

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 69th Annual General Meeting of the members of the Best Eastern Hotels Ltd. will be held on Tuesday, 25th September 2012 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, 2012 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. Vinaychand Kothari, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Mr. Mangal S. Chheda, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the company and fix their remuneration.

By order of the Board

Dilip V. Kothari
Joint Managing Director

Mumbai, 13th August, 2012.

Registered 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 Register of Members and Share Transfer Books will remain closed from Friday, 21st September 2012 to Tuesday, 25th September 2012 (Both days inclusive).
3. Members are requested to notify immediately any change in their address, if any, to Company's Registrar and Share Transfer Agents.
4. 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.
5. **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 | 2004-2005 | 27/09/2005 | 26/09/2012 |
| 2 | 2005-2006 | 08/09/2006 | 07/09/2013 |
| 3 | 2006-2007 | 20/03/2007 | 19/03/2014 |
| 4 | 2007-2008 | 18/03/2008 | 17/03/2015 |
| 5 | 2008-2009 | 16/03/2009 | 15/03/2016 |
| 6 | 2009-2010 | 15/03/2010 | 14/03/2017 |
| 7 | 2010-2011 | 16/03/2011 | 15/03/2018 |
| 8 | 2011-2012 | 16/03/2012 | 15/03/2019 |

Your Directors recommends all the resolutions.

By order of the Board

Mumbai, 13th August, 2012

**Dilip V. Kothari
Joint Managing Director**

Regd. Office :

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

DIRECTORS' REPORT

To the Members,

Your Directors hereby present the Sixty Ninth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS :

| Particulars | Rupees in 000's | |
|--|--------------------------|--------------------------|
| | Year Ended 31.03.2012 | Year Ended 31.03.2011 |
| Revenue | 44,167 | 43,661 |
| Profit before Taxation | 7,309 | 9,252 |
| Less : Provision for Tax | | |
| Current Tax | 2,425 | 2,550 |
| Deferred Tax | (98) | 217 |
| Excess/(Short) Provision for Tax Earlier Years | (56) | 380 |
| Profit after Tax for the year | 5,038 | 6,105 |
| Add : Brought forward profit | 9,430 | 8,467 |
| Profit available for appropriation | 14,468 | 14,572 |
| 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 | 643 | 674 |
| Balance carried over to Balance Sheet | 9,357 | 9,430 |

Operating Results:

The total revenue of the Company for the year ended 31st March, 2012 was stood at Rs. 441.67 lacs (previous year Rs. 436.61 lacs) and the profit before tax is Rs. 73.09 lacs (previous year Rs. 92.52 lacs). The profit after tax is stood at Rs. 50.38 lacs (previous year Rs. 61.05 lacs).

Dividend on Equity and Preference Shares:

Your Directors had paid an interim dividend of Rs. 0.30/- (15%) per equity share of Rs. 2/- each & Rs. 1.20/- (12%) on Preference Shares of Rs. 10/- each for the year ended 31st March, 2012 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. 46.11 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. Vinaychand Kothari & Mr. Mangal S. Chheda 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.

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. 3.13 Lacs being realization under credit cards (Previous year Rs. 3.26 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

Mumbai, 13th August, 2012

Chairman

NANDLAL BAFNA

B. COM., LL.B., FCS

N. BAFNA & Co.

COMPANY SECRETARIES

C-47, Niranjana, 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 2012** (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 7 times respectively on 14-05-2011, 08-08-2011, 16-08-2011, 20-09-2011, 14-11-2011, 09-02-2012, and 12-03-2012 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 16th September 2011 to 20th September 2011 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 2011 was held on 20-09-2011 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.