

AUDITORS REPORT ON THE QUARTERLY FINANCIAL RESULTS AND NINE MONTHS TO DATE
RESULTS OF THE COMPANY
TO
THE BOARD OF DIRECTORS,
BENARES HOTELS LIMITED

We have audited the financial results of Benares Hotels limited for the nine months ended 31st December, 2013 and the nine months to date results for the period from 1st April 2013 to 31st December, 2013, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding Public Shareholding and Promoter and Promoter Group Shareholding which have been traced from disclosures made by the management and have not been audited by us.

These quarterly results as well as the nine months 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 Standard AS25 Interim Financial reporting issued pursuant to the companies (Accounting Standard) Rules, 2005, as per the sec.211 (3C) of the companies Act or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India

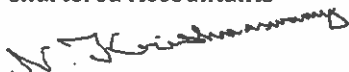
We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis,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

In our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results as well as the nine months to date results

- (i) are presented in accordance with the requirements of clause 41 of the Listing agreement in this regard,
- (ii) give a true and fair view of the net profit and of other financial information for the quarter ended 31st December, 2013 as well as the nine months to date results for the period from 1st April 2013 to 31st December, 2013.

Further we also report on the basis of the books of accounts and other records and information and explanation given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found them to be correct.

For N. Krishnaswamy & Co.
Chartered Accountants



N. Krishnaswamy
Partner, (M.No. 004797)
1st February, 2014

BENARES HOTELS LIMITED

PART I

**STATEMENT OF AUDITED FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2013**

₹ in Lacs

| Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended |
|--|-------------------|--------------------|-------------------|-------------------|-------------------|-----------------|
| | December 31, 2013 | September 30, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 | March 31, 2013 |
| 1 Income from Operations | | | | | | |
| (a) Net Sales/Income from Operations | 1,489.45 | 707.87 | 1,286.94 | 2,908.30 | 2,559.06 | 3,919.69 |
| (b) Other Operating Income | - | - | - | - | - | - |
| Total Income from Operations (Net) | 1,489.45 | 707.87 | 1,286.94 | 2,908.30 | 2,559.06 | 3,919.69 |
| 2 Expenses | | | | | | |
| (a) Consumption of Raw Materials | 166.57 | 88.40 | 123.89 | 340.34 | 268.41 | 386.57 |
| (b) Employee Benefit Expenses | 152.04 | 160.44 | 139.80 | 481.60 | 453.92 | 604.20 |
| (c) Operating Fee | 120.18 | 38.41 | 107.22 | 197.90 | 179.05 | 296.00 |
| (d) Fuel, Power and Light | 85.32 | 99.72 | 80.13 | 278.10 | 219.42 | 300.25 |
| (e) Depreciation | 48.97 | 47.18 | 45.27 | 141.20 | 135.22 | 180.51 |
| (f) Other Expenditure | 345.18 | 218.94 | 252.58 | 770.30 | 650.18 | 963.26 |
| Total Expenditure | 918.26 | 653.09 | 748.89 | 2,209.44 | 1,906.20 | 2,730.79 |
| 3 Profit from operations before other Income, finance costs and exceptional items | 571.19 | 54.78 | 538.05 | 698.86 | 652.86 | 1,188.90 |
| 4 Other Income | 22.34 | 17.33 | 12.94 | 60.44 | 44.22 | 64.93 |
| 5 Profit from ordinary activities before finance cost and exceptional items | 593.53 | 72.11 | 550.99 | 759.30 | 697.08 | 1,253.83 |
| 6 Finance cost | 2.12 | - | - | 2.12 | - | - |
| 7 Profit from ordinary activities after finance cost but before exceptional items | 591.41 | 72.11 | 550.99 | 757.18 | 697.08 | 1,253.83 |
| 8 Exceptional items | - | - | - | - | - | - |
| 9 Profit from ordinary activities before tax | 591.41 | 72.11 | 550.99 | 757.18 | 697.08 | 1,253.83 |
| 10 Tax Expense | 203.12 | 23.54 | 197.14 | 271.45 | 243.71 | 396.22 |
| 11 Net Profit from ordinary activities after tax | 388.29 | 48.57 | 353.85 | 485.73 | 453.37 | 857.61 |
| 12 Extra ordinary items | - | - | - | - | - | - |
| 13 Net Profit for the period | 388.29 | 48.57 | 353.85 | 485.73 | 453.37 | 857.61 |
| Paid-up Equity Share Capital (Face value per share - ₹ 10 each) | 130.00 | 130.00 | 130.00 | 130.00 | 130.00 | 130.00 |
| Reserves (excluding Revaluation Reserves) | | | | | | |
| Earnings Per Share (₹) | | | | | | |
| Basic and Diluted (not annualised) | 29.87 | 3.74 | 27.22 | 37.36 | 34.87 | 65.97 |

Anant Haran Singh

| Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended |
|--|--|--------------------|-------------------|-------------------|-------------------|----------------|
| | December 31, 2013 | September 30, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 | March 31, 2013 |
| PART II | | | | | | |
| SELECT INFORMATION FOR QUARTER ENDED DECEMBER 31, 2013 | | | | | | |
| A. PARTICULARS OF SHAREHOLDING | | | | | | |
| Aggregate of Public Shareholding: | | | | | | |
| Number of Shares | 488062 | 488062 | 488062 | 488062 | 488062 | 4,88,062 |
| Percentage of Shareholding | 37.54% | 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 | Nil |
| Percentage of Shares (as a % of the total shareholding of promoter and promoter group) | Nil | Nil | Nil | Nil | Nil | Nil |
| Percentage of Shares (as a % of the total share capital of the company) | Nil | Nil | Nil | Nil | Nil | Nil |
| b) Non-encumbered | | | | | | |
| Number of Shares | 811938 | 811938 | 811938 | 811938 | 811938 | 811938 |
| Percentage of Shares (as a % of the total shareholding of promoter and promoter group) | 100% | 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% | 62.46% |
| B. INVESTOR COMPLAINTS | Quarter ended December 31, 2013 | | | | | |
| Pending at the beginning of the quarter | | | | | | 0 |
| Received during the quarter | | | | | | 1 |
| Disposed off during the quarter | | | | | | 1 |
| Remaining unresolved at the end of the quarter | | | | | | 0 |

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Notes :

- 1 The Company registered an increase of 16% and 14% in Incomes from Operations for the quarter and nine months ended December 31, 2013 respectively.
- 2 In view of the seasonality of the Company's business, the financial results for the quarter and nine months ended December 31, 2013 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 and nine months ended December 31, 2013, 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 February 1, 2014.

Dated : February 1, 2014

Place: Mumbai

Registered Office :

Nadesar Palace Compound,

Varanasi - 221 002

For **BENARES HOTELS LIMITED**



DR. ANANT NARAIN SINGH

CHAIRMAN