

Corporate Information

Board of Directors

DR. ANANT NARAIN SINGH
(Chairman)

RAYMOND N. BICKSON

SHRIRAMAN

RUKMANI DEVI

A. R. GANDHI

B. L. PASSI

P. SANKER

P. K. MOHANKUMAR

DEEPA MISRA HARRIS

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 : 0542-2503001

Registrar and Share Transfer Agent

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

Shares Listed at

BOMBAY STOCK EXCHANGE 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

THE UTTAR PRADESH STOCK EXCHANGE ASSOCIATION LTD.

Padam Towers

14/113, Civil Lines

Kanpur - 208 001

BENARES HOTELS LIMITED
Thirty Ninth Annual Report 2009-10

HIGHLIGHTS	2009-10 (Rs. Lacs)	2008-09 (Rs. Lacs)
Gross Revenue	2,347.19	2,044.15
Profit Before Tax	558.30	491.81
Profit After Tax	376.96	321.76
Dividend	169.00	110.50
Retained Earnings	333.09	302.05
Funds Employed	2,728.69	2,513.79
Net Worth	2,492.78	2,312.89
Debt : Equity Ratio	0.00:1	0.00:1
Net Worth Per Equity Share (Rs. 10/- each)	Rs. 191.75	Rs. 177.91
Earnings (EAT) Per Equity Share (Rs. 10/- each)	Rs. 29.00	Rs. 24.75
Dividend Per Equity Share (Rs. 10/- each)	Rs. 13.00	Rs. 8.50
	130%	85%

Notice to the Members

Notice is hereby given that the Thirty 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, 13th August, 2010 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, 2010 and the Balance Sheet as at that date.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Shriraman, who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mrs. Rukmani Devi, who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Ms. Deepa Misra Harris, 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, changes, if any, in their registered address along with Pin Code Number. Members whose shareholding are 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 Friday, 30th July 2010 to Monday, 16th August, 2010 (both days inclusive).
- (e) The dividend as recommended by the Directors for the year ended 31st March, 2010, if passed at the meeting, will be made payable on or after Monday, the 23rd August 2010, to those members whose names appear in the Register of Members of the Company on Friday, 30th July, 2010. 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 Thursday, 29th July, 2010.
- (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

BENARES HOTELS LIMITED
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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, 2003, shall be transferred by the Company to the said Fund on the due date in 2010. 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.

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

P K BHATIA
Company Secretary

Place : Mumbai

Date : 10th May, 2010

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 10th May, 2010.

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 : 10th May, 2010

Directors' Report to the Members

The Directors hereby present the Thirty Ninth Annual Report of the Company together with the Audited Statements of Account for the year ended 31st March, 2010.

OPERATING AND FINANCIAL RESULTS	2009-10 (Rs./Lacs)	2008-09 (Rs./Lacs)
Income	2,347.19	2,044.15
Gross Profit for the year	711.50	601.37
Less: Depreciation	153.20	109.56
Profit before tax	558.30	491.81
Less: Provision for tax		
- Current Tax	151.63	156.76
- Deferred Tax.....	29.71	11.53
- Fringe Benefit Tax	—	1.75
Net Profit	376.96	321.77
Add: Balance brought forward from previous year	852.81	695.33
Balance available for appropriations	<u>1,229.77</u>	<u>1,017.10</u>

APPROPRIATIONS :

(a) A dividend @130% i.e. Rs. 13/- per equity share (previous year 85% i.e. Rs. 8.50 per share) on 13,00,000 Equity Shares, which, if approved by the Shareholders at the Annual General Meeting to be held on Friday, 13th August, 2010 will be paid out of the provision for dividend.....	169.00	110.50
(b) Tax on Dividend.....	28.07	18.78
(c) Amount transferred to General Reserve.....	38.00	35.00
(d) Balance carried forward	994.70	852.81

OPERATIONS

The impact of the global economic slowdown and the travel advisories on swine flue scare adversely impacted the business during the first half of the financial year. However, the improvement in the global economy in the second half of the financial year and the addition of Nadesar Palace enabled the Company to register an improved performance over the previous year. The Directors hope that with the return of the normalcy in the global economic scenario, the business would further improve in the current financial year.

DIVIDEND

Your Directors recommend the payment of dividend @ 130% (previous year dividend @ 85%) per equity share involving distribution of Rs.169.00 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. Shriraman, Mrs. Rukmani Devi and Ms. Deepa Misra Harris, Directors of the Company are liable to retire by rotation and being eligible seek reappointment.

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 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 as at March 31, 2010 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; and
4. it has prepared the annual accounts on a going concern basis.

AUDIT COMMITTEE

Mr. Shriraman, Mr. B.L. Passi and Mr. P. Sanker are the members of the Audit Committee.

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 the Board of Directors) Rules, 1988, the information relating to foreign exchange earnings and outgo is furnished at point No. 4 & 5 in the Notes on Accounts.

ACKNOWLEDGEMENTS

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 : 10th May, 2010

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 March 31, 2010. 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 8, 2009, July 28, 2009, October 27, 2009 and January 30, 2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed, including circular resolutions passed in the Minutes Book maintained for the purpose during the year under report.
- (5) The Company closed its Register of Members from August 12, 2009 to August 27, 2009 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, 2009 was held on August 27, 2009 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 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 prior 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 in a separate Bank Account on August 29, 2009 which is within five days from the date of declaration of such dividend;

- (iii) paid/posted warrants for dividends to all the members on September 4, 2009, which is within a period of 30 (thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with HDFC Bank, Hindustan Times Building, Kasturba Gandhi Marg, Connaught Place, New Delhi on October 3, 2009;
- (iv) transferred amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years as applicable, to Investor Education and Protection Fund on 26th October, 2009;
- (v) duly complied with the requirements of section 217 of the Act.
- (14) The Board of Directors of the Company is duly constituted. No alternate directors, additional directors were appointed during the year. However a Director was appointed to fill casual vacancy.
- (15) The Company has not appointed any Managing Director / Whole-time Director/ Manager during the financial year.
- (16) The Company has not appointed any sole-selling agent during the financial year.
- (17) The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
- (18) The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
- (19) The Company has not issued any shares, debentures or other securities during the financial year.
- (20) The Company has not bought back any shares during the financial year.
- (21) The Company has not redeemed any preference shares or debentures during the year.
- (22) There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares during the financial year.
- (23) The Company has not invited or accepted any deposits including any unsecured loans falling within the purview of sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 during the financial year.
- (24) The Company has not made any borrowings during the financial year.
- (25) The Company has made no loans and investments, nor given any guarantees nor provided any securities to other bodies corporate. Hence there were no entries in the register kept for the purpose.
- (26) The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
- (27) The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.