

BOARD OF DIRECTORS

Vinaychand Kothari
Chairman & Managing Director

Dilip V. Kothari
Joint Managing Director

Dr. Ramnik K. Baxi
Mangal S. Chheda
Manohar R. Tambat
Mehernoz C. Dangore

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

COMPANY LAW CONSULTANT
M/s. N. BAFNA & CO.
Company Secretaries

BANKERS
UNION BANK OF INDIA
HDFC BANK

REGISTRARS & TRANSFER AGENT
Sharex Dynamic (India) Pvt. Ltd.,
Unit – 1, Luthra Ind. Premises, Safed Pool,
Andheri – Kurla Road, Andheri (E),
Mumbai – 400 072
Tel – 2851 5606 Fax – 2851 2885

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

:- NOTICE :-

NOTICE is hereby given that the 68th Annual General Meeting of the members of the Best Eastern Hotels Ltd. will be held on Tuesday, 20th September 2011 at 1st Floor, Maheshwari Bhavan, J. S. S. Road, Chira Bazar, Mumbai – 400 002 at 4.30 p.m. to transact the following businesses:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 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 confirm & take on record Interim Dividend paid on Redeemable Preference Shares and Equity Shares.
3. To appoint Director in place of Mr. Manohar R. Tambat, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Dr. Ramnik K. Baxi, 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 modification following Resolution as an Special Resolution :

“RESOLVED AS SPECIAL RESOLUTION THAT each of the equity shares of the nominal value of Rs. 10/- each in the capital of the company be and is hereby sub-divided into 5 (Five) Equity Shares of Rs. 2/- each and Clause V in the Memorandum and Article No.3 of Articles of Association of the Company stand altered accordingly.”

RESOLVED FURTHER that pursuant to the sub-division of the Equity Shares of the Company, the 16,85,000 (Sixteen Lacs Eighty Five Thousand) Issued, Subscribed and paid-up Equity shares of the face value of Rs. 10/- (Rupees Ten) each, shall stand sub-divided into 84,25,000 (Eighty Four Lacs Twenty Five Thousand) Equity Shares of the face value of Re. 2/- (Rupees Two) each.

RESOLVED FURTHER that the Share Certificate in relation to such of the issued Equity Shares of the Company be cancelled and fresh certificates be issued in lieu thereof with regard to the sub-divided Equity Shares in accordance with the provisions of the Companies (Issue of Share Certificate) Rules, 1960

RESOLVED FURTHER that for the purpose of giving effect to this Resolution and for removal of any doubts or difficulties, the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee or any person which the Board may nominate/ constitute to exercise its powers, including the powers conferred under this Resolution) be and is hereby authorised to do all acts, deeds, matters and things and to give, from time to time, such directions as may be necessary, expedient, usual or proper to give effect to this Resolution and to settle any question or doubt that may arise in relation thereto or as the Board in its absolute discretion may think fit and its decision shall be final and binding on all the members.”

By order of the Board

Mumbai, 8th August, 2011.

Registered Office :

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

Dilip V. Kothari
Joint Managing Director

:- 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. Explanatory statement pursuant to section 173 of the Companies Act, 1956 annexed herewith.
3. The Register of Members and Share Transfer Books will remain closed from Friday, 16th September 2011 to Tuesday, 20th September 2011 (Both days inclusive).
4. Members are requested to notify immediately any change in their address, if any, to Company's 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:** Dividends 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 claim 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 are urged to contact the Registered office of the company for revalidation and encash them before the due date for transfer to the IEPF as mentioned below.

Sr. No.	Dividend for F.Y.	Disbursed on	Due Date for Transfer to IEPF
1	2003-2004	25/09/2004	24/09/2011
2	2004-2005	27/09/2005	26/09/2012
3	2005-2006	08/09/2006	07/09/2013
4	2006-2007	20/03/2007	19/03/2014
5	2007-2008	18/03/2008	17/03/2015
6	2008-2009	16/03/2009	15/03/2016
7	2009-2010	15/03/2010	14/03/2017
8	2010-2011	16/03/2011	15/03/2018

Your Directors recommends all the resolutions.

Mumbai, 8th August, 2011

Regd. Office :

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

By order of the Board

Dilip V. Kothari
Joint Managing Director

EXPLANATORY STATEMENT (Pursuant to section 173 of the Companies Act, 1956)

ITEM No. 6

The existing Authorised Share Capital of the Company is Rs. 6,00,00,000 (Rupees Six Crores) divided into 48,00,000 (Forty Eight Lacs) Equity Shares of Rs.10/- (Rupees Ten) each and 12,00,000 (Twelve Lacs) Preference Shares of Rs. 10/-(Rupees Ten) each. The present Issued, Subscribed and paid-up Share Capital of the Company is Rs. 2,88,50,000/-(Rupees Two Crores Eighty Eight Lacs Fifty Thousand only) divided into 16,85,000 (Sixteen Lacs Eighty Five thousand) Equity Shares of Rs.10/-(Rupees Ten) each and 12,00,000 (Twelve Lacs) preference Shares of Rs. 10/- (Rupees Ten) each.

It is proposed to reorganize the Authorised Share Capital as well as Issued, Subscribed and paid-up Share Capital of the Company by sub-dividing the one Equity Shares of the face value of Rs.10/- (Rupees Ten) each into five Equity Shares of the face value of Re.2/- (Rupee Two) each.

Accordingly, the Equity Shares comprised in the Authorised Share Capital of the Company will be divided into 2,40,00,000 (Two Crores Forty Lacs) Equity Shares of Re.2/- (Rupee Two) each. The Issued, Subscribed and Called-up Equity Shares of the Company will also be sub-divided into 84,25,000 (Eighty Four Lacs Twenty Five Thousand) Equity Shares of face value of Re.2/- (Rupee Two) each.

The proposed sub-division of the equity Shares of smaller denomination, as aforesaid, would facilitate easy accessibility to the Company's Equity Shares by Investors and enhance the Liquidity of the company's Shares.

Consequent to the sub-division of Shares, it is necessary to alter the Capital Clause in the Memorandum and Articles of Association of the Company. Accordingly, Resolution also provides for amendment in Clause V of the Memorandum of Association. The Special Resolution at Item No.6 seeks to make corresponding amendment in Article 3 of the Articles of Association, to give effect to the above Resolution.

Consequent on Sub-division of shares, new shares will be credited in the Dematerialised Account and in case of physical share certificates, new share certificates will be issued as on the Record Date as may be fixed by the Board of Directors in this regard. On issue of new share certificates the old share certificates will be stand cancelled automatically without any further action.

A copy of the Memorandum and Articles of Association of the company showing proposed alterations is available for inspection by the members of the Company at the Registered Office between 2.00 p.m. and 4.00 p.m. on any working day of the company.

The Directors of the Company may be deemed to be interested in the Resolution at Item No. 6 of the Notice to the extent of their respective shareholdings, if any, in the company.

Mumbai, 8th August, 2011

Regd. Office :

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

By order of the Board

Dilip V. Kothari
Joint Managing Director

DIRECTORS' REPORT

To the Members,

Your Directors hereby present the Sixty Eighth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS :

Particulars	Rupees in 000's	
	Year Ended 31.03.2011	Year Ended 31.03.2010
Revenue	43,661	41,211
Profit before Taxation	9,252	8,324
Less : Provision for Tax		
Current Tax	2,550	2,630
Deferred Tax	217	(56)
Excess/(Short) Provision for Tax Earlier Years	380	141
Profit after Tax for the year	6,105	5,609
Add : Brought forward profit	8,467	8,000
Profit available for appropriation	14,572	13,609
Transfer To General Reserve	500	500
Dividend : On Preference Shares	1,440	1,440
On Equity Shares	2,528	2,528
Dividend Tax on dividend	674	674
Balance carried over to Balance Sheet	9,430	8,467

Operating Results:

The overall performance of the company has improved during the year under review though the overall scenario for the hospitality industry was not so healthy. The incline was marginal and the total income was increased by 6%, profit before tax by 11% and profit after tax by 7% over previous year. The total revenue of the Company for the year ended 31st March, 2011 was stood at Rs. 436.61 lacs (previous year Rs. 412.11 lacs) and the profit before tax is Rs. 92.52 lacs (previous year Rs. 83.24 lacs). The profit after tax is stood at Rs. 61.05 lacs (previous year Rs. 56.09 lacs).

Dividend on Equity and Preference Shares:

Your Directors had paid an interim dividend of Rs. 1.50/- (15%) per equity share of Rs. 10/- each & Rs. 1.20/- (12%) on Preference Shares of Rs. 10/- each for the year ended 31st March, 2011 and considering the working of the company during the year, your Directors do not recommend any final dividend. The same is to be treated as final dividend and to be taken on record at the ensuing Annual General Meeting. The total amount of dividend outgo was Rs. 46.42 Lacs including dividend tax (previous year dividend outgo Rs. 46.42 lacs including dividend tax).

Fixed Deposit:

The Company has neither invited nor accepted any deposits from Public within the meaning of Section 58A & 58AA of the Companies Act, 1956.

Directors:

Mr. Manohar R. Tambat & Dr. Ramnik K. Baxi retires by rotation and being eligible offer themselves for re-appointment.

Directors Responsibility Statement:

Pursuant to sub-section (2AA) of section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that :

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments 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.
- iii. The Directors had taken proper and sufficient care 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.
- iv. The Directors had prepared the annual accounts on a going concern basis.

Social Responsibility Statement:

As a social responsible Corporate Citizen, the company continues to support a wide spectrum of community initiative through N.G.O.s / Charitable Institutes as well as programs for health, education and environment. Also your company do carry Medical Camps for the locals of Matheran & around on Regular Basis, including vaccination for school children.

Sub-division of shares:

The Board of Directors have proposed to reorganize the Authorised Share Capital as well as Issued, Subscribed and paid-up Share Capital of the Company by sub-dividing the One Equity Shares of the face value of Rs.10/- (Rupees Ten) each into Five Equity Shares of the face value of Re.2/- (Rupee Two) each.

Auditors:

The retiring Auditors M/s. D. C. Surana & Associates, Chartered Accountants, being eligible offer themselves for reappointment.

Auditors Report:

The comments made in Auditors Report read with notes on accounts are self-explanatory and therefore, in the opinion of the Directors, do not call for any further explanation.

Listing:

The Equity Shares of the Company are listed on Bombay Stock Exchange Ltd., Mumbai. It may be noted that there are no payment outstanding to the said Exchange by way of listing fees etc.

Secretarial Compliance Report:

A Secretarial Compliance Report Pursuant to the proviso to sub section (1) of Section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001 as amended are annexed hereto forming part of the Directors' Report.

Particulars of Employees:

The provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended are not applicable to your company since none of the employee employed on a remuneration of Rs. 5,00,000/- p.m. or Rs. 60,00,000/- p. a.

Energy Conservation, Technology Transfer and Foreign Exchange Earnings and Outgo:

The information 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 is furnished hereunder:

- a) **Conservation of Energy:** The Company has always given high priority to energy conservation. Constant efforts have been made to reduce energy consumption on continuous basis. Employee awareness and effective monitoring of uses of energy are being pursued. The Company is also examining the use of alternative source of energy. It had

already implemented Hot Water System at the hotel site and converting normal lighting to PL/CFL lighting to save fuel and electricity consumption to the considerable extent.

- b) **Technology Absorption:** The company being in the hospitality industry, its activities do not as such involve any technology absorption or expenditure on research and development. Nonetheless, the Company's endeavors would be to achieve what is best possible in its business.
- c) **Foreign Exchange Earnings & Outgo:** Rs. 3.26 Lacs being realization under credit cards (Previous year Rs. 2.02 Lacs). Outgo Rs. Nil (Previous year Rs. Nil).

Corporate Governance:

Provision of Clause 49 of Listing Agreement in respect of Corporate Governance is not applicable to your Company since the paid up capital of the company is less than Rs. 3 crore.

Acknowledgements:

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from Shareholders, Bankers, Central & State Government, Local Authorities and all other authorities during the year under review. Your Directors also like to thanks to its customers, contractors and suppliers for their continuous support and confidence in its management.

Your Directors would like to appreciate the efforts of the Company's employees for their continued support extended to the company.

For and on behalf of the board,
Vinaychand Kothari

Chairman

Mumbai, 8th August, 2011

NANDLAL BAFNA

B. COM., LL.B., FCS

N. BAFNA & Co.

COMPANY SECRETARIES

C-47, Niranjan, Gandhi Chowk, Next to Reti Bhavan, M. G. Road, Dombivli (West)-421 202

Tel. No. (0251)-2484763 / 2482948 Mobile 9821345670

E-mail: nbafna@yahoo.co.in/nbafna@gmail.com

SECRETARIAL COMPLIANCE REPORT

Company No. **11-40199**

Authorised Capital Rs. **6,00,00,000/-**

To,

The Members.

M/s. Best Eastern Hotels Ltd.

401, Chartered House,

293/299 Dr. C. H. Street,

MUMBAI -400 002

We have examined the registers, records, books and papers of M/s. **BEST EASTERN HOTELS LTD.** as required to be maintained under the Companies, Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2011 (Financial year). In our opinion and to the best of our information and according to the examination carried out by us and explanation 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 of the Act and the rules made there under 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 there under.
3. The Company being a limited company has the minimum prescribed paid up capital.
4. The Board of Directors duly met 6 times respectively on 30-04-2010, 20-07-2010, 05-08-2010, 30-10-2010, 31-01-2011 and 12-03-2011 in respect of which meeting 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 has closed its Register of Members and Transfer Register from 17th September 2010 to 31st September 2010 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March 2010 was held on 21-09-2010 after giving due notice to the members of the company and the resolutions passed thereat duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting(s) was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to U/s. 295 of the Act.
9. The Company has not entered into any contracts falling under section 297 of the Act during the relevant period.
10. The Company has made necessary entries in the register maintained under section 301 of the Act during the relevant period.
11. As there were no instances falling within the purview of section 314 of the Act, during the relevant period of this report, the company has not obtained any approvals from the Board of Directors, members or Central Government as the case may be.