

BENARES HOTELS LIMITED

Thirty Third Annual Report 2003-04



TAJ GANGES
Benares

BENARES HOTELS LIMITED
Thirty Third Annual Report 2003-04

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

DEEPA MISRA HARRIS

DIGVIJAY CHAND
(Alternate to Mrs. RUKMANI DEVI)

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 : 0542-2345100

Registrar and Share Transfer Agent

Tata Share Registry Limited
Army & Navy Building
148, Mahatma Gandhi Road
Fort, Mumbai-400 001
Phone : 022-56568484
Fax: 022-56568496



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

HIGHLIGHTS	2003-04 (Rs. Lacs)	2002-03 (Rs. Lacs)
Gross Revenue	1,298.42	1,104.34
Profit Before Tax	273.44	182.54
Profit After Tax	180.71	128.62
Dividend	104.00	97.50
Retained Earnings	130.67	83.39
Funds Employed	1,483.85	1,412.73
Net Worth	1,318.07	1,254.68
Debt : Equity Ratio	0.00:1	0.00:1
Net Worth Per Equity Share (Rs. 10/- each)	Rs.101.39	Rs.96.51
Earnings (EAT) Per Equity Share (Rs. 10/- each)	Rs. 13.90	Rs. 9.89
Dividend Per Equity Share (Rs. 10/- each)	Rs. 8.00 80%	Rs. 7.50 75%

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Notice to the Members

Notice is hereby given that the Thirty 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-221 002, on Wednesday, 25th August, 2004 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, 2004 and the Balance Sheet as at that date.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Jamshed Daboo who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. Anant Narain Singh who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Mr. A.R. Gandhi who retires by rotation and is eligible for reappointment.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

7. To place the **Secretarial Compliance Certificate** obtained pursuant to Section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001.

NOTES

- (a) The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under Item No. 7 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) Members are requested to intimate to the Company or the Registrar and Share Transfer Agent, changes, if any, in their Registered Address alongwith Pin Code Number. Members whose shareholding is in demat form are requested to send the intimation for change of address to their respective depository participant(s).
- (d) The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 17th August, 2004 to Tuesday, 24th August, 2004 (both days inclusive).
- (e) The dividend as recommended by the Directors for the year ended 31st March, 2004, if passed at the meeting, will be made payable on or after Friday, 3rd September, 2004 to those members whose names appear on the Register of Members of the Company on Tuesday, 17th day of August, 2004. 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 16th August, 2004.

- (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) 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 dividends paid for the financial year ended 31st March, 1997, shall be transferred by the Company to the said Fund on the due date in 2004. Members are advised that once the unclaimed dividend is transferred to Investor Education and Protection Fund, no claim shall lie in respect thereof.
- (h) Members/Proxies should bring the Attendance slip sent herewith duly filled in for attending the meeting.

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. 7 mentioned in the accompanying Notice dated 18th May, 2004.

Item No. 7

Pursuant to Section 383A of the Companies Act, 1956, the Company has obtained the Secretarial Compliance Certificate from Mr. Arvind Kohli, Company Secretary in Practice. In terms of the Companies (Compliance Certificate) Rules, 2001, the aforesaid certificate is to be laid in the Annual General Meeting of the Company. The said certificate is attached to the Directors' Report.

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

P. K. BHATIA
Company Secretary

Place : Mumbai
Date : 18th May, 2004

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

P. K. BHATIA
Company Secretary

Place : Mumbai
Date : 18th May, 2004

BENARES HOTELS LIMITED

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Directors' Report to the Members

The Directors hereby present the Thirty Third Annual Report of the Company together with the Audited Statements of Account for the year ended 31st March, 2004.

OPERATING AND FINANCIAL RESULTS	2003-04 (Rs./Lacs)	2002-03 (Rs./Lacs)
Income	1,298.42	1,104.34
Operating Expenses	957.70	857.04
Gross Operating Profit	340.72	247.30
Less : Depreciation	67.28	64.76
Profit before tax	273.44	182.54
Less: Provision for Tax on Profits		
Current Tax	85.00	50.00
Deferred Tax	7.73	3.92
Net Profit	180.71	128.62
Add : Balance brought forward from previous year	24.60	37.98
Balance available for appropriations	205.31	166.60

APPROPRIATIONS :

(a) A dividend @ 80% i.e. Rs. 8.00 per equity share (previous year 75% i.e. Rs. 7.50 per share) on 13,00,000 Equity Shares, which, if approved by the Shareholders at the Annual General Meeting to be held on Wednesday, the 25th day of August, 2004, will be paid out of the provision for dividend	104.00	97.50
(b) Tax on Dividend	13.32	12.49
(c) Amount transferred to :		
(i) Foreign Exchange Earnings Reserve	15.00	17.00
(ii) General Reserve.....	20.00	15.00
(d) Balance carried forward	52.99	24.60

OPERATIONS :

The stability in the Sub Continent during most part of the year under report had the positive impact on the tourism industry. As a result, the Company improved its performance significantly over the previous year.

DIVIDEND

Your Directors recommend the payment of dividend @ 80% (previous year dividend @ 75%) per equity share involving distribution of Rs. 104.00 lacs.

SECRETARIAL COMPLIANCE

In terms of Section 383A of the Companies Act, 1956, the Company has obtained the Secretarial Compliance Certificate from a Practising Company Secretary. A copy of the said Certificate is attached to this Report.

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. 24.00 lacs for the year, if employed throughout the year; or
- (b) Not less than Rs. 2.00 lacs 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, Mr. Jamshed Daboo, Mr. Anant Narayan Singh and Mr. A.R. Gandhi, Directors of the Company, are liable to retire by rotation and being eligible, seek reappointment.

During the year, Mr. Digvijay Chand was appointed as an Alternate Director to Mrs. Rukmani Devi on 29th October, 2003.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that-

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
2. they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgements and estimates that are reasonable

and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

3. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. they have prepared the annual accounts on a going concern basis.

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 5 respectively to the Balance Sheet and Profit and Loss Account.

ACKNOWLEDGEMENTS

The Directors record their grateful appreciation of the cooperation and efforts of all the members of the staff that made possible the results achieved by the Company.

On behalf of the Board of Directors

ANANT NARAIN SINGH
Chairman

Place : Mumbai

Date : 18th May, 2004

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ANNEXURE TO DIRECTORS' REPORT

Compliance Certificate

To
The Members
Benares Hotels Limited
Nadesar Palace Compound
Varanasi 221 002

We have examined the registers, records, books and papers of Benares Hotels Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2004. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its Officers and Agents, we certify that in respect of the aforesaid financial year :

- (1) The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
- (2) The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
- (3) The company being a public company, no comments are required to be made.
- (4) The Board of Directors duly met 4 times on June 6, 2003, July 21, 2003, October 29, 2003 and January 30, 2004 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed, including the circular resolutions passed, in the Minutes Book maintained for the purpose.
- (5) The company closed its Register of Members from August 19, 2003 to August 26, 2003 and necessary compliance of section 154 of the Act has been made.
- (6) The Annual General Meeting for the financial year ended on March 31, 2003 was held on August 28, 2003 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
- (7) No extra ordinary meeting was held during the financial year.
- (8) The company has not advanced any loan to its directors and/or persons or firms or companies referred to in the section 295 of the Act.
- (9) The company has not entered into any contract falling within the purview of section 297 of the Act.
- (10) The company has made necessary entries in the register maintained under section 301 of the Act.
- (11) As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approval from the Board of Directors, Members and previous approval of the Central Government.
- (12) The Board of Directors or duly constituted Committee of Directors has approved the issue of duplicate share certificates.
- (13) The Company has :
 - (i) delivered all the certificates on allotment of securities and on lodgement thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act;
 - (ii) deposited the amount of dividend declared including interim dividend