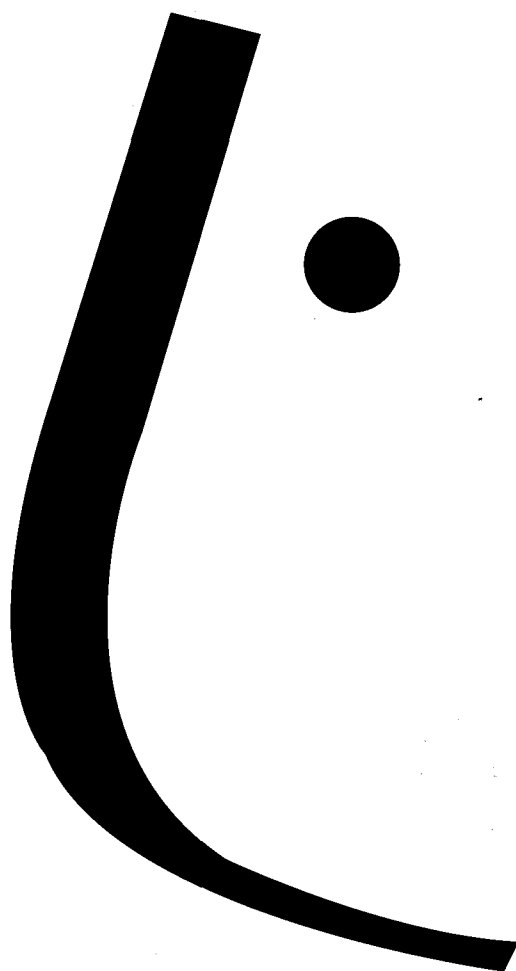


ANNUAL REPORT
2008-2009



BHARAT HOTELS LIMITED



Lalit Suri

(November 19, 1946 - October 10, 2006)

In us, you live.



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BHARAT HOTELS LIMITED

CHAIRPERSON AND MANAGING DIRECTOR

Ms. Jyotsna Suri

DIRECTORS

Mr. Ramesh Suri
Mr. Hanuwant Singh
Mr. Dharam Veer Batra
Mr. Abhay Navalmal Firodia
Mr. Chakor Lalchand Doshi
Mr. Lalit Bhasin
Mr. Vinod Khanna
Dr. M.Y. Khan
Mr. V.N. Dhoot

SR. VICE PRESIDENT & COMPANY SECRETARY

Mr. Vijay K. Verma

SR. VICE PRESIDENT-FINANCE

Mr. Arvind Sachdev

SR. VICE PRESIDENT - FINANCE & SYSTEMS

Mr. Madhav Sikka

REGISTERED OFFICE

Barakhamba Lane
New Delhi - 110001, India

STATUTORY AUDITORS

S.R. Batliboi & Associates
Chartered Accountants
Golf View Corporate Tower B
Sector-42, Sector Road
Gurgaon - 122002, Haryana, India

BANKERS

The Jammu & Kashmir Bank Ltd.
Canara Bank

**NOTICE**

Notice is hereby given that the 28th Annual General Meeting of the Members of Bharat Hotels Limited will be held on Wednesday the 26th August, 2009 at 3:00 P.M. at FICCI Golden Jubilee Auditorium, Tansen Marg, New Delhi 110 001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit and Loss Account for the Financial Year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend for the Financial Year ended 31st March, 2009.
3. To appoint a Director in place of Dr. Mohammed Yusuf Khan, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Chakor Lalchand Doshi, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Abhay Navalmal Firodia, who retires by rotation and, being eligible, offers himself for reappointment.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT approval of the Members of the company be and is hereby accorded pursuant to provisions of Sections 198, 269, 310, 311 and any other applicable provisions, if any, of the Companies Act, 1956 to the appointment of Ms. Divya Suri Singh as Executive Director of the company, liable to retire by rotation, w.e.f. 26th August, 2009 for a period of 5 (five) years at a salary of Rs.4,25,000/- per month and commission on profits and perquisites subject to ceiling laid down in Schedule XIII of the Companies Act, 1956.”

8. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT approval of the Members of the company be and is hereby accorded pursuant to provisions of Sections 198, 269, 310, 311 and any other applicable provisions, if any, of the Companies Act, 1956 to the appointment of Ms. Deeksha Suri as Executive Director of the company, liable to retire by rotation, w.e.f. 26th August, 2009 for a period of 5 (five) years at a salary of Rs.4,25,000/- per month and commission on profits and perquisites subject to ceiling laid down in Schedule XIII of the Companies Act 1956.”

9. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT approval of the Members of the company be and is hereby accorded pursuant to provisions of Sections 198, 269, 310, 311 and any other applicable provisions, if any, of the Companies Act,

1956 to the appointment of Mr.Keshav Suri as Executive Director of the company, liable to retire by rotation, w.e.f. 26th August, 2009 for a period of 5 (five) years at a salary of Rs.4,25,000/- per month and commission on profits and perquisites subject to ceiling laid down in Schedule XIII of the Companies Act, 1956.”

10. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to provisions of Section 293(1)(e) of the Companies Act, 1956 the Board of Directors of the Company be and is hereby authorized to contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts upto an aggregate sum of Rs.10,00,00,000/- (Rupees ten crores only) in any financial year.”

By Order of the Board
for BHARAT HOTELS LIMITED

VIJAY K. VERMA
Sr. Vice President & Company Secretary

Dated : 27th June, 2009
Place : New Delhi
Regd. Office: Barakhamba Lane, New Delhi - 110 001



NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT BARAKHAMBALANE, NEW DELHI-110001 NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the company will remain closed from Monday, the 17th August, 2009 to Wednesday, the 26th August, 2009 (both days inclusive) to take record of the shareholders of the company.
3. The members/proxies should bring their attendance slips sent herewith, duly filled in for attending the meeting.
4. Members desirous of obtaining any information concerning accounts or operation of the company are requested to write to the company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
5. The members are requested to notify any change in their registered address/residential status immediately to the Registrar M/s Karvy Computershare Private Limited, Plot No. 17 to 24, Nr. Image Hospital, Vittal Rao Nagar, Madhapur, Hyderabad-500081, A.P., India. In case of dematerialised shares, the aforesaid information should be given to the depository participant with which the member has account.
6. Entry in the meeting hall shall be strictly restricted to the members/valid proxies only carrying the attendance slip.
7. Information u/s. 205A read with the Companies Unpaid Dividend (Transfer to Investors Education and Protection Fund set up by the Govt. of India):
 - a) Pursuant to the provisions of section 205A(5) of the Companies Act, 1956 and introduction of section 205C of the Companies Act, 1956, the Company has transferred unclaimed dividend upto the financial year ending 31st March, 2001 to Investors Education and Protection Fund set up by Govt. of India. The amount of dividend for the financial years 2006-2007 and 2007-2008 remaining unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims.
 - b) Members who have not yet encashed their dividend warrant(s) for the financial years 2006-2007 and 2007-2008 are requested to claim the amount forthwith from the Company.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO.7

Ms. Divya Suri Singh is Master in Law from Kings College London and has been associated with the company as Legal Advisor since the year 2001. The company has immensely benefited from her contribution as legal advisor to the company.

In view of the above the Board of Directors of the Company at its meeting held on 27th June, 2009 has proposed to appoint Ms. Divya Suri Singh as Executive Director of the Company liable to retire by rotation as per the provisions of the Articles of Association of the Company w.e.f. 26.08.2009 on the following terms and conditions:

- I) **SALARY:**
Salary @ Rs.4,25,000/- (Rupees four lakh twenty-five thousand only) per month.
- II) **COMMISSION:**
Commission upto 1% of the net profits.
- III) **PERQUISITES:**
Perquisites will be restricted to an amount equal to the annual salary. For this purpose perquisites be classified into three categories, Parts A, B & C.

PART "A"

- (i) **MEDICAL REIMBURSEMENT:**
Expenses incurred for self and the family, subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
- (ii) **LEAVE TRAVEL CONCESSION:**
For self and family once in a year in accordance with the rules of the company.
- (iii) **PERSONAL ACCIDENT INSURANCE:**
Premium not to exceed Rs.4,000/- per annum.
- (iv) **CLUB FEES:**
Fees for Clubs, subject to a maximum of Two Clubs. This will not include admission and life membership fees.

EXPLANATION:

For the purpose of this Part 'Family' means the spouse, the independent children and dependent parents.

PART "B"

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

Gratuity payable shall not exceed half a month's salary for each completed year of service.



PART "C"

Provision of car for use on company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company to the Executive Director.

Commission on the net profits of the company subject to ceilings under Sections 198 and 309 and computed in the manner laid down in Section 349 of the Companies Act, 1956.

In view of the above, the Board of Directors recommended for the approval of shareholders the appointment and payment of remuneration as stated in the resolution as aforesaid w.e.f. 26th August, 2009 for a period of 5 years.

None of the Directors except Ms. Jyotsna Suri, Chairperson & Managing Director and Shri Ramesh Suri, Director of the company being relatives are interested or concerned in this Resolution.

This explanation together with the accompanying notice should be treated as an extract u/s 302 of the Companies Act, 1956 in respect of the appointment of Ms. Divya Suri Singh as Executive Director of the Company.

ITEM NO. 8

Ms. Deeksha Suri was appointed as General Manager-Corporate of the company w.e.f. 01.09.2002 as approved by the Members of the company. She has been looking after manpower planning and Human Resource Development besides other general administration of the company at Corporate level. She is B.Com (H) from University of Delhi and holds Post Graduate Diploma in Business Studies from London School of Economics. The company has been immensely benefited from her contribution especially during expansion of company's business.

In view of the above the Board of Directors of the Company at its meeting held on 27th June, 2009 has proposed to appoint Ms. Deeksha Suri as Executive Director of the Company liable to retire by rotation as per the provisions of the Articles of Association of the Company w.e.f. 26.08.2009 on the following terms and conditions:

- I) **SALARY:**
Salary @ Rs.4,25,000/- (Rupees four lakh twenty-five thousand only) per month.
- II) **COMMISSION:**
Commission upto 1% of the net profits.
- III) **PERQUISITES:**
Perquisites will be restricted to an amount equal to the annual salary. For this purpose perquisites be classified into three categories, Parts A, B & C.

PART "A"

- (v) **MEDICAL REIMBURSEMENT:**
Expenses incurred for self and the family, subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
- (vi) **LEAVE TRAVEL CONCESSION:**
For self and family once in a year in accordance with the rules of the company.
- (vii) **PERSONAL ACCIDENT INSURANCE:**
Premium not to exceed Rs.4,000/- per annum.

(viii) CLUB FEES:

Fees for Clubs, subject to a maximum of Two Clubs. This will not include admission and life membership fees.

EXPLANATION:

For the purpose of this Part 'Family' means the spouse, the independent children and dependent parents.

PART "B"

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

Gratuity payable shall not exceed half a month's salary for each completed year of service.

PART "C"

Provision of car for use on company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company to the Executive Director.

Commission on the net profits of the company subject to ceilings under Sections 198 and 309 and computed in the manner laid down in Section 349 of the Companies Act, 1956.

In view of the above, the Board of Directors recommended for the approval of shareholders the appointment and payment of remuneration as stated in the resolution as aforesaid w.e.f. 26th August, 2009 for a period of 5 years.

None of the Directors except Ms. Jyotsna Suri, Chairperson & Managing Director and Shri Ramesh Suri, Director of the company being relatives are interested or concerned in this Resolution.

This explanation together with the accompanying notice should be treated as an extract u/s 302 of the Companies Act, 1956 in respect of the appointment of Ms. Deeksha Suri as Executive Director of the Company.

ITEM NO. 9

Mr. Keshav Suri was appointed as General Manager-Corporate of the company w.e.f. 01.07.2007 as approved by the Members of the Company. He has been looking after operations and projects of the Company at Corporate level. He is MSC in International Management and Masters in Law from Kings College, London. The company has been immensely benefited from his contribution especially during expansion of company's business.

In view of the hard work put in by Mr. Keshav Suri and the responsibilities shouldered by him the Board of Directors of the Company at its meeting held on 27th June, 2009 has proposed to appoint Mr. Keshav Suri as Executive Director of the Company liable to retire by rotation as per the provisions of the Articles of Association of the Company w.e.f. 26.08.2009 on the following terms and conditions:

I) SALARY:

Salary @ Rs.4,25,000/- (Rupees four lakh twenty-five thousand only) per month.

II) COMMISSION:

Commission upto 1% of the net profits.