

BENARES HOTELS LIMITED

29th Annual Report 1999-2000



BENARES HOTELS LIMITED
Twenty Ninth Annual Report 1999-2000

Corporate Information

Board of Directors

VIBHUTI NARAIN SINGH
(Chairman)

S. RAMAKRISHNAN

ZUBIN DUBASH (Appointed 28th June 2000)

SHRIRAMAN

RUKMANI DEVI

A. R. GANDHI

B. L. PASSI

D. S. CHAVDA

RAJIV GUJRAL

S. P. WARTY

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

Company Secretary

P. K. Bhatia

Auditors

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

Registered Office

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

Share Department

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

Shares Listed at

THE STOCK EXCHANGE, MUMBAI
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

THE DELHI STOCK EXCHANGE
ASSOCIATION LTD.
3/1, Stock Exchange Building
Asaf Ali Road
New Delhi – 110 002

THE UTTAR PRADESH STOCK
EXCHANGE ASSOCIATION LTD.
Padam Towers
14/113, Civil Lines
Kanpur – 208 001

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HIGHLIGHTS	1999-2000 Rs. (Lacs)	1998-99 Rs. (Lacs)
Gross revenue	1105.09	1083.29
Profit before tax	320.71	319.89
Profit after tax	288.78	286.29
Dividend	97.50	78.00
Retained earnings	228.75	246.37
Funds employed	1301.68	1121.12
Net worth	1291.94	1111.38
Debt : Equity ratio	0.00:1	0.00:1
Net worth per Equity Share (Rs. 10/-each)	Rs. 99.38	Rs. 85.49
Earnings (EAT) per Equity Share (Rs. 10/- each)	Rs. 22.21	Rs. 22.02
Dividend per Equity Share (Rs. 10/- each)	Rs. 7.50 (75%)	Rs. 6.00 (60%)

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Notice to the Members

Notice is hereby given that the Twenty Ninth 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 Friday, the 8th September, 2000, 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, 2000 and the Balance Sheet as at that date.
 2. To appoint a Director in place of Dr. Vibhuti Narain Singh who retires by rotation and is eligible for re-appointment.
 3. To appoint a Director in place of Mr. S. Ramakrishnan who retires by rotation and is eligible for re-appointment.
 4. To appoint a Director in place of Mr. Rajiv Gujral who retires by rotation and is eligible for re-appointment.
 5. To appoint Auditors and fix their remuneration.
- (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 Friday, 1st September, 2000 to Friday, 8th September, 2000 (both days inclusive).
 - (d) 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.
 - (e) Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-
"RESOLVED THAT Mr. Zubin Dubash be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

P. K. BHATIA
Company Secretary

NOTES

- (a) The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under Item 6 is annexed hereto.

Varanasi, 28th June, 2000

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 material facts relating to the business under Item No. 6 mentioned in the accompanying Notice dated 28th June, 2000.

Item No. 6

Mr. Zubin Dubash was appointed as a Director of the Company by the Board of Directors on 28th June, 2000 to fill in the casual vacancy caused by the resignation of Mr. M. F. Pancha. In terms of Section 262 of the Companies Act, 1956 and Article 122 of the Articles of Association of the Company, Mr. Zubin Dubash holds office upto the date of this Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Dubash's candidature to the office of the Director at the forthcoming Annual General Meeting. Mr. Dubash is a qualified Chartered Accountant from the institute of Chartered Accountants at London and is an M.B.A. from the University of Pennsylvania, USA. The Board commends to the shareholders the appointment of Mr. Dubash as Director on the Board of the Company. Except Mr. Dubash 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 June, 2000

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Directors' Report to the Members

The Directors have pleasure in presenting the Twenty Ninth Annual Report of the Company together with the Audited Profit and Loss Account for the year ended 31st March, 2000 and the Balance Sheet as on that date.

OPERATING AND FINANCIAL RESULTS

	1999-2000	1998-99
	Rs./Lacs	Rs./Lacs
Income	1105.09	1083.29
Operating Expenses	736.19	716.74
Gross Operating Profit	368.90	366.55
Less: Interest	-	-
Less: Depreciation	48.19	46.65
Profit before Tax	320.71	319.90
Add: Prior Period adjustment	5.78	-
Less: Provision for Tax on Profits	37.71	33.60
Profit After Tax	288.78	286.30
Add: Balance of Profit brought forward from previous year	30.52	40.80
Balance available for appropriations	319.30	327.10

APPROPRIATIONS:

(a) Interim dividend of 75% i.e. Rs. 7.50 per equity share on 13,00,000 Equity Shares was declared and paid for the year ended 31st March, 2000 (previous year - Final Dividend @ 60%)	97.50	78.00
(b) Tax on Dividend	10.72	8.58
(c) Amount transferred to:		
(i) Foreign Exchange Earnings Reserve	95.00	130.00
(ii) General Reserve	80.00	80.00
(d) Balance carried forward	36.08	30.52

Though during the year under review, there were events which resulted in softening of demand, not only for the Hospitality Industry but also for the economy as a whole, your Company has maintained its trend of registering an increase in the total income. This consistency in improving its performance, specially in the Food and Beverage Income, should be considered satisfactory.

Directors' Report (Contd.)

DIVIDEND

Your Directors had declared an interim dividend of 75% (previous year Rs. Nil) for the year 1999-2000 involving a distribution of Rs. 97,50,000/-, which was paid to the shareholders on 8th May, 2000. In addition, the Dividend Tax of Rs. 10,72,500/- was paid by the Company. Final dividend has not been proposed by the Directors (Previous Year 60%).

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

Mr. M. F. Pancha resigned from the Directorship of the Company with effect from 15th April 2000. The Directors record their appreciation of the valuable services rendered by him during his tenure as Director. The vacancy caused by the resignation of Mr. Pancha was filled by the Board of Directors by appointing Mr. Zubin Dubash as a Director on 28th June, 2000. Mr. Dubash holds the office of Director till the conclusion of the ensuing Annual General Meeting and being eligible seeks re-appointment.

In accordance with the Companies Act, 1956 and the Articles of Association of the Company, Dr. Vibhuti Narain Singh, Mr. S. Ramakrishnan and Mr. Rajiv Gujral, Directors of the Company, are liable to retire by rotation and are eligible for reappointment.

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. 4 and 5 to the Accounts.

ACKNOWLEDGEMENT

The Directors record their appreciation of the services rendered by employees of the Company during the year under review.

On behalf of the Board of Directors

VIBHUTI NARAIN SINGH
Chairman

Varanasi, 28th June, 2000