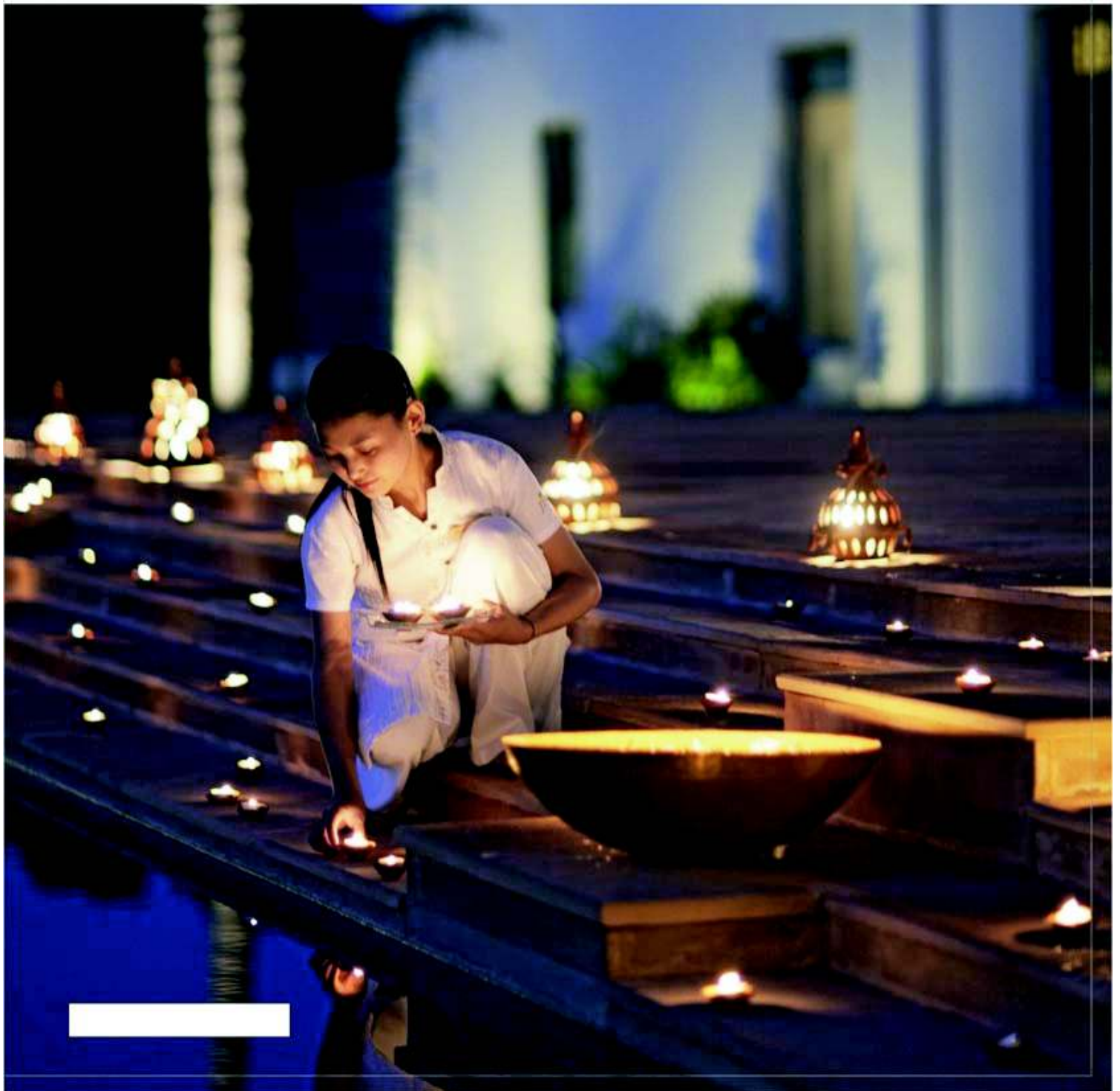
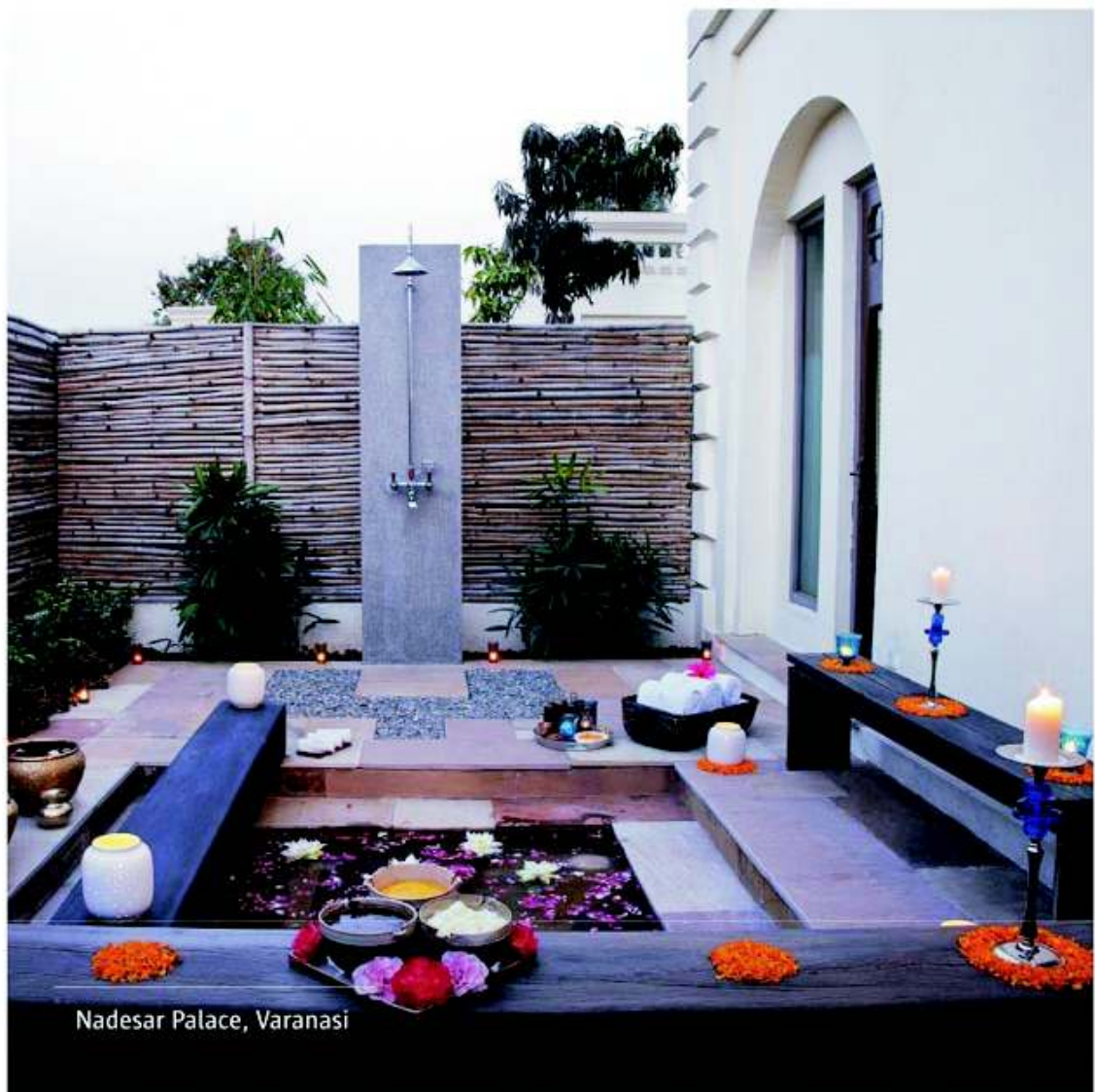


BENARES HOTELS LIMITED
44th ANNUAL REPORT 2014-15





Nadesar Palace, Varanasi

Corporate Information

Board of Directors

DR. ANANT NARAIN SINGH
(Chairman)

RAKESH SARNA
(appointed w.e.f. March 24, 2015)

SHRIRAMAN

RUKMANI DEVI

B. L. PASSI

D. R. KAARTHIKEYAN

ROHIT KHOSLA
(appointed w.e.f. May 7, 2015)

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: 0542-6660001
CIN-L55101UP1971 PLC 003480
Website: www.benareshotelslimited.com

Registrar and Share Transfer Agent

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

BENARES HOTELS LIMITED
Forty Fourth Annual Report 2014-15

| HIGHLIGHTS | 2014-15 ₹ Lacs | 2013-14 ₹ Lacs |
|--|--------------------------|--------------------------|
| Gross Revenue | 4824.06 | 4411.88 |
| Profit Before Tax | 1425.78 | 1375.70 |
| Profit After Tax | 922.62 | 897.99 |
| Dividend | 260 | 260 |
| Retained Earnings | 4790.57 | 4180.88 |
| Funds Employed | 6332.84 | 5500.77 |
| Net Worth | 4920.57 | 4310.88 |
| Debt : Equity Ratio | 0:1 | 0:1 |
| Net Worth Per Equity Share (₹ 10/- each) | ₹ 378.51 | ₹ 331.61 |
| Earnings (EAT) Per Equity Share (₹ 10/- each) | ₹ 70.97 | ₹ 69.08 |
| Profit before Tax Ratio to Turnover | 29.54% | 31.18% |
| Dividend Per Equity Share (₹ 10/- each) | ₹ 20.00 | ₹ 20.00 |
| | 200% | 200% |

Notice to the Members

Notice is hereby given that the Forty Fourth 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 221002, on Friday, 21st August, 2015 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2015 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Dr. Anant Narain Singh (DIN 00114728), who retires by rotation and is eligible for reappointment.
4. To appoint Auditors of the Company
To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s N. Krishnaswamy & Company, Chartered Accountants (Firm Registration Number 001555S), be and is hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of next Annual General Meeting of the Company at a remuneration of Rs. 2.50 lakhs plus service tax and out-of-pocket expenses.”

SPECIAL BUSINESS

5. **Appointment of Mr. Rakesh Sarna as a Director**
To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
“RESOLVED that Mr. Rakesh Kumar Sarna (DIN: 01875340), who was appointed an

Additional Director of the Company with effect from March 24, 2015 by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company.”

6. **Appointment of Mr. Rohit Khosla as a Director**

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

“RESOLVED that Mr. Rohit Khosla (DIN: 07163135), who was appointed an Additional Director of the Company with effect from May 7, 2015 by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company.”

7. **Approval of material related party transactions**

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 Clause 49(VII) of the Equity Listing Agreement and other applicable provisions, if any, of the Equity Listing Agreement and/or the Companies Act, 2013, the approval of the Company be and is hereby accorded to the material related party transactions entered into with The Indian Hotels Co. Ltd., a related party, aggregating to Rs. 723.48 lakhs during the financial year

BENARES HOTELS LIMITED

Forty Fourth Annual Report 2014-15

2014-15, as detailed in the Explanatory Statement pertaining to this item as attached to the Notice which, in aggregate exceeded 10% of the annual consolidated gross turnover of the Company in the previous year.

RESOLVED FURTHER THAT since the aforesaid material related party transactions with The Indian Hotels Co. Ltd. are apropos the long term contract/arrangement valid till 29th January, 2033, pursuant to the provisions of Clause 49(VII) of the Equity Listing Agreement and other applicable provisions, if any, of the Equity Listing Agreement and/or the Companies Act, 2013, the approval of the Company be and is hereby accorded for entering into such material related party transactions with The Indian Hotels Co. Ltd., a related party, till the financial year ending 31st March, 2033.”

NOTES

- (a) The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to Special Business under Item Nos. 5-7 mentioned in the accompanying Notice 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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten per cent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder The instrument appointing the proxy should be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies must be supported by appropriate resolution/authority, as applicable.
- (c) Members are requested to intimate to the Company, changes, if any, in their Registered Address along with Pin Code Number. Members whose shareholdings are 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 id 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, 14th August, 2015 to Thursday, 27th August, 2015 (both days inclusive).
- (f) The dividend as recommended by the Directors for the year ended 31st March, 2015, if passed at the meeting, will be made payable on or after Monday, 31st August, 2015, to those members whose names appear on the Register of Members of the Company on Friday, the 14th August, 2015. 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, 13th August, 2015.
- (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” (IEPF) established by the Central Government. Accordingly, the unclaimed dividend paid up to the financial year ended 31st March, 2008, shall be transferred by the Company to the said Fund on the due date in 2015. No claim shall lie against the Company or IEPF for the amounts

so transferred prior to March 31, 2015 nor shall any payment be made in respect of such claim.

(i) **National Electronic Clearing Service (NECS):**

To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided National Electronic Clearing Service (NECS) facility to the Members for remittance of dividend. NECS facility is available at locations identified by Reserve Bank of India from time to time. Members holding shares in physical form and desirous of availing this facility are requested to provide their latest bank account details along with their Folio Number, to the Company. Members holding shares in electronic form are requested to provide the details to their respective Depository Participants.

Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

(j) Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

(k) Members holding shares in physical form are requested to advise any change of address and are also requested to submit their specimen signatures duly attested by their Bank immediately to the Company. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant.

(l). Members/Proxies should bring the Attendance slip sent herewith duly filled in for attending the meeting.

(m) Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking appointment/re-appointment at the meeting are annexed to the Notice.

(n) The Notice of the AGM along with the Annual Report of 2014-15 is being sent by electronic mode to those Members whose email addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copy is being sent by permitted mode. To support 'Green Initiative' Members who have not registered their email addresses are requested to register the same with the Company / Depository.

(o) **Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Clause 35B of the Listing Agreement, the Company is pleased to provide its Members facility of remote e-voting (to cast their vote electronically from a place other than the venue of the AGM), through e-voting services provided by Central Depository Services Limited (CDSL) on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

(A) In case of Members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Image Verification as displayed and click on "Login".

BENARES HOTELS LIMITED

Forty Fourth Annual Report 2014-15

- (iv) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.

| | For Members holding shares in Demat Form and Physical Form |
|--|---|
| PAN | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p> |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth in dd/mm/yyyy format as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).</p> |

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take

utmost care to keep your password confidential.

- (vii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN of Benares Hotels Limited.
- (ix) On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xi) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xii) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xiii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xiv) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on "Forgot Password" & enter the details as prompted by the system.
- (xv) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com prior to the e-voting.

After receiving the login details a compliance user should be created using the ADMIN login and password. The compliance user would be able to link the account(s) for which they wish to vote on and the list of accounts should be mailed to helpdesk.evoting@cdslindia.com prior to the voting and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format should be uploaded in the system for the Scrutinizer to verify the same.

- (B) In case of Members receiving the physical copy of the Notice of the Meeting (for Members whose email addresses are not registered with the Company/ Depositories)

Please follow all steps from sl. no. (i) to sl. no. (xv) above to cast vote.

(C) **Other Instructions:**

- (i) The e-voting period begins on August 18, 2015 at 9.00 a.m. IST and ends on August 20, 2015 at 5.00 p.m IST. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. August 14, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he/ she shall not be allowed to change it subsequently or cast the vote again.
- (ii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (iii) The voting rights of the Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut off date i.e. August 14, 2015. A

person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, voting through Ballot Form, as well as voting at the AGM.

- (iv) Any person, who acquires shares of the Company and becomes a Member of the Company after despatch of the Notice and holding shares as of the cut-off date, may cast their vote by remote e-voting or Ballot Form or through Poll at the Meeting. However, if you are already registered with CDSL for remote e-voting then you can use existing user ID and password for casting your vote. If you forget your password you can reset your password by using Forgot Password option available on www.evotingindia.com.
- (v) Mr. Shreepad Korde, Practicing Company Secretary (Membership No. ACS 563) has been appointed as the Scrutinizer by the Board of Directors of the Company to scrutinize the remote e-voting and the voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- (vi) The Scrutinizer shall immediately after the conclusion of the voting period, first count the votes at the meeting, thereafter unblock the votes through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than 3 days of the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman or any person authorised by the Chairman in writing, who shall countersign the same.
- (vii) In order to enable its Members, who do not have the access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this