



BEST EASTERN HOTELS LIMITED

72nd Annual Report 2014-15



BEST EASTERN HOTELS LIMITED

(CIN-L99999MH1943PLC040199)



BOARD OF DIRECTORS

Vinaychand Kothari (DIN-00010974)
Chairman & Managing Director

Dilip V. Kothari (DIN-00011043)
Joint Managing Director

Dr. Ramnik K. Baxi (DIN-00011048)
Mangal S. Chheda (DIN-00010927)
Manohar R. Tambat (DIN-00011062)
Mrs. Neelam D. Kothari (DIN-02312332)
Mehernoz C. Dangore (DIN-00010844)

AUDITORS

M/s. AMAR BAFNA & ASSOCIATES
Chartered Accountants

SECRETARIAL AUDITOR

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

BANKERS

UNION BANK OF INDIA
ICICI BANK LTD.
HDFC BANK LTD.

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 :

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

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-: NOTICE :-

NOTICE is hereby given that the 72nd Annual General Meeting of the members of the Best Eastern Hotels Ltd. will be held on Wednesday, 23rd September 2015 at REVIVAL, 39-B, Chowpatty Seaface, Girgaon Chowpatty, Mumbai – 400 007 at 4.30 p.m. to transact the following businesses:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 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 confirm and ratify the appointment of Auditors of Company 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 (2) and 142(1) of the Companies Act, 2013 the reappointment of the statutory auditors of company M/s Amar Bafna & Associates, Firm Registration No. 114854W Chartered Accountants, be and is hereby ratified by the members of the company for the financial year 2015-2016 at such remuneration as may be determined by the Board of Directors of the Company.

AS SPECIAL BUSINESS

4. 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, Mr. Mangal S. Chheda, Director (DIN 00010927), 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, 2020.

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, Mr. Mehernoz C. Dangore (DIN-00010844), 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, 2020.

6. To consider and if thought fit, to pass with or without modification following resolution as an ordinary resolution.

“RESOLVED THAT Mrs. Neelam D. Kothari (DIN-02312332) who was co-opted on the Board as Woman Director and Additional Director and who hold the office till the date of Annual General Meeting be and is hereby appointed as woman director liable to retire by rotation.”

By order of the Board

Dilip V. Kothari
Joint Managing Director

Mumbai, 14th August, 2015.

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, 18th, September 2015 to Wednesday, 23rd September 2015 (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 2015 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 2015 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	2008-2009	16/03/2009	15/03/2016
2	2009-2010	15/03/2010	14/03/2017
3	2010-2011	16/03/2011	15/03/2018
4	2011-2012	16/03/2012	15/03/2019
5	2012-2013	16/03/2013	15/03/2020
6	2013-2014	26/08/2014	25/08/2021

8. Voting through electronic means:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 20th September, 2015 (9:00 am) and ends on 22nd September, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Best Eastern Hotels Ltd."
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to psancheti@hotmail.com with a copy marked to evoting@nsdl.co.in
 - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
 - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 16th September, 2015.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 16th September, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or evoting@sharexindia.com

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. 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 as well as voting at the AGM through ballot paper.

XIII. Mr. Pradeep Sancheti, Chartered Accountant in Practice having Membership No. 074930 has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.ushaascot.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

Your Directors recommends all the resolutions.

By order of the Board

Dilip V. Kothari
Joint Managing Director

Mumbai, 14th August, 2015

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

EXPLANATORY STATEMENT

(Pursuant to section 102 of the Companies Act, 2013)

Item No. 4.

Mr. Mangal S. Chheda, was appointed as an Additional Director of the Company at the meeting of the Board of directors held on 30.10.2000. He was subsequently appointed by the members at the Annual General Meeting held on 28.09.2001. 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, Mr. Mangal S. Chheda 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 Mr. Mangal S. Chheda as an Independent Director of the Company to hold office for a term upto March 31, 2020.

The Board of Directors are of the view that your company would greatly benefit from the rich and varied experience of Mr. Mangal S. Chheda and accordingly recommends the Ordinary Resolution set for in item no.4 of the Notice for approval of the Members.

In the opinion of the Board, Mr. Mangal S. Chheda fulfills the conditions specified in the Act and the Equity Listing Agreement and he is independent of the management.

Save and except Mr. Mangal S. Chheda, 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. 5.

Mr. Mehernoz C. Dangore, was appointed as an Additional Director of the Company at the meeting of the Board of directors held on 01.05.2010. He was subsequently appointed by the members at the Annual General Meeting held on 21.09.2010. 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, Mr. Mehernoz C. Dangore 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 Mr. Mehernoz C. Dangore as an Independent Director of the Company to hold office for a term upto March 31, 2020.

The Board of Directors are of the view that your company would greatly benefit from the rich and varied experience of Mr. Mehernoz C. Dangore 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, Mr. Mehernoz C. Dangore fulfills the conditions specified in the Act and the Equity Listing Agreement and he is independent of the management.

Save and except Mr. Mehernoz C. Dangore, 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.

Mrs. Neelam D. Kothari was co-opted on the Board w.e.f. 20th March, 2015 as woman Director to comply the requirement of provision of Section 149 (1) of Companies Act 2013 who hold the office till the date of Annual General Meeting. Mrs. Neelam D. Kothari, who is arts graduate and is partner in Vandeeep Impex LLP (earlier known as Vandeeep Holdings Pvt. Ltd.) and is having experience of office administrator.

The Company has received a notice from the member together with the Deposit of Rs. 1,00,000/- signifying his intention to propose Mrs. Kothari for the office of woman director.

None of the director except Mr. Vinaychand Kothari, Mr. Dilip Kothari and Mrs. Neelam D. Kothari are not interested or concerned in the resolution.

INFORMATION ON DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE 49(IV)(G)(i) OF THE LISTING AGREEMENT)

Name of Director	Mr. Mangal S. Chheda	Mr. Mehernoz C. Dangore	Mrs. Neelam D. Kothari
Date of Birth	03.08.1943	02.02.1953	24.09.1971
Date of Original Appointment	30.10.2000	01.05.2010	20.03.2015
Expertise in specific functional Areas	General Management	General Management	General Management
Qualification	Under Graduate	B.Com	B.A.
Directorship in other Public Limited Companies	Nil	Nil	Nil
Membership of Committees in other Public Limited Companies	N. A.	N. A.	N. A.
Other Information	<ul style="list-style-type: none"> Non-executive Independent Director No. of Shares held – Nil 	<ul style="list-style-type: none"> Non-executive Independent Director No. of Shares held – 25000 Equity shares 	<ul style="list-style-type: none"> Non-executive Woman Director No. of Shares held – 6,00,000

Your Directors recommends all the resolutions.

By order of the Board

Mumbai, 14th August, 2015

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 72nd Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2015.

FINANCIAL RESULTS :

Particulars	Rupees in 000's	
	Year Ended 31.03.2015	Year Ended 31.03.2014
Revenue	48,804	47,941
Profit before Taxation	5,052	6,182
Less : Provision for Tax		
Current Tax	1,720	1,950
Deferred Tax	(450)	139
Excess/(Short) Provision for Tax Earlier Years	(22)	183
Profit after Tax for the year	3,804	3,910
Add : Brought forward profit	9,860	9,582
Profit available for appropriation	13,664	13,492
Transfer To General Reserve	—	—
Dividend : On Preference Shares	1,440	1,440
On Equity Shares	1,685	1,685
Dividend Tax on dividend	625	507
Balance carried over to Balance Sheet	9,914	9,860

Operating Results:

The total revenue of the Company for the year ended 31st March, 2015 was stood at Rs. 488.04 lacs (previous year Rs. 479.41 lacs) and the profit before tax is Rs. 50.52 lacs (previous year Rs. 61.82 lacs). The profit after tax is stood at Rs. 38.04 lacs (previous year Rs. 39.10 lacs).

Dividend on Equity and Preference Shares:

Your Directors recommend dividend of Rs. 0.10/- (10%) per equity share of Re. 1/- each & Rs. 1.20/- (12%) on Preference Shares of Rs. 10/- each for the year ended 31st March, 2015. If approved, the dividend will be paid to the share holders / beneficial holders whose names appear in the Register of Members as on 21st September, 2015. The total amount of dividend outgo will be Rs. 37.50 Lacs including dividend tax (previous year dividend outgo Rs. 36.32 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:

Mrs. Neelam D. Kothari (DIN-02312332) was co-opted on the Board w.e.f. 20th March, 2015 as woman Director to comply the requirement of provision of Section 149 (1) of Companies Act 2013 who hold the office till the date of Annual

General Meeting. The Company has received a notice from the member together with the Deposit of Rs. 1,00,000/- signifying his intention to propose Mrs. Kothari for the office of woman director.

Mr. Mangal S. Chheda and Mr. Mehernoz C. Dangore who are already on the Board of the Company as Independent Directors are being appointed in the same position for a period 5 (five) years at the forthcoming Annual General Meeting of the Company pursuant to sub-sections (4) and (10) of Section 149 and other applicable provisions, if any, of the Companies Act, 2013. In accordance with sub-section (13) of Section 149, these Independent Directors will not retire by rotation. The Company has received Notices from shareholder(s) proposing the appointment of Mr. Mangal S. Chheda, and Mr. Mehernoz C. Dangore as Independent Directors on the Board for a period of 5 years at the forthcoming Annual General Meeting of the Company. The particulars of Directors are given in the Annexure to the Notice.

The board, therefore, recommends their appointment / re-appointment as director / independent directors of the Company.

Directors Responsibility Statement:

Pursuant to sub-section (5) of section 134 of the Companies Act, 2013, the Board of Directors of the company hereby state and confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- ii) they have 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 profits of the Company for that period;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis;
- v) they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Corporate Social Responsibility (CSR):

Your Company's social welfare and community development initiatives focus on the key areas of education, health care. 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. These projects are largely in accordance with Schedule VII of the Companies Act, 2013.

Vigilance Function :

Your Company has developed a structured mechanism of vigilance functions and its focused towards creation of value for all the stakeholders. The practices involve multi-layer checks and balances to improve transparency. Vigilance Awareness and preventive vigilance activities were continuously carried out during the year. Guidelines of central vigilance commission (CVC) are being followed.

Particulars of Loan, Guarantees and Investments under Section 186:

During the year Company has not given any loan, guarantee or made investment covered under Sec 186 of CA, 2013.

Related Party Transactions:

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business. Please refer point 'j' of Note 20 to the Notes to the accounts.