



BEST EASTERN HOTELS LIMITED

75th Annual Report 2017 - 2018



BEST EASTERN HOTELS LIMITED



(CIN-L99999MH1943PLC040199)

BOARD OF DIRECTORS

Mr. Vinaychand Kothari (DIN-00010974)
Chairman & Managing Director

Mr. Dilip V. Kothari (DIN-00011043)
Joint Managing Director
Dr. Ramnik K. Baxi (DIN-00011048)
(Independent Director)
Mr. Mangal S. Chheda (DIN-00010927)
(Independent Director)

Mrs. Neelam D. Kothari (DIN-02312332)
Non Executive Director
Mr. Mehernoz C. Dangore (DIN-00010844)
(Independent Director)
Mr. Manohar R. Tambat (DIN-00011062)
(Independent Director)

Anas Abdulhai Patel,
Company Secretary (ICSI No. A47470)

BOARD COMMITTEE

Audit Committee

Mr. Dilip V. Kothari Chairman
Dr. Ramnik K. Baxi Member
Mr. Mangal S. Chheda Member

Stakeholders Relationship Committee

Mr. Dilip V. Kothari Chairman
Dr. Ramnik K. Baxi Member
Mr. Mangal S. Chheda Member

NOMINATION AND REMUNERATION COMMITTEE

Mrs. Neelam D. Kothari Chairman
Mr. Mangal S. Chheda Member

Dr. Ramnik K. Baxi Member

AUDITORS

M/s. AMAR BAFNA & ASSOCIATES
Chartered Accountants

SECRETARIAL AUDITOR

Ferrao MSR and Associates.
Company Secretaries

BANKERS

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

REGISTRARS & TRANSFER AGENT

Sharex Dynamic (India) Pvt. Ltd.,
Unit – 1, Luthra Ind. Premises, Safed Pool,
Andheri - Kurla Road, Andheri (E), Mumbai - 400 072
Tel - 2851 5606 Fax - 2851 2885

REGISTERED OFFICE :

401, Chartered House,
293/299, Dr. C. H. Street, MUMBAI – 400 002.
Tel.: 91 22 2207 8292 Fax: 91 22 2206 1324
Email: booking@ushaascot.com

HOTEL SITE :

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

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-: NOTICE :-

NOTICE is hereby given that the 75th Annual General Meeting of the members of the **Best Eastern Hotels Ltd.** will be held on 28th August, 2018 at 3rd Floor, Walchand Centre, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020 at 4.00 pm to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2018 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. Dilip Kothari (DIN: 00011043), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint statutory auditors and fix their remuneration.
"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. Sancheti & Co., Chartered Accountants (Firm Registration No. 000016C), be appointed as statutory auditors of the Company, in place of retiring auditors M/s. Amar Bafna & Associates, Chartered Accountants (Firm Registration No.114854W), to hold office from the conclusion of this 75th Annual General Meeting (AGM) until the conclusion of the 80th AGM, subject to ratification by members every year, as applicable, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company."
4. To declare dividend on Preference Shares for the year 2017-2018.

Special Business:

5. To make loans and investments by the Company

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

"RESOLVED THAT pursuant to the provisions of section 186 read with the rules framed thereunder and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to exercise its powers to:

- i. Give any loans to any person or other body corporate; and/or
- ii. To give guarantee and/or to provide security in connection with a loan to any other body corporate or person and
- iii. To make investment or acquire by way of subscription, purchase or otherwise the securities of any other body corporate; in one or more tranches and from time to time, up to the maximum amount of Rs. 50 Crores (Rupees Fifty Crores only); outstanding at any point of time notwithstanding that the aggregate amount of all the loans / guarantees / security / investments so far made together with the proposed loans / guarantees / security / investments to be made, exceeds the limits prescribed under Section 186 of the Act;

RESOLVED FURTHER THAT the Board or any person authorized by the Board be and is hereby authorized to decide and finalize the terms and conditions while making investment, giving loan or guarantee or providing securities within the aforesaid limits including with the power to transfer and dispose of the investments so made, from time to time, and to execute all deeds, documents and other writings and to do all such acts, deeds, matters and things, as may be necessary and expedient for implementing and giving effect to this resolution.

By Order of the Board
Best Eastern Hotels Limited

Place Mumbai
Date : 20th July, 2018

Vinaychand Kothari
Chairman & Managing Director
DIN: 00010974

Dilip V. Kothari
Jt. Managing Director
DIN: 00011043

-: NOTES :-

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 5 of the Notice, is annexed hereto.
2. **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.** A person can act as a proxy on behalf of not exceeding fifty Members and holding in the aggregate not more than 10% of total paid-up Share Capital of the Company. Any Member holding more than 10% of total paid-up Share Capital of the Company may appoint a single person as proxy and in such case, the said person shall not act as proxy for any other person or member. 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.
3. Members are requested to bring their admission slip along with copy of the report and accounts to Annual General Meeting
4. Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting Venue
5. Relevant documents referred to in the accompanying Notice would be available for inspection by the members at the Registered Office of the Company on all working days, except Saturday / Sunday & Public Holidays, between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.
6. The Register of Members and Share Transfer Books will remain closed from 20th August, 2018 (Monday) to 28th August, 2018 (Tuesday) (Both days inclusive) for the purpose of Annual General Meeting.
7. 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.
8. Shareholders are requested to notify immediately any change in their addresses to the Company's Registrar & Share Transfer Agent quoting their folio numbers/client ID/ DP IN in all correspondence, so as to enable the Company to address any future communication at their correct address.
9. Copies of the Annual Report 2018 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 2018 are being sent by the permitted mode. However such members are requested to register their respective e-mail address with the Company / Depository Participant.
10. Additional information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors appointment or re-appointment at the Annual General Meeting is furnished and forms part of the Notice.
11. **Unclaimed Dividends:** Dividends remaining unclaimed/unpaid for 7 years from the date of disbursement will be transferred as per section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, ("Rules") to the Investors Education and Protection Fund (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	2010-2011	16/03/2011	15/03/2018
2	2011-2012	16/03/2012	15/03/2019
3	2012-2013	16/03/2013	15/03/2020
4	2013-2014	26/08/2014	25/08/2021
5	2014-2015	28/09/2015	27/09/2022

12. Voting through electronic means:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), 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 from **Saturday, 25th August, 2018** (9:00 am) ends on **27th August, 2018** (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 21st August, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Best Eastern Hotels Ltd."
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to psancheti@hotmail.com with a copy marked to evoting@nsdl.co.in
 - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
 - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

<u>EVEN (Remote e-voting Event Number)</u>	<u>USER ID</u>	<u>PASSWORD/PIN</u>
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 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21st August, 2018
- 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. 21st August, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or evoting@sharexindia.com
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Pradeep Sancheti, Chartered Accountant in Practice having Membership No. 074930 has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor 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 along with the report of the Scrutinizer shall be placed on the website of the Company www.ushaascot.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
- XVII. The Route Map of the venue of the Annual General Meeting forms part of this Notice and is published elsewhere in the Annual Report of the Company.

Your Directors recommends all the resolutions.

By Order of the Board
For Best Eastern Hotels Limited

Vinaychand Kothari
Chairman & Managing Director
DIN: 00010974

Dilip V. Kothari
Jt. Managing Director
DIN: 00011043

Place Mumbai
Date : 20th July, 2018

INFORMATION ON DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

Name of Director	Mr. Dilip V. Kothari
Date of Birth	15.01.1967
Date of Original Appointment	01.06.2009
Expertise in specific functional Areas	Overall Business Control, Marketing, Finance and Operation of Resort
Qualification	B.Com, Chartered Accountant
Directorship in other Public Limited Companies	NIL
Membership of Committees in other Public Limited Companies	NA
Other Information	<ul style="list-style-type: none"> ● Executive Director ● No. of Shares held – 21,90,530 Equity shares

Your Directors recommends all the resolutions.

By Order of the Board
For Best Eastern Hotels Limited

Place Mumbai
Date : 20th July, 2018

Vinaychand Kothari
Chairman & Managing Director
DIN: 00010974

Dilip V. Kothari
Jt. Managing Director
DIN: 00011043

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013****Item No. 5**

Pursuant to the provisions of section 186 of the Companies Act, 2013 and rules made there under, the Company is required to obtain prior approval of shareholders / members by way of special resolution passed at the general meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account. This is an enabling resolution where Company as a measure of achieving business objectives like investments in other resorts/hotels or operations cum Management right or lease etc, permission of the shareholders is sought pursuant to the provisions of section 186 of the Companies Act, 2013 to give powers to the Board of Directors for acquiring by way of subscription, purchase or otherwise securities of any Body Corporate and/ or to give loan to any Body Corporate or person and/ or to give guarantee or provide security in connection with a loan to any other Body Corporate or person in one or more tranches and from time to time, upto the maximum amount of Rs. 50 crores outstanding at any point of time notwithstanding that the aggregate amount of all the loans / guarantees / security / investments so far made together with the proposed loans / guarantees / security / investments to be made, exceeds the limits prescribed under Section 186 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel and the relatives of the Directors are directly concerned or interested, financially or otherwise, in the resolution set out at item no. 5

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members

By Order of the Board

Place Mumbai
Date : 20th July, 2018

Vinaychand Kothari
Chairman & Managing Director
DIN: 00010974

Dilip V. Kothari
Jt. Managing Director
DIN: 00011043

DIRECTOR'S REPORT

To the Members,

Your Directors hereby present the 75th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2018.

FINANCIAL RESULTS:

Particulars	Rupees in 000's	
	Year Ended 31.03.2018	Year Ended 31.03.2017
Revenue	48,391	49,330
Profit before Taxation	1,946	2,235
Less : Provision for Tax		
Current Tax	875	1000
Deferred Tax	(1,469)	(249)
Excess / (Short) Provision for Tax Earlier Years	7	-
Profit after Tax for the year	2,533	1,484
Add : Brought forward profit	13,962	12,478
Profit available for appropriation	16,495	13,962
Transfer To General Reserve	—	—
Balance carried over to Balance Sheet	16,495	13,962

Operating Results:

The total revenue of the Company for the year ended 31st March, 2018 was stood at Rs. 483.91 lakh (previous year Rs. 493.30 lakh) and the profit before tax is Rs. 19.46 lakh (previous year Rs. 22.35 lakh). The profit after tax is stood at Rs. 25.33 lakh (previous year Rs. 14.84 lakh).

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 31st March, 2018 on equity as well as preference shares.

Transfer to Reserves:

No amount was transferred to the reserves during the financial year ended 31st March, 2018.

Fixed Deposit:

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

Directors:

Mr. Dilip V. Kothari retires by rotation and being eligible offers himself for re-appointment.

The following policies of the company are attached herewith and marked as Annexure 1, Annexure 2 and Annexure 3.

Policy on appointment of Directors and Senior Management (Annexure 1)

Policy on Remuneration to Director's (Annexure 2)

Policy on Remuneration of Key Managerial Personnel and Employees (Annexure 3)

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, 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 'B' of Note 37 to the Notes to the accounts.

Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as Annexure -4.

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 Ends Of The Financial Year To Which This Financial Statement Relate And The Date Of The Report:

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

Meetings:

During the year 4 Board Meetings were held. Meetings were held on 30.05.2017, 13.09.2017, 14.11.2017, 13.02.2018

Extract of Annual Return:

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure 5"

Auditors:

M/s Sancheti & Co. (Firm Registration No. 000016C), Chartered Accountants have been appointed as statutory auditors of the company for a period of five years i.e. from the conclusion of 75th Annual General Meeting to 80th Annual General Meeting subject to ratification by members at every consequent Annual General Meeting in place of the retiring auditors M/s Amar Bafna & Associates, Chartered Accountant (Firm Registration No.114854W). 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 MSR& Associates, Company Secretaries as Secretarial Auditors for the financial year ended 31st March, 2018. 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 dated. 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.0.87 lakh being realization under credit cards (Previous year Rs. 1.39 lakh). Outgo Rs. Nil (Previous year Nil)

Corporate Governance:

Regulation 15 (2 t) of SEBI(Listing Obligations and Disclosure Requirement) Regulations, 2015 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.

By Order of the Board

Place Mumbai
Date : 20th July, 2018

Vinaychand Kothari
Chairman & Managing Director
DIN: 00010974

Dilip V. Kothari
Jt. Managing Director
DIN: 00011043

ANNEXURE 1

TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2018: POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

Appointment of Directors

The Nomination and Remuneration Committee (NRC) of the Board of Directors (Board) of the Company reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when Independent Director is to be appointed:

1. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective;
2. Ability of the candidates to devote sufficient time and attention to his / her professional obligations as Director for informed and balanced decision making;
3. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors;

Based on the recommendations of the NRC the board will evaluate the candidates and decide on the selection the appropriate member. The Board through the Chairman or the Managing Director & CEO will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made there under.

Removal of Directors

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations there under or due to non - adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

Senior Management Personnel

The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Managing Director & CEO based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

By Order of the Board

Place Mumbai
Date : 20th July, 2018

Vinaychand Kothari
Chairman & Managing Director
DIN: 00010974

Dilip V. Kothari
Jt. Managing Director
DIN: 00011043

ANNEXURE 2**TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2018**
POLICY FOR REMUNERATION OF THE DIRECTORS**General**

This Policy sets out the approach to Compensation/remuneration/commission etc. will be determined by Committee and Recommended to the Board of Directors, for approval. Also remuneration to be paid to the Managing Director, other executive directors in accordance with provisions of Companies Act, 2013, and other statutory provisions if any, would require to complying for time being of appointment of such person.

Policy Statement

The Company has a well-defined Compensation policy for Directors, including the Chairman of the Company. The overall compensation philosophy which guides us to focus on enhancing the value, to attract, to retain and motivate Directors for achieving objectives of Company and to become a major player in market, to be the most trusted brand in the business we operate in and focus on customer serenity through transparency, quality and on time delivery to be a thought leader and establish industry benchmarks in sustainable development.

In order to effectively implement this, the Company has built a Compensation structure by a regular annual benchmarking over the years with relevant players across the industry the Company operates in.

Non-Executive Including Independent Directors

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both fixed and variable, to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV to the Companies Act, 2013 and the LODR with Stock Exchanges and such other factors as the NRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolutions.

Managing Director (MD) and Executive Director

Remuneration of the MD and Executive Directors reflects the overall remuneration philosophy and guiding principle of the Company. While considering the appointment and remuneration of Managing Director and Executive Directors, the NRC shall consider the industry benchmarks, merit and seniority of the person and shall ensure that the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies. The policy aims at a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The remuneration to the MD shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as per the policy of the Company from time to time and as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of appointment, the variable compensation will be determined annually by the NRC based on the performance of MD.

The term of office and remuneration of MD is subject to the approval of the Board of Directors, shareholders, and Central Government, as may be required and within the statutory limits laid down in this regard from time to time.

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay, subject to the requisite approvals, remuneration to its MD in accordance with the provisions of Schedule V to the Companies Act, 2013

If a MD draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government of the Company.

Remuneration for MD is designed subject to the limits laid down under the Companies Act, 2013 to remunerate him / her fairly and responsibly. The remuneration to the MD comprises of salary, perquisites and benefits as per policy of the Company and performance based incentive apart from retirement benefits like P.F., Superannuation, Gratuity, Leave Encashment, etc. as per Rules Salary is paid within the range approved by the Shareholders. Increments are effective annually, as recommended /approved by the NRC / Board. The MD is entitled for grant of Stock Options as per the approved Stock Options Schemes of the Company from time to time

Directors

The MD is an executive of the Company and draws remuneration from the Company. The Non-Executive Independent Directors receive sitting fees for attending the meeting of the Board and Committee thereof, as fixed by the Board of Directors from time to time subject to statutory provisions. The Non-Executive Independent Directors would be entitled to the remuneration under the Companies Act, 2013. In addition to the above, the Directors are entitled for reimbursement of expenses incurred in discharge of their duties.

The Company may also grant Stock Options to the eligible employees and Directors (other than Independent Directors) in accordance with the ESOP Schemes of the Company from time to time and subject to the compliance statutes and regulations.

Disclosures

Information on the total remuneration of members of the Company's Board of Directors, Managing Director and Executive Directors and KMP/senior management personnel may be disclosed in the Board's report and the Company's annual report / website as per statutory requirements in this regard.

By Order of the Board

Place Mumbai
Date : 20th July, 2018

Vinaychand Kothari
Chairman & Managing Director
DIN: 00010974

Dilip V. Kothari
Jt. Managing Director
DIN: 00011043

ANNEXURE 3**TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2018:
POLICY ON REMUNERATION OF KEY MANAGERIAL PERSONNEL AND EMPLOYEES****Objective**

To establish guidelines of remuneration/ compensation/ commission etc. to be paid for employees by way of fairly and in keeping with Statutes, it will be determined by the Nomination & Remuneration committee (NRC) and the NRC will recommend to the Board for approval.

Standards

1. All employees, irrespective of contract, are to be paid remuneration fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.
2. Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component which is based on performance and paid annually.
3. The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable an employee to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually in the month of July, after the salary increment exercise.
4. The variable component of the remuneration will be a function of the employee's grade.
5. The actual pay-out of variable component of the remuneration will be function of individual performance as well as business performance. Business performance is evaluated using a Balance Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC & KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.
6. An Annual compensation survey is carried out to ensure that the Company's compensation is externally competitive. Based on the findings of the survey and the business performance, the committee decides:
 - (i) The increment that needs to be paid for different performance ratings as well as grades.
 - (ii) The increment for promotions and the total maximum increment.
 - (iii) The maximum increase in compensation cost in % and absolute.
 - (iv) Compensation corrections are made in a few cases where it is outside the band or to keep it tune with the market.

By Order of the Board

Place Mumbai
Date : 20th July, 2018

Vinaychand Kothari
Chairman & Managing Director
DIN: 00010974

Dilip V. Kothari
Jt. Managing Director
DIN: 00011043

ANNEXURE 4
TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2018:
FORM AOC - 2

{Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014}

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third provision is given below:

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of Contracts or Arrangements with related parties along with justification of these contracts, pursuant to requirements of Section 134 (h) and 188 (2) of the Companies Act, 2013 is given hereunder.

1. Details of contracts or arrangements or transactions not at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transaction	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transaction	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first provision to section 188
1	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

2. Details of material contracts or arrangement or transactions at arm's length basis.

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
1	Mr. Vinaychand Yadavsingh Kothari, Managing Director of the Company, also Owner of premises rented to Company.	Rental of premises duly approved by Board	Renewed w.e.f. 1 st April, 2010 (with no increase in rent till date)	Premises situated at 401, Chartered House, 293/299, Dr. C H St., Near Marine Lines, Church, Mumbai - 400002 taken on rent by Company for Registered office from owner Mr. Vinaychand Yadavsingh Kothari at monthly rent of Rs. 70,000/-	30/04/2010	Nil

By Order of the Board

Place Mumbai
Date : 20th July, 2018

Vinaychand Kothari
Chairman & Managing Director
DIN: 00010974

Dilip V. Kothari
Jt. Managing Director
DIN: 00011043

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure, Developments and Outlook

The year 2017-18 also witnessed a major policy initiative that will positively impact the economy - the Constitutional Amendment leading to the implementation of the Goods & Services Tax (GST) from 1st July 2017.

The goal of the GST is to create a common Indian marketplace, improve tax compliance, governance and increase investments and growth. The taxes applicable to the various stakeholders in travel and tourism have been announced.

While it is commendable that GST rates applicable to travel, tours & transportation have been lowered, it is disappointing that a tax rate of up to 28% on room rates, has been applied to hotels who charge in excess of 7,500/- per night. The application of the highest rate of 28% to a significant part of the Hospitality Industry will make the destination more expensive and will adversely affect its capability to generate revenue and employment. However, on food sale (which account for major part of revenue for the hotel industry) the GST had been dropped from 18% to 5% (without ITC) on the hotels below five star. This was very welcomed by the industry at large. We hope that the tax rate of 28% will be reviewed and revised in the interest of the hospitality industry and the nation.

Financial and Operating Performance

During the Financial Year 2017-18, the Company's Revenue, EBIDTA, Profit before Tax and Profit after Tax were affected due to over all slow down in the industry.

The Company's Total Revenue was Rs. 483.91 lakh in 2017-18 as compared to Rs. 493.30 lakh in the previous year. The revenue of the Company for the year decreased by over 1.90% as compared to the previous year.

Profit before Tax was Rs. 19.46 lakh as compared to 22.35 lakh in the previous year. The Net Profit for the year was Rs. 25.33 lakh as compared to Rs. 14.84 lakh in the previous year. The Company continues to be largely engaged in hospitality and related businesses.

Internal Control Mechanism and Adequacy

The company has a proper and adequate system of internal control to ensure that all assets are safeguarded and protected against any loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly. The Company's internal control systems are periodically reviewed by the management together with the Audit Committee of the Board. The emphasis of internal control prevails across functions and processes, covering the entire gamut of activities.

Internal Financial Controls (IFC)

The Directors have devised a framework for Internal Financial Controls to be followed by the Company that conforms to the requirements of Section 134(5)(e) of the Companies Act, 2013 and incorporates measures that ensure adequate and continuing operating effectiveness of internal financial controls. Furthermore, in accordance with Section 149(8), read with the Code for Independent Directors laid down under Schedule IV, Clause II (3) of the Companies Act, 2013, the Independent Directors have satisfied themselves on the integrity of financial information and have ensured that Financial Controls and systems of Risk Management are robust and secure. In order to enable the Directors to meet these responsibilities, the Board has devised the necessary systems, frameworks and mechanisms within the Company. The Board has empowered the Audit Committee to periodically review and confirm that the mechanism remains effective and fulfill the objectives for which they have been created.

HUMAN RESOURCES DEVELOPMENT/INDUSTRIAL RELATIONS:

The Company recognizes the need for continuous growth and development of its employees in order to provide greater job satisfaction and also to equip them to meet growing organizational challenges. Industrial relations have continued to be harmonious at all units throughout the year. Measures for safety of employees, Welfare and development continue to receive top priorities.

THE FINANCIAL AND OPERATIONAL PERFORMANCE:

The financial statement is in confirmation with provisions of the Companies Act, 2013 and applicable accounting standard recommended by the Institute of Chartered Accountants of India. The financial statement reflects the genuine desire for the transparency and best judgment for the estimates made on prudent and reasonable bases to correctly reflect the true and fair affairs of the company.

CAUTIONARY STATEMENT:

Statements in this report on Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable security laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however differ materially from those expressed or implied.

The Company assumes no responsibility in respect of forwarded looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events of the Company.

The Board takes this opportunity to thank all employees for their commitment, dedication and co-operation.

By Order of the Board

Place Mumbai
Date : 20th July, 2018

Vinaychand Kothari
Chairman & Managing Director
DIN: 00010974

Dilip V. Kothari
Jt. Managing Director
DIN: 00011043

ANNEXURE 5

EXTRACT OF ANNUAL RETURN

As on financial year ended 31-03-2018

[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:	Best Eastern Hotels Ltd.
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 Marinelines church, Mumbai-400 002 Tel:022-2207 8292
Whether listed company	Listed on BSE Ltd., Mumbai.
Name, Address and Contact details of Registrar and Transfer	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	63.63
b.	Restaurants and mobile food service activities	561	36.37

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	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 01/04/2017				No. of Shares held at the end of the year 31/03/2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S									
(1) INDIAN									
(a) individual	11387500	0	11387500	67.582	11387500	0	11387500	67.582	0
(b) Central Govt.		0				0			0
(c) State Govt(s).		0				0			0
(d) Bodies Corpp.	1250000	0	1250000	7.418	1250000	0	1250000	7.418	0
(e) FIINS / BANKS.		0				0			0
(f) Any Other		0				0			0
Sub-total (A) (1):-	12637500	0	12637500	75	12637500	0	12637500	75	0
(2) FOREIGN									
(a) Individual NRI / For Ind		0				0			0
(b) Other Individual		0				0			0
(c) Bodies Corporates		0				0			0

(d) Banks / FI		0				0			0
(e) Qualified Foreign Investor		0				0			0
(f) Any Other Specify		0				0			0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	12637500	0	12637500	75.000	12637500	0	12637500	75.000	0
(B) (1). PUBLIC SHAREHOLDING									
(a) Mutual Funds		0				0			0.000
(b) Banks / FI	1660	1660	3320	0.020	1660	1660	3320	0.020	0.000
(c) Central Govt.		0				0			0.000
(d) State Govt.	330	0	330	0.002	330	0	330	0.002	0.000
(e) Venture Capital Funds		0				0			0.000
(f) Insurance Companies		0				0			0.000
(g) FIs		0				0			0.000
(h) Foreign Venture Capital Funds		0				0			0.000
(i) Others (specify)		0				0			0.000
Sub-total (B)(1):-	1990	1660	3650	0.022	1990	1660	3650	0.022	0
2. Non-Institutions									
(a) BODIES CORP.									
(i) Indian	35930	5670	41600	0.247	136076	5670	141746	0.841	0.594
(ii) Overseas		0				0			0.000
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	2309627	129370	2438997	14.475	2198076	129370	2327446	13.813	-0.662
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1484550	0	1484550	8.810	1608133	0	1608133	9.544	0.734
(c) Other (specify)									
Non Resident Indians	2246	670	2916	0.017	2196	670	2866	0.017	0
Overseas Corporate Bodies		0				0			0
Foreign Nationals		0				0			0
Clearing Members	240787	0	240787	1.429	128659	0	128659	0.764	-0.665
Trusts		0				0			0
Foreign Boodies - D R		0				0			0
Sub-total (B)(2):	4073140	135710	4208850	24.978	4073140	135710	4208850	24.979	0.001
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4075130	137370	4212500	25.000	4075130	137370	4212500	25.001	0.001
C. Shares held by Custodian for GDRs & ADRs		0				0			0.000
Grand Total (A+B+C)	16712630	137370	16850000	100.00	16712630	137370	16850000	100.00	0.001

Company : Best Eastern Hotels Ltd. from 01-04-2017 to 31-03-2018

Shareholding of promoters MGT9 Report

SI No.	Shareholder's Name	Share Holding at the beginning of the year			Share Holding at the end of the Year			% 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	VINAYCHAND KOTHARI	4346970	25.798	0	4346970	25.798	0	0
2	MEENA V KOTHARI	4250000	25.223	0	4250000	25.223	0	0
3	DILIP V KOTHARI	2190530	13	0	2190530	13	0	0
4	VANDEEP HOLDINGS PVT LTD	1250000	7.418	0	1250000	7.418	0	0
5	NEELAM D KOTHARI	600000	3.561	0	600000	3.561	0	0

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

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the Year			
		No. of Shares at the beginning / end of the year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1		N.A.						

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 / end of the year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	VIJAY KUMAR TAYDE	263353	1.563	01-04-2017				
				07-04-2017	27500	Buy	290853	1.726
				21-04-2017	15000	Buy	305853	1.815
				28-04-2017	6961	Buy	312814	1.856
				05-05-2017	5500	Buy	318314	1.889
				12-05-2017	4500	Buy	322814	1.916
				26-05-2017	1000	Buy	323814	1.922
				02-06-2017	3000	Buy	326814	1.94
				09-06-2017	1000	Buy	327814	1.945
				16-06-2017	-12000	Sold	315814	1.874
				07-07-2017	-7500	Sold	308314	1.83
				21-07-2017	2000	Buy	310314	1.842
				13-10-2017	2050	Buy	312364	1.854
				20-10-2017	3000	Buy	315364	1.872
				27-10-2017	5780	Buy	321144	1.906
				03-11-2017	1430	Buy	322574	1.914
				10-11-2017	10700	Buy	333274	1.978
				17-11-2017	17050	Buy	350324	2.079
				24-11-2017	4700	Buy	355024	2.107
				01-12-2017	13000	Buy	368024	2.184
				26-01-2018	1000	Buy	369024	2.19
				02-02-2018	8200	Buy	377224	2.239
				09-02-2018	4200	Buy	381424	2.264
				16-02-2018	12000	Buy	393424	2.335
				23-02-2018	10000	Buy	403424	2.394
				02-03-2018	9500	Buy	412924	2.451
				09-03-2018	15500	Buy	428424	2.543

BEST EASTERN HOTELS LIMITED

				16-03-2018	5000	Buy	433424	2.572
				23-03-2018	10500	Buy	443924	2.635
	-Closing Balance			31-03-2018	2000	Buy	445924	2.646
2	NITIN SEN	217586	1.291	01-04-2017				
				07-04-2017	27500	Buy	245086	1.455
				21-04-2017	15000	Buy	260086	1.544
				28-04-2017	7580	Buy	267666	1.589
				05-05-2017	5400	Buy	273066	1.621
				12-05-2017	5000	Buy	278066	1.65
				02-06-2017	4400	Buy	282466	1.676
				09-06-2017	1000	Buy	283466	1.682
				16-06-2017	-4501	Sold	278965	1.656
				23-06-2017	-9000	Sold	269965	1.602
				30-06-2017	-5000	Sold	264965	1.572
				07-07-2017	-5000	Sold	259965	1.543
				14-07-2017	-5000	Sold	254965	1.513
				21-07-2017	1000	Buy	255965	1.519
				08-09-2017	12649	Buy	268614	1.594
				27-10-2017	1520	Buy	270134	1.603
				03-11-2017	1500	Buy	271634	1.612
				10-11-2017	12300	Buy	283934	1.685
				17-11-2017	11000	Buy	294934	1.75
				24-11-2017	15000	Buy	309934	1.839
				01-12-2017	2000	Buy	311934	1.851
				26-01-2018	2000	Buy	313934	1.863
				02-02-2018	10107	Buy	324041	1.923
				09-02-2018	2500	Buy	326541	1.938
				16-02-2018	4800	Buy	331341	1.966
				23-02-2018	10000	Buy	341341	2.026
				02-03-2018	500	Buy	341841	2.029
				09-03-2018	7500	Buy	349341	2.073
				16-03-2018	12000	Buy	361341	2.144
				23-03-2018	5055	Buy	366396	2.174
	-Closing Balance			31-03-2018	2000	Buy	368396	2.186
3	RITESH VYAS	183139	1.087	01-04-2017				
				07-04-2017	23051	Buy	206190	1.224
				21-04-2017	6000	Buy	212190	1.259
				30-06-2017	2500	Buy	214690	1.274
				13-10-2017	100	Buy	214790	1.275
				27-10-2017	6542	Buy	221332	1.314
				10-11-2017	11770	Buy	233102	1.383
				02-02-2018	10239	Buy	243341	1.444
				16-03-2018	3000	Buy	246341	1.462
	-Closing Balance			31-03-2018			246341	1.462
4	NALIN JAGDISH GUPTA	150000	0.89	01-04-2017				
	-Closing Balance			31-03-2018		No Change	150000	0.89
5	KAMAL JAGDISH GUPTA	145002	0.861	01-04-2017				
	-Closing Balance			31-03-2018		No Change	145002	0.861
6	MAHENDRA GOKHARU	138970	0.825	01-04-2017				
	-Closing Balance			31-03-2018		No Change	138970	0.825
7	RAHUL JAISWAL	125000	0.742	01-04-2017				
				10-11-2017	-6000	Sold	119000	0.706
				17-11-2017	-3000	Sold	116000	0.688

BEST EASTERN HOTELS LIMITED



				24-11-2017	-2500	Sold	113500	0.674
	-Closing Balance			31-03-2018			113500	0.674
8	INDO THAI SECURITIES LIMITED	32778	0.195	01-04-2017				
				07-04-2017	24500	Buy	57278	0.34
				21-04-2017	10000	Buy	67278	0.399
				28-04-2017	-4019	Sold	63259	0.375
				05-05-2017	500	Buy	63759	0.378
				12-05-2017	4600	Buy	68359	0.406
				26-05-2017	5900	Buy	74259	0.441
				02-06-2017	-5900	Sold	68359	0.406
				09-06-2017	-6000	Sold	62359	0.37
				16-06-2017	-1139	Sold	61220	0.363
				23-06-2017	23300	Buy	84520	0.502
				30-06-2017	5407	Buy	89927	0.534
				07-07-2017	12500	Buy	102427	0.608
				21-07-2017	5500	Buy	107927	0.641
				28-07-2017	15710	Buy	123637	0.734
				04-08-2017	5950	Buy	129587	0.769
				25-08-2017	2200	Buy	131787	0.782
				08-09-2017	-12649	Sold	119138	0.707
				15-09-2017	-79288	Sold	39850	0.236
				27-10-2017	2000	Buy	41850	0.248
				10-11-2017	5568	Buy	47418	0.281
				17-11-2017	9062	Buy	56480	0.335
				24-11-2017	12800	Buy	69280	0.411
				01-12-2017	19900	Buy	89180	0.529
				12-01-2018	-2000	Sold	87180	0.517
				26-01-2018	-1150	Sold	86030	0.511
				02-02-2018	3010	Buy	89040	0.528
				09-02-2018	-50	Sold	88990	0.528
				23-02-2018	-5000	Sold	83990	0.498
				09-03-2018	8500	Buy	92490	0.549
				16-03-2018	381	Buy	92871	0.551
				23-03-2018	10400	Buy	103271	0.613
	-Closing Balance			31-03-2018			103271	0.613
9	ARIHANT CAPITAL MKT. LTD	111325	0.661	01-04-2017				
				07-04-2017	500	Buy	111825	0.664
				21-04-2017	500	Buy	112325	0.667
				05-05-2017	-11000	Sold	101325	0.601
				30-06-2017	-300	Sold	101025	0.6
	-Closing Balance			31-03-2018			101025	0.6
10	ANITA RAJESH VASA	100000	0.593	01-04-2017				
	-Closing Balance			31-03-2018		No Change	100000	0.593
11	NISHA JAIN	122000	0.724	01-04-2017				
				07-04-2017	-15000	Sold	107000	0.635
				16-03-2018	-8500	Sold	98500	0.585
				23-03-2018	-16900	Sold	81600	0.484
	-Closing Balance			31-03-2018	-4000	Sold	77600	0.461
12	NILAY JAIN	139500	0.828	01-04-2017				
				07-04-2017	-15000	Sold	124500	0.739
				09-03-2018	-21000	Sold	103500	0.614
				16-03-2018	-21500	Sold	82000	0.487
				23-03-2018	-6300	Sold	75700	0.449
	-Closing Balance			31-03-2018			75700	0.449

Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Shareholding at the beginning of the Year			Cumulative Shareholding at the end of			
		No. of Shares at the beginning / end of the year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company]
1	Manohar Ramchandra Tambat	2000	0.012	01-04-2017				
	-Closing Balance			31-03-2018	-	No Change	2000	0.012
2	Mehernoz Dangore	25000	0.148	01-04-2017	-			
	-Closing Balance			31-03-2018		No change	25000	0.148

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	5,198,689	20,296,377	-	25,495,066
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5,198,689	20,296,377	-	25,495,066
Change in Indebtedness during the financial year				
● Addition	12,996,754	-	-	12,996,754
● Reduction	-	16,988,720	-	16,988,720
Net Change	12,996,754	16,988,720	-	(3,991,966)
Indebtedness at the end of the financial year				
i) Principal Amount	18,195,443	3,307,657	-	21,503,100
ii) Interest due but not paid	-			
iii) Interest accrued but not due				
Total (i+ii+iii)	18,195,443	3,307,657		21,503,100

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Vinaychand Kothari (MD)	(Dilip V Kothari Jt.MD)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,340,000	1,950,000	4,290,000
	(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)	2,340,000	1,950,000	4,290,000
	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 :

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CFO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1,461	-	1,461
	(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.....	-	-	-	-
	Others, please specify	-	-	-	-
	Total	-	1,461	-	1,461

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

Type	Section of the Companies Act	Brief Description		Details of Penalty / Punishment / Compounding fees imposed		Authority [RD / NCLT/ COURT]		Authority [RD / NCLT/ COURT]	
Penalty	-	-	-	-	-	-	-	-	-
Punishment	-	-	-	-	-	-	-	-	-
Compounding	-	-	-	-	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT									
Penalty	-	-	-	-	-	-	-	-	-
Punishment	-	-	-	-	-	-	-	-	-
Compounding	-	-	-	-	-	-	-	-	-

For and on behalf of Board

Place Mumbai
Date : 20th July, 2018

sd/-
Vinaychand Kothari
Chairman & Managing Director
DIN: 00010974

sd/-
Dilip V. Kothari
Jt. Managing Director
DIN: 00011043

ANNEXURE '6' 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 31.03.2018)

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.23,40,000	Regular	Matriculate	50	01.06.2000	70	Hotel Relax Pvt. Ltd.	25.798%	Relative of Mr. Dilip Kothari & Mrs. Neelam Kothari
2	Mr. Dilip V Kothari	Jt. Managing Director	Rs.19,50,000	Regular	B.Com, C.A.	29	01.06.2000	51	Hotel Relax Pvt. Ltd.	13.000%	Relative of Mr. Vinaychand Kothari & Mrs. Neelam Kothari
3	Mr. Parasmal Kothari	Executive Operations	Rs.1,50,000	Regular	B.Com	19	01.03.1999	63	Hotel Relax Pvt. Ltd.	Nil	Mr. Vinaychand Kothari, Mr. Dilip Kothari & Mrs. Neelam Kothari
4	Mr. Rahul Munot	Residence Manager	Rs. 3,55,955	Regular	B.Com	20	10.09.2004	42	—	Nil	Nil
5	Mrs. Monica Daga	Executive Marketing	Rs. 3,24,000	Regular	B. Com	5	01.04.2013	44	—	0.593%	Mr. Vinaychand Kothari, Mr. Dilip Kothari & Mrs. Neelam Kothari
6	Mr. Kalpesh Bhandari	Accountant	Rs. 3,93,920	Regular	H.S.C.	24	01.01.2001	43	Hotel Relax Pvt. Ltd.	Nil	Nil
7	Mrs.Greta Fernandes	Executive Reservation	Rs.376,480	Regular	H.S.C.	27	01.03.1999	49	Hotel Relax Pvt. Ltd	Nil	Nil
8	Mr. BaldevAhuja	Guest Relation Manager	Rs. 3,00,000	Regular	B.Com	22	01.04.2011	64	NA	Nil	Nil
9	Mr. M. P. Pandey	Maintenance Manager	Rs.2,62,645	Regular	Diploma	27	23.11.2011	58	—	Nil	Nil
10	Mr. Kishore More	Executive F.O .	Rs.2,43,249	Regular	H.S.C.	24	01.01.2010	43	Hotel Regal	Nil	Nil

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**

[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 LIMITED

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 my opinion thereon.

Based on our verification of the **Best Eastern Hotels Limited** 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 audit period covering the financial year **ended on 31st March, 2018**, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Best Eastern Hotels Limited** ("the Company") for the financial year ended on 31st March, 2018 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 Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company during the financial year under review:-
 - (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (b) The Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) 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;
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) we have also examined the compliances of the provisions of the following other laws applicable specifically to the Company wherein we have also relied on the compliance certificates issued by the head of the respective departments in addition to the checks carried out by us:

- 1) Food Safety and Standards Act, 2006 and Rules made there under
- 2) The Water (Prevention and Control of Pollution) Act, 1974 and Rules made there under

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.(SS-1 and SS-2)
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 its authorized representatives during the conduct of Secretarial Audit we hereby report that in our opinion during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

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 *except for Company Secretary who was appointed on 29.03.2018.* 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 is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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.

For **Ferrao MSR & Associates**
Company Secretaries

Shobha Ambure
Partner
A.C.S. No. 39715
C. P. No.15264

Place: Mumbai
Dated: 20th July, 2018

This report is to be read with our letter which is annexed as **Annexure A** and forms an integral part of this report.

'ANNEXURE A' TO SECRETARIAL AUDIT REPORT

To,
The Members,
Best Eastern Hotels Limited

Our report is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
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 **Ferrao MSR & Associates**
Company Secretaries

Shobha Ambure
Partner
A.C.S. No. 39715
C. P. No. 15264

Place: Mumbai
Dated: 20th July, 2018

INDEPENDENT AUDITOR'S 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 31st March 2018, the Statement of Profit and Loss, (including Other Comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow 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 Company's Board of Directors is 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 including other comprehensive income, Cash Flow and changes in equity of the Company in accordance with the Indian Accounting Standards (IND AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other accounting principles generally accepted in India.

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 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 Company as at 31st March 2018, its Profit, total comprehensive income, the changes in equity 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial (IND AS) financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act;
 - e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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
Firm Registration No: 114854W

Amar Bafna
(Partner)
Membership No. 048639
Place: Mumbai
Date: 30/05/2018

ANNEXURE TO THE INDEPENDENT AUDITORS REPORT.

(Annexure “A” 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 and according to the information and explanation given to us during the course of our audit, we state that:

Clause	Sub Clause	Particulars
1.		In Respect of Fixed Assets
(i)	(a)	The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
	(b)	The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to size of the Company and the nature of its assets.
	(c)	According to the records of the company examined by us and as per the information and explanations given to us, title deeds of immovable properties are held in the name of the company.
2.		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.
3.		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) (a) to (c) of the said Order is not applicable to the Company and hence not commented upon.
4.		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.
5.		According to 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 there under. Therefore, the provision of clause 3(v) of the Order is not applicable.
6.		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 Order is not applicable to the Company.
7.	(a)	According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods and Service Tax, wherever applicable, any other applicable statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable except the following:
	(b)	According to the information and explanation given to us, there are no dues of Income tax, Sales tax, Service tax, duty of customs, duty of excise, value added tax, Goods and Service tax outstanding on account of any dispute.

8.		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.
9.		According to the information and explanations given to us, and as per the records verified by us, the Company has not raised any money during the year through initial/further public offer (including debt instruments). Therefore, the provision of clause 3(ix) of the Order is not applicable to the Company.
10.		According to the information and explanations given to us and as per the records verified by us, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the company or its officers, noticed or reported during the year, nor have we been informed of such case by the management.
11.		According to the records of the company examined by us and as per the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12.		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.
13.		As per the information and explanations given during the course of our verification, in our opinion, all transactions with the related parties made by the company were in compliance with section 177 and 188 of the Act, to the extent applicable to the company during the year, the relevant details in respect of which have been appropriately disclosed in the financial statement.
14.		According to the information and explanations given to us, The company has not made any preferential allotment or private placement of shares or partly convertible debentures during the year; therefore reporting under Clause (3) (xiv) of the Order is not applicable to the Company.
15.		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. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
16.		According to the information and explanations given to us, during the year, 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
Firm Registration No. 114854W

Amar Bafna
(Partner)
Membership No. 048639

Place: Mumbai
Date: 30/05/2018

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BEST EASTERN HOTELS LIMITED**

Annexure –"B" to the Independent Auditor's Report of even date on the IND AS financial statements of Best Eastern Hotels Limited

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

We have audited the internal financial controls over financial reporting of **Best Eastern Hotels Limited ("the Company")** as of 31st March, 2018 in conjunction with our audit of the **IND AS** financial statements of the Company for the year ended on that date.

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 2018**, 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
Firm Registration No: 114854W

Amar Bafna
(Partner)
Membership No: 048639

Place: Mumbai
Date: 30/05/2018

BALANCE SHEET AS AT 31ST MARCH, 2018

	NOTES	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹	As at 1st April, 2016 ₹
A ASSETS				
I Non-Current Assets				
Property, plant and equipment	2	73,496,760	77,823,724	84,343,693
Capital Work in Progress		-	-	-
Financial Assets:				
Investments		-	-	-
Loans		-	-	-
Other financial assets	3	568,240	740,675	393,720
Other non-current assets		-	-	-
Total Non-Current Assets		74,065,000	78,564,399	84,737,413
II Current Assets				
Inventories	4	1,189,750	1,231,715	1,005,197
Financial Assets:				
Loans		-	-	-
Trade receivables	5	1,744,043	1,282,090	433,085
Cash and cash equivalents	6	2,677,666	1,850,254	1,611,853
Bank balances other than above		-	-	-
Other financial assets	7	938,241	1,877,831	2,036,284
Other current assets	8	1,802,535	2,091,823	2,381,853
Total Current Assets		8,352,235	8,333,713	7,468,272
TOTAL ASSETS		82,417,235	86,898,112	92,205,684
B EQUITY AND LIABILITIES				
I Equity				
Equity share capital	9	16,850,000	16,850,000	16,850,000
Other equity	10	19,367,001	16,833,567	15,349,288
Total Equity		36,217,001	33,683,567	32,199,288
Liabilities				
II Non-Current Liabilities				
Financial Liabilities				
Borrowings	11	12,000,000	12,000,000	12,000,000
Other financial liabilities		-	-	-
Deferred tax Liability (Net)	12	5,706,798	7,175,562	7,424,491
Provisions		-	-	-
Other non-current liabilities	13	104,543	117,044	130,177
Total Non-Current Liabilities		17,811,341	19,292,606	19,554,668
III Current Liabilities				
Financial Liabilities :				
Borrowings	14	21,503,100	25,495,066	31,134,001
Trade payables	15	1,420,011	1,643,031	2,278,575
Other financial liabilities	16	4,240,782	5,583,843	5,714,152
Other current liabilities		-	-	-
Provisions	17	1,225,000	1,200,000	1,325,000
Current tax liabilities (Net)		-	-	-
Total Current Liabilities		28,388,893	33,921,939	40,451,728
Total Liabilities		46,200,234	53,214,545	60,006,396
TOTAL EQUITY AND LIABILITIES		82,417,235	86,898,112	92,205,684

Significant Accounting Policies

The Accompanying Notes Form An Integral Part of the Financial Statements

As per our attached 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, 2018

For and on behalf of the Board

Vinaychand Kothari - Chairman & Managing Director

Dilip V. Kothari - Joint Managing Director

Dr. R. K. Baxi - Director

Anas Abdulhai Patel - Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2018

	NOTES	For the year ended	
		31st March, 2018 ₹	31st March, 2017 ₹
INCOME			
I Revenue from Operations	18	47,854,285	47,700,604
II Other Income	19	536,927	1,629,601
III Total income (I+II)		48,391,212	49,330,204
IV EXPENSES			
Cost of Sales	20	5,792,786	6,507,486
Employee Benefits Expense	21	14,653,846	13,282,027
Finance Costs	22	2,560,795	3,088,691
Depreciation	23	6,945,251	7,100,666
Other Expenses	24	16,492,023	17,115,986
Total expenses (IV)		46,444,701	47,094,856
V Profit/(loss) before exceptional item and tax (III-IV)		1,946,511	2,235,350
VI Exceptional Items		-	-
VII Profit/(loss) before tax (V-VI)		1,946,511	2,235,350
VIII Tax Expense:			
(1) Current Tax		875,000	1,000,000
(2) Deferred Tax		(1,468,764)	(248,929)
(3) Earlier Year Taxes		6,841	-
IX Profit/(loss) for the year (VII-VIII)		2,533,434	1,484,279
X OTHER COMPREHENSIVE INCOME/ (EXPENSE)- (OCI):			
Items that will not be reclassified to profit or loss			
1. Re-measurement gains / (losses) on defined benefit plans		-	-
2. Income tax effect on above		-	-
Total other comprehensive income (OCI) for the year, net of tax expense		-	-
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR (IX+X)		2,533,434	1,484,279
Earnings Per Equity Shares (Face Value of Rs.1/- each)			
Basic and Diluted earnings per share	25	0.15	0.09

Significant Accounting Policies
The Accompanying Notes Form An Integral Part of the Financial Statements

As per our attached 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, 2018

For and on behalf of the Board

Vinaychand Kothari - Chairman & Managing Director

Dilip V. Kothari - Joint Managing Director

Dr. R. K. Baxi - Director

Anas Abdulhai Patel - Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018
1. Equity share capital

Particulars	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹	As at 01st April, 2016 ₹
Balance at the beginning of the year	16,850,000	16,850,000	16,850,000
Changes in equity share capital during the year	-	-	-
Balance at the end of the year	16,850,000	16,850,000	16,850,000

2. Other Equity

Particulars	Reserves and Surplus		Total Other Equity
	General Reserve	Retained Earnings	
Balance as at 1 April 2016	2,870,818	12,478,470	15,349,288
Profit/(loss) for the year	-	1,484,279	1,484,279
Other comprehensive income/(loss)	-	-	-
Total comprehensive income/(loss)	-	1,484,279	1,484,279
	-	-	-
	-	-	-
Balance as at 31 March 2017	2,870,818	13,962,749	16,833,567
Profit/(loss) for the year	-	2,533,434	2,533,434
Other comprehensive income/(loss)	-	-	-
Total comprehensive income/(loss)	-	2,533,434	2,533,434
Depreciation on Revalued Building	-	-	-
Tax effect on revaluation	-	-	-
Balance as at 31 March 2018	2,870,818	16,496,183	19,367,001

As per our attached 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, 2018

For and on behalf of the Board

Vinaychand Kothari	-	Chairman & Managing Director
Dilip V. Kothari	-	Joint Managing Director
Dr. R. K. Baxi	-	Director
Anas Abdulhai Patel	-	Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018**CORPORATE INFORMATION**

The Best Eastern Hotels Limited ("the Company") is a public limited company, incorporated and domiciled in India having its registered office at 401, Chartered House, Dr C H Street, Marine Lines Mumbai 400 002 Maharashtra, India. The equity shares of the Company are listed on BSE Limited. The Company is primarily engaged in the business of owning, operating hotel and resort.

NOTE - 1**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(i) Basis of preparation:**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities and land and building, which are measured at fair value.

The financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under section 133 of the Act read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") and the relevant provisions of the Act as applicable. These financial statements are the first financial statements of the Company under Ind AS. Refer to note 3 for information on first time adoption of Ind AS. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

(ii) Fair value measurement

The Company's accounting policies and disclosures require the measurement of fair values for financial assets and liabilities.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(iii) Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations.

Revenue is recognized upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue from rendering of services is net of Indirect taxes, returns and discounts.

(iv) Property, Plant and Equipment:
Recognition and measurement:

Items of property, plant and equipment, Land and Building are measured at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment includes purchase price, including freight, duties, taxes and expenses incidental to acquisition and installation. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Property, plant and equipment are derecognized from financial statements, either on disposal or when no economic benefits are expected from its use or disposal. The gain or losses arising from disposal of property, plant and equipment are recognized in the Statement of Profit and Loss in the year of occurrence.

Subsequent expenditures:

Subsequent expenditures related to an item of property, plant and equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company and cost can be reliably measured. All other repair and maintenance costs are recognized in the Statement of Profit and Loss during the year in which they are incurred.

Depreciation:

Depreciation is provided on all property, plant and equipment on straight-line method in the manner and useful life prescribed in Schedule II of the Companies Act, 2013. Depreciation on additions/deletion is provided on pro-rata basis with reference to the date of addition/deletion as the case may be.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 01 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Company has adopted cost model for all class of items of Property Plant and Equipment.

(v) Impairment of Non-Financial Assets:

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If such recoverable amount of the asset or cash generating unit is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is any indication that any impairment loss recognized for an asset in prior years may no longer exist or may have decreased, the recoverable amount is reassessed and such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss..

(vi) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial Assets
Initial recognition and measurement

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

For the purpose of subsequent measurement, the financial assets are classified as under:

i) Financial assets at amortised cost

A financial asset is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. Interest income from these financial assets is included in other income using the EIR in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

ii) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are classified as FVTOCI, if both of the following criteria are met:

- These assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains or losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Profit or Loss and recognised in other income/(loss).

iii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is recognized in profit or loss and presented net in the Statement of Profit and Loss within other income in the period in which it arises.

iv) Impairment of financial assets

The Company applies 'simplified approach' for recognition of impairment loss on financial assets for loans, deposits and trade receivables.

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime Expected Credit Loss at each reporting date, right from its initial recognition.

De-recognition

A financial asset is derecognized when:

- the rights to receive cash flows from the assets have expired or
- the Company has transferred substantially all the risk and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

Financial Liabilities

- **Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction cost.

- **Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. For trade and other payables maturing within operating cycle, the carrying amounts approximate the fair value due to short maturity of these instruments.

- **Loans and borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using Effective Interest Rate (EIR) method. Gain and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transaction costs. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

- **Derecognition**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

- **Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reflected in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(vii) Inventories:

Stock of food and beverages and stores and operating supplies are carried at the lower of cost or net realisable value. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(viii) Taxes:

The tax expense comprises current and deferred tax. Tax is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in OCI.

- i. **Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantially enacted at the reporting date.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

- ii. **Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amount used for taxation purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

(ix) Employee benefits:

Short term employee benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

Defined contribution plans:

The Company's contribution to Provident Fund, Pension, Superannuation and Employees State Insurance Contribution are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contribution made to the respective fund/scheme and are charged as an expense based on the amount of contribution required to be made.

Gratuity is funded through Group Gratuity scheme formed by Life Insurance Corporation of India.

(x) Borrowing Costs:

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are recognized as expense in the period in which these are incurred.

(xi) Cash and Cash Equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, demand deposit and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(xii) Provisions & Contingent Liabilities:

The Company recognizes a provision when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(xiii) Earnings per share

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed at each reporting date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

i. Fair value measurement of financial instruments

When the fair values of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from the observable market, where possible, but where this is not feasible, a review of judgement is required in establishing fair values. Changes in assumptions relating to these assumptions could affect the fair value of financial instruments.

ii. Deferred taxes

Deferred tax is recorded on temporary differences between tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profit during the periods in which those temporary differences and the tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward periods are reduced.

3. FIRST TIME ADOPTION OF IND AS

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet as at April 01, 2016 (the Company's date of transition to Ind AS). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of the Act ("Indian GAAP" or "previous GAAP"). The effects of the transition to Ind AS on equity, total comprehensive income and reported cash flows are presented in this section and are further explained in the following notes.

Ind AS 101 allows first-time adopters certain exemptions/exceptions from the retrospective application of certain requirements under Ind AS. In preparing these financial statements, the Company has applied the following exemptions:

Ind AS Optional Exemptions:
Deemed cost for property, plant and equipment

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value and use that as its deemed cost as at the date of transition (April 01,2016).

Reconciliation

The following reconciliations provide the effect of transition to Ind AS from previous GAAP in accordance with Ind AS 101:

Reconciliation of total equity as at March 31, 2017 and April 1, 2016

	Notes	As at March 31,2017 (End of last period presented under previous GAAP)	As at April 01,2016 (Date of transition)
Total equity under previous GAAP		33,683,567	32,199,288
Total adjustments to equity		-	-
Total Equity under Ind AS		33,683,567	32,199,288

Reconciliation of total comprehensive income for the year ended March 31,2017

	Notes	Year ended March 31, 2017 (latest period presented under previous GAAP)
Profit as per previous GAAP		1,484,279
Adjustments:		
Other income		-
Total effect of transition to Ind AS		-
Profit for the year as per Ind AS		1,484,279
Other comprehensive income for the year (net of tax)		-
Total comprehensive income for the year under Ind AS		1,484,279

Impact of Ind AS adoption on the Statement of Cash Flow for the year ended March 31, 2017

There were no material differences between the Cash Flow Statement presented under Ind AS and the previous GAAP.

NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

NOTE 2: Property Plant and Equipments

S. N.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as at 01/04/2017	Additions during the year	Deductions during the year	Total as at 31/03/2018	As at 01/04/2017	For the Year	Deductions	Total as at 31/03/2018	As at 31/03/2018	As at 31/03/2017
	TANGIBLE ASSETS										
1	FREEHOLD LAND AND LAND DEVELOPMENT	3,700,000	-	-	3,700,000	-	-	-	-	3,700,000	3,700,000
2	BUILDINGS	55,268,948	1,086,061	-	56,355,009	3,095,110	3,109,906	-	6,205,016	50,149,993	52,173,838
3	ELECTRICAL INSTALLATION	3,442,277	756,166	-	4,198,443	405,352	440,792	-	846,144	3,352,299	3,036,925
4	PLANT AND MACHINERY	8,926,579	429,767	-	9,356,346	1,218,777	1,250,491	-	2,469,268	6,887,078	7,707,802
5	FURNITURE & FIXTURES	9,913,954	124,000	-	10,037,954	1,736,335	1,546,607	-	3,282,942	6,755,012	8,177,619
6	COMPUTERS	408,698	222,293	-	630,991	131,724	209,286	-	341,010	289,981	276,974
7	VEHICLES	3,263,934	-	-	3,263,934	513,368	388,169	-	901,537	2,362,397	2,750,566
	TOTAL ASSETS	84,924,390	2,618,287	-	87,542,677	7,100,666	6,945,251	-	14,045,917	73,496,760	77,823,724
	Previous Year	As at 01.04.2016									
		84,343,693	713,995	1,720,836	83,336,852	-	7,100,666	1,587,537	5,513,129	77,823,724	-

Particulars	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹	As at 01 April 2016 ₹
NOTE - 3			
OTHER FINANCIAL ASSET (NON - CURRENT)			
Security Deposits	382,675	602,675	314,300
Staff Advance	185,565	138,000	79,420
Total	568,240	740,675	393,720
NOTE - 4			
INVENTORIES:			
a. Provision Stores	657,628	729,700	746,556
b. Miscellaneous Parlour Goods	52,370	55,150	59,460
c. Liquor & Wine	187,552	197,500	199,181
d. Consumables (material unutilised)	292,200	249,365	-
Food & Beverage, Operating supplies and stores are valued at lower of cost (weighted average basis) or net realizable value.			
Total	1,189,750	1,231,715	1,005,197

**NOTES TO ACCOUNTS FORMING PART OF
FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018**

Particulars	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹	As at 01 April 2016 ₹
NOTE - 5			
TRADE RECEIVABLES:			
Trade receivables outstanding for a period less than six months from due date (Unsecured, considered good)	1,744,043	1,282,090	433,085
Trade receivables outstanding for a period exceeding six months from due date (Unsecured, considered good)	-	-	-
Total	1,744,043	1,282,090	433,085
NOTE - 6			
CASH AND BANK BALANCES:			
Cash on hand	1,497,203	1,291,268	1,276,315
Balances with Scheduled banks :			
In Current Accounts	1,063,419	428,809	184,320
In Dividend Accounts	117,044	130,177	151,218
Total	2,677,666	1,850,254	1,611,853
NOTE - 7			
OTHER FINANCIAL ASSET (CURRENT)			
(Unsecured, considered good)			
Other Advances	938,241	1,877,831	2,036,284
Advance Income Tax	-	-	-
Income Tax Refund Receivable	-	-	-
Total	938,241	1,877,831	2,036,284
NOTE - 8			
OTHER ASSET (CURRENT)			
Balance with Govt Authorities	1,802,535	2,091,823	2,381,853
Total	1,802,535	2,091,823	2,381,853

**NOTES TO ACCOUNTS FORMING PART OF
FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018**

Particulars	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹	As at 1st April, 2016
NOTE- 9			
SHARE CAPITAL:			
Authorised			
4,80,00,000 (P.Y. 4,80,00,000) Equity Shares of Rs 1/- each	48,000,000	48,000,000	48,000,000
12,00,000 (P.Y. 12,00,000) Non-Cumulative Redeemable Preference Shares of Rs 10/- each	12,000,000	12,000,000	12,000,000
	60,000,000	60,000,000	60,000,000
Issued, Subscribed and Paid-up			
1,68,50,000 (P.Y. 1,68,50,000) Equity Shares of Rs 1/- each fully paid-up	16,850,000	16,850,000	16,850,000
Total	16,850,000	16,850,000	16,850,000

Reconciliation of Equity Share Capital :

Particulars	Equity Shares					
	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Number	Value	Number	Value	Number	Value
Shares outstanding at the beginning of the year	16,850,000	16,850,000	16,850,000	16,850,000	16,850,000	16,850,000
Shares Issued during the year						
Shares outstanding at the end of the year	16,850,000	16,850,000	16,850,000	16,850,000	16,850,000	16,850,000

Shareholding above 5%

Name of Shareholder	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Vinaychand Kothari	4,346,970	25.80%	4,346,970	25.80%	4,346,970	25.80%
Meena Kothari	4,250,000	25.22%	4,250,000	25.22%	4,250,000	25.22%
Dilip Kothari	2,190,530	13.00%	2,190,530	13.00%	2,190,530	13.00%
Vandeep Holdings Pvt Ltd	1,250,000	7.42%	1,250,000	7.42%	1,250,000	7.42%

Details of the rights, and restrictions attaching to each class of shares:

Equity Shares: The Company has one class of equity shares having a par value of Rs 1/- per share. Each share holder is eligible for one vote per share held. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company in proportion to share holding.

**NOTES TO ACCOUNTS FORMING PART OF
FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018**

Particulars	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹	As at 01 April 2016 ₹
NOTE-10			
Other Equity			
a. General Reserve:			
Opening Balance	2,870,818	2,870,818	2,870,818
Closing Balance	2,870,818	2,870,818	2,870,818
b. Profit & Loss Account			
Opening balance	13,962,749	12,478,470	9,913,742
Add: Net Profit/(Net Loss) For the current year	2,533,434	1,484,279	2,564,728
Closing Balance	16,496,183	13,962,749	12,478,470
Total (a + b)	19,367,001	16,833,567	15,349,288
NOTE-11			
LONG TERM BORROWINGS:			
Preference Share Capital	12,000,000	12,000,000	12,000,000
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			
Total	12,000,000	12,000,000	12,000,000
NOTE-12			
DEFERRED TAX LIABILITY:			
On Property Plant and Equipments	5,706,798	7,175,562	7,424,491
Net Deferred Tax Liabilities	5,706,798	7,175,562	7,424,491
NOTE-13			
OTHER LIABILITIES (Non - CURRENT)			
Unpaid Dividend	104,543	117,044	130,177
Total	104,543	117,044	130,177

**NOTES TO ACCOUNTS FORMING PART OF
FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018**

Particulars	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹	As at 01 April 2016 ₹
NOTE-14			
SHORT TERM BORROWINGS:			
Secured			
Bank Overdraft - Union Bank of India (Secured by a equitable mortgage of hotel property known as "Usha Ascot" at Matheran & further secured by personal guarantee of two Directors)	17,652,036	3,900,977	11,999,639
Car Loan (Car Loan is secured against hypothecation of the vehicle)	543,407	1,297,712	1,984,837
Other Loans			
From Directors	3,307,657	20,296,377	17,149,525
Total	21,503,100	25,495,066	31,134,001
NOTE-15			
TRADE PAYABLES:			
Trade payables	1,420,011	1,643,031	2,278,575
Total	1,420,011	1,643,031	2,278,575
On the basis of information available with the company, none of its parties are identified as Micro, Small or Medium enterprises as defined in the "The Micro, small and Medium enterprises development act 2006."			
NOTE-16			
OTHER FINANCIAL LIABILITIES (CURRENT)			
Other payables			
Deposits	-	-	-
Other Payable	2,932,461	3,552,153	3,309,952
Unpaid Dividend	12,501	13,133	21,041
Advance from Customers	1,295,820	2,018,557	2,383,159
Total	4,240,782	5,583,843	5,714,152

**NOTES TO ACCOUNTS FORMING PART OF
FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018**

Particulars	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹	As at 01 April 2016 ₹
NOTE-17			
SHORT TERM PROVISIONS:			
Provisions			
Provision for Income Tax	875,000	1,000,000	1,325,000
Provison for Gratuity	350,000	200,000	-
Total	1,225,000	1,200,000	1,325,000

Particulars	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
NOTE-18		
REVENUE FROM OPERATIONS:		
Lodging	29,231,617	31,361,401
Boarding	17,402,898	16,137,290
Income from Other Services	1,219,770	201,913
Total	47,854,285	47,700,604
NOTE-19		
<u>OTHER INCOME:</u>		
Interest Income	43,854	34,266
Misc. Income	18,250	29
Sundry credit balance written back	474,823	1,371,595
Profit on sale of assets	-	223,712
Total	536,927	1,629,601

**NOTES TO ACCOUNTS FORMING PART OF
FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018**

Particulars	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
NOTE-20		
<u>COST OF MATERIAL CONSUMED</u>		
FOOD AND BEVERAGES COST		
Opening Stock	982,350	1,005,197
Add: Purchases	5,707,986	6,484,639
Less: Closing Stock	6,690,336 897,550	7,489,836 982,350
(Food & Beverage consumption is inclusive of cost of complimentary meals provided to house guests)		
(100% (P. Y. 100%) of Cost of material consumed are Indegenious)		
Total	5,792,786	6,507,486
NOTE-21		
<u>EMPLOYEE BENEFITS EXPENSES</u>		
Employee Benefits Expense		
(a) Salaries & Wages	7,801,569	7,417,972
(b) Directors Remuneration	4,290,000	3,965,000
(c) Contributions to Provident & Other fund (Refer Note No. 32 a)	1,083,982	1,032,859
(d) Gratuity Expenses (Refer Note No. 32 b)	795,848	200,000
(e) Bonus and Leave Encashment	635,691	602,575
(f) Staff welfare expenses (including estimated cost of staff meals)	46,756	63,621
Total	14,653,846	13,282,027
NOTE-22		
<u>FINANCE COST</u>		
Interest -Bank	1,326,220	555,637
Interest-Others	1,234,575	2,533,054
Total	2,560,795	3,088,691

**NOTES TO ACCOUNTS FORMING PART OF
FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018**

Particulars	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
NOTE-23		
<u>DEPRECIATION</u>		
Depreciation on Tangible Fixed Assets	6,945,251	7,100,666
Total	6,945,251	7,100,666
NOTE-24		
<u>OTHER EXPENSES</u>		
OPERATING EXPENSES		
Water Charges	1,473,941	1,758,395
Power & Fuel Expenses	4,575,605	4,432,541
Repairs to Building	302,592	290,592
Repairs to Plant & Machinery	632,015	541,118
Repairs to Others	560,095	525,091
Commission to Agents & Guides	907,781	-
VAT Expenses	205,618	772,700
Swachha Bharat Cess Expense	7,032	6,964
Linen, Cloth & Uniforms	437,172	397,998
Laundry Operating Expenses	533,922	594,579
Other Operating Expenses	702,372	272,503
Sub Total	10,338,145	9,592,481

**NOTES TO ACCOUNTS FORMING PART OF
FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018**

Particulars	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
<u>GENERAL EXPENSES:</u>		
Advertisement Expenses	1,271,791	2,195,185
Insurance Charges	202,212	151,736
Rent, Rates & Taxes	790,747	1,130,756
Communication Expenses	247,500	264,366
Office Rent	840,000	840,000
Printing & Stationery	97,441	117,907
Legal Expenses	4,610	2,570
Professional Fees	252,143	200,500
Travelling Expenses	564,570	442,813
Fixed Assets Discarded	-	4,632
Motor Car Expenses	220,220	223,178
Filing Fees	2,892	22,810
Listing Fees	250,000	200,000
Share Registrar Expenses	61,005	55,199
Payment to Auditors	150,000	150,000
Profession Tax (Company)	-	-
Other Administrative & Selling Expenses.	1,198,747	1,521,852
Sub Total	6,153,878	7,523,505
Total	16,492,023	17,115,986
NOTE-25		
<u>EARNING PER SHARE</u>		
Earning per share is calculated in accordance with Accounting standard - 20 (AS-20)-" Earning per share". Issued by Institute of Chartered Accountant of India (Regrouped/rearranged as per AS-20)		
1) Net Profit/(loss) as per Profit & Loss A/c, available for Equity Shareholders	2,533,434	1,484,279
2) Number of ordinary Shares	16,850,000	16,850,000
3) Earnings Per Share (Basic & Diluted):	0.15	0.09

26. FINANCIAL INSTRUMENTS-FAIR VALUE AND RISK MANAGEMENT
a) Accounting classification

The carrying value of financial instruments by categories are as follows:

Particulars	31.03.2018			31.03.2017			01.04.2016		
	At cost	FVTOCI	Amortised cost	At cost	FVTOCI	Amortised cost	At cost	FVTOCI	Amortised cost
Financial Assets									
Investments in equity instruments	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Trade receivable	-	-	1,744,043	-	-	1,282,090	-	-	433,085
Cash and cash equivalents	-	-	2,677,666	-	-	1,850,254	-	-	1,611,853
Other bank balances	-	-	-	-	-	-	-	-	-
Other financial assets	-	-	1,506,481	-	-	2,618,506	-	-	2,430,004
	-	-	5,928,190	-	-	5,750,850	-	-	4,474,942
Financial Liabilities									
Borrowings	-	-	33,503,100	-	-	37,495,066	-	-	43,134,001
Trade payables	-	-	1,420,011	-	-	1,643,031	-	-	2,278,575
Other financial liabilities	-	-	4,240,782	-	-	5,583,843	-	-	5,714,152
	-	-	39,163,893	-	-	44,721,940	-	-	51,126,728

b) Fair value hierarchy and Method of valuation

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

A. Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices in an active market. This included listed equity instruments, traded debentures and mutual funds that have quoted price. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The company do not have any investment in financial instruments that are quoted on stock exchanges.

B. Level 2 : Level 2 hierarchy includes financial instruments that are not traded in an active market. The fair value in this hierarchy is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The company have no such financial instruments that are value using Level 2 hierarchy.

C. Level 3 : If one or more of the significant Inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

The following table shows fair value measurement hierarchy. Except for these financial instruments, the Company considers that the carrying value amount recognised in the financial statements approximate their fair value largely due to the short term maturities of these instruments for security deposits, trade receivable, trade payables, cash and bank balances and other financial assets and liabilities.

	31.03.2018			31.03.2017			01.04.2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments in equity instruments	-	-	-	-	-	-	-	-	-

c) Risk management framework

The Company's principal financial liabilities include borrowing, trade and other payables. The Company's principal financial assets include loans, trade receivable, cash and cash equivalents and others. The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

d) Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- i) Credit Risk
- ii) Liquidity Risk
- iii) Market Risk

i) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, and ageing of accounts receivable.

Credit risks arises from cash and cash equivalents, deposits with banks. The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company's reputation.

The Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank loans and inter-corporate loans.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

March 31, 2018	Carrying amount	Contractual cash flows				
		Total	Within 1 year	1-2 years	2-5 years	More than 5 years
Financial liabilities						
Borrowings**	33,503,100	33,503,100	21,503,100	-	-	-
Trade payables	1,420,011	1,420,011	1,420,011	-	-	-
Other Financial Liabilities	4,240,782	4,240,782	4,240,782	-	-	-
	39,163,893	39,163,893	27,163,893	-	-	-

March 31, 2017	Carrying amount	Contractual cash flows				
		Total	Within 1 year	1-2 years	2-5 years	More than 5 years
Financial liabilities						
Borrowings **	37,495,066	37,495,066	25,495,066	-	-	-
Trade payables	1,643,031	1,643,031	1,643,031	-	-	-
Other Financial Liabilities	5,583,843	5,583,843	5,583,843	-	-	-
	44,721,940	44,721,940	32,721,940	-	-	-

April 01, 2016	Carrying amount	Contractual cash flows				
		Total	Within 1 year	1-2 years	2-5 years	More than 5 years
Financial liabilities						
Borrowings **	43,134,001	43,134,001	31,134,001	-	-	-
Trade payables	2,278,575	2,278,575	2,278,575	-	-	-
Other Financial Liabilities	5,714,152	5,714,152	5,714,152	-	-	-
	51,126,728	51,126,728	39,126,728	-	-	-

** Borrowings include overdraft facility which is renewed year to year and also it includes loan from directors with no repayment schedules

iii) Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity prices which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is not material, as the Company's primary business activities are within India and does not have any exposure in foreign currency.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company continuously co-ordinates with its banker with an indication of decline in market base rate of interest

27. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt and the total equity of the Company. For this purpose, net debt is defined as total borrowings less cash and cash equivalents.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirements are met through short-term/long-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The Company's net debt to equity ratio is as follows:

	March 31,2018	March 31,2017	April 01,2016
Borrowing	33,503,100	37,495,066	43,134,001
Cash & cash equivalents	2,677,666	1,850,254	1,611,853
Net Debt	30,825,434	35,644,812	41,522,148
Total equity excluding revaluation	36,217,001	33,683,567	32,199,288
Debt/Equity ratio	0.85	1.06	1.29

28. Leases

Lease expense is recognised on a straight-line basis over the period of lease. The particulars of the premises given under operating leases are as under:

Particulars

Future minimum lease payments under operating leases

Not later than 1 year

Later than 1 year not later than 5 years

Later than 5 years

As at March 31,2018	As at March 31,2017	As at April 01,2016
-	-	-
-	-	-
-	-	-

29 CONTINGENT LIABILITY

There is no contingent liability in the current financial year. (P.Y. Rs. NIL)

30. Capital Commitment (net of advances) Rs. NIL (P.Y Rs. NIL)

31. SEGMENT REPORTING

The Company is operating in only one segment.

32. Consequent to the adoption of the Indian Accounting Standard 19 “Employees Benefits” following disclosures have been made as required by the standard:- (Refer Note No.21 c and Note No.21 d)

- (a) Defined Contribution Plan
Employees Provident Fund
- (b) Defined Contribution Plan :
Gratuity: funded through recognized fund.

33. Payment to Auditors :

	Current Year	Previous year
As Statutory Auditors	₹ 1,15,000	₹ 1,15,000
Tax Audit Fees	₹ 35,000	₹ 35,000
Other Services	—	—
Out of Pocket Expenses	—	—

34. Amount payable to the undertakings registered under The Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March, 2018 is NIL (to the extent information available with the Management)..

35. Earning in Foreign Exchange: ₹ 0.87 Lakh through realization under credit cards (Previous year ₹ 1.39 Lakh). Expenditure in foreign currency: Rs. Nil. (Previous year ₹ Nil.)

36. Remuneration to Managing Director and Joint Managing Director :

	Current Year ₹	Previous Year ₹
Remuneration & Other Allowance	42,90,000	39,65,000
Employer's Contribution to Provident Fund	4,75,200	4,39,200
Total	47,65,200	44,04,200

37. RELATED PARTY DISCLOSURE

A. The Names of related parties are as under:

- (i) Enterprise that directly or indirectly control (through subsidiaries) or are controlled by or are under common control with the reporting enterprise - **NIL**
- (ii) Associates, Joint ventures of the reporting entity, investing party or venture in respect of which reporting enterprise is an associate or joint venture **NIL**
- (iii) Individuals owning, directly or indirectly, an interest in voting power of the reporting an enterprise that gives them control or significant influence over the enterprises & relatives of any such individual. –

Vandeep Impex LLP (Previously Known as Vandeep Holdings Pvt. Ltd.)

Vandeep Developers LLP (Previously Known as Vandeep Developers Pvt. Ltd.)

Vandeep Hotels Pvt. Ltd.

Meena Infratech LLP

(iv) Key Managerial Person (KMP) & their Relatives.

a) Key Management Personnel

Mr. Vinaychand Kothari (Chairman & Managing Director)

Mr. Dilip V Kothari (Joint Managing Director)

b) Relatives of Key management Personnel

Mrs. Meena V Kothari

Mrs. Neelam D kothari

Mr. Parasmal Kothari

Mrs. Monica M Daga

(v) Enterprises over which any person described in (iii) & (iv) is able to exercise significant influence.

B. The Details of the related party transactions entered into by the Company. (Rupees In Lakhs) :

PARTICULARS	Key managerial person & their Relatives		Enterprises over which (KMP) & there relatives are able to exercise significant influence	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Loan Repayment (Net)	169.89	53.00	—	0.36
Loan Taken (Net)	—	62.00	—	—
Interest Provided	12.35	24.97	—	0.36
Rent	8.40	8.40	—	—
Salary & Contribution to Provident Fund	52.57	48.90	—	—
Outstanding Balance as on 31 st March:-	—	—	—	—
Payables	33.08	202.96	—	—

The transactions with related parties are at arms length pricing.

38. Trade payable & Trade receivable and advance balances are subject to confirmation and subsequent reconciliation, if any.
39. Current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
40. Previous year's figures have been regrouped & rearranged wherever necessary.

As per our attached 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, 2018

For and on behalf of the Board

Vinaychand Kothari	-	Chairman & Managing Director
Dilip V. Kothari	-	Joint Managing Director
Dr. R. K. Baxi	-	Director
Anas Abdulhai Patel	-	Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	For the Year Ended	
	31st March, 2018 Rupees	31st March, 2017 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before taxation and extraordinary items	1,946,511	2,235,350
Adjustments for :		
Depreciation	6,945,251	7,100,666
Provision for gratuity	350,000	200,000
Long term Capital (Gain)/Loss on sale of Fixed Assets	-	(135,651)
Interest	2,560,795	3,088,691
Interest Received	(43,854)	(34,266)
Operating profit before working capital changes	11,758,703	12,454,790
Movements in working capital :		
Decrease / (increase) in sundry debtors	(461,953)	(849,005)
Decrease / (increase) in Inventories	41,965	(226,518)
Decrease / (increase) in Loans & Advances	1,401,313	(523,809)
(Decrease) / increase in Current liabilities	(1,578,582)	(8,810,470)
Cash Generated from Operations	11,161,446	2,044,988
Direct Taxes Paid (net of refunds)	(1,006,841)	(699,664)
Gratuity Paid	(200,000)	-
Net Cash from Operating Activities (a)	9,954,605	1,345,324
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(2,618,287)	(713,995)
Interest Received	43,854	34,266
Sale of fixed assets	-	268,949
Cash from Investing Activities (b)	(2,574,433)	(410,780)
C. CASH FROM FINANCING ACTIVITIES :		
Repayment Unsecured Loans	(3,991,966)	2,392,548
Dividend Paid (including corporate dividend tax)	-	-
Interest Paid	(2,560,795)	(3,088,691)
Net Cash used in Financing Activities (c)	(6,552,761)	(696,143)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	827,411	238,401
Cash & Cash Equivalents at the beginning of the period	1,850,254	1,611,853
Cash & Cash Equivalents at the end of the period	2,677,665	1,850,254

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 attached report of even date

For and on behalf of the Board
For Amar Bafna & Associates

Chartered Accountants

ICAI Firm Reg. No. 114854 W

Amar Bafna

Partner

Membership No. 48639

Mumbai, 30th May, 2018

Vinaychand Kothari - Chairman & Managing Director

Dilip V. Kothari - Joint Managing Director

Dr. R. K. Baxi - Director

Anas Abdulhai Patel - Company Secretary

BEST EASTERN HOTELS LIMITED**BEST EASTERN HOTELS LIMITED**

CIN: L99999MH1943PLC040199

Registered Office: 401, Chartered House, 293/299, Dr.CH St, Near Marine Lines Church, Mumbai - 400002

ATTENDANCE SLIP

Name of the member(s):	
Name of the Proxy:	
Folio No. / * DP id and Clint id:	

I hereby record my presence at the 75th ANNUAL GENERAL MEETING of the Company held on Tuesday, August 28, 2018 at 04:00 p.m. at 3rd Floor, Walchand Centre, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020.

Member's / Proxy's Signature

- Notes:** 1. Please complete this attendance slip and hand it over at the entrance of the meeting hall.
2. Joint shareholders may obtain attendance slip at the venue of the meeting.

BEST EASTERN HOTELS LIMITED

CIN: L99999MH1943PLC040199

Registered Office: 401, Chartered House, 293/299, Dr. CH St, Near Marine Lines Church, Mumbai - 400002

Form No. MGT- 11**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):		E-mail id:	
Registered Address:		Folio No./ *DP id and Client ID:	

1. Name :		E-mail id:	
Address:		Signature:	

Or failing him

2. Name :		E-mail id:	
Address:		Signature:	

Or failing him

3. Name :		E-mail id:	
Address:		Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 75th Annual General Meeting of the Company, to be held on Tuesday, August 28, 2018 at 04:00 p.m. at 3rd Floor, Walchand Centre, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below.

Sr. No.	Resolution Ordinary Business	Optional	
		For	Against
1	To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2018 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. Dilip V. Kothari (DIN: 00011043), who retires by rotation and being eligible, offers himself for re-appointment.		
3	Appointment of Auditors of the Company.		
4	To declare dividend on Preference Shares for F. Y. 2017-2018.		
5	To make loans and investments by the Company		

Signed this..... day of 2018

Signature of Shareholder

Signature of proxy

Affix
Revenue
Stamp

Note: This Form 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.

Date and Venue of 75th Annual General Meeting

Date : Tuesday, August 28, 2018 at 04:00 p.m.

Venue : 3rd Floor, Walchand Centre, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020.

Location map is given below:



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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

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