

| <b>BENARES HOTELS LIMITED</b>  |               |               |                 |                |                 |
|--|---------------|---------------|-----------------|----------------|-----------------|
| AUDITED STATEMENT OF FINANCIAL RESULTS<br>FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2011 |               |               |                 |                |                 |
| Rs. Lakhs  |               |               |                 |                |                 |
| Items  | Quarter Ended |               | Half Year Ended |                | Year Ended      |
|  | Sept 30, 2011 | Sept 30, 2010 | Sept 30, 2011   | Sept 30, 2010  | March 31, 2011  |
| Net Sales/Income from Operations   | 549.56        | 432.51        | 1,044.31        | 799.10         | 2,628.24        |
| Other Operating Income   | 41.88         | 32.01         | 76.16           | 55.07          | 143.74          |
| <b>Total Income</b>  | <b>591.44</b> | <b>464.52</b> | <b>1,120.47</b> | <b>854.17</b>  | <b>2,769.98</b> |
| Expenditure  |               |               |                 |                |                 |
| a. Consumption of Raw Materials  | 62.36         | 45.28         | 121.10          | 85.05          | 261.98          |
| b. Staff Costs   | 141.43        | 107.85        | 277.69          | 229.62         | 451.43          |
| c. License Fees  | 27.42         | 21.81         | 54.82           | 35.43          | 190.87          |
| d. Fuel, Power and Light   | 63.78         | 64.62         | 120.71          | 123.70         | 227.08          |
| e. Depreciation  | 42.42         | 39.91         | 84.55           | 78.91          | 160.04          |
| f. Other Expenditure   | 253.19        | 173.53        | 433.70          | 318.32         | 748.85          |
| <b>Total Expenditure</b>   | <b>580.82</b> | <b>453.20</b> | <b>1,092.58</b> | <b>868.02</b>  | <b>2,038.05</b> |
| <b>Profit from Operations before Other Income, Interest and Exceptional Items</b>                | <b>0.83</b>   | <b>11.32</b>  | <b>27.89</b>    | <b>(14.85)</b> | <b>731.93</b>   |
| Other Income   | 3.96          | 0.51          | 11.12           | 0.84           | 3.18            |
| <b>Profit before Interest and Exceptional Items</b>  | <b>4.79</b>   | <b>11.83</b>  | <b>39.01</b>    | <b>(14.02)</b> | <b>735.11</b>   |
| Interest (Net)   | -             | 0.35          | -               | 0.35           | 1.77            |
| <b>Profit / (Loss) after Interest but before Exceptional Items</b>                               | <b>4.79</b>   | <b>11.48</b>  | <b>39.01</b>    | <b>(14.37)</b> | <b>733.34</b>   |
| Exceptional item - Exchange Gain / (Loss)  | -             | -             | -               | -              | -               |
| Exceptional item - Others  | -             | -             | -               | -              | -               |
| <b>Profit from Ordinary Activities before tax</b>  | <b>4.79</b>   | <b>11.48</b>  | <b>39.01</b>    | <b>(14.37)</b> | <b>733.34</b>   |
| Provision for Taxes  | 1.37          | 8.22          | 1.96            | 14.53          | 242.89          |
| Tax Provision of earlier years (Net)   | -             | -             | -               | -              | -               |
| <b>Profit from Ordinary Activities after tax</b>   | <b>3.42</b>   | <b>3.26</b>   | <b>37.05</b>    | <b>(28.90)</b> | <b>490.45</b>   |
| Paid-up Equity Share Capital<br>(Face value per share - Rs.10 each)                              | 130.00        | 130.00        | 130.00          | 130.00         | 130.00          |
| Reserves (excluding Revaluation Reserves)  |               |               |                 |                | 2,658.18        |
| Earnings Per Share (Rs.)   |               |               |                 |                |                 |
| Basic and Diluted (not annualised)   | 0.26          | 0.25          | 2.85            | (2.22)         | 37.73           |
| Aggregate of Public Shareholding   |               |               |                 |                |                 |
| Number of Shares   | 488,062       | 488,062       | 488,062         | 488,062        | 488,062         |
| Percentage of Shareholding   | 37.54%        | 37.54%        | 37.54%          | 37.54%         | 37.54%          |
| Promoters and Promoter Group Shareholding  |               |               |                 |                |                 |
| a) Pledged/Encumbered  |               |               |                 |                |                 |
| Number of Shares   | Nil           | Nil           | Nil             | Nil            | Nil             |
| Percentage of Shares (as a % of the total shareholding of promoter and promoter group)           | Nil           | Nil           | Nil             | Nil            | Nil             |
| Percentage of Shares (as a % of the total share capital of the company)                          | Nil           | Nil           | Nil             | Nil            | Nil             |
| b) Non-encumbered  |               |               |                 |                |                 |
| Number of Shares   | 811,938       | 811,938       | 811,938         | 811,938        | 811,938         |
| Percentage of Shares (as a % of the total shareholding of promoter and promoter group)           | 100%          | 100%          | 100%            | 100%           | 100%            |
| Percentage of Shares (as a % of the total share capital of the company)                          | 62.46%        | 62.46%        | 62.46%          | 62.46%         | 62.46%          |

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## STATEMENT OF ASSETS AND LIABILITIES

| Items  | Rs / Lakhs      |                 | Rs / Lakhs      |
|--|-----------------|-----------------|-----------------|
|  | As at           |                 | As at           |
|  | Sept. 30, 2011  | Sept 30, 2010   | 31-Mar-11       |
|  | Audited         | Audited         | Audited         |
| <b>Shareholders' Funds</b>                               |                 |                 |                 |
| Share Capital  | 130.00          | 130.00          | 130.00          |
| Reserves and Surplus                                     | 2,693.88        | 2,333.89        | 2,656.18        |
| Loan Funds   | -               | 100.00          | -               |
| Security Deposit   | 30.58           | 30.58           | 30.58           |
| Deferred Tax Liability                                   | 232.00          | 219.86          | 231.92          |
| <b>Total</b>   | <b>3,086.46</b> | <b>2,814.33</b> | <b>3,048.68</b> |
| <b>Fixed Assets (including Capital work-in-progress)</b> | <b>2,778.33</b> | <b>2,587.43</b> | <b>2,674.02</b> |
| Inventories  | 81.20           | 68.58           | 75.31           |
| Sundry Debtors   | 172.34          | 143.47          | 260.09          |
| Cash & Bank Balances                                     | 188.33          | 69.52           | 402.86          |
| Loans & Advances   | 385.97          | 269.54          | 167.69          |
| <b>Less: Current Liabilities and Provisions</b>          |                 |                 |                 |
| Liabilities  | 519.81          | 324.21          | 334.83          |
| Provisions   | -               | -               | 197.06          |
| <b>Net Current Assets</b>                                | <b>308.13</b>   | <b>226.90</b>   | <b>374.06</b>   |
| <b>Total</b>   | <b>3,086.46</b> | <b>2,814.33</b> | <b>3,048.68</b> |
|  | -               | -               | -               |

## Notes :

- 1 The Company registered an increase of 245 lakhs (31%) in gross revenues for the half year ended September 30, 2011.
- 2 In view of the seasonality of the Company's business, the financial results for the quarter ended September 30, 2011 are not indicative of the full year's performance.
- 3 Disclosure on Investors' complaints :

| Complaints outstanding at the beginning of the quarter i.e. July 1, 2011 | Received during the quarter | Disposed off during the quarter | Unresolved as on September 30, 2011 |
|--|-----------------------------|---------------------------------|-------------------------------------|
| 0  | 0                           | 0                               | 0                                   |

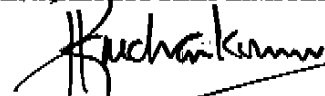
- 4 Disclosure of segment-wise information is not applicable as hoteliering is the Company's only business segment.
- 5 Figures for the previous period have been restated, wherever necessary, to conform to the current period's presentation.
- 7 The results for the quarter ended September 30, 2011, have been audited by the Statutory Auditors of the Company. The aforementioned results were taken on record by the Board at its meeting held on Nov 08, 2011.

Dated : Nov 08, 2011  
Place: Varanasi

Registered Office :  
Nadesar Palace Compound,

Varanasi - 221 002.

For BENARES HOTELS LIMITED



P. K. MOHAN KUMAR  
~~DR. ANANT NARAIN SINGH~~  
CHAIRMAN - DIRECTOR