LIMITED

We have examined the compliance of conditions of Corporate Governance by BENARES HOTELS LIMITED ("The Company") for the year 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the Company with the stock exchanges.

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

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

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

For N Krishnaswamy & Company
Chartered Accountants

Place : Mumbai
Dated : 3rd May, 2012

N Krishnaswamy
Partner
(Membership No. 004797)

Corporate Social Responsibility Initiatives 2011-12

Your Company is intrinsically linked to the society and environment in which it operates. It upholds the Tata way of business with trust, transparency and commitment to human values. It continuously reviews and updates its approach and process towards corporate responsibility and makes a conscious endeavor to align and integrate its efforts to address contemporary societal needs and challenges.

A brief description of the various social initiatives taken by the Company is as follows:

- Supporting the wooden Artisans & Craftsmen by allowing them to sell their wooden handmade items in the space provided in the lobby
- Ganga Ghats cleaning on daily basis through Ganga Sevanidhi
- Adoption of Munshi Ghat and maintaining the same as Model Ghat for Varanasi
- Training of 5 under privileged in the Hotel
- Medical Camp at Sarai Mohana Village and at the Dashashwamedh Ghat for the underprivileged
- Donation of old clothes collected from associates and lost and found to charity
- Computer literacy programme in Sarai Mohana village
- Rehabilitation of two underprivileged by providing employment at the Hotel
- Eye check up camp at Dashashwamedh Ghat and distribution of spectacles.
- Lunch served on the occasion of New Year, 1st Jan 2012, to underprivileged at Dashashwamedh Ghat.
- Yoga session every Saturday for underprivileged at Dashashwamedh Ghat.

Auditors' Report to the Members

1. We have audited the attached Balance Sheet of Benares Hotels Limited, as at 31st March, 2012, the Profit and Loss Account 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 the 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 misstatement. 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 the 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 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 & 5 of the said Order.
4. Further to our comments in the Annexure referred to 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 the audit;
 - (ii) In our opinion, books of account as required by law have been kept by the Company so far as 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, Profit & Loss Account and 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 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 cash flows for the year ended on that date.

For and on behalf of
N. KRISHNASWAMY & COMPANY
Chartered Accountants

N. KRISHNASWAMY
Partner
Membership No. 004797
Firm Registration No. 001555S

Place : Mumbai
Dated : 3rd May, 2012

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) All the assets have been physically verified by the Management during the year and there is a regular programme of verification which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) During the year, the Company has not disposed of any major part of the plant and machinery.
- ii. (a) 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 are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. The Company has not taken or given any loan from or to any companies covered in the Register under section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- v. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need 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 entered 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 the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, customs duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales 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 the information and explanations given to us, except the above, there are no other dues of sales tax,

BENARES HOTELS LIMITED

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income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.

- ix. In our opinion and according to the information and explanations given to us, the Company has not taken any loan from any financial institution, bank or debenture holders or granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- x. In our opinion, the Company is not a chit fund or nidhi mutual benefit society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xi. 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 (Auditors' Report), Order 2003 are not applicable to the Company.
- xii. The Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xiii. 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 have been raised to finance short-term or long-term investment.

- xiv. According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xv. During the period covered by our Report, the Company had not issued debentures.
- xvi. No money has been raised by public issues during the year under report.
- xvii. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For and on behalf of
N. KRISHNASWAMY & COMPANY
Chartered Accountants

N. KRISHNASWAMY
Partner
Membership No. 004797
Firm Registration No. 001555S

Place : Mumbai
Dated : 3rd May, 2012

Balance Sheet as at 31st March, 2012

	Notes	Rupees	Rupees	Previous Year Rupees
EQUITY AND LIABILITIES				
1. Shareholders' Funds				
(a) Share Capital	2	1,30,00,000		1,30,00,000
(b) Reserves and Surplus.....	3	30,33,66,062		26,56,17,572
Total			31,63,66,062	27,86,17,572
2. Share Application Money Pending Allotment				
3. Non-current Liabilities				
(a) Deferred Tax Liabilities (Net).....	4	2,49,26,518		2,31,32,513
(b) Long Term Provisions.....	5	6,88,521		5,54,086
Total.....			2,56,15,039	2,36,86,599
4. Current Liabilities				
(a) Trade Payables	6	2,19,92,434		2,14,88,267
(b) Other Current Liabilities	7	2,04,03,789		1,84,32,863
(c) Short Term Provisions.....	8	2,43,51,633		1,98,49,787
Total.....			6,67,47,856	5,97,70,918
Total Funds Employed			40,87,28,957	36,20,75,090
ASSETS				
1. Non-current Assets				
(a) Fixed Assets	9			
(i) Tangible Assets		25,82,42,723		25,38,91,273
(ii) Intangible Assets		2,11,138		5,34,398
(iii) Capital Work in Progress		3,93,91,751		72,42,200
			29,78,45,612	26,16,67,871
(b) Long-term Loans and Advances	10		68,35,774	1,04,56,937
2. Current Assets				
(a) Inventories	11	1,01,55,197		75,31,115
(b) Trade Receivables	12	2,54,60,156		3,04,36,110
(c) Cash and Cash Equivalents.....	13	5,83,47,973		4,02,85,987
(d) Short Term Loans and Advances	14	1,00,84,245		1,16,97,069
Net Current Assets			10,40,47,571	8,99,50,281
Total Funds Utilised			40,87,28,957	36,20,75,090
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES				
1				

As per our Report of even date attached
For **N. KRISHNASWAMY & CO.**

Chartered Accountants

N. KRISHNASWAMY

Partner

(Membership No.: 004797)

Date : 3rd May, 2012

Place: Mumbai

For and on behalf of the Board

DR. ANANT NARAIN SINGH Chairman

RAYMOND N. BICKSON Director

PRAKASH BHATIA Company Secretary

BENARES HOTELS LIMITED
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Profit and Loss Account for the Year Ended 31st March, 2012

	Notes	Rupees	Previous Year Rupees
I INCOME :			
1. Rooms, Restaurants, Banquets and Other Operating Income.....	15	34,96,17,149	27,69,99,255
2. Other Income	16	23,32,461	3,18,072
3. Total Revenue		<u>35,19,49,610</u>	<u>27,73,17,327</u>
II EXPENSES :			
1. Employee Benefit Expenses	17	5,61,27,274	4,52,30,809
2. Food and Beverage Consumed.....	18	3,48,26,949	2,61,98,685
3. Finance Costs.....	19	—	1,76,986
4. Depreciation and amortization expenses.....	9	1,70,72,190	1,60,03,878
5. Other Operating and General Expenses	20	14,77,65,381	11,63,72,122
TOTAL EXPENSES		<u>25,57,91,794</u>	<u>20,39,82,480</u>
III PROFIT/(LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (I-II)		9,61,57,817	7,33,34,847
IV EXCEPTIONAL/EXTRAORDINARY ITEMS		—	—
V PROFIT/(LOSS) BEFORE TAX (III-IV)		9,61,57,817	7,33,34,847
VI TAX EXPENSE			
1. Current Tax		2,86,25,280	2,16,89,059
2. Deferred Tax.....		17,94,005	25,99,801
3. Short Provision of Tax of Earlier Years.....		38,15,762	—
TOTAL TAXES.....		<u>3,42,35,047</u>	<u>2,42,88,860</u>
VII PROFIT/ (LOSS) FOR THE PERIOD (V-VI).....		<u>6,19,22,770</u>	<u>4,90,45,987</u>
VIII EARNINGS PER EQUITY SHARE (BASIC/DILUTED) Rupees.....	21	47.63	37.73

As per our Report of even date attached
For **N. KRISHNASWAMY & CO.**
Chartered Accountants

N. KRISHNASWAMY
Partner (Membership No.: 004797)

Date : 3rd May, 2012
Place: Mumbai

For and on behalf of the Board

DR. ANANT NARAIN SINGH Chairman

RAYMOND N. BICKSON Director

PRAKASH BHATIA Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	2011-12 Rupees	2010-11 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	9,61,57,817	7,33,34,847
Adjustments for:		
Depreciation	1,70,72,190	1,60,03,878
Loss/(Profit) on sale of Fixed Assets	(55,230)	96,634
Provision for Doubtful Debts	21,24,567	9,39,023
Interest (Net)	(22,77,231)	(3,18,072)
	1,68,64,296	1,67,21,463
Cash Flow From Operations Before Working Capital Changes...	11,30,22,113	9,00,56,310
Adjustments for:		
Trade and other receivables	11,40,026	(68,63,787)
Inventories	(26,24,082)	(22,48,030)
Trade and Other Payables	24,12,476	(95,42,627)
	9,28,420	(1,86,54,444)
Cash Flow From Operating Activities.....	11,39,50,533	7,14,01,866
Direct Taxes Paid.....	(2,54,55,445)	(1,89,64,209)
Net Cash Flow from Operating Activities	8,84,95,088	5,24,37,657
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5,34,86,708)	(3,17,26,213)
Sale of Fixed Assets	2,92,007	4,28,000
Interest Received.....	22,36,982	1,53,509
Net Cash Used in Investing Activities	(5,09,57,719)	(3,11,44,704)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid.....	—	—
Dividend Paid (Including tax on dividend).....	(1,97,06,879)	(1,97,06,879)
Net Cash Used in Financing Activities	(1,97,06,879)	(1,97,06,879)
Net Increase/(Decrease) in Cash and Cash Equivalents.....	1,78,30,490	15,86,075
Cash and Cash Equivalents as at 1st April 2011.....	3,82,27,930	3,66,41,855
Cash and Cash Equivalents as at 31st March 2012	5,60,58,420	3,82,27,930
Components of Cash and Cash Equivalents as at 1st April 2011		
Cash and Bank Balance (Excluding earmarked bank balances)	1,82,27,930	2,30,22,346
Short Term Deposits with Bank	2,00,00,000	1,36,19,510
Total	3,82,27,930	3,66,41,855
Components of Cash and Cash Equivalents as at 31st March, 2012		
Cash and Bank Balance (excluding earmarked bank balances)	1,60,58,420	1,82,27,930
Short Term Deposits with Bank	4,00,00,000	2,00,00,000
Total	5,60,58,420	3,82,27,930

As per our Report of even date attached
For N. KRISHNASWAMY & CO.
Chartered Accountants

N. KRISHNASWAMY
Partner (Membership No.: 004797)

Date : 3rd May, 2012
Place: Mumbai

For and on behalf of the Board

DR. ANANT NARAIN SINGH Chairman

RAYMOND N. BICKSON Director

PRAKASH BHATIA Company Secretary

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING STANDARDS

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

2. FIXED ASSETS

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

3. DEPRECIATION

Depreciation on Fixed Assets is provided on the Straight Line method in accordance with the provisions of Section 205(2)(b), at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

4. INVENTORIES

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

5. RETIREMENT BENEFITS

- (i) Provident Fund : Liability is determined on the basis of contribution as required under the Statute/Rules.
- (ii) Gratuity : Liability is determined on the basis of an independent Actuarial valuation made at the year end and is fully funded by the Company.

6. FOREIGN CURRENCY TRANSACTIONS

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

7. REVENUE RECOGNITION

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

8. CONTINGENT LIABILITIES

These, if any, are disclosed in the Notes on Accounts. Provision is made in the Accounts in respect of those contingencies which are likely to materialize into liabilities after the year end, till the approval of the Accounts by the Board of Directors and which have material effect on the position stated in the Balance Sheet.

9. TAXES ON INCOME

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

10. LEAVE ENCASHMENT

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

Notes to Financial Statements

NOTE 2: SHARE CAPITAL

	Rupees	Previous Year Rupees
1. Authorised Share Capital		
Ordinary/ Equity Shares		
15,00,000 (previous year - 15,00,000) Equity Shares of Rs. 10/- each fully paid.....	<u>1,50,00,000</u>	<u>1,50,00,000</u>
2. Issued, Subscribed and Paid up Share Capital		
Ordinary/Equity Shares		
13,00,000 (Previous Year - 13,00,000) Equity Shares of Rs. 10/- each fully paid	<u>1,30,00,000</u>	<u>1,30,00,000</u>

(a) List of Shareholders holding more than 5% of the Share Capital

Name of Shareholder	As at 31st March 2012		As at 31st March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
The Indian Hotels Co. Ltd	2,93,000	22.54	2,93,000	22.54
TIFCO Holdings Limited	3,50,825	26.99	3,50,825	26.99

- (b) Out of total Equity shares issued by the company, 6,98,088 Equity Shares (previous year - 6,98,088) are held by The Indian Hotels Company Limited, the holding company, along with its subsidiaries and associates.
- (c) During the year, on 25th May, 2011, the Company became the subsidiary of The Indian Hotels Company Limited.

NOTE 3: RESERVES AND SURPLUS

	Rupees	Previous Year Rupees
1. Capital Reserve	86,250	86,250
2. General Reserve		
Opening Balance.....	16,67,21,820	13,67,21,820
Add: Transferred from Profit and Loss Account.....	<u>3,00,00,000</u>	<u>3,00,00,000</u>
Closing Balance.....	19,67,21,820	16,67,21,820
3. Profit and Loss Account		
Opening Balance.....	9,88,09,502	9,94,70,394
Add: Net Profit/(Net Loss) for the current year	<u>6,19,22,770</u>	<u>4,90,45,987</u>
	16,07,32,272	14,85,16,381
Less: Proposed Dividend	2,08,00,000	1,69,00,000
Less: Tax on Proposed Dividend	33,74,280	28,06,879
Less: Transfer to Reserves	<u>3,00,00,000</u>	<u>3,00,00,000</u>
Closing Balance	<u>10,65,57,992</u>	<u>9,88,09,502</u>
Total.....	<u><u>30,33,66,062</u></u>	<u><u>26,56,17,572</u></u>

BENARES HOTELS LIMITED
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Notes to Financial Statements

NOTE 4: DEFERRED TAX LIABILITY

Deferred Tax Assets/Liability comprises the following

	Rupees	Previous Year Rupees
Deferred Tax Liability:		
Depreciation on fixed Assets	2,67,58,187	2,57,00,651
Total (A)	2,67,58,187	2,57,00,651
Deferred Tax Asset:		
Provision for doubtful debts	15,50,737	23,31,230
Provision for Employee Benefits.....	2,80,932	2,36,908
Total (B)	18,31,669	25,68,138
Net Deferred Tax Liability/(Asset) (A-B)	2,49,26,518	2,31,32,513

NOTE 5: LONG TERM PROVISIONS

	Rupees	Previous Year Rupees
Provision for employee Benefits - Leave Encashments.....	6,88,521	5,54,086
Total	6,88,521	5,54,086

NOTE 6: TRADE PAYABLES

	Rupees	Previous Year Rupees
Sundry Creditors:		
Total Outstanding dues to Micro, Small, Medium Enterprises.....	—	—
Total Outstanding dues to creditors other than Micro, Small, Medium Enterprises	2,19,92,434	2,14,88,267
Total	2,19,92,434	2,14,88,267

Notes to Financial Statements

NOTE 7: OTHER CURRENT LIABILITIES

	Rupees	Previous Year Rupees
(a) Unpaid Dividends.....	22,89,553	20,58,057
(b) Income Received in Advance	2,25,993	—
(c) Advances from Customers	38,44,279	44,27,182
(d) Dues for Capital Goods and Services.....	16,02,829	4,87,679
(e) Other Liabilities - Taxes.....	36,25,542	20,72,351
(f) Other Liabilities - Employee Related	52,24,093	58,95,631
(g) Shop Security Deposit	30,57,945	30,57,945
(h) Others	5,33,555	4,34,019
Total	<u>2,04,03,789</u>	<u>1,84,32,863</u>

NOTE 8: SHORT TERM PROVISIONS

	Rupees	Previous Year Rupees
(a) Provision for Employee Benefits - Leave Encashment	1,77,353	1,42,908
(b) Proposed Dividend	2,08,00,000	1,69,00,000
(c) Tax on Dividend.....	33,74,280	28,06,879
Total	<u>2,43,51,633</u>	<u>1,98,49,787</u>

Notes to Financial Statements

NOTE 9: FIXED ASSETS

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Opening As at 01.04.2011	Additions	Closing As at 31.03.2012	Deductions	Opening As at 01.04.2011	Charge for the year	Deductions	Closing As at 31.03.2012	Closing As at 31.03.2012	Opening As at 01.04.2011
TANGIBLE ASSETS										
1. Freehold Land (PT)	13,05,473 13,05,473	—	13,05,473 13,05,473	—	—	—	—	—	13,05,473 13,05,473	13,05,473 13,05,473
2. Buildings (PT)	15,76,64,557 14,43,38,915	60,94,267 1,33,25,642	16,37,58,825 15,76,64,557	—	1,75,42,635 1,50,68,558	26,10,002 24,74,077	—	2,01,52,636 1,75,42,635	14,36,06,188 14,01,21,922	14,01,21,922 12,92,70,357
3. Plant & Machinery (PT)	13,89,51,551 13,09,82,161	1,22,53,047 1,31,00,135	14,94,37,792 13,89,51,551	17,66,806 51,30,745	6,04,63,805 5,73,94,539	86,21,465 78,30,069	15,34,850 47,60,803	6,75,50,420 6,04,63,805	8,18,87,372 7,84,87,746	7,84,87,746 7,35,87,622
4. Furniture & Fixtures (PT)	5,38,98,758 5,30,02,777	19,24,173 12,03,602	5,58,22,931 5,38,98,758	— 3,07,621	2,48,43,257 2,07,97,437	43,35,197 43,38,043	— 2,92,222	2,91,78,454 2,48,43,257	2,66,44,477 2,90,55,501	2,90,55,501 3,22,05,340
5. Office Equipment (PT)	1,17,03,389 1,29,14,301	8,79,646 10,76,232	1,25,83,035 1,12,36,205	— 27,54,328	64,36,445 77,42,789	14,31,502 13,08,690	— 26,15,035	78,67,947 64,36,445	47,15,088 47,99,760	52,66,944 51,71,511
6. Vehicles (PT)	4,13,946 4,13,946	— —	3,17,520 4,13,946	96,426 —	2,93,076 2,53,751	31,924 39,325	91,605 —	2,33,395 2,93,076	84,125 1,20,870	1,20,870 1,60,195
TANGIBLE ASSETS (Total) (PT)	36,39,37,674 34,29,57,572	2,11,51,133 2,87,05,612	38,32,25,576 36,34,70,490	18,63,232 81,92,694	10,95,79,218 10,12,57,074	1,70,30,090 1,59,90,204	16,26,455 76,68,060	12,49,82,853 10,95,79,218	25,82,42,723 25,38,91,273	25,43,58,457 24,17,00,498
INTANGIBLE ASSETS										
7. Service & Opening Rights (PT)	82,028 82,028	1,86,023 4,67,184	2,68,051 5,49,212	— —	14,814 1,140	42,100 13,674	— —	56,914 14,814	2,11,138 5,34,398	67,214 80,889
TOTAL (PT)	36,40,19,702 34,30,39,600	2,13,37,157 2,91,72,796	38,34,93,627 36,40,19,702	18,63,232 81,92,694	10,95,94,031 10,12,58,214	1,70,72,190 1,60,03,878	16,26,455 76,68,060	12,50,39,766 10,95,94,031	25,84,53,861 25,44,25,671	25,44,25,671 24,17,81,386
8. Capital Work-in Progress (PT)										
TOTAL (PT)			42,28,85,378 37,12,61,903		10,95,94,031 10,12,58,214	1,70,72,190 1,60,03,878	16,26,455 76,68,060	12,50,39,766 10,95,94,031	29,78,45,612 26,16,67,871	25,44,25,671 24,17,81,386

Notes to Financial Statements

NOTE 10: LONG TERM LOANS AND ADVANCES

	Rupees	Previous Year Rupees
(a) Capital Advances (Unsecured, considered good)	24,70,823	36,81,374
(b) Deposits with Public Bodies and Others (Unsecured, considered good)	33,74,035	26,14,812
(c) Advance Income Tax (Net of Provisions)	9,90,916	41,60,751
Long Term Loans and Advances Total	<u>68,35,774</u>	<u>1,04,56,937</u>

NOTE 11: INVENTORIES

	Rupees	Previous Year Rupees
(a) Stores and Operating Supplies	53,55,725	50,56,298
(b) Food and Beverages	47,99,472	24,74,816
Total	<u>1,01,55,197</u>	<u>75,31,115</u>

NOTE 12: TRADE RECEIVABLES

	Rupees	Previous Year Rupees
(a) Outstanding Over Six Months		
Unsecured, considered good	41,69,566	81,03,936
Considered Doubtful	47,79,589	68,58,578
Less: Provision for Doubtful Debts.....	47,79,589	68,58,578
	<u>41,69,566</u>	<u>81,03,936</u>
(b) Others		
Unsecured, considered good	2,12,90,590	2,23,32,174
Total	<u>2,54,60,156</u>	<u>3,04,36,110</u>

BENARES HOTELS LIMITED
Forty First Annual Report 2011-12

Notes to Financial Statements

NOTE 13: CASH AND CASH EQUIVALENTS

	Rupees	Previous Year Rupees
(a) Cash on Hand.....	4,16,164	5,20,310
(b) Current Accounts	1,56,42,256	1,77,07,620
(c) Short Term Deposit Accounts (less than 3 months)	4,00,00,000	2,00,00,000
	<u>5,60,58,420</u>	<u>3,82,27,930</u>
(d) Earmarked Balances with Banks (Unpaid Dividend)	22,89,553	20,58,057
Total	<u><u>5,83,47,973</u></u>	<u><u>4,02,85,987</u></u>

NOTE 14: SHORT - TERM LOANS AND ADVANCES

	Rupees	Previous Year Rupees
(a) Loans and Advances to Related Parties (Unsecured, Considered Good)		
Holding Company.....	54,40,544	34,71,177
Subsidiaries of the Holding Company	1,82,071	4,84,718
(b) Other Advances (Unsecured, considered good)	44,61,630	77,41,174
Total - Short-Term Loans and Advances	<u><u>1,00,84,245</u></u>	<u><u>1,16,97,069</u></u>

NOTE 15: ROOMS, RESTAURANTS, BANQUETS AND OTHER OPERATING INCOME

	Rupees	Previous Year Rupees
1. Rooms, Restaurants, Banquets and Other Operating Income.....	34,96,17,149	27,69,99,255
{Including sale of Food and Beverages Rs. 14,57,44,871/- (PY Rs. 11,16,12,582)}		
Total	<u><u>34,96,17,149</u></u>	<u><u>27,69,99,255</u></u>

NOTE 16: OTHER INCOME

	Rupees	Previous Year Rupees
1. Surplus on Sale of Fixed Assets (Net)	55,230	—
2. Interest Income.....	22,77,231	3,18,072
Total	<u><u>23,32,461</u></u>	<u><u>3,18,072</u></u>

Notes to Financial Statements

NOTE 17: EMPLOYEE BENEFITS EXPENSE

	Rupees	Previous Year Rupees
1. Salaries, Wages, Bonus etc	2,93,80,121	2,35,64,681
2. Company's Contribution To Retirement Funds & Other Funds	26,59,693	23,39,104
3. Retiring Gratuity	4,86,569	9,54,064
4. Reimbursement of Expenses on Personnel Deputed	1,18,06,130	90,31,739
5. Payment to Contractors/ Outsourced Labour	34,69,487	35,55,643
6. Workmen/Staff Welfare Expenses	83,25,274	57,85,578
Total	5,61,27,274	4,52,30,809

NOTE 18: FOOD & BEVERAGE CONSUMED

	Rupees	Previous Year Rupees
1. Food & Beverage Consumed	3,48,26,949	2,61,98,685
Total	3,48,26,949	2,61,98,685

(In view of the Notification No. S.O. 301(E) dated 8th February, 2011 issued by the Ministry of Corporate Affairs, the Hotel companies have been exempted from disclosing in their Profit and Loss Account, the information under paragraph 3(i)(a) and 3(ii)(d) of part II of Schedule VI regarding quantity wise details of turnover.)

NOTE 19: FINANCE COSTS

	Rupees	Previous Year Rupees
1. Interest	—	1,76,986
Total	—	1,76,986

BENARES HOTELS LIMITED
Forty First Annual Report 2011-12

Notes to Financial Statements

NOTE 20: OTHER OPERATING AND GENERAL EXPENSES

	Rupees	Previous Year Rupees
I Other Operating Expenses		
1. Linen & Room Supplies	1,16,08,295	62,21,156
2. Catering Supplies.....	40,18,417	24,61,135
3. Fuel, Power & Light.....	2,40,07,639	2,27,08,037
4. Repairs to Buildings	49,42,813	35,18,061
5. Repairs to Machinery.....	36,28,307	37,63,632
6. Repairs to Others.....	24,77,558	26,60,176
7. Linen, Uniform Washing & Laundry Expenses	51,09,577	40,11,834
8. Payment to Orchestra Staff & Artistes	2,86,520	2,63,228
9. Travel Agent's Commission.....	16,25,745	11,13,816
10. Operating Fees	2,67,82,475	1,90,87,666
11. License Fee.....	18,70,000	17,85,000
12. Banquets Expenses	55,42,057	27,22,892
Sub Total.....	9,18,99,403	7,03,16,633
II General Expenses		
1. Rent	11,27,912	13,12,212
2. Rates & Taxes	49,53,060	48,78,381
3. Insurance.....	10,61,710	7,31,846
4. Advertising & Publicity.....	99,65,367	74,85,615
5. Printing & Stationery	16,08,272	13,58,345
6. Collecting Agent's Commission.....	29,90,511	26,33,394
7. Passage & Traveling	31,72,546	26,33,758
8. Provision for Doubtful Debts	21,24,567	9,39,023
9. Garden Expenses	38,60,440	32,99,664
10. Security Charges.....	39,72,579	46,37,126
11. Corporate Services.....	38,06,645	27,29,243
12. CRS/CIS Expenses	38,06,645	27,29,243
13. Professional Fees.....	48,01,309	33,94,391
14. Loss on Sale of Fixed Assets	—	96,634
15. Other Expenses.....	86,14,415	71,96,614
Sub-Total	5,58,65,978	4,60,55,489
TOTAL	14,77,65,381	11,63,72,122

NOTE 21: EARNING PER SHARE

	Rupees	Previous Year Rupees
Earnings per share is calculated by dividing the profit attributable to the Equity Share Holders by the Weighted average number of equity shares outstanding during the year as under		
Profit After Tax.....	6,19,22,770	4,90,45,987
Weighted Average number of equity shares outstanding during the year.....	13,00,000	13,00,000
Earnings per share (Basic/Diluted).....	47.63	37.73
Nominal Value Per Share.....	10.00	10.00

Notes to Financial Statements

NOTE 22: ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

	Rupees	Previous Year Rupees
1. Contingent Liability not Provided For:		
a. Claims against the Company in respect of arrears of electricity charges not acknowledged as debts	3,45,323	3,45,323
b. On account of dispute in respect of UP Trade Tax, Appeal filed by the Company. UP Trade Tax AY 2007-08.....	9,66,000	10,69,834
c. Estimated amount of contracts remaining to be executed on capital account (Capital Commitment) (net of capital advances)	2,87,83,797	1,24,26,428
2. Value of Raw Materials		
a. Food and Beverage Consumed		
i. Imported	—	—
ii. Indigenous	3,48,26,949	2,61,98,685
Total	<u>3,48,26,949</u>	<u>2,61,98,685</u>
b. Stores & Supplies		
i. Imported	—	—
ii. Indigenous	1,56,26,711	86,82,291
Total	<u>1,56,26,711</u>	<u>86,82,291</u>
3. The Total Capital Work in Progress Consists of the Following:		
a. Capital Work in Progress for Hotel at Gondia, Maharashtra	3,60,64,303	47,15,018
b. Others Capital Works in Progress (Hotel - Varanasi)	33,27,448	25,27,183
4. Value of Imports (CIF) Capital Items	37,31,931	1,55,69,199
5. Expenditure in Foreign Currency	6,94,585	1,94,961
6. Earnings in Foreign Exchange		
As certified by the Management and verified by the Auditors	16,32,94,244	12,21,26,453
7. Exchange difference included in Other Income for the year under review is		
a. Exchange Gain	—	—
b. Exchange Loss	7,817	57,627
8. Remuneration Paid to Statutory Auditors		
(a) As Audit Fees	1,75,000	1,50,000
(b) Fox Tax Audit	50,000	50,000
(c) For Other Matters (Certificates etc.)	52,660	10,015
(d) Service Tax on Audit Fee	23,175	20,600
9. (a) There is no interest paid/payable during the year by the Company to the suppliers covered under Micro, Small, Medium Enterprises Development Act, 2006		
(b) The above information takes into account only those suppliers who have responded to the enquiries made by the company for this purpose.		

BENARES HOTELS LIMITED

Forty First Annual Report 2011-12

Notes to Financial Statements

NOTE 22: ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS (Contd.)

- | | Rupees | Previous Year
Rupees |
|---|--------|-------------------------|
| 10. The Company's business consists of its hotel operations only and hence no separate information for segment-wise disclosure under Accounting Standard on 'Segment Reporting (AS-17)', issued by the Institute of Chartered Accountants of India, is given. | | |
| 11. As per Accounting Standard - 18, "Related Parties Disclosure" notified by the Companies (Accounting Standards) Rules, 2006 the following is the list of related parties:- | | |

Holding Company :

The Indian Hotels Company Limited

Fellow Subsidiary Companies of the Holding Company-Domestic :

TIFCO holdings Ltd.	Taj Trade & Transport Co. Ltd.
Residency Foods & Beverages Ltd.	Inditravel Ltd.
KTC Hotels Ltd.	Ideal Ice & Cold Storage Co. Ltd.
United Hotels Ltd.	Piem Hotels Ltd.
Taj Sats Air Catering Ltd.	Taj Rhein Shoes Co. Ltd.
Roots Corporation Ltd.	Northern India Hotels Limited
Taj Enterprises Ltd.	

Fellow Subsidiary Companies of the Holding Company - International

Samsara Properties Ltd.	International Hotel Management Services Inc.
Apex Hotel Management Services (Pte) Ltd.	Taj International Hotels (HK) Ltd.
Chieftain Corporation NV	Piem International (HK) Ltd.
IHOCO BV	IHMS Inc.
St. James Court Hotels Ltd.	Premium Aircraft Leasing Corporation, Ireland
Taj International Hotels Ltd.	BAHC 5
IHMS (Australia) Pty. Ltd.	

12. a. Details of transactions with related parties during the year:

Nature of Transactions	Holding Company	Fellow Subsidiary Company	Key Management Personnel	Total (Rupees)
Receiving of Services	1,72,52,059			1,72,52,059
	(1,23,51,027)			(1,23,51,027)
Consultancy Services Received	2,67,82,475			2,67,82,475
	(1,90,87,666)			(1,90,87,666)
Deputed Personnel Expenses	1,16,33,091	1,73,039		1,18,06,130
	(90,31,739)	(Nil)		(90,31,739)

Note: Figures in brackets are for the previous year

Notes to Financial Statements

NOTE 22: ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS (Contd.)

		Previous Year
	Rupees	Rupees
b. The license fee payable by the Company is in respect of licence agreement entered by the company on a revenue sharing basis with the owners of the Nadesar Palace in Varanasi and the land on which the Palace is situated. The property licensed to the Company is owned by Dr. Anant Narain Singh along with two private limited companies and a Trust in which Dr. Anant Narain Singh is a director and a trustee respectively. As per the agreement terms, this year, an amount of Rs. 18.70 lacs (Rs. 17.00 lacs plus two annual increases of Rs. 0.85 lacs each) was payable in quarterly instalments.		
c. During the year, an amount of Rs. 42,67,409/- (previous year - Nil) has been written off as bad debts. Since the amount has been written off against the already existing amounts provided for doubtful debts in past years, it has not impacted the profitability of the year.		
d. There is no provision for doubtful debts or amounts written off or written back during the year for debts due from or to related parties.		
13. As the financial statements have been prepared as per the revised Schedule VI To the Companies Act, 1956, as notified by the Ministry of Corporate Affairs, previous years figures have been regrouped wherever necessary to confirm to the current year's presentation.		
14. Shareholding Pattern		
Public Shareholding		
No. of Shares	488062	488062
% of Shares	37.54%	37.54%
Promoters and Promoter Group		
Shareholding		
a. Pledged/Encumbered		
Number of Shares	Nil	Nil
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil
Percentage of shares (as a % of the total share capital of the Company)	Nil	Nil
b. Non Encumbered		
Number of Shares	811938	811938
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%
Percentage of Shares (as a % of the total share capital of the Company)	62.46%	62.46%

FINANCIAL STATISTICS

(Rs./Lacs)

YEAR	CAPITAL ACCOUNTS										REVENUE ACCOUNTS									
	Capital	Reserves & Surplus	Borrowing	Deferred Taxes	Fixed Assets		Investments	Misc Expenses	Gross Revenue	Expenditure (Including Interest)	Depreciation	Profit before Extraord. Items & Taxes	Taxes	Adjustments	Profit After Taxes	Adjustments	Net Transfer to Reserves	Dividend	Tax on Dividend	Rate of Dividend %
					Gross Block	Net Block														
1989-90	130.00	28.54	223.51	223.51	354.89	233.57	—	—	293.01	222.09	18.93	51.99	3.10	—	48.89	—	38.49	10.40	10.40	8%
1990-91	130.00	44.85	218.63	218.63	502.44	363.19	—	—	285.11	237.94	20.47	26.70	—	—	26.70	—	16.30	10.40	26.00	8%
1991-92	130.00	125.83	181.95	181.95	528.47	360.75	—	—	421.79	286.34	28.46	106.99	—	—	106.99	—	80.99	26.00	26.00	20%
1992-93	130.00	181.24	145.70	145.70	572.99	375.23	—	—	421.09	309.84	30.52	80.73	(0.67)	—	81.40	—	55.40	26.00	26.00	20%
1993-94	130.00	231.84	101.98	101.98	617.92	389.34	—	—	482.66	343.17	32.89	86.60	10.00	—	76.60	—	50.60	26.00	39.00	20%
1994-95	130.00	284.46	79.46	79.46	639.16	377.10	—	—	516.45	382.22	34.11	100.12	8.50	—	91.62	—	52.62	39.00	58.50	30%
1995-96	130.00	427.78	48.94	48.94	689.27	390.25	—	—	755.19	498.42	36.95	219.82	18.00	—	201.82	—	143.34	58.50	78.00	45%
1996-97	130.00	616.01	9.88	9.88	740.91	487.35	—	—	904.31	595.56	33.73	275.02	35.50	—	239.52	34.51	188.23	78.00	7.80	60%
1997-98	130.00	781.67	9.74	9.74	785.85	488.88	—	—	985.31	668.39	35.96	280.96	29.50	—	251.46	—	165.66	78.00	7.80	60%
1998-99	130.00	981.38	9.74	9.74	985.85	661.34	—	—	1,083.29	716.74	46.65	319.89	33.60	—	286.29	—	199.71	78.00	8.58	60%
1999-00	130.00	1,161.94	9.74	9.74	1,032.95	661.53	—	—	1,105.09	736.19	48.19	320.70	37.71	+5.79	288.78	—	180.56	97.50	10.73	75%
2000-01	130.00	1,313.88	12.97	12.97	1,123.18	706.71	—	58.54	1,252.47	865.18	47.09	340.20	54.00	(5.32)	280.88	—	151.94	117.00	11.93	90%
2001-02	130.00	1,106.06	12.97	141.16	1,282.28	812.41	—	—	936.29	776.22	55.17	104.90	32.50	—	72.40	—	(25.10)	97.50	—	75%
2002-03	130.00	1,124.68	12.97	145.08	1,411.13	876.48	—	—	1,104.34	857.04	64.77	182.54	53.92	—	128.62	—	18.62	97.50	12.49	75%
2003-04	130.00	1,188.07	12.97	152.81	1,530.16	929.83	—	—	1,298.42	957.70	67.29	273.44	92.73	—	180.71	—	63.39	104.00	13.33	80%
2004-05	130.00	1,334.76	14.26	145.75	1,518.08	919.67	100.45	—	1,532.17	1,046.88	72.16	413.13	140.44	—	272.69	—	146.69	110.50	15.50	85%
2005-06	130.00	1,497.84	14.26	146.71	1,759.20	1,112.36	105.19	—	1,574.94	1,071.05	67.56	436.33	147.25	—	289.08	—	163.08	110.50	15.50	85%
2006-07	130.00	1,732.48	22.97	153.78	2,141.70	1,468.78	111.50	—	1,943.33	1,269.77	86.66	586.90	200.17	—	386.73	—	234.64	130.00	22.09	100%
2007-08	130.00	1,990.41	22.97	164.09	2,323.36	1,548.51	—	—	2,168.87	1,397.41	101.93	669.52	229.08	—	440.45	—	257.93	156.00	26.51	120%
2008-09	130.00	2,182.89	25.27	175.62	3,331.83	2,469.11	—	—	2,018.78	1,417.40	109.56	491.81	170.05	—	321.76	—	192.48	110.50	18.77	85%
2009-10	130.00	2,362.78	30.58	205.33	3,534.63	2,522.04	—	—	2,347.19	1,635.69	153.20	558.30	181.34	—	376.96	—	179.89	169.00	28.07	130%
2010-11	130.00	2,656.11	30.58	231.32	3,769.96	2,674.02	—	—	2,773.17	1,879.79	160.04	733.35	242.89	—	490.46	—	293.39	169.00	28.07	130%
2011-12	130.00	3,033.66	—	249.27	4,228.85	2,978.46	—	—	3,519.50	2,387.20	170.72	961.58	342.35	—	619.23	—	377.49	208.00	33.74	160%

BENARES HOTELS LIMITED

Registered Office : Nadesar Palace Compound, Varanasi 221 002 U.P.

Attendance Slip

I hereby record my presence at the FORTY FIRST ANNUAL GENERAL MEETING of the Company at the Registered Office of the Company at Nadesar Palace Compound, Varanasi 221 002 on Monday, 13th August, 2012 at 3:30 P.M.

SIGNATURE OF THE SHAREHOLDER OR PROXY

Notes :

- (1) Shareholder/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.
- (2) Shareholder/Proxyholder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.
- (3) Shareholders are requested to advise the change in the address, if any, indicating their Folio No. to the Company or to the Registrar and Share Transfer Agent of the Company.

BENARES HOTELS LIMITED

Registered Office : Nadesar Palace Compound, Varanasi 221 002, U.P.

Proxy

I/We _____
of _____
being a Member/Members of BENARES HOTELS LIMITED hereby appoint _____
_____ of _____
_____ or failing him
_____ of _____
_____ as my/our
Proxy to vote for me/us and on my/our behalf at the Forty First Annual General Meeting of the Company to be held on Monday, 13th August, 2012 at 3.30 P.M. and at any adjournment thereof.

Signed this _____ day of _____ 2012.

Folio No.: _____

No. of Shares: _____

Signature

Revenue
Stamp

Note : The proxy form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting.



