

BENARES HOTELS LIMITED
43rd ANNUAL REPORT 2013-14



The Gateway Hotel Ganges Varanasi



The Gateway Hotel Ganges Varanasi

Corporate Information

Board of Directors

DR. ANANT NARAIN SINGH
(Chairman)

RAYMOND N. BICKSON

SHRIRAMAN

RUKMANI DEVI

B. L. PASSI

D. R. KAARTHIKEYAN

PRABHAT VERMA

Company Secretary

P. K. Bhatia

Auditors

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

Registered Office

Nadesar Palace Compound,
Varanasi - 221 002
Phone: 0542-6660001
CIN-L55101UP1971 PLC 003480
Website: www.benareshotelslimited.com

Registrar and Share Transfer Agent

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

Shares Listed at

BSE LTD.

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai - 400 001

DELHI STOCK EXCHANGE LTD.

3/1, Stock Exchange Building

Asaf Ali Road

New Delhi - 110 002

UP STOCK EXCHANGE LTD.

Padam Towers

14/113, Civil Lines

Kanpur - 208 001

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HIGHLIGHTS	2013-14 ₹ Lacs	2012-13 ₹ Lacs
Gross Revenue	4,411.88	3,984.62
Profit Before Tax	1,375.70	1,253.83
Profit After Tax	897.99	857.61
Dividend	260.00	260.00
Retained Earnings	4,180.88	3,587.08
Funds Employed	5,500.77	4,956.48
Net Worth	4,310.88	3,717.08
Debt : Equity Ratio	0:1	0:1
Net Worth Per Equity Share (₹ 10/- each)	₹ 331.61	₹ 285.93
Earnings (EAT) Per Equity Share (₹ 10/- each)	₹ 69.08	₹ 65.97
Profit Before Tax Ratio to Turnover	31.2%	31.5%
Dividend Per Equity Share (₹ 10/- each)	₹ 20.00	₹ 20.00
	200%	200%

Notice to the Members

Notice is hereby given that the Forty Third Annual General Meeting of the Members of BENARES HOTELS LIMITED will be held at the Registered Office of the Company at Nadesar Palace Compound, Varanasi 221002, on Thursday 28th August, 2014 at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31st March, 2014 and the Balance Sheet as at that date.
2. To declare a dividend.
3. To appoint a Director in place of Dr. Anant Narain Singh (DIN 00114728), who retires by rotation and is eligible for reappointment.
4. To appoint Auditors of the Company

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

“RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s N. Krishnaswamy & Company, Chartered Accountants (Firm Registration Number 001555S), be and is hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

5. **Appointment of Mr. B.L. Passi as an Independent Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (**“Act”**) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. B.L. Passi (DIN - 00114571), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company for a period of 5 years with effect from 28th August, 2014 up to 27th August, 2019”.

6. **Appointment of Mr. Shriraman as an Independent Director of the Company**

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (**“Act”**) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Shriraman (DIN 00114913), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company for a period of 5 years with effect from 28th August, 2014 up to 27th August, 2019”.

7. **Appointment of Mr. D.R. Kaarthikeyan as an Independent Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (**“Act”**) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. D.R.

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Kaarthikeyan (DIN - 00327907), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company for a period of 5 years with effect from 28th August, 2014 up to 27th August, 2019”.

8. Appointment of Mrs. Rukmani Devi as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mrs. Rukmani Devi (DIN - 00552831), a non-executive director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company for a period of 5 years with effect from 28th August, 2014 up to 27th August, 2019”.

NOTES

- (a) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business under Item No. 5 to 8 mentioned in the accompanying Notice is annexed hereto .
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder The instrument appointing the proxy should be deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies must be supported by appropriate resolution/authority, as applicable.
- (c) Members are requested to intimate to the Company, changes, if any, in their Registered Address along with Pin Code Number. Members whose shareholdings are in demat form are requested to send the intimation for change of address to their respective Depository Participant(s).
- (d) Members are requested to register their email id and the changes therein from to time with the Company to enable the Company to send notices/documents through email as permitted in law.
- (e) The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 20th August, 2014 to Tuesday, 2nd September, 2014 (both days inclusive).
- (f) The dividend as recommended by the Directors for the year ended 31st March, 2014, if passed at the meeting, will be made payable on or after Monday, 8th September, 2014, to those members whose names appear on the Register of Members of the Company on Wednesday, the 20th day of August, 2014. As regards shares held in electronic form the dividend will be payable to the beneficial owners of shares whose names appear in the statement of beneficial ownership furnished by the Depositories as at the end of business hours on Tuesday, 19th August, 2014.
- (g) Members who are holding shares in identical order of names in more than one folio are requested to write to the Company for consolidating their holding in one folio.

(h) Pursuant to Section 205C of the Companies Act, 1956, all unclaimed/unpaid dividends for a period of 7 years from the date of transfer to the 'Unpaid Dividend Account' are required to be transferred by the Company to the "Investor Education and Protection Fund" established by the Central Government. Accordingly, the unclaimed dividend paid up to the financial year ended 31st March, 2007, shall be transferred by the Company to the said Fund on the due date in 2014. No claim shall lie against IEPF or the Company for the amounts so transferred prior to March 31, 2014 nor shall any payment be made in respect of such claim.

(i) SEBI vide its Circular No. CIR/MRD DP/10/2013 dated March 21, 2013 has instructed all Companies for usage of electronic payment modes for making cash payments to the investors. Companies whose securities are listed on Stock Exchanges are directed to use either directly or through their RTI & STA, any Reserve Bank of India approved electronic mode of payment such as ECS [ECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS)], NEFT etc. Thus, Members are requested to kindly provide their requisite bank account particulars by quoting their reference folio number(s) if shares are held in physical form.

If shares are held in dematerialized form, Members may kindly provide the requisite bank account details to their Depository Participant, to ensure that future dividend payments are correctly credited to the respective account.

(j) Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.

(k) Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to cast their vote electronically, through e-voting Services provided by Central Depository Services Limited (CDSL), on all resolutions set forth in this Notice.

The instructions for members for voting electronically are as under:

(A) In case of Members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "Benares Hotels Limited" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the image verification as displayed and click on Login.
- (vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below.

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>

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	For Members holding shares in Demat Form and Physical Form
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Benares Hotels Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
 - (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification Code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [https:// www.evotingindia.co.in](https://www.evotingindia.co.in) and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
 - After receiving the login details they have to create a user who would be able to link the accounts) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- B. In case of members receiving the physical copy:**
- (i) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

- (ii) The voting period begins on August 22, 2014 (9.00 a.m. IST) and ends on August 24, 2014 (6.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 11, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- (iii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under 'Help' section or write an email to helpdesk.evoting@cdslindia.com
- (iv) The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on July 11, 2014
- (v) Mr. Shreepad Korde, Practicing Company Secretary (C.P.No. 1079) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- (vi) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (vii) Members who do not have access to e-voting facility may send duly completed Ballot Form in the enclosed self-addressed postage prepaid envelope (enclosed with the Annual Report) directly to the Scrutinizer so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Shreepad Korde, Practicing Company Secretary, (C.P. No. 1079), at the Office of the Registrar and Share Transfer Agent of the Company not later than Sunday, August 24, 2014 (6.00 p.m. IST).
- (viii) Members have the option to request for physical copy of the Ballot Form by sending an e-mail to investorrelations@tajhotels.com by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Office of the Registrar and Share Transfer Agent of the Company not later than Sunday, August 24, 2014 (6.00 p.m. IST).
- (ix) Ballot Form received after August 24, 2014 will be treated as invalid.
- (x) A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- (xi) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.benareshotelslimited.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company.
- (1) All documents referred to in the accompany-ing Notice and the Explanatory Statement, if any, shall be open for inspection at the Registered Office of the Company during normal business hours on all working days, except Sundays and public Holidays, up to and including the date of the Annual General Meeting of the Company.

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

P. K. Bhatia
Company Secretary

Place: Mumbai
Date: 17th July, 2014

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Explanatory Statement

Pursuant to Section 102 of the Companies Act, 2013

The following Explanatory Statement sets out all material facts relating to the business under Item No.5 to 8 mentioned in the accompanying Notice dated 17th July, 2014.

Item No. 5

Mr. B.L. Passi joined the Board of Directors of the Company in May, 1999. He is a non-executive director and considered as Independent Director under Clause 49 of the Listing Agreement. He is having rich experience in the field of management.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Passi has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of Mr. Passi as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as an Independent Director for a period of 5 years from the date of AGM. i.e. 28th August, 2014.

In the opinion of the Board, Mr. Passi fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Passi as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company.

Mr. Passi is interested and concerned in the Resolution mentioned at Item No. 5 of the Notice. Other than Mr. Passi, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.5 of the Notice.

Item No. 6

Mr. Shriraman joined the Board of Directors of the Company in September, 1973. He is a non-executive director and considered as Independent Director under Clause 49 of the Listing Agreement. Mr. Shriraman holds Masters degree in Commerce.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Shriraman has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of Mr. Shriraman as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as an Independent Director for a period of 5 years from the date of AGM. i.e. 28th August, 2014.

In the opinion of the Board, Mr. Shriraman fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Shriraman as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company.

Mr. Shriraman is interested and concerned in the Resolution mentioned at Item No. 6 of the Notice. Other than Mr. Shriraman, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 6 of the Notice.

Item No. 7

Mr. D. R. Kaarthikeyan joined the Board of Directors of the Company in October, 2011. He is a non-executive director and considered as Independent Director under Clause 49 of the Listing Agreement.

Mr. Kaarthikeyan is an IPS Officer (Retd.) and has held the office of Director, Central Bureau of Investigation (CBI) and the Director General, National Human Rights Commission (NHRC) and the Central Reserve Police Force (CRPF) in his distinguished career. He is a “PADMA SHRI” conferred on him by the President of India for exceptional and distinguished service rendered by him to the nation. He holds the degree of B.Sc and LLB and has rich experience in the field of Administration and Social Sector.

As per the provisions of Section 149 of the Companies Act, 2013 (“Act”) which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Kaarthikeyan has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of Mr. Kaarthikeyan as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as an Independent Director for a period of 5 years from the date of AGM. i.e. 28th August, 2014.

In the opinion of the Board, Mr. Kaarthikeyan fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Kaarthikeyan as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company.

Mr. Kaarthikeyan is interested and concerned in the Resolution mentioned at Item No.7 of the Notice. Other than Mr. Kaarthikeyan, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.7 of the Notice.

Item No.8

Mrs. Rukmani Devi joined the Board of Directors of the Company in June, 1988. She is a non-executive director and considered as Independent Director under Clause 49 of the Listing Agreement. Mrs. Rukmani Devi holds degree in M.A. Philosophy. Mrs. Rukmani Devi has rich experience in the field of Hoteliering.

As per the provisions of Section 149 of the Companies Act, 2013 (“Act”) which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mrs. Rukmani Devi has given a declaration to the Board that she meets the criteria of independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of Mrs. Rukmani Devi as Independent Director was placed before the Nomination & Remuneration Committee, which commends her appointment as an Independent Director for a period of 5 years from the date of AGM. i.e. 28th August, 2014.

In the opinion of the Board, Mrs. Rukmani Devi fulfills the conditions specified in the Act and the Rules made there under for appointment as

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Independent Director and she is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mrs. Rukmani Devi as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company.

Mrs. Rukmani Devi is interested and concerned in the Resolution mentioned at Item No. 8 of the Notice. Other than Mrs. Rukmani Devi, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.8 of the Notice.

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

P. K. Bhatia
Company Secretary

Place: Mumbai
Date: 17th July, 2014

Details of Directors seeking appointment/ re-appointment at the ensuing Annual General Meeting are as follows: (Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

Name of Director	Dr. Anant Narain Singh	Mr. B.L. Passi	Mr. Shriraman	Mr. D.R. Karthikeyan	Mrs. Rukmani Devi
Date of Birth	August 26, 1960	April 18, 1933	November 24, 1937	October 2, 1939	June 24, 1942
Date of Appointment	January 31, 2001	May 28, 1999	September 21, 1973	October 17, 2011	June 27, 1988
Expertise in Specific functional area	Agriculture	Management	—	Administration/ Social Sector	Hoteliering
Qualifications	B.Com (Hons.) in Company Law	—	M.Com.	B.Sc, LLB	M.A. (Philosophy)
Details of shares held in the Company	24,000	—	4500	—	798
List of Companies in which outside Directorships held as on 31-03-2014 (excluding private & foreign companies)	1. Vibhuti Glass Works Ltd.	1. Pascos Resorts Hotels & Spas Ltd 2. Sona Koyo Steering Systems Ltd.	—	1. Oriental Hotels Ltd. 2. Raj TV Ltd. 3. Taj GVK Hotels & Resorts Ltd. 4. Texmaco Rail & Engineering Ltd. 5. TATA Coffee Ltd. 6. Roots Industries India Ltd. 7. Radcliffe Schools Education Ltd. 8. Synergy Environics Ltd. 9. Star Health & Allied Insurance Co. Ltd. 10. Bengaluru International Ltd.	None
Chairman/Member of the *Committees of other companies on which he is the Director as on 31.03.2014	Audit Committee None Shareholders' & Investors' Grievance Committee None	Audit Committee None Shareholders' & Investors' Grievance Committee None	Audit Committee None Shareholders' & Investors' Grievance Committee None	Audit Committee 1. Star Health and Allied Insurance Company Limited 2. Taj GVK-Hotels & Resorts Limited 3. Oriental Hotels Limited 4. Texmaco Rail & Engineering Ltd. 5. Tata Coffee Limited Shareholders' & Investors' Grievance Committee None	Audit Committee None Shareholders' & Investors' Grievance Committee None

* The Committees include the Audit Committee and the Shareholders'/Investor Grievance Committee.

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

P. K. Bhatia
Company Secretary

Place: Mumbai
Date: 17th July, 2014

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Directors' Report to the Members

The Directors hereby present the Forty Third Annual Report of the Company together with the Audited Statements of Account for the year ended 31st March, 2014.

OPERATING AND FINANCIAL RESULTS

	(₹ Lacs) <u>2013-14</u>	(₹ Lacs) <u>2012-13</u>
Income	4411.88	3984.62
Gross Profit for the year	1565.98	1434.34
Less: Depreciation	190.28	180.51
Profit before tax	1375.70	1253.83
Less: Provision for tax:		
- Current Tax	459.89	397.51
- Deferred Tax	11.33	(14.95)
- Earlier years Taxes	6.49	13.66
Net Profit	897.99	857.61
Add: Balance brought forward from previous year	1519.00	1065.58
Balance available for appropriations	2416.99	1923.19

APPROPRIATIONS :

(a) A dividend @200% i.e. Rs. 20/- per equity share (previous year 200% i.e. Rs. 20/- per equity share) on 13,00,000 Equity Shares, which, if approved by the Shareholders at the Annual General Meeting to be held on Thursday, 28th August, 2014 will be paid out of the provision for dividend.....	260.00	260.00
(b) Tax on Dividend	44.19	44.19
(c) Amount transferred to General Reserve	100.00	100.00
(d) Balance carried forward	2012.80	1519.00

OPERATIONS

The Company has improved its performance during the year registering 11% growth in revenues and 10% growth in Profit before Tax over the previous year. The Directors hope to sustain the standard of improvement in the performance during the current financial year. The project work for Gateway Hotel at Gondia, Maharashtra is in full flow and expected to be completed during the current financial year.

DIVIDEND

Your Directors recommend the payment of dividend @ 200% (previous year dividend @ 200%) per equity share involving distribution of ₹ 260.00 lacs.

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

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

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

DIRECTORS

In accordance with Section 149 of the Companies Act, 2013, Mr. B.L. Passi, Mr. Shriraman, Mr. D.R. Kaarthikeyan and Mrs. Rukmani Devi, are proposed for appointment as an Independent Directors of the Company for the period of 5 years from the date of the AGM on 28th August, 2014.

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Dr. Anant Narain Singh, Director of the Company is liable to retire by rotation and being eligible seeks reappointment.

SUBSIDIARY COMPANIES

The Company does not have any subsidiary company.

AUDIT COMMITTEE

Mr. B.L. Passi, Mr. Shriraman, Mr. Prabhat Verma and Mrs. Rukmani Devi are the members of the Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of Section 135 of the Companies Act, 2013, your Directors have constituted the Corporate Social Responsibility (CSR) Committee of the Board with Dr. Anant Narain Singh, Mr. Raymond N. Bickson, and Mr. D.R. Kaarthikeyan as its Members.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social responsibility policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR policy and recommending the amount to be spent on CSR activities.

NOMINATION AND REMUNERATION COMMITTEE

In terms of Section 178(1) of the Companies Act, 2013, your Directors have constituted the Nomination and Remuneration Committee of the Board with Dr. Anant Narain Singh, Mr. Raymond N. Bickson, Mrs. Rukmani Devi, and Mr. Shriraman as its Members.

The said committee has been entrusted with the responsibility of formulating the criteria for determining the independence of the Director and to recommend the Board a policy relating to the remuneration for the Directors.

INTERNAL COMPLAINTS COMMITTEE

During the year, your Company has constituted the 'Internal Complaints Committee' under The Sexual Harassment of Women at Workplace (prevention, Prohibition and Redressal) Act, 2013 for the prevention and redressal of complaints of sexual harassment and for the matters connected or incidental thereto.

CORPORATE GOVERNANCE

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

AUDITORS

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure) of Particulars in the Report of Board of Directors) Rules, 1988, the information relating to Foreign Exchange Earnings & Outgo is furnished in Notes on Accounts (Refer Note 28 to 30).

BENARES HOTELS LIMITED

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DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
2. It has, in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made 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 as at March 31, 2014 and of the profit of the Company for that period;
3. It has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of their knowledge and ability. There are however, inherent limitations, which should be recognized while relying on any system of internal control and records.
4. It has prepared the annual accounts on a going concern basis.

ACKNOWLEDGMENTS

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

On behalf of the Board of Directors

Dr. Anant Narain Singh
Chairman

Place : Mumbai
Date : 29th April, 2014

Management Discussion and Analysis

The international tourism continued its momentum with a 5% growth in 2013 as per the United Nations World Tourism Organisation (UNWTO). Despite the ongoing global economic challenges and geopolitical changes, international tourism results were above expectations and long term forecasts. Sub-regions that showed the strongest demand for international tourism in 2013 were Southeast Asia (+10%), Central and Eastern Europe (+7%), Southern and Mediterranean Europe (+6%) and North Africa (+6%). As per the forecast, International tourist arrivals are expected to increase by 4% to 4.5% in 2014, above UNWTO's long-term forecast of +3.8% per year between 2010 and 2020. 2014 regional prospects are strongest for Asia and the Pacific (+5% to +6%) and Africa (+4% to +6%), followed by Europe and the Americas (both +3% to +4%).

In line with growth in international tourism, India has also been witnessing steady growth in its travel and tourism sector over the past few years. Foreign tourist arrivals (FTA) during the period the year 2013 stood at 68.48 lakh as compared to FTAs of 65.78 lakh during 2012, registering a growth of 4.1 per cent. Growth has also been pushed by a greater number of Indians travelling to domestic destinations than before. In the past few years the real growth has come from within the domestic sector. Travel and tourism sector's contribution to capital investment is projected to grow at 6.5 per cent per annum during 2013-2023, above the global average of five per cent. According to the World Economic Forum's Travel and Tourism Competitiveness Report 2013, India ranks 11th in the Asia Pacific region and 65th globally out of 140 economies ranked on travel and tourism Competitiveness Index. The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India.

However, the demand-supply dynamics across India also changed rapidly. While the demand increased steadily during last year, the supply also

kept on increasing sharply. The overall negative sentiments in the business world had its reflections on the travel and hospitality spending of the corporate customers, impacting the business hotels. Overall, the year 2013 was a mixed bag for the hospitality industry in the country. Amidst adverse business climate in the overall economy, new hotels continued to open with alacrity across the country throughout 2013. Though there were delays and deferrals in completion of hotel projects, but supply continued to surge in all the key markets. The new supply of rooms into the market put pressure on room rates, and this coupled with inflationary pressure and devaluation of rupee against dollar etc, impacted the overall profitability of hotels. However, saving grace was the moderately stable domestic travel market. Domestic market continued to flourish although at a moderate pace even in these conditions. The moderation in terms of hotel rates because of competitions, made hotels affordable to the domestic customers at several destinations. The fragility in the market also gave an opportunity for hotels to revisit their strategies in terms of sourcing, marketing, cost controlling, etc. Talking particularly about Varanasi, the floods situation in the Ganges during the monsoon period caused reduction in International and domestic tourists.

The prospects further look promising, with the hospitality sector's total contribution to GDP expected to witness a growth rate of 12 per cent per annum during 2013-2023. Rising income levels and changing lifestyles, development of diverse tourism offerings and policy and regulatory support by the government are playing a pivotal role in shaping the travel and tourism sector in India. The sector is currently facing challenges such as lack of good quality tourism infrastructure, global concerns regarding health and safety of tourists, disparate and multiple tax structures and shortfall of adequately trained and skilled manpower. While several plans and programmes have already been devised for tackling these challenges, successful

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implementation would be critical to accelerate growth.

Concerted efforts by all stakeholders such as the central and state governments, private sector and the community at large are pertinent for sustainable development and maintenance of the travel and tourism sector in the country.

The city in which your company is operating, Varanasi, in addition to being the religious and cultural capital of North India, has several large and medium size industries from cottage industries, including Banarasi Silk Saree making to the production of textiles such as hand-woven carpets, and handicrafts which are exported worldwide. Manufacturing, Tourism, Mining and Services Industry are the other industries that have gained prominence in Varanasi over the years and thus boosting the business from corporate segment.

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

The risks in the macroeconomic context are essentially a high rise in operating costs on account of inflation, particularly the fuel and power costs, which is being mitigated by phased capital spent on energy efficient equipment and other cost control measures by the operating management. In the micro economic context, there is no significant new competition expected in Varanasi in the near future and your property. The Gateway Hotel Ganges has maintained its market dominance very emphatically.

Financial Performance

The financial performance of your Company increased in the Financial Year 2013-14 as compared to the previous year. The turnover increased from Rs 39.85 Crs in 2012-13 to Rs 44.14 Crs in 2013-14, while the operating expenses increased from Rs 27.31 Crs to Rs 29.79 Crs in the same period. The Profit before Tax has increased from Rs 12.54

Crs in 2012-13 to Rs. 13.76 Crs in 2013-14, whereas Profit after Tax went up from Rs 8.58 Crs to Rs 8.98 Crs.

Internal control systems and their adequacy

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

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

Certifications and Awards

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

The hotel also won award for the best maintained landscaping and gardens in a competition held by the state government.

Workforce

Total manpower employed by the company was 277 as on March 31st 2014 as against the previous year number of 274 as on March 31st 2013.

Report on Corporate Governance

Philosophy on Corporate Governance

The philosophy of the Company with regard to Corporate Governance encompasses wealth creation protection & interest enhancements for all the stakeholders including shareholders, creditors, customers, employees, suppliers and for society besides complying with legal and regulatory requirements and meeting environmental and local community needs. The articulator of the values, ethics and business principles that should be adhered to by employees are part of its philosophy on Corporate Governance.

The Company has complied with the provisions of Clause 49 of the Listing Agreement of the Stock Exchange, which deals with the compliance of Corporate Governance requirements as detailed below:-

Board of Directors:

1. The Board of Directors comprises Non-Executive as well as Independent Directors. More than half of the Board of Directors comprises Independent Directors, with the Chairman being a Promoter & Non executive Director. The Directors possess experience in fields as diverse as hoteliering, finance, management, Agriculture and social service. The experience and wisdom of the Directors, have proved to be of immense assistance to the Company. The details of Directors seeking appointment/re-appointment have been attached with the Notice of the Annual General meeting.
2. "Independent Directors" i.e. Directors who apart from receiving Directors' remuneration, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which, in the judgement of the Board, may affect the independence of judgement of the Director, comprise half of the Board. The Board has received the Declaration from all the Independent Directors of the Company under section 149(6) of the Companies Act, 2013 regarding meeting the criteria of Independence.
3. During the year under review, the Board of Directors of the Company met four times and the period between any two meetings did not exceed four months. The dates of the Board Meetings held during each quarter are as follows:

No.	Date of Meeting	For the quarter
1	1st May, 2013	April to June
2	17th July, 2013	July to September
3	23rd October, 2013	October to December
4	1st February, 2014	January to March

As required under Annexure I to Clause 49 of the listing Agreement with the Stock Exchanges, all the necessary information was placed before the Board from time to time.

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

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6. The details of the above are as follows:-

Board of Directors:

Names	Category	Remuneration paid ₹			No. of outside Directorships		No of outside Committee positions held		No. of Board Meetings attended	Attendance at the last Annual General Meeting held on 16.8.2013
		Salary & Perks 2013-2014	Sitting Fees 2013-2014	Commission 2012-13	Indian	Foreign	As Member	As Chairman		
Dr. Anant Narain Singh	Promoter Non-executive	N.A.	20,000	6,19,200	1	—	—	—	4	Yes
Mr. Raymond N Bickson	Promoter Non-executive	N.A.	N.A.	—	9	8	5	2	2	No
Mr. Shriraman	Independent Non-executive	N.A.	20,000	5,18,400	—	—	—	—	4	Yes
Mrs. Rukmani Devi	Independent Non-executive	N.A.	20,000	5,73,000	—	—	—	—	4	Yes
Mr. B L Passi	Independent Non-executive	N.A.	20,000	7,12,000	2	—	—	—	4	No
Mr. D.R. Kaarthekeyan	Independent Non-executive	N.A.	20,000	2,59,200	10	—	5	—	4	No
Mr. Prabhat Verma	Promoter Non-executive	N.A.	20,000	N.A.	3	—	—	—	4	Yes
Mr. A.R. Gandhi*	Non-executive	N.A.	N.A.	6,51,000	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. P.K. Mohankumar**	Promoter Non-executive	N.A.	N.A.	4,25,900	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

* Resigned as Director on 15th March, 2013.

** Resigned as Director on 19th April, 2013

NOTE: Traditionally, the Directors are paid commission each year, after the Annual Accounts are approved by the Members at the Annual General Meeting of the Company. A sum of Rs. 41.27 lakhs has been provided as commission to Non Executive Directors for the year 2013-14.

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

COMMITTEES OF THE BOARD:

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

I. Audit Committee:

The Company's Audit Committee is constituted in line with Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Audit Committee of the Company carries out the terms of reference as specified under Clause 49 of the Listing Agreement and the extended terms of reference as specified in Section 177 of Companies Act, 2013 are as follows:-

- i. Reviewing with management the quarterly/annual financial statements before submission to the Board for approval, with particular reference to:-
 - Matters required to be included in the Board's Report in terms of clause 2AA of Section 217 of the Companies Act, 1956
 - Any changes in accounting policies and practices and reasons thereof.
 - Major accounting entries based on the exercise of judgment by the Management
 - Qualifications in the draft audit report.
 - Significant adjustments made in the financial statements, arising out of audit findings.
 - The Going Concern assumption.
 - Compliance with Accounting Standards.
 - Compliance with listing and other legal requirements relating to financial statements.
- ii. Reviewing with the management, performance of statutory and internal auditors and the adequacy of internal control systems.
- iii. Discussion with internal auditors on any significant findings and follow-up thereon.
- iv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- v. Discussion with external/statutory auditors before the audit commences, nature and scope of audit, as well as have post-audit discussion to ascertain any area of concern.
- vi. The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- vii. Review and monitor the auditors independence and performance, and effectiveness of audit process
- viii. Approval or any subsequent modification of transactions of the company with related parties
- ix. Scrutiny of Inter corporate loans and investments
- x. Valuation of undertakings or assets of the company, wherever it is necessary
- xi. Evaluation of internal financial controls and risk management systems

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

NO.	MEMBERS	ATTENDANCE AT AUDIT COMMITTEE MEETINGS HELD ON			
		01.05.2013	17.07.2013	23.10.2013	01.02.2014
1	Mr. B L Passi, Chairman	✓	✓	✓	✓
2	Mr. Shriraman	✓	✓	✓	✓
3	Mr. Prabhat Verma	✓	✓	✓	✓
4	Mrs. Rukmani Devi*	NA	NA	NA	NA

*Mrs. Rukmani devi was appointed the member of the Audit Committee on April 28, 2014.

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

2. Stakeholders Relationship Committee:

The Company already has a Share Transfer & Shareholder's/Investor Grievance Committee (SSIG) and to comply with the provisions of Companies Act, 2013 the said Committee has been renamed as Stakeholders Relationship Committee with Dr. Anant Narain Singh, Mr. Shriraman and Mr. Prabhat Verma as its members to redress the shareholder and investor complaints like transfer of shares, non receipt of Annual Report, non receipt of dividends etc. Dr. Anant Narain Singh, Non-Executive Director, heads the Committee.

There were no pending investor complaints which remain unresolved. The company has also cleared all the complaints received through SEBI Complaints Redress System (SCORES) a centralized web based complaints redress system which serves as a centralized database of all complaints received. The status of complaints received (inclusive of SCORES) from shareholders during the year 2013-14 is as under:-

Complaints received	Pending as on March 31, 2014
3	Nil

Amounts Transferred to IEPF

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

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

Financial Year	Date of Declaration of Dividend	Proposed Date of Transfer to IEPF*
2006-07	12.09.2007	19.10.2014
2007-08	21.08.2008	27.09.2015
2008-09	27.08.2009	03.10.2016
2009-10	13.08.2010	19.09.2017
2010-11	10.08.2011	16.09.2018
2011-12	13.08.2012	19.09.2019
2012-13	16.08.2013	23.09.2020

* Indicative dates, actual dates may vary

During the year under review, the total amount transferred to IEPF of the Central Government was Rs. 2,39,420.

It may be noted that no claims will lie against the Company nor the IEPF in respect of the said unclaimed amounts transferred to the Fund.

Compliance Officer : Mr. P K Bhatia
Company Secretary
Benares Hotels Ltd.

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

Nomination and Remuneration Committee

In terms of Section 178(1) of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board has been constituted with Dr. Anant Narain Singh, Mr. Raymond N. Bickson, Mrs. Rukmani Devi, and Mr. Shriraman as its Members.

The said committee has been entrusted with the responsibility of formulating the criteria for determining the independence of the Directors and to recommend the Board a policy relating to the remuneration for the Directors.

Remuneration to Non Executive Directors:

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

Details of shares of the Company held by the Non-Executive Directors as on March 31, 2014, are as under:

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

Details on General Meetings:

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

Location	Date	Time
Annual General Meetings		
Registered office at Nadesar Palace Compound, Varanasi 221 002	August 16, 2013	3.00 p.m.
	August 13, 2012	3.30 p.m.
	August 10, 2011	3.30 p.m.

The special resolution passed in the previous three Annual General Meetings of the company was passed by show of hands by the Members present and voting at the said meeting.

Postal Ballot

The Company did not pass any resolution vide postal ballot during the year.

Means of Communication:

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

The Annual Report containing, inter alia, the Audited Accounts, Directors Report, Auditors Report and other important information is circulated to the investors. Management Discussion and Analysis

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forms part of the Annual Report. The Annual Reports are also available in the Company's web site www.benareshotelslimited.com

Disclosures:

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

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

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

Pursuant to the provisions of sub clause V of Clause 49 of the Listing Agreement with the Stock Exchanges regarding CFO Certification, the Financial Controller has issued a certificate to the Board, for the year ended March 31, 2014.

General Shareholder Information

Annual General Meeting

Date and Time	:	August 28, 2014 at 3.30p.m.
Venue	:	Nadesar Palace Compound Varanasi 221 002
Registered Office	:	Nadesar Palace Compound Varanasi 221 002
Telephone No.	:	91- 542 666 0001
Facsimile No.	:	91- 542- 2503291
Website	:	www.benareshotelslimited.com
E-mail	:	investorrelations@tajhotels.com

Financial Calendar

Financial reporting for:

- Quarter ending 30th June, 2014 on or before August 15, 2014
- Quarter ending 30th September, 2014 on or before November 15, 2014
- Quarter ending 31st December, 2014 on or before February 15, 2015
- Quarter ending 31st March, 2015 on or before May 30, 2015

Financial Year :	:	2014-15
Date of Book Closure	:	August 20, 2014 to September 2, 2014 (both days inclusive)
Dividend Payment Date	:	On or after 8th September, 2014

Listing on Stock Exchanges

➤ Equity Shares	:	BSE Limited
	:	UP Stock Exchange Limited
	:	Delhi Stock Exchange Limited

Corporate identification no.(CIN)	:	L55101UP1971PLC003480
ISIN NO.:	:	INE750A01012
Stock Code:	:	509438

The Company has paid annual listing fees to each of the above Stock Exchanges in respect of the financial year 2013-14 & 2014-15.

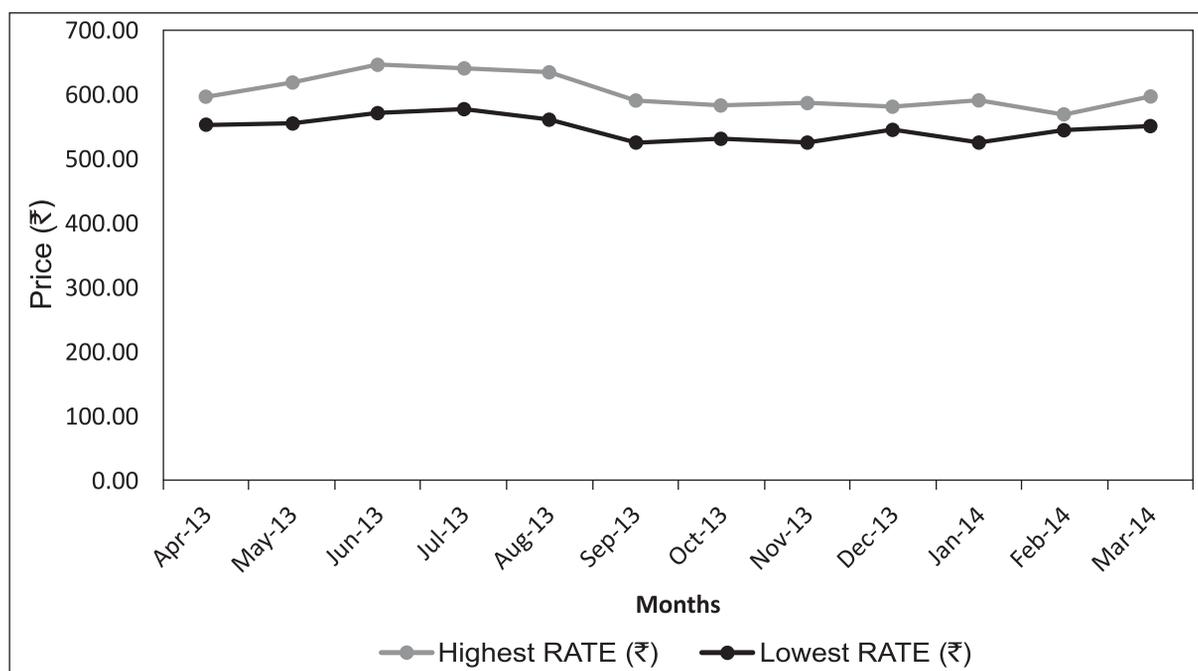
Market Price Data:

High/Low market price of the Company's shares and performance in comparison to Sensex Indices on BSE Limited, Mumbai during the financial year 2013-14 is furnished below:-

₹

Months	BSE High	BSE Low
April 2013	597.00	554.00
May 2013	619.80	555.60
June 2013	648.00	571.05
July 2013	641.00	578.00
August 2013	635.00	562.00
September 2013	592.00	525.05
October 2013	584.50	531.50
November 2013	587.95	526.00
December 2013	582.00	546.00
January 2014	592.50	525.05
February 2014	570.80	545.15
March 2014	597.40	551.00

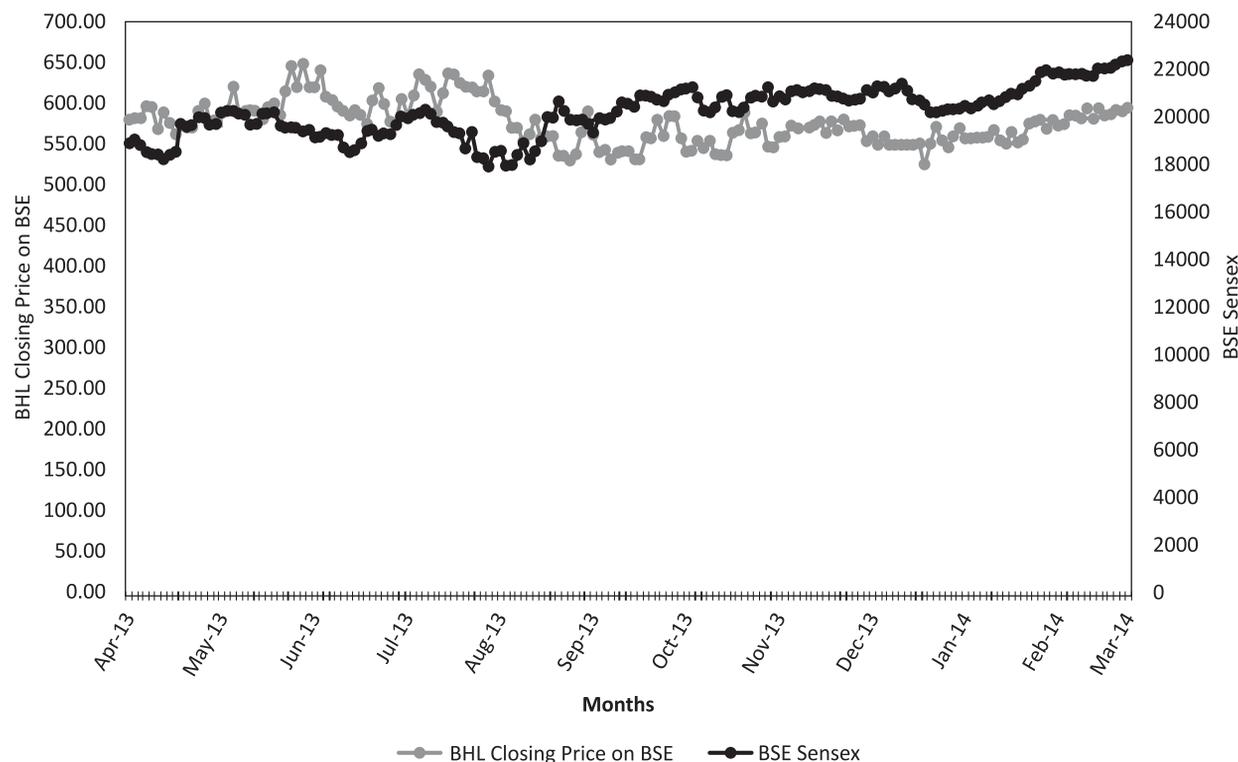
Share Price Movement



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Performance in Comparison to broad-based indices such as BSE Sensex



BHL Distribution of Shareholding as on March 31, 2014

Category of Shareholders	No. of Shares held	% to Paid up capital
Promoters	8,11,938	62.46
Directors & their Relatives	16,448	1.27
Resident Individuals & HUF	4,41,494	33.96
Non-Resident Indians	1980	0.15
Clearing Member	529	0.04
Corporate Bodies	27,611	2.12

Secretarial Audit

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

Dematerialisation of Shares & Liquidity

As of the end of March 31, 2014, shares comprising approximately 89.06% of the Company's Equity Share Capital have been dematerialised.

Registrar & Share Transfer Agents: The Indian Hotels Company Limited
Mandlik House
Mandlik Raod
Mumbai 400 001.
Phone: 022 - 66395515
Fax: 022 - 22027442

Investor Correspondence

For any queries, investors are requested to get in touch at the following addresses

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

OR

Benares Hotels Ltd.
C/o Corporate Office
Taj Palace Hotel
SP Marg
New Delhi 110 021
Phone: 011-66503549
Fax- 011-26876043

Usage of Electronic payment modes for Making Cash payments to the Investors

SEBI vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 has instructed all Companies for usage of electronic payment modes for making cash payments to the investors. Companies whose securities are listed on Stock Exchanges are directed to use, either directly or through their RTI & STA, any RBI (Reserve Bank of India) approved electronic mode of payment such as ECS (Local ECS)/RECS (Regional ECS) /NECS (National ECS), NEFT etc.

Investors are requested to kindly provide their requisite bank account particulars by quoting their reference folio number(s) in case shares are held in physical form. In case shares are held in dematerialised form, investors may kindly provide the requisite bank account details to their Depository participant, to ensure that future dividend payments are correctly credited to the respective account.

Declaration by the Chairman on behalf of the Board of Directors regarding adherence to the CODE OF CONDUCT as specified in Clause 49

In accordance with sub-clause I (D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the Financial Year ended March 31, 2014.

For Benares Hotels Limited

Anant Narain Singh
Chairman

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Auditors' Certificate

TO THE MEMBERS OF BENARES HOTELS LIMITED

We have examined the compliance of conditions of Corporate Governance by BENARES HOTELS LIMITED ("THE Company") for the year 31st March, 2014 as stipulated in clause 49 of the Listing Agreement of the Company with the stock exchanges.

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

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

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

For **N. Krishnaswamy & Company**
Chartered Accountants

N. Krishnaswamy
Partner
(Membership No. 4797)
Firm Regn. No. 001555S

Place: Mumbai
Dated: 29th April, 2014

Corporate Social Responsibility Initiatives 2013-14

Being conscious of its responsibilities towards society and environment, your company continues to make a sincere endeavor to align and integrate its efforts to address contemporary societal needs and challenges.

The Company works towards facilitating creation of sustainable livelihood by :

- Construction of about 16 toilets with bathing enclosures in Village Saraimohana, Varanasi
- Rehabilitation of three underprivileged ladies by providing employment at the Hotel
- Supporting the wooden Artisans & Craftsmen by allowing them to sell their wooden handmade items in the space provided in the lobby
- Computer literacy programme in Sarai Mohana village

Other social initiatives taken by the company are :

- Ganga Ghats cleaning on daily basis through donation to Ganga Sevanidhi Trust
- Adoption of Munshi Ghat and maintaining the same as Model Ghat for Varanasi
- Medical Camp at Sarai Mohana Village and at the Dashashwamedh Ghat for the underprivileged
- Donation of old clothes collected from associates and old carpets, linen and uniforms from hotel to charity
- Periodic eye and health check-up of 22 underprivileged at Dashashwamedh ghat and distribution of spectacles.
- Lunch served on the occasion of New Year, 1st Jan 2014, to underprivileged at Dashashwamedh ghat.

Independent Auditors' Report to the Members

Report on the Financial Statements:

1. We have audited the accompanying financial statements of Benares Hotels Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. **Management's Responsibility for the Financial Statements**
 - 2.1 Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15-2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - 2.2 This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
3. **Auditor's Responsibility**
 - 3.1 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
 - 3.2 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
 - 3.3 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

- 4.1 In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- 4.2 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 4.3 As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - e. On the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

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

Place : Mumbai
Dated : 29th April, 2014

BENARES HOTELS LIMITED

Forty Third Annual Report 2013-14

Annexure to the Auditors Report (Referred to in Paragraph 4.2 of our Report of even date)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the Management during the year and there is a regular programme of verification which in our opinion, is reasonable having regard to the size of the company and the nature of its assets
- (c) During the year, the company has not disposed off any major part of the plant and machinery.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The company has not taken or given any loan from or to any companies covered in the register under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees live lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices of the relevant time.
- (vi) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (vii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March 2014 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income Tax, Sales Tax and Service Tax which have not been deposited as on 31st March, 2014 on account of dispute are given below:

Statue	Amount (Rs. In Lacs)	Pertaining to Years	Forums where Pending
Income Tax Act, 1961	178.40	2008-09 to 2010-11	CIT- Appeals (Varanasi) and ITAT - Allahabad
Service Tax (Finance Act, 1994)	19.08	2008-09 to 2011-12	Addl. Commissioner, Central Excise Allahabad
Uttar Pradesh Trade Tax Act	36.27	2006-07 and 2007-08	1st Appellate Tribunal, UPVAT

- (viii) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.
- (ix) In our opinion and according to the information and explanations given to us, matters specified in clauses (vi), (viii), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix), and (xx) of paragraph 4 of the "CARO 2003" do not apply to the company.

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

N. KRISHNASWAMY
Partner

Membership No. 004797
Firm Registration No. 001555S

Place: Mumbai. Dated : 29th April, 2014

Balance Sheet as at 31st March, 2014

	Notes	₹ Lacs	₹ Lacs	Previous Year ₹ Lacs
EQUITY AND LIABILITIES				
1. Shareholders' Funds				
(a) Share Capital	3	130.00		130.00
(b) Reserves & Surplus	4	<u>4,180.88</u>		3,587.08
Total			4,310.88	3,717.08
2. Non Current Liabilities				
(a) Deferred Tax Liabilities (net)	5	245.64		234.31
(b) Long-term Provisions	6	<u>15.92</u>		13.32
Total			261.56	247.63
3. Current Liabilities				
(a) Trade Payables	7	310.13		433.03
(b) Other Current Liabilities	8	309.92		251.12
(c) Short-term Provisions	9	<u>308.28</u>		307.62
Total			928.33	991.77
Total Funds Employed			<u>5,500.77</u>	<u>4,956.49</u>
ASSETS				
1. Non-current Assets				
(a) Fixed Assets				
(i) Tangible Assets	10	2,554.24		2,539.66
(ii) Intangible Assets	11	16.16		2.34
(iii) Capital Work-in-Progress		<u>1,076.19</u>		566.90
			3,646.59	3,108.90
(b) Long-term Loans and Advances	12		<u>71.15</u>	55.25
Total			3,717.74	3,164.15
2. Current Assets				
(a) Inventories	13	105.03		88.39
(b) Trade Receivables	14	245.98		234.36
(c) Cash and Bank Balances	15	232.72		1,269.59
(d) Short-term Loans and Advances	16	1,159.65		85.67
(e) Other Current Assets	17	<u>39.65</u>		114.33
Net Current Assets			1,783.03	1,792.34
Total Funs Utilised			<u>5,500.77</u>	<u>4,956.49</u>
Summary of Significant Accounting Policies	2			
The Accompanying Notes form an Integral part of the Financial Statements	1-35			

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

Chartered Accountants

N. KRISHNASWAMY

Partner

(Membership No.: 004797)

Date : 29th April, 2014

Place: Mumbai

For and on behalf of the Board

DR. ANANT NARAIN SINGH Chairman

RAYMOND N. BICKSON Director

P.K. BHATIA Company Secretary

BENARES HOTELS LIMITED
Forty Third Annual Report 2013-14

Statement of Profit and Loss for the Year Ended 31st March, 2014

	Notes	₹ Lacs	Previous Year ₹ Lacs
I. INCOME (Revenue)			
1. Rooms, Restaurants, Banquets and Other Operating Income	18	4,319.35	3,919.69
2. Other Income	19	92.53	64.93
3. Total Revenue		<u>4,411.88</u>	<u>3,984.62</u>
II EXPENSES			
1. Food and Beverages Consumed	20	478.06	386.57
2. Employee Benefit Expense and Payment to Contractors	21	630.85	597.19
3. Finance Costs		—	—
4. Depreciation and Amortisation		190.28	180.51
5. Other Operating and General Expenses	22	1,736.99	1,566.52
Total Expenses		<u>3,036.18</u>	<u>2,730.79</u>
III PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		1,375.70	1,253.83
IV EXCEPTIONAL ITEMS		—	—
V PROFIT/(LOSS) BEFORE TAX		1,375.70	1,253.83
VI TAX EXPENSES			
1. Current Tax		459.89	397.51
2. Deferred Tax		11.33	(14.95)
3. Short/(Excess) provision of Tax of Earlier Years (net)		6.49	13.66
PROFIT/(LOSS) AFTER TAX		<u>897.99</u>	<u>857.61</u>
VII EARNINGS PER SHARE	34		
1. Basic and Diluted - (₹)		69.08	65.97
2. Face Value per Ordinary Share - (₹)		10.00	10.00
Summary of Significant Accounting Policies	2		
The Accompanying Notes form an Integral part of the Financial Statements	1-35		

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

Chartered Accountants

N. KRISHNASWAMY

Partner

(Membership No.: 004797)

Date : 29th April, 2014

Place: Mumbai

For and on behalf of the Board

DR. ANANT NARAIN SINGH Chairman

RAYMOND N. BICKSON Director

P.K. BHATIA Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	Notes	2013-14 ₹ Lacs	2012-13 ₹ Lacs
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit Before Tax		1,375.70	1,253.83
Adjustments for:			
Depreciation and Amortisation		190.28	180.51
Provision for Doubtful Debts		1.32	23.57
Loss on Sale of Assets		3.35	4.00
Interest (Net)		(77.96)	(53.90)
Provision for Employee Benefits		3.26	8.09
		<u>120.25</u>	<u>162.27</u>
Cash Operating Profit Before Working Capital Changes		1,495.95	1,416.10
Adjustments for:			
Trade Receivables		(12.92)	13.69
Inventories		(16.64)	13.16
Long Term Loans and Advances		(9.44)	5.61
Short Term Loans and Advances		(23.98)	(37.11)
Other Current Assets		80.55	(55.49)
Trade Payables		(122.90)	175.35
Other Current Liabilities		58.79	51.10
		<u>(46.54)</u>	<u>166.31</u>
Cash Generated from Operating Activities		1,449.41	1,582.41
Direct Tax Paid		(470.26)	(388.66)
Net Cash From Operating Activities (A)		979.15	1,193.75
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(737.65)	(316.10)
Sale of Fixed Assets		3.73	1.15
Short Term Inter Corporate Deposits Placed		(1,050.00)	—
Interest Received		72.09	49.05
Bank Balances Not Considered as Cash and Cash Equivalents		(4.14)	(2.36)
Net Cash Used in Investing Activities (B)		(1,715.97)	(268.26)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend Paid (Including tax on dividend)		(304.19)	(241.74)
Net Cash Used in Financing Activities (C)		(304.19)	(241.74)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		(1,041.01)	683.75
Cash and Cash Equivalents - Opening - 1st April, 2013		1,244.33	560.58
Cash and Cash Equivalents - Closing - 31st March, 2014		203.32	1,244.33
FOOTNOTE:			
Reconciliation of Cash and Cash equivalents with Cash and bank balances as per the Balance Sheet			
Cash and Cash equivalents as above		203.32	1,244.33
Add: Other Cash and Bank Balances not considered Cash and Cash Equivalent			
Earmarked balances for Unclaimed Dividends		29.40	25.26
Cash and bank balances classified as current in Note 15		232.72	1,269.59
The accompanying notes form an integral part of the financial statements			

1 - 35

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

Chartered Accountants

N. KRISHNASWAMY

Partner

(Membership No.: 004797)

Date : 29th April, 2014

Place: Mumbai

For and on behalf of the Board

DR. ANANT NARAIN SINGH Chairman

RAYMOND N. BICKSON Director

P.K. BHATIA

Company Secretary

BENARES HOTELS LIMITED
Forty Third Annual Report 2013-14

Notes to Financial Statements for the year ended March 31, 2014

NOTE 1: CORPORATE INFORMATION

Benares Hotels Limited (“BHL” or the “Company”), is a listed public limited company incorporated in 1971. The Company operates its hotels, viz., The Gateway Hotel Ganges and Nadesar Palace in Varanasi. The company became a subsidiary of The Indian Hotels Company Limited in May, 2011.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the presentation of the financial statements are as under:

(a) Accounting Standards:

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

(b) Fixed Assets:

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

(c) Depreciation:

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

(d) Inventories:

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

(e) Retirement Benefits:

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

(f) Foreign Currency Transactions:

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

(g) Revenue Recognition:

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

(h) Contingent liabilities:

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

(i) Taxes on Income:

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

(j) Leave Encashment:

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

Notes to Financial Statements for the year ended March 31, 2014

NOTE 3: SHARE CAPITAL

	₹ Lacs	Previous Year ₹ Lacs
1. Authorised Share Capital		
Ordinary/Equity Shares		
15,00,000 Equity Shares of ₹ 10/- each.....	<u>150.00</u>	<u>150.00</u>
2. Issued Share Capital		
13,00,000 (Previous Year - 13,00,000) Ordinary/Equity Shares of ₹ 10/- each	<u>130.00</u>	<u>130.00</u>
3. Subscribed and Paid Up		
13,00,000 (Previous Year - 13,00,000) Ordinary/Equity Shares of ₹ 10/- each fully paid [Refer Foot note (a)]	<u>130.00</u>	<u>130.00</u>

Foot Notes:

(a) Of the above 6,98,088 ordinary/equity shares are held by The Indian Hotels Company Limited (the holding company) and its subsidiaries / associates as follows:

Name of Shareholder	Relationship	As at 31st March 2014	As at 31st March 2013
		No. of Shares Held	No. of Shares Held
The Indian Hotels Co. Ltd.	Holding Company	2,93,000	2,93,000
TIFCO Holdings Limited	Subsidiary of Holding Company	3,50,825	3,50,825
Piem Hotels Limited	Subsidiary of Holding Company	54,063	54,063
Northern India Hotels Ltd.	Subsidiary of Holding Company	150	150
Oriental Hotels Limited	Associate of Holding Company	50	50

(b) List of Shareholders holding more than 5% of the share capital

Name of Shareholder	As at 31st March 2014		As at 31st March 2013	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
The Indian Hotels Co. Ltd.	2,93,000	22.54	2,93,000	22.54
TIFCO Holdings Limited	3,50,825	26.99	3,50,825	26.99

BENARES HOTELS LIMITED
Forty Third Annual Report 2013-14

Notes to Financial Statements for the year ended March 31, 2014

NOTE 4: RESERVES AND SURPLUS

	₹ Lacs	Previous Year ₹ Lacs
1. Capital Reserve		
Opening and Closing Balance	0.86	0.86
2. General Reserve		
Opening Balance	2,067.22	1,967.22
Add: Transferred from Surplus in Statement of Profit and Loss...	<u>100.00</u>	<u>100.00</u>
Closing Balance	2,167.22	2,067.22
3. Surplus in Statement of Profit and Loss		
Opening Balance	1,519.00	1,065.58
Add: Net Profit for the Current Year	897.99	857.61
Less: Proposed Dividend	260.00	260.00
Less: Tax on Dividend	44.19	44.19
Less: Transfer to General Reserve	<u>100.00</u>	<u>100.00</u>
Closing Balance	2,012.80	1,519.00
Total	<u>4,180.88</u>	<u>3,587.08</u>

NOTE 5: DEFERRED TAX LIABILITIES

	₹ Lacs	Previous Year ₹ Lacs
Deferred Tax Liability:		
Depreciation on fixed Assets	<u>291.12</u>	<u>268.00</u>
Total (A)	<u>291.12</u>	<u>268.00</u>
Deferred Tax Assets:		
Provision for Employee Benefits	7.24	5.94
Provision for Bad Debts	6.30	15.27
Others	<u>31.94</u>	<u>12.48</u>
Total (B)	<u>45.48</u>	<u>33.69</u>
Net Deferred Tax Liabilities (A-B)	<u>245.64</u>	<u>234.31</u>

NOTE 6: LONG TERM PROVISIONS

	₹ Lacs	Previous Year ₹ Lacs
Provision for Employee Benefits		
Compensated Absences	<u>15.92</u>	<u>13.32</u>
Total (A)	<u>15.92</u>	<u>13.32</u>

Notes to Financial Statements for the year ended March 31, 2014

NOTE 7: TRADE PAYABLES

	₹ Lacs	Previous Year ₹ Lacs
Trade Payables:		
Micro and Small Enterprises	—	—
Vendor payables.....	167.26	313.24
Accrued Expenses and Others	142.87	119.79
Total	310.13	433.03

NOTE 8: OTHER CURRENT LIABILITIES

	₹ Lacs	Previous Year ₹ Lacs
Payables on Current Account Dues:		
Related Parties	0.53	0.43
Others	2.96	—
Total	3.49	0.43
Trade Deposits		
Secured	—	—
Unsecured.....	35.78	35.05
Total	35.78	35.05
Income Received in Advance	1.60	—
Advances Collected from Customers.....	66.44	62.95
Creditors for Capital Expenditure	51.83	18.16
Unclaimed Dividend.....	29.40	25.26
Other Liabilities.....	121.38	109.27
Total	309.92	251.12

NOTE 9: SHORT TERM PROVISIONS

	₹ Lacs	Previous Year ₹ Lacs
Provisions for Employees Benefits		
Compensated Absences.....	4.09	3.43
Total	4.09	3.43
Provision - Others		
Proposed Dividend.....	260.00	260.00
Tax on Dividend.....	44.19	44.19
Total.....	304.19	304.19
Total	308.28	307.62

Notes to Financial Statements for year ended March 31, 2014

NOTE 10: TANGIBLE ASSETS

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Opening 01.04.2013	Additions	Deductions	Closing 31.03.2014	Opening 01.04.2013	Charge for the year	Deductions	Closing 31.03.2014	Closing 31.03.2014	Opening 01.04.2013
1. Freehold Land <i>(PY)</i>	13.05 <i>13.05</i>	— —	— —	13.05 <i>13.05</i>	— —	— —	— —	— —	13.05 <i>13.05</i>	13.05 <i>13.05</i>
2. Buildings <i>(PY)</i>	1,663.52 <i>1,637.59</i>	57.53 <i>31.24</i>	(4.89) <i>(5.31)</i>	1,716.16 <i>1,663.52</i>	227.79 <i>201.53</i>	27.61 <i>26.99</i>	(1.12) <i>(0.73)</i>	254.27 <i>227.79</i>	1,461.89 <i>1,435.73</i>	1,435.73 <i>1,436.06</i>
3. Plant & Machinery <i>(PY)</i>	1,579.33 <i>1,494.38</i>	123.56 <i>90.02</i>	(21.79) <i>(5.07)</i>	1,681.10 <i>1,579.33</i>	763.72 <i>675.50</i>	103.16 <i>92.81</i>	(19.16) <i>(4.59)</i>	847.73 <i>763.72</i>	833.37 <i>815.60</i>	815.60 <i>818.87</i>
4. Furniture & Fixtures <i>(PY)</i>	576.97 <i>558.23</i>	23.85 <i>19.22</i>	(3.94) <i>(0.48)</i>	596.87 <i>576.97</i>	337.46 <i>291.78</i>	45.84 <i>46.07</i>	(3.25) <i>(0.39)</i>	380.05 <i>337.46</i>	216.82 <i>239.50</i>	239.50 <i>266.44</i>
5. Office Equipments <i>(PY)</i>	127.76 <i>125.83</i>	5.59 <i>1.93</i>	— —	133.35 <i>127.76</i>	92.60 <i>78.68</i>	12.03 <i>13.92</i>	— —	104.63 <i>92.60</i>	28.72 <i>35.16</i>	35.16 <i>47.15</i>
6. Vehicles <i>(PY)</i>	3.18 <i>3.18</i>	— —	— —	3.18 <i>3.18</i>	2.57 <i>2.33</i>	0.23 <i>0.24</i>	— —	2.80 <i>2.57</i>	0.37 <i>0.60</i>	0.60 <i>0.84</i>
Total <i>(PY)</i>	3,963.81 <i>3,832.26</i>	210.54 <i>142.41</i>	(30.62) <i>(10.86)</i>	4,143.72 <i>3,963.81</i>	1,424.15 <i>1,249.83</i>	188.87 <i>180.03</i>	(23.53) <i>(5.71)</i>	1,589.48 <i>1,424.15</i>	2,554.24 <i>2,539.66</i>	2,539.66 <i>2,582.43</i>

NOTE 11: INTANGIBLE ASSETS

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Opening 01.04.2013	Additions	Deductions	Closing 31.03.2014	Opening 01.04.2013	Charge for the year	Deductions	Closing 31.03.2014	Closing 31.03.2014	Opening 01.04.2013
Service and Operating Rights <i>(PY)</i>	3.39 <i>2.68</i>	15.23 <i>0.71</i>	— —	18.62 <i>3.39</i>	1.05 <i>0.57</i>	1.41 <i>0.48</i>	— —	2.46 <i>1.05</i>	16.16 <i>2.34</i>	2.34 <i>2.11</i>

Notes to Financial Statements for the year ended March 31, 2014

NOTE 12: LONG-TERM LOANS AND ADVANCES

	₹ Lacs	Previous Year ₹ Lacs
Unsecured, Considered Good Unless Stated Otherwise		
Capital Advances	6.90	4.31
Deposits with Public Bodies and Others	41.47	32.04
Other Loans and Advances		
Advance Income Tax paid (net)	22.78	18.90
Total	<u>71.15</u>	<u>55.25</u>

NOTE 13: INVENTORIES (At lower of cost and net realisable value)

	₹ Lacs	Previous Year ₹ Lacs
(a) Food and Beverages	45.75	39.14
(b) Stores and Operating Supplies	59.28	49.25
Total	<u>105.03</u>	<u>88.39</u>

NOTE 14: TRADE RECEIVABLES (Unsecured)

	₹ Lacs	Previous Year ₹ Lacs
Outstanding Over Six Months:		
(a) Considered Good	22.74	19.20
(b) Considered Doubtful.....	18.53	47.05
Total	<u>41.27</u>	<u>66.25</u>
Others:		
(a) Considered Good	223.24	215.16
(b) Considered Doubtful	—	—
Total	<u>223.24</u>	<u>215.16</u>
	264.51	281.41
Less: provision for Doubtful Debts	18.53	47.05
Total	<u>245.98</u>	<u>234.36</u>

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Notes to Financial Statements for the year ended March 31, 2014

NOTE 15: CASH AND BANK BALANCES

	₹ Lacs	Previous Year ₹ Lacs
Cash and Cash Equivalents		
(a) Cash on Hand	9.79	8.22
(b) Balances with Bank in Current Account	191.95	136.39
(c) Balances with bank in Call and Short-Term Deposit Accounts.....	1.58	1,099.72
Total.....	203.32	1,244.33
Other Balances with Banks:		
(a) Earmarked Balances	29.40	25.26
Total Cash and Bank Balances	232.72	1,269.59

NOTE 16: SHORT-TERM LOANS AND ADVANCES

	₹ Lacs	Previous Year ₹ Lacs
Sundry Deposits		
(a) Related parties	550.00	—
(b) Public Bodies and Others	502.52	2.46
Total.....	1,052.52	2.46
Other advances		
(a) Considered good	107.13	83.21
(b) Considered doubtful	—	—
Total.....	107.13	83.21
Total Loans and Advances	1,159.65	85.67

NOTE 17: OTHER CURRENT ASSETS

	₹ Lacs	Previous Year ₹ Lacs
Interest Receivable		
(a) Related Parties	6.78	—
(b) Others	6.65	7.56
Total	13.43	7.56
On Current Account dues:		
(a) Related Parties	22.54	104.48
(b) Others	3.68	2.29
Total	26.22	106.77
Total Other Current Assets	39.65	114.33

Notes to Financial Statements for the year ended March 31, 2014

NOTE 18: ROOMS, RESTAURANTS, BANQUETS AND OTHER OPERATING INCOME

	₹ Lacs	Previous Year ₹ Lacs
(a) Income from Operations	4,319.35	3,919.69
(b) Other Operating Income	—	—
Total	<u>4,319.35</u>	<u>3,919.69</u>
Income from Operations is Derived from the Following:		
1. Room Income	2,126.10	2,082.07
2. Food, Restaurants and Banquet	2,028.55	1,669.70
3. Shop Rentals	47.55	43.24
4. Membership Fees	2.66	4.76
5. Others	114.49	119.92
Total	<u>4,319.35</u>	<u>3,919.69</u>

NOTE 19: OTHER INCOME

	₹ Lacs	Previous Year ₹ Lacs
Interest Income		
1. Short-term Inter-corporate Deposits	21.56	—
2. Deposits with Banks	29.30	53.90
3. Deposits with Related Parties	27.00	—
4. Others	0.10	0.06
Total	<u>77.96</u>	<u>53.96</u>
5. Exchange Gain (Net)	—	0.36
6. Others	14.57	10.61
Total	<u>92.53</u>	<u>64.93</u>

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Notes to Financial Statements for the year ended March 31, 2014

NOTE 20: FOOD AND BEVERAGES CONSUMED

	₹ Lacs	Previous Year ₹ Lacs
Opening Stock	39.14	47.99
Add: Purchases	484.67	377.72
Total	523.81	425.71
Less: Closing Stock	45.75	39.14
Food and Beverage Consumed	478.06	386.57

	March 31, 2014		March 31, 2013	
	₹ Lacs	%	₹ Lacs	%
Imported	—	—	—	—
Indigenous	478.06	100.00	386.57	100.00
Total	478.06	100.00	386.57	100.00

NOTE 21: EMPLOYEE BENEFIT EXPENSE AND PAYMENT TO CONTRACTORS

	₹ Lacs	Previous Year ₹ Lacs
Salaries, Wages, Bonus, etc.	379.41	364.48
Company's Contribution to provident and Other Funds	32.41	26.45
Reimbursement of Expenses on Personnel Deputed to the Company	85.65	85.36
Payment to Contractors	45.54	42.00
Staff Welfare Expenses	87.84	78.90
Total	630.85	597.19

Notes to Financial Statements for the year ended March 31, 2014

NOTE 22: OTHER OPERATING AND GENERAL EXPENSES

	₹ Lacs	Previous Year ₹ Lacs
I Operating Expenses Consist of the Following:		
1. Linen and Room Supplies	89.43	51.36
2. Catering Supplies.....	39.76	38.19
3. Other Supplies.....	5.78	7.42
4. Fuel, Power and Light.....	352.12	300.25
5. Repairs to Buildings	38.15	32.82
6. Repairs to Machinery.....	57.55	56.46
7. Repairs to Others	11.45	12.96
8. Garden Expenses	37.86	37.13
9. Linen and Uniform Washing and Laundry Expenses.....	57.60	55.12
10. Operating Fees	319.87	296.00
11. Payment to Orchestra Staff, Artistes and Others	2.34	3.66
12. Guest Transportation	1.69	2.84
13. Travel Agents' Commission	20.15	25.39
14. Discount to Collecting Agents	30.18	30.37
15. Other Operating Expenses	117.40	87.19
Total	1,181.33	1,037.16

Linen, Room, Catering and Other Supplies Consumed

	March 31, 2014		March 31, 2013	
	₹ Lacs	%	₹ Lacs	%
Imported	—	—	—	—
Indigenous	134.97	100.00	96.97	100.00
Total	134.97	100.00	96.97	100.00

II General Expenses Consist of the Following

1. Rent	22.60	15.83
2. Licence Fees	24.72	21.46
3. Rates and Taxes	67.95	46.64
4. Insurance	10.30	10.82
5. Advertising and Publicity	136.96	118.94
6. Printing and Stationery	18.18	17.32
7. Security Expenses	26.18	31.78
8. Corporate Services	43.91	40.44
9. CRS/ CIS Expenses	43.91	40.44
10. Passage and Travelling	19.83	31.24
11. Telephone Expenses	10.07	9.51
12. Provision for Doubtful Debts	1.32	23.57
13. Professional Fees.....	15.07	19.95
14. Outsourced Support Services	12.46	7.01
15. Exchange Loss (Net)	0.75	—
16. Loss on Sale of Fixed Assets (Net)	3.35	4.00
17. Payment made to Statutory Auditors	4.04	2.53
18. Directors' Fees and Commission	43.50	40.57
19. Other Expenses	50.57	47.31
Total	555.66	529.36
TOTAL	1,736.99	1,566.52

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Notes to Financial Statements for the year ended March 31, 2014

NOTE 23: OTHER OPERATING AND GENERAL EXPENSES

	₹ Lacs	Previous Year ₹ Lacs
(i) Expenditure Recovered from Other Parties:		
Fuel, Power and Light	20.92	14.67
Total	20.92	14.67
(ii) Payment Made to Statutory Auditors:		
As Auditors	1.97	1.97
As Tax Auditors	1.13	0.56
For Management Services	0.94	—
Total	4.04	2.53
(iii) Provision for Doubtful Debts:		
Opening Balance	47.05	47.79
Add: Provision During the Year	2.72	23.57
Total.....	49.77	71.36
Less: Bad Debts Written Off.....	29.84	24.31
Less: Provision no Longer Required, Written Back	1.40	—
Closing Balance	18.53	47.05

NOTE 24: CONTINGENT LIABILITIES (to the extent not provided for)

- (a) On account of Income Tax Matters in Dispute:**
- i. In respect of matters which have been decided in the Company's favour by the Appellate Authorities, where the Income Tax Department has preferred an appeal- ₹ 118.35 Lacs (previous year - ₹ 118.35 Lacs).
 - ii. In respect of other matters for which Company's appeals are pending - ₹ 60.05 Lacs (previous year - ₹ 45.01 Lacs)
- (b) On account of other disputes in respect of:**
- i. Service Tax - ₹ 19.08 Lacs (previous year - Nil)
 - ii. Sales tax - ₹ 36.27 Lacs (previous year - ₹ 36.27 Lacs)
 - iii. Others - ₹ 3.45 lacs (previous year - ₹ 3.45 Lacs)

NOTE 25: CAPITAL COMMITMENTS:

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 672.64 Lacs (Previous year - ₹ 384.59 Lacs).

Notes to Financial Statements for the year ended March 31, 2014

NOTE 26: CAPITAL WORK IN PROGRESS

The total Capital Work in Progress consists of the following:

		Previous Year
	₹ Lacs	₹ Lacs
Capital Work in Progress for Hotel at Gondia, Maharashtra	935.10	526.11
Capital Work in Progress at Varanasi Hotel	141.09	40.79

NOTE 27: VALUE OF IMPORTS

		Previous Year
	₹ Lacs	₹ Lacs
Stores, Supplies and Spare Parts for Machinery.....	11.68	—
Value of Capital Items Imports	24.67	18.32

NOTE 28: EXPENDITURE IN FOREIGN CURRENCY

		Previous Year
	₹ Lacs	₹ Lacs
Professional and Consultancy Fees	0.99	—
Expenditure in Foreign Currency.....	14.31	9.39

NOTE 29: EARNINGS IN FOREIGN EXCHANGE

		Previous Year
	₹ Lacs	₹ Lacs
Earnings in Foreign Exchange.....	1,636.50	1,616.19
(As certified by the Management and verified by the Auditors)		

NOTE 30: EXCHANGE DIFFERENCE

Exchange difference included in Other Income for the year under review is

		Previous Year
	₹ Lacs	₹ Lacs
(a) Exchange Gain	—	0.36
(b) Exchange Loss.....	0.74	—

NOTE 31:

The Company's business consists of its hotel operations only and hence no separate information for segment-wise disclosures under Accounting Standard on "Segment Reporting" (AS-17), issued by the Institute of Chartered Accountants of India, is given.

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Notes to Financial Statements for the year ended March 31, 2014

NOTE 32: RELATED PARTY DISCLOSURES

(a) As per Accounting Standard - 18, "Related Parties Disclosure" notified by the Companies (Accounting Standards) Rules 2006, the following is the list of Related Parties:

i Holding Company

Name of the Company	Country of Incorporation
The Indian Hotels Company Limited	India

ii Fellow Subsidiary Companies of the Holding Company

Domestic

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

International

Samsara Properties Ltd.	British Virgin Islands
Apex Hotel Management Services (Pte) Ltd.	Singapore
Chieftain Corporation NV.....	Netherlands Antilles
IHOCO BV.....	Netherlands
St. James Court Hotel Ltd.	United Kingdom
Taj International Hotels Ltd.	United Kingdom
IHMS (Australia) Pty. Ltd.	Australia
Taj International Hotels (H.K.) Ltd.....	Hong Kong
PIEM International (H.K.) Ltd.	Hong Kong
BAHC 5 Pte. Ltd.	Singapore
Premium Aircraft Leasing	Ireland

(b) Details of Related Party Transactions During the year Ended March 31, 2014

Particulars	Holding Company	Fellow Subsidiaries Companies	Other
	₹ Lacs	₹ Lacs	₹ Lacs
Interest Received/Accrued	17.09	9.90	—
(PY)	—	—	—
Operating/Management Fees Paid	312.22	—	—
(PY)	(286.67)	—	—
Fee Paid for Other Services	192.76	—	—
(PY)	(174.66)	—	—
Deputed Staff Salaries Paid	95.42	4.25	—
(PY)	(111.29)	(10.15)	—
Transportation & Conveyance Expenses	—	10.02	—
(PY)	—	(15.70)	—

Notes to Financial Statements for the year ended March 31, 2014

NOTE 32: RELATED PARTY DISCLOSURES (Contd.)

Particulars	Holding Company ₹ Lacs	Fellow Subsidiaries Companies ₹ Lacs	Other ₹ Lacs
License Fee Paid (Nadesar Palace) (PY)	— —	— —	24.02 (21.13)
Dividend Paid (PY)	58.60 (46.88)	81.01 (64.81)	— —
Other Income Earned (PY)	— —	3.40 (3.52)	— —
ICD Placed During the Year (PY)	700.00 —	550.00 —	— —
ICD Encashed During the year (PY)	700.00 —	— —	— —
Balances Outstanding at the End of the Year			
Current Account Receivables (PY)	19.53 (109.00)	2.94 (7.89)	— —
Trade Payables (PY)	27.66 (214.25)	4.56 (11.88)	— —
ICD Receivable (PY)	— —	550.00 —	— —
Deputed Staff Receivable (PY)	7.33 (4.14)	0.89 (0.38)	— —
Interest Receivable (PY)	— —	6.79 —	— —

Footnotes:

Figure in italics are of the previous year

NOTE 33: PROVISION FOR DOUBTFUL DEBTS AND BAD DEBTS WRITTEN OFF

- (a) During the year, an amount of ₹ 29.84 lacs (previous year ₹ 24.31 lacs) has been written off as bad debts. Since the amount has been written off against the already existing amounts provided for doubtful debts in past years against very old dues, it has not impacted the profitability of the year.
- (b) There is no provision for doubtful debts or amounts written off or written back during the year for debts due from or to related parties.

NOTE 34: EARNINGS PER SHARE (EPS)

Earnings Per Share is calculated in accordance with Accounting Standard 20 - 'Earnings Per Share' - (AS-20), notified by the Companies (Accounting Standards) Rules, 2006 as amended.

Particulars		Previous Year
Profit After Tax - (₹ Lacs)	897.99	857.61
Number of Ordinary/Equity Shares	13,00,000	13,00,000
Weighted Average Number of Ordinary/Equity Shares	13,00,000	13,00,000
Earnings Per Share - (₹) Basic and Diluted	69.08	65.97

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Notes to Financial Statements for the year ended March 31, 2014

NOTE 35: SHAREHOLDING PATTERN

Particulars	₹ Lacs	Previous Year ₹ Lacs
Public Shareholding		
Number of Shares	488062	488062
Percentage of Shares	37.54%	37.54%
Promoters and Promoter Group		
Shareholding		
(a) Pledged/Encumbered		
Number of Shares	Nil	Nil
Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil
Percentage of Shares (as a % of the total share capital of the Company)	Nil	Nil
(b) Non-encumbered		
Number of Shares	811938	811938
Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100%	100%
Percentage of Shares (as a % of the total share capital of the Company)	62.46%	62.46%

FINANCIAL STATISTICS

(Rs./Lacs)

YEAR	CAPITAL ACCOUNTS								REVENUE ACCOUNTS											
	Capital	Reserves & Surplus	Borrowing	Deferred Taxes	Fixed Assets		Investments	Misc Ex-penses	Gross Revenue	Expenditure (Including Interest)	Depreciation	Profit before Extraord. Items & Taxes	Taxes	Adjustments	Profit After Taxes	Adjustments	Net Transfer to Reserves	Dividend	Tax on Dividend	Rate of Dividend %
					Gross Block	Net Block														
1989-90	130.00	28.54	223.51	223.51	354.89	233.57	—	—	293.01	222.09	18.93	51.99	3.10	—	48.89	—	38.49	10.40	10.40	8%
1990-91	130.00	44.85	218.63	218.63	502.44	363.19	—	—	285.11	237.94	20.47	26.70	—	—	26.70	—	16.30	10.40	26.00	8%
1991-92	130.00	125.83	181.95	181.95	528.47	360.75	—	—	421.79	286.34	28.46	106.99	—	—	106.99	—	80.99	26.00	26.00	20%
1992-93	130.00	181.24	145.70	145.70	572.99	375.23	—	—	421.09	309.84	30.52	80.73	(0.67)	—	81.40	—	55.40	26.00	26.00	20%
1993-94	130.00	231.84	101.98	101.98	617.92	389.34	—	—	462.66	343.17	32.89	86.60	10.00	—	76.60	—	50.60	26.00	39.00	20%
1994-95	130.00	284.46	79.46	79.46	639.16	377.10	—	—	516.45	382.22	34.11	100.12	8.50	—	91.62	—	52.62	39.00	58.50	30%
1995-96	130.00	427.78	48.94	48.94	689.27	390.25	—	—	755.19	498.42	36.95	219.82	18.00	—	201.82	—	143.34	58.50	78.00	45%
1996-97	130.00	616.01	9.88	9.88	740.91	487.35	—	—	904.31	595.56	33.73	275.02	35.50	—	239.52	34.51	188.23	78.00	7.80	60%
1997-98	130.00	781.67	9.74	9.74	785.85	498.88	—	—	985.31	668.39	35.96	280.96	29.50	—	251.46	—	165.66	78.00	7.80	60%
1998-99	130.00	981.38	9.74	9.74	985.85	661.34	—	—	1,083.29	716.74	46.65	319.89	33.60	—	286.29	—	199.71	78.00	8.58	60%
1999-00	130.00	1,161.94	9.74	9.74	1,032.95	661.53	—	—	1,105.09	736.19	48.19	320.70	37.71	+5.79	288.78	—	180.56	97.50	10.73	75%
2000-01	130.00	1,313.88	12.97	12.97	1,123.18	706.71	—	58.54	1,252.47	865.18	47.09	340.20	54.00	(5.32)	280.88	—	151.94	117.00	11.93	90%
2001-02	130.00	1,106.06	12.97	141.16	1,282.28	812.41	—	—	936.29	776.22	55.17	104.90	32.50	—	72.40	—	(25.10)	97.50	—	75%
2002-03	130.00	1,124.68	12.97	145.08	1,411.13	876.48	—	—	1,104.34	857.04	64.77	182.54	53.92	—	128.62	—	18.62	97.50	12.49	75%
2003-04	130.00	1,188.07	12.97	152.81	1,530.16	929.83	—	—	1,298.42	957.70	67.29	273.44	92.73	—	180.71	—	63.39	104.00	13.33	80%
2004-05	130.00	1,334.76	14.26	145.75	1,518.08	919.67	100.45	—	1,532.17	1,046.88	72.16	413.13	140.44	—	272.69	—	146.69	110.50	15.50	85%
2005-06	130.00	1,497.84	14.26	146.71	1,759.20	1,112.36	105.19	—	1,574.94	1,071.05	67.56	436.33	147.25	—	289.08	—	163.08	110.50	15.50	85%
2006-07	130.00	1,732.48	22.97	153.78	2,141.70	1,468.78	111.50	—	1,943.33	1,269.77	86.66	586.90	200.17	—	386.73	—	234.64	130.00	22.09	100%
2007-08	130.00	1,990.41	22.97	164.09	2,323.36	1,548.51	—	—	2,168.87	1,397.41	101.93	669.52	229.08	—	440.45	—	257.93	156.00	26.51	120%
2008-09	130.00	2,182.89	25.27	175.62	3,331.83	2,469.11	—	—	2,018.78	1,417.40	109.56	491.81	170.05	—	321.76	—	192.48	110.50	18.77	85%
2009-10	130.00	2,362.78	30.58	205.33	3,534.63	2,522.04	—	—	2,347.19	1,635.69	153.20	558.30	181.34	—	376.96	—	179.89	169.00	28.07	130%
2010-11	130.00	2,656.11	30.58	231.32	3,769.96	2,674.02	—	—	2,773.17	1,879.79	160.04	733.35	242.89	—	490.46	—	293.39	169.00	28.07	130%
2011-12	130.00	3,033.66	—	249.27	4,228.85	2,978.46	—	—	3,519.50	2,387.20	170.72	961.58	342.35	—	619.23	—	377.49	208.00	33.74	160%
2012-13	130.00	3,587.08	—	234.31	4,401.84	3,108.90	—	—	3,984.62	2,550.28	180.51	1,253.83	396.22	—	857.61	—	553.42	260.00	44.13	200%
2013-14	130.00	4,180.88	—	245.64	5,238.53	3,646.59	—	—	4,411.88	2,845.90	190.28	1,375.70	477.71	—	897.99	—	593.80	260.00	44.19	200%



Nadesar Palace, Varanasi

