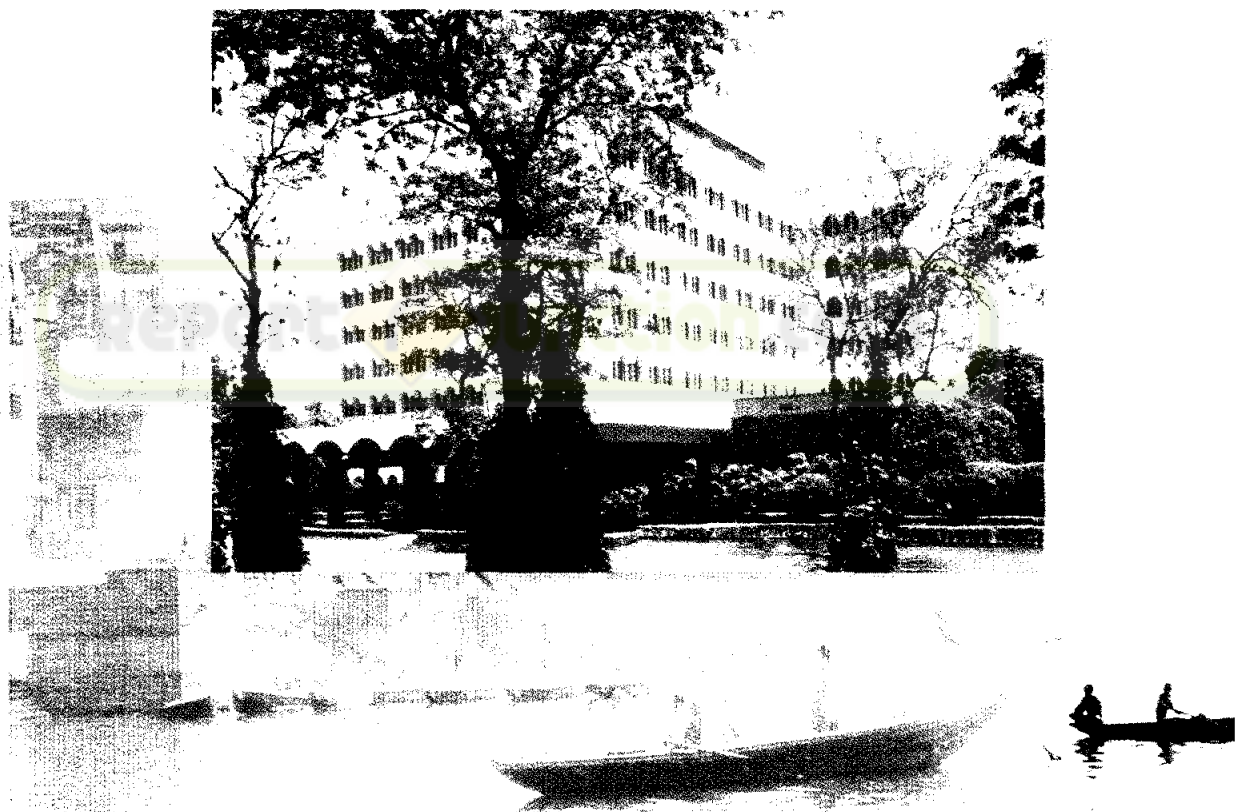


BENARES HOTELS LIMITED

Thirtieth Annual Report 2000-01



**Hotels Resorts
and Palaces**

BENARES HOTELS LIMITED
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Corporate Information

Board of Directors

ANANT NARAIN SINGH
(Chairman)

ZUBIN DUBASH

SHRIRAMAN

RUKMANI DEVI

A. R. GANDHI

B. L. PASSI

B. D. NARIMAN

JAMSHED DABOO

Company Secretary

P. K. Bhatia

Auditors

N. Krishnaswamy and Company,
Chartered Accountants,
D-37/33, Godawlia, 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	2000-2001 (Rs. Lacs)	1999-2000 (Rs. Lacs)
Gross Revenue	1,252.47	1,105.09
Profit Before Tax	334.88	326.49
Profit After Tax	280.88	288.78
Dividend	117.00	97.50
Retained Earnings	199.03	228.75
Funds Employed	1,456.85	1,301.68
Net Worth	1,443.88	1,291.94
Debt : Equity Ratio	0.00:1	0.00:1
Net Worth Per Equity Share (Rs. 10/- each)	Rs. 120.99	Rs. 99.38
Earnings (EAT) Per Equity Share (Rs. 10/- each)	Rs. 21.61	Rs. 21.77
Dividend Per Equity Share (Rs. 10/- each)	Rs. 9.00	Rs. 7.50
	90%	75%

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Notice to the Members

Notice is hereby given that the Thirtieth 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 Wednesday, the 12th September, 2001 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, 2001 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 reappointment.
4. To appoint a Director in place of Mr. Shriraman who retires by rotation and is eligible for reappointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

6. **Appointment of Mr. B. D. Nariman as a Director of the Company**

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

“RESOLVED THAT Mr. B. D. Nariman be and is hereby appointed as a Director of the Company liable to retire by rotation.”

7. **Appointment of Mr. Jamshed Daboo as a Director of the Company**

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

“RESOLVED THAT Mr. Jamshed Daboo be and is hereby appointed as a Director of the Company liable to retire by rotation.”

8. **Appointment of Mr. A. N. Singh as a Director of the Company**

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

“RESOLVED THAT Mr. A. N. Singh be and is hereby appointed as a Director of the Company liable to retire by rotation.”

9. **Commission to Directors**

To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, a sum not exceeding three percent per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198 of the Act be paid to and distributed amongst the Directors of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year for a period of five years commencing 01st April, 2001.”

10. **Amendment to the Articles of Association**

To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner:

After Article 57, insert the following as Article 57A:

57A DEMATERIALISATION OF SECURITIES

Definitions	1.	For the purpose of this Article: 'Beneficial Owner' means a person or persons whose name is recorded as such with a depository; 'SEBI' means the Securities & Exchange Board of India; 'Depository' means a Company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992; and 'Security' means such security as may be specified by SEBI from time to time.
Dematerialisation of Securities	2.	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.
Options for Investors	3.	Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.
Securities in depositories to be in fungible form	4.	All securities held by a depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
Rights of Depositories	5. (a)	Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owners.
	(b)	Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
	(c)	Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
Service of documents	6.	Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
Transfer of Securities	7.	Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
Allotment of Securities dealt with by a Depository	8.	Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
Distinctive numbers of Securities held in a Depository	9.	Nothing contained in the Act or these Articles, regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
Register and Index of Beneficial Owners	10.	The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

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NOTES

- (a) The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under Item Nos. 6 to 10 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 Saturday, the 1st September, 2001 to Wednesday, the 12th September, 2001 (both days inclusive).
- (d) The dividend as recommended by the Directors for the year ended 31st March, 2001, if approved at the meeting, will be made payable on or after Wednesday, the 19th September, 2001 to those members whose names appear on the Register of Members of the Company on Saturday, the 1st September, 2001. 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 31st August, 2001.
- (e) 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.
- (f) 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, all the unclaimed dividends from and including the financial year ended 31st March, 1996, shall be transferred by the Company to the said Fund.

- (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 LTD.**

P. K. BHATIA
Company Secretary

Place : Mumbai
Date : 30th June, 2001

Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956

The following Explanatory Statement sets out all the material facts relating to the business under Item Nos. 6 to 10 mentioned in the accompanying Notice dated 30th June, 2001.

Item No. 6

Mr. B. D. Nariman was appointed as a Director of the Company by the Board of Directors on 30th October, 2000 to fill in the casual vacancy caused by the resignation of Mr. S. Ramakrishnan. In terms of Section 262 of the Companies Act, 1956 and Article 122 of the Articles of Association of the Company, Mr. Nariman holds the 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 its intention to propose Mr. Nariman's candidature to the office of the Director at the forthcoming Annual General Meeting.

The Board commends to the shareholders the appointment of Mr. Nariman as a Director on the Board of the Company. Except Mr. Nariman, no other Director is concerned or interested in the resolution.

Item No. 7

Mr. Jamshed Daboo was appointed as an Additional Director of the Company by the Board of Directors on 30th October, 2000. In terms of Section 260 of the Companies Act, 1956 and Article 122 of the Articles of Association of the Company, Mr. Daboo holds the 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 its intention to propose Mr. Daboo's candidature to the office of the Director at the forthcoming Annual General Meeting.

The Board commends to the shareholders the appointment of Mr. Daboo as a Director on the Board of the Company. Except Mr. Daboo, no other Director is concerned or interested in the resolution.

Item No. 8

Consequent upon the sad demise of the Chairman H. H. Dr. Vibhuti Narain Singh on 25th December, 2000, the Board of Directors at its meeting held on 31st January, 2001 co-opted Mr. Anant Narain Singh as an Additional Director. Pursuant to Section 260 of the Companies Act, 1956 and Article 122 of the Articles of Association of the Company, Mr. Singh holds the 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 its intention to propose Mr. Singh's candidature to the office of the Director at the forthcoming Annual General Meeting.

The Board commends to the shareholders the appointment of Mr. Singh as a Director on the Board of the Company. Except Mr. Singh, no other Director is concerned or interested in the resolution.

Item No. 9

At the Annual General Meeting held on 10th September, 1996, the shareholders had passed the Special Resolution approving the payment of commission to the Directors equivalent to the amount not exceeding 3% per annum of the net profit of the Company for a period of 5 years commencing from 01st April, 1996. The said five years have expired on 31st March, 2001.

In view of the fact that the Company has been consistently improving its performance, it is proposed to continue to pay the said commission to the Directors for a further period of five years, subject to the approval of the shareholders at the Annual General Meeting.

All the Directors of the Company are concerned or interested in the resolution mentioned in item

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No. 9 of the Notice to the extent of the amount that may be received by them.

Item No. 10

With the introduction of the Depositories Act, 1996, and the Depository System, some of the provisions of the Companies Act, 1956, and other applicable provisions and regulations relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository System of holding securities in an electronic form is a far safer and more convenient method for holding and trading in the securities of a Company. Your Company has joined the Depository System and it is therefore proposed that the Company's Articles of Association be suitably altered, as set out in the Resolution to reflect the provisions introduced by the Depositories Act, 1996 and to spell out the rights of the beneficial owners of the securities in such a system.

A copy of the Memorandum & Articles of Association of the Company, together with the proposed alterations is available for inspection by the Members of the Company at the Registered office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company.

The Board commends to the shareholders incorporation of proposed alteration to the Articles of Association of the Company.

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

P. K. BHATIA
Company Secretary

Place : Mumbai
Date : 30th June, 2001