

**Best Eastern Hotels Ltd.**

CIN : L99999MH1943PLC040199

Regd. Offi.: 401, Chartered House, 293/297, Dr. C. H. Street,  
Near Marine Lines Church, Mumbai-400 002.

☎ : 022-2207 8191 / 8292 ● Fax : 2206 1324

email : booking@ushaascot.com ● www : ushaascot.com



Date: July 10, 2019

To,  
**Bombay Stock Exchange Limited**  
The Corporate Relationship Department  
P.J. Towers, 1<sup>st</sup> Floor,  
Dalal Street,  
Mumbai – 400 001

**Sub:** Compliance under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Annual Report for the financial year 2018 - 2019.

**Ref:** Scrip Code : 508664  
Scrip ID: BESTEAST

Dear Sir / Madam,

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Annual Report of our Company along with the Notice of 76th Annual General Meeting for the financial year 2018-2019.

Kindly acknowledge and take the above on record.

Thanking you,  
Yours faithfully,

For Best Eastern Hotels Ltd



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

Place: Mumbai



# BEST EASTERN HOTELS LIMITED

76th Annual Report 2018 - 2019



**(CIN-L99999MH1943PLC040199)****BOARD OF DIRECTORS**

**Mr. Vinaychand Kothari** (DIN-00010974)  
Chairman & Managing Director

**Mr. Dilip V. Kothari** (DIN-00011043)

Joint Managing Director

**Dr. Ramnik K. Baxi** (DIN-00011048)

(Independent Director)

**Mr. Mangal S. Chheda** (DIN-00010927)

(Independent Director)

**Ms. Pooja Rakesh Shah**

Company Secretary (ICSI No. A45568)

**Mrs. Neelam D. Kothari** (DIN-02312332)

Non Executive Director

**Mr. Mehernoz C. Dangore** (DIN-00010844)

(Independent Director)

**Mr. Manohar R. Tambat** (DIN-00011062)

(Independent Director)

**Mr. Dilip V. Kothari**

Chief Financial Officer (CFO)

**BOARD COMMITTEE****Audit Committee**

**Mr. Dilip V. Kothari** Chairman

**Dr. Ramnik K. Baxi** Member

**Mr. Mangal S. Chheda** Member

**Stakeholders Relationship Committee**

**Mr. Dilip V. Kothari** Chairman

**Dr. Ramnik K. Baxi** Member

**Mr. Mangal S. Chheda** Member

**NOMINATION AND REMUNERATION COMMITTEE**

**Mrs. Neelam D. Kothari** Chairman

**Mr. Mangal S. Chheda** Member

**Dr. Ramnik K. Baxi** Member

**AUDITORS**

M/s. Sancheti & Co.  
Chartered Accountants  
(FRN: 000016C)

**SECRETARIAL AUDITOR**

Ferrao MSR and Associates.  
Company Secretaries

**BANKERS**

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

**REGISTRARS & TRANSFER AGENT**

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

**REGISTERED OFFICE :**

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

**HOTEL SITE :**

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

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**-: NOTICE :-**

**NOTICE** is hereby given that the 76<sup>th</sup> Annual General Meeting of the members of the **Best Eastern Hotels Ltd.** will be held on 06<sup>th</sup> August, 2019 at 2<sup>nd</sup> floor, Kilachand Conference Room, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020 at 4.00 pm to transact the following businesses:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2019 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 appoint Director in place of Mrs. Neelam Kothari (DIN: 02312332), who retires by rotation and being eligible, offers herself for re-appointment.

**Special Business:**

3. Re-appointment of Mr. Dilip Kothari as Joint Managing Director:  
To consider and if thought fit to pass the following resolution as Ordinary Resolution

**“RESOLVED THAT** pursuant to the provisions of Sections 196 and subject to other provisions, if any, of the Companies Act, 2013, including any statutory modification or any amendment or any substitution or re-enactment thereof for the time being in force, the Company in general meeting hereby approves the re-appointment of Mr. Dilip V. Kothari (DIN: 00011043) as Joint Managing Director of the Company for period of five years with effect from 01.06.2019 on the same terms and conditions of remuneration as were paid to him earlier, which are set out in the explanatory statement annexed to this Notice.”

**“RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company shall pay to Mr. Dilip V. Kothari remuneration and perquisites not exceeding the ceiling limit laid down in Section 197 and Schedule V of the Companies Act, 2013, as may be decided by the Board of Directors”.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to vary any of the terms of remuneration in consultation with Managing Director provided such variation is in accordance with the provisions of the Companies Act, 2013 and the provisions of law as may be applicable thereto from time to time.”

4. Re-appointment of Mr. Vinaychand Kothari as Managing Director:  
To consider and if thought fit to pass the following resolution as Special Resolution

**“RESOLVED THAT** pursuant to the provisions of Sections 196 and subject to other provisions, if any, of the Companies Act, 2013, including any statutory modification or any amendment or any substitution or re-enactment thereof for the time being in force, the Company in general meeting hereby approves the re-appointment of Mr. Vinaychand Kothari (DIN: 00010974) as Managing Director of the Company for period of five years with effect from 01.06.2019 on the same terms and conditions of remuneration as were paid to him earlier, which are set out in the explanatory statement annexed to this Notice.”

**“RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company shall pay to Mr. Vinaychand Kothari remuneration and perquisites not exceeding the ceiling limit laid down in Section 197 and Schedule V of the Companies Act, 2013, as may be decided by the Board of Directors”.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to vary any of the terms of remuneration in consultation with Managing Director provided such variation is in accordance with the provisions of the Companies Act, 2013 and the provisions of law as may be applicable thereto from time to time.”

5. Re-appointment of Mr. Ramnik Baxi as Independent Director:  
To consider, and if thought fit, to pass, the following Resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory Modification (s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ramnik Baxi (DIN: 00011048), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16

of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to retire by rotation”.

**RESOLVED FURTHER THAT** any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”

6. Re-appointment of Mr. Mangal Chheda as Independent Director:  
To consider, and if thought fit, to pass, the following Resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory Modification (s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Mangal Chheda (DIN: 00010927), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 1st April, 2020 to 31st March, 2025 and whose office shall not be liable to retire by rotation”.

**RESOLVED FURTHER THAT** any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”

7. Reclassification of Authorised Share Capital and alteration of Memorandum of Association of the Company:  
To consider, and if thought fit, to pass, the following Resolution as a Special Resolution:

**“RESOLVED THAT** in accordance with the provisions of Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded for reclassification of the Authorised Share Capital of the Company from Rs. 6,00,00,000/- (Rupees six crores only) divided into 3,60,00,000 (Three crores and Sixty lakhs only) equity shares of Rs. 1/- (Rupee one only) each and 24,00,000 (Twenty four lakhs only) Redeemable Preference Shares of Rs. 10/- (Rupees ten only) each to Rs. 6,00,00,000/- (Rupees six crores only) divided into 4,80,00,000 (Four crores and eighty lakhs only) equity shares of Rs. 1/- (Rupee one only) each and 12,00,000 (Twelve Lakhs only) Redeemable Preference Shares of Rs. 10/- (Rupees ten only) each.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 13 and 61 and other applicable provisions of the Companies Act, 2013, Clause 5 of the Memorandum of Association of the Company be and is hereby amended by the following:

(a) The Authorized Share Capital of the Company is Rs. 6,00,00,000/- (Rupees six crores only) divided into 4,80,00,000 (Four crores and eighty lakhs only) equity shares of Rs. 1/- (Rupee one only) each and 12,00,000 (Twelve Lakhs) Redeemable Preference Shares of Rs. 10/- (Rupees ten only) each. The shares forming the capital (original, increased or reduced) of the company may be sub-divided or consolidated or divided into such classes with any preferential, deferred, qualified, special or other rights, privileges or conditions, attached thereto and be held upon such terms as may be prescribed by the Articles of the Association and regulations of the company for the time being or otherwise.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all other steps as may be necessary to give effect to the aforesaid resolution.”

By Order of the Board  
Best Eastern Hotels Ltd.

Sd/-  
**Vinaychand Kothari**  
Chairman & Managing Director  
DIN: 00010974

Sd/-  
**Dilip V. Kothari**  
Jt. Managing Director  
DIN: 00011043

Place Mumbai  
Date: 28.06.2019

## -: 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 30<sup>th</sup> July, 2019 (Tuesday) to 06<sup>th</sup> August, 2019 (Tuesday) (Both days inclusive) for the purpose of Annual General Meeting.
3. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Shareholders holding shares in physical mode are requested to file a Nomination Form in respect of their shareholdings. Any shareholder wishing to avail of this facility may submit to the Company's Registrar & Share Transfer Agent M/s. Sharex Dynamic (India) Pvt. Ltd. Unit No. 1, Luthra Industrial Premises, Safed Pool, Andheri (E), Mumbai – 400 072 in the prescribed statutory form SH-13. For any assistance, shareholders should get in touch with M/s. Sharex Dynamic (India) Pvt. Ltd.
4. Shareholders are requested to notify immediately any change in their addresses to the Company's Registrar & Share Transfer Agent.
5. Copies of the Annual Report 2019 are being sent by electronic mode only to those members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes. Any member may request for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2019 are being sent by the permitted mode. However such members are requested to register their respective e-mail address with the Company / Depository Participant.
6. Additional information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors appointment or re-appointment at the Annual General Meeting is furnished and forms part of the Notice.
7. **Unclaimed Dividends:** Dividends remaining unclaimed/unpaid for 7 years from the date of disbursement will be transferred as per section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, ("Rules") to the Investors Education and Protection Fund (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	2011-2012	16/03/2012	15/03/2019
2	2012-2013	16/03/2013	15/03/2020
3	2013-2014	26/08/2014	25/08/2021
4	2014-2015	28/09/2015	27/09/2022

8. **Voting through electronic means:**
  1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on from **Saturday, 3<sup>rd</sup> August, 2019** (9:00 am) ends on **Monday, 5<sup>th</sup> August, 2019** (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 30<sup>th</sup> July, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
- (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
  - (iii) Click on Shareholder - Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of "Best Eastern Hotels Ltd."
  - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [mferraocs@gmail.com](mailto:mferraocs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

<b>EVEN (Remote e-voting Event Number)</b>	<b>USER ID</b>	<b>PASSWORD/PIN</b>
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  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 30<sup>th</sup> July, 2019

- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 30<sup>th</sup> July, 2019 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [evoting@sharexindia.com](mailto:evoting@sharexindia.com)  
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Ms. Sherlyn Rebello, Company Secretary in Practice having Membership No. 41541 has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.ushaascot.com](http://www.ushaascot.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

Your Directors recommends all the resolutions.

By Order of the Board  
Best Eastern Hotels Ltd.

Sd/-

**Vinaychand Kothari**  
Chairman & Managing Director  
DIN: 00010974

Sd/-

**Dilip V. Kothari**  
Jt. Managing Director  
DIN: 00011043

Place: Mumbai  
Date: 28.06.2019



**INFORMATION ON DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)**

**1. Details for Mr. Dilip Kothari:**

Name of Director	<b>Mr. Dilip Kothari</b>
Date of Birth	<b>15.01.1967</b>
Date of Original Appointment	<b>01.06.2009</b>
Expertise in specific functional Areas	<b>Overall Business Control, Marketing, Finance and Operation of Resort</b>
Qualification	<b>B.Com, Chartered Accountant</b>
Directorship in other Public Limited Companies	<b>NIL</b>
Membership of Committees in other Public Limited Companies	<b>NA</b>
Other Information	<ul style="list-style-type: none"> <li>● Executive Director</li> <li>● No. of Shares held 21,90,530 Equity shares</li> </ul>

**2. Details of Mr. Vinaychand Kothari:**

Name of Director	<b>Mr. Vinaychand Kothari</b>
Date of Birth	<b>09.07.1948</b>
Date of Original Appointment	<b>01.06.2009</b>
Expertise in specific functional Areas	<b>Overall Management</b>
Qualification	<b>Matriculate</b>
Directorship in other Public Limited Companies	<b>NIL</b>
Membership of Committees in other Public Limited Companies	<b>NA</b>
Other Information	<ul style="list-style-type: none"> <li>● Executive Director</li> <li>● No. of Shares held 43,46,970 Equity Shares</li> </ul>

**3. Details for of Mr. Ramnik Baxi:**

Name of Director	<b>Mr. Ramnik Baxi</b>
Date of Birth	<b>05.10.1952</b>
Date of Original Appointment	<b>03.04.2000</b>
Expertise in specific functional Areas	<b>General Management</b>
Qualification	<b>M.B.B.S</b>
Directorship in other Public Limited Companies	<b>NIL</b>
Membership of Committees in other Public Limited Companies	<b>NA</b>
Other Information	<ul style="list-style-type: none"> <li>● Independent Director</li> <li>● No. of Shares held - NIL</li> </ul>

**4. Details of Mr. Mangal Chheda:**

Name of Director	<b>Mr. Mangal Chheda</b>
Date of Birth	<b>03.08.1943</b>
Date of Original Appointment	<b>23.09.2015</b>
Expertise in specific functional Areas	<b>General Management</b>
Qualification	<b>F.Y.B.Com</b>
Directorship in other Public Limited Companies	<b>NIL</b>
Membership of Committees in other Public Limited Companies	<b>NA</b>
Other Information	<ul style="list-style-type: none"> <li>● Independent Director</li> <li>● No. of Shares held - NIL</li> </ul>

**5. Details of Mrs. Neelam Kothari:**

Name of Director	<b>Mrs. Neelam Kothari</b>
Date of Birth	<b>24.09.1971</b>
Date of Original Appointment	<b>20.03.2015</b>
Expertise in specific functional Areas	<b>Social Media Marketing and Food Management</b>
Qualification	<b>HSC</b>
Directorship in other Public Limited Companies	<b>NIL</b>
Membership of Committees in other Public Limited Companies	<b>NA</b>
Other Information	<ul style="list-style-type: none"> <li>● Non Executive Director</li> <li>● No. of Shares held – 6,00,000 Equity Shares</li> </ul>

By Order of the Board  
Best Eastern Hotels Ltd.

Place Mumbai  
Date: 28.06.2019

Sd/-  
**Vinaychand Kothari**  
Chairman & Managing Director  
DIN: 00010974

Sd/-  
**Dilip V. Kothari**  
Jt. Managing Director  
DIN: 00011043

**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013****Item No. 3**

The Board vide its Resolution dated 28.06.2019 had approved the re-appointment of Mr. Dilip Kothari as a Joint Managing Director of the Company for a period of five years with effect from 1.06.2019 on same terms and conditions of remuneration as were paid to him earlier. The details of the same are as under:

- (a) Remuneration: In the scale of Rs. 1,70,000-10,000-2,10,000 per month with an annual increment of 1st time on 1.04.2020 and thereafter effective from 1st April of each financial year commencing from 1.04.2020.
- (b) The Managing Director will also be eligible following perquisites, benefits and facilities:
- (i) Medical Reimbursement: Expenses incurred by him and/or his family subject to a ceiling of one month's salary per year or three months' salary over a period of three years.
  - (ii) Leave Travel Concession: Leave travel concession for him and his family, once in a year incurred in accordance with the Rules of the Company.
  - (iii) Personal Accident Insurance: Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs.20,000/-.
  - (iv) Contribution to Provident Fund, Superannuation fund or Annuity Fund as per the rules of the Company from time to time which will not be included in the computation of the ceiling to the extent these either singly or put together are not taxable under the Income Tax Act.
  - (v) Gratuity: Benefits in accordance with the rules and regulations in force in the Company from time to time but shall not exceed half a month's salary for each completed year of service.
  - (vi) Leave Encashment: Encashment of unutilized leave will be as per the Rules and regulations of the Company.
  - (vii) The Company shall provide a car with a driver and telephone at the residence of Mr. Dilip Kothari. Provision of car for use in company's business and telephone at residence will not be considered as perquisites.
  - (viii) Other Benefits:
    - Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time.
    - Such other benefits and amenities as may be provided by the company to other senior officers from time to time.
  - (ix) Notwithstanding absence or inadequacy of profits in any financial year during the currency of their tenure of appointment, shall be paid above remuneration as a minimum remuneration.
- (c) Commission:
- Such remuneration by way of commission, in addition to the salary and perquisites and allowances, payable calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors (which includes any committee thereof) in its absolute discretion deem fit, for each Corporate Financial Year, provided that the total remuneration including salary, perquisites and commission shall not exceed the overall ceilings prescribed under Section 197 of the Companies Act, 2013.
- (d) He shall be entitled to all amounts incurred by them in the course of Company's business including entertainment and travel for and on behalf of the Company commensurate with their position.
- (e) Either party shall be entitled to terminate the services by giving not less than three months' notice in writing.
- (f) He during the tenure of his employment or at any time thereafter not to divulge or disclose to any person or make use of any confidential information or knowledge obtained by them during his employment as to the business or affairs or methods of or as to any trade secrets or secret information of the Company or of any subsidiary, associate or affiliated Company.
- (g) He shall not be engaged or interested directly or indirectly in any undertaking or business of a nature similar to or competitive to the Company's business or any manner conflicting with the Company's interest.

- (h) The employment of the appointee shall forthwith terminated if he shall be become an insolvent or make any composition or arrangement with his creditors or shall cease to be the managing Director.
- (i) So long as he function as the Managing Director shall not be paid any sitting fees for attending the meeting of the Board or committees thereof.
- (j) Mr. Vinaychand Kothari to be entrusted with the Management and control of the whole of the affairs of the Company subject to superintendent, control and direction of the Board, the relevant provisions of the Act and Memorandum and Articles of Association of the Company.
- (k) He shall devote his whole time and attention to the business of the Company and shall use his best endeavor to promote its interest and welfare.

Name of Director	<b>Mr. Dilip Kothari</b>
Date of Birth	<b>15.01.1967</b>
Date of Original Appointment	<b>01.06.2009</b>
Expertise in specific functional Areas	<b>Overall Business Control, Marketing, Finance and Operation of Resort</b>
Qualification	<b>B.Com, Chartered Accountant</b>
Directorship in other Public Limited Companies	<b>NIL</b>
Membership of Committees in other Public Limited Companies	<b>NA</b>
Other Information	<ul style="list-style-type: none"> <li>● Executive Director</li> <li>● No. of Shares held 21,90,530 Equity shares</li> </ul>

The Board recommends the approval by the members of the re-appointment of Mr. Dilip Kothari as the Joint Managing Director and payment of remuneration to him. Mr. Vinaychand Kothari, Mrs. Neelam Kothari and Mr. Dilip Kothari are concerned or interested in the said resolution at item no. 3 accompanying notice.

#### Item No. 4

The Board vide its Resolution dated 28.06.2019 had approved the re-appointment of Mr. Vinaychand Kothari as a Joint Managing Director of the Company for a period of five years with effect from 1.06.2019 on same terms and conditions of remuneration as were paid to him earlier. The details of the same are as under:

- (a) Remuneration: In the scale of Rs. 2,10,000-15,000-2,70,000 per month with an annual increment of 1st time on 1.04.2020 and thereafter effective from 1st April of each financial year commencing from 1.04.2020.
- (b) The Managing Director will also be eligible following perquisites, benefits and facilities:
- (i) Medical Reimbursement: Expenses incurred by him and/or his family subject to a ceiling of one month's salary per year or three months' salary over a period of three years.
  - (ii) Leave Travel Concession: Leave travel concession for him and his family, once in a year incurred in accordance with the Rules of the Company.
  - (iii) Personal Accident Insurance: Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs.20,000/-.
  - (iv) Contribution to Provident Fund, Superannuation fund or Annuity Fund as per the rules of the Company from time to time which will not be included in the computation of the ceiling to the extent these either singly or put together are not taxable under the Income Tax Act.
  - (v) Gratuity: Benefits in accordance with the rules and regulations in force in the Company from time to time but shall not exceed half a month's salary for each completed year of service.
  - (vi) Leave Encashment: Encashment of unutilized leave will be as per the Rules and regulations of the Company.
  - (vii) The Company shall provide a car with a driver and telephone at the residence of Mr. Vinaychand Kothari. Provision of car for use in company's business and telephone at residence will not be considered as perquisites.

(viii) Other Benefits:

- Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time.
- Such other benefits and amenities as may be provided by the company to other senior officers from time to time.

(ix) Notwithstanding absence or inadequacy of profits in any financial year during the currency of their tenure of appointment, shall be paid above remuneration as a minimum remuneration.

(c) Commission:

Such remuneration by way of commission, in addition to the salary and perquisites and allowances, payable calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors (which includes any committee thereof) in its absolute discretion deem fit, for each Corporate Financial Year, provided that the total remuneration including salary, perquisites and commission shall not exceed the overall ceilings prescribed under Section 197 of the Companies Act, 2013.

- (d) He shall be entitled to all amounts incurred by them in the course of Company's business including entertainment and travel for and on behalf of the Company commensurate with their position.
- (e) Either party shall be entitled to terminate the services by giving not less than three months' notice in writing.
- (f) He during the tenure of his employment or at any time thereafter not to divulge or disclose to any person or make use of any confidential information or knowledge obtained by them during his employment as to the business or affairs or methods of or as to any trade secrets or secret information of the Company or of any subsidiary, associate or affiliated Company.
- (g) He shall not be engaged or interested directly or indirectly in any undertaking or business of a nature similar to or competitive to the Company's business or any manner conflicting with the Company's interest.
- (h) The employment of the appointee shall forthwith terminated if he shall be become an insolvent or make any composition or arrangement with his creditors or shall cease to be the managing Director.
- (i) So long as he function as the Managing Director shall not be paid any sitting fees for attending the meeting of the Board or committees thereof.
- (j) Mr. Vinaychand Kothari to be entrusted with the Management and control of the whole of the affairs of the Company subject to superintendent, control and direction of the Board, the relevant provisions of the Act and Memorandum and Articles of Association of the Company.
- (k) He shall devote his whole time and attention to the business of the Company and shall use his best endeavor to promote its interest and welfare.

Name of Director	<b>Mr. Vinaychand Kothari</b>
Date of Birth	<b>09.07.1948</b>
Date of Original Appointment	<b>01.06.2009</b>
Expertise in specific functional Areas	<b>Overall Management</b>
Qualification	<b>Matriculate</b>
Directorship in other Public Limited Companies	<b>NIL</b>
Membership of Committees in other Public Limited Companies	<b>NA</b>
Other Information	<ul style="list-style-type: none"> <li>● Executive Director</li> <li>● No. of Shares held 43,46,970 Equity Shares</li> </ul>

The Board recommends the approval by the members of the re-appointment of Mr. Vinaychand Kothari, who is of more than 70 years of age, as the Managing Director and payment of remuneration to him. Mr. Vinaychand Kothari, Mrs. Neelam Kothari and Mr. Dilip Kothari are concerned or interested in the said resolution at item no. 4 accompanying notice.

**Item No. 5**

Mr. Ramnik Baxi was appointed as an Independent Non Executive Director of the Company by the members for a period of five consecutive years commencing from 1<sup>st</sup> April, 2014 upto 31<sup>st</sup> March, 2019.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Baxi, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 1<sup>st</sup> April, 2019 till 31<sup>st</sup> March, 2024.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Mr. Baxi fulfills the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his reappointment as an Independent Non-Executive Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Baxi as an Independent Director.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Baxi as an Independent Director for another term of five consecutive years with effect from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024, for the approval by the shareholders of the Company.

Except Mr. Ramnik Baxi, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the AGM. Mr. Baxi is not related to any Director of the Company.

**Item No. 6**

Mr. Mangal Chheda was appointed as an Independent Non-Executive Director of the Company by the members for a period of five consecutive years commencing from 1<sup>st</sup> April, 2015 upto 31<sup>st</sup> March, 2020.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Chheda, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 1<sup>st</sup> April, 2020 till 31<sup>st</sup> March, 2025.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Mr. Chheda fulfills the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his reappointment as an Independent Non-Executive Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Chheda as an Independent Director.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Chheda as an Independent Director for another term of five consecutive years with effect from 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2025, for the approval by the shareholders of the Company.

Except Mr. Mangal Chheda, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice of the AGM. Mr. Chheda is not related to any Director of the Company.

**Item 7**

The Board in its meeting held on June 28, 2019 proposed to reclassify the Authorised Share Capital of the Company from Rs. 6,00,00,000/- (Rupees six crores only) divided into 3,60,00,000 (Three crores and Sixty lakhs only) equity shares of Rs. 1/- (Rupee one only) each and 24,00,000 (Twenty four lakhs) Redeemable Preference Shares of Rs. 10/- (Rupees ten only) each to Rs. 6,00,00,000/- (Rupees six crores only) divided into 4,80,00,000 (Four crores and eighty lakhs only) equity shares of Rs. 1/- (Rupee one only) each and 12,00,000 (Twelve Lakhs) Redeemable Preference Shares of Rs. 10/- (Rupees ten only) each for the

The Board seeks shareholder's approval for making alterations in Memorandum of Association and Articles of Association to re-classify the Authorised Share Capital of the Company.

No director, key managerial personnel or their relatives are directly or indirectly concerned or interested in the resolutions at Item no. 7 of the Notice except to the extent of their shareholding. The Board recommends the resolutions set forth in Item no. 7 for the approval of the members.

By Order of the Board  
Best Eastern Hotels Ltd.

Sd/-

**Vinaychand Kothari**  
Chairman & Managing Director  
DIN: 00010974

Sd/-

**Dilip V. Kothari**  
Jt. Managing Director  
DIN: 00011043

Place: Mumbai  
Date: 28.06.2019

## DIRECTOR'S REPORT

### To the Members,

Your Directors hereby present the 76<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2019.

### FINANCIAL RESULTS:

Particulars	Rupees in 000's	
	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>Revenue</b>	<b>52,042</b>	<b>48,391</b>
<b>Profit before Taxation</b>	<b>3,897</b>	<b>1,946</b>
<b>Less : Provision for Tax</b>		
Current Tax	1,450	875
Deferred Tax	(346)	(1,469)
Excess/(Short) Provision for Tax Earlier Years	(4)	7
<b>Profit after Tax for the year</b>	<b>2,797</b>	<b>2,533</b>
Add : Brought forward profit	16,495	13,962
<b>Profit available for appropriation</b>	<b>19,292</b>	<b>16,495</b>
Transfer To General Reserve	—	—
<b>Balance carried over to Balance Sheet</b>	<b>19,292</b>	<b>16,495</b>

### Operating Results:

The total revenue of the Company for the year ended 31<sup>st</sup> March, 2019 was stood at Rs. 520.42 lakh (previous year Rs. 483.91 lakhs) and the profit before tax is Rs. 38.97 lakhs (previous year Rs. 19.46 lakhs). The profit after tax is stood at Rs. 27.97 lakhs (previous year Rs. 25.33 lakhs).

### Dividend on Equity and Preference Shares:

Considering the inadequate profit for the year under review of the Company, the Board of Directors do not recommend any dividend for the year ended 31<sup>st</sup> March, 2019 on equity shares.

The Board of Directors has declared a dividend of Rs. 1.20 on each Preference Share.

### Transfer to Reserves:

No amount was transferred to the reserves during the financial year ended 31<sup>st</sup> March, 2019.

### Fixed Deposit:

The Company has neither invited nor accepted any deposits from Public.

### Directors:

Mrs. Neelam Kothari retires by rotation and being eligible offers herself for re-appointment. Mr. Vinaychand Kothari, Managing Director and Mr. Dilip Kothari, Joint Managing Directors of the Company, being eligible offers themselves for re-appointment for a term of 5 years with effect from 1.06.2019

The following policies of the company are attached herewith and marked as Annexure 1, Annexure 2 and Annexure 3.

Policy on appointment of Directors and Senior Management (Annexure 1)

Policy on Remuneration to Directors' (Annexure 2)

Policy on Remuneration of Key Managerial Personnel and Employees (Annexure 3)

### Directors Responsibility Statement:

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



- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Corporate Social Responsibility (CSR):**

The provisions of section 135 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to your company.

However, Company's social welfare and community development initiatives focus on the key areas of education, health care. As a social responsible Corporate Citizen, the company continues to support a wide spectrum of community initiative through N.G.O.s / Charitable Institutes as well as programs for health, education and environment. Also your company carries Medical Camps for the locals of Matheran & surrounded areas on regular Basis, including vaccination for school children. These projects are largely in accordance with Schedule VII of the Companies Act, 2013.

**Risk Management:**

The Company's principal financial liabilities include borrowing, trade and other payables. The Company's principal financial assets include loans, trade receivable, cash and cash equivalents and others. The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

**Vigilance Function:**

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

**Particulars of Loan, Guarantees and Investments under Section 186:**

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

**Related Party Transactions:**

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business. Please refer point 'B' of Note 33 to the Notes to the accounts. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as Annexure -4.

**Subsidiaries, Joint Ventures and Associate Companies:**

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

**Details of Significant and Material Orders Passed By the Regulators, Courts and Tribunals:**

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

**Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:**

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

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

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

**Meetings:**

During the year 7 (Seven) Board Meetings were held. Meetings were held on 30.05.2018, 20.07.2018, 14.08.2018, 13.11.2018, 12.02.2019, 01.03.2019 and 25.03.2019.

**Extract of Annual Return:**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure 5"

**Auditors:**

M/s Sancheti & Co. (Firm Registration No. 000016C), Chartered Accountants have been appointed as statutory auditors of the company for a period of five years i.e. from the conclusion of 75<sup>th</sup> Annual General Meeting till the conclusion of 80<sup>th</sup> Annual General Meeting of the Company.

**Auditors Report:**

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

**Listing:**

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

**Secretarial Audit Report:**

In accordance with Section 204 of the Companies Act, 2013, the Company had appointed MSR & Associates, Company Secretaries as Secretarial Auditors for the financial year ended 31st March, 2019. The Secretarial Auditor's report forms part of the Annual Report.

**Particulars of Employees:**

Information as per Section 197 of the Companies Act, 2013 (the 'Act') read with the Companies Appointment and Remuneration of Managerial Personnel Rules, 2014 as amended by notification dated 30/06/2016, list of the top ten employees in terms of remuneration drawn is annexed as Annexure – 6. None of the employees is employed on a remuneration of Rs. 8,50,000/- p.m. or Rs. 1,02,00,000/- p.a.

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

Information required to be disclosed pursuant to section 134 (3) (m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earning & outgo are furnished hereunder:

- a) **Conservation of Energy:** The Company has always given high priority to energy conservation. Constant efforts have been made to reduce energy consumption on continuous basis. Employee awareness and effective monitoring of uses of energy are being pursued. The Company is also examining the use of alternative source of energy. It had already implemented Hot Water System at the hotel site and converting normal lighting to PL/CFL lighting to save fuel and electricity consumption to the considerable extent.
- b) **Technology Absorption:** The Company being in the hospitality industry, its activities do not as such involve any technology absorption or expenditure on research and development. Nonetheless, the Company's endeavors would be to achieve what is best possible in its business.
- c) **Foreign Exchange Earnings & Outgo:** Rs.0.37 lakh being realization under credit cards (Previous year Rs. 0.87 lakh). Outgo Rs. Nil (Previous year Nil)

**Corporate Governance:**

Regulation 15(2t) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 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 would also like to thank 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.

By Order of the Board  
Best Eastern Hotels Ltd.

Place Mumbai  
Date: 28.06.2019

Sd/-  
**Vinaychand Kothari**  
Chairman & Managing Director  
DIN: 00010974

Sd/-  
**Dilip V. Kothari**  
Jt. Managing Director  
DIN: 00011043

**ANNEXURE 1**

**TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2019:  
POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT**

**Appointment of Directors**

The Nomination and Remuneration Committee (NRC) of the Board of Directors (Board) of the Company reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when Independent Director is to be appointed:

1. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective;
2. Ability of the candidates to devote sufficient time and attention to his / her professional obligations as Director for informed and balanced decision making;
3. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors;

Based on the recommendations of the NRC the board will evaluate the candidates and decide on the selection the appropriate member. The Board through the Chairman or the Managing Director will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made there under.

**Removal of Directors**

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations there under or due to non - adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

**Senior Management Personnel**

The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Managing Director & CEO based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

By Order of the Board  
Best Eastern Hotels Ltd.

Place Mumbai  
Date: 28.06.2019

Sd/-  
**Vinaychand Kothari**  
Chairman & Managing Director  
DIN: 00010974

Sd/-  
**Dilip V. Kothari**  
Jt. Managing Director  
DIN: 00011043

**ANNEXURE 2****TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2019**  
**POLICY FOR REMUNERATION OF THE DIRECTORS****General**

This Policy sets out the approach to Compensation/remuneration/commission etc. will be determined by Committee and Recommended to the Board of Directors, for approval. Also remuneration to be paid to the Managing Director, other executive directors in accordance with provisions of Companies Act, 2013, and other statutory provisions if any, would require to complying for time being of appointment of such person.

**Policy Statement**

The Company has a well-defined Compensation policy for Directors, including the Chairman of the Company. The overall compensation philosophy which guides us to focus on enhancing the value, to attract, to retain and motivate Directors for achieving objectives of Company and to become a major player in market, to be the most trusted brand in the business we operate in and focus on customer serenity through transparency, quality and on time delivery to be a thought leader and establish industry benchmarks in sustainable development.

In order to effectively implement this, the Company has built a compensation structure by a regular annual benchmarking over the years with relevant players across the industry the Company operates in.

**Non-Executive Including Independent Directors**

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both fixed and variable, to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV to the Companies Act, 2013 and the LODR with Stock Exchanges and such other factors as the NRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolutions.

**Managing Director (MD) and Executive Director**

Remuneration of the MD and Executive Directors reflects the overall remuneration philosophy and guiding principle of the Company. While considering the appointment and remuneration of Managing Director and Executive Directors, the NRC shall consider the industry benchmarks, merit and seniority of the person and shall ensure that the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies. The policy aims at a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The remuneration to the MD shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as per the policy of the Company from time to time and as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of appointment, the variable compensation will be determined annually by the NRC based on the performance of MD.

The term of office and remuneration of MD is subject to the approval of the Board of Directors, shareholders, and Central Government, as may be required and within the statutory limits laid down in this regard from time to time.

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay, subject to the requisite approvals, remuneration to its MD in accordance with the provisions of Schedule V to the Companies Act, 2013

If a MD draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government of the Company.

Remuneration for MD is designed subject to the limits laid down under the Companies Act, 2013 to remunerate him / her fairly and responsibly. The remuneration to the MD comprises of salary, perquisites and benefits as per policy of the Company and performance based incentive apart from retirement benefits like P.F., Superannuation, Gratuity, Leave Encashment, etc. as per Rules Salary is paid within the range approved by the Shareholders. Increments are effective annually, as recommended /approved by the NRC / Board. The MD is entitled for grant of Stock Options as per the approved Stock Options Schemes of the Company from time to time.

#### **Directors**

The MD is an executive of the Company and draws remuneration from the Company. The Non-Executive Independent Directors receive sitting fees for attending the meeting of the Board and Committee thereof, as fixed by the Board of Directors from time to time subject to statutory provisions. The Non-Executive Independent Directors would be entitled to the remuneration under the Companies Act, 2013. In addition to the above, the Directors are entitled for reimbursement of expenses incurred in discharge of their duties.

The Company may also grant Stock Options to the eligible employees and Directors (other than Independent Directors) in accordance with the ESOP Schemes of the Company from time to time and subject to the compliance statutes and regulations.

#### **Disclosures**

Information on the total remuneration of members of the Company's Board of Directors, Managing Director and Executive Directors and KMP/senior management personnel may be disclosed in the Board's report and the Company's annual report / website as per statutory requirements in this regard.

By Order of the Board  
Best Eastern Hotels Ltd.

Place Mumbai  
Date: 28.06.2019

Sd/-  
**Vinaychand Kothari**  
Chairman & Managing Director  
DIN: 00010974

Sd/-  
**Dilip V. Kothari**  
Jt. Managing Director  
DIN: 00011043

**ANNEXURE 3****TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019:  
POLICY ON REMUNERATION OF KEY MANAGERIAL PERSONNEL AND EMPLOYEES****Objective**

To establish guidelines of remuneration/ compensation/ commission etc. to be paid for employees by way of fairly and in keeping with Statutes, it will be determined by the Nomination & Remuneration committee (NRC) and the NRC will recommend to the Board for approval.

**Standards**

1. All employees, irrespective of contract, are to be paid remuneration fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.
2. Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component which is based on performance and paid annually.
3. The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable an employee to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually in the month of July, after the salary increment exercise.
4. The variable component of the remuneration will be a function of the employee's grade.
5. The actual pay-out of variable component of the remuneration will be function of individual performance as well as business performance. Business performance is evaluated using a Balance Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC & KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.
6. An Annual compensation survey is carried out to ensure that the Company's compensation is externally competitive. Based on the findings of the survey and the business performance, the committee decides:
  - (i) The increment that needs to be paid for different performance ratings as well as grades.
  - (ii) The increment for promotions and the total maximum increment.
  - (iii) The maximum increase in compensation cost in % and absolute.
  - (iv) Compensation corrections are made in a few cases where it is outside the band or to keep it tune with the market.

By Order of the Board  
Best Eastern Hotels Ltd.

Place Mumbai  
Date: 28.06.2019

Sd/-  
**Vinaychand Kothari**  
Chairman & Managing Director  
DIN: 00010974

Sd/-  
**Dilip V. Kothari**  
Jt. Managing Director  
DIN: 00011043

**ANNEXURE 4**
**TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019:**
**FORM AOC - 2**

{Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014}

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third provision is given below:

**CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The particulars of Contracts or Arrangements with related parties along with justification of these contracts, pursuant to requirements of Section 134 (h) and 188 (2) of the Companies Act, 2013 is given hereunder.

**1. Details of contracts or arrangements or transactions not at arm's length basis**

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transaction	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transaction	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first provision to section 188
1	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**2. Details of material contracts or arrangement or transactions at arm's length basis.**

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
1	Mr. Vinaychand Yadavsingh Kothari, Managing Director of the Company, also Owner of premises rented to Company.	Rental of premises duly approved by Board	Renewed w.e.f. 1 <sup>st</sup> April, 2010 (with no increase in rent till date)	Premises situated at 401, Chartered House, 293/299, Dr. C H St., Near Marine Lines, Church, Mumbai - 400002 taken on rent by Company for Registered office from owner Mr. Vinaychand Yadavsingh Kothari at monthly rent of Rs. 70,000/-	30/04/2010	Nil

By Order of the Board  
Best Eastern Hotels Ltd.

Sd/-  
**Vinaychand Kothari**  
Chairman & Managing Director  
DIN: 00010974

Sd/-  
**Dilip V. Kothari**  
Jt. Managing Director  
DIN: 00011043

Place Mumbai  
Date: 28.06.2019



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Industry Structure, Developments and Outlook**

This is a boom time for Hospitality Industry worldwide. India as well is reaping the benefit. There has been transition in the image of the Industry from being old fashioned to modern in outlook.

The long-term outlook for the Indian hospitality business continues to be positive, both for the business and leisure segments. The sector has potential for growth on the back of increases in disposable incomes, increase in foreign tourist arrivals, momentum from government-led initiatives, and the burgeoning middle-class population.

### **Financial and Operating Performance**

During the Financial Year 2018–19, the Company experienced a growth of 7.55% in its revenue. The Company's Total Revenue was Rs. 520.42 lakh in 2018-19 as compared to Rs. 483.91 lakh in the previous year.

Profit before Tax was Rs. 38.97 lakh as compared to Rs. 19.46 lakh in the previous year. The Net Profit for the year was Rs. 27.97 lakh as compared to Rs. 25.33 lakh in the previous year. The Company continues to be largely engaged in hospitality and related businesses.

### **Internal Control Mechanism and Adequacy**

The company has a proper and adequate system of internal control to ensure that all assets are safeguarded and protected against any loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly. The Company's internal control systems are periodically reviewed by the management together with the Audit Committee of the Board. The emphasis of internal control prevails across functions and processes, covering the entire gamut of activities.

### **Internal Financial Controls (IFC)**

The Directors have devised a framework for Internal Financial Controls to be followed by the Company that conforms to the requirements of Section 134(5)(e) of the Companies Act, 2013 and incorporates measures that ensure adequate and continuing operating effectiveness of internal financial controls. Furthermore, in accordance with Section 149(8), read with the Code for Independent Directors laid down under Schedule IV, Clause II (3) of the Companies Act, 2013, the Independent Directors have satisfied themselves on the integrity of financial information and have ensured that Financial Controls and systems of Risk Management are robust and secure. In order to enable the Directors to meet these responsibilities, the Board has devised the necessary systems, frameworks and mechanisms within the Company. The Board has empowered the Audit Committee to periodically review and confirm that the mechanism remains effective and fulfill the objectives for which they have been created.

### **HUMAN RESOURCES DEVELOPMENT/INDUSTRIAL RELATIONS:**

The Company recognizes the need for continuous growth and development of its employees in order to provide greater job satisfaction and also to equip them to meet growing organizational challenges. Industrial relations have continued to be harmonious at all units throughout the year. Measures for safety of employees, Welfare and development continue to receive top priorities.

### **THE FINANCIAL AND OPERATIONAL PERFORMANCE:**

The financial statement is in confirmation with provisions of the Companies Act, 2013 and applicable accounting standard recommended by the Institute of Chartered Accountants of India. The financial statement reflects the genuine desire for the transparency and best judgment for the estimates made on prudent and reasonable bases to correctly reflect the true and fair affairs of the company.

**CAUTIONARY STATEMENT:**

Statements in this report on Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable security laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however differ materially from those expressed or implied.

The Company assumes no responsibility in respect of forwarded looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events of the Company.

The Board takes this opportunity to thank all employees for their commitment, dedication and co-operation.

By Order of the Board  
Best Eastern Hotels Ltd.

Place Mumbai  
Date: 28.06.2019

Sd/-  
**Vinaychand Kothari**  
Chairman & Managing Director  
DIN: 00010974

Sd/-  
**Dilip V. Kothari**  
Jt. Managing Director  
DIN: 00011043

**ANNEXURE 5**

**EXTRACT OF ANNUAL RETURN**

As on financial year ended 31-03-2019

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

**A. REGISTRATION AND OTHER DETAILS:**

<b>CIN:-</b>	L99999MH1943PLC040199
<b>Registration Date:</b>	23.05.1943
<b>Name of the Company:</b>	Best Eastern Hotels Ltd.
<b>Category / Sub-Category of the Company</b>	Public Company-Company having share capital
<b>Address of the Registered office and contact details:</b>	401, chartered House, 293/299, Dr.C.H.street, Near Marinelines church, Mumbai-400 002 Tel:022-2207 8292
<b>Whether listed company</b>	Listed on BSE Ltd., Mumbai.
<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Sharex (Dynamic) India Pvt.Ltd., Unit-1, Luthra Ind. Premises, Safed Pool, Andheri-Kurla Road, Andheri (E)-Mumbai-400 072 Tel:28515606

**B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service % to total turnover of the company	% to total turnover of the company
a.	Short term accomodation activities	551	<b>56.23</b>
b.	Restaurants and mobile food service activities	561	<b>43.77</b>

**C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held
N.A.				

**D. SHARE HOLDING PATTERN**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2018				No. of Shares held at the end of the year 31/03/2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTER'S</b>									
<b>(1). INDIAN</b>									
(a). Individual	11387500	0	11387500	67.582	11387500	0	11387500	67.582	0
(b). Central Govt.		0				0			0
(c). State Govt(s).		0				0			0
(d). Bodies Corpp.	1250000	0	1250000	7.418	1250000	0	1250000	7.418	0
(e). FIINS / BANKS.		0				0			0
(f). Any Other		0				0			0
<b>Sub-total (A) (1):-</b>	<b>12637500</b>	<b>0</b>	<b>12637500</b>	<b>75</b>	<b>12637500</b>	<b>0</b>	<b>12637500</b>	<b>75</b>	<b>0</b>
<b>(2). FOREIGN</b>									
(a). Individual NRI / For Ind		0				0			0
(b). Other Individual		0				0			0
(c). Bodies Corporates		0				0			0

(d). Banks / FII		0				0			0
(e). Qualified Foreign Investor		0				0			0
(f). Any Other Specify		0				0			0
<b>Sub-total (A) (2):-</b>	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>12637500</b>	<b>0</b>	<b>12637500</b>	<b>75.000</b>	<b>12637500</b>	<b>0</b>	<b>12637500</b>	<b>75.000</b>	<b>0</b>
<b>(B) (1). PUBLIC SHAREHOLDING</b>									
(a). Mutual Funds		0				0			0.000
(b). Banks / FI	1660	1660	3320	0.020	1660	1660	3320	0.020	0.000
(c). Central Govt.	330	0	330	0.002	330	0	330	0.002	0.000
(d). State Govt.		0				0			0.000
(e). Venture Capital Funds		0				0			0.000
(f). Insurance Companies		0				0			0.000
(g). FIs		0				0			0.000
(h). Foreign Venture Capital Funds		0				0			0.000
(i). Others (specify)		0				0			0.000
<b>Sub-total (B)(1):-</b>	<b>1990</b>	<b>1660</b>	<b>3650</b>	<b>0.022</b>	<b>1990</b>	<b>1660</b>	<b>3650</b>	<b>0.022</b>	<b>0</b>
<b>2. Non-Institutions</b>									
<b>(a). BODIES CORP.</b>									
(i). Indian	136076	5670	141746	0.841	156199	5670	161869	0.961	0.120
(ii). Overseas		0				0			0.000
<b>(b). Individuals</b>									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	2198076	129370	2327446	13.813	2204479	102530	2307009	13.691	-0.122
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1608133	0	1608133	9.544	1667226	0	1667226	9.895	0.351
<b>(c). Other (specify)</b>									
Non Resident Indians	2196	670	2866	0.017	2197	670	2867	0.017	0
Overseas Corporate Bodies		0				0			0
Foreign Nationals		0				0			0
Clearing Members	128659	0	128659	0.764	69879	0	69879	0.415	-0.349
Trusts		0				0			0
Foreign Boodies - D R		0				0			0
<b>Sub-total (B)(2):-</b>	<b>4073140</b>	<b>135710</b>	<b>4208850</b>	<b>24.979</b>	<b>4099980</b>	<b>108870</b>	<b>4208850</b>	<b>24.979</b>	<b>0</b>
<b>Total Public Shareholding (B) =(B)(1)+ (B)(2)</b>	<b>4075130</b>	<b>137370</b>	<b>4212500</b>	<b>25.001</b>	<b>4101970</b>	<b>110530</b>	<b>4212500</b>	<b>25.001</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>		<b>0</b>				<b>0</b>			<b>0.000</b>
<b>Grand Total (A+B+C)</b>	<b>16712630</b>	<b>137370</b>	<b>16850000</b>	<b>100.00</b>	<b>16739470</b>	<b>110530</b>	<b>16850000</b>	<b>100.00</b>	<b>0</b>

Company : Best Eastern Hotels Ltd. from 01-04-2018 to 31-03-2019

## Shareholding of promoters MGT9 Report

SI No.	Shareholder's Name	Share Holding at the beginning of the year			Share Holding at the end of the Year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	VINAYCHAND KOTHARI	4346970	25.798	0	4346970	25.798	0	0
2	MEENA V KOTHARI	4250000	25.223	0	4250000	25.223	0	0
3	DILIP V KOTHARI	2190530	13.000	0	2190530	13.000	0	0
4	VANDEEP HOLDINGS PVT LTD	1250000	7.418	0	1250000	7.418	0	0
5	NEELAM D KOTHARI	600000	3.561	0	600000	3.561	0	0

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

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the Year			
		No. of Shares at the beginning / end of the year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company

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

Sr. No	Name	No. of Shares at the beginning / end of the year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	VIJAY KUMAR TAYDE	445924	2.646	01-04-2018				
				06-04-2018	14000	Buy	459924	2.730
				13-04-2018	17000	Buy	476924	2.830
				20-04-2018	11000	Buy	487924	2.896
				27-04-2018	2500	Buy	490424	2.911
				01-03-2019	3048	Buy	493472	2.929
				31-03-2019			493472	2.929
2	NITIN SEN	368396	2.186	01-04-2018				
				06-04-2018	12000	Buy	380396	2.258
				13-04-2018	11188	Buy	391584	2.324
				20-04-2018	7500	Buy	399084	2.368
				19-10-2018	12007	Buy	411091	2.440
				07-12-2018	5600	Buy	416691	2.473
				01-03-2019	20	Buy	416711	2.473
31-03-2019			416711	2.473				
3	RITESH VYAS	246341	1.462	01-04-2018				
				11-05-2018	-270	Sold	246071	1.460
				31-03-2019			246071	1.460
4	MAHENDRA GOKHARU	138970	0.825	01-04-2018				
				31-03-2019		No Change	138970	0.825
5	NALIN JAGDISH GUPTA	150000	0.890	01-04-2018				
				06-04-2018	-5000	Sold	145000	0.861
				13-04-2018	-10200	Sold	134800	0.800
				20-04-2018	-4700	Sold	130100	0.772
				31-03-2019			130100	0.772
6	KAMAL JAGDISH GUPTA	145002	0.861	01-04-2018				
				06-04-2018	-5000	Sold	140002	0.831

				13-04-2018	-6700	Sold	133302	0.791
				20-04-2018	-4900	Sold	128402	0.762
	-Closing Balance			31-03-2019			128402	0.762
<b>7</b>	<b>RAHUL JAISWAL</b>	113500	0.674	01-04-2018				
	-Closing Balance			31-03-2019		No Change	113500	0.674
<b>8</b>	<b>ANITA RAJESH VASA</b>	100000	0.593	01-04-2018				
	-Closing Balance			31-03-2019		No Change	100000	0.593
<b>9</b>	<b>MONICA MAHENDRA DAYA</b>	100000	0.593	01-04-2018				
	-Closing Balance			31-03-2019		No Change	100000	0.593
<b>10</b>	<b>ARIHANT CAPITAL MKT. LTD</b>	101025	0.600	01-04-2018				
				18-05-2018	-2	Sold	101023	0.600
				29-06-2018	-16581	Sold	84442	0.501
				21-12-2018	100	Buy	84542	0.502
	-Closing Balance			31-03-2019			84542	0.502
<b>11</b>	<b>INDO THAI SECURITIES LIMITED</b>	103271	0.613	01-04-2018				
				13-04-2018	-688	Sold	102583	0.609
				20-04-2018	7500	Buy	110083	0.653
				27-04-2018	2500	Buy	112583	0.668
				20-07-2018	-33000	Sold	79583	0.472
				31-08-2018	-681	Sold	78902	0.468
				07-12-2018	-5600	Sold	73302	0.435
				14-12-2018	20	Buy	73322	0.435
				21-12-2018	-90	Sold	73232	0.435
				28-12-2018	10004	Buy	83236	0.494
				31-12-2018	3000	Buy	86236	0.512
				18-01-2019	-46212	Sold	40024	0.238
				01-03-2019	-20	Sold	40004	0.237
				29-03-2019	25000	Buy	65004	0.386
	-Closing Balance			31-03-2019			65004	0.386

### Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Shareholding at the beginning of the Year			Cumulative Shareholding at the end of Year			
		No. of Shares at the beginning / end of the year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
<b>1</b>	<b>VIMLA MANGALBHAJ CHHEDA</b>	19148	0.114	01-04-2018				
				06-04-2018	-148	Sold	19000	0.113
	-Closing Balance			31-03-2019			19000	0.113

### INDEBTEDNESS :

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	18,195,443	3,307,657	-	21,503,100
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	18,195,443	3,307,657	-	21,503,100

Change in Indebtedness during the financial year				
● Addition	-	16,156,332	-	16,156,332
● Reduction	11,334,810	-	-	11,334,810
Net Change	(11,334,810)	16,156,332	-	4,821,522
Indebtedness at the end of the financial year				
i) Principal Amount	6,860,633	19,463,989	-	26,324,622
ii) Interest due but not paid	-			
iii) Interest accrued but not due				
Total (i+ii+iii)	6,860,633	19,463,989	-	26,324,622

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Vinaychand Kothari (MD)	Dilip V Kothari (Jt. MD)	
1	Gross Salary	2,535,000	2,080,000	4,615,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit			
	- others, specify...			
5	Others, please specify	-	-	-
	Total (A)	2,535,000	2,080,000	4,615,000
	Ceiling as per the Act			

### B. Remuneration to other directors:

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

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CFO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	15,100	-	15,100
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit- others, specify...	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total</b>	-	15,100	-	15,100

### PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed		Authority [RD / NCLT/ COURT]		Authority [RD / NCLT/ COURT]		
Penalty	-	-	-	-	-	-	-	-	
Punishment	-	-	-	-	-	-	-	-	
Compounding	-	-	-	-	-	-	-	-	
<b>C. OTHER OFFICERS IN DEFAULT</b>									
Penalty	-	-	-	-	-	-	-	-	-
Punishment	-	-	-	-	-	-	-	-	-
Compounding	-	-	-	-	-	-	-	-	-

By Order of the Board  
Best Eastern Hotels Ltd.

Place Mumbai  
Date: 28.06.2019

Sd/-  
**Vinaychand Kothari**  
Chairman & Managing Director  
DIN: 00010974

Sd/-  
**Dilip V. Kothari**  
Jt. Managing Director  
DIN: 00011043



**DISCLOSURE AS REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (2) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULE, 2014 AS AMENDED BY THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016 (As on 31.03.2019)**

## INFORMATION OF THE TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN

Sr. No.	Name of Employee	Designation	Remuneration Received Gross (Rs.)	Nature of Employment (Contractual or Otherwise)	Qualification	Experience in years	Date of Commencement of Employment	Age in Years	Last Employment	% (Equity)	Employee is relative of Director or Manager (Name of Director or Manager)
1	Mr. Vinaychand Kothari	Chairman & Managing Director	Rs.25,35,000	Regular	Matriculate	51	01.06.2000	71	Hotel Relax Pvt. Ltd.	25.798%	Relative of Mr. Dilip Kothari & Mrs. Neelam Kothari
2	Mr. Dilip V Kothari	Jt. Managing Director	Rs.20,80,000	Regular	B.Com, C.A.	30	01.06.2000	52	Hotel Relax Pvt. Ltd.	13.000%	Relative of Mr. Vinaychand Kothari & Mrs. Neelam Kothari
3	Mr. Parasmal Kothari	Executive Operations	Rs.1,50,000	Regular	B.Com	20	01.03.1999	64	Hotel Relax Pvt. Ltd.	Nil	Mr. Vinaychand Kothari, Mr. Dilip Kothari & Mrs. Neelam Kothari
4	Mr. Rahul Munot	Residence Manager	Rs.3,40,935	Regular	B.Com	21	10.09.2004	43	—	Nil	Nil
5	Mrs. Monica Daga	Executive Marketing	Rs. 3,51,000	Regular	B. Com	6	01.04.2013	45	—	0.593%	Mr. Vinaychand Kothari, Mr. Dilip Kothari & Mrs. Neelam Kothari
6	Mr. Kalpesh Bhandari	Accountant	Rs. 4,23,840	Regular	H.S.C.	25	01.01.2001	44	Hotel Relax Pvt. Ltd.	Nil	Nil
7	Mrs. Greta Fernandes	Executive Reservation	Rs.420,240	Regular	H.S.C.	28	01.03.1999	50	Hotel Relax Pvt. Ltd.	Nil	Nil
8	Mr. Baldev Ahuja	Guest Relation Manager	Rs. 3,00,000	Regular	B.Com	23	01.04.2011	65	NA	Nil	Nil
9	Mr. M. P. Pandey	Maintenance Manager	Rs.2,69,776	Regular	Diploma	28	23.11.2011	59	—	Nil	Nil
10	Mr. Nitesh Jain	Purchase Manager	Rs.2,60,700	Regular	B.com	7	01.01.2012	29	—	Nil	Nil

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2019**

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

To,  
The Members,  
**BEST EASTERN HOTELS LIMITED**

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Best Eastern Hotels Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the Best Eastern Hotels Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:
  - (a) The Companies Act, 2013 (the Act) as amended and the rules made thereunder;
  - (b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (d) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and w.e.f. 10th November, 2018, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. Securities and Exchange Board of India (Share Based Employee Benefit) Regulation, 2014;
  - e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review.**
  - g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not applicable as the Company has not delisted its equity shares from any Stock Exchange during the financial year under review** and
  - h. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - **Not applicable as the Company has not bought back any of its securities during the financial year under review.**

5. We have also examined the compliances of the provisions of the following other laws applicable specifically to the Company wherein we have also relied on the representations made by the head of the respective departments in addition to the checks carried out by us:
- Food Safety and Standards Act, 2006 and Rules made there under
  - The Water (Prevention and Control of Pollution) Act, 1974 and Rules made there under
6. We have also examined compliance with the applicable clauses of the following:
- Secretarial Standards issued by the Institute of Company Secretaries of India.
  - Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with BSE and National Stock Exchange.
7. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and its authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
8. We further report that:
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors *except for Company Secretary. There was no Company Secretary in the Company from 1.10.2018 to 28.02.2019.* The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.
  - Adequate notice is given to all directors to schedule the Board Meetings Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Shorter Consent of the Board of Directors was obtained in cases where Meetings were scheduled by giving notice of less than seven days.
  - All decisions are carried through with requisite majority and the views of dissenting members are taken on record by the Company.
  - We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Ferrao MSR & Associates  
Company Secretaries**

**Shobha Ambure  
Partner  
ACS No. 39715  
C P. No. 15264**

Place: Mumbai  
Dated: 28<sup>th</sup> June, 2019

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

**'Annexure A'**

To,  
The Members,  
**Best Eastern Hotels Limited**

Our report is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Ferrao MSR & Associates  
Company Secretaries**

**Shobha Ambure  
Partner  
ACS No. 39715  
C P. No. 15264**

Place: Mumbai  
Dated: 28<sup>th</sup> June, 2019

**SANCHETI & CO.**

Chartered Accountants  
301-Chartered House,  
293-299 Dr. C.H. Street, Marine Lines, Mumbai.  
Phone : 2206 8393 ; 2206 3810

**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**Best Eastern Hotels Limited**

**Report on the Indian Accounting (Ind AS) Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Best Eastern Hotels Limited** ("the Company") which comprise the Balance Sheet as at 31st March-2019, the Statement of Profit and Loss (including Other Comprehensive Income) the statement of Changes in Equity and the Statement of Cash Flow for the year then ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind As financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019; its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis of Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibility under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance, in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's information but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurances conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent and with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the standalone financial statements that, individually, or in aggregate, makes it probable that the economic decisions of a reasonably knowledge user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure-A, a statement on the matters specified in the paragraph 3 and 4 of the order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit & Loss including Other Comprehensive Income, Statement Of Change In Equity and Cash Flow Statement dealt with by this report, are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone (Ind AS) financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
  - e. On the basis of the written representations received from the directors as on 31.03.2019 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2019 from being appointed as director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure-B and;
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, In our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigation which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For **Sancheti & Co.**  
*Chartered Accountants,*  
(FRN : 000016C)

**(Pradeep Sancheti)**  
*Partner*  
M.No. : 074930

Place : Mumbai  
Dated : 30<sup>th</sup> May, 2019

**ANNEXURE - A**  
**TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under the Report on other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of Fixed Assets:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
  - b. Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the tile deeds of immovable properties are held in the name of the Company.
2. In our opinion, the inventories have been physically verified during the year by the Management at reasonable intervals and, in our opinion, the frequency of verification is reasonable. As explained to us, no material discrepancies were noticed on such physical verification.
3. According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act with respect to the loans and investments made.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder and therefore Clause 3(v) of the Order is not applicable.
6. According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 148 (1) of the Companies Act, 2013, for any of the activities of the Company.
7. Statutory Dues
  - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amount deducted / accrued in the books of account in respect of undisputed statutory dues including, provident fund, employees' state insurance, income-tax, sales tax, value added tax, duty of customs, excise duty, service tax, cess and other material statutory dues have generally been deposited regularly during the year with the appropriate authorities.
  - b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
8. Based on our audit procedure and as per the information and explanations given by the management, the Company has not made any default in repayment of dues to a financial institution or any loans from banks, government and the Company has not issued debentures during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.



10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Sancheti & Co.**  
*Chartered Accountants,*  
(FRN : 000016C)

**(Pradeep Sancheti)**  
*Partner*  
M.No. : 074930

Place : Mumbai  
Dated : 30<sup>th</sup> May, 2019

**ANNEXURE - B**  
**TO THE INDEPENDENT AUDITORS' REPORT**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Best Eastern Hotels Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Sancheti & Co.**  
*Chartered Accountants,*  
(FRN : 000016C)

**(Pradeep Sancheti)**  
*Partner*  
M.No. : 074930

Place : Mumbai  
Dated : 30<sup>th</sup> May, 2019

## BALANCE SHEET AS AT 31ST MARCH, 2019

DESCRIPTIONS	NOTES	As at 31.03.2019 ₹	As at 31.03.2018 ₹
<b>A ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant & Equipments	2	68,599,538	73,496,760
(b) Financial Assets:			
Other Financial Assets	3	830,650	568,240
<b>Total Non-Current Assets</b>	Sub-Total	69,430,188	74,065,000
<b>(2) Current Assets</b>			
(a) Inventories	4	1,325,800	1,189,750
(b) Financial Assets:			
Trade receivables	5	77,596	1,744,043
Cash and cash equivalents	6	1,405,690	2,677,666
Other financial assets	7	383,895	938,241
(c) Other Current Assets	8	1,611,203	1,802,535
<b>Total Current Assets</b>	Sub-Total	4,804,184	8,352,235
<b>Total Assets</b>	<b>Total</b>	<b>74,234,372</b>	<b>82,417,235</b>
<b>B EQUITY &amp; LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	9	16,850,000	16,850,000
(b) Other Equity	10	18,691,374	19,367,001
<b>Total Equity</b>	Sub-Total	35,541,374	36,217,001
<b>(2) Non-Current Liabilities</b>			
(a) Financial Liabilities			
Borrowings	11	-	12,000,000
(b) Deferred Tax Liabilities	12	5,361,322	5,706,798
(c) Other Non-Current Liabilities	13	89,605	104,543
<b>Total Non-Current Liabilities</b>	Sub-Total	5,450,927	17,811,341
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities			
Borrowings	14	26,324,622	21,503,100
Trade Payables	15	528,440	1,420,011
Other Financial Liabilities	16	14,938	12,501
(b) Other Current Liabilities	17	2,988,008	4,228,281
(c) Provisions	18	3,386,064	1,225,000
<b>Total Current Liabilities</b>	Sub-Total	33,242,072	28,388,893
<b>Total Equity &amp; Liabilities</b>	<b>Total</b>	<b>74,234,372</b>	<b>82,417,235</b>
Notes forming part of the financial statements	1 - 40		

As per our Report of even date attached

**for Sancheti & Co.,**  
Chartered Accountants  
(FRN. : 000016C)

**[CA Pradeep Sancheti]**  
Partner  
M. No. : 074930

Place : Mumbai  
Dated : 30th May-2019

For & on Behalf of the Board of Directors

**[Dilip V Kothari]**  
Joint Managing Director & CFO

**[Vinaychand Kothari]**  
Chairman & Managing Director

**[Dr. R.K. Baxi]**  
Director

**[Pooja Shah]**  
Company Secretary

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH-2019

DESCRIPTIONS	NOTES NO.	For the Year ended 31.03.2019 ₹	For the Year ended 31.03.2018 ₹
I Revenue from Operations	19	51,812,930	47,854,285
II Other Income	20	228,986	536,927
III Total Income (I+II)	<b>Total</b>	52,041,915	48,391,212
<b>IV Expenses</b>			
Cost of Materials Consumed	21	5,712,753	5,792,786
Employee Benefits Expenses	22	15,336,497	14,653,846
Finance Cost	23	1,714,264	2,560,795
Depreciation & Amortisation		6,932,425	6,945,251
Other Expenses	24	18,449,292	16,492,023
Total Expenses	<b>Total</b>	48,145,231	46,444,701
V Profit before Exceptional Item and Tax (III-IV)		3,896,685	1,946,511
VI Exceptional Items		-	-
VII Profit before tax (V - VI)		3,896,685	1,946,511
VIII Tax Expense:			
(1) Current Tax		1,450,000	875,000
(2) Deferred Tax		(345,476)	(1,468,764)
(3) Earlier Year Taxes		(4,340)	6,841
IX Profit for the year (VII-VIII)		2,796,501	2,533,434
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement on defined benefit plans		-	-
Income tax effect on above		-	-
XI Total comprehensive income for the year		2,796,501	2,533,434
XII Earning Per Equity Share of face value of Rs.1/- each	25		
<b>Basic &amp; Diluted</b>		<b>0.17</b>	<b>0.15</b>
Notes forming part of the financial statements	1 - 40		

As per our Report of even date attached

**for Sancheti & Co.,**  
Chartered Accountants  
(FRN. : 000016C)

**[CA Pradeep Sancheti]**  
Partner  
M. No. : 074930

Place : Mumbai  
Dated : 30th May-2019

For & on Behalf of the Board of Directors

**[Dilip V Kothari]**  
Joint Managing Director & CFO

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Chairman & Managing Director

**[Dr. R.K. Baxi]**  
Director

**[Pooja Shah]**  
Company Secretary

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH-2019**

DESCRIPTION	Year Ended 31.03.2019 ₹	Year Ended 31.03.2018 ₹
<b>1 Equity Share Capital</b>		
Balance at the beginning of the Reporting Period	16,850,000	16,850,000
Changes in equity share capital during the year	-	-
<b>Balance at the end of the Reporting Period</b>	<b>16,850,000</b>	<b>16,850,000</b>

2 Other Equity	Reserves & Surplus		Total Other Equity ₹
	General Reserves ₹	Retained Earnings ₹	
<b>Balance as at 31st March, 2017</b>	2,870,818	13,962,749	16,833,567
Profit for the Year	-	2,533,434	2,533,434
Other Comprehensive Income of the Year	-	-	-
<b>Balance as at 31st March, 2018</b>	<b>2,870,818</b>	<b>16,496,183</b>	<b>19,367,001</b>
<b>Balance as at 31st March, 2018</b>	2,870,818	16,496,183	19,367,001
Profit for the Year	-	2,796,501	2,796,501
Other Comprehensive Income of the Year	-	-	-
Dividend Paid on Pref. Shares for FY 2017-18	-	(1,440,000)	(1,440,000)
Tax on Dividend Paid	-	(296,064)	(296,064)
Dividend Proposed on Pref. Shares for FY 2018-19	-	(1,440,000)	(1,440,000)
Tax on Dividend Proposed	-	(296,064)	(296,064)
<b>Balance as at 31st March, 2019</b>	<b>2,870,818</b>	<b>15,820,556</b>	<b>18,691,374</b>

As per our Report of even date attached

**for Sancheti & Co.,**  
Chartered Accountants  
(FRN. : 000016C)

**For & on Behalf of the Board of Directors**

**[CA Pradeep Sancheti]**  
Partner  
M. No. : 074930

**[Dilip V Kothari]**  
Joint Managing Director & CFO

**[Vinaychand Kothari]**  
Chairman & Managing Director

Place : Mumbai  
Dated : 30th May-2019

**[Dr. R.K. Baxi]**  
Director

**[Pooja Shah]**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH-2019

DESCRIPTION	Year Ended 31.03.2019 ₹	Year Ended 31.03.2018 ₹
<b>[a] Cash Flow from Operating Activities</b>		
<b>Net Profit before tax for continuing operations</b>	<b>3,896,685</b>	<b>1,946,511</b>
Add : Adjustments For:		
[a] Depreciation	6,932,425	6,945,251
[b] Interest Expenses	1,714,264	2,560,795
[c] Provision for Gratuity	200,000	350,000
Sub-Total	8,846,689	9,856,046
Less : Adjustments For:		
[a] Interest Income	121,052	43,854
Sub-Total	121,052	43,854
<b>Operating Profit (Loss) before Working Capital Changes</b>	<b>12,622,322</b>	<b>11,758,703</b>
Adjustments For change in Working Capital:		
[a] Inventories	(136,050)	41,965
[b] Trade Receivables	1,666,447	(461,953)
[c] Other Financial Assets	291,936	1,112,025
[d] Other Current Assets	-	289,288
[e] Trade Payables	(891,571)	(223,020)
[f] Other Liabilities	(1,252,774)	(1,355,561)
Cash Generations from Operations	12,300,310	11,161,447
Less : Payment of Income Tax (Net of Refund)	(679,328)	(1,006,841)
Less : Payment of Gratuity	(350,000)	(200,000)
<b>Net Cash Flow (Used) from Operating Activities</b>	<b>Total (A)</b>	<b>11,270,981</b>
<b>[b] Cash Flow from Investing Activities</b>		
[a] Interest & Dividend Income	121,052	43,854
[b] Increase (Decrease) in Fixed Assets	(2,035,203)	(2,618,287)
<b>Net Cash Flow (Used) from Investing Activities</b>	<b>Total (B)</b>	<b>(1,914,151)</b>
<b>[c] Cash Flow from Financing Activities</b>		
[a] Interest Paid	(1,714,264)	(2,560,795)
[b] Dividend Paid (including Dividend Dist. Tax)	(1,736,064)	-
[c] Increase (Decrease) in Borrowings (Current)	4,821,522	(3,991,966)
[d] Increase (Decrease) in Borrowings (Non-Current)	(12,000,000)	-
<b>Net Cash Flow (Used) from Financing Activities</b>	<b>Total (C)</b>	<b>(10,628,806)</b>
<b>[d] Net Increase/(Decrease) in Cash &amp; Equivalents</b>	<b>(A+B+C)</b>	<b>827,412</b>
Opening Cash / Bank Balance	2,677,666	1,850,254
Closing Cash / Bank Balances	1,405,690	2,677,666

### Notes to the Cash Flow Statement

- 1 Cash flow statement has been prepared following the indirect method as set out in Ind AS-7
- 2 Proceeds from Borrowing (Current and Non-current) are shown net of repayment.
- 3 Cash comprises Cash on Hand and Current Accounts with Banks.
- 4 Previous year's figures have been regrouped / reclassified wherever applicable.

As per our Report of even date attached

**for Sancheti & Co.,**  
Chartered Accountants  
(FRN. : 000016C)

**[CA Pradeep Sancheti]**  
Partner  
M. No. : 074930

Place : Mumbai  
Dated : 30th May-2019

**[Dilip V Kothari]**  
Joint Managing Director & CFO

**[Dr. R.K. Baxi]**  
Director

For & on Behalf of the Board of Directors

**[Vinaychand Kothari]**  
Chairman & Managing Director

**[Pooja Shah]**  
Company Secretary

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019**

**CORPORATE INFORMATION**

The Best Eastern Hotels Limited (“the Company”) is a public limited company, incorporated and domiciled in India having its registered office at 401 , Chartered House, Dr C H Street, Marine Lines Mumbai 400 002 Maharashtra, India. The equity shares of the Company are listed on BSE Limited. The Company is primarily engaged in the business of owning, operating hotel and resort.

**Note - 1**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(i) Basis of preparation:**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“the Act”) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities and land and building, which are measured at fair value.

**(ii) Fair value hierarchy**

The Company’s accounting policies and disclosures require the measurement of fair values for financial assets and liabilities.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**(iii) Revenue Recognition:**

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations.

Revenue is recognized upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue from rendering of services is net of Indirect taxes, returns and discounts.

**(iv) Property, Plant and Equipment:  
Recognition and measurement:**

Items of property, plant and equipment, Land and Building are measured at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment includes purchase price, including freight, duties, taxes and expenses incidental to acquisition and installation. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Property, plant and equipment are derecognized from financial statements, either on disposal or when no economic benefits are expected from its use or disposal. The gain or losses arising from disposal of property, plant and equipment are recognized in the Statement of Profit and Loss in the year of occurrence.



**Subsequent expenditures:**

Subsequent expenditures related to an item of property, plant and equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company and cost can be reliably measured. All other repair and maintenance costs are recognized in the Statement of Profit and Loss during the year in which they are incurred.

**Depreciation:**

Depreciation is provided on all property, plant and equipment on straight-line method in the manner and useful life prescribed in Schedule II of the Companies Act, 2013. Depreciation on additions/deletion is provided on pro-rata basis with reference to the date of addition/deletion as the case may be.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 01 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Company has adopted cost model for all class of items of Property Plant and Equipment.

**(v) Impairment of Non-Financial Assets:**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If such recoverable amount of the asset or cash generating unit is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is any indication that any impairment loss recognized for an asset in prior years may no longer exist or may have decreased, the recoverable amount is reassessed and such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss..

**(vi) Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

**Financial Assets****Initial recognition and measurement**

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

**Subsequent measurement**

For the purpose of subsequent measurement, the financial assets are classified as under:

**a) Financial assets at amortised cost**

A financial asset is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees

or costs that are an integral part of the EIR. Interest income from these financial assets is included in other income using the EIR in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

**b) Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets are classified as FVTOCI, if both of the following criteria are met:

- These assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains or losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Profit or Loss and recognised in other income/(loss).

**c) Financial assets at fair value through profit or loss (FVTPL)**

Financial assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is recognized in profit or loss and presented net in the Statement of Profit and Loss within other income in the period in which it arises.

**d) Impairment of financial assets**

The Company applies 'simplified approach' for recognition of impairment loss on financial assets for loans, deposits and trade receivables.

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime Expected Credit Loss at each reporting date, right from its initial recognition.

**e) De-recognition**

A financial asset is derecognized when:

- the rights to receive cash flows from the assets have expired or
- the Company has transferred substantially all the risk and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

**Financial Liabilities**

**Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction cost.

**Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. For trade and other payables maturing within operating cycle, the carrying amounts approximate the fair value due to short maturity of these instruments.

**Loans and borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using Effective Interest Rate (EIR) method. Gain and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transaction costs. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

**Derecognition**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

**Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reflected in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**(vii) Inventories:**

Stock of food and beverages and stores and operating supplies are carried at the lower of cost or net realisable value. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

**(viii) Taxes:**

The tax expense comprises current and deferred tax. Tax is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in OCI.

**Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantially enacted at the reporting date.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

**Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amount used for taxation purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

**(ix) Employee benefits:**

**Short term employee benefits:**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

**Defined contribution plans:**

The Company's contribution to Provident Fund, Pension, Superannuation and Employees State Insurance Contribution are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contribution made to the respective fund/scheme and are charged as an expense based on the amount of contribution required to be made. Gratuity is funded through Group Gratuity scheme formed by Life Insurance Corporation of India.

**(x) Borrowing Costs:**

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are recognized as expense in the period in which these are incurred.

**(xi) Cash and Cash Equivalents:**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, demand deposit and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**(xii) Provisions & Contingent Liabilities:**

The Company recognizes a provision when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**(xiii) Earnings per share**

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**USE OF ESTIMATES AND JUDGEMENTS**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed at each reporting date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

**i. Fair value measurement of financial instruments**

When the fair values of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from the observable market, where possible, but where this is not feasible, a review of judgement is required in establishing fair values. Changes in assumptions relating to these assumptions could affect the fair value of financial instruments.

**ii. Deferred taxes**

Deferred tax is recorded on temporary differences between tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profit during the periods in which those temporary differences and the tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward periods are reduced.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2019**
**NOTE 2 : Property, Plant and Equipments**

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	Balance as at 01.04.2018 ₹	Purchased during the year ₹	Balance As At 31.03.2019 ₹	Balance upto 01.04.2018 ₹	Provided for the year ₹	Balance Upto 31.03.2019 ₹	Balance As At 31.03.2019 ₹	Balance As At 31.03.2018 ₹
Tangible								
Freehold Land	3,700,000	-	3,700,000	-	-	-	3,700,000	3,700,000
Buildings	56,355,009	-	56,355,009	6,205,016	3,131,499	9,336,515	47,018,494	50,149,993
Electrical Installation	4,198,443	-	4,198,443	846,144	476,016	1,322,160	2,876,283	3,352,299
Plant And Machinery	9,356,346	442,860	9,799,206	2,469,268	1,213,827	3,683,095	6,116,111	6,887,078
Furniture & Fixtures	10,037,954	1,521,154	11,559,108	3,282,942	1,583,039	4,865,981	6,693,127	6,755,012
Computers	630,991	71,189	702,180	341,010	139,875	480,885	221,295	289,981
Vehicles	3,263,934	-	3,263,934	901,537	388,169	1,289,706	1,974,228	2,362,397
<b>Total</b>	<b>87,542,677</b>	<b>2,035,203</b>	<b>89,577,880</b>	<b>14,045,917</b>	<b>6,932,425</b>	<b>20,978,342</b>	<b>68,599,538</b>	<b>73,496,760</b>
Previous Year	84,924,390	2,618,287	87,542,677	7,100,666	6,945,251	14,045,917	73,496,760	

NOTE	DESCRIPTIONS	As at 31.03.2019 ₹	As at 31.03.2018 ₹
<b>3</b>	<b>OTHER FINANCIAL ASSET (NON - CURRENT)</b>		
	Security Deposits	405,275	382,675
	Staff Advance	425,375	185,565
		<b>830,650</b>	<b>568,240</b>
<b>4</b>	<b>INVENTORIES</b>		
	Provision Stores	732,150	657,628
	Miscellaneous Parlor Goods	75,350	52,370
	Liquor & Wine	187,550	187,552
	Consumables (material unutilised)	330,750	292,200
		<b>1,325,800</b>	<b>1,189,750</b>
<b>5</b>	<b>TRADE RECEIVABLES:</b> <i>(Unsecured, considered Good)</i>		
	Outstanding for less than six months	77,596	1,744,043
		<b>77,596</b>	<b>1,744,043</b>
<b>6</b>	<b>CASH &amp; CASH EQUIVALENTS</b>		
	Cash on hand	920,454	1,497,203
	Balances with Banks :		
	In Current Accounts	380,693	1,063,419
	In Dividend Accounts	104,543	117,044
		<b>1,405,690</b>	<b>2,677,666</b>
<b>7</b>	<b>OTHER FINANCIAL ASSETS (CURRENT)</b> <i>(Unsecured, considered Good)</i>		
	Other Advances	383,895	938,241
		<b>383,895</b>	<b>938,241</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2019**

NOTE	DESCRIPTIONS	As at 31.03.2019 ₹	As at 31.03.2018 ₹
<b>8</b>	<b>OTHER ASSETS (CURRENT)</b> Balance with Govt Authorities	1,611,203	1,802,535
		1,611,203	1,802,535
<b>9</b>	<b>SHARE CAPITAL</b>		
	<b>Authorised</b>		
	4,80,00,000 (P.Y. 4,80,00,000) Equity Shares of Rs 1/- each	48,000,000	48,000,000
	12,00,000 (P.Y. 12,00,000) Non-Cumulative Redeemable Preference Shares of Rs 10 each	12,000,000	12,000,000
		60,000,000	60,000,000
	<b>Issued, Subscribed and Paid Up</b>		
	1,68,50,000 (P.Y. 1,68,50,000) Equity Shares of Rs.1/- each fully paid up	16,850,000	16,850,000
		16,850,000	16,850,000

**Note on Share Capital:**

- a The Company has one class of shares referred to as equity shares having a par value of Rs. 1/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of Company the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to the number of equity shares held by holders.
- b The Company has not issued any bonus shares or bought back equity during the five years preceding 31st March-2019.

c	Reconciliation of the number of shares outstanding	As at 31.03.2019	As at 31.03.2018
	Number of Equity Shares at the beginning of the year	16,850,000	16,850,000
	Add : Number of Equity Shares issued during the year	Nil	Nil
	Number of Equity Shares at the end of the year	16,850,000	16,850,000

- d The details of shareholder holding more than 5% shares is given below

Vinaychand Kothari	No. of Shares	4,346,970	4,346,970
	% held	25.80%	25.80%
Meena Kothari	No. of Shares	4,250,000	4,250,000
	% held	25.22%	25.22%
Dilip Kothari	No. of Shares	2,190,530	2,190,530
	% held	13.00%	13.00%
Vandeep Holdings Pvt Ltd	No. of Shares	1,250,000	1,250,000
	% held	7.42%	7.42%

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2019**

NOTE	DESCRIPTIONS	As at 31.03.2019 ₹	As at 31.03.2018 ₹
<b>10</b>	<b>OTHER EQUITY</b>		
	<b>General Reserve:</b>		
	As per the last Financial Statements	2,870,818	2,870,818
	Sub-Total	2,870,818	2,870,818
	<b>Surplus in the Statement of Profit &amp; Loss Account:</b>		
	As per the last Financial Statements	16,496,183	13,962,749
	Add : Net Profit for the Year	2,796,501	2,533,434
	Less : Appropriations		
	Dividend Paid on Preference Shares for FY 2017-18		
	(a) Dividend Amount (Rs.1.20 per Share)	(1,440,000)	—
	(b) Tax on Dividend amount	(296,064)	—
	Dividend Proposed on Preference Shares for FY 2018-19		
	(a) Dividend Amount (Rs.1.20 per Share)	(1,440,000)	—
	(b) Tax on Dividend amount	(296,064)	—
	Sub-Total	15,820,556	16,496,183
	G Total	18,691,374	19,367,001
<b>11</b>	<b>BORROWINGS (Non-Current)</b>		
	Preference Share Capital		
	(12% Non cumulative Redeemable Preference shares of Rs 10/- each to be redeemed on or before 27th June 2019 but not later than 27th June 2019)	—	12,000,000
		—	12,000,000
<b>12</b>	<b>DEFERRED TAX LIABILITY:</b>		
	Deferred Tax Liabilities		
	Depreciation on Assets	5,413,322	5,797,798
	Deferred Tax Assets		
	Disallowances under Income Tax Act	(52,000)	(91,000)
		5,361,322	5,706,798
<b>13</b>	<b>OTHER LIABILITIES (Non-Current)</b>		
	Unpaid Dividend	89,605	104,543
		89,605	104,543



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2019**

NOTE	DESCRIPTIONS	As at 31.03.2019 ₹	As at 31.03.2018 ₹
<b>14</b>	<b>BORROWINGS (Current)</b>		
	<b>Secured</b>		
	Bank Overdraft - Union Bank of India (Secured by equitable mortgage of immovable property owned by Company situated at Matheran and also secured by personal Guarantee furnished by two directors of the Company)	6,860,633	17,652,036
	Vehicle Loan from Bank (Secured by hypothecation of vehicles)	-	543,407
	<b>Unsecured</b>		
	From Directors	7,463,989	3,307,657
	Preference Share Capital (12% Non cumulative Redeemable Preference shares of Rs 10/- each to be redeemed on or before 27th June 2019 but not later than 27th June 2019 )	12,000,000	-
		26,324,622	21,503,100
<b>15</b>	<b>TRADE PAYABLES:</b>		
	Sundry Creditors (As per information available with the company, none of its creditors are identified as Micro, Small or Medium enterprises as defined in the MSME Act, 2006)	528,440	1,420,011
		528,440	1,420,011
<b>16</b>	<b>OTHER FINANCIAL LIABILITIES (CURRENT)</b>		
	Unpaid Dividend	14,938	12,501
		14,938	12,501
<b>17</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Outstanding Expenses Payable	1,852,018	1,877,393
	Statutory Dues Payable	671,192	1,055,068
	Advance from Customers	464,798	1,295,820
		2,988,008	4,228,281
<b>18</b>	<b>SHORT TERM PROVISIONS</b>		
	Provision for Income Tax	1,450,000	875,000
	Provision for Gratuity	200,000	350,000
	Provision for Dividend on Preference Shares	1,440,000	-
	Provision for DDT on Preference Shares	296,064	-
		3,386,064	1,225,000

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2019**

NOTE	DESCRIPTIONS	As at 31.03.2019 ₹	As at 31.03.2018 ₹
<b>19</b>	<b>REVENUE FROM OPERATIONS</b>		
	Lodging	28,208,663	29,231,617
	Boarding	22,677,599	17,402,898
	Income from Other Services	926,668	1,219,770
		<b>51,812,930</b>	<b>47,854,285</b>
<b>20</b>	<b>OTHER INCOME</b>		
	Interest Income	121,052	43,854
	Miscellaneous Income	-	18,250
	Sundry Balance Written back	107,934	474,823
		<b>228,986</b>	<b>536,927</b>
<b>21</b>	<b>COST OF MATERIAL CONSUMED</b>		
	<b>Food &amp; Beverages Cost</b>		
	Opening Stock	897,550	982,350
	Add: Purchases	5,810,253	5,707,986
		6,707,803	6,690,336
	Less: Closing Stock	995,050	897,550
	(Food & Beverage consumption is inclusive of cost of complimentary meals provided to house guests)	<b>5,712,753</b>	<b>5,792,786</b>
<b>22</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	Salaries & Wages	8,535,888	7,801,569
	Directors Remuneration	4,615,000	4,290,000
	Contributions to Provident & Other fund (Refer Note No. 37 a)	1,005,762	1,083,982
	Gratuity Expenses (Refer Note No. 37 b)	525,262	795,848
	Bonus and Leave Encashment	622,750	635,691
	Staff welfare expenses (including estimated cost of staff meals)	31,834	46,756
		<b>15,336,497</b>	<b>14,653,846</b>
<b>23</b>	<b>FINANCE COST</b>		
	Interest paid to Bank	637,399	1,326,220
	Interest paid to Others	1,076,865	1,234,575
		<b>1,714,264</b>	<b>2,560,795</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2019**

NOTE	DESCRIPTIONS	As at 31.03.2019 ₹	As at 31.03.2018 ₹
<b>24</b>	<b>OTHER EXPENSES</b>		
	<b>Operating Expenses</b>		
	Power & Fuel Expenses	4,862,497	4,575,605
	Water Charges	2,194,455	1,473,941
	Commission to Agents & Guides	1,720,807	907,781
	Repairs to Building	652,853	302,592
	Repairs to Plant & Machinery	763,398	632,015
	Repairs to Others	527,399	560,095
	VAT & Cess Expenses	-	212,650
	Linen, Cloth & Uniforms	405,500	437,172
	Laundry Operating Expenses	494,369	533,922
	Other Operating Expenses	610,121	702,372
	Sub-Total	<b>12,231,399</b>	<b>10,338,145</b>
	<b>Sales, Administrative and Establishment Expenses</b>		
	Advertisement Expenses	1,520,049	1,271,791
	Rent, Rates & Taxes	842,565	790,747
	Office Rent	840,000	840,000
	Travelling Expenses	324,855	564,570
	Listing Fees	250,000	250,000
	Printing & Stationery	132,747	97,441
	Insurance Charges	182,383	202,212
	Communication Expenses	180,119	247,500
	Professional Fees	167,032	252,143
	Motor Car Expenses	147,680	220,220
	Filing Fees	19,404	2,892
	Legal Expenses	6,810	4,610
	Share Registrar Expenses	83,345	61,005
	Auditors' Remunerations	150,000	150,000
	Other Administrative & Selling Expenses.	1,370,904	1,198,747
	Sub-Total	<b>6,217,893</b>	<b>6,153,878</b>
	G Total	<b>18,449,292</b>	<b>16,492,023</b>
<b>25</b>	<b>EARNING PER SHARE</b>		
	Earning per Share is calculated in accordance with Accounting Standard - 20 (AS-20) - "Earning per share" issued by Institute of Chartered Accountants of India)		
	a. Net Profit after Tax available for Equity Shareholders	2,796,501	2,533,434
	b. Weighted average number of Equity Shares outstanding (Nos.)	16,850,000	16,850,000
	c. Nominal Value of Equity Share (Rupees)	1.00	1.00
	d. Earning Per Share - basic & diluted (Rupees)	0.17	0.15

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2019**

NOTE	DESCRIPTIONS	As at 31.03.2019 ₹	As at 31.03.2018 ₹
<b>26</b>	<b>TAXATION</b>		
	Income Tax recognised in Statement of Profit & Loss		
	Current Income Tax	1,450,000	875,000
	Deferred Income Tax	(345,476)	(1,468,764)
	Adjustment in respect of Current Income Tax of Previous Year	(4,340)	6,841
	Total Income tax recognised in the Current Year	1,100,184	(586,923)
	Reconciliation of Effective Tax Rate		
	Profit Before Tax	3,896,685	1,946,511
	Applicable Tax Rate	26.00%	25.75%
	Computed Tax Expenses	1,013,138	501,227
	<b>Tax Effects of:</b>		
	Disallowances of Expenses	436,862	373,773
	Current Tax Provision (A)	1,450,000	875,000
	Deferred Tax Liability on account of Property, Plant & Equipments	(384,476)	(1,377,764)
	Deferred Tax Assets on account of Retirement Benefits of Employees	39,000	(91,000)
	Deferred Tax Provision (B)	(345,476)	(1,468,764)
	Adjustment in respect of Current Income Tax of Previous Year (C)	(4,340)	6,841
	Total Tax Expenses recognised in Statement of Profit & Loss	1,100,184	(586,923)
	Effective Tax Rate	28.23%	N.A.
<b>27</b>	Contingent Liabilities not provided for in the books of Accounts	Nil	Nil
<b>28</b>	Capital Commitment (net of advances)	Nil	Nil
<b>29</b>	Earning in Foreign Exchange	36,645	87,245
<b>30</b>	Expenditure incurred in Foreign Currency	Nil	Nil
<b>31</b>	Directors' Remunerations includes:		
	[a] Salary & Allowances	4,615,000	4,290,000
	[b] Contribution to PF and other fund	511,200	475,200
		5,126,200	4,765,200
<b>32</b>	Auditors' Remuneration includes:		
	[a] Audit Fees	115,000	115,000
	[b] Tax Advisory Services	35,000	35,000
	[c] Other Services	-	-
		150,000	150,000

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2019**

NOTE	DESCRIPTIONS	As at 31.03.2019 ₹	As at 31.03.2018 ₹
<b>33</b>	<b>RELATED PARTY DISCLOSURE</b>		
<b>A</b>	<b>The name of related parties are under:</b>		
(i)	Enterprises that directly or indirectly control (through subsidiaries) or are under common control with the reporting enterprises <b>Nil</b>		
(ii)	Associates, Joint venture of the reporting entity, investing party or venture in respect of which reporting enterprise is an associate or joint venture. <b>Nil</b>		
(iii)	Individual owning directly or indirectly, an interest in voting power of the reporting an enterprises that gives them control or significant influence over the enterprise and relative of any such individual: Meena Infratech LLP Vandeep Impex LLP Vandeep Developers LLP Vandeep Hotels Private Limited Sardar Sarovar Holiday Resortts LLP		
(iv)	Key Management Persons (KMP) and their relatives (a) Key Management Personnel Mr. Vinaychand Kothari (Chairman & Managing Director) Mr. Dilip V. Kothari (Joint Managing Director) (b) Relative of Key Management Personnel Mrs. Meena V Kothari Mrs. Neelam D Kothari Mr. Parasmal Kothari Mrs. Monica M Daga		
(v)	Enterprises over which any person described in (iii) & (iv) is able to exercise significant influence Sankalp Enterprises - Firm Navkar Heights - Firm		
<b>B</b>	<b>The details of transactions with related parties entered into by the Company are given below:</b>		
	<b>Transactions with KMP and their relatives</b>		
	Salaries Paid and Contribution to PF & other fund	5,645,200	5,257,200
	Interest Paid / Provided	1,076,865	1,234,575
	Rent Paid	840,000	840,000
	Loans Received during the year	4,156,332	-
	Loans Repaid during the year	-	16,988,720
	Balance outstanding at the end of the year	7,463,989	3,307,657

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2019**
**34 FINANCIAL INSTRUMENTS-FAIR VALUE AND RISK MANAGEMENT**
**(a) Accounting classification**

The carrying value of financial instruments by categories are as follows:

Particulars	31.03.2019			31.03.2018		
	At cost	FVTOCI	Amortised cost	At cost	FVTOCI	Amortised cost
<b>Financial Assets</b>						
Investments in equity inst.	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Trade receivable	-	-	77,596	-	-	1,744,043
Cash and cash equivalents	-	-	1,405,690	-	-	2,677,666
Other bank balances	-	-	-	-	-	-
Other financial assets	-	-	1,214,545	-	-	1,506,481
	-	-	2,697,831	-	-	5,928,190
<b>Financial Liabilities</b>						
Borrowings	-	-	26,324,622	-	-	33,503,100
Trade payables	-	-	528,440	-	-	1,420,011
Other financial liabilities	-	-	14,938	-	-	12,501
	-	-	26,868,000	-	-	34,935,612

**(b) Fair value hierarchy and Method of valuation**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

**Level 1:**

Level 1 hierarchy includes financial instruments measured using quoted prices in an active market. This included listed equity instruments, traded debentures and mutual funds that have quoted price. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The company do not have any investment in financial instruments that are quoted on stock exchanges.

**Level 2:**

Level 2 hierarchy includes financial instruments that are not traded in an active market. The fair value in this hierarchy is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The company have no such financial instruments that are value using Level 2 hierarchy.

**Level 3:**

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2019**

The following table shows fair value measurement hierarchy. Except for these financial instruments, the Company considers that the carrying value amount recognised in the financial statements approximate their fair value largely due to the short term maturities of these instruments for security deposits , trade receivable , trade payables , cash and bank balances and other financial assets and liabilities.

	31.03.2019			31.03.2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments in equity inst.	-	-	-	-	-	-

**(c) Risk management framework**

The Company’s principal financial liabilities include borrowing, trade and other payables. The Company’s principal financial assets include loans, trade receivable, cash and cash equivalents and others. The Company is exposed to credit risk, liquidity risk and market risk. The Company’s senior management oversees the management of these risks. The Company’s senior management provides assurance that the Company’s financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company’s policies and risk objectives.

**(d) Financial Risk Management**

The Company has exposure to the following risks arising from financial instruments:

- i) Credit Risk
- ii) Liquidity Risk
- iii) Market Risk

**(i) Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, and ageing of accounts receivable.

Credit risks arises from cash and cash equivalents, deposits with banks. The Company’s policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

**(ii) Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company’s reputation.

The Management monitors rolling forecasts of the Company’s liquidity position on the basis of expected cash flows. The Company’s objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank loans and inter-corporate loans.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2019**
**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date.

March 31, 2019	Carrying Amount	Contractual cash flows				
		Total	Within 1 year	1-2 years	2-5 years	< 5 Years
<b>Financial liabilities</b>						
Borrowings**	26,324,622	26,324,622	26,324,622	-	-	-
Trade payables	528,440	528,440	528,440	-	-	-
Other Financial Liabilities	14,938	14,938	14,938	-	-	-
	26,868,000	26,868,000	26,868,000	-	-	-

March 31, 2018	Carrying Amount	Contractual cash flows				
		Total	Within 1 year	1-2 years	2-5 years	< 5 Years
<b>Financial liabilities</b>						
Borrowings **	33,503,100	33,503,100	33,503,100	-	-	-
Trade payables	1,420,011	1,420,011	1,420,011	-	-	-
Other Financial Liabilities	12,501	12,501	12,501	-	-	-
	34,935,612	34,935,612	34,935,612	-	-	-

\*\* Borrowings include overdraft facility which is renewed year to year and includes loan from directors with no repayment schedules

**(iii) Market Risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity prices which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market exposures within acceptable parameters, while optimising the return.

**(iv) Currency risk**

Currency risk is not material, as the Company's primary business activities are within India and does not have any exposure in foreign currency.

**(v) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company continuously co-ordinates with its banker with an indication of decline in market base rate of interest

**35 CAPITAL MANAGEMENT**

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt and the total equity of the Company. For this purpose, net debt is defined as total borrowings less cash and cash equivalents.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirements are met through short-term/long-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2019**

The Company's net debt to equity ratio is as follows:

	<b>March 31,2019</b>	<b>March 31,2018</b>
Borrowing	26,324,622	33,503,100
Cash & cash equivalents	1,405,690	2,677,666
<b>Net Debt</b>	<b>24,918,932</b>	<b>30,825,434</b>
Total equity excluding revaluation	35,541,374	36,217,001
Debt/Equity ratio	0.70	0.85

**36 Leases**

Lease expense is recognised on a straight-line basis over the period of lease. The particulars of the premises given under operating leases are as under:

<b>Particulars</b>	<b>As at March 31,2019</b>	<b>As at March 31,2018</b>
Future minimum lease payments under operating leases		
Not later than 1 year	-	-
Later than 1 year not later than 5 years	-	-
Later than 5 years	-	-

**37** Consequent to the adoption of the Indian Accounting Standard 19 "Employees Benefits" following disclosures have been made as required by the standard:- (Refer Note No. 22)

(a) Defined Contribution Plan

The contribution to provident fund and ESIC are made monthly at a pre-determined rate to the appropriate authority and debited to the Profit & Loss Account

(b) Defined Contribution Plan

The gratuity is funded through Group Gratuity Scheme formed by Life Insurance Corporation of India.

**38** In the opinion of the Management, Current Assets, Loans and Advances have value on realisation in the ordinary course of business at least equal to the amount at which they are statement

**39** The Company is primarily engaged in the business of hospitality and managing the resort. Since the inherent nature of activities as a whole is governed by the same set of risks and returns, these have been regrouped as a single segment. No Assets of the Company is located outside India. The said treatment is in accordance with the Accounting Standard on "Segment Reporting (AS-17)" as issued by the Institute of Chartered Accountants of India.

**40** The figures of previous year has been regrouped / rearranged wherever necessary.

As per our Report of even date attached

**for Sancheti & Co.,**  
Chartered Accountants  
(FRN. : 000016C)

**For & on Behalf of the Board of Directors**

**[CA Pradeep Sancheti]**  
Partner  
M. No. : 074930

**[Dilip V Kothari]**  
Joint Managing Director & CFO

**[Vinaychand Kothari]**  
Chairman & Managing Director

Place : Mumbai  
Dated : 30th May-2019

**[Dr. R.K. Baxi]**  
Director

**[Pooja Shah]**  
Company Secretary

**Date and Venue of 76<sup>th</sup> Annual General Meeting**

**Date :** Tuesday, August 06, 2019 at 04:00 p.m.

**Venue :** 2nd Floor, Kilachand Conference Room, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020.

Location map is given below:



## BEST EASTERN HOTELS LIMITED

CIN: L99999MH1943PLC040199

Registered Office: 401, Chartered House, 293/299, Dr.CH St, Near Marine Lines Church, Mumbai - 400002

### ATTENDANCE SLIP

Name of the member(s):	
Name of the Proxy:	
Folio No. / * DP id and Clint id:	

I hereby record my presence at the 76<sup>th</sup> ANNUAL GENERAL MEETING of the Company held on Tuesday, August 06, 2019 at 04:00 p.m. at 2nd Floor, Kilachand Conference Room, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020.

Member's / Proxy's Signature \_\_\_\_\_

- Notes:** 1. Kindly complete this attendance slip and hand it over at the entrance of the meeting hall.  
2. Joint shareholders may obtain attendance slip at the venue of the meeting.

## BEST EASTERN HOTELS LIMITED

CIN: L99999MH1943PLC040199

Registered Office: 401, Chartered House, 293/299, Dr. CH St, Near Marine Lines Church, Mumbai - 400002

### Form No. MGT- 11

### PROXY FORM

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of the member(s):		E-mail id:	
Registered Address:		Folio No./ *DP id and Client ID:	

1. Name :		E-mail id:	
Address:		Signature:	

Or failing him

2. Name :		E-mail id:	
Address:		Signature:	

Or failing him

3. Name :		E-mail id:	
Address:		Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 76<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, August 06, 2019 at 04:00 p.m. at 2nd Floor, Kilachand Conference Room, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below.

Sr. No.	Resolution Ordinary Business	Optional	
		For	Against
1	To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2019 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 appoint Director in place of Mrs. Neelam Dilip Kothari (DIN: 02312332), who retires by rotation and being eligible, offers herself for re-appointment.		
3	To Re-appointment of Mr. Dilip V. Kothari as Joint Managing Director		
4	To Re-appointment of Mr. Vinaychand Kothari as Managing Director		
5	To Re-appointment of Mr. Ramnik Baxi as Independent Director		
6	To Re-appointment of Mr. Mangal Chheda as Independent Director		
7	To Reclassification of Authorised Share Capital and alteration of Memorandum of Association of the company.		
8	To make loans and investments by the Company		

Signed this..... day of ..... 2019

Signature of Shareholder \_\_\_\_\_

Signature of proxy \_\_\_\_\_

Affix  
Revenue  
Stamp

**Note:** This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

As Matheran, So Usha.



**BEST EASTERN HOTELS LTD.**

401, Chartered House, 293/299, Dr. Cawasji Hormasji Street, Near Marine Lines Church, Mumbai - 400002. India.

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