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**BENARES HOTELS LIMITED**  
Twenty Eighth Annual Report 1998-99



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## Board of Directors

VIBHUTI NARAIN SINGH  
(Chairman)

S. RAMAKRISHNAN

SHRIRAMAN

RUKMANI DEVI

A. R. GANDHI

B. L. PASSI

D. S. CHAVDA

M. F. PANCH

RAJIV GUJRAL

S. P. WARTY

ANANT NARAIN SINGH  
(Alternate to Mr. S. Ramakrishnan)

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## Company Secretary

P. K. Bhatia

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## Auditors

N. Krishnaswamy and Company,  
Chartered Accountants,  
D-37/33, Godowlia, Varanasi 221 001.

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## Registered Office

Nadesar Palace Compound,  
Varanasi 221 002.  
Phone: 0542-345100

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## Share Department

Corporate Office, Taj Palace Hotel,  
Sardar Patel Marg, New Delhi 110 021  
Phone: 011-6110749 Extn 3549

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**BENARES HOTELS LIMITED**

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## Notice to the Members

Notice is hereby given that the Twenty Eighth 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 - 221 002, on Thursday, the 9th September, 1999, 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, 1999 and the Balance Sheet as at that date.
2. To declare a dividend.
3. To appoint a Director in place of Mrs. Rukmani Devi who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Shriraman, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Dr. D. S. Chavda who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS

7. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT Mr. A. R. Gandhi who was appointed as an Additional Director of the Company by the Board of Directors and who holds Office upto the date of the Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing under Section 257 of the Act proposing his candidature to the Office of Director, be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT Mr. B. L. Passi who was appointed as an Additional Director of the Company by the Board of Directors and who holds Office upto the date of the Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing under Section 257 of the Act proposing his candidature to the Office of Director, be and is hereby appointed as a Director of the Company."

### NOTES

- (a) The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under Item 7 & 8 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. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED TO THE COMPANY, DULY COMPLETED, NOT LESS THAN 48 HOURS BEFORE THE ANNUAL GENERAL MEETING.
- (c) The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 17th August, 1999 to Thursday, 9th September, 1999 (both days inclusive).
- (d) The dividend as recommended by the Directors for the year ended 31st March, 1999, if passed at the Meeting, will be made payable on or after Wednesday, the 15th September, 1999 to those members whose names appear on the Register of Members of the Company on Tuesday, 17th August, 1999.

## Notice to the Members (Contd.)

- (e) Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends upto the financial year ended 31st March, 1995 have been transferred to General Revenue Account of the Central Government. Members who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Kanpur, Uttar Pradesh.
- (f) 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.
- (g) Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.

By order of the Board of Directors  
of **BENARES HOTELS LIMITED**

**P. K. BHATIA**  
Company Secretary

Varanasi, 28th May, 1999

**Regd. Office:**  
Nadesar Palace Compound,  
Varanasi - 221 002.

## Explanatory Statement

### Pursuant to Section 173 of the Companies Act, 1956

The following Explanatory Statement sets out all the material facts relating to business under Item Nos. 7 and 8 mentioned in the accompanying Notice dated 28th May, 1999.

#### Item No. 7 and 8

Mr. A. R. Gandhi and Mr. B. L. Passi were appointed as Additional Directors on the Board of the Company on 28th May, 1999. Pursuant to Section 260 of the Companies Act, 1956 and Article 122 of the Articles of Association of the Company, Mr. Gandhi and Mr. Passi hold office as Director upto the date of this Annual General Meeting. The Company has received notice pursuant to Section 257 of the Companies Act, 1956 from a member proposing their candidature for appointment as Director at the forthcoming Annual General Meeting of the Company. The Board commends to the Shareholders the appointment of Mr. Gandhi and Mr. Passi as Directors on the Board of the Company. Except Mr. Gandhi and Mr. Passi no other Director is concerned or interested in the resolution.

By order of the Board of Directors  
of **BENARES HOTELS LIMITED**

**P. K. BHATIA**  
Company Secretary

Varanasi, 28th May, 1999



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## Directors' Report to the Members

The Directors hereby present the Twenty Eighth Annual Report of the Company together with the Audited Statements of Account for the year ended 31st March, 1999.

### OPERATING AND FINANCIAL RESULTS

	1998-99 Rs./Lacs	1997-98 Rs./Lacs
Income .....	1048.36	985.31
Operating Expenses .....	681.82	668.11
Gross Operating Profit.....	366.54	317.20
Less: Interest .....	-	0.28
Less: Depreciation .....	46.65	35.96
Profit before Tax .....	319.89	280.96
Less: Provision for Tax on Profits.....	33.60	29.50
Profit After Tax.....	286.29	251.46
Add: Balance of Profit brought forward from previous year	40.80	53.64
Balance available for appropriations.....	327.09	305.10

The Directors recommend:

(a) (i) A dividend @ 60% i.e. Rs. 6.00 per share (Previous Year 60% i.e. Rs. 6.00 per share) on 13,00,000 equity shares which, if approved by the shareholders at the Annual General Meeting to be held on 9th September, 1999, will be paid out of the provision for dividend.....	78.00	78.00
(ii) Provision for tax on distributed Profits .....	8.58	7.80
(b) Amount transferred to:		
(i) Foreign Exchange Earnings Reserve .....	130.00	98.50
(ii) General Reserve .....	80.00	80.00
(c) Balance carried forward .....	30.51	40.80

You will be pleased to note that your Company has improved its performance over the previous year in spite of the recession in the economy which adversely affected the flow of tourists in the country.

## Directors' Report (Contd.)

### DIVIDEND

Your Directors recommend the payment of dividend @ 60% per equity share involving a distribution of Rs. 78.00 lacs.

### YEAR 2000 COMPLIANCE (Y2K)

The Company has reviewed the impact of the Y2K factor so far as it relates to its business and has formulated an action plan. A task force has been set up for this purpose and a comprehensive inventory of hardware and software has been undertaken. The Company is also interacting with its suppliers in respect of the products supplied by them to ensure that they are Y2K compliant. All efforts are being made to make sure that all its operations and information systems are Y2K compliant by October, 1999.

### 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 Rs. 6,00,000/- for the year, if employed throughout the year; or
- (b) Not less than Rs. 50,000/- per month, if employed for part of the year.

### DIRECTORS

In accordance with the Companies Act, 1956 and the Articles of Association of the Company, Mrs. Rukmani Devi, Mr. Shriraman and Dr. D.S. Chavda, Directors of the Company are liable to retire by rotation and are eligible for re-appointment.

Mr. A. R. Gandhi and Mr. B. L. Passi were appointed as Additional Directors of the Company with effect from 28th May, 1999 and hold office upto the date of the ensuing Annual

General Meeting of the Company. It is proposed to appoint them as Directors of the Company at the ensuing Annual General Meeting. The Board of Directors commends their appointment. Mr. Anant Narain Singh was appointed as Alternate Director to Mr. S. Ramakrishnan on 28th May, 1999.

### 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

As required under 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 and outgo is in Notes No. 6 and 7 to the Balance Sheet and Profit and Loss Account.

### ACKNOWLEDGEMENTS

The Directors record their grateful appreciation of the co-operation and efforts of all the members of the staff which made possible the results achieved by the Company.

On behalf of the Board of Directors

**VIBHUTI NARAIN SINGH**  
Chairman

Varanasi, 28 May, 1999