

BEST EASTERN HOTELS LIMITED



62nd Annual Report 2004-2005

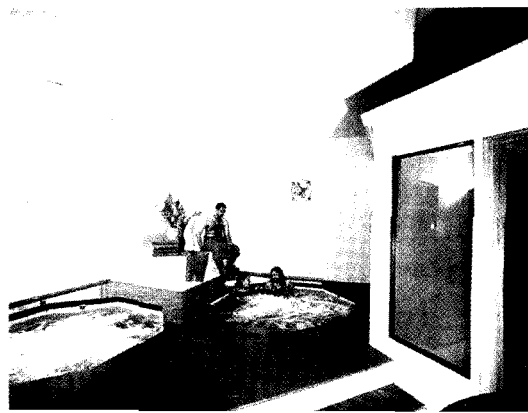


The Ascot Pool

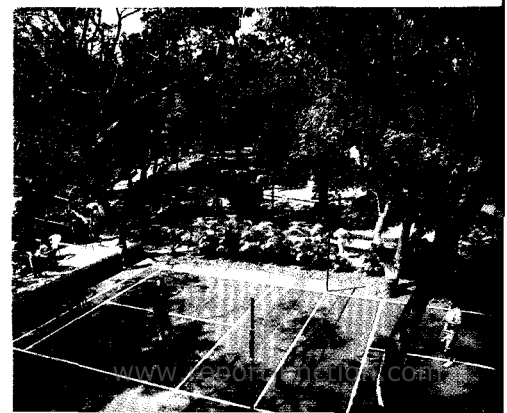
The Rainforest



The Ascot Soul Club



Badminton Court



NOTICE

NOTICE is hereby given that the 62nd Annual General Meeting of the members of the Best Eastern Hotels Ltd. will be held on Friday the 23rd September, 2005 at Indian Merchants Chamber, R.D. Birla Board Room, 3rd floor, Indian Merchant Chamber Marg, Churchgate, Mumbai - 400 020 at 4.00 p.m. to transact the following businesses:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and the Profit and Loss Account for the year ended on that date together with the Report of the Directors and Auditors thereon.
2. To declare dividend on Redeemable Preference Shares and Equity Shares.
3. To appoint Director in place of Mr. Vinaychand Kothari, who retires by rotation and being eligible, offers himself for re appointment.
4. To appoint Director in place of Mr. Dilip V. Kothari, who retires by rotation and being eligible, offers himself for re appointment.
5. To appoint Auditors of the company and fix their remuneration.
6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a special resolution.

" RESOLVED AS SPECIAL RESOLUTION THAT pursuant to applicable provisions of the Companies Act, 1956 existing unissued 3,00,000 (Three Lacs) Redeemable Preference Shares of Rs. 10/- (Rs. Ten only) each be and is hereby converted into unissued 3,00,000 (Three Lacs) Equity Shares of Rs. 10/- (Rs. Ten only) each ranking parri-passu with existing Equity Shares in all respect. Accordingly the authorised Share Capital stands Rs. 4,00,00,000/- (Rs. Four Crores only) divided into 28,00,000 (Twenty Eight Lacs) Equity Shares of Rs. 10/- (Rs. Ten only) each and 12,00,000 (Twelve Lacs) Redeemable Preference Shares of Rs. 10/- (Rs. Ten only) each.

RESOLVED FURTHER THAT pursuant to the provisions of section 16, 94 and other applicable provisions if any of the Companies Act, 1956 the authorised Share Capital of the company be and is hereby increased from Rs. 4,00,00,000/- (Rs. Four Crores Only) to Rs. 6,00,00,000/- (Rs. Six Crores Only) by creating 20,00,000 (Twenty Lacs) Equity Shares of Rs. 10/- (Rs. Ten only) each ranking parri-passu with existing Equity Shares in all respect. Accordingly clause 5 of Memorandum of Association & Article No. 3 of Articles of Association be altered and stands as follow :

- 5 The Authorised Share Capital of the Company is Rs. 6,00,00,000/- (Rs. Six Crores Only) divided into 48,00,000 (Forty eight lacs) Equity Shares of Rs. 10/- (Rs. Ten only) each & 12,00,000 (Twelve Lacs) Redeemable Preference Shares of Rs. 10/- (Rs. Ten Only) each with power to increase or reduce the capital. The shares forming the capital (original, increased or reduced) of the company may be sub-divided or consolidated or divided into such classes with any preferential, deferred, qualified, special or other rights, privileges or conditions, attached thereto and be held upon such terms as may be prescribed by the Articles of Association and regulations of the company for the time being or otherwise.
- 3 The Authorised Share Capital of the Company is Rs. 6,00,00,000/- (Rs. Six Crores Only) divided into 48,00,000 (Forty eight lacs) Equity Shares of Rs. 10/- (Rs. Ten only) each & 12,00,000 (Twelve Lacs) Redeemable Preference Shares of Rs. 10/- (Rs. Ten Only) each."
7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a special resolution.

" RESOLVED AS SPECIAL RESOLUTION THAT in accordance with the provisions of Section 81, 81(1A) and other applicable provisions, if any of the Companies Act, 1956 (including any amendment thereto or modification(s) or reenactment(s) thereof) and in accordance to the provisions of the Memorandum and Articles of Association of the company, the Listing Agreement entered by the Company with The Stock Exchange, Mumbai (BSE) on which the shares of the Company are listed and rules and regulations and Guidelines issued by the Securities and Exchange Board of India (SEBI) and subject to the requisite approval, consent, permissions and sanctions, if any of the Government of India (GOI), Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other appropriate authorities, Institutions or bodies under any applicable laws, rules and terms, conditions, stipulations and modifications as may be prescribed by any of them while granting such approvals consents, permissions and/or sanctions and which may be agreed to the Board of the Directors of the Company (hereinafter referred to as " The Board " which expression shall be deemed to include any Committee (s) constituted / to be constituted by the Board for the time being and from time to time to which all or any of its power including the power referred by the Resolution may have been delegated by the board) be and is hereby authorities to accept, consent of the Company be and is hereby accorded to the Board of the Directors or Committee to create, issue, offer and allot or dispose off at its sole discretion Equity Shares, Redeemable Preference Shares, Partly or fully Convertible Debentures, other securities or securities, warrants entitling the holders to subscribe for and have allotted equity Shares at Par and/or on such premium and on such terms and

conditions as the Board may, from time to time, determine for an amount not exceeding Rs. 50 Crores (Rs. Fifty Crores only) in aggregates to the Members, Employees, Promoters Group and their Associates, Non Resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Mutual Funds, Investment / Financial Institutions, Companies, Banks, other entities/authorities and to such other select group of persons, whether through Public Issue, Right Issue, Private Placement, or on Preferential basis or on exchange of securities, or otherwise or by any one or more of the above methods whether subscribed in Indian and/or foreign currencies, and in one or more series whether on the same terms and conditions or with varying terms and conditions and whether at one time or from time to time and in such manner as the board may in its discretion decide and consider proper and most beneficial to the company.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, matters as the board may in its absolute discretion consider necessary, proper, expedient, desirable or appropriate for making the said issue as aforesaid and to settle any Question, doubt or difficulty that may arise in this regard, if any, in such manner and in such persons(s) as the Board may deem fit and proper in its absolute desecration to be most beneficial to the Company."

By order of the Board

Dilip V. Kothari
Jt. Managing Director

Date : 19th August, 2005

Place : Mumbai

Reg. Office :

401, Chartered House, 293/299,
Dr. C.H. Street, Mumbai - 400 002.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT TO BE THE MEMBER OF THE COMPANY.. Proxies, in order to be effective, should be duly completed, stamped and signed and must be deposited at the registered office of the company not less than 48 hours before the commencement of the Meeting.
2. The Explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of item No. 6 & 7 are annexed herewith.
3. The Register of Members and Share Transfer Books will remain closed from Wednesday, the 21st September, 2005 to Friday, the 23rd September, 2005 (Both days inclusive).
4. Members are requested to notify immediately any change in their address, if any, to Companies Registrar and Share Transfer Agents.
5. As per the provisions of the Companies Act, 1956, facility for making nominations is now available for shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer Agents of the Company.
6. Unclaimed Dividends : Dividend in respect of the financial year ended 31/03/2004 (disbursed on 25/09/2004 due for transfer on 24/09/2011) remaining unclaimed for 7 years from the date of disbursement will be transferred as per section 205 C of the Companies Act, 1956 to the Investors Education and Protection Fund of the Central Govt. (IEPF). As no claimed shall lie against either the company or the IEPF after a period of 7 years from the date of disbursement, shareholders who have not yet encashed their dividend warrants relating to the above year are urged to contact the Registered office of the company for revalidation and encash them before the due date for transfer to the IEPF.

**Explanatory Statement
(pursuant to section 173 of the Companies Act, 1956)**

Item No. 6 :

As stated elsewhere the company proposed to raise the fund to meet its future requirements, The present authorised capital do not permit to raise the fund to the extent required. It is therefore proposed to convert unissued Redeemable Preference Shares into equity and also to increase the authorised capital as stated in the resolution. It involve the alteration of capital clause and the Articles of Association. The approval of members therefore sought.

None of the directors are deemed to be interested or concerned in the resolution.

Item No. 7 :

The company has expansion plans to increase its room capacity at Usha Ascot, Matheran. The Company also considering to acquire or construct or set up new hotels projects at Mumbai, Mahabaleswar, Lonavala, Goa and other places.

The company also intend to redeem its issued Redeemable Preference Shares before the date of maturity subject to approval of Redeemable Preference Share holders.

To meet a cost of expansion / on going capital expenditure, redemption of Redeemable Preference Shares, repayment of debts and working capital need, it is proposed to raise the fund by issue of fresh equity, Redeemable Preference Shares and / or fully / partly convertible debenture or other convertible instrument including warrants either to the existing members on right basis or through the public issue and / or on private placement basis as proposed in the resolution. The time, size, proportion and price will be decided by the board of directors.

The consent of the members therefore being sought by way of special resolution pursuant to section 81 / 81(1A) of the Companies Act, 1956.

Your directors are may be deemed concerned or interested in the resolution to the extent of their entitlement in the proposed issue.

Your directors recommends all the resolutions.

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By order of the Board,

Date : 19th August, 2005
Place : Mumbai

**Dilip V. Kothari,
Jt. Managing Director**

BOARD OF DIRECTORS

Vinaychand Kothari
Chairman & Managing Director

Dilip V. Kothari
Jt. Managing Director

Dr. Ramnik K. Baxi
Mangal S. Chheda
Manohar R. Tambat

AUDITORS

M/s. D. C. SURANA & ASSOCIATES
Chartered Accountants

COMPANY LAW CONSULTANT

M/s. N. BAFNA & CO.
Company Secretaries.

BANKER

UNION BANK OF INDIA

REGISTRARS & TRANSFER AGENT

Sharex Dynamic (India) Pvt. Ltd.,
17/B, Dena Bank Building, 2nd floor,
Horniman Circle, Fort,
Mumbai - 400 001.

REGISTERED OFFICE :

401, Chartered House,
293/299, Dr. C. H. Street,
MUMBAI - 400 002.
Tel. : 91-22-2207 8292
Fax : 91-22-2206 1324
Email : booking@ushaascot.com

HOTEL SITE :

USHA ASCOT
M. G. Road,
Matheran, Dist. Raigad.
Tel. : 91-2148-230360
Fax. : 91-2148-230213
Web site : www.ushaascot.com

