BENARES HOTELS LIMITED

CIN: L55101UP1971PLC003480

Corporate Office: Taj Palace, Sardar Patel Marg, New Delhi - 110021

Phone: 011 6650 3549/3704, 26110202 | Website: www.benareshotelslimited.com

28th May, 2020

BSE Limited,
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building,
Dalal Street, Fort,
Mumbai – 400 001

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Dear Sir,

We refer to our letter dated May 19, 2020. The Board of Directors of the Company in its meeting held earlier today, transacted the following Business:

1. Approved the Audited Financial Results of the Company for the financial year ended March 31, 2020 along with the Auditor's Report thereon.

2. PKF Sridhar & Santhanam LLP, the Statutory Auditors of the Company have issued the Auditor's Report with an unmodified Opinion on the Audited Financial Statements of the Company for the financial year ended March 31, 2020. This declaration is made pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Recommended a dividend of 75 % or Rs. 7.5/- per share on 13,00,000 Equity Shares of Rs.10/- each (Previous Year Dividend @ 150 %) subject to approval of the Shareholders at the forthcoming Annual General Meeting of the Company.

Enclosed is the Copy of the Audited Financial Results of the Company in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with the Auditors' Report thereon.

The meeting of Board of Directors commenced at11.00 am. and concluded at 1.00 p.m.

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,
for

BENARES HOTELS LIMITED VARANASI

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Encl. a/a

PKF SRIDHAR & SANTHANAM LLP
Chartered Accountants

Independent Auditors' Report on the financial results

To the Board of Directors of Benares Hotels Limited

Opinion

1. **Benares Hotels Limited**

2.

Basis for Opinion

3.

Emphasis of Matter

4.

319, 3rd Floor, DLF Prime Towers, Okhla Phase 1, New Delhi - 110020, India
Tel: +91 11 40543689 Email: sands@pkfindia.in Web: www.pkfindia.in

Management's and Board of Directors' Responsibilities for the Financial Results

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6.

Auditor's Responsibilities for the Audit of the Financial Results

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10.

Other Matters

11.

PKF Sridhar & Santhanam LLP

R. Suriyanarayanan

BENARES HOTELS LIMITED

STATEMENT OF FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

Figures in ₹ Lakhs

	Particulars	Quarter Ended			Year Ended	
		Audited	Reviewed	Audited	Audited	Audited
		Mar 31, 2020	Dec 31, 2019	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
1	Income from Operations	1,937.46	2,126.40	2,204.10	6,363.56	5,967.65
2	Other Income	12.34	1.40	19.39	20.14	71.15
3	**Total Income**	**1,949.80**	**2,127.80**	**2,223.49**	**6,383.70**	**6,038.80**
4	**Expenses**					
	a. Cost of Materials Consumed	179.54	189.23	199.30	620.06	588.47
	b. Employee Benefits Expense	276.36	280.56	282.20	1,123.72	1,059.78
	c. Operating Fee	151.89	170.81	171.31	452.83	413.99
	d. Fuel, Power and Light	93.37	113.10	122.00	466.72	519.25
	e. Depreciation and Amortisation Expense	184.53	160.95	144.69	638.10	522.88
	f. Finance Costs	27.04	31.42	23.11	107.64	75.80
	g. Other Expenditure	452.56	479.16	611.53	1,624.96	1,640.91
	Total Expenses	**1,365.29**	**1,425.23**	**1,554.14**	**5,034.03**	**4,821.08**
5	**Profit/ (Loss) before Exceptional Items**	**584.51**	**702.57**	**669.35**	**1,349.67**	**1,217.72**
	Exceptional items	-	-	-	-	-
6	**Profit/ (Loss) before tax**	**584.51**	**702.57**	**669.35**	**1,349.67**	**1,217.72**
	Less: Tax Expense					
	Income Tax	138.00	160.37	155.39	312.15	271.54
	Deferred Tax	11.83	18.53	37.92	(23.68)	73.89
7	**Tax Expense**	**149.83**	**178.90**	**193.31**	**288.47**	**345.43**
8	**Profit/ (Loss) after tax from continuing operations**	**434.68**	**523.67**	**476.04**	**1,061.20**	**872.29**
9	**Other Comprehensive Income/ (loss) (Net of tax)**					
	Items that will not be reclassified subsequently to profit and loss					
	Remeasurement of defined benefit obligation	(16.44)	-	0.63	(16.44)	2.95
	Less :-income tax expense	(4.14)	-	0.33	(4.14)	0.82
	Other Comprehensive income for the period, net of tax	**(12.30)**	**-**	**0.30**	**(12.30)**	**2.13**
	Total Comprehensive Income (Comprising Profit/ (Loss) and Other Comprehensive Income (after tax))	**422.38**	**523.67**	**476.34**	**1,048.90**	**874.42**
	Paid-up Equity Share Capital	130.00	130.00	130.00	130.00	130.00
	Other Equity (excluding Revaluation Reserves)				7,701.28	7,040.24
	Earnings Per Share	* 33.44	* 40.28	* 36.62	81.63	67.10
	See accompanying notes to the financial results					

BENARES HOTELS LIMITED

STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2020

Figures in ₹ Lakhs

Particulars	As at Mar 31, 2020 Audited	As at Mar 31, 2019 Audited
ASSETS		
NON-CURRENT ASSETS		
Property, Plant and Equipment	8,866.53	8,070.72
Right to Use Assets	127.16	-
Capital work-in-progress	4.02	132.19
Intangible Assets	71.44	73.94
	9,069.15	**8,276.85**
Financial Assets:		
Other non-current financial assets	23.96	26.22
Advance income tax (net)	187.22	201.61
Other Non-current Assets	108.60	120.84
	9,388.93	**8,625.52**
CURRENT ASSETS		
Inventories	105.36	128.23
Financial Assets:		
Trade and other receivables	432.87	434.91
Cash and Cash Equivalents	181.72	112.02
Other Balances with Banks	51.20	178.22
Other financial assets	146.94	128.48
Other Current Assets	172.57	52.44
	1,090.66	**1,034.30**
TOTAL ASSETS	**10,479.59**	**9,659.82**
EQUITY AND LIABILITIES		
EQUITY		
Equity Share capital	130.00	130.00
Other Equity	7,701.28	7,040.24
Total Equity	**7,831.28**	**7,170.24**
LIABILITIES		
Non-current Liabilities		
Financial Liabilities:		
Lease Liabilities	349.26	-
Employee benefit obligations	35.30	35.94
Deferred Tax Liabilities (net)	566.03	648.52
	950.59	**684.46**
Current Liabilities		
Financial Liabilities:		
Borrowings	550.00	500.00
Trade Payables		
- Due to Micro and Small Enterprises	5.61	1.93
- Due to Others	559.71	689.30
Other financial Liabilities	346.50	485.95
Employee benefit obligations	196.27	20.51
Other current liabilities	39.63	107.43
	1,697.72	**1,805.12**
TOTAL EQUITY AND LIABILITIES	**10,479.59**	**9,659.82**

BENARES HOTELS LIMITED

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2020

Figures in ₹ Lakhs

Particulars	For the Year ended Mar 31, 2020 Audited	For the Year ended Mar 31, 2019 Audited
Net Profit Before Tax	1,349.67	1217.72
Adjustments For :		
Depreciation and Amortisation	635.06	522.88
Depreciation on Right to Use Assets	3.03	-
(Gain)/ Loss on sale of assets	33.49	(29.16)
Finance Cost	72.96	75.80
Interest on lease liability	34.68	-
Interest Income	(15.03)	(25.17)
Provision for doubtful debts	15.32	4.31
Provision for Employee Benefits	(16.44)	2.95
	763.07	551.61
Cash Operating Profit before working capital changes	**2,112.74**	**1,769.33**
Adjustments For :		
Trade Receivables	(13.28)	(31.22)
Inventories	22.87	(3.46)
Non Current- Other Financial Asset	2.25	(7.27)
Other non-current assets	4.92	(15.98)
Current-Other Financial Assets	(21.06)	(12.34)
Other current assets	(120.13)	69.74
Trade Payables	(125.91)	83.77
Current liabilities- Other Financial Liabilities	89.00	(17.28)
Other Liabilities & Provisions	18.48	5.06
Total Changes in working capital (increase)/decrease in operating assets	(142.86)	71.02
Cash Generated from Operating Activities	**1,969.88**	**1,840.35**
Direct Taxes Paid	(293.62)	(267.01)
Net Cash From Operating Activities (A)	**1,676.26**	**1,573.34**
Cash Flow From Investing Activities		
Purchase of Fixed Assets	(1,517.70)	(1,675.56)
Proceeds from Sale of Fixed Assets	50.07	36.37
Interest Received	17.64	24.79
Bank Balances not considered as Cash and Cash Equivalents	127.02	(19.97)
Net Cash Used In Investing Activities (B)	**(1,322.97)**	**(1,634.37)**
Cash Flow From Financing Activities		
Payment of lease liabilities	(27.20)	-
Proceeds from other short-term borrowings - Net	50.00	-
Interest Paid	(71.31)	(73.36)
Dividend Paid (Including tax on dividend)	(235.08)	(235.10)
Net Cash From/ (Used) In Financing Activities (C)	**(283.59)**	**(308.46)**
Net Increase/ (Decrease) in Cash and cash equivalents (A + B + C)	**69.70**	**(369.49)**
Opening balance of Cash and cash equivalents	112.02	481.51
Closing balance of Cash and cash equivalents	181.72	112.02
Net Increase/ (Decrease) in Cash and cash equivalents	**69.70**	**(369.49)**

Notes:

1. These results were reviewed by the Audit Committee of the Board on May 28, 2020 and subsequently approved by the Board of Directors at its meeting held on May 28, 2020. The results have been audited by the Statutory Auditors of the Company.

2. The figures for the quarter ended March 31, 2020 and March 31, 2019 is arrived at by subtracting the unaudited financial information for the period of nine months ended December 31, 2019 and December 31, 2018 from the audited financial information for the year ended March 31, 2020 and March 31, 2019 respectively.

3. These financial results for the quarter and year ended March 31, 2020 and corresponding period of the previous year have been prepared in accordance with the recognition and measurement principles as laid down in the Ind AS prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules i.e. Companies (Indian Accounting Standards) Rule,2015 and the other accounting practices & policies generally accepted in India.

4. Net Sales / Income from operations for the quarter ended March 31, 2020 is lower by 12.10% and year ended March 31, 2020, is higher by 6.63% over the corresponding period of the previous year.

5. Disclosure of segment wise information is not applicable as Hoteliering is the Company's only business segment.

6. Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied to lease contracts existing on April 1, 2019 by electing 'retrospective approach with the cumulative effect at the date of initial application'. Accordingly, comparative financial information has not been retrospectively adjusted and the Company has taken the cumulative adjustment to retained earnings on the date of initial application. The Company has elected to apply certain available practical expedients on transition. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of INR 130.19 lakhs and a lease liability of INR 341.78 lakhs. The cumulative effect of applying the standard resulted in adjusting retained earnings net of taxes of INR 152.77 lakhs (including the impact of deferred tax created of INR 58.82 lakhs) as at April 1, 2019.

   In the Statement of Profit and Loss for the current year, the nature of expenses in respect of operating leases has changed from lease rent to depreciation on right-of-use asset and finance cost for interest accrued on lease liability using the effective interest method. Consequently, Finance costs for the quarter and year ended March 31, 2020 is higher by INR 8.70 lakhs and INR 34.68 lakhs respectively and Depreciation for the quarter and the year is higher by INR 0.75 lakhs and INR 3.03 lakhs respectively. There is corresponding reduction in "Other Operating and General Expenses" for the quarter and year ended March 31, 2020 of INR 6.80 lakhs and INR 27.20 lakhs respectively and consequently, Profit before Tax for the quarter and year ended is lower by INR 2.65 lakhs and INR 10.51 lakhs respectively. As stated above, previous period information is not restated and hence not comparable.

7. The Company has elected to exercise the option permitted under Section 115BAA of the Income -Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. The full impact of this change has been recognized in the statement of Profit & Loss during quarter 2 of the current financial year. The Company has recognized Provision for Income Tax for the year ended March 31, 2020 basis the rate prescribed in the said section.

8. On March 11, 2020, the World Health Organization declared Covid-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public

health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 24, 2020, and extended up to May 31, 2020. All airline, road, and railway travel was suspended and hotels, offices, factories, schools, universities, restaurants, cinema, sports facilities& retail outlets, etc were closed, except for a few essential services/supplies like grocery stores, pharmacies, etc. There has been a partial lifting of the stringent measures in the last few days.

The hotel business has been severely impacted on account of COVID-19. The company has taken a series of actions focused on health & safety of our employees & customers, ensuring adequate liquidity and cost optimisation measures. We have judiciously invoked the Force Majeure clauses for relief during the lock down period. Cash Conservations measures have also included deferral of discretionary spending & Capex, unless absolutely required.

The Company has assessed the potential impact of Covid-19 on the carrying value of property, plant & equipment, right of use assets, intangible assets, investments, trade receivables, inventories, and other current assets appearing in the financial statements of the Company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

We expect a recovery in business to be driven by domestic leisure tourism, staycations, domestic business travel and a limited international travel. Our Brands have tremendous Trust with our customers, and we have very clear SOP's for ensuring a safe stay for our Guests. We do not expect any significant challenge to our supply chain. We will keep our investors & other stakeholders updated with relevant updates.

9. The Board of Directors has proposed a dividend @ 75% i.e. INR 7.50/- per share (amounting INR 97.50 lakhs), which is subject to shareholders approval at the Annual General Meeting. During the year ended March 31, 2020 on account of the final dividend for the year 2019 the Company has incurred a net cash outflow of INR 235.08 lakhs inclusive of dividend distribution tax.

10. The results for the quarter and year ended March 31, 2020 are available on the Bombay Stock Exchange website (URL: www.bseindia.com) and on the Company's website (URL: www.benareshotelslimited.com).

For **BENARES HOTELS LIMITED**

Dated: May 28, 2020
Place: Varanasi

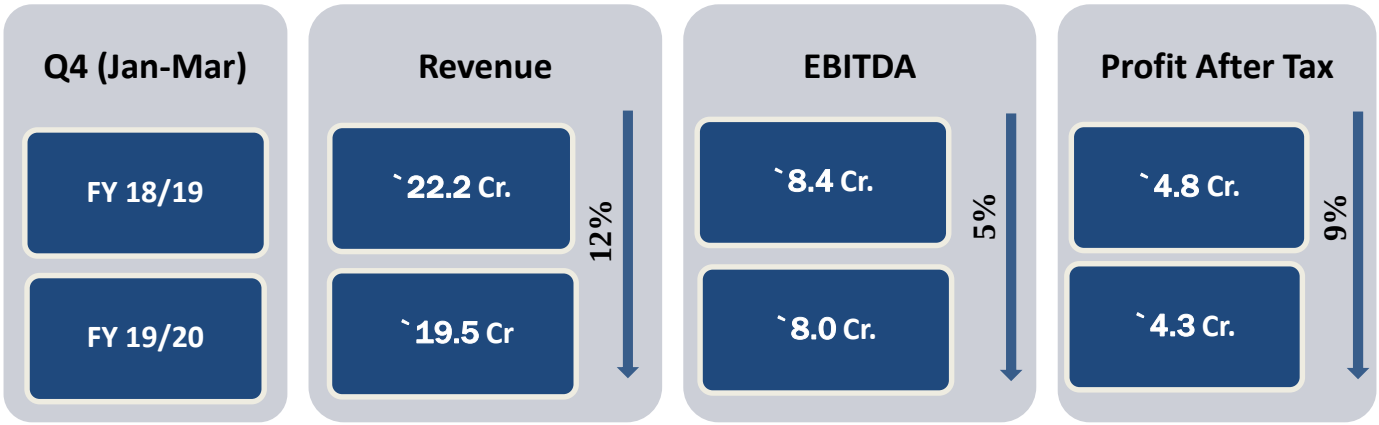
DR.ANANT NARAIN SINGH
CHAIRMAN
(DIN: 00114728)

PRESS RELEASE
For immediate publication

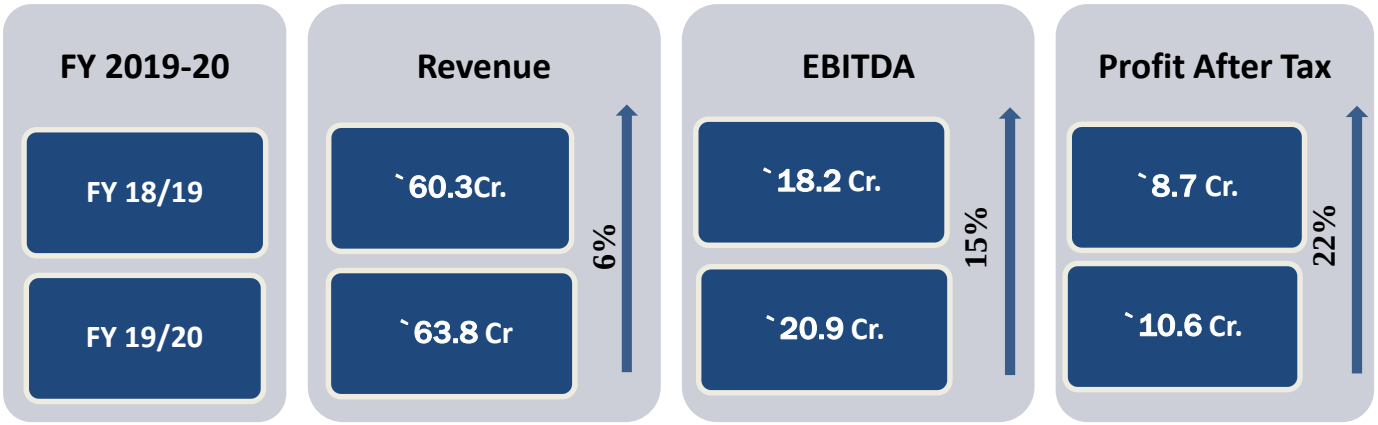
BENARES HOTELS LIMITED ANNOUNCES FOURTH QUARTER AND FY 2019-20 RESULTS DECLARES A DIVIDEND OF 75%

Mumbai, May 28, 2020: Benares Hotels Limited (BHL), a subsidiary of The Indian Hotels Company Limited (IHCL), reported its financials for the fourth quarter and financial year ending March 31, 2020.

FINANCIAL RESULTS FOR THE 04th QUARTER ENDING March 31, 2020



FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDING March 31, 2020



Dr. Anant Narain Singh, Chairman, Benares Hotels Limited (BHL) said, "The Company has shown a healthy growth across all parameters for the FY 19-20 including the improvement in the EBITDA margins percentage from 30.1% in previous year to 32.8% in current year. We are delighted to announce a dividend of 75%.The last quarter has been impacted by the pandemic."

KEY HIGHLIGHT:

- Nadesar Palace hosted the Prime Minister of Democratic Socialist Republic of Sri Lanka, His Excellency Shri Mahinda Rajapaksa

About Benares Hotels Limited

Benares Hotels Limited (BHL) is a listed public limited company incorporated in 1971. The Company operates its hotels, viz. Taj Ganges Varanasi and Taj Nadesar Palace in Varanasi and The Gateway Hotel, Gondia in Maharashtra. The Company became a subsidiary of The Indian Hotels Company Limited (IHCL) in 2011. While Taj Ganges Varanasi and Taj Nadesar Palace at Varanasi have 144 rooms and suites, The Gateway Hotel at Gondia has 34 rooms.

The Company has been participating in the globally recognised Earth-Check benchmarking and certification system. The Company has been certified Earth-Check Gold for its Taj Ganges Varanasi Hotel continuously for a period of 4 years.

Please visit www.benareshotelslimited.com