



# BEST EASTERN HOTELS LIMITED

73rd Annual Report 2015 - 2016



# BEST EASTERN HOTELS LIMITED



(CIN-L99999MH1943PLC040199)

## BOARD OF DIRECTORS

**Vinaychand Kothari** (DIN-00010974)  
Chairman & Managing Director

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

**Mrs. Neelam D. Kothari** (DIN-02312332)

**Manohar R. Tambat** (DIN-00011062)

**Dr. Ramnik K. Baxi** (DIN-00011048)

Independent Director

**Mangal S. Chheda** (DIN-00010927)

Independent Director

**Mehernoz C. Dangore** (DIN-00010844)

Independent Director

### 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](mailto:booking@ushaascot.com)

### AUDITORS

M/s. AMAR BAFNA & ASSOCIATES  
Chartered Accountants

### BANKERS

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

### SECRETARIAL AUDITOR

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

### 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

### HOTEL SITE :

#### USHA ASCOT

M. G. Road, Matheran, Dist. Raigad.

Tel.: 91 2148 230360 Fax: 91 2148 230213

Web site: [www.ushaascot.com](http://www.ushaascot.com)

## CONTENTS

	PAGE NOS.
Notice .....	1
Directors' Report .....	6
Secretarial Audit Report .....	15
Auditors' Report .....	18
Balance Sheet .....	24
Statement of Profit & Loss .....	25
Notes to Financial Statements .....	26
Cash Flow Statement .....	36

**-: NOTICE :-**

**NOTICE** is hereby given that the 73<sup>rd</sup> Annual General Meeting of the members of the Best Eastern Hotels Ltd. will be held on Tuesday, 20<sup>th</sup> September 2016 at REVIVAL, 39-B, Chowpatty Seaface, Girgaon Chowpatty, Charni Road, Mumbai – 400 007 at 3.00 p.m. to transact the following businesses:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2016 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 appoint Director in place of Mr. Manohar R. Tambat, who retires by rotation and being eligible, offers himself for re-appointment.
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 re-appointment 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 2016-2017 at such remuneration as may be determined by the Board of Directors of the Company.

**By order of the Board**

**Dilip V. Kothari**  
**Joint Managing Director**

**Mumbai, 12<sup>th</sup> August, 2016.**

**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 Wednesday, 14<sup>th</sup>, September 2016 to Tuesday, 20<sup>th</sup> September 2016 (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 2016 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 2016 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	2009-2010	15/03/2010	14/03/2017
2	2010-2011	16/03/2011	15/03/2018
3	2011-2012	16/03/2012	15/03/2019
4	2012-2013	16/03/2013	15/03/2020
5	2013-2014	26/08/2014	25/08/2021
6	2014-2015	28/09/2015	27/09/2022

**8. Voting through electronic means:**

1. 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 Regulation 44 of the securities and Exchange Board of India (Listing obligations and Disclosure requirements) Regulations 2015 (Listing Regulation), 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 17<sup>th</sup> September, 2016 (9:00 am) and ends on 19<sup>th</sup> September, 2016 (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 13<sup>th</sup> September, 2016, 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.nsd.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](mailto:psancheti@hotmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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.nsd.com](http://www.evoting.nsd.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 13<sup>th</sup> September, 2016.
- 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. 13<sup>th</sup> September, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [evoting@sharexindia.com](mailto: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](http://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](http://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, 12<sup>th</sup> August, 2016**

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

Name of Director	<b>Mr. Manohar R. Tambat</b>
Date of Birth	<b>28.07.1942</b>
Date of Original Appointment	<b>30.08.2003</b>
Expertise in specific functional Areas	<b>General Management</b>
Qualification	<b>Under Graduate</b>
Directorship in other Public Limited Companies	<b>Nil</b>
Membership of Committees in other Public Limited Companies	<b>N. A.</b>
Other Information	<ul style="list-style-type: none"><li>● Non-executive Independent Director</li><li>● No. of Shares held – 2000 Equity shares</li></ul>

Your Directors recommends all the resolutions.

**By order of the Board**

**Mumbai, 12<sup>th</sup> August, 2016**

**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 73<sup>rd</sup> Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2016.

**FINANCIAL RESULTS :**

Particulars	Rupees in 000's	
	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>Revenue</b>	<b>51,550</b>	48,804
<b>Profit before Taxation</b>	<b>3,752</b>	5,052
<b>Less : Provision for Tax</b>		
Current Tax	<b>1,325</b>	1,720
Deferred Tax	<b>(151)</b>	(450)
Excess / (Short) Provision for Tax Earlier Years	<b>14</b>	(22)
<b>Profit after Tax for the year</b>	<b>2,564</b>	3,804
Add : Brought forward profit	<b>9,914</b>	9,860
<b>Profit available for appropriation</b>	<b>12,478</b>	13,664
Transfer To General Reserve	—	—
Dividend : On Preference Shares	—	1,440
On Equity Shares	—	1,685
Dividend Tax on dividend	—	625
<b>Balance carried over to Balance Sheet</b>	<b>12,478</b>	9,914

**Operating Results:**

The total revenue of the Company for the year ended 31<sup>st</sup> March, 2016 was stood at Rs. 515.50 lacs (previous year Rs. 488.04 lacs) and the profit before tax is Rs. 37.52 lacs (previous year Rs. 50.52 lacs). The profit after tax is stood at Rs. 25.64 lacs (previous year Rs. 38.04 lacs).

**Dividend on Equity and Preference Shares:**

Considering the inadequate profit for the year under review of the Company, the Board of Directors regret to recommend any dividend for the year ended 31<sup>st</sup> March, 2016 on equity as well as preference shares.

**Transfer to Reserves:**

No amount was transferred to the reserves during the financial year ended 31<sup>st</sup> March, 2016.

**Fixed Deposit:**

The Company has neither invited nor accepted any deposits from Public.

**Directors:**

Mr. Manohar R. Tambat retires by rotation and being eligible offers himself for re-appointment.

The board, therefore, recommends their re-appointment as director 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):**

The provisions of section 135 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to your company.

However, 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.

**Risk Management:**

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximise the realization of opportunities. The Company has laid down a comprehensive Risk Assessment and Minimization Procedure which is reviewed by the Board from time to time. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework. The major risks have been identified by the Company and its mitigation process/measures have been formulated in the areas such as business, project execution, event, financial, human, environment and statutory compliance.

**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.

**Subsidiaries, Joint Ventures and Associate Companies:**

During the year under review, no company has become or ceased to be the Company's subsidiaries, joint ventures or associate companies.

**Details Of Significant And Material Orders Passed By The Regulators, Courts And Tribunals:**

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

**Disclosures Under Sexual Harassment Of Women At Workplace (Prevention, Prohibition & Redressal) Act, 2013:**

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review, no case of sexual harassment was reported.

**Material Changes And Commitment If Any Affecting The Financial Position Of The Company Occurred Between The End Of The Financial Year To Which This Financial Statements Relate And The Date Of The Report:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report

**Meetings:**

During the year 6 Board Meetings were held. Meetings were held on 30.05.2015, 14.08.2015, 14.11.2015, 25.01.2016, 01.02.2016 and 26.03.2016.

**Extract of Annual Return:**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure 1"

**Auditors:**

M/s Amar Bafna & Associates (Firm Registration No. 114854W), Chartered Accountants have been appointed as statutory auditors of the company at the Annual General Meeting held on 22.08.2014 for a period of Four years subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing Annual General Meeting.

**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 Audit Report:**

In accordance with Section 204 of the Companies Act, 2013, the Company had appointed M/s. N. Bafna & Co., Company Secretaries as Secretarial Auditors for the financial year ended 31st March, 2016. The Secretarial Auditor's report forms part of the Annual Report.

**Particulars of Employees:**

Information as per Section 197 of the Companies Act, 2013 (the 'Act') read with the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by notification dtd. 30/06/2016 list of the top ten employees in terms of remuneration drawn is annexed as Annexure – 2. None of the employees is employed on a remuneration of Rs. 8,50,000/- p.m. or Rs.1,02,00,000/- p.a.

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

Information required to be disclosed pursuant to section 134 (3) (m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earning & outgo are 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. 2.76 Lacs being realization under credit cards (Previous year Rs. 3.18 Lacs). Outgo Rs. Nil (Previous year Rs. 0.64 Lacs).

**Corporate Governance:**

Provision of Clause 49 of Listing Agreement and Regulation 15(2) of SEBI (LODR) Regulation 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, 12<sup>th</sup> August, 2016

**ANNEXURE '1' TO THE DIRECTOR'S REPORT**
**EXTRACT OF ANNUAL RETURN**

As on financial year ended 31.03.2016

[Pursuant to Section 92(3) of the Companies act, 2013 read with  
[The Companies (Management and Administration) Rules, 2014] FORM NO. MGT-9

**A. REGISTRATION AND OTHER DETAILS:**

CIN:-	L99999MH1943PLC040199
Registration Date:	23.05.1943
Name of the Company:	<b>Best Eastern Hotels Ltd.</b>
Category / Sub-Category of the Company	Public Company - Company having share capital
Address of the Registered office and contact details:	401, Chartered House, 293/299, Dr. C. H. Street, Near Marine Lines Church, Mumbai - 400 002. Tel. 022-2207 82 92
Whether listed company	Listed on BSE Ltd., Mumbai.
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex (Dynamic) India Pvt. Ltd., Unit - 1, Luthra Ind. Premises, Safed Pool, Andheri-Kurla Road, Andheri (E), Mumbai - 400 072. Tel.: 28515606

**B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service% to total turnover of the company	% to total turnover of the company
a.	Short term accomodation activities	551	<b>66.39%</b>
b.	Restaurants and mobile food service activities	561	<b>32.33%</b>

**C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr.	Name and address of the company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held
a	N.A.	N.A.	N.A.	N.A.

## D. SHARE HOLDING PATTERN

### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2015				No. of Shares held at the end of the year 31/03/2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTER'S</b>									
<b>(1). INDIAN</b>									
(a). individual	11387500	0	11387500	67.582	11387500	0	11387500	67.582	0
(b). Central Govt.									
(c). State Govt(s).	0	0	0		0	0	0		0
(d). Bodies Corp.	1250000	0	1250000	7.418	1250000	0	1250000	7.418	0
(e). FIINS / BANKS.	0	0	0		0	0	0		0
(f). Any Other		0				0			0
<b>Sub-total (A) (1):-</b>	<b>12637500</b>	<b>0</b>	<b>12637500</b>	<b>75</b>	<b>12637500</b>	<b>0</b>	<b>12637500</b>	<b>75</b>	<b>0</b>
<b>(2). FOREIGN</b>									
(a). Individual NRI / For Ind	0	0	0		0	0	0		0
(b). Other Individual									
(c). Bodies Corporates	0	0	0		0	0	0		0
(d). Banks / FI	0	0	0		0	0	0		0
(e). Qualified Foreign Investor	0	0	0		0	0	0		0
(f). Any Other Specify	0	0	0		0	0	0		0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>12637500</b>	<b>0</b>	<b>12637500</b>	<b>75.000</b>	<b>12637500</b>	<b>0</b>	<b>12637500</b>	<b>75.000</b>	<b>0</b>
<b>(B) (1). PUBLIC SHAREHOLDING</b>									
(a). Mutual Funds	0	0	0		0	0	0		0
(b). Banks / FI	0	3320	3320	0.02	1660	1660	3320	0.02	0
(c). Central Govt.									
(d). State Govt.	0	0	0		0	0	0		0
(e). Venture Capital Funds	830	0	830	0.005	0	0	0	0	-0.005
(f). Insurance Companies	0	0	0		0	0	0		0
(g). FIs	0	0	0		0	0	0		0
(h). Foreign Venture Capital Funds	0	0	0		0	0	0		0
(i). Others (specify)	0	0	0		0	0	0		0
<b>Sub-total (B)(1):-</b>	<b>830</b>	<b>3320</b>	<b>4150</b>	<b>0.025</b>	<b>1660</b>	<b>1660</b>	<b>3320</b>	<b>0.02</b>	<b>-0.005</b>
<b>2. Non-Institutions</b>									
<b>(a). BODIES CORP.</b>									
(i). Indian	125687	5670	131357	0.78	86332	5670	92002	0.546	-0.234
(ii). Overseas									
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	3023120	131030	3154150	18.719	3073200	129370	3202570	19.006	0.287
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	914647	0	914647	5.428	911412	0	911412	5.409	-0.019
(c). Other (specify)									
Non Resident Indians	2196	1000	3196	0.019	2196	1000	3196	0.019	0
Overseas Corporate Bodies	0	0	0		0	0	0		0
Foreign Nationals		0				0			0
Clearing Members	5000	0	5000	0.03	0	0	0		-0.03
Trusts		0				0			0
Foreign Boodies - D R		0				0			0
<b>Sub-total (B)(2):-</b>	<b>4070650</b>	<b>137700</b>	<b>4208350</b>	<b>24.976</b>	<b>4073140</b>	<b>136040</b>	<b>4209180</b>	<b>24.98</b>	<b>0.004</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>4071480</b>	<b>141020</b>	<b>4212500</b>	<b>25.001</b>	<b>4074800</b>	<b>137700</b>	<b>4212500</b>	<b>25.000</b>	<b>-0.001</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
									<b>0</b>
<b>Grand Total(A+B+C)</b>		<b>16708980</b>	<b>141020</b>	<b>16850000</b>	<b>100.00</b>	<b>16712300</b>	<b>137700</b>	<b>16850000</b>	<b>100.00</b>

**(ii) Shareholding of Promoters**

SI No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Share holding at the end of the Year 31/03/2016			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	VANDEEP HOLDINGS PVT LTD	1250000	7.418	Nil	1250000	7.418	Nil	Nil
2	MEENA V KOTHARI	4250000	25.223	Nil	4250000	25.223	Nil	Nil
3	DILIP V KOTHARI	2190530	13	Nil	2190530	13	Nil	Nil
4	NEELAM D KOTHARI	600000	3.561	Nil	600000	3.561	Nil	Nil
5	VINAYCHAND KOTHARI	4346970	25.798	Nil	4346970	25.798	Nil	Nil

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

SI No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Share holding at the end of the Year 31/03/2016			
		No. of Shares at the beginning (01-04-2015)/ end of the year (31-03-2016)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	N.A.	NIL	NIL		N.A.	N.A.	NIL	NIL

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No	Name	No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company]
1	KAMAL JAGDISH GUPTA	145002	0.861	01/04/2015	0	0		
	-Closing Balance			31/03/2016			145002	0.861
2	NALIN JAGDISH GUPTA	150000	0.89	01/04/2015			0	0
	-Closing Balance			31/03/2016			150000	0.89
3	ANITA RAJESH VASA	100000	0.593	01/04/2015			0	0
	-Closing Balance			31/03/2016			100000	0.593
4	MONICA MAHENDRA DAGA	100000	0.593	01/04/2015			0	0
	-Closing Balance			31/03/2016			100000	0.593
5	NILAY JAIN	187500	1.113	01/04/2015			0	0
	-Closing Balance			31/03/2016			187500	1.113
6	NISHA JAIN	165000	0.979	01/04/2015			0	0
	-Closing Balance			31/03/2016			165000	0.979
7	MAHENDRA GOKHARU	142145	0.844	01/04/2015			0	0
				07/08/2015	-9571	Transfer	132574	0.787
				05/02/2016	-3000	Transfer	129574	0.769
				18/03/2016	9336	Transfer	138910	0.824
	-Closing Balance			31/03/2016			138910	0.824
8	SANTOSH AGRAWAL	70000	0.415	01/04/2015			0	0
	-Closing Balance			31/03/2016			70000	0.415
9	RAHUL JAISWAL	125000	0.742	01/04/2015			0	0
	-Closing Balance			31/03/2016			125000	0.742
10	NEEL JAIN	87000	0.516	01/04/2015			0	0
	-Closing Balance			31/03/2016			87000	0.516

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No	Name	Shareholding at the beginning of the year 01/04/2015		Cumulative Shareholding during the year 31/03/2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>MANOHAR RAMCHANDRA TAMBAT</b>				
	At the beginning of the year	2000	0.012		
	At the End of the year			2000	0.012
2	<b>MEHERNOZ C. DANGORE</b>				
	At the beginning of the year	25000	0.148		
	At the End of the year			25000	0.148

**(vi) INDEBTEDNESS : Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,489,191	23,837,612	-	29,326,803
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5,489,191	23,837,612	-	29,326,803
Change in Indebtedness during the financial year				
● Addition	8,495,285	-	-	8,495,285
● Reduction		6,688,087	-	6,688,087
Net Change	8,495,285	6,688,087	-	1,807,198
Indebtedness at the end of the financial year				
i) Principal Amount	13,984,476	17,149,525	-	31,134,001
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
Total (i+ii+iii)	13,984,476	17,149,525	-	31,134,001

**(vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Vinaychand Kothari (M.D.)	Dilip V. Kothari (Jt. M. D.)	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,950,000	1,690,000	3,640,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	1,950,000	1,690,000	3,640,000
	Ceiling as per the Act			

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors Manager	Total Amount
1.	Independent Directors		Nil
	● Fee for attending board / committee meetings		Nil
	● Commission		Nil
	● Others, please specify		Nil
	Total (1)		Nil
2.	Other Non-Executive Directors		Nil
	● Fee for attending board / committee meetings		Nil
	● Commission		Nil
	● Others, please specify		Nil
	Total (2)		Nil
	Total (B)=(1+2)		Nil
	Total Managerial Remuneration		Nil
	Overall Ceiling as per the Act		

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD : Not Applicable**

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N.A.**

There were no Penalties / Punishment / Compounding of offences for the financial year ended 31st March, 2016.

**ANNEXURE '2' TO THE DIRECTOR'S REPORT**

**DISCLOSURE AS REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (2) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULE, 2014 AS AMENDED BY THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016 (As on 31.03.2016)**

**INFORMATION OF THE TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN**

Sr. No.	Name of Employee	Designation	Remuneration Received Gross (Rs.)	Nature of Employment (Contractual or Otherwise)	Qualification	Experience in years	Date of Commencement of Employment	Age in Years	Last Employment	% (Equity)	Employee is relative of Director or Manager (Name of Director or Manager)
1	Mr. Vinaychand Kothari	Chairman & Managing Director	Rs.19,50,000	Regular	Matriculate	48	01.06.2000	68	Hotel Relax Pvt. Ltd.	25.798%	Relative of Mr. Dilip Kothari & Mrs. Neelam Kothari
2	Mr. Dilip V Kothari	Jt. Managing Director	Rs.16,90,000	Regular	B.Com, C.A.	27	01.06.2000	49	Hotel Relax Pvt. Ltd.	13.000%	Relative of Mr. Vinaychand Kothari & Mrs. Neelam Kothari
3	Mr. Rahul Munot	Residence Manager	Rs.3,77,295	Regular	B.Com	18	10.09.2004	40	—	Nil	Nil
4	Mrs. Monica Daga	Executive Marketing	Rs.2,70,000	Regular	B. Com	3	01.04.2013	42	—	0.593%	Mr. Vinaychand Kothari, Mr. Dilip Kothari & Mrs. Neelam Kothari
5	Mr. Parasmal Kothari	Executive Operations	Rs.1,50,000	Regular	B.Com	17	01.03.1999	61	—	Nil	Nil
6	Mr. Bhavesh Patel	Accounts Manager	Rs.3,57,185	Regular	B. Com	17	01.06.2007	35	BG & K Associates	Nil	Nil
7	Mr. Kalpesh Bhandari	Accountant	Rs. 3,32,467	Regular	H.S.C.	22	01.01.2001	41	Hotel Relax Pvt. Ltd.	Nil	Nil
8	Mr. Baldev Ahuja	Guest Relation Manager	Rs. 2,80,000	Regular	B.Com	20	01.04.2011	62	NA	Nil	Nil
9	Mr. M. P. Pandey	Maintenance Manager	Rs.2,41,534	Regular	Diploma	25	23.11.2011	56	Usha Ascot	Nil	Nil
10	Mr. Kishore More	Executive F.O.	Rs.2,14,921	Regular	H.S.C.	22	01.01.2010	41	Hotel Regal	Nil	Nil

**Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED March 31, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Best Eastern Hotels Ltd.  
Mumbai – 400 002

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Best Eastern Hotels Limited** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2016(hereinafter referred to as "Audit Period), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings and rights issue of Compulsorily Convertible Debentures; (Not applicable as the company do not have external commercial borrowings)
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
    - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - iii. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the audit period under report:
  - i. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - ii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - iv. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - v. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
3. Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings were not attracted to the Company for the audit period.

4. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given below:
- i. Other laws specifically applicable to the Company:
    - (a) Food Safety and Standards Act, 2006 and Food Safety and Standards Rules, 2011
    - (b) Food Safety and Standards (Packing & Labelling) Regulations, 2011
  - ii. Laws generally applicable to the Company;
    - i. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
    - ii. Acts prescribed under prevention and control of pollution;
    - iii. Acts prescribed under Environmental protection;
    - iv. Acts as prescribed under Direct Taxes and Indirect Taxes
    - v. Labour Welfare Acts of respective States;
    - vi. The Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013
    - vii. Local laws as applicable to various offices.
  - iii. We have also examined compliance with the applicable clauses of the following:
    - (i) the equity Listing Agreements entered into by the Company with Stock Exchanges viz., BSE Limited
    - (ii) Secretarial Standards issued by The Institute of Company Secretaries of India related to meetings and minutes. These Standards were applicable with effect from 1<sup>st</sup> July 2015 and have been taken into consideration for all meetings of the Company held thereafter.
    - (iii) The SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. Mentioned above.

5. We further report that:
1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and Woman Director in terms of Companies Act, 2016 and Clause 49 of the Listing Agreement and Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  3. Majority decision of the Board of Directors is carried through and are captured and recorded as part of the minutes. There were no dissenting views.
6. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
7. This report is to be read with my letter of even date which is annexed as Annexure A and form an integral part of the report.

**For N. Bafna & Co.**

Company Secretaries  
(Nandlal Bafna)  
Proprietor:  
**FCS 2185 CP 1154**

Place: Mumbai  
Date: 11<sup>th</sup> August 2016

**ANNEXURE A TO SECRETARIAL AUDIT REPORT**

To,  
The Members,  
Best Eastern Hotels Limited

Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **Best Eastern Hotels Limited** (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that, the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For N. Bafna & Co.**

Company Secretaries  
(Nandlal Bafna)  
Proprietor:  
**FCS 2185 CP 1154**

Place: Mumbai  
Date: 11<sup>th</sup> August 2016

**AMAR BAFNA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

**Address:**

201, Apollo Chambers Premises Chs Ltd.  
Mogra Village, Old Nagardas Road,  
Andheri (E), Mumbai – 400 069.  
**Phone : 28209370 / 9371**

**INDEPENDENT AUDITORS' REPORT**

**To**  
**The Members of**  
**BEST EASTERN HOTELS LIMITED.**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Best Eastern Hotels Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, its Profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-'A' a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we further report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and cash flow statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in -Annexure- "B"
  - g. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
    - i. The Company does not have any pending litigations which would impact its financial position except as stated otherwise.
    - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
    - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

**FOR: AMAR BAFNA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**ICAI Firm Registration No: 114854W**

**Amar Bafna**  
**Partner**  
**Membership No: 048639**

**Place : Mumbai**  
**Date : May 30, 2016**

**ANNEXURE- A TO THE AUDITOR'S REPORT**

**(Annexure Referred To In Paragraph 1 under the heading "Report on other legal and regulatory requirements "of Our Report of Even Date.)**

On the basis of such checks as we considered appropriate area according to the information and explanation given to us during the course of our audit, we state that:

- i) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - B. As explained to us, the fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on verification.
  - C. Based on the audit procedures performed and according to the records of the company title deed of immovable property are held in the name of the company.
- ii) As explained to us, the inventory has been physically verified during the year by the directors. In our opinion, the frequency of verification is reasonable. No material discrepancies were observed during physical verification of inventory.
- iii) According to information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered under section 189 of the Act. Accordingly paragraph 3(iii) of the said Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security to the extent applicable to it.
- v) According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013 and the rules framed thereunder. Therefore, the provision of clause 3(v) of the Order is not applicable to the Company.
- vi) To the best of our knowledge and as explained, Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act, for the products of the Company. Therefore, the provision of clause 3(vi) of the Order is not applicable to the Company.
- vii) (a) According to the records of the Company and the information and explanations given to us, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues to the extent applicable to it.

According to the information and explanations given to us and based on the records of the company examined by us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

  - (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not made any default in repayment of dues to a financial institution or any loans from banks, government or has not issued debentures during the year.

- (ix) According to the records of the company examined by us and as per the information and explanations given to us, the Company has not raised any money from any Public Issue / follow-on offer. Therefore, the provision of clause 3(ix) of the Order is not applicable to the Company.
- (x) Bases upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the year.
- (xi) According to the records of the company examined by us and as per the information and explanations given to us, the Company has provided managerial remuneration during the year. Refer to notes to accounts (Point no. i)
- (xii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provision of clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion, all the transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by applicable accounting standard. Refer Notes to Accounts. (Point No. j)
- (xiv) The Company has not made any preferential allotment or private placement of shares or partly or fully convertible debentures during the year, therefore reporting under clause 3(xiv) shall not be applicable.
- (xv) According to the information and explanations given to us, we report that the Company has not entered into any non-cash transaction with directors or persons connected with him.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**FOR: AMAR BAFNA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**ICAI Firm Registration No: 114854W**

**Amar Bafna**  
**Partner**  
**Membership No: 048639**

**Place : Mumbai**  
**Date : May 30, 2016.**

## **ANNEXURE - B TO THE AUDITORS' REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the standalone financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Best Eastern Hotels Ltd. ("the Company").

#### **Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**FOR: AMAR BAFNA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
ICAI Firm Registration No: 114854W**

**Amar Bafna  
Partner  
Membership No: 048639**

**Place : Mumbai  
Date : May 30, 2016.**

**BALANCE SHEET AS AT 31ST MARCH, 2016**

	NOTES	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHARE HOLDERS' FUNDS</b>			
Share Capital	2	28,850,000	28,850,000
Reserve & Surplus	3	15,349,288	12,784,560
		<b>44,199,288</b>	<b>41,634,560</b>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	4	18,447,237	23,837,612
Deferred Tax Liability (Net)	5	7,424,491	7,576,003
		<b>25,871,728</b>	<b>31,413,615</b>
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	6	12,686,764	5,489,191
Trade Payables	7	2,278,575	2,305,233
Other Current Liabilities	8	5,844,329	5,525,394
Short Term Provisions	9	1,325,000	5,469,816
		<b>22,134,668</b>	<b>18,789,634</b>
<b>TOTAL</b>		<b>92,205,684</b>	<b>91,837,809</b>
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	10		
Tangible Assets		84,280,352	79,516,617
In-Tangible Assets		63,341	99,707
Capital Work In Progress		-	3,085,582
Non Current Investments		-	-
		<b>84,343,693</b>	<b>82,701,906</b>
<b>CURRENT ASSETS</b>			
Inventories	11	1,005,197	1,412,969
Trade Receivables	12	433,085	780,473
Cash & Bank Balances	13	1,611,853	2,176,485
Short Term Loans & Advances	14	4,811,857	4,765,976
		<b>7,861,991</b>	<b>9,135,903</b>
<b>TOTAL</b>		<b>92,205,684</b>	<b>91,837,809</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes</b>	1 - 20		

As Per Our Report of Even Date

For and on behalf of the Board

 For **Amar Bafna & Associates**  
Chartered Accountants  
ICAI Firm Reg. No. 114854 W

**Vinaychand Kothari** - Chairman & Managing Director

**Dilip V. Kothari** - Joint Managing Director

**Amar Bafna**  
Partner  
Membership No. 48639  
Mumbai, 30th May, 2016

**Dr. R. K. Baxi** - Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016**

	NOTES	₹	For the year ended	
			31st March, 2016 ₹	31st March, 2015 ₹
<b>INCOME</b>				
Revenue from Operations	15		50,916,532	48,473,048
Other Income	16		633,210	331,294
<b>TOTAL REVENUE</b>			<b>51,549,741</b>	48,804,342
<b>EXPENDITURE</b>				
Cost of Material Consumed	17		6,830,040	7,325,968
Employee Benefit Expenses	18		13,269,001	12,280,804
Finance Cost			3,183,540	2,294,518
Depreciation	10		7,179,971	6,206,490
Other Expenses	19		17,334,527	15,644,414
<b>TOTAL EXPENSES</b>			<b>47,797,080</b>	43,752,194
<b>PROFIT BEFORE TAX</b>			<b>3,752,662</b>	5,052,148
<b>LESS : TAX EXPENSE</b>				
Current Tax		1,325,000		1,720,000
Deferred Tax		(151,512)		(449,678)
Excess/(Short) Provision for Tax - Earlier Years		14,446	1,187,934	(21,884)
<b>PROFIT FOR THE YEAR</b>			<b>2,564,728</b>	3,803,710
<b>Earning Per Equity Share</b>				
<b>Basic &amp; diluted Earnings Per Share (Rs.)</b>			0.15	0.12

Significant Accounting Policies 1

Notes 1 - 20

As Per Our Report of Even Date

For **Amar Bafna & Associates**  
Chartered Accountants  
ICAI Firm Reg. No. 114854 W

**Amar Bafna**  
Partner  
Membership No. 48639  
Mumbai, 30th May, 2016

For and on behalf of the Board

**Vinaychand Kothari** - Chairman & Managing Director  
**Dilip V. Kothari** - Joint Managing Director  
**Dr. R. K. Baxi** - Director

**NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2016 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE :**

**NOTE – 1.**

**I. Significant Accounting Policies :**

**1) Basis of preparation of financial statements :**

The financial statements have been prepared in accordance with the applicable mandatory accounting standards dealt with the provisions of the Companies Act, 2013 and as specified by the Institute of Chartered Accountants of India.

**2) Basis of Accounting :**

The accounts have been prepared using historical cost convention and on the basis of going concern, with revenue recognized and expenses accounted on accrual basis.

**3) Revenue Recognition :**

Revenue recognized when there is reasonable certainty of its ultimate realization / collection, Sales and Services are stated at net of taxes.

**4) Fixed Assets :**

Fixed Assets are stated at cost of acquisition and subsequent improvement thereto inclusive of freight and other incidental expenses related to acquisitions, improvements and installations.

**5) Depreciation:**

Depreciation on fixed assets is provided on Straight Line Method, at the rates and in the manner specified in Schedule II to the Companies Act, 2013.

**6) Inventories :**

Inventories are valued at cost. Unserviceable / damaged / discarded stocks and shortages are charged to the Profit & Loss Account.

**7) Retirement Benefits :**

Retirement benefits are provided in the accounts on accrual basis in the following manner:

- a) The Company makes contribution to provident fund as and when they become due.
- b) Gratuity is accounted for on the basis of actuarial valuation and funded to an approved Gratuity Fund.
- c) Leave encashment provided in the books is paid in the subsequent year.

**8) Provision, Contingent Liabilities and Contingent Assets:**

Provision are recognised for when the company has at present, legal or contractual obligation as a result of past events, only if it is probable that an outflow of resources embodying economic outgo or loss will be required and if the amount involved can be measured reliably.

Contingent liabilities being a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more future events not wholly in control of the company are not recognized in the accounts. The nature of such liabilities and an estimate of its financial effect are disclosed in notes to the Financial Statements.

**9) Foreign Currency Transactions :**

Foreign currency transactions (realization through credit cards) are recorded on the basis of certificates issued by the concerned banks at the year end.

**10) Taxes on Income**

Provision for tax for the year comprises current income tax determined to be payable in respect of taxable income as per the provisions of Income Tax Act, 1961 and deferred tax being the tax effect of timing difference representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on account of timing differences are recognized only to the extent there is reasonable certainty of its realization.

**11) Borrowing Cost :**

Borrowing cost that is attributable to the acquisition / construction of fixed assets is capitalized as part of the cost of the respective assets. Other borrowing costs are recognized as expenses in the year in which they arise.

**12) Earnings Per Share:**

The Company reports basic and diluted earnings per share (EPS) in accordance with the Accounting Standard 20 as specified in the Companies (Accounting Standard) Rules 2006 (as amended). The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. The Diluted EPS has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the year.

**13) Cash Flow Statement:****(i) Cash & Cash Equivalents (For the purpose of cash flow statement):**

Cash comprises cash on hand and demand deposit with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**(ii) Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

## NOTES FORMING PART OF BALANCE SHEET

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>NOTE - 2</b>		
<b>SHARE CAPITAL :</b>		
<b>AUTHORISED :</b>		
4,80,00,000 Equity Shares of Rs.1/- Each (Previous year 4,80,00,000 Equity Shares of Rs. 1/- each)	<b>48,000,000</b>	48,000,000
12,00,000 12% Non-Cumulative Preference Shares of Rs.10/- Each (Previous year 12,00,000 12% Non-Cumulative Preference Shares of Rs. 10/- each.)	<b>12,000,000</b>	12,000,000
	<b>60,000,000</b>	60,000,000
<b>ISSUED, SUBSCRIBED AND PAID-UP :</b>		
1,68,50,000 Equity shares of Rs.1/= each (Previous year 1,68,50,000 Equity Shares of Rs. 1/- each) (Out of the above Equity Shares amounting to Rs.4,00,000/- have been issued as Bonus shares & equity shares amounting to Rs.1,50,00,000/- have been issued other than Cash)	<b>16,850,000</b>	16,850,000
12,00,000 12% Non-Cumulative Preference Shares of Rs.10/- each. (Previous year 12,00,000 12% Non-Cumulative Preference Shares of Rs. 10/- each.)	<b>12,000,000</b>	12,000,000
	<b>28,850,000</b>	28,850,000

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Particulars	March 31, 2016.		March 31, 2015.	
	No. of Shares	Rs.	No. of Shares	Rs.
At the beginning of the year (Rs.1/- paid up)	16,850,000	16,850,000	16,850,000	16,850,000
	-	-	-	-
<b>Outstanding at the end of the period (Rs.1/- paid up)</b>	<b>16,850,000</b>	<b>16,850,000</b>	<b>16,850,000</b>	<b>16,850,000</b>

**b) Details of Equity shareholders holding more than 5% shares in the company**

Particulars	March 31, 2016.		March 31, 2015.	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Vinaychand Kothari	4,346,970	25.80%	4,346,970	25.80%
Meena Kothari	4,250,000	25.22%	4,250,000	25.22%
Dilip Kothari	2,190,530	13.00%	2,190,530	13.00%
Vandeep Holding Pvt. Ltd.	1,250,000	7.42%	1,250,000	7.42%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

**c) 12% Non-Cumulative Preference Shares of Rs.10/- each to be redeemed on or before 27th June, 2019 but not later than 27th June, 2019.**

## NOTES FORMING PART OF BALANCE SHEET

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>NOTE - 3</b>		
<b>RESERVES AND SURPLUS</b>		
A) General Reserve		
Opening Balance	2,870,818	4,100,000
Add : Transferred from Profit & Loss Account	-	(1,229,182)
Closing Balance	<b>2,870,818</b>	2,870,818
B) Surplus in Profit & Loss Account		
Opening Balance	9,913,742	9,859,848
Add : Profit for the year	2,564,728	3,803,710
Less: Dividend on Preference Shares	-	1,440,000
Dividend on Equity Shares	-	1,685,000
Tax on Dividend	-	624,816
Transfer to General Reserve	-	-
Closing Balance	<b>12,478,470</b>	9,913,742
<b>Total Reserve &amp; Surplus (A+B)</b>	<b>15,349,288</b>	12,784,560
<b>NOTE - 4</b>		
<b>LONG TERM BORROWINGS</b>		
UNSECURED :		
From Banks & Others	1,984,837	3,752,059
From Directors	17,149,525	20,085,553
	<b>19,134,362</b>	23,837,612
<b>Less : Short Term</b>	<b>687,125</b>	-
	<b>18,447,237</b>	<b>23,837,612</b>
<b>NOTE - 5</b>		
<b>DEFERRED TAX LIABILITY (NET)</b>		
Deffered Tax Liability	7,424,491	7,576,003
<b>NOTE - 6</b>		
<b>SHORT TERM BORROWINGS</b>		
Secured Overdraft Limits from Bank	11,999,639	5,489,191
Car Loan	687,125	-
	<b>12,686,764</b>	5,489,191

Secured Overdraft Limit is secured by Equitable Mortgage on property known as "Usha Ascot" at Matheran & further secured by personal guarantee of two directors.

## NOTES FORMING PART OF BALANCE SHEET

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>NOTE - 7</b>		
<b>TRADE PAYABLES</b>		
Sundry Creditors	2,278,575	2,305,233
<b>NOTE - 8</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Other Payables	3,309,952	3,422,352
Advance From Customers	2,383,159	1,995,461
Unclaimed Dividend	151,218	107,581
	5,844,329	5,525,394
<b>NOTE - 9</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision For Income Tax	1,325,000	1,720,000
Provision For Dividend on Equity Shares	-	1,685,000
Provision For dividend on Preference Shares	-	1,440,000
Tax on Interim Dividend	-	624,816
	1,325,000	5,469,816

### NOTE - 10 : FIXED ASSETS

Particulars	GROSS BLOCK - AT COST				DEPRECIATION					NET BLOCK	
	As at 01/04/2015	Additions/ Adjustments	Deductions/ Adjustments	As at 31/03/2016	Upto 31/03/2015	For the Year	Deductions/ Adjustments	Adjusted against General Reserve	Upto 31/03/2016	As at 31/03/2016	As at 31/03/2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Tangible Assets</b>											
Land	3,700,000	-	-	3,700,000	-	-	-	-	-	3,700,000	3,700,000
Buildings	89,503,790	4,380,791	-	93,884,581	35,840,802	3,025,686	-	-	38,866,488	55,018,093	53,662,988
Electrical Installation	8,981,341	804,514	-	9,785,855	5,982,663	360,915	-	-	6,343,578	3,442,277	2,998,678
Plant & Machinery	20,731,890	639,050	1,525,300	19,845,640	10,913,298	1,700,687	1,449,035	-	11,164,950	8,680,690	9,818,592
Computer Equipment	569,747	272,605	-	842,352	502,661	118,892	-	-	621,553	220,799	67,086
Furniture & Fixtures (Hotel)	24,086,956	2,619,229	4,018,523	22,687,662	15,036,191	1,756,041	4,018,523	-	12,773,709	9,913,953	9,050,765
Furniture & Fixtures (Office)	6,163	-	-	6,163	6,162	-	-	-	6,162	1	1
Motor Cars	812,094	3,267,416	-	4,079,510	593,587	181,384	-	-	774,971	3,304,539	218,507
<b>In-Tangible Assets</b>											
Software & Licenses	188,938	-	-	188,938	89,231	36,366	-	-	125,597	63,341	99,707
<b>Total Assets</b>	148,580,919	11,983,605	5,543,823	155,020,701	68,964,595	7,179,971	5,467,558	-	70,677,008	84,343,693	79,616,324
Previous Year	138,502,249	18,252,761	8,174,092	148,580,918	69,370,712	6,206,490	7,841,789	1,229,182	68,964,595	79,616,323	

## NOTES FORMING PART OF BALANCE SHEET

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>NOTE - 11</b>		
<b>INVENTORIES :</b>		
(At cost)		
Taken as valued & certified by the The Directors of the Company.		
Provisions Stores	746,556	752,110
Miscellaneous Parlour Goods	59,460	48,268
Permit Room Liquors	199,181	191,158
Goods in Transit	-	108,933
Consumables	-	312,500
	<b>1,005,197</b>	<b>1,412,969</b>
<b>NOTE - 12</b>		
<b>TRADE RECEIVABLES :</b>		
(Unsecured, considered good)		
a) More than Six Months	-	-
b) Others	433,085	780,473
	<b>433,085</b>	<b>780,473</b>
<b>NOTE - 13</b>		
<b>CASH AND BANK BALANCES :</b>		
a) Cash on Hand	1,276,315	923,189
b) <u>Balances with Scheduled Banks in :</u>		
Current Accounts	184,320	1,145,715
Dividend Accounts	151,218	107,581
	<b>1,611,853</b>	<b>2,176,485</b>
<b>NOTE - 14</b>		
<b>SHORT TERM LOANS &amp; ADVANCES :</b>		
<b>(Unsecured; Considered good)</b>		
Loans & Advances Recoverable in Cash or in Kind or for Value to be received	2,036,284	1,940,186
Advance Income Tax	1,666,142	2,145,919
Income Tax Refund Receivable	715,711	292,871
Security Deposits	314,300	314,300
Loan to Employees	79,420	72,700
	<b>4,811,857</b>	<b>4,765,976</b>

**NOTES FORMING PART OF PROFIT & LOSS ACCOUNT**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>NOTE - 15</b>		
<b>INCOME :</b>		
<b>REVENUE FROM OPERATIONS</b>		
a) Lodging	33,549,378	32,400,391
b) Boarding	17,117,492	15,778,413
c) Other Services & Charges	249,662	294,244
	<b>50,916,532</b>	<b>48,473,048</b>
<b>NOTE - 16</b>		
<b>OTHER INCOME :</b>		
a) Interest Income	49,462	23,377
b) Miscellaneous Income	23,266	8,552
c) Debit / Credit Balances Written Off	506,747	299,365
d) Scrap Sale	-	-
e) Profit on Sale of Assets	53,735	-
	<b>633,210</b>	<b>331,294</b>
<b>NOTE - 17</b>		
<b>COST OF MATERIAL CONSUMED</b>		
Food & Beverages Cost		
Opening Stock	991,536	1,242,631
Add : Purchases	6,843,701	7,074,873
	<b>7,835,237</b>	<b>8,317,504</b>
Less: Closing Stock	1,005,197	991,536
Net Consumption	<b>6,830,040</b>	<b>7,325,968</b>
<b>NOTE - 18</b>		
<b>Employee Benefit Expenses</b>		
Salary & Wages	7,082,412	6,341,034
Directors' Remuneration	3,640,000	3,620,000
Gratuity	200,000	300,000
Employer's Contribution to Provident Fund	1,012,888	983,009
Employer's Contribution to Labour Welfare Fund	3,002	2,976
Bonus & Leave Encashment	953,964	802,721
Staff Welfare Expenses	76,014	36,945
Trainee Stipend	171,657	53,747
Incentives & Exgratia	129,064	140,372
	<b>13,269,001</b>	<b>12,280,804</b>

## NOTES FORMING PART OF PROFIT & LOSS ACCOUNT

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>NOTE - 19</b>		
<b>OTHER EXPENSES</b>		
<b>A) Operating Expenses</b>		
Water Charges	1,914,854	739,028
Power & Fuel Expenses	4,470,618	4,300,811
Repairs to Building	409,378	365,006
Repairs to Plant & Machinery	584,417	656,370
Repairs to Others	643,896	645,981
Commission to Agents & Guides	314,885	320,884
VAT Expenses	828,427	749,602
Swachha Bharat Cess Expense	2,501	-
Linen, Cloth & Uniforms	566,542	496,962
Laundry Operating Expenses	518,056	483,219
Other Operating Expenses	391,470	297,113
	<b>10,645,044</b>	<b>9,054,977</b>
<b>B) General Expenses</b>		
Advertisement Expenses	1,707,050	1,834,943
Insurance Charges	129,135	133,441
Rent, Rates & Taxes	616,560	397,542
Communication Expenses	329,716	311,464
Office Rent	840,000	840,000
Printing & Stationery	103,554	106,093
Legal Expenses	60,825	7,585
Professional Fees	320,000	117,000
Travelling Expenses	56,593	197,193
Conveyance Expenses	324,934	252,189
Motor Car Expenses	169,621	215,776
Filing Fees	11,600	36,000
Listing Fees	219,000	117,618
Share Registrar Expenses	35,199	27,297
Payment to Auditors	125,000	125,000
Profession Tax (Company)	2,500	2,500
Other Administrative & Selling Expenses.	1,638,196	1,867,797
	<b>6,689,483</b>	<b>6,589,438</b>
<b>Total Other Expenses (A+B)</b>	<b>17,334,527</b>	<b>15,644,414</b>

**NOTE – 20.**

**NOTES TO THE ACCOUNTS :**

- a) Contingent Liability : In respect of Water Charges Rs. 1,06,904/- payable to Matheran Jeevan Pradhikaran. Appeal is pending with Appellate Authority, Matheran Municipal Council in respect of Property Tax Rs.3,14,750/-
- b) Capital Commitment : Estimated amount of contracts remaining to be executed on account of capital account is Rs. Nil. (Net of advances).
- c) In the opinion of the management, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the Balance Sheet and provisions for all known liabilities have been made as at the year end.
- d) Balance of Creditors, Debtors, Unsecured Loans and Advances are subject to confirmation and reconciliation thereof, if any.
- e) The Company is not required to give any quantitative and value-wise information in respect of purchase, consumption, turn over, stocks etc. as the same is exempted vide Notification No. S.O. 301 (E) dated 8<sup>th</sup> February, 2011 issued under Section 211 (3) of The Companies Act 1956 by the Ministry of Corporate affairs, Govt. of India.

f) Payment to Auditors :

	Current Year	Previous year
As Statutory Auditors	Rs. 90,000	Rs. 90,000
Tax Audit Fees	Rs. 35,000	Rs. 35,000
Other Services	—	—
Out of Pocket Expenses	—	Rs. 15,450

- g) Amount payable to the undertakings registered under The Micro, Small and Medium Enterprises Development Act, 2006 as on 31<sup>st</sup> March, 2016 is NIL (to the extent information available with the Management)..
- h) Earning in Foreign Exchange : Rs. 2.76 Lacs through realization under credit cards (Previous year Rs. 3.18 Lacs) Expenditure in foreign currency: Rs. Nil. (Previous year Rs. 63,573/-)
- i) Remuneration to Managing Director and Joint Managing Director :

	Current Year ₹	Previous year ₹
<b>Remuneration &amp; Other Allowance</b>	<b>36,40,000</b>	36,20,000
Employer's Contribution to Provident Fund	4,03,200	4,00,800
<b>Total</b>	<b>40,43,200</b>	40,20,800

j) **Related Party Disclosure :**

(l) Relationship :

- (a) Parties where control exists : Nil
- (b) Other parties with whom the Company has entered into transaction or not during the year – Associates :  
Vandeep Impex LLP. (Previously known as Vandeep Holdings Pvt. Ltd.)  
Vandeep Developers LLP. (Previously known as Vandeep Developers Pvt. Ltd.)  
Vandeep Hotels Pvt. Ltd.  
Matheran Ropeway Pvt. Ltd.
- (c) Key Management Personnel :  
Mr. Vinaychand Kothari (Chairman & Managing Director)  
Mr. Dilip V. Kothari (Joint Managing Director)
- (d) Relatives of Key Management Personnel :  
Mrs. Meena V. Kothari  
Mr. Parasmal Kothari  
Mrs. Monica Daga

(II) Summary of transactions during the year (Rupees in Lakhs) :

Particulars	Associates	Key Management Personnel	Relatives of Key Management Personnel
Loans Repayment (Net)	38.48 (—)	37.99 (—)	— (—)
Loans taken (Net)	— (3.00)	— (87.16)	— (—)
Interest provided	0.96 (3.99)	9.59 (16.95)	— (—)
Rent	— (—)	8.40 (8.40)	— (—)
Salary & Contribution to Provident Fund	— (—)	— (—)	4.38 (4.48)
<b>Outstanding Balances As on 31<sup>st</sup> March, 2016</b>			
- Payables	— (37.52)	171.50 (200.86)	0.30 (0.40)

Note : (1) Details of remuneration to Managing Director & Joint Managing Director are given in the note 'i' in the notes to Accounts

(2) Figures in brackets are in respect of Previous Year

k) The Company is exclusively engaged in the business of hoteliering. This, in the context of Accounting Standard 17 on Segment Reporting is considered to continue one single primary segment and accordingly no segment information as required under Accounting Standard 17 is furnished.

l) Earning Per Equity Share :

(In Rs.)

	For the year ended	
	31/03/2016	31/03/2015
<b>Profit after taxation</b>	<b>25,64,728</b>	<b>38,03,709</b>
Less : Dividend on Preference Shares including Tax on Dividend.	—	<b>17,27,915</b>
<b>Net Profit available for Equity Shareholders</b>	<b>25,64,728</b>	<b>20,75,794</b>
Number of equity shares outstanding	<b>1,68,50,000</b>	<b>1,68,50,000</b>
Basic Earning per share (face value – Re. 1/- per share)	<b>0.15</b>	<b>0.12</b>

m) Previous year's figures have been re-grouped / re-arranged wherever necessary.

Signature to Notes 1 to 20

As Per Our Report of Even Date

For **Amar Bafna & Associates**  
Chartered Accountants  
ICAI Firm Reg. No. 114854 W

**Amar Bafna**  
Partner  
Membership No. 48639  
Mumbai, 30th May, 2016

**For and on behalf of the Board**

**Vinaychand Kothari** - Chairman & Managing Director  
**Dilip V. Kothari** - Joint Managing Director  
**Dr. R. K. Baxi** - Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	For the year ended	
	31st March, 2016 ₹	31st March, 2015 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before taxation and extraordinary items	3,752,662	5,052,148
<b>Adjustments for :</b>		
Depreciation	7,179,971	6,206,490
Provision for gratuity	-	-
Long term Capital (Gain)/Loss on sale of Fixed Assets	(53,735)	227,703
Long term Capital Gain on Sale of Investments	-	-
Interest	3,183,540	2,294,518
Interest Received	(49,462)	(23,377)
<b>Operating profit before working capital changes</b>	<b>14,012,976</b>	<b>13,757,482</b>
Movements in working capital :		
Decrease / (increase) in sundry debtors	347,388	29,412
Decrease / (increase) in Inventories	407,772	(170,338)
Decrease / (increase) in Loans & Advances	(531,493)	(153,950)
(Decrease) / increase in Current liabilities	7,489,850	1,456,759
<b>Cash Generated from Operations</b>	<b>21,726,493</b>	<b>14,919,365</b>
Direct Taxes Paid (net of refunds)	(1,237,466)	(2,395,920)
<b>Net Cash from Operating Activities (a)</b>	<b>20,489,027</b>	<b>12,523,445</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(8,898,023)	(13,360,971)
Capital Work in progress	-	(3,085,582)
Interest Received	49,462	23,377
Sale of Investments	-	-
Sale of fixed assets	130,000	104,600
<b>Cash from Investing Activities (b)</b>	<b>(8,718,561)</b>	<b>(16,318,576)</b>
<b>C. CASH FROM FINANCING ACTIVITIES :</b>		
Repayment Unsecured Loans	(5,390,375)	10,901,114
Dividend Paid (including corporate dividend tax)	(3,761,183)	(3,656,128)
Interest Paid	(3,183,540)	(2,294,518)
<b>Net Cash used in Financing Activities (c)</b>	<b>(12,335,098)</b>	<b>4,950,468</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(564,632)</b>	<b>1,155,337</b>
Cash & Cash Equivalents at the beginning of the period	2,176,485	1,021,148
Cash & Cash Equivalents at the end of the period	1,611,853	2,176,485

**Notes :-**

1. Cash flow statement has been prepared following the indirect method
2. Proceeds from Short/Long terms and other borrowing are shown net of repayment
3. Figures in brackets represents outflow.
4. Previous year's figures have been regrouped / reclassified wherever applicable.

As Per Our Report of Even Date

 For **Amar Bafna & Associates**

Chartered Accountants

ICAI Firm Reg. No. 114854 W

**Amar Bafna**

Partner

Membership No. 48639

Mumbai, 30th May, 2016

For and on behalf of the Board

**Vinaychand Kothari** - Chairman & Managing Director

**Dilip V. Kothari** - Joint Managing Director

**Dr. R. K. Baxi** - Director

**BEST EASTERN HOTELS LIMITED**

CIN No: L99999MH1943PLC040199

Regd. Office : 401, Chartered House, 293/299, Dr. C. H. Street, MUMBAI – 400 002.

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : \_\_\_\_\_

Folio No. / Client ID, DP ID : \_\_\_\_\_

Registered address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_

I/We being the member(s) of \_\_\_\_\_ shares of the above named company hereby appoint:

1. Name \_\_\_\_\_ Address \_\_\_\_\_  
 Email Id \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;
2. Name \_\_\_\_\_ Address \_\_\_\_\_  
 Email Id \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;
3. Name \_\_\_\_\_ Address \_\_\_\_\_  
 Email Id \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 73<sup>rd</sup> Annual General Meeting of the Company to be held on Tuesday, September 20, 2016 at 3.00 P.M. at REVIVAL, 39-B, Chowpatty Seaface, Girgaon Chowpatty, Charni Road, Mumbai – 400 007 and at any adjournment thereof in respect of such resolutions as are indicated

Sr. No.	Resolution	Optional	
		For	Against
	Ordinary Business		
1	Adoption of Audited Financial Statements and Reports of the Directors and Auditors thereon for the year ended 31 <sup>st</sup> March, 2016.		
2	Re-appointment of Mr. Manohar R. Tambat, who retires by rotation and being eligible, offers himself for re-appointment.		
3	Ratify the appointment of M/s. Amar Bafna & Associates, Chartered Accountants, as the statutory auditors of the company.		

Signed this ..... day of .....2016

Affix Re. 1  
Revenue  
Stamp

.....  
Signature of the Member

.....  
Signature of the proxy holder(s)

**Notes :**

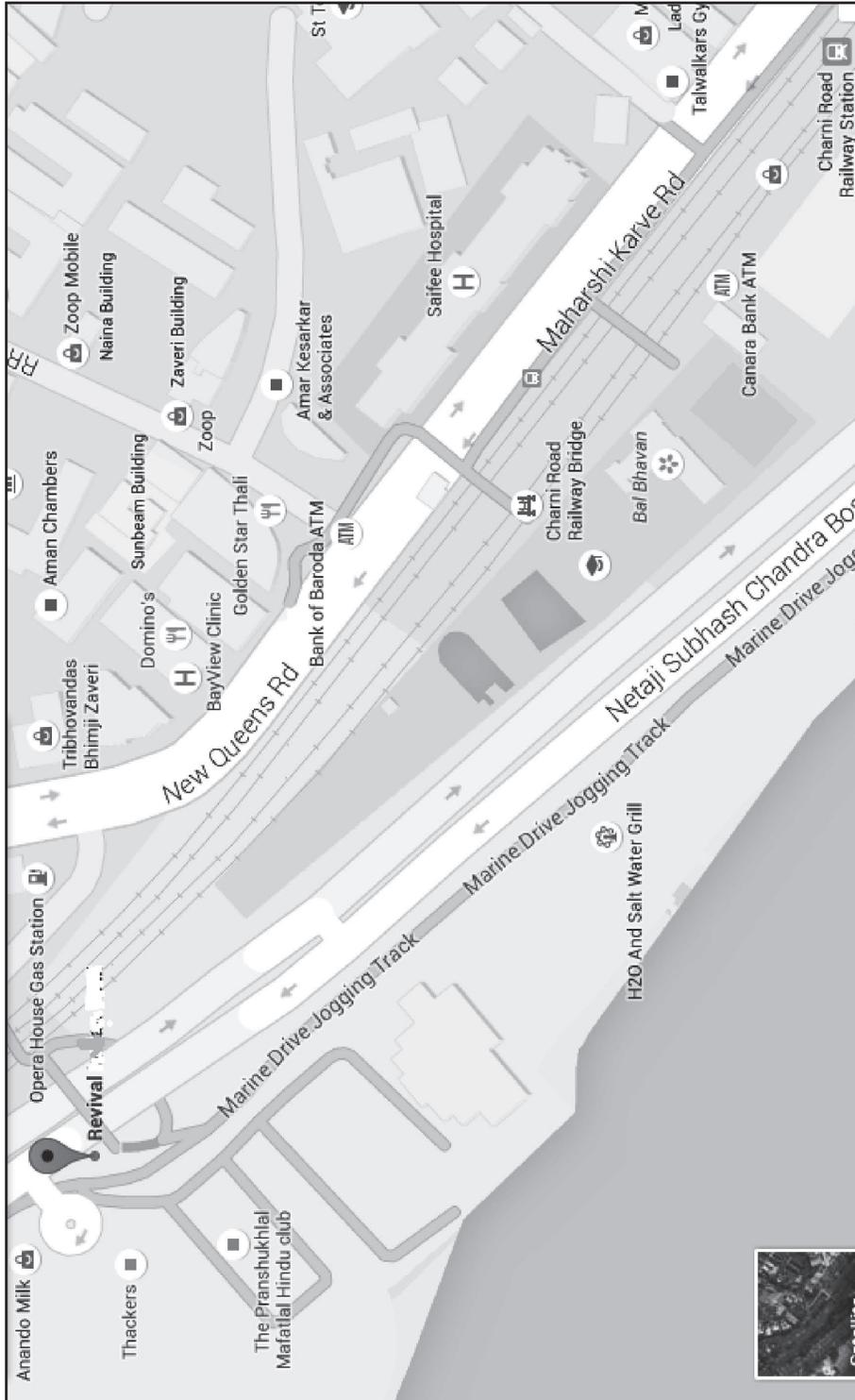
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, explanatory statements and Notes, please refer to the Notice of 73<sup>rd</sup> Annual General Meeting.
3. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member(s) in the above box before submission.

**Date and Venue of 73<sup>rd</sup> Annual General Meeting**

**Date :** Tuesday, 20<sup>th</sup> September 2016, at 3.00 p.m.

**Venue :** REVIVAL, 39-B, Chowpatty Seaface, Girgaon Chowpatty, Charni Road, Mumbai – 400 007.

Location map is given below:



As Matheran, So Usha.



BEST EASTERN HOTELS LTD.

401, Chartered House, 293/299, Dr. Cawasji Hormasji Street, Near Marine Lines Church, Mumbai - 400002. India.  
Tel : 91 22 22078292 / 22078191 Fax: 91 22 22061324