



BEST EASTERN HOTELS LIMITED

71st Annual Report 2013 - 2014



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. AMAR BAFNA & 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 71th Annual General Meeting of the members of the Best Eastern Hotels Ltd. will be held on Thursday, 21st August 2014 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, 2014 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. Manohar R. Tambat, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and for the purpose to consider and, if thought fit, to pass with or without modification, the following Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendation of the Audit committee of the Board of Directors (“the Board”) the retiring Auditors M/s. Amar Bafna & Associates (Firm Registration No. 114854 W), be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 75th AGM of the Company (subject to ratification of the appointment at every AGM) and to fix their remuneration for the financial year ending ending 31st March, 2015.”

AS SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification following Resolution as an Ordinary Resolution :
“RESOLVED THAT pursuant to the proviso of section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. R. K. Baxi, Director (DIN 00011048), whose period of office is liable to determination by retirement of Directors by rotation and who has offered himself for appointment as Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto March 31, 2019.

6. To consider and if thought fit, to pass with or without modification following Resolution as an Special Resolution :
“RESOLVED AS SPECIAL RESOLUTION THAT pursuant to section 196, 197, 198, 202 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013/1956 (including any statutory modification or re-enactment thereof for the time being in force) (to the extent enacted) and subject to such other consents, approvals and permissions if any needed, the Company hereby approves re-appointment of Mr. Vinaychand Kothari (DIN: 00010974) as a Managing Directors of the Company for the further period of five years w.e.f. 1st June, 2014 on the terms and conditions as set out herein below as to remuneration.

- 1) **Remuneration** : In the scale of Rs. 1,50,000-15,000-2,10,000 per month with a annual increments 1st time on 1st April, 2016 and thereafter effective from April, 1st each financial year commencing from April 1st 2016.
- 2) The Managing Director will also be eligible following perquisites, benefits and facilities.
 - i) Medical Reimbursement : Expenses incurred by and / or his family subject to a ceiling of one month's salary per year or three months salary over a period of three years.
 - ii) Leave Travel Concession: Leave travel concession for him and his family, once in a year incurred in accordance with the Rules of the Company.
 - iii) Personal Accident Insurance : Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs.20,000/-
 - iv) Contribution to Provident Fund, Superannuation fund or Annuity Fund as per the rules of the Company from time to time which will not be included in the computation of the ceiling to the extent these either singly or put together are not taxable under the Income Tax Act.
 - v) Gratuity : Benefits in accordance with the rules and regulations in force in the Company from time to time, but shall not exceed half a month's salary for each completed year of service.
 - vi) Leave Encashment : Encashment of unutilised leave will be as per the Rules and regulations of the Company.

- vii) The Company shall provide a car with a driver and telephone at the residence of Mr. Vinaychand Kothari. Provision of car for use in company's business and telephone at residence will not be considered as perquisites.
- viii) **OTHER BENEFITS**
 - i) Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time.
 - ii) Such other benefits and amenities as may be provided by the company to other senior officers from time to time.
- ix) Notwithstanding absence or inadequacy of profits in any financial year during the currency of their tenure of appointment, shall be paid above remuneration as a minimum remuneration.

3) **Commission:**

Such remuneration by way of commission, in addition to the salary and perquisites and allowances, payable calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors (which includes any committee thereof) in its absolute discretion deem fit, for each Corporate Financial Year, provided that the total remuneration including salary, perquisites and commission shall not exceed the overall ceilings prescribed under Section 197 of the Companies Act, 2013.

- 4) He shall be entitled to all amounts incurred by them in the course of Company's business including entertainment and travel for and on behalf of the Company commensurate with their position.
 - 5) Either party shall be entitled to terminate the services by giving not less than three months notice in writing.
 - 6) He during the tenure of his employment or at any time thereafter not to divulge or disclose to any person or make use of any confidential information or knowledge obtained by them during his employment as to the business or affairs or methods of or as to any trade secrets or secret information of the Company or of any subsidiary, associate or affiliated Company.
 - 7) He shall not be engaged or interested directly or indirectly in any undertaking or business of a nature similar to or competitive to the Company's business or any manner conflicting with the Company's interest.
 - 8) The employment of the appointee shall forthwith terminated if he shall be become an insolvent or make any composition or arrangement with his creditors or shall cease to be the Managing Director.
 - 9) So long as he function as the Managing Director shall not be paid any sitting fees for attending the meeting of the Board or committees thereof.
 - 10) Mr. Vinaychand Kothari to be entrusted with the Management and control of the whole of the affairs of the Company subject to superintendent, control and direction of the Board, the relevant provisions of the Act, and Memorandum and Articles of Association of the Company.
 - 11) He shall devote his whole time and attention to the business of the Company and shall use his best endeavor to promote its interest and welfare.
7. To consider and if thought fit, to pass with or without modification following Resolution as an Special Resolution :
- "RESOLVED AS SPECIAL RESOLUTION THAT** pursuant to section 196, 197, 198, 202 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013/1956 (including any statutory modification or re-enactment thereof for the time being in force) (to the extent enacted) and subject to such other consents, approvals and permissions if any needed, the Company hereby approves re-appointment of Mr. Dilip V. Kothari (DIN: 00011043) as a Joint Managing Director of the Company for the further period of five years w.e.f. 1st June, 2014 on the terms and conditions as set out herein below as to remuneration.

- 1) **Remuneration :** In the scale of Rs. 1,30,000-10,000-1,70,000 per month with a annual increments 1st time on 1st April, 2016 and thereafter effective from April, 1st each financial year commencing from April 1st 2016.
- 2) Jt. Managing Director will also be eligible following perquisites, benefits and facilities.
 - i) **Medical Reimbursement :** Expenses incurred by and / or his family subject to a ceiling of one month's salary per year or three months salary over a period of three years.
 - ii) **Leave Travel Concession:** Leave travel concession for him and his family, once in a year incurred in accordance with the Rules of the Company.

- iii) Personal Accident Insurance : Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs. 20,000/-
- iv) Contribution to Provident Fund, Superannuation fund or Annuity Fund as per the rules of the Company from time to time which will not be included in the computation of the ceiling to the extent these either singly or put together are not taxable under the Income Tax Act.
- v) Gratuity : Benefits in accordance with the rules and regulations in force in the Company from time to time, but shall not exceed half a month's salary for each completed year of service.
- vi) Leave Encashment : Leave Encashment : Encashment of unutilized leave will be as per the Rules and regulations of the Company.
- vii) The Company shall provide a car with a driver and telephone at the residence of Mr. Dilip V. Kothari. Provision of car for use in company's business and telephone at residence will not be considered as perquisites.
- viii) OTHER BENEFITS
 - i) Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time.
 - ii) Such other benefits and amenities as may be provided by the company to other senior officers from time to time.
 - ix) Notwithstanding absence or inadequacy of profits in any financial year during the currency of their tenure of appointment, shall be paid above remuneration as a minimum remuneration.
- 3) **Commission:** Such remuneration by way of commission, in addition to the salary and perquisites and allowances, payable calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors (which includes any committee thereof) in its absolute discretion deem fit, for each Corporate Financial Year, provided that the total remuneration including salary, perquisites and commission shall not exceed the overall ceilings prescribed under Section 197 of the Companies Act, 2013.
- 4) He shall be entitled to all amounts incurred by them in the course of Company's business including entertainment and travel for and on behalf of the Company commensurate with their position.
- 5) Either party shall be entitled to terminate the services by giving not less than three months notice in writing.
- 6) He during the tenure of his employment or at any time thereafter not to divulge or disclose to any person or make use of any confidential information or knowledge obtained by them during his employment as to the business or affairs or methods of or as to any trade secrets or secret information of the Company or of any subsidiary, associate or affiliated Company.
- 7) He shall not be engaged or interested directly or indirectly in any undertaking or business of a nature similar to or competitive to the Company's business or any manner conflicting with the Company's interest.
- 8) The employment of the appointee shall forthwith terminated if he shall be become an insolvent or make any composition or arrangement with his creditors or shall cease to be the Jt. Managing Director.
- 9) So long as he function as the Jt. Managing Director shall not be paid any sitting fees for attending the meeting of the Board or committees thereof.
- 10) Mr. Dilip Kothari will look after the Marketing and Finance part of the company under the control of Managing Director and subject to superintendent, control and direction of the Board, the relevant provisions of the Act, and Memorandum and Articles of Association of the Company.
- 11) He shall devote his whole time and attention to the business of the Company and shall use his best endeavor to promote its interest and welfare.

By order of the Board

Dilip V. Kothari
Joint Managing Director

Mumbai, 14th July, 2014.

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 Tuesday, 19th, August 2014 to Thursday, 21st August 2014 (Both days inclusive).
3. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Shareholders holding shares in physical mode are requested to file a Nomination Form in respect of their shareholdings. Any shareholder wishing to avail of this facility may submit to the Company's Registrar & Share Transfer Agent M/s. Sharex Dynamic (India) Pvt. Ltd. Unit No. 1, Luthra Industrial Premises, Safed Pool, Andheri (E), Mumbai – 400 072 in the prescribed statutory form SH-13. For any assistance, shareholders should get in touch with M/s. Sharex Dynamic (India) Pvt. Ltd.
4. Shareholders are requested to notify immediately any change in their addresses to the Company's Registrar & Share Transfer Agent.
5. Copies of the Annual Report 2014 are being sent by electronic mode only to those members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes. Any member may request for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2014 are being sent by the permitted mode. However such members are requested to register their respective e-mail address with the Company / Depository Participant.
6. Additional information pursuant to Clause 49 of the Listing Agreement with the stock exchanges in respect of the Directors seeking appointment / re-appointment at the AGM is furnished and forms a part of the Notice.
7. **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	2007-2008	18/03/2008	17/03/2015
2	2008-2009	16/03/2009	15/03/2016
3	2009-2010	15/03/2010	14/03/2017
4	2010-2011	16/03/2011	15/03/2018
5	2011-2012	16/03/2012	15/03/2019
6	2012-2013	16/03/2013	15/03/2020

8. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on close of business hours on 18th July 2014 i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 1.00 a.m. on Saturday, 16th August, 2014 and will end at 11.30

p.m. on Saturday, 16th August, 2014. The Company has appointed Mr. Pradeep Sancheti, Practicing Chartered Accountant, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

The instructions for members for voting electronically are as under:-

In case of members receiving email

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “Best Eastern Hotels Ltd.” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department(Applicable for both demat shareholders as well as physical shareholders)• Members who have not updated their PAN with the company / Depository Participant are requested to use the first two letters of their name and last 8 digits of the folio / demat account number in the PAN field.• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut-off date in the dividend bank details field.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant business of Best Eastern Hotels Limited on which you choose to vote.
- (xii) 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.

- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (xiv) 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.
 - (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
 - (xvii) 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.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload 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 in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins at 1.00 a.m. on Saturday, 16th August, 2014 and will end at 11.30 p.m. on Saturday, 16th August, 2014. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18th July 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

Your Directors recommends all the resolutions.

By order of the Board

Mumbai, 14th July, 2014

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

Dilip V. Kothari
Joint Managing Director

EXPLANATORY STATEMENT**(Pursuant to section 102 of the Companies Act, 2013)****Item No. 5.**

Dr. R. K. Baxi, was appointed as an Additional Director of the Company at the meeting of the Board of directors held on 03.04.2000. He was subsequently appointed by the members at the Annual General Meeting held on 30.09.2000 in accordance with the erstwhile provisions of Section 257 of the Companies Act, 1956. Pursuant to the coming into force of Section 149 of the Companies Act, 2013 ("the Act") from April 1, 2014 the Company has re-assessed the status of its Directors with a view to determine their qualifying for classification as Independent Directors in terms of Section 149 (6) of the Act. Accordingly, Dr. R. K. Baxi fulfills the criteria laid out in Section 149(6) of the Act in this regard. Section 149 (10) of the Act restrict the tenure of Independent Director to two terms of upto 10 years, with a single term not exceeding 5 years, which shall be effective from April 1, 2014. In compliance with the provision of Section 149 of the Act, it is proposed to appoint Dr. R. K. Baxi as an Independent Director of the Company to hold office for a term upto March 31, 2019.

The Board of Directors are of the view that your company would greatly benefit from the rich and varied experience of Dr. R. K. Baxi and accordingly recommends the Ordinary Resolution set for in item no.5 of the Notice for approval of the Members.

In the opinion of the Board, Dr. R. K. Baxi fulfills the conditions specified in the Act and the Equity Listing Agreement and he is independent of the management.

Save and except Dr. R. K. Baxi, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in anyway concerned or interested in the resolution.

Item No. 6 & 7.

The appointment of Shri Vinaychand Kothari (DIN: 00010974) and Shri Dilip V. Kothari (DIN: 00011043) as Managing Director and Joint Managing Director has been expired on 31st May, 2014. The board of Directors at their meeting held on 30th May, 2014 re-appointed Shri Vinaychand Kothari and Shri Dilip V. Kothari as Managing Director and Joint Managing Director respectively subject to requisite approvals and in accordance with the recommendations of the Remuneration Committee, approved the appointment and remuneration payable to Shri Vinaychand Kothari and Shri Dilip V. Kothari for further period of 5 years w.e.f. 1st June, 2014 on the terms and conditions as set out in the resolution and the same is within the limit prescribed by Schedule XIII of the Act..

Shri Vinaychand Kothari and Shri Dilip V. Kothari having wide and varied business experience in the hotel industry. The Company has made a tremendous progress under their able management and came on a dividend list. The Board is of the opinion that their appointment is in the interest of the Company and the remuneration as proposed is in accordance with market trends and industry standards.

This may also be considered as an abstract of terms of their appointment and remuneration, as contemplated under Section 302 of the Companies Act, 1956. The Company is not entering in to any formal agreement with the appointees.

Shri Vinaychand Kothari, Shri Dilip V. Kothari being relative of each other may be deemed concern or interested in the resolution.

The appointment is subject to approval of the members of the Company by way of Special Resolution and therefore the approval of members is sought.

Your Directors recommends all the resolutions.