

BENARES HOTELS LIMITED

40th ANNUAL REPORT 2010-11



The Gateway Hotel Ganges Varanasi



The Gateway Hotel Ganges Varanasi

Corporate Information

Board of Directors

DR. ANANT NARAIN SINGH
(Chairman)

RAYMOND N. BICKSON

SHRIRAMAN

RUKMANI DEVI

A. R. GANDHI

B. L. PASSI

P. K. MOHANKUMAR

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 : 0542-666 0001

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

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HIGHLIGHTS	2010-11 (Rs. Lacs)	2009-10 (Rs. Lacs)
Gross Revenue	2,773.17	2,347.19
Profit Before Tax	733.35	558.30
Profit After Tax	490.46	376.96
Dividend	169.00	169.00
Retained Earnings	453.43	333.09
Funds Employed	3,579.98	3,356.02
Net Worth	2,786.18	2,492.78
Debt : Equity Ratio	0.00:1	0.00:1
Net Worth Per Equity Share (Rs. 10/- each)	Rs. 214.32	Rs. 191.75
Earnings (EAT) Per Equity Share (Rs. 10/- each)	Rs. 37.73	Rs. 29.00
Dividend Per Equity Share (Rs. 10/- each)	Rs. 13.00	Rs. 13.00
	130%	130%

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Notice to the Members

Notice is hereby given that the Fortieth 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, 10th August, 2011 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, 2011 and the Balance Sheet as at that date.
2. To declare a dividend.
3. To appoint a Director in place of Dr. Anant Narain Singh, who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. Raymond N. Bickson, 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. **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 per cent per annum of the net profits of the Company calculated in accordance with the provisions of Section 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 1st April, 2011.”

8. 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 and 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) Members are requested to intimate to the Company, changes, if any, in their registered address along with 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) Members are requested to register their Email address and the changes therein from time to time with the Company to enable the Company to send notices/documents through email as permitted in law.
- (e) The Register of Members and the Share Transfer Books of the Company will remain

closed from Friday, 29th July 2011 to Thursday, 11th August, 2011 (both days inclusive).

- (f) The dividend as recommended by the Directors for the year ended 31st March, 2011, if passed at the meeting, will be made payable on or after Saturday, 20th August, 2011, to those members whose names appear on the Register of Members of the Company on Friday, 29th July, 2011. 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, 28th July, 2011.
- (g) 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.
- (h) 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 dividend paid up to the financial year ended 31st March, 2004, shall be transferred by the Company to the said Fund on the due date in 2011. Members are advised that once the unclaimed dividend is transferred to Investor Education and Protection Fund, no claim shall lie in respect thereof.

- (i) 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 : 2nd May, 2011

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Details of Directors seeking re-appointment at the forthcoming Annual General Meeting of the Company (Pursuant to Clause 49 of Listing Agreement with the Stock Exchanges)

Name of Director	Dr. Anant Narain Singh	Mr. Raymond N. Bickson	Mr. A.R. Gandhi
Date of Birth	September 26, 1960	December 16, 1955	March 15, 1943
Date of Appointment	January 31, 2001	May 3, 2006	May 28, 1999
Expertise in Specific Functional Area	Agriculture	Hoteliering	Finance
Qualifications	B.Com (Hons) in Company Law	Advancement Management Program at Harvard Business School in Boston. Also studied at the Goethe Institute in Berlin, the Alliance Francaise in Paris, the Université de Sorbonne in Paris, L'école Hôtelière Lausanne, and Cornell University in New York	Fellow member of the Institute of Chartered Accountants in England & Wales, and the Institute of Chartered Accountants of India. Associate member of the Chartered Institute of Taxation, London.
Details of shares held in the Company	24,000	Nil	Nil
List of Companies in which outside Directorships held as on 31.03.2011 (excluding private & foreign companies)	Aditya Dairies Pvt. Ltd Anant Electric Lamp Works Pvt. Ltd. Imalak (Varanasi) Development Pvt. Ltd. Anant Trading Company Pvt. Ltd	The Indian Hotels Company Limited. Taj GVK Hotels and Resorts Limited. Oriental Hotels Limited. Taj Trade and Transport Company Limited. Roots Corporation Limited Taj Safaris Limited Taj SATS Air Catering Limited Taj Hotels and Resorts Limited United Hotels Limited	Tata Sons Limited Tata Asset Management Limited The Paper Products Ltd Tata Business Support Services Limited Tata Global Beverages Limited Tata Communications Limited Piem Hotels Limited Infinity Retail Limited Tata Housing Development Company Limited Nourishco Beverages Limited
Chairman/Member of the *Committees of other Companies on which he is a Director as on 31-03-2011	Audit Committee None	Audit Committee United Hotels Ltd. Oriental Hotels Ltd. Taj GVK Hotels & Resorts Ltd. Roots Corporation Ltd. (Chairman) Taj SATS Air Catering Ltd. (Chairman)	Audit Committee The Paper Products Ltd Tata Business Support Services Limited Tata Asset Management Limited Tata Sons Limited (Chairman) Tata Global Beverages Limited Piem Hotels Limited (Chairman)
	Shareholder's & Investors' Grievance Committee None	Shareholders' & Investors' Grievance Committee The Indian Hotels Company Limited	Shareholders' & Investors' Grievance Committee None

*The Committees include the Audit Committee and the Shareholders'/Investors' Grievance Committee.

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 Nos. 7 and 8 mentioned in the accompanying Notice dated 2nd May, 2011.

Item No. 7

At the Annual General Meeting held on 12th September, 2007, the shareholders had passed a Special Resolution approving the payment of commission to the Directors equivalent to an amount not exceeding 3% per annum of the net profit of the Company for a period of 5 years commencing from 1st April, 2006. The said five years have expired on 31st March, 2011.

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 No. 7 of the Notice to the extent of the amount that may be received by them.

Item No. 8

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 : 2nd May, 2011