

Annexure VII to Clause 41

**When an Unqualified Opinion is Expressed on the Quarterly Financial Results
(for companies other than banks)
Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company
Pursuant to the Clause 41 of the Listing Agreement**

To the Board of Directors,
The Benares Hotels Limited,
VARANASI-221002

We have audited the financial results of The Benares Hotels Limited, for the quarter ended 30th September, 2012 and the half year to date results for the period from 1st April 2012 to 30th September, 2012, attached herewith, being submitted by the company pursuant to the requirements of Clause 41 of the Listing agreement except for the disclosures regarding Public Shareholding and Promoter and Promoter Group Shareholdings which have been traced from the disclosures made by the management and have not been audited by us.

These quarterly financial results as well as the half year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards (AS) 25, Interim Financial Reporting, issued pursuant to the companies (Accounting Standard) Rules, 2006 as per section 211(3C) of the Companies Act 1956 or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.

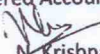
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. In our opinion and to the best of our information and explanations given to us these quarterly financial results and the half year to date results that –

- Are presented in accordance with the clause 41 of the listing agreement and
- Give a true view of the net profit and other financial information for the quarter ended 30th September, 2012 as well as the half year to date results for the period from 1st April 2012 to 30th September, 2012

Pace: Mumbai
Date: 22nd October, 2012

For N. Krishnaswamy & Co.,
Chartered Accountants,


N. Krishnaswamy
Partner 004797

BENARES HOTELS LIMITED

PART I

**STATEMENT OF AUDITED FINANCIAL RESULTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

₹ in Lacs

Particulars	Quarter Ended		Half Year Ended		Year Ended
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011	March 31, 2012
1 Income from Operations					
(a) Net Sales/Income from Operations	627.16	553.23	1,201.36	1,051.57	3,311.12
(b) Other Operating Income	38.59	35.23	70.76	64.50	185.05
Total Income from Operations (Net)	665.75	588.46	1,272.12	1,116.07	3,496.17
2 Expenses					
(a) Consumption of Raw Materials	71.77	62.36	144.52	121.10	348.27
(b) Employee Benefit Expenses	159.71	140.99	314.12	277.40	561.27
(c) License Fees	43.31	27.42	71.83	54.82	267.82
(d) Fuel, Power and Light	74.07	64.69	139.29	122.03	240.08
(e) Depreciation	46.45	42.42	89.95	84.55	170.72
(f) Other Expenditure	212.48	253.12	397.60	433.08	969.76
Total Expenditure	607.79	591.00	1,157.31	1,092.98	2,557.92
3 Profit from operations before other Income, finance costs and exceptional items	57.96	(2.54)	114.81	23.09	938.25
4 Other Income	14.86	7.33	31.28	15.93	23.32
5 Profit from ordinary activities before finance cost and exceptional Items	72.82	4.79	146.09	39.02	961.57
6 Finance cost	-	-	-	-	-
7 Profit from ordinary activities after finance cost but before exceptional Items	72.82	4.79	146.09	39.02	961.57
8 Exceptional items	-	-	-	-	-
9 Profit from ordinary activities before tax	72.82	4.79	146.09	39.02	961.57
10 Tax Expense	21.85	1.38	46.57	1.97	342.35
11 Net Profit from ordinary activities after tax	50.97	3.41	99.52	37.05	619.22
12 Extra ordinary items	-	-	-	-	-
13 Net Profit for the period	50.97	3.41	99.52	37.05	619.22
Paid-up Equity Share Capital (Face value per share - 10 each)	130.00	130.00	130.00	130.00	130.00
Reserves (excluding Revaluation Reserves)					
Earnings Per Share (₹)					
Basic and Diluted (not annualised)	3.92	0.26	7.66	2.85	47.63

Signature

BENARES HOTELS LIMITED

PART II

SELECT INFORMATION FOR QUARTER ENDED SEPTEMBER 30, 2012

₹ in Lacs

Particulars	Quarter Ended		Half Year Ended		Year Ended
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011	March 31, 2012
A. PARTICULARS OF SHAREHOLDING					
Aggregate of Public Shareholding:					
Number of Shares	488062	488062	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	811938	811938	811938	811938	811,938
Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100.00%
Percentage of Shares (as a % of the total share capital of the company)	62.46%	62.46%	62.46%	62.46%	62.46%
B. INVESTOR COMPLAINTS	Quarter ended September 30, 2012				
Pending at the beginning of the quarter					1
Received during the quarter					1
Disposed off during the quarter					2
Remaining unresolved at the end of the quarter					0

Raj

BENARES HOTELS LIMITED

STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2012

in Lacs

Particulars	As at		As at
	September 30, 2012	September 30, 2011	March 31, 2012
	Audited	Audited	Audited
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	130.00	130.00	130.00
(b) Reserves and Surplus	3,133.18	2,693.87	3,033.66
Sub-total- Shareholders funds	3,263.18	2,823.87	3,163.66
Non-current liabilities			
(a) Deferred tax liabilities (Net)	241.64	232.00	249.27
(b) Long term provisions	6.89	5.57	6.89
Sub-total- Non - current liabilities	248.53	237.57	256.15
Current Liabilities			
(a) Trade payables	287.16	295.33	219.92
(b) Other current liabilities	264.43	247.91	204.04
(c) Short term provisions	1.77	1.39	243.52
Sub-total- Current liabilities	553.36	544.63	667.48
TOTAL - EQUITY AND LIABILITIES	4,065.06	3,606.07	4,087.29
B ASSETS			
Non - current assets			
(a) Fixed Assets (including Capital work-in-progress)	3,094.19	2,766.62	2,978.46
(b) Long - term loans and advances	80.85	217.95	68.36
Sub-total- Non - current assets	3,175.04	2,984.57	3,046.81
Current assets			
(a) Inventories	91.34	81.21	101.55
(b) Trade receivables	186.58	181.00	254.60
(c) Cash and cash equivalents	459.37	188.33	583.48
(d) Short - term loans and advances	152.73	170.96	100.84
Sub-total- Current assets	890.02	621.50	1,040.48
TOTAL - ASSETS	4,065.06	3,606.07	4,087.29

Notes :

- 1 The Company registered an increase of 84.82 lacs (14%) in gross revenues for the quarter ended September 30, 2012.
- 2 In view of the seasonality of the Company's business, the financial results for the quarter ended September 30, 2012 are not indicative of the full year's performance.
- 3 Disclosure of segment-wise information is not applicable as hoteliering is the Company's only business segment.
- 4 Figures for the previous period have been restated, wherever necessary, to conform to the current period's presentation.
- 5 The results for the quarter ended September 30, 2012, 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 October 22, 2012.

Dated : October 22, 2012

Place: Mumbai

Registered Office :
Nadesar Palace Compound,
Nadesar,

For **BENARES HOTELS LIMITED**


DIRECTOR