

An aerial photograph of a resort complex. In the foreground, a wide, sandy beach is dotted with numerous lounge chairs and small thatched umbrellas. A wooden walkway runs along the edge of the beach. Behind the beach, there are several buildings with red roofs, surrounded by lush greenery and palm trees. A golf course is visible in the middle ground. In the background, there are rolling hills under a blue sky with scattered clouds.

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## ANNUAL REPORT | 2016-2017





**Mr. Sunder G. Advani**  
Chairman & Managing Director

# Letter from the Managing Director and Chairman of the Board

Dear fellow Shareholders,

It is indeed a proud privilege to address you at the 30th Annual General Meeting of your Company.

It has been an eventful year for India and the hospitality industry. The Travel & Tourism industry worldwide has achieved a faster growth than the global economy for the sixth successive year, as per the Economic Impact 2017 India Study published by the World Travel & Tourism Council (WTTC). Travel and Tourism industry's total contribution to India's GDP was 9.6% in 2016. This industry also contributed to 9.3% of the 40.3 million jobs in India. Our Honorable Prime Minister, Narendra Modi rightly called Tourism as one of the major pillars of the Economy. Amongst his priorities has been to reduce corruption and to put India on the world stage through his diplomacy. He has also tried to improve India's ranking in 'Ease of Doing Business'. He has emphasised on Swachh Bharat & Yoga. All these help the Tourism industry.

In order to eradicate 'Black Money', he had to spring an element of surprise on November 8th by demonetizing the 500 rupee and 1000 rupee notes. It had a greater impact on our hotel as some events booked were abruptly cancelled or scaled down. Since this took place in the busy tourist season, foreign tourists were inconvenienced. Despite the inconvenience caused to farmers and lower income citizens, majority of the people have appreciated the move and it will benefit India in the long run.

However, the recent implementation of the GST bill from July 01, 2017, whereby all hotel rooms which are sold at a rate of over INR 7500 per day would attract a GST of 28% may make India seem to be a very expensive destination for foreign tourists. The tax rate on hotels in Malaysia and Thailand are 7% while Singapore also has a much lower tax rate than 28%. Despite the excellent move by the Government to allow e-Tourist Visas to citizens of 155 countries, our foreign tourist arrivals have only reached 9 million as compared to 55 million visiting China, 12 million visiting Singapore and 26 million visiting Thailand. Most economists agree that it is the revenue earned by a country from tourism, is more important, as that is what contributes to the GDP. As per WTTC, the foreign exchange earnings from Tourism in India amounted to US \$22.8 billion while the comparable figure

for Thailand was US \$53.7 billion. By levying a 28% GST on higher category rooms, the Government will alienate the high spending tourists from coming to India.

Even our own leisure travellers will find it cheaper to go for a holiday abroad to one of the nearby countries in South East Asia, or have their family weddings in Thailand.

I, as Vice Chairman of the World Travel and Tourism Council in India, have met and made a representation on GST to the Ministry of Tourism officials to offer some reliefs to the hospitality industry, which not only employs more people than most industries and is also a leading earner of valuable foreign exchange. Our hospitality industry unfortunately does not receive the recognition it deserves. If 'Ease of Doing Business' is our goal, then one flat rate of 12% for all would have made it less complicated and tourist friendly. Some of the better rooms in our hotel could have a rate of over INR 7500, while others may be sold at less than INR 7500 on the same day and attract the lower GST rate of 18%. The GST Council is very receptive, so we are confident that our concerns will be addressed.

Fortunately our hotel will be impacted to a lesser extent as our room rates for a majority of the rooms are lower than INR 7500 for most of the year. Moreover, we had already shifted our marketing strategies and concentrated on the growing domestic market.

India is the largest Aviation market in the world and each airline is adding new aircraft to their fleet. They have kept airfares at reasonable levels due to competition and the fall in the prices of Aviation Turbine Fuel. Moreover, they are providing more flights to Goa and connecting more cities with direct flights to Goa. There has been a surge in traffic of low cost airlines at Goa airport. The Airport Authority of India had already commissioned a larger new Terminal building with six new Aerobridges at Dabolim Airport a few years ago and they have added two more Aerobridges recently. They have also circulated a tender of INR 5000 million for rebuilding the old Terminal building. They are also constructing a parallel taxiway to achieve more frequent arrivals and take-offs per hour. These additions will be adequate for the needs of Goa for a long time.

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## Letter from the Managing Director and Chairman of the Board

Connectivity has improved further with the introduction of several rail options. A Luxury train has just been commissioned between Mumbai and Goa recently and an Expressway is being built to connect Mumbai and Goa.

The future of Goa tourism, especially for hotels in the medium rate category, seems especially bright. A survey conducted by Make My Trip after completion of one month of GST has concluded that there has been a significant drop in occupancies of highly priced hotels which charge a GST of 28%. Our hotel was built in the year 1990 at a reasonable cost per room and thus will be able to compete more effectively against newly built hotels, which will need to keep their room rates high to service their loans. Our Company is virtually debt free this year.

Our RevPAR has been steadily increasing. In the year 2014-15, it was INR 4037 and in the year 2016-17, which just closed, it was INR 5279.

Our Average Occupancy for the year was almost 80% which is one of the highest in Goa. This was partly because of better performance in the traditionally low periods between May and September. Goa has now become a year round destination and a favourite for weddings. We hope that there will be emphasis on law and order and tourism friendly policies, as tourism is very fragile and is the backbone to the survival of Goa.

We have maintained a high dividend percentage for the last several years and will continue this policy. This year we achieved a 53.1% increase in Gross profits to INR 143.58 million. Of all the listed hotel Companies in India, our Company stood 4th in terms of Net Profits as a percentage of Sales. Our performance this financial year is more creditable as it was achieved when the GDP growth reduced from 7.9% to 6.6%. It is also commendable since demonetization affected high value discretionary spending. I am optimistic about the future of our Company.

### Acknowledgments:

In closing, I would like to place on record my gratitude to the entire Board of Directors for their inputs and suggestions.

I would like to thank the Central Government, especially the Ministries of Finance, Tourism, Civil Aviation, External Affairs, and also the Government of Goa for their continued assistance to the Tourism industry. I would also like to thank the Bank of Baroda and Bank of India for their support. The Company would not have achieved the above results without the help of the Management, Executives and Staff of the Caravela Beach Resort who are our most important asset and deserve immense praise. A special thanks to our business associates, tour operators and travel agents. Last but not the least, I would like to thank all you Shareholders for your continued faith in our Company.



Sunder G. Advani  
Chairman & Managing Director  
Advani Hotels & Resorts (India) Limited

**ADVANI HOTELS & RESORTS (INDIA) LIMITED**



## Snapshots



**Mr. Sunder G. Advani presenting a memento to Mr. Subhash Desai, Minister of Industries and Mining, Government of Maharashtra, at the 13th Indo American Corporate Excellence Awards 2017 in the presence of Ms. Jennifer Larson, acting Consul General of US Consulate, Mumbai.**



**Mr. Sunder G. Advani receiving an Award as a Speaker at the CSR Conference held by IACC in Mumbai.**



**Mr. Sunder G. Advani at an event in Washington as an invitee of the US India Business Council, where the US Vice President, Mike Pence was the Chief Guest.**



## Snapshots



Mr. Sunder G. Advani as the guest speaker at the Seminar on Indo-U.S. Promotion of Travel & Tourism, organized by the IACC in Bengaluru.



Mr. Sunder G. Advani's LIVE interview on CNBC in Washington, just before Prime Minister Modi had his successful meeting with US President Donald Trump



Mr. Sunder G. Advani, Vice Chairman of World Travel & Tourism Council (II) was requested to make a presentation on GST to the Secretary Tourism on behalf of the Hospitality Industry.



Annual General Meeting 2015-16 with all the Board Members.



## Snapshots



**Mr. Prahlad S. Advani took the lead to amicably settle the old Bonus related disputes with the in-house Union and the settlement was signed by all concerned in the presence of the Deputy Labour Commissioner.**



**Mr. Prahlad S. Advani with Mr. Joel Burega, together with the Resort horticulture team have made significant improvements to the Resort landscaping.**



**Mr. Sunder G. Advani and Mr. Prahlad S. Advani met with the Dean, Soumitra Dutta of Cornell University's Hotel Administration and Business School, along with Professor Chekitan and Lalit Nirula.**



## Snapshots



Women's Day Celebrations at the Resort.



Blood Donation Camp organized at the Resort.



## Snapshots



Annual 'Cake-Mixing' ceremony at the Resort.



Employee Inter-department volleyball tournament held on the beach of the Resort.



## Snapshots



**Birthday Celebrations of Mr. Sunder G. Advani at the Resort in the presence of the original owner of the land Mr. Dias.**



**Mrs. Nina Advani and Mr. Haresh Advani at the party at the Resort.**



## Snapshots



New Year celebrations at the Resort with international artists.

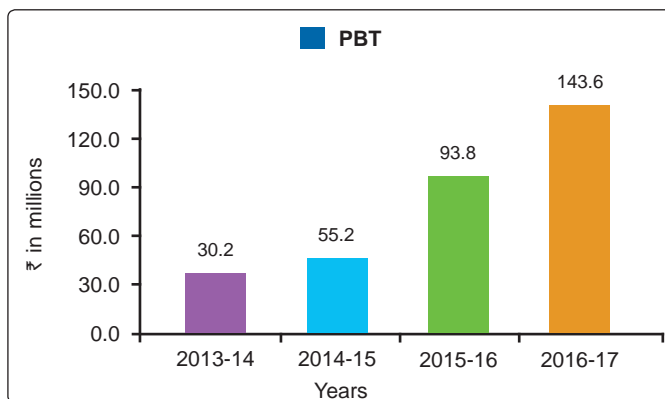
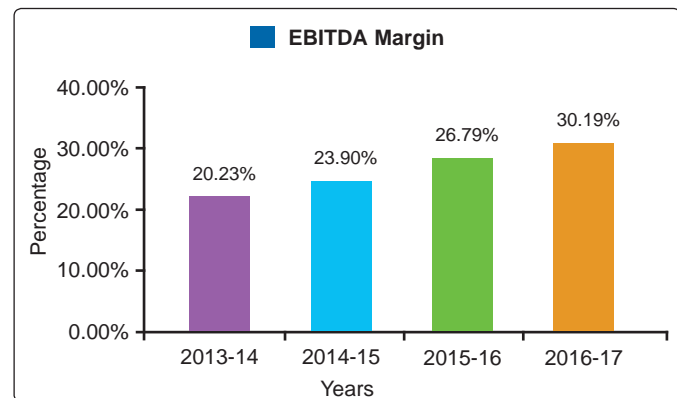
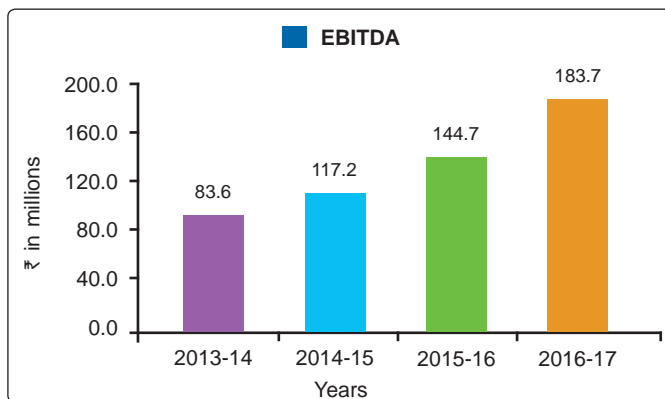
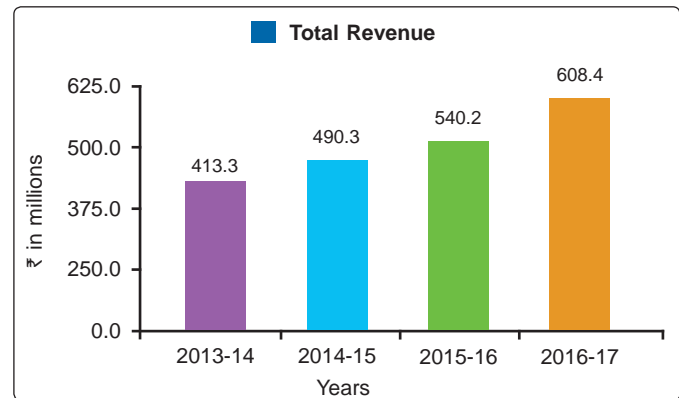
## Snapshots



New Year celebrations at the Resort.

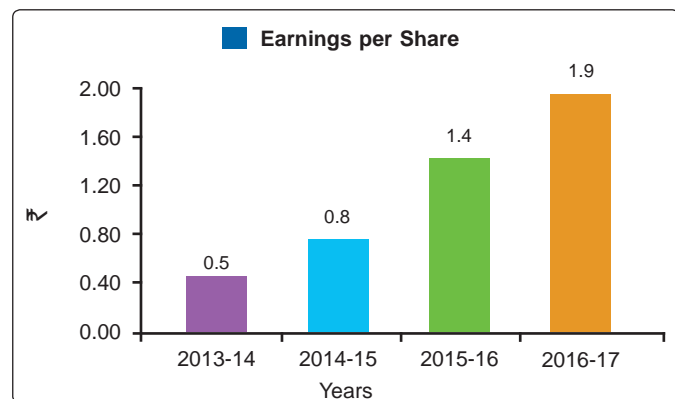
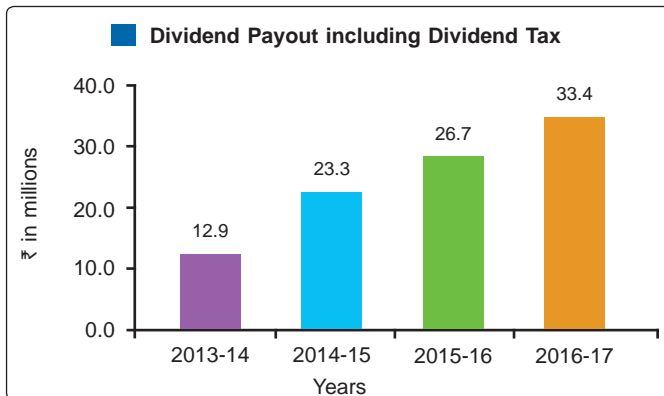
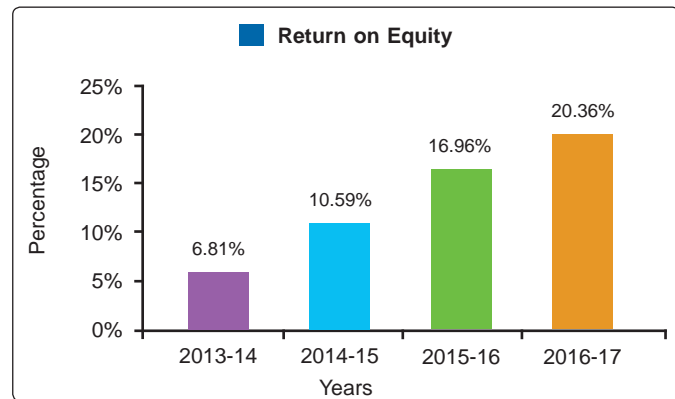
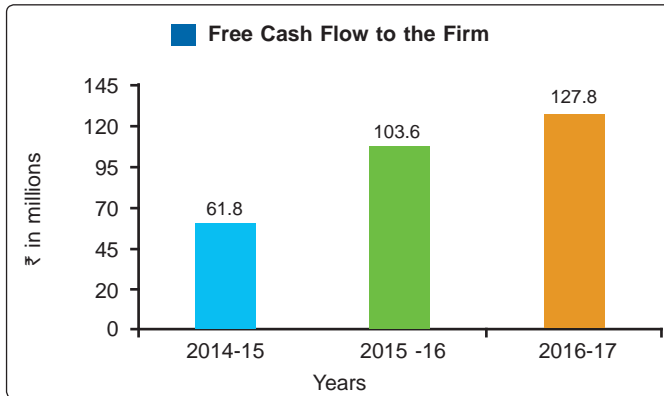


# Key Performance Indicators



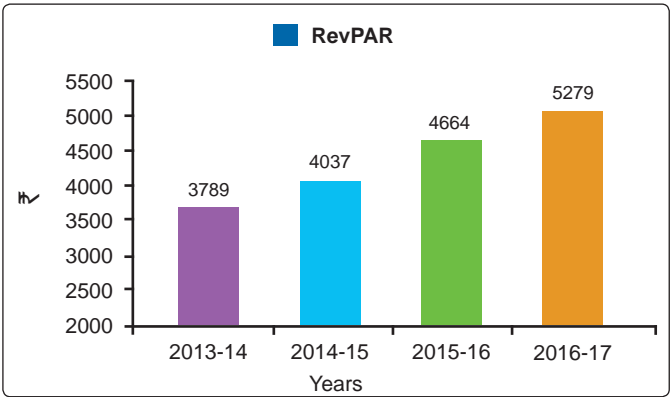
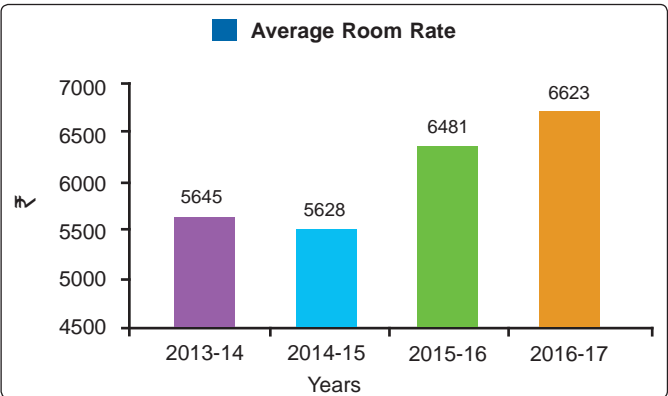
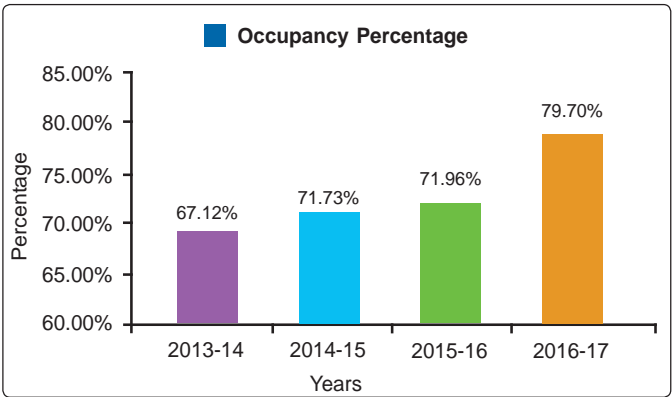
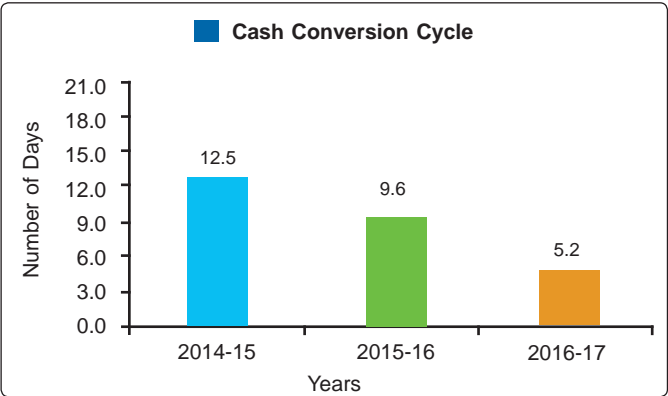


# Key Performance Indicators





# Key Performance Indicators





# Financial Summary

(₹ in millions)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Total Revenue	608.4	540.2	490.3	413.3	397.9	373.9	352.2	324.0
Occupancy (%)	79.70%	71.96%	71.73%	67.12%	64.08%	68.64%	71.84%	67.57%
Average Room Rate (ARR) (₹)	6623	6481	5628	5645	5343	4760	4186	4092
Revenue Per Available Room (RevPAR) (₹)	5279	4664	4037	3789	3427	3267	3007	2765
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)	183.7	144.7	117.2	83.6	91.0	79.4	47.1	37.1
EBITDA Margin (%)	30.19%	26.79%	23.90%	20.23%	22.87%	21.24%	13.37%	11.45%
Depreciation and Amortization	36.9	40.5	45.1	31.7	29.2	27.1	24.8	24.9
EBIT (Earnings Before Interest and Taxes)	146.8	104.2	72.1	51.9	61.8	52.3	22.3	12.2
EBIT Margin (%)	24.13%	19.29%	14.71%	12.56%	15.53%	13.99%	6.33%	3.77%
Interest (Finance Costs)	3.2	10.4	16.9	21.7	16.3	18.4	12.6	12.3
Prior Period / Other Adjustments	-	-	-	-	1.8	-	-7.8	-14.7
PBT (Profit Before Tax)	143.6	93.8	55.2	30.2	43.7	33.9	17.5	14.6
PBT Margin (%)	23.60%	17.36%	11.26%	7.31%	10.98%	9.07%	4.97%	4.51%
Times Interest Earned	46	10	4	2	4	3	2	1
Tax (Including Deferred Tax)	55.7	29.8	19.2	7.6	17.4	11.5	3.4	6.9
Tax Rate (%)	34.61%	32.45%	32.45%	32.45%	32.45%	32.45%	33.99%	33.22%
PAT (Profit After Tax)	87.9	64.0	36.0	22.6	26.3	22.4	14.0	7.7
PAT Margin (%)	14.45%	11.85%	7.34%	5.47%	6.61%	5.99%	3.98%	2.38%
Earnings Per Share (₹)	1.90	1.39	0.78	0.49	0.57	0.49	0.30	0.17
Dividend Per Share (₹)	0.60	0.48	0.42	0.24	0.26	0.24	0.20	0.10
Dividend Percentage (Total)	30.00%	24.00%	21.00%	12.00%	13.00%	12.00%	10.00%	5.00%
Dividend Payout including Dividend Tax	33.4	26.7	23.3	12.9	14.0	12.9	10.8	5.4
Equity Capital (A)	92.4	92.4	92.4	92.4	92.4	92.4	92.4	92.4
Reserves & Surplus (B)	339.3	284.9	247.5	239.7	230.0	217.7	208.2	200.4
Shareholders Funds (A + B)	431.7	377.3	339.9	332.1	322.4	310.1	300.6	292.8
Long Term Debt	4.8	64.6	147.3	174.1	111.6	77.8	43.1	73.4
Cash and Bank Balances	32.1	7.8	9.6	12.3	13.5	29.0	19.9	8.8
Long Term Debt to Shareholders Funds (Ratio)	0.01	0.17	0.43	0.52	0.35	0.25	0.14	0.25
Return on Equity (Shareholders Funds)	20.36%	16.96%	10.59%	6.81%	8.16%	7.22%	4.66%	2.63%
Cash Conversion Cycle (in days) *	5.2	9.6	12.5	-	-	-	-	-
Free Cash Flow for the Firm (FCFF) **	127.8	103.6	61.8	-	-	-	-	-

\* Cash Conversion Cycle = Days of Sales Outstanding + Days of Inventory Outstanding - Days of Payables Outstanding

\*\* Free Cash Flow for the Firm = EBIT x (1-tax rate) + depreciation & amortisation - changes in working capital - capital expenditure

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# Corporate Information

<b>BOARD OF DIRECTORS</b>	Mr. Sunder G. Advani	Chairman & Managing Director
	Mr. Haresh G. Advani	Executive Director
	Mr. Prakash V. Mehta	
	Mr. Vinod Dhall	
	Adm. Sureesh Mehta (Retd)	
	Mrs. Menaka S. Advani	
	Mrs. Nina H. Advani	
	Mr. Prahlad S. Advani	Whole Time Director
	Mr. Adhiraj Harish	
	Dr. S. D. Israni	
<b>CHIEF FINANCIAL OFFICER</b>	Mr. Shankar Kulkarni	
<b>COMPANY SECRETARY</b>	Mr. Nilesh Jain	
<b>STATUTORY AUDITORS</b>	Messrs J. G. Verma & Co. Chartered Accountants	
<b>SOLICITORS</b>	Messrs Malvi Ranchoddas & Co.	
<b>BANKERS</b>	Bank of Baroda Bank of India Axis Bank	
<b>REGISTERED OFFICE</b>	18A & 18B, Jolly Maker Chambers – II, Nariman Point, Mumbai - 400 021.	
<b>LOCATION OF THE RESORT</b>	Caravela Beach Resort Varca Beach, Varca Village, Salcette, Goa - 403 721.	
<b>DELHI SALES OFFICE</b>	4th Floor, Statesman House, Barakhamba Road, Connaught Place, New Delhi - 110 001.	
<b>REGISTRAR AND SHARE TRANSFER AGENTS</b>	Datamatics Financial Services Limited Plot No. B-5, Part B, Cross Lane, MIDC Marol, Andheri (East), Mumbai - 400 093.	

## NOTICE

NOTICE is hereby given that the **30<sup>th</sup> Annual General Meeting** ("AGM") of the members of **ADVANI HOTELS & RESORTS (INDIA) LIMITED** will be held on Wednesday, 27<sup>th</sup> September, 2017 at 2.30 p.m. at Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400020, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017, Statement of Profit and Loss for the year ended on that date together with Reports of the Directors and Auditors thereon;
2. To confirm the payment of 1st interim dividend @10% (0.20 per equity share) and 2nd interim dividend @ 20% (0.40 per equity share) already paid during the year, for the financial year ended March 31, 2017.
3. To appoint a director in place of Mrs. Menaka S. Advani (DIN : 00001375) who, retires by rotation and being eligible, seeks re-appointment.
4. To appoint Statutory Auditors and fix their remuneration and in this regard to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139,142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time and pursuant to the recommendation of Audit Committee and the Board of Directors of the Company, M/s Amar Bafna & Associates, Chartered Accountants, Mumbai (Firm Registration No. 114854W) be and are hereby appointed as Statutory Auditors of the Company in place of M/s J. G. Verma & Co., Chartered Accountants (Firm Registration No. 111381W) whose tenure expires at the ensuing Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Auditors."

"RESOLVED FURTHER THAT M/s Amar Bafna & Associates, Chartered Accountants, if appointed as the Statutory Auditors of the Company, shall hold office for a period of five years, from the conclusion of this Thirtieth Annual General meeting till the conclusion of Thirty Fifth Annual General Meeting of the Company (subject to ratification of the appointment by members at every Annual General Meeting held after this Annual General Meeting)."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary desirable or expedient to give effect to this Resolution."

### SPECIAL BUSINESS:

5. To re-appoint Mr Prahlad S. Advani (DIN:06943762) as Whole Time Director and in this regard to consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and Part II Section II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable Rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force and hereinafter referred to as the "Act"), consent of the Company be and is hereby accorded to the re-appointment of Mr. Prahlad S. Advani (DIN- 06943762) in the whole time employment of the Company as a Whole Time Director of the Company with effect from August 1, 2017 for a period of 5 (Five) years and payment of remuneration for a period of 3 (Three) years on such terms and conditions including remuneration, as are set out in the Service Agreement proposed to be entered into between the Company and Mr. Prahlad S. Advani."



## ADVANI HOTELS & RESORTS (INDIA) LIMITED

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company be authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient with regards to this resolution."

"RESOLVED FURTHER THAT Mr. Sunder G. Advani, Chairman and Managing Director, Mr. Haresh G. Advani, Executive Director and Mr. Nilesh Jain, Company Secretary of the Company be and are hereby severally authorised to sign the requisite form(s), return(s), documents, papers etc. in the electronic and or physical form under the Act with the Registrar of Companies (ROC), Ministry of Corporate Affairs (MCA)."

By Order of the Board of Directors  
For **Advani Hotels & Resorts (India) Limited**

**Nilesh Jain**  
Company Secretary  
(ACS 18320)

Place: Mumbai  
Date: August 14, 2017

Registered Office:  
18A & 18B, Jolly Maker Chambers-II,  
Nariman Point, Mumbai - 400 021  
CIN: L99999MH1987PLC042891

### NOTES:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice. The profile of the Directors seeking appointment/re-appointment, as required in terms of Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations, 2015) and secretarial standards 2, is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**  
  
A PERSON CAN ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.
3. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution together with their specimen signature authorizing their representatives to attend and vote at the AGM.
4. In case of joint holder/s attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 21<sup>st</sup>, 2017 to Wednesday, September 27<sup>th</sup>, 2017 (both days inclusive).

6. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant (DP), with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DP of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their DP.
7. Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to M/s. Datamatics Financial Services Limited/Investor Service Department of the Company immediately.
8. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not registered their email address with the Company can now register the same by submitting a duly filled-in 'E-communication Registration Form' available on the website of the Company [www.caravelabeachresortgoa.com](http://www.caravelabeachresortgoa.com) to M/s. Datamatics Financial Services Limited or to the Company.

Members holding shares in demat form are requested to register their email address with their Depository Participant(s) only. Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.

9. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or the Depository Participant (s) , unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.
10. Members may also note that the Annual Report for FY 2016 – 17 will also be available on the Company's website [www.caravelabeachresortgoa.com](http://www.caravelabeachresortgoa.com) in case they wish to download it.
11. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2007-08, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 26, 2016 (date of last Annual General Meeting) on the website of the Company [www.caravelabeachresortgoa.com](http://www.caravelabeachresortgoa.com) and also on the website of the Ministry of Corporate Affairs.

## **12. Voting through electronic means & at the AGM**

- I. In compliance with the 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 SEBI (LODR) 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 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 the 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 meeting and Members attending the meeting who have not already 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 meeting may also attend the meeting but shall not be entitled to cast their vote again.



## ADVANI HOTELS & RESORTS (INDIA) LIMITED

- IV. The remote e-voting period commences on 23rd September, 2017 (9:00 AM) and ends on 26th September, 2017 (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 i.e. September 20, 2017, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
- V. The procedure and instructions for remote e-voting are as under:
- A. in case a member receives an email from NSDL (for members whose email ID's are registered with the Company/depository participants):
- Open email and open PDF file 'AHRIL remote e-Voting.pdf' attached to the e-mail, using your Client ID / Folio No. as password. The PDF file contains your User ID and Password for remote e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
  - Launch an internet browser and open <https://www.evoting.nsdl.com/>
  - Click on Shareholder - Login.
  - Put 'User ID' and 'Initial Password' as noted in step (i) above and click on 'Login'.
  - Password change menu will appear. Change the Password with a new Password of your choice with minimum 8 digits/characters or combination thereof. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
  - Home page of remote e-voting will open. Click on e-Voting - Active Voting Cycles.
  - Select 'EVEN' of ADVANI HOTELS & RESORTS (INDIA) LIMITED.
  - Now you are ready for e-voting as 'Cast Vote' page opens.
  - Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
  - Upon confirmation, the message 'Vote cast successfully' will be displayed.
  - Once you have confirmed your vote on the resolution, you cannot modify your vote.
  - 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, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at [bhattvirendra1945@yahoo.co.in](mailto:bhattvirendra1945@yahoo.co.in) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com).
- (B) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip (for members whose email ids are not registered with the company/depository participant or requesting physical copy):
- Initial Password is provided, as follows, at the bottom of the Attendance Slip.
- | EVEN<br>(E-Voting Event Number) | USER ID | PASSWORD |
|---------------------------------|---------|----------|
| -                               | -       | -        |
- Please follow all steps from Sr. No. (ii) to Sr. No. (xii) mentioned above, to cast vote.
- VI. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of NSDL's e-voting website <https://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 i.e. September 20, 2017.
- X. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. September 20, 2017, may obtain the login Id and password by sending a request at [rajivr@nsdl.com](mailto:rajivr@nsdl.com).

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

- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
  - XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories, as on the cut-off date only, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
  - XIII. Mr. Virendra Bhatt, Practicing Company Secretary (Membership No. ACS 1157) 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 30th Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
  - XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
  - XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.caravelabeachresortgoa.com](http://www.caravelabeachresortgoa.com) and on the website of NSDL [www.nsdl.com](http://www.nsdl.com) 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, National Stock Exchange of India Limited (NSE), where the shares of the Company are listed.
- 13. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013, will be available for inspection at the Annual General Meeting.
  - 14. Members are requested to note that as per Section 205A of the Companies Act, 1956, dividends not encashed / claimed within seven years from the date of declaration shall be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.
  - 15. Members are requested to contact the Company for en-cashing the unclaimed dividends standing to the credit of their account. The detailed dividend history and due dates for transfer to IEPF are available on the website of the Company [www.caravelabeachresortgoa.com](http://www.caravelabeachresortgoa.com)



16. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Datamatics Financial Services Limited / the Company.
17. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip, which is enclosed with this Annual Report. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the Registration Counter at the venue.
18. Members desiring any information relating to the accounts are requested to write to the Company at cs.ho@advanihotels.com or finance.ho@advanihotels.com well in advance so as to enable the management to keep the information ready.

### **EXPLANATORY STATEMENT (pursuant to Section 102 of the Companies Act, 2013)**

#### **Item No. 4**

This explanatory statement is provided though strictly not required as per Section 102 of the Companies Act, 2013.

M/s. J. G. Verma & Co., Chartered Accountants (ICAI's Firm Registration No. 111381W), have been the Statutory Auditors of the Company since inception of the Company and have completed around 30 years as statutory auditors of the Company. They were last re-appointed as the Statutory Auditors of the Company for a period of three years at the 27th Annual General Meeting (AGM) of the Company held on September 24, 2014 to hold the office from the conclusion of the twenty seventh Annual general Meeting till the conclusion of this thirtieth Annual General Meeting.

As per the provisions of Section 139 of the Companies Act, 2013 no listed Company shall appoint or reappoint an audit firm (including its affiliate firms) as auditors for more than two terms of five consecutive years. The act also provided for additional transition period of three years from the date of commencement of the act i.e., 1st April, 2014 to comply with this requirement. M/s J. G. Verma & Co., Chartered Accountants have completed period of 10 years and will also be completing the additional transition period of three years at the conclusion of the forthcoming annual general meeting.

Accordingly the term of the present auditors M/s. J. G. Verma & Co., Chartered Accountants expires at the conclusion of the forthcoming Annual General Meeting. The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by M/s M/s. J. G. Verma & Co., Chartered Accountants during their association with the Company as its auditors.

For the purpose of appointment of new auditors, the audit committee alongwith the Management invited proposals from the reputed firms of chartered accountants and had detailed discussion with the representatives of those firms. The committee considered various parameters such as reputation of the firm, knowledge and experience of the partners, understanding of hospitality business, technical assessment of audit skills and the Audit Fee and based on these detailed analysis, recommended M/s Amar Bafna & Associates, Chartered Accountants as the Company's new Statutory Auditor. The Board of Directors based on the recommendation of the Audit Committee proposes the appointment of M/s Amar Bafna & Associates, Chartered Accountants as the Statutory Auditors of the Company to the members for their approval.

If approved by the Members, the appointment of Amar Bafna & Associates, Chartered Accountants as Statutory Auditors will be for a period of five years commencing from the conclusion of Thirtieth Annual General Meeting till the conclusion of the Thirty Fifth Annual General Meeting (subject to ratification of the appointment by Members at every Annual General Meeting held after this Annual General Meeting).

M/s. Amar Bafna & Associates, Chartered Accountants have confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014. They have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Board recommends the Resolution for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution.

**Item No. 5 :**

At the 27th Annual General Meeting of the Company held on September 24, 2014, the Shareholders of the Company had approved via a Special Resolution the promotion of Mr. Prahlad S. Advani as a Whole Time Director of the Company, designated as 'Director of Operations' for a period of three years i.e., from August 1, 2014 to July 31, 2017.

The Board of Directors of the Company has pursuant to the recommendations of the Nomination and Remuneration Committee at their meeting held on May 23, 2017 approved the reappointment for a further period of five years i.e. from August 1, 2017 to July 31, 2022 and revision in the remuneration payable to Mr. Prahlad S. Advani, Whole Time Director, as set out in the proposed Agreement, for a period of three years i.e. from August 1, 2017 to July 31, 2020, subject to the approval of the Shareholders of the Company.

Mr. Prahlad S. Advani holds a Bachelor of Science degree in Hotel Administration from Cornell University, with an additional concentration in Financial Management. Mr. Prahlad S. Advani (Referred to as "The Appointee" here after) is also an alumnus of the Harvard Business School, where he learnt Business Management.

Before joining the Company, the Appointee was employed with Deutsche Bank Alex Brown in the USA, as a Financial Analyst in their Investment Banking Division. His annual compensation in the year 1999 was US \$75,000 plus other benefits. However, the Appointee joined the Company as General Manager Assets on May 1, 2000, at a monthly salary of ₹60,000 plus perquisites, which was paid with effect from September 2000.

During his long tenure, he played an important role in the refinancing of the Company's debt to significantly reduce interest costs. He pioneered the strategic and timely disposition of the Company's flight kitchen to Gate Gourmet and harvested a significant return on investment for all Shareholders. In addition, he took several initiatives to streamline overall operating costs, significantly reduce purchasing costs, reduce over-staffing and amicably settle old Labour-Union disputes. He also carried out an energy audit and implemented the findings to achieve a 25% reduction in our annual energy consumption.

After a tenure of 10.5 years, the Appointee was eventually promoted to the position of Vice President & Asset Manager of your Company with effect from December 15, 2010.

The Appointee was in charge of a team of professionals to implement a long-term capital expenditure 'Property Improvement Plan' to international standards. This improved the overall guest experience and provided the Resort with the best mechanical and electrical infrastructure versus our competitors. In addition, to secure the lowest long-term cost of ownership and maintain high levels of efficiency, he created a thorough preventive maintenance schedule for all the key mechanical and electrical and air-conditioning equipment.

Furthermore, along with a professional landscape architect and the Resort horticulture team, he re-defined the Resorts landscaping to make it one of the best in Goa. In addition, as our industry is sensitive to the potential threat of terrorism, he took the responsibility of improving the Resort's internal security systems. Due to these improvements in security, our Resort was selected by several international defense-industry companies, for accommodating their key personnel. Moreover, the entire insurance portfolio of the Company was thoroughly analyzed, new potential risks identified and plugged.

Thereafter, the appointee was promoted by the shareholders to 'Director of Operations' from August 1, 2014 to July 31, 2017.

During this phase with the Company, Mr. Prahlad S. Advani has taken the lead to introduce better revenue management and dynamic pricing strategies to manage the perishable inventory of hotel rooms. In addition, new market segments such as the 'Wedding Segment' were specifically targeted. These actions contributed to the significant growth in the Resort Occupancy and thus RevPAR during the last 3 years. This has also changed the Cash-Conversion-Cycle of the Resort in an advantageous way.

As the digital age of marketing was changing the dynamics of the industry, the Appointee took the initiative to remake the Company's website and improve our social media engagement. Since the new interactive website was launched, the Resort has been able to boost direct sales on the Resort website in a significant way.



## ADVANI HOTELS & RESORTS (INDIA) LIMITED

The Appointee has also amicably closed old legal cases with the Labour Union in a win-win manner and taken the lead to re-finance our Company's working capital loans, thereby reducing the rate of interest and reducing the bank guarantee margins in a significant way.

Moreover, in the last few months, Mr. Prahlad S. Advani has assisted our Chairman and Managing Director in analyzing the international crew agreement to secure significantly better commercial terms for the Company.

Taking into account the qualification, experience and performance of the Appointee and the additional responsibilities handled by him in the Company during last 17 years, on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in its Meeting held in May 23, 2017 has considered and approved his re-appointment as Whole Time Director of the Company with effect from August 1, 2017 on the terms and conditions to be agreed between the Board of Directors and the Appointee.

The Appointee holds 1,374,000 (2.9728%) shares in the Company as on the date of this notice.

The Appointee does not hold any Directorships of other Companies as on the date of this notice.

The particulars of the proposed remuneration, perquisites and benefits payable to Mr. Prahlad S. Advani are given as follows:

### **I. Period of appointment**

August 1, 2017 to July 31, 2022

### **II. Remuneration Period and Terms**

**Total remuneration not exceeding the maximum limits prescribed in section 197 read with Schedule V of the Companies Act, 2013.**

Period of remuneration: Three years from August 1, 2017 to July 31, 2020. Payment of remuneration for the remaining two years shall be considered by the Company after the expiry of initial three years in accordance with the terms of this agreement and the provisions of the Companies Act, 2013 and Schedule V as may be applicable at that time.

#### **(A) Fixed Compensation:**

- (i) Fixed Compensation shall include Basic Salary, HRA, Company's Contribution to Provident Fund and Gratuity.
- (ii) The Basic Salary shall be ₹ 350,000 per month with such increase as may be decided by the Board of Directors or any committee thereof from time to time, but subject to maximum basic salary of ₹ 410,000 per month. The annual increments will be decided by the Board of Directors and will be merit based and take into account other relevant factors.
- (iii) Company leased accommodation or House Rent Allowance in lieu thereof, subject to a maximum of 60% of Salary
- (iv) Provident Fund Contribution as per Company's Rules
- (v) The Company's contribution to Gratuity shall be according to the Gratuity Act, in force from time to time.

#### **(B) Perquisites and Allowances:**

In addition to the fixed compensation, Mr. Prahlad S. Advani will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per the rules of the Company and subject to the relevant provisions of the Companies Act, 2013 (collectively called "perquisites and allowances").

These perquisites and allowances may be granted to Mr. Prahlad S. Advani in such form and manner as the Board may decide.

- (i) Payment / reimbursement of medical / hospitalisation expenses for self and family members, subject to a maximum of one month's salary or three months salary over a period of three years.
- (ii) Insurance policies such as Group personal accident policy, overseas travel insurance, Directors & Officers Liability policy or others as may be decided by the management from time to time;
- (iii) Company car with driver and fuel reimbursement with associated expenses.
- (iv) Provision of telephone(s) at residence; and mobile phone with associated expenses.
- (v) Accommodation, boarding and lodging, etc. for self and family in the hotel when deputed to Goa or any other place;
- (vi) Provision of computer, laptop, and i-pad with associated expenses
- (vii) Privilege leave, on full pay and allowance, not exceeding 30 days in a financial year. In addition, Sick leave and other leave as per the rules of the Company or approved by the Board of Directors;
- (viii) Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.
- (ix) Provision of one American Express credit card and one VISA corporate credit card for travel and related expenses.

**Explanation:**

Perquisites shall be evaluated at actual cost or if the cost is not ascertainable, the same shall be valued as per the Income Tax Rules.

**III. Overall Remuneration**

The aggregate remuneration as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion pay to Mr. Prahlad S. Advani from time to time, shall not exceed the limits prescribed from time to time under Sections 197 and other applicable provisions of the Companies Act, 2013 read with Part II Section II of Schedule V to the said Act as may for the time being, be in force.

The Board is of the opinion that the Company will benefit from his professional expertise and rich experience and detailed knowledge of the hotel industry. The Board recommends the resolution to the members for their acceptance and approval.

The Board shall have the discretion and authority to modify the foregoing terms of remuneration within, however, the parameters of the applicable provisions of the Companies Act, 2013.

Copy of draft agreement shall be available for inspection at the Registered Office of the Company on all working days between 11.00 a.m. to 2.00 p.m. except on Saturdays, Sundays and public holidays.

Mr. Prahlad S. Advani as this is being his own appointment and his relatives Mr. Sunder G. Advani being father of Mr. Prahlad S. Advani and Chairman & Managing Director and one of the Key Managerial Personnel, Mrs. Menaka S. Advani being Mother of Mr. Prahlad S. Advani and Non Executive Director and Mr. Haresh G. Advani & Mrs. Nina H. Advani being uncle and aunt of Mr. Prahlad S. Advani and Directors of the Company are concerned and interested in the resolution set out at item no.5 of the Notice. The other relatives of Mr. Prahlad S. Advani may be deemed to be interested in the Resolution set out at Item No.5, to the extent of their shareholding in the Company, if any. None of the other Directors or Key Managerial Personnel or their respective relatives, are concerned or interested in the Resolution set out at Item No.5 of the Notice.

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## Statement as per item (iv) of third proviso of section II of part II of Schedule V to the Companies Act, 2013

### 1. General Information:

- Nature of Industry: The Company is engaged in the Hotel Business and owns "Caravela Beach Resort", a Five-Star Deluxe Hotel in Goa. The business of the company is seasonal in nature.
- Date or expected date of commencement of commercial production – The Company commenced its commercial operations on 4th December, 1990.
- In case of New Companies – expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – Not Applicable
- Financial Performance based on given indicators.

Sr. No.	Particulars	FY 31.03.2017 (₹)	F Y 31.03.2016 (₹)
1	Profit After Tax (PAT)	87,856,896	64,031,521
2	EPS (Basic & diluted earnings per share)	1.90	1.39

- Foreign Investments or Collaborations:

The company was incorporated on March 13, 1987 as Ramada Hotels (India) Limited. The company was promoted in technical and financial collaboration with Ramada (U.K) Ltd for setting up a 5-Star Luxury Resort on Colva Beach at Varca, Goa.

Foreign shareholding (NRIs' & Foreign bodies) in the Company as on March 31, 2017 is 1.18 % of the Paid-up Equity Share Capital of the Company.

### 2. Information about the appointee:

- Background details

Mr. Prahlad S. Advani is the Whole Time Director of Advani Hotels & Resorts (India) Limited. Advani Hotels & Resorts (India) Limited owns and operates the 203 room 5 Star Deluxe "Caravela Beach Resort, Goa".

Mr. Prahlad S. Advani is Bachelor of Science in Hotel Administration from Cornell University with a concentration in Financial Management. Mr. Prahlad S. Advani is also an alumnus of Harvard University / Harvard Business School, after graduating from the prestigious 'Owner & President Management Program' in the year 2014.

Before joining the Company in 2000, the Appointee was employed with Deutsche Bank Alex Brown in U.S.A. as a Financial Analyst in the Investment Banking Division. His annual compensation was valued at US \$75,000. However, the Appointee joined the Company as General Manager Assets in May 2000, on a monthly salary of ₹ 60,000 plus perquisites, which was paid with effect from September 2000.

During his tenure, he played a significant role in the strategic and timely disposition of the Company's flight kitchen and harvested a significant return on investment for Shareholders. He also took initiative to streamline manpower and reduce operating costs.

Mr. Prahlad S. Advani has a total of over 18 years experience in the hotel industry.

- Past Remuneration approved:

Period	Amount (₹)	Period	Amount (₹)	Period	Amount (₹)
01/08/ 2014 to 31/07/ 2015	5,323,440	01/08/2015 to 31/07/2016	6,015,920	01/08/2016 to 31/07/2017	6,708,400



c. Recognition or Awards:

The resort owned by the Company has received awards in the past. The awards were conferred because of the outstanding contributions of all the Directors of the Company and managerial personnel and other staff members of the Company.

d. Job Profile and his suitability:

Mr. Prahlad S. Advani, has over 18 years of experience in the hotel industry. Mr. Prahlad S. Advani has a deep understanding of Indian hospitality industry and his proven track record coupled with broad-based business experience, combined with his strong leadership capability will enable him to continue the growth of the Company

e. Remuneration proposed:

The remuneration proposed to be paid to Mr. Prahlad S. Advani from August 1, 2017 to July 31, 2018 is ₹ 7.07 million, and from August 1, 2018 to July 31, 2019 is ₹ 8.18 million, and from August 1, 2019 to July 31, 2020 is ₹ 8.28 million.

The said remunerations including annual increments have been approved as Minimum Remuneration by the Board of Directors of the Company on the recommendation of the Remuneration Committee.

f. Comparative remuneration Profile with respect to the Industry, size of the Company, profile of the position and the person.

The remuneration proposed to be paid to Mr. Prahlad S. Advani are reasonable as compared to the norms prevailing in the hospitality industry according to which the remuneration payable to a person of similar stature as on date would be in the range of ₹ 10 million to ₹ 13 million per annum.

g. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any –

Apart from the remuneration from the Company, Mr. Prahlad S. Advani does not have any direct or indirect pecuniary relationship with the Company or with the managerial personnel.

### 3. Other Information:

a) Reason for Inadequate Profits:

While the hotel has achieved a record occupancy growth, which currently stands at 79% for the year ended 31st March 2017, there are three factors which are contributing to the inadequacy of profits.

- i. In the last financial year, there was a surprise occurrence of BREXIT. The hotel had certain contracts in UK Pounds, which were originally priced at ₹ 98 per Pound. The value of the Pound fell to an average of ₹ 81 to 85 per Pound, causing us to receive less money than we expected. However, the overall revenue grew by more than 10%, but if BREXIT didn't take place, then the Company's revenue would have been much higher.
- ii. The Average Room Rate has grown marginally, but it is still lower than its full potential. Customers are nowadays very brand conscious. If the hotel changes its brand to a higher brand, we will be able to increase our Room Rate by ₹ 1000/- to ₹ 1800/- per night in the first year itself. In addition, as there is very little cost associated with increase in average room rate, a substantial part after increase will flow directly to the bottom-line. To capture this potential, the Company is actively pursuing rebranding and repositioning of the hotel with a major foreign brand.
- iii. Goa has evolved into a large wedding and a conferencing destination. While the hotel does very well in these segments in the months of November to February, (when the outdoor temperatures are pleasant), but during

## ADVANI HOTELS & RESORTS (INDIA) LIMITED

the warmer months the hotel cannot fully capture the wedding and conference business, as the current indoor banquet hall of the hotel is not large enough to accommodate the guests' requirements. To address this, the Company has already made and submitted a plan to a local submission architect to be put forwarded to various government bodies and get their approval to construct a new banquet hall and associated area. When this is completed, there will be large increase in the revenue and profitability of the hotel.

- b) Steps taken or proposed to be taken for improvement:  
Please refer point (i) above
- c) Expected increase in productivity and profits in measurable terms

The profitability of the Company as per the projected profitability estimates is increasing year-on-year for the next five years and correspondingly the remuneration payable to Mr. Prahlad S. Advani is not increasing in the same proportion year after year.

By Order of the Board of Directors  
For **Advani Hotels & Resorts (India) Limited**

**Nilesh Jain**  
Company Secretary  
(ACS 18320)

Place: Mumbai  
Date: August 14, 2017

Registered Office:  
18A & 18B, Jolly Maker Chambers-II,  
Nariman Point, Mumbai - 400 021  
CIN: L99999MH1987PLC042891

### Particulars of Directors seeking re-appointment pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2

Particulars	Mrs. Menaka S. Advani	Mr. Prahlad S. Advani
Appointed on	September 30, 1989	August 1, 2014
Age	71 Years	40 Years
Qualification	M.A. (Economics), Innkeepers Diploma, Holiday Inn University (USA)	Bachelor of Science in Hotel Administration from Cornell University with a concentration in Financial Management and an alumnus of Harvard University / Harvard Business School
Expertise	Administration & Human Resource Development	Hotel Administration and General Management
List of other Directorships	Sunder Advani Investments Pvt. Ltd.	Nil
Chairmanship / Membership of other Committees of other Companies	I. Chairman: Nil II. Member: Nil	Nil
No. of Equity Shares held in the Company	13,10,880 (2.836% of Paid up Share Capital)	13,74,000 (2.973 % of Paid up Share Capital)
Inter-se relationship between the Board Members	Wife of Mr. Sunder G. Advani, Chairman & Managing Director of the Company and Mother of Mr. Prahlad S. Advani, Whole Time Director	Son of Mr. Sunder G. Advani, Chairman & Managing Director of the Company and Mrs. Menaka S. Advani, Non Executive and Non Independent Director.

Committee Chairmanship / membership includes only Audit Committee and Stakeholders Relationship Committee of Public Limited Company (Whether Listed or not)

## DIRECTOR'S REPORT

### Director's Report to the Members

The Directors have pleasure to present the 30th Annual Report of your Company together with the audited financial statements for the year ended March 31, 2017.

### 1. FINANCIAL RESULTS:

Your Company's financial performance for the year ended March 31, 2017 is set out as below:

(₹ in millions)

Particulars	March 31, 2017	March 31, 2016
Total Income	608.41	540.19
<b>Earnings before Interest, Depreciation, Tax and amortization (EBIDTA)</b>	<b>183.70</b>	144.69
Less: Depreciation	36.91	40.54
<b>Profit before Interest and Tax</b>	<b>146.79</b>	104.15
Less: Interest	3.21	10.37
<b>Profit before Tax</b>	<b>143.58</b>	93.78
Less: Provision for Taxation:		
Current Tax	50.00	29.40
Deferred Tax Liability/(Asset)	4.33	0.68
Tax for earlier years	1.39	(0.33)
<b>Profit for the year after Tax</b>	<b>87.86</b>	64.03
Profit brought forward from last year	113.31	79.98
<b>Profit available for appropriation</b>	<b>201.17</b>	144.01
Transfer to General Reserve	5.40	4.00
Interim Dividends for the year (1st and 2nd)	27.73	22.18
Dividend Distribution Tax	5.65	4.52
Balance Profit carried to Balance Sheet	162.39	113.31
Basic and Diluted Earnings per Equity Share of ₹ 2/- each	1.90	1.39

### INCOME:

Your Company achieved a total turnover of ₹ 608.41 Million as compared to ₹ 540.19 Million in the previous year, registering a growth of 12.63% on a year to year basis. This increase was achieved without any expansion in room or food and beverage facilities and despite a sharp fall in the value of the Great British Pound (GBP) to the Indian Rupee. Your Company had signed contracts in GBP and had this sharp fall not occurred, the total income would have been higher.

### EARNINGS BEFORE INTEREST, DEPRECIATION, TAX AND AMORTISATION (EBIDTA):

The Gross Profit before Depreciation, Finance Costs and Tax increased by 26.95% from ₹ 144.69 Million to ₹ 183.70 Million.

### INTEREST:

Interest costs have reduced significantly from ₹ 10.37 Million to ₹ 3.21 Million. The result was achieved by lowering term loans from banks from ₹ 55.2 Million to Zero.

### PROFIT BEFORE TAX:

Profit before Tax has increased by 53.10% from ₹ 93.78 Million to ₹ 143.58 Million.

### PROFIT AFTER TAX:

Profit for the year After Tax has increased by 37.22% from ₹ 64.03 Million to ₹ 87.86 Million.



### 2. INDIAN ACCOUNTING STANDARDS (IND AS) – IFRS CONVERGED STANDARDS:

Your company has adopted Indian Accounting Standards (Ind AS) with effect from 1st April, 2017 pursuant to the Ministry of Corporate Affairs' notification of the Companies (Indian Accounting Standard) Rules, 2015.

In F.Y. 2016-17, the company has substantially completed the assessment of the impact of the change to Ind AS on reported reserves and surplus and on the reported profit for the relevant periods. The Company has also completed the modification of accounting and reporting systems to facilitate the changes. The implementation of Ind AS in 2017 will be a major process change. The Company is well positioned to ensure a seamless transition on the back of early completion of impact assessment.

### 3. DIVIDEND:

The Company paid two interim dividends of 10% (₹ 0.20 per Equity Share of ₹ 2 each) & 20% (₹ 0.40 per Equity share of ₹ 2 each) aggregating to 30% or ₹ 0.60 per equity share during F Y 2016-17 against 24% or ₹ 0.48 per equity share during F Y 2015-16. The total outgo for the current year amounts to ₹ 33.4 Million (including dividend distribution tax of ₹ 5.7 Million) as against ₹ 26.7 Million (including dividend distribution tax of ₹ 4.5 Million) in the previous year.

The Board of Directors has decided to treat the interim dividends as final dividend for the financial year 2016-17.

### 4. TRANSFER TO RESERVES:

We propose to transfer ₹ 5.4 Million to the General Reserve out of the amount available for appropriation. An amount of ₹ 162.4 Million is proposed to be retained as surplus in the Statement of Profit and Loss.

### 5. CHANGE OF BRAND:

The Board decided not to renew the license agreement with Wyndham Hotels for the Ramada brand. Our hotel was renamed the "Caravela Beach Resort, Goa" with effect from 1st February 2017.

### 6. UPGRADATION AND ADDITIONS:

Part of the original flooring of the lobby was replaced in 2016-17. A section of the flooring in the outdoor portion of the All Day Dining Restaurant is to be replaced in 2017-18. The non operational Goa Nugget Casino is to be converted to serve both as a pre-function to the existing Banquet Hall or as an independent Conference Room. The Carpet of the existing Banquet Hall is to be replaced. A new Banquet Hall, an additional swimming pool and a Kids Club are planned in 2018 to increase our sales in the future. A new Diesel Generator is currently being installed. New Golf buggies have been purchased. Several landscaping improvements have taken place. Over 30 new Lenovo computers have been procured to replace old machines. New Toyota Innova vehicles have been procured and a purchase order for a new soft-mounted, steam powered, washer-extractor machine for the laundry has been placed.

### 7. SUBSIDIARY / HOLDING COMPANY, ETC.:

The Company does not have any Subsidiary, Holding Company, Associate or Group Venture Company.

### 8. SUSTAINABLE DEVELOPMENT:

Sustainability has been deeply embedded into the Company's business and has become an integral part of its decision making process while considering social, economic and environmental dimensions.

### 9. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

The Board of Directors at its meeting held on 14th November, 2015 approved the Corporate Social Responsibility (CSR) Policy of the Company. This was duly reviewed and recommended by CSR Committee, in accordance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The thrust areas of CSR Policy, inter alia, are livelihood, healthcare, animal welfare and sanitation. CSR Policy approved by the Board is available on the website of the Company.

Disclosures on CSR activities as required under Rule 9 of the (Corporate Social Responsibility Policy) Rules, 2014, are reported in "Annexure A" forming part of this report.

#### 10. HUMAN RESOURCES DEVELOPMENT:

The Company has continuously adopted a structure that helps attract good external talent and incentivize internal talent to higher roles and responsibilities. AHRIL's people centric focus, providing an open work environment fostering continuous improvement and development, helped several employees realise their career aspirations during the year.

The Company's Health and Safety Policy is a commitment to provide a healthy and safe work environment to all employees. The Company's progressive workplace policies and benefits, employee engagement and welfare initiatives have addressed stress management and promoted work life balance.

#### 11. BUSINESS RISK MANAGEMENT:

The Company has a Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels, including documentation and reporting. Risk management forms an integral part of the Company's Mid-Term Planning cycle.

#### 12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The Company has not granted any loans or provided any guarantees or made investments. Hence no disclosures, which are required under Section 186 of the Companies Act, 2013, are applicable for the year.

#### 13. VIGIL MECHANISM:

Fraud and corruption free culture has been the core of the company. The Company has established a vigil mechanism for reporting of genuine concerns through the Whistle Blower Policy. This Policy, inter alia, provides a direct access to the Chairman of the Audit Committee of the Company. The Whistle Blower Policy is posted on the Company's website at [www.caravelabeachresortgoa.com](http://www.caravelabeachresortgoa.com).

#### 14. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

- (a) Appointment\Reappointment: The Board of Directors pursuant to the recommendations of the Nomination & Remuneration Committee have reappointed Mr. Prahlad S. Advani as Whole Time Director for a period of 5 years subject to the approval of the members at the ensuing Annual General Meeting.
- (b) Retirement by rotation: In accordance with the provisions of the Companies Act, 2013, Mrs. Menaka S. Advani, Director of the Company, retires by rotation and is eligible for re-appointment.  
  
Further details about the Directors are given in the Corporate Governance Report as well as in the Notice of the ensuing Annual General Meeting being sent to the shareholders along with the Annual Report.
- (c) Independent Directors Declaration : The Independent Directors have submitted the Declaration of Independence, as required pursuant to Section 149 of the Companies Act, 2013 and provisions of the SEBI Listing Regulations, stating that they meet the criteria of independence as provided therein.
- (d) Evaluation of the Board's performance: In compliance with the Companies Act, 2013, and Regulation 17 of the SEBI Listing Regulations, the performance evaluation of the Board and its Committees were carried out during the year under review. More details on the same are given in the Corporate Governance Report.
- (e) Policy on Directors appointment and remuneration: The Nomination & Remuneration Committee of Directors has approved a Policy for Selection, Appointment and Remuneration of Directors which inter-alia requires that the Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board. The Policy also lays down the positive attributes/ criteria while recommending the candidature for the appointment as Director.

The Company follows a Policy on Remuneration of Directors, KMP and Senior Management Employees. The policy is approved by the Nomination & Remuneration Committee and the Board. The main objective of the said policy is

to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors, KMP and senior management employees. The Remuneration Policy for the Directors and senior management employees is given in the Corporate Governance Report.

- (f) Familiarization Programme for Independent Directors: In compliance with the Regulation 25(7) of the SEBI Listing Regulations, the familiarization programme aims to provide Independent Directors with the hospitality industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments etc, so as to enable them to take well informed decisions in a timely manner. The familiarization programme also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes.

The policy on company's familiarization programme for Independent Directors and the details of familiarization programmes imparted to Independent Directors including the number of hours spent by each Independent Director in such programmes is posted on the company's website at [www.caravelabeachresortgoa.com](http://www.caravelabeachresortgoa.com).

- (g) Key Managerial Personnel: There is no change in the Key Managerial Personnel of the Company during the year.

### 15. CORPORATE GOVERNANCE:

The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the SEBI listing regulations. A separate section on corporate governance under the listing regulations, along with a certificate from the auditors confirming the compliance, is annexed and forms part of this Annual Report.

### 16. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has designed and implemented a process driven framework for Internal Financial Controls (IFC) within the meaning of the explanation in Section 134(5)(e) of the Companies Act, 2013.

The Company's internal controls system has been established on values of integrity and operational excellence. The formal and independent evaluation of internal controls and initiatives for remediation of deficiencies by the Internal Auditors has resulted in a sound framework for Internal Controls, commensurate with the size and complexity of the business.

The internal control framework essentially has two elements: (1) structures, policies and guidelines designed to achieve efficiency and effectiveness in operations and compliance with laws and regulations; (2) an assurance function provided by Internal Auditors.

The Company also has well-documented Standard Operating Procedures (SOPs) for various processes which are periodically reviewed for changes warranted due to business needs. The Internal Auditors continuously monitor the efficiency of the internal controls/compliance with SOPs with the objective of providing to Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the organization's risk management, control and governance processes. This formalized system of internal control facilitates effective compliance of Section 138 of Companies Act, 2013 and the SEBI Listing Regulations.

The Audit Committee meets regularly to review reports, including significant audit observations and follow up actions thereon. The Audit Committee also meets the company's statutory auditors to ascertain their views on financial statements including the financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of internal control system.

The Internal Auditor also assesses opportunities for improvement in the business processes, designed to add value to the organization and follow ups on the implementation of corrective actions and improvements in the business process after review by the Audit Committee.

For the year ended March 31, 2017, the Board is of the opinion that the Company has sound IFC, commensurate with the nature and size of the business operations, wherein controls are in place and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the existing controls and identify gaps, if any. It can implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

During the year ended March 31, 2017 there were no reportable incidents of fraud as defined in Section 143(12) of the Companies Act, 2013.



## 17. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) In the preparation of the accounts for the financial year ended March 31, 2017, the applicable Accounting Standards have been followed and there are no material departures;
- (ii) They have selected such accounting policies and applied them consistently and made judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit and loss of the Company for the year ended March 31, 2017;
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing fraud and other irregularities;
- (iv) They have prepared the annual accounts for the financial year ended March 31, 2017 on a "going concern" basis;
- (v) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2016-17.

## 18. STATUTORY AUDITORS:

M/s. J. G. Verma & Co., Chartered Accountants (ICAI's Firm Registration No. 111381W), have been the Statutory Auditors of the company since inception of the company and have completed around 30 years as statutory auditors of the company. The present auditors were last re-appointed as the Statutory Auditors of the Company for a period of three years at the 27<sup>th</sup> Annual General Meeting (AGM) of the Company held on September 24, 2014 to hold the office from the conclusion of the twenty seventh Annual general Meeting till the conclusion of this thirtieth Annual General Meeting.

As per the provisions of Section 139 of the Companies Act, 2013 no listed company shall appoint or reappoint an audit firm (including its affiliate firms) as auditors for more than two terms of five consecutive years. The Act also provided for additional transition period of three years from the date of commencement of the act i.e., 1<sup>st</sup> April, 2014 to comply with this requirement.

The Company is proposing to appoint M/s. Amar Bafna & Associates, Chartered Accountants (ICAI Firm Registration No.114854W) as Statutory Auditors for a period of 5 years commencing from the conclusion of the 30th Annual General Meeting till the conclusion of the 35th Annual General Meeting. M/s. Amar Bafna & Associates have consented to the said appointment, and confirmed that their appointment, if made, would be within the limits mentioned under Section 141(3)(g) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014. As required under SEBI (LIDOR) Regulations, 2015, M/s. Amar Bafna & Associates, Chartered Accountants have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Audit Committee and the Board of Directors recommend the appointment of M/s. Amar Bafna & Associates, Chartered Accountants as Statutory Auditors of the company from the conclusion of the 30th Annual General Meeting, till the conclusion of the 35th Annual General Meeting.

The Board places on record its appreciation for the contribution of M/s. J. G. Verma & Co., Chartered Accountants, during their tenure as the Statutory Auditors of your company. The Auditors' Report to the Shareholders for the year under review does not contain any qualification.

## ADVANI HOTELS & RESORTS (INDIA) LIMITED

The observations and comments given in the Auditors' Report read together with the notes to the accounts are self explanatory and hence, do not call for any further information and explanation under Section 134(3) of the Companies Act, 2013.

### 19. SECRETARIAL AUDIT:

Pursuant to the requirements of the Companies Act, 2013, the Company has appointed Mr. Virendra G. Bhatt, Practicing Company Secretary, to undertake the Secretarial Audit of the Company, whose report dated May 23, 2017, is attached separately to this report as "Annexure B".

### 20. FIXED DEPOSITS:

The Company has not accepted any deposits from the public/members under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year.

### 21. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURTS OR REGULATOR:

There are no significant material orders passed by the Regulators / Courts which would impact the 'Going Concern' status of the Company and its future operations. However, member's attention is drawn to the statement on contingent liabilities in the notes forming part of the financial statements.

### 22. CODE OF BUSINESS CONDUCT:

As per the Listing Agreement, the Board has a 'Code of Conduct' in place whereby all Board Members and Senior Management have declared and complied with the said Code. A declaration to this effect signed by the Chairman & Managing Director has been obtained.

### 23. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREX EARNINGS AND OUTGO:

As required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in "Annexure C" hereto and forms part of this Report.

### 24. TRANSFER OF UNCLAIMED DIVIDEND

During the year, it was not required to transfer any amount to the Investor Education & Protection Fund (IEPF).

### 25. DISCLOSURES UNDER THE COMPANIES ACT, 2013 AND LISTING REGULATIONS

#### (i) EXTRACT OF ANNUAL RETURN:

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

#### (ii) MEETINGS:

The Board of Directors met 5 (five) times in the financial year 2016-17. The details of the board meetings and the attendance of the Directors are provided in the Corporate Governance Report. The gap between the Board Meetings was within the period prescribed under the Companies Act, 2013.

#### (iii) AUDIT COMMITTEE:

The Board has constituted the Audit Committee which comprises of Mr. Prakash Mehta as the Chairman and Mr. Vinod Dhall, Mr Adhiraj Harish and Mrs. Menaka S. Advani as members. More details pertaining to Committee are included in the Corporate Governance Report, which forms part of the Annual Report.

#### (iv) RELATED PARTY TRANSACTIONS:

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial

Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and the Board. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. The statement is supported by the certificate from the MD and the CFO. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at: [www.caravelabeachresortgoa.com](http://www.caravelabeachresortgoa.com).

**(v) POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. All employees (permanent, contractual, temporary, trainees) are covered under the said policy. An Internal Complaints Committee has also been set up to redress complaints received on sexual harassment.

During the financial year under review, the Company has not received any complaints of sexual harassment from any of the women employees of the Company.

**26. PARTICULARS OF EMPLOYEES:**

The disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report as "Annexure E".

Further a statement showing the names and other particulars of employees drawing remuneration in excess of limits, as set out in the Rules 5(2) and 5(3) of the aforesaid rules, forms part of this report.

**27. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company, to which the financial statements relate, and the date of this report.

**28. ACKNOWLEDGEMENTS:**

Your Directors appreciate the assistance provided by our bankers, the Ministry of Finance, Tourism and the Goa Government. We thank our dear Shareholders, our valued clients and our tour operators for their continued support. Your Directors also greatly appreciate the contributions made by all employees to improve the operations of the Company.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: August 14, 2017

**SUNDER G. ADVANI**  
*Chairman & Managing Director*  
(DIN 00001365)



## ANNEXURE A TO THE DIRECTOR'S REPORT

## ANNUAL REPORT ON CSR ACTIVITIES

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes	The Company has adopted the CSR policy on 14th November, 2015 in compliance with the provisions of the Companies Act, 2013 and is available on the website at <a href="http://www.caravelabeachresortgoa.com">www.caravelabeachresortgoa.com</a>
2.	The Composition of the CSR Committee	Mrs. Menaka S. Advani, Chairperson Mrs. Nina H. Advani, Member Mr. Adhiraj Harish, Member
3.	Average net profit of the Company for last three financial years	₹ 62.59 Million
4.	Prescribed CSR Expenditure (2% of the amount, as in item 3 above)	₹ 1.25 Million
5.	Details of CSR spent during the financial year.  (a) Total amount to be spent for the financial year; (b) Amount unspent, if any (c) Manner in which the amount spent during the financial year is detailed below:	₹ 1.250 Million ₹ 0.005 Million

S.n	CSR project or activity identified	Sector in which the project is covered	Specify the state and district where projects or programs was undertaken	Amount outlay (budget project or programme wise)	Amount spent on the project or programme	Cumulative expenditure up to the reporting period	Amount Spent direct or through implementing agency
1	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water	Promoting health care and Sanitation	Maharashtra	₹ 110,000	₹ 110,000	₹ 110,000	Directly through Prasad Chikitsa

S.n	CSR project or activity identified	Sector in which the project is covered	Specify the state and district where projects or programs was undertaken	Amount outlay (budget project or programme wise	Amount spent on the project or programme	Cumulative expenditure up to the reporting period	Amount Spent direct or through implementing agency
2	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water ;	Animal welfare	Goa	₹ 243,170	₹ 243,170	₹ 243,170	Directly through a. Gomantak Pashu Rakshak Sanstha b. Dr. Anjali Nononha c. Hindu Pharmacy d. Mascot e. Peta India f. In Defence of Animals
3	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;	Reduction of inequalities faced by economically backward groups	Goa, Maharashtra etc.	₹ 891,820	₹ 891,820	₹ 891,820	Directly through a. Isha Education b. Nanhi Kali c. Maharashtra State Womens Council d. Freeset Trust e. Little Flowers School
			<b>Total</b>	<b>₹ 1,244,990</b>	<b>₹ 1,244,990</b>	<b>₹ 1,244,990</b>	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years, or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

The amount required to be spent for CSR during F.Y. 2016-17 was ₹ 1.25 million and the Company has almost spent the entire amount.

7. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

**Sunder G. Advani**  
(Chairman & Managing Director)

**Menaka S. Advani**  
(Chairperson CSR Committee)

## ANNEXURE B TO THE DIRECTOR'S REPORT

Form No. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

To,  
The Members,  
**Advani Hotels and Resorts (India) Limited**

I have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Advani Hotels and Resorts (India) Limited (Hereinafter referred to as "the Company"). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 has prima facie complied with the statutory provisions listed hereunder:

I have examined the books, papers, minutes' books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable during the audit period);
- (v) The following Regulations and Guidelines prescribed under 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, 2015;
    - ♦ Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended 31st March, 2017:-
  - (a) The Securities And Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (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) For the other applicable laws our audit was limited to:-



- (a) The Payment of Wages Act, 1936
- (b) The Minimum Wages Act, 1948
- (c) Employees State Insurance Act, 1948
- (d) The Employees Provident Fund and Miscellaneous Provisions Act, 1952
- (e) The Payment Of Bonus Act, 1965
- (f) The Payment of Gratuity Act, 1972
- (g) The Maternity Benefit Act, 1961
- (vii) I have also examined compliance with the applicable clauses of the following:
  - (a) The Listing Agreements & SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 entered into by the Company with the stock exchanges viz., BSE Limited and National Stock Exchange Limited.
  - (b) Secretarial Standards Issued by the Institute of Company Secretaries of India.

During the period under review the Company has prima facie complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

I further report that I rely on statutory auditor's reports in relation to the financial statements and comments and accuracy of financial figures for, Sales Tax, Wealth Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC, etc. as disclosed under financial statements, Accounting Standard 18 and note on foreign currency transactions during our audit period.

I further report that as per the information provided the company has prima facie given adequate notice 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 agenda items before the meeting and for meaningful participation at the meeting.

I further report that as per the information provided majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are prima facie 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.

I further report that the management is responsible for compliances of all business laws. This responsibility includes maintenance of statutory registers/files required by the concerned authorities and internal control of the concerned department.

I further report that during the audit period the company has no specific events like Public Issue/ Right/ Preferential issue of shares/Debentures/ sweat equity, etc.

I further report that:

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. I 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 the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. Where ever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the Management has conducted the affairs of the company.

Place: Mumbai  
Date: May 23, 2017

**Virendra Bhatt**  
ACS No – 1157  
COP No – 124

## ANNEXURE C TO THE DIRECTOR'S REPORT

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 forming part of Director's Report for the year ended March 31, 2017:

### A. CONSERVATION OF ENERGY IN 2016-2017:

- (i) Steps taken or impact on conservation of energy.

The use of energy is being optimized through improved operation methods.

- (ii) Steps taken by the Company for utilizing alternative sources of energy:

In the year 2016-17, the Company has taken following steps:

- (a) steps taken by the Company for utilizing alternative sources of energy:

A study was carried out on the feasibility of solar energy and for the purchase of heat pumps to generate hot water leading to a saving in energy costs.

- (b) In continuation of our energy saving drive, we have installed VFD's (Variable Frequency Drives) on many motors. This has led to greater efficiency & saving in electricity.

- (iii) The capital investment on energy conservation investments:

The Company spent a reasonable amount on LED light bulbs. This will reduce energy bills in the forthcoming months.

### B. TECHNOLOGY ABSORPTION:

In the opinion of the Board, the required particulars pertaining to technology absorption under Section 134 of the Companies Act, 2013 read with Rule 8(B) of the Companies (Accounts) Rules, 2014, are not applicable, as the hotel is in the service industry and the Company does not have any manufacturing operations.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company's foreign exchange earnings for the current year were ₹ 162.97 million (previous year ₹ 160.77 million). The total outgo in foreign exchange for the current year was ₹ 17.16 million (previous year ₹ 17.56 million).

## ANNEXURE D TO THE DIRECTOR'S REPORT

### FORM NUMBER MGT-9

### EXTRACT OF THE ANNUAL RETURN as on the financial year ended March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	L99999MH1987PLC042891
(ii)	Registration Date	13th March 1987
(iii)	Name of the Company	Advani Hotels & Resorts (India) Ltd.
(iv)	Category / Sub-Category of the Company	Public Company / Limited by Shares
(v)	Address of the Registered office and contact details	18A & 18B, Jolly Maker Chambers II Nariman Point, Mumbai 400021 Tel: 022-22850101 Fax: 022-22040744 Website: <a href="http://www.caravelabeachresortgoa.com">www.caravelabeachresortgoa.com</a>
(vi)	Whether listed company	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent	Datamatics Financial Services Ltd. Plot No: B-5, Part B Cross lane, MIDC Marol, Andheri (East), Mumbai – 400093 Tel: 022-66712188

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main Products/services	NIC Code of the Product / service	% to total turnover of the company
1	Short Term Accommodation activities	551	63.56
2	Restaurant and Mobile Food Service activities	561	26.87

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
	The Company does not have any holding, subsidiary or associate company				



# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity):

### (i) Category-wise Share Holding

Category code	Category of shareholder	Number of Shares held at the beginning of the year				Number of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>(A)</b>	<b>Promoters</b>									
1	Indian									
	(a) Individuals/HUF	2,28,08,602	0	2,28,08,602	49.349	2,28,08,602	0	2,28,08,602	49.349	0.000
	(b) Central Government	0	0	0	0.000	0	0	0	0.000	0.000
	(c) State Government(s)	0	0	0	0.000	0	0	0	0.000	0.000
	(d) Bodies Corporate	3,78,500	0	3,78,500	0.819	3,78,500	0	3,78,500	0.819	0.000
	(e) Banks / FI	0	0	0	0.000	0	0	0	0.000	0.000
	(f) Any Other (specify)	0	0	0	0.000	0	0	0	0.000	0.000
	<b>Sub Total (A)(1)</b>	<b>2,31,87,102</b>	<b>0</b>	<b>2,31,87,102</b>	<b>50.168</b>	<b>2,31,87,102</b>	<b>0</b>	<b>2,31,87,102</b>	<b>50.168</b>	<b>0.000</b>
2	Foreign									
	(a) NRIs - Individuals	0	0	0	0.000	0	0	0	0.000	0.000
	(b) Other - Individuals	0	0	0	0.000	0	0	0	0.000	0.000
	(c) Bodies Corporate	0	0	0	0.000	0	0	0	0.000	0.000
	(d) Banks / FI	0	0	0	0.000	0	0	0	0.000	0.000
	(e) Qualified Foreign Investor	0	0	0	0.000	0	0	0	0.000	0.000
	(f) Any Other (specify)	0	0	0	0.000	0	0	0	0.000	0.000
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>2,31,87,102</b>	<b>0</b>	<b>2,31,87,102</b>	<b>50.168</b>	<b>2,31,87,102</b>	<b>0</b>	<b>2,31,87,102</b>	<b>50.168</b>	<b>0.000</b>
<b>(B)</b>	<b>Public shareholding</b>									
1	Institutions									
	(a) Mutual Funds	0	56,000	56,000	0.121	0	56,000	56,000	0.121	0.000
	(b) Banks / FI	0	2,500	2,500	0.005	0	2,500	2,500	0.005	0.000
	(c) Central Government	0	0	0	0.000	0	0	0	0.000	0.000
	(d) State Government(s)	0	0	0	0.000	0	0	0	0.000	0.000
	(e) Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
	(f) Insurance Companies	0	0	0	0.000	0	0	0	0.000	0.000
	(g) FIIs	0	0	0	0.000	0	0	0	0.000	0.000
	(h) Foreign Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
	(i) Qualified Foreign Investor	0	0	0	0.000	0	0	0	0.000	0.000
	(j) Alternate Investment Funds	0	0	0	0.000	0	0	0	0.000	0.000
	(k) Other (specify)	0	0	0	0.000	0	0	0	0.000	0.000
	<b>Sub Total (B)(1)</b>	<b>0</b>	<b>58,500</b>	<b>58,500</b>	<b>0.127</b>	<b>0</b>	<b>58,500</b>	<b>58,500</b>	<b>0.127</b>	<b>0.000</b>
2	Non-institutions									
	(a) Bodies Corporate	0	0	0	0.000	0	0	0	0.000	0.000
	(a) (i) Indian	1,66,79,339	40,500	1,67,19,839	36.175	1,70,84,987	24,000	1,71,08,987	37.017	0.842
	(a) (ii) Overseas	0	0	0	0.000	0	0	0	0.000	0.000
	(b) Individuals	0	0	0	0.000	0	0	0	0.000	0.000
	(b) (i) Individuals - shareholders holding nominal share capital up to ₹ 1 Lakh	20,76,196	15,73,510	36,49,706	7.897	21,47,735	11,93,020	33,40,755	7.228	-0.668
	(b) (ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	18,49,918	0	18,49,918	4.002	19,73,772	0	19,73,772	4.270	0.268
	(c) Qualified Foreign Investor	0	0	0	0.000	0	0	0	0.000	0.000
	(d) Other (specify)	0	0	0	0.000	0	0	0	0.000	0.000
	d- i NRI Rep.	1,45,943	3,10,300	4,56,243	0.987	1,22,949	1,20,050	2,42,999	0.526	-0.461
	d- ii NRI Non - Rept.	2,83,017	12,500	2,95,517	0.639	2,92,210	12,500	3,04,710	0.659	0.020
	d- iii Foreign Bodies	0	2425	2425	0.005	0	2425	2425	0.005	0.000
	d- iv Foreign National	0	0	0	0.000	0	0	0	0.000	0.000
	<b>Sub Total (B)(2)</b>	<b>2,10,34,413</b>	<b>19,39,235</b>	<b>2,29,73,648</b>	<b>49.706</b>	<b>2,16,21,653</b>	<b>13,51,995</b>	<b>2,29,73,648</b>	<b>49.706</b>	<b>0.000</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2,10,34,413</b>	<b>19,97,735</b>	<b>2,30,32,148</b>	<b>49.832</b>	<b>2,16,21,653</b>	<b>14,10,495</b>	<b>2,30,32,148</b>	<b>49.832</b>	<b>0.000</b>
	<b>Total (A+B)</b>	<b>4,42,21,515</b>	<b>1997735</b>	<b>4,62,19,250</b>	<b>100.000</b>	<b>4,48,08,755</b>	<b>14,10,495</b>	<b>4,62,19,250</b>	<b>100.000</b>	<b>0.000</b>
<b>(C)</b>	<b>Custodians for GDRs and ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>4,42,21,515</b>	<b>19,97,735</b>	<b>4,62,19,250</b>	<b>100.000</b>	<b>4,48,08,755</b>	<b>14,10,495</b>	<b>4,62,19,250</b>	<b>100.000</b>	<b>0.000</b>

**ii) Shareholding of Promoters:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of Shares	% of total shares	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares	% of Shares Pledged/encumbered to total shares	
1	SUNDER G. ADVANI	94,25,893	20.3939	0.000	94,25,893	20.3939	0.000	0.000
2	HARESH G. ADVANI	53,30,139	11.5323	0.000	53,30,139	11.5323	0.000	0.000
3	NINA H. ADVANI	21,36,350	4.6222	0.000	21,36,350	4.6222	0.000	0.000
4	PRAHLAD S. ADVANI	13,74,000	2.9728	0.000	13,74,000	2.9728	0.000	0.000
5	MENAKA SUNDER ADVANI	13,10,880	2.8362	0.000	13,10,880	2.8362	0.000	0.000
6	NATASHA MIRCHANDANI	7,41,399	1.6041	0.000	7,41,399	1.6041	0.000	0.000
7	ALEKHA HARESH ADVANI	5,18,451	1.1217	0.000	5,18,451	1.1217	0.000	0.000
8	INDIRA SHIV THADANI	2,75,000	0.5950	0.000	2,75,000	0.5950	0.000	0.000
9	BALRAM DAYARAM DATWANI	1,63,940	0.3547	0.000	1,63,940	0.3547	0.000	0.000
10	JIHAN HARESH ADVANI	1,22,500	0.2650	0.000	1,22,500	0.2650	0.000	0.000
11	SABRINA DILIP JHANGIANI	26,250	0.0568	0.000	26,250	0.0568	0.000	0.000
12	LALITA SUNDER ADVANI	13,83,800	2.9940	0.000	13,83,800	2.9940	0.000	0.000
13	SUNDER ADVANI INVESTMENTS PRIVATE LTD.	3,78,500	0.8189	0.000	3,78,500	0.8189	0.000	0.000
<b>Total</b>		<b>2,31,87,102</b>	<b>50.1676</b>	<b>0.000</b>	<b>2,31,87,102</b>	<b>50.1676</b>	<b>0.000</b>	<b>0.000</b>

**iii) Change in Promoters' Shareholding:**

Sr. No	Particulars	Shareholding at the beginning of the year (April 1, 2016)		Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
No changes during the year					

**iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Date wise increase/decrease in shareholding during the year		Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	DELTA CORP LIMITED	1,64,41,432	35.573	1-Apr-16			16441432	35.573
			0.121	10-Jun-16	56117	TRANSFER	16385315	35.451
		1,63,85,315	35.451	31-Mar-17				
2	RADHAKISHAN S. DAMANI	17,28,418	3.74	1-Apr-16			1728418	3.74
			0.012	8-Apr-16	5515	TRANSFER	1733933	3.752
			0.002	15-Apr-16	772	TRANSFER	1734705	3.753
			0.002	22-Apr-16	1025	TRANSFER	1735730	3.755
			0	29-Apr-16	54	TRANSFER	1735784	3.756
			0.095	20-May-16	44043	TRANSFER	1691741	3.66
			0.027	27-May-16	12524	TRANSFER	1704265	3.687
			0.016	3-Jun-16	7312	TRANSFER	1711577	3.703
			0.011	10-Jun-16	5152	TRANSFER	1706425	3.692
			0.001	30-Jun-16	375	TRANSFER	1706800	3.693
			0.001	22-Jul-16	334	TRANSFER	1707134	3.694
			0.033	18-Nov-16	15334	TRANSFER	1722468	3.727
			0.029	25-Nov-16	13491	TRANSFER	1735959	3.756
3	SHIV PURI	17,35,959	3.756	31-Mar-17				
		2,52,796	0.547	1-Apr-16	-	-	252796	0.547

## ADVANI HOTELS & RESORTS (INDIA) LIMITED

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Date wise increase/decrease in shareholding during the year		Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
			0.022	17-Mar-17	10179	TRANSFER	242617	0.525
			0.036	24-Mar-17	16586	TRANSFER	226031	0.489
			0.011	31-Mar-17	5050	TRANSFER	220981	0.478
		2,20,981	0.478	31-Mar-17	-	-		
4	PREM KAPOOR	1,87,500	0.406	1-Apr-16	-	-	187500	0.406
						TRANSFER	187500	0.406
		0	0	31-Mar-17	-	-		
5	ANISH AND CO PVT LTD	1,24,266	0.269	1-Apr-16	-	-	124266	0.269
				27-Jan-17	1000	TRANSFER	123266	
				3-Feb-17	6953	TRANSFER	116313	
				10-Feb-17	1313	TRANSFER	115000	
				17-Feb-17	115000	TRANSFER	0	
		0	0	31-Mar-17				
6	MANJULA JAIN	0	0	1-Apr-16	-	-	0	0
				24-Feb-17	116313	TRANSFER	116313	0.252
		1,16,313	0.252	31-Mar-17				
7	SIRV PARVESH CHHIBBER	1,00,000	0.216	1-Apr-16	-	-	100000	0.216
		1,00,000	0.216	31-Mar-17	-	-		
8	BHARAT AMIN	62,000	0.134	1-Apr-16	-	-	62000	0.134
		62,000	0.134	31-Mar-17	-	-		
9	RAJESH M SAWNANI	61,500	0.133	1-Apr-16	-	-	61500	0.133
		61,500	0.133	31-Mar-17	-	-		
10	SURESH N TALWAR	60,000	0.13	1-Apr-16	-	-	60000	0.13
		60,000	0.13	31-Mar-17	-	-		
11	AMBAR RAO	55,300	0.12	1-Apr-16	-	-	55300	0.12
		55,300	0.12	31-Mar-17	-	-		

### v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Particulars	Shareholding at the beginning of the year		Date wise increase/decrease in shareholding during the year		Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Mr. Sunder G. Advani Chairman and Managing Director	94,25,893	20.3939				94,25,893	20.3939
2	Mr. Hareesh G. Advani Executive Director	53,30,139	11.5323				53,30,139	11.5323
3	Mrs. Nina H. Advani Non Executive Director	21,36,350	4.6222				21,36,350	4.6222
4	Mr. Prahlad S. Advani Whole Time Director	13,74,000	2.9728				13,74,000	2.9728
5	Mrs. Menaka Sunder Advani Non Executive Director	13,10,880	2.8362				13,10,880	2.8362
6	Mr. Prakash V. Mehta, Independent Director	500	0	-	-	-	500	0
7	Mr. Vinod Dhall, Independent Director	-	-	-	-	-	-	-
8	Dr. S. D. Israni, Independent Director	-	-	-	-	-	-	-



Sr. No	Particulars	Shareholding at the beginning of the year		Date wise increase/decrease in shareholding during the year		Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
9	Adm. Sureesh Mehta, Independent Director	-	-	-	-	-	-	-
10	Mr. Adhiraj Harish, Independent Director	-	-	-	-	-	-	-
11	Mr. Shankar Kulkarni, CFO	-	-	-	-	-	-	-
12	Mr. Nilesh Jain, CS	-	-	-	-	-	-	-

**V. INDEBTEDNESS:**

(₹ in million)

Particulars	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	55.24	9.39	0.00	64.63
(ii) Interest due but not paid	0.30	0.00	0.00	0.30
(iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>55.54</b>	<b>9.39</b>	<b>0.00</b>	<b>64.93</b>
Change in Indebtedness during the financial year				
Addition	0.00	0.00	0.00	0.00
Deletion	55.54	4.59	0.00	60.13
<b>Net Change</b>	<b>-55.54</b>	<b>-4.59</b>	<b>0.00</b>	<b>-60.13</b>
Indebtedness at the end of the financial year				
(i) Principal Amount	0.00	4.80	0.00	4.80
(ii) Interest due but not paid	0.00	0.00	0.00	0.00
(iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>0.00</b>	<b>4.80</b>	<b>0.00</b>	<b>4.80</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole-Time Director and / or Manager**

(₹ in million)

Sr. No.	Particulars	Mr. Sunder G. Advani	Mr. Haresh G. Advani	Mr. Prahlad S. Advani	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	8.90	6.35	5.74	20.99
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.85	0.66	0.73	2.24
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- As % of profit	-	-	-	-
	- Others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>9.75</b>	<b>7.01</b>	<b>6.47</b>	<b>23.23</b>
	Celling as per the Companies Act	As per Special Resolution and as per Schedule V		As per Special Resolution	

## ADVANI HOTELS & RESORTS (INDIA) LIMITED

### B. Remuneration to other Directors

(₹ in million)

Sr. No.	Particulars of Remuneration	Fees for attending Board / Committee Meetings	Commission	Others, please specify	Total
1	Independent Directors				
	Mr. Prakash Mehta	0.38	-	-	0.38
	Mr. Vinod Dhall	0.26	-	-	0.26
	Adm. Sureesh Mehta	0.24	-	-	0.24
	Dr. S. D. Israni	0.22	-	-	0.22
	Mr. Adhiraj Harish	0.30	-	-	0.30
	<b>Total (1)</b>	<b>1.40</b>			<b>1.40</b>
2	Other Non-Executive Directors				
	Mrs. Menaka S. Advani	0.28	-	-	0.28
	Mrs. Nina H. Advani	0.16	-	-	0.16
	Total (2)	0.44	-	-	0.44
	<b>Total (B) = (1+2)</b>	<b>1.84</b>			<b>1.84</b>
	<b>Total Managerial Remuneration (A) + (B)</b>				<b>25.07</b>

### C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(₹ in million)

Sr. No.	Particulars	Mr. Shankar S. Kulkarni, CFO	Mr. Nilesh Jain, CS	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	3.11	1.55	4.66
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.17	0.02	0.19
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- As % of profit	-	-	-
	- Others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>3.28</b>	<b>1.57</b>	<b>4.85</b>

### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties, punishments, compounding of offences for the year ending March 31, 2017.

## ANNEXURE E TO THE DIRECTOR'S REPORT

### I. DISCLOSURE IN DIRECTORS REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

Sr. No.	Requirements	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Name of the Director	Ratio
		Mr. Sunder G. Advani, CMD	36
		Mr. Haresh G. Advani, ED	26
		Mr. Prahlad S. Advani, WTD	24
		For this purpose, Sitting Fees paid to the Directors have not been considered as remuneration.	
2	The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary in the financial year	Mr. Sunder G. Advani, CMD	3%
		Mr. Haresh G. Advani, ED	8%
		Mr. Prahlad S. Advani, WTD	11%
		Mr. Shankar Kulkarni, CFO	10%
		Mr. Nilesh Jain, CS	10%
3	The percentage increase in the median remuneration of employees in the financial year:	During FY 2017, the percentage increase in the median remuneration of employees as compared to previous year was approximately 10.79%.	
4	The number of permanent employees on the rolls of Company	There were 175 Employees (Executives 114 and confirmed workmen 61) as on March 31, 2017	
5	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in remuneration is 9.71% for Employees other than Managerial Personnel and 13.52% for Managerial Personnel.	
6	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed.	

### II. Information under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appt. and Rem. of Managerial Personnel) Rule, 2014

#### a. Top 10 Employees in terms of Remuneration Drawn during the Year:

Sr. No.	Emp Name	Designation Name	Educational Qualification	Total Experience	Remuneration drawn in FY 2016-17	Age	Previous employment and Designation
1	Mr. Sunder G. Advani	Chairman & Managing Director	Strategic Hospitality Management Financial Management Courses Cornell University (USA)  Masters in Business Administration from the Wharton School (USA)  B.S. – Business Administration Temple University (USA)	57 Years	9,685,613	79 years	CMD, Hotel Airport Plaza, Mumbai

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Sr. No.	Emp Name	Designation Name	Educational Qualification	Total Experience	Remuneration drawn in FY 2016-17	Age	Previous employment and Designation
2	Mr. Hareesh G. Advani	Executive Director	Graduate from the Cornell School of Hotel Administration USA	46 Years	6,965,045	67 years	Director, Hotel Airport Plaza, Mumbai
3	Mr. Prahlad S. Advani	Whole Time Director	Bachelor of Science in Hotel Administration from Cornell University with a concentration in Financial Management	18 Years	6,477,572	40 years	Deutsche Bank Alex Brown in U.S.A. as a Financial Analyst in the Investment Banking Division
4	Mr. Shankar Kulkarni	Vice President - Finance	B.Com, Chartered Accountant (CA)	28 Years	3,280,204	48 Years	ETP International Pvt. Ltd.
5	Mr. Ajay Vichare	General Manager - Corporate Finance	B.Com, CA (Inter)	23 Years	2,676,813	48 Years	United Phosphorus Limited
6	Ms. Amrita Gujral (w.e.f. August 2016)	Vice President - Sales & Marketing	Graduate	17 Years	2,304,013	41 Years	Accor Hotels & Resorts
7	Mr. Prasad Kanoth	Hotel Manager	Bachelor of Commerce	34 Years	2,102,964	58 Years	Club Mahindra Varca
8	Mr. Nilesh Jain	Company Secretary	B.Com, LLB, ACS, ACMA	15 Years	1,564,150	42 Years	CS, Rishiroop Limited
9	Ms. Ritu Goyal	Executive - Housekeeper	Master of Science	15 Years	1,435,500	51 years	Bogmallo Beach Resort - Goa
10	Mr. Saurav Panchanan	Director - F&B	Dip-in Hotel and Catering Management	16 Years	1,339,220	39 years	Hilton Worldwide-Scotland

- b. Employed throughout the year and were in receipt of remuneration aggregating to not less than ₹ 1.02 Crores per annum**

Not Applicable

- c. Employed for part of the year and were in receipt of remuneration aggregating to not less than ₹ 8.50 Lacs per month**

Not Applicable



## MANAGEMENT DISCUSSION AND ANALYSIS:

The results for the period between April 1, 2016 and March 31, 2017 are used for this analysis. The future performance will depend on many factors including a stable Government, Government policies both in India and Goa, performance of the corporate sector, the disposable income of our people, and the new supply of hotel rooms in Goa.

### Global Economy and Outlook:

The world's GDP is projected to increase by 3.5% in 2017 and 3.6% in 2018. However, the majority of the foreign tourists that visit Goa are from Russia, UK and Germany. According to PWC, the Real GDP of Russia is likely to grow 1.1% in 2017 and will grow by 1.4% in 2018. Real GDP of the UK will grow by 1.5% in 2017 and grow by 1.4% in 2018. Germany's Real GDP will grow by 1.5% in 2017 and projected to grow by 1.5% in 2018.

The availability of E-Tourist Visas even for medical purposes and for multiple entries will make it more convenient for tourists to visit India.

### The Indian Economy:

India's GDP will grow by 7.3% in 2017 and expected to grow by 7.4% in 2018. Besides being the bright spot in the world with the highest GDP growth, India will continue to remain the fastest economy of the G-20 nations. According to a study made by the World Travel & Tourism Council entitled "Travel & Tourism Global Economic Impact and issues, 2017", India's GDP which ranks 7th in the world, would climb to the 4th position by 2017, ahead of Japan and the UK. This is good news for the hospitality industry, because growth in GDP is directly correlated with the growth of Travel & Tourism. People take more frequent holidays, Corporates spend more for conferences and meetings and couples choose unique destinations to get married. The Services Sector, which comprises Trade, Travel, Services, Hotels and Restaurants etc., constitutes 66% of the GDP in India. In India, the hospitality industry has emerged as one of the key industries driving growth of the Services Sector in India.

### India Tourism Outlook:

Tourism is a very important economic activity and the potential for India is enormous. The Travel & Tourism industry is the largest employer in the world and accounts for 1 out of every 10 jobs. Many countries rely heavily on foreign tourism to bolster their economies. We are fortunate that there is a huge domestic market in India itself and their income levels and aspirations are growing immensely. This is the future for tourism in India and Goa. We Indians have the capacity and willingness to pay more for the same room as compared to foreign guests.

According to the same WTTC study, in the year 2016, Travel and Tourism provided direct employment to almost 25 million persons, which is higher than in China or the US. India is expected to establish itself as the 4th largest Travel & Tourism economy by 2027 and the number of jobs in this sector will reach about 32 million. Moreover, receipts from Travel and Tourism will increase from INR 1500 billion to INR 2900 billion by 2027. Total contribution of Travel & Tourism to GDP is expected to increase from INR 14010 billion to INR 46203 billion by 2027.

As per the Minister of Tourism's statement, 8.8 million foreign tourists visited India in 2016. This represents a growth of 5.9% over 2015. There has been a large increase in issuance of the E-Tourist Visas, as they are available to citizens of 155 countries at 16 airports in India including Goa. The GST bill will have a negative impact on foreign tourism. In order to attract more foreign tourists, taxes on the hospitality industry need to be reasonable. If we want more foreign tourists to visit India, we must analyse not only where they are going on long haul holidays, why they are going there and which activity in India can we offer where we have a competitive advantage. The results of this research should be used in determining where and how the funds for the 'Incredible India 2.0' campaign should be spent. Unfortunately, the hotel industry which is also an exporter, does not receive the same incentives received by other exporters. In order to reduce the adverse impact of the GST on hotels, the Government should consider giving foreign tourists a partial GST refund when they depart the country, just like the VAT refund given at UK airports and a GST refund is given at Singapore Airport.

### Tourism to Goa:

Domestic tourism is becoming even more important. According to WTTC Report, 88% of Travel & Tourism contribution to GDP came from domestic spending and only 12% from foreign visitor spending. The measures taken by our respected Prime Minister Modi, such as Swachh Bharat Abhiyan and investment on building more roads for connectivity will lead to more domestic travellers taking road journeys within India. The recent introduction of a luxury train between Mumbai and Goa will help. As India's growth rate in GDP is one of the highest in the world, expenditure on Meetings, Incentives, Conferences and Exhibitions (MICE) is expected to increase substantially. All of the above bode well for the domestic hospitality industry, especially in Goa, which is now recognized as the favoured holiday destination in India.

The domestic airlines have increased flights to Goa even in the late evening and early morning with onward connections to more cities. One year ago there were 58 domestic flights a day within India to Goa airport. This has increased to over 70 flights a day. There was a substantial increase in weddings and domestic business as a whole, as more Indians decided to visit Goa instead of going elsewhere. The increase in terrorist incidents in such places as Paris, London and Brussels have also led to the growth of domestic tourism. The demand for rooms in Goa is increasing.

### Strengths / Weaknesses / Opportunities and Threats:

We have been able to make our resort a year-round destination. We are adding more facilities for weddings and conferences. Our lawn areas have been increased. Goa has become the focus for domestic and major international hotel chains because of the high occupancies and increasing room rates. Fortunately, there is very little new supply of rooms in Goa. We have unique architecture including the largest lobby in Goa and this appeals to the domestic clients.

The Company is de-risking the business model by attracting more domestic clients by improving the website. The largest growth for our business has been from the online travel agents. These measures have also resulted in higher revenues and improved Revenue Per Available Room (RevPAR) during the year.

The roads leading to the hotel have been widened and brightly lit as a result of BRICS Conference in South Goa. The DEFEXPO is again scheduled to be held in Goa. As informed earlier, over 100,000 square feet FSI is available for our hotel to undertake any expansion, such as additional rooms, a villa development, banquet and wedding hall, new spa, etc. which could yield additional revenue streams for the existing hotel unit.

The Company's only 5-Star deluxe resort is located at Goa and belongs to the leisure segment. This segment is partly influenced by international events. As much of the costs are fixed, revenues of the Company can get adversely affected with any negative publicity. Further, with the increased thrust on the domestic market, revenues of the Company are also susceptible to domestic economic and socio-political conditions.

We have reduce the reliance on the Russian market for revenues. Central and State Government policies towards tourists may change. Natural disasters cannot be predicted.

If the proposed international Mopa Airport is commissioned in the next 10 years, it may affect the number of arrivals in the present Dabolim international airport.

### Renovation and Additions:

Part of the original flooring of the lobby was replaced in 2016-17. A section of the flooring in the outdoor portion of the All Day Dining Restaurant is to be replaced in 2017-18. The non operational Goa Nugget Casino is to be converted to serve both as a pre-function to the existing Banquet Hall or as an independent Conference Room. The Carpet of the existing Banquet Hall is to be replaced. A new Banquet Hall, an additional swimming pool and a Kids Club are planned in 2018 to increase our sales in the future. A new Diesel Generator is currently being installed. New Golf buggies have been purchased. Several landscaping improvements have taken place. Over 30 new Lenovo computers have been procured to replace old machines. New Toyota Innova vehicles have been procured and a purchase order for a new soft-mounted, steam powered, washer-extractor machine for the laundry has been placed.

### Future Outlook:

World Travel and Tourism Council (WTTC) have estimated that India's long-term growth in Travel & Tourism will be eighth fastest as compared to 185 countries. Much will depend on the tourism friendly policies of the Government of Goa. The

cleanliness drive initiative taken by our Prime Minister by way of Swachh Bharat Abhiyan and the World Yoga Day will add to the attraction of Goa. The number of domestic travellers to Goa will increase as Goa is becoming an even more popular destination. There is a trend to have a destination wedding in Goa and this will bring in substantial business to our hotel.

### Management Discussion and Analysis of Operating Results:

The table below provides the break-up of revenues and expenditures for the financial year ending March 31, 2017.

(₹ in millions)

Particulars	March 31, 2017	March 31, 2016
Income from Operations		
Sales & Other Operating Income	596.40	531.03
Other Income	12.01	9.16
Total Income	608.41	540.19
Expenditure		
Cost of material consumed	48.68	42.11
Employee Benefits expense	173.21	167.37
Power & Fuel	41.88	39.35
Depreciation	36.91	40.54
Repairs & Maintenance	35.16	30.38
Finance Costs	3.21	10.37
Other expenses	125.78	116.29
Total Expenditure	464.83	446.41
Profit Before Tax	143.58	93.78
Tax Expense	55.72	29.75
Net Profit After Tax	87.86	64.03

The total income increased by 12.63% to ₹ 608.41 millions from ₹ 540.19 millions in the previous year.

The room revenue increased by 12% from ₹ 338.5 millions to ₹ 379.1 millions.

The RevPAR (Revenue Per Available Room) increased from ₹ 4664 to ₹ 5279.

### Expenditure:

The total expenditure increased by 4% to ₹ 464.83 millions from ₹ 446.41 millions in the previous year.

Payroll cost was higher by 3.5% (₹ 5.84 millions) over the previous year, mainly on account of salary increments.

Finance Costs have reduced from ₹ 10.37 millions to ₹ 3.21 millions due to the repayment of all term loans to our banks.

### Profit before Tax (PBT):

The PBT has increased by 53.10% to ₹ 143.58 millions from ₹ 93.78 millions in the previous year.

### Profit after Tax (PAT):

The PAT has increased by 37% to ₹ 87.86 millions from ₹ 64.03 millions in the previous year.

### Liabilities:

The Company's liabilities have reduced substantially during the year. The long term loans have reduced from ₹ 55.24 millions to NIL. This is an achievement as others in our hotel industry are burdened with high debt.

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### Financial Ratios:

Particulars	March 31,2017	March 31,2016
EBITDA / Total Income (percent)	30.2	26.8
Profit after Tax / Total Income (percent)	14.4	11.8
Times Interest Earned	46	10
Long Term Debt to Shareholders Funds (ratio)	0.01	0.17
Return on Equity	20%	17%
Earnings Per Share (in ₹)	1.90	1.39

### Change of Brand Name of the Resort:

Your Company's international licence and training agreement with M/s Wyndham Hotel Asia Pacific Co. Ltd for the "Ramada" brand was valid up to January 31, 2017 midnight.

In view of the above it was decided to rename our hotel as the "Caravela Beach Resort, Goa".

### Internal Control System and Adequacy:

Adequate internal control systems exist in terms of financial reporting, efficiency of operations and compliances with various rules, regulations etc, covering all operational departments.

The Internal Auditor reviews the internal control procedures and its implementation on a regular basis and submits monthly reports. Corrective action is taken for any weaknesses that may be reported by the Internal Auditor. In order to enhance the control system further, each department has to justify the variances and discrepancies.

The Audit Committee of the Board oversees the adequacy of the internal control procedures, monitors the implementation of internal audit recommendations through the compliance reports submitted to them.

### Human Resources:

The Company continues its commitment to retain and promote the deserving employees. Accordingly, systems are formulated to monitor the performance, guest satisfaction and employee recognition. The Company has initiated various welfare initiatives for the staff, which includes assistance in form of short term loans in case of emergency, listening posts, improved back of the house areas and improved employee safety and security. The industrial relations have been cordial during the year. The Company continues to have a structured learning and development department to do the "Training need analysis" and provide inputs for the team development. The numbers of total employees were 175. Our hotel receives favourable comments from guests relating to Staff.

### Cautionary Statement:

Comments made in this analysis describing the Company's objectives, estimates may be "forward looking statements" within the meaning of applicable securities law. We have used assumptions over which the Company exercises no controls. The Company cannot guarantee that the results will occur. Significant factors that can affect the Company's operations include domestic and international economic conditions affecting supply and demand, the travel patterns of foreign tourists, law and order problems in India, or terrorist activities abroad, change in tax and other Government regulations, etc.

For and on behalf of the Board of Directors

Place: Mumbai  
August 14, 2017

Sunder G. Advani  
Chairman & Managing Director



## CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017.

### 1. Company's philosophy on Corporate Governance:

The Company subscribes fully to the basic principles of good corporate governance, the objective of which is to increase productivity and competitiveness, thus maximizing shareholder value. The Company believes in values of transparency, professionalism, accountability and is also committed to continually evolving and adopting appropriate Corporate Governance best practices.

AHRIL's Governance structure broadly comprises the Board of Directors and the Committees of the Board.

**Board of Directors** – The Board plays a pivotal role in ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company, ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders.

**Committee of Directors** - With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Share Transfer Committee. Each of these Committees has been mandated to operate within a given framework.

**Management Structure** - Management Structure for running the business of the Company as a whole is in place with appropriate delegation of powers and responsibilities.

### 2. Board of Directors:

- (i) As on March 31, 2017, the Board comprises, three Non-Independent Executives, two Non-Independent Non-Executives and five Independent Non-Executive Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act and represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.
- (ii) None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he / she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2017 have been made by the Directors. Mr. Sunder G. Advani is the elder brother of Mr. Haresh G. Advani and father of Mr. Prahlad S. Advani. Mrs. Menaka S. Advani is wife of Mr. Sunder G. Advani and Mrs. Nina H. Advani is wife of Mr. Haresh G. Advani.
- (iii) Independent Directors are Non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.
- (iv) As required by Regulation 25(1) of the SEBI Listing Regulations, Independent Directors are not serving as Independent Directors in more than seven listed companies and none of the Whole Time Directors of the Company serve as an Independent Director in any other listed company.

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- (v) The names and categories of the Directors on the Board, their attendance at Board Meetings, AGM held during the year and the number of outside Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2017 are given herein below.

Name of Director	Category	No. of Board Meetings attended	Attendance at the last AGM held on 26.09.2016	No. of Outside Directorships #	No. of Committee Chairmanships / Memberships \$	
					Chairmanship	Membership
Mr. Sunder G. Advani, Chairman & Managing Director	Non-Independent Executive	05	Present	None	None	None
Mr. Haresh G. Advani, Executive Director	Non-Independent Executive	05	Present	None	None	None
Mr. Prahlad S. Advani, Whole-time Director (Operations)	Non-Independent Executive	04	Present	None	None	None
Mr. Prakash V. Mehta	Independent Non-Executive	05	Present	6	2	6
Mrs. Menaka S. Advani	Non-Independent Non-Executive	05	Present	None	None	None
Mr. Vinod Dhall	Independent Non-Executive	04	Absent	6	5	2
Adm. Sureesh Mehta	Independent Non-Executive	04	Present	None	None	None
Mr. Adhiraj Harish	Independent Non-Executive	04	Present	2	None	2
Mrs. Nina H. Advani	Non-Independent Non-Executive	04	Present	None	None	None
Dr. S. D. Israni	Independent Non-Executive	05	Present	4	None	3

# Includes Directorships of Public Limited companies other than Advani Hotels & Resorts (India) Ltd.

\$ Includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies (whether listed or not) other than Advani Hotels & Resorts (India) Ltd.

- (vi) During the financial year 2016-17, 5 (Five) Board Meetings were held on May 16, 2016, July 28, 2016, September 26, 2016, November 2, 2016, and January 27, 2017. The gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings.
- (vii) During the year 2016-17, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- (viii) The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.
- (ix) During the year, one meeting of the Independent Directors was held on January 27, 2017. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.
- (x) The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.
- (xi) The details of the familiarization programme of the Independent Directors are available on the website of the Company (<http://www.caravelabeachresortgoa.com/investor-relations>).

### 3. Shares held by Non-Executive Directors:

Sr. No.	Non-Executive Directors	No. of Shares held as on 31.03.2017
1.	Mr. Prakash V. Mehta	500
2.	Mr. Vinod Dhall	Nil
3.	Adm. Sureesh Mehta	Nil
4.	Mr. Adhiraj Harish	Nil
5.	Mrs. Menaka S. Advani	1,310,880
6.	Mrs. Nina H. Advani	2,136,350

### 4. Selection criteria of Board Members

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual member. The Company has adopted policy guidelines on selection criteria of Board members. Board members are expected to possess expertise, leadership skills required to manage and guide a high growth.

### 5. Familiarization Program of Independent Directors

The Independent directors of the Company are eminent personalities having wide experience in the field of business, finance, legal, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions.

Independent Directors are appointed as per the Governance guidelines of the Company, with management expertise and wide range of experience. The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings. The new Board members are also requested to access the necessary documents / brochures, Annual Reports and internal policies available at our website [www.caravelabeachresortgoa.com](http://www.caravelabeachresortgoa.com) to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent directors.

### 6. Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

### 7. Board Training and Induction:

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, SEBI Listing Regulations and other relevant regulations and his affirmation taken with respect to the same.

### 8. Committees of the Board:

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, and non mandatory committees viz, Share Transfer Committee.

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

#### A. Audit Committee:

- (i) The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the SEBI Listing Regulations read with Section 177 of the Act.
- (ii) The role of the Audit Committee includes the following:
  - 1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  - 2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
  - 3. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors.
  - 4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
    - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report
    - (b) Changes, if any, in accounting policies and practices and reasons for the same
    - (c) Major accounting entries involving estimates based on the exercise of judgment by management
    - (d) Significant adjustments made in the financial statements arising out of audit findings
    - (e) Compliance with listing and other legal requirements relating to financial statements
    - (f) Disclosure of any related party transactions
    - (g) Qualifications in the draft audit report
  - 5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
  - 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  - 7. Review and monitor the Auditor's independence and performance and effectiveness of audit process.
  - 8. Approval or any subsequent modification of transactions of the Company with related parties;
  - 9. Scrutiny of inter-corporate loans and investments;
  - 10. Examination of the financial statement and the Auditors' report thereon;
  - 11. Valuation of undertakings or assets of the Company, wherever it is necessary;



12. Evaluation of internal financial controls and risk management systems;
13. Establish a vigil mechanism / Whistle Blower mechanism for Directors and employees to report genuine concerns in such manner as may be prescribed;
14. The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(iii) Review of information by Audit Committee

The Audit Committee mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by the management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee.

(iv) The composition of the Audit Committee and details of meetings attended by its Members are as under.

Sr. No.	Name of the Member	Category	No. of Committee Meetings attended in the year under review
1.	Mr. Prakash V. Mehta, Chairman	Independent, Non-Executive	5
2.	Mrs. Menaka S. Advani	Non-Independent Non-Executive	4
3.	Mr. Vinod Dhall	Independent, Non-Executive	4
4.	Mr. Adhiraj Harish	Independent, Non-Executive	3

- (v) Four audit committee meetings were held during the year under review and the gap between two meetings did not exceed one hundred twenty days. The Audit Committee meetings were held on May 16, 2016, July 28, 2016, November 2, 2016 and January 27, 2017. The necessary quorum was present for all the meetings.
- (vi) The previous Annual General Meeting (AGM) was held on September 26, 2016 and was attended by Mr Prakash V. Mehta, Chairman of the Audit Committee.

**B. Nomination and Remuneration Committee:**

- (i) The nomination and remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of the SEBI Listing Regulations read with Section 178 of the Act.
- (ii) The broad terms of reference of the nomination and remuneration Committee are as under:
  - (1) formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees;
  - (2) formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
  - (3) devising a policy on diversity of Board of Directors;

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- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- (5) whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- (iii) The composition of the Nomination and Remuneration Committee and particulars of meetings attended by the Members of the Remuneration Committee are as under. During the financial year 2016-17 under review four meetings of the Committee were held on June 22, 2016, July 28, 2016, November 2, 2016 and January 27, 2017.

Sr. No.	Name of the Member	Category	No. of Committee Meetings attended in the year under review
1.	Mr. Prakash V. Mehta, Chairman	Independent, Non-Executive	4
2.	Adm. Sureesh Mehta	Independent, Non-Executive	3
3.	Mr. Adhiraj Harish	Independent, Non-Executive	3

- (iv) The Company does not have any Employee Stock Option Scheme.
- (v) Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a Director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

- (vi) Remuneration Policy:

### 1. Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The total amount of sitting fees paid to Non-Executive Directors during the Financial Year 2016-17 was ₹ 18.40 Lac. The Non- Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company.

### 2. Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Chairman and Managing Director and Whole time Director is governed by the recommendation of the Remuneration and Nomination Committee, resolutions passed by the Board of Directors and shareholders of the Company. Payment of remuneration to Executive Directors is governed by the respective Agreements executed between them and the Company. The remuneration package of Chairman and Managing Director and Whole-time Director comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Remuneration and Nomination Committee and recommended to the Board for approval thereof.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high calibre talent. Presently, the Company does not have a stock option scheme for its Directors.

- vii. The details of remuneration paid to directors (executive and non executive) are given in Form MGT-9 which is attached as annexure to the Director's Report.

## C. Stakeholders Relationship Committee:

- (i) The stakeholders relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of the SEBI Listing Regulations read with Section 178 of the Act.

(ii) The broad terms of reference of the stakeholders' relationship Committee are as under:

1. Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders related matters.
2. Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.

(iii) During the year under review, all requests / queries received from shareholders were resolved and as on March 31, 2017 there were no pending complaints.

(iv) During the year under review no meeting of the Shareholders / Investors Grievance Committee was held.

(v) The composition of the Committee comprises of the following two Non-Executive Directors and two Executive Directors:

Sr. No.	Name of the Member	Category
1.	Mrs. Menaka S. Advani, Chairperson	Non-Independent Non-Executive
2.	Mr. Sunder G. Advani	Non-Independent Executive
3.	Mr. Haresh G. Advani	Non-Independent Executive
4.	Mrs. Nina H. Advani	Non-Independent Non-Executive

(vi) Name designation and address of Compliance Officer

Mr. Nilesh Jain  
 Company Secretary  
 18A & 18B Jolly Maker Chambers II  
 Nariman Point, Mumbai – 400021  
 Telephone No: (022) 2285 0101, Fax No.: (022) 2204 0744  
 Email ID: [cs.ho@advanihotels.com](mailto:cs.ho@advanihotels.com)

(vii) The Company Secretary regularly interacts with the Registrar & Share Transfer Agents (RTA) to ensure that the complaints/ grievances of the shareholders / investors are attended to without delay and where deemed expedient, the complaints are referred to the Chairperson of the Committee or discussed at its meetings.

#### D. Corporate Social Responsibility ("CSR") Committee

CSR Committee of the Company is constituted in line with the provisions of Section 135 of the Act. The broad terms of reference CSR committee is as follows:

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

During the financial year under review one meeting of the CSR Committee was held on January 27, 2017.

The composition of the CSR Committee is under:

Sr. No.	Name of the Member	Category
1.	Mrs. Menaka S. Advani, Chairperson	Non-Independent Non-Executive
2.	Mr. Nina H. Advani	Non-Independent Non-Executive
3.	Mr. Adhiraj Harish	Independent Non-Executive

## E. Share Transfer Committee:

The Committee comprises of the following two Executive Directors and one Non-Executive Director:

Sr. No.	Name of the Member	Category
1.	Mr. Sunder G. Advani	Non-Independent Executive
2.	Mr. Haresh G. Advani	Non-Independent Executive
3.	Mrs. Menaka S. Advani, Chairperson	Non-Independent Non-Executive

The Share Transfer Committee looks into the approval of share transfers, transmissions, issue of duplicate share certificates etc.

## 9. Board performance evaluation:

The performance evaluation of the Board, its Committees and individual directors was conducted and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation.

Directors, who were designated, held separate discussions with each of the Directors of the Company and obtained their feedback on overall Board effectiveness as well as each of the other Directors.

Based on the questionnaire and feedback, the performance of every director was evaluated in the meeting of the Nomination and Remuneration Committee (NRC). The meeting of NRC also reviewed performance of the Chairman and Managing Director on performance evaluation criteria's based on the Board of Directors Performance Evaluation Guidelines.

A separate meeting of the independent directors ("Annual ID meeting") was convened on 27th January, 2017, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman.

Some of the key criteria for performance evaluation are as follows –

### Performance evaluation of Directors:

- Attendance at Board or Committee Meetings
- Contribution at Board or Committee Meetings
- Guidance / support to Management in the strategic decision making process of the Board / Committee Meetings
- Demonstrate a willingness to devote time and effort to understand the Company and its business
- Directors bringing their knowledge, expertise and experience to bear in the consideration of Business strategy
- Performance of specific duties and obligations, governance issues, etc.

### Performance evaluation of Board and Committees:

- Effectiveness of Board processes, information and processing
- Board structure and composition
- Effective in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations
- Quality of relationship between Board and Management
- Board / Committee meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues
- Composition of the Board / Committee appropriate with the right mix of knowledge and skills required to drive organizational performance in the light of future strategy
- Efficacy of communication with stakeholders
- Board / Committees inculcate positive perspectives in the Company to uphold and execute the good Corporate Governance practices



### 10. Performance evaluation of Independent Directors:

The Nomination and Remuneration Committee evaluates the performance of Independent Directors and recommends Commission payable, if any, to them based on their commitment towards attending the meetings of the Board/Committees, contribution and attention to the affairs of the Company and their overall performance apart from sitting fees paid for each Board and committee meetings attended by them. The evaluation mechanism of Independent Directors is detailed in Directors Report.

### 11. Subsidiary Companies – None

### 12. Related Party Transactions:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI Listing Regulations during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

### 13. Unclaimed Equity Shares:

During the year, the Company has completed the procedure, as required by Regulation 39 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule VI thereof, of sending three reminders to those members whose original unclaimed / undelivered share certificates were lying with the Registrar and Transfer Agent (RTA) of the company and also opened a demat account in the name and style "Advani Hotels & Resorts (India) Limited - Unclaimed Suspense Account" and transferred remaining 4,87,665 Equity Shares belonging to 427 shareholders. The voting rights on the outstanding unclaimed shares as on March 31, 2017 shall remain frozen till the rightful owner of such shares claims the shares by submission of the requisite documentary proof of their identity to the Company's RTA, M/s Datamatics Financial Services Limited.

### 14. General Body Meetings and Postal Ballot:

#### (i) Annual General Meetings

The details of Annual General Meetings held in last 3 financial years are as under:

Financial year	Day, Date and Time	Venue	Special Resolutions
2015-16	29th AGM held on Monday, September 26, 2016 at 3.30 PM	'Rangaswar', 4th Floor, Chavan Centre, Gen. Jagannath Bhosale Marg, Nariman Point, Mumbai – 400021	(a) Payment of Remuneration to Mr. Sunder G. Advani, Managing Director, on the same terms & conditions (b) Payment of Remuneration to Mr. Haresh G. Advani, Executive Director, on the same terms & conditions
2014-2015	28th AGM held on Wednesday, September 16, 2015 at 3.00 PM		No Special Resolutions passed
2013-2014	27th AGM held on Wednesday, September 24, 2014 at 11.00 AM		(a) Ratification of holding an office or place of profit by Mr. Prahlad S. Advani, Vice President (b) Appointment of Mr. Prahlad S. Advani as Whole-time Director

#### (ii) Extra Ordinary General Meetings (EGM) and Postal Ballot

During the year under review, no EGM was convened nor any approval of shareholders obtained through Postal Ballot.

### 15. Disclosures:

#### a. **Strictures and Penalties:**

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

#### b. **Compliance with Accounting Standards:**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

#### c. **Reconciliation of Share Capital Audit**

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

#### d. **CEO & MD / CFO Certification**

Mr. Sunder G. Advani, Chairman & Managing Director and Mr. Shankar Kulkarni, Chief Financial Officer has furnished the requisite certificate to the Board of Directors pursuant to SEBI Listing Regulations and it was placed before the Board along with Audited Annual Accounts for the year ended March 31, 2017.

### 16. Code of Conduct:

The Board of Directors has approved a Code of Business Conduct which is applicable to the Members of the Board and designated employees. The Company believes in "Zero Tolerance" to bribery and corruption in any form. The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place. All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

### 17. Vigil Mechanism / Whistle Blower policy:

In staying true to our values of strength, performance and passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility. The Company has a Fraud Risk Management Policy (FRM) to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

### 18. Means of communication:

The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India which include The Economic Times, Business Standard and Mumbai Lakshadweep (Marathi). The results are also displayed on the Company's website "www.caravelabeachresortgoa.com". Press Releases made by the Company from time to time are also displayed on the Company's website. A Management Discussion and Analysis Report is a part of the Company's Annual Report.

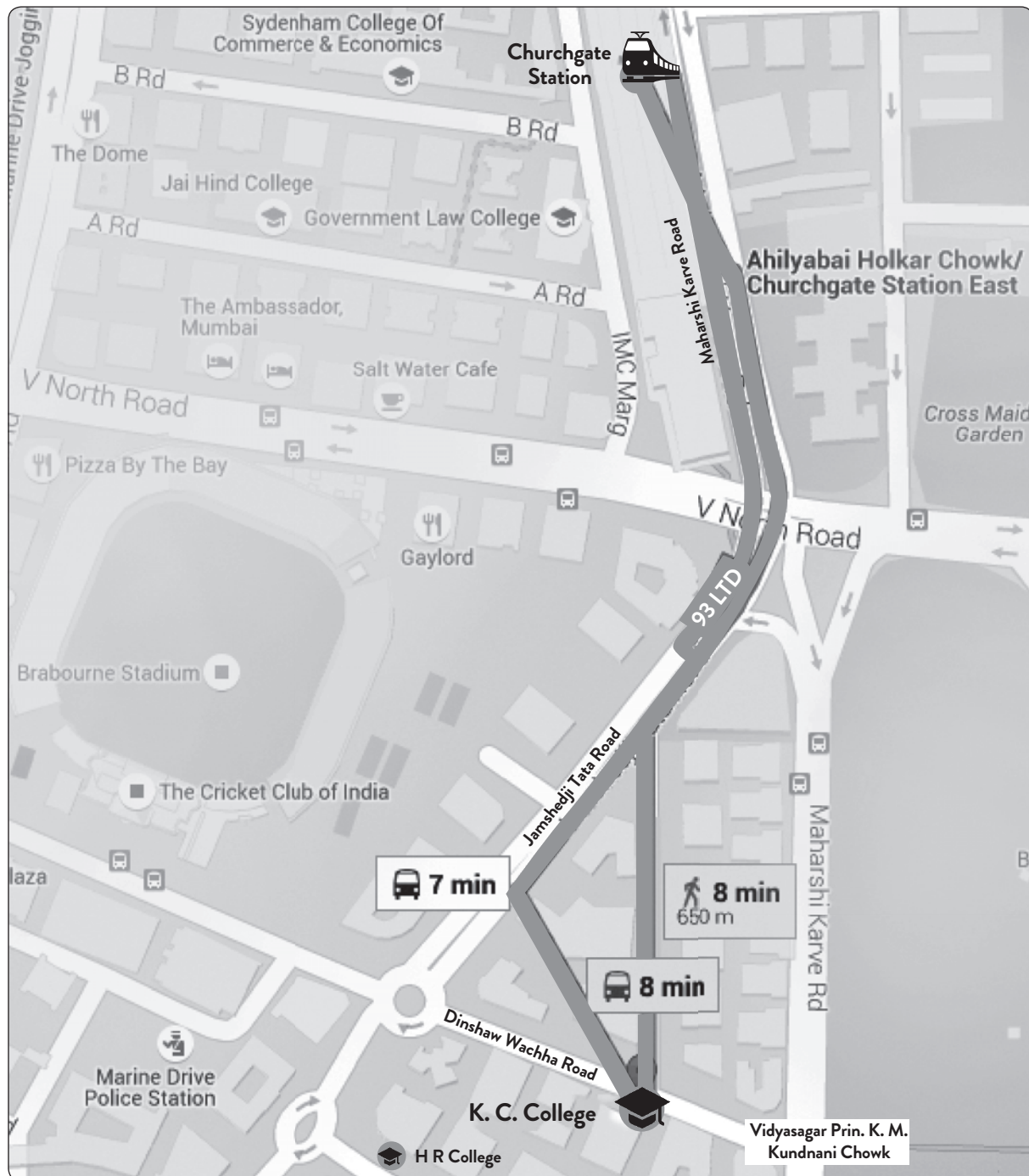
## 19. General Shareholder Information:

### 30<sup>th</sup> Annual General Meeting

Day & Date : Wednesday, September 27, 2017

Time : 2.30 p.m.

Venue : Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020



## ADVANI HOTELS & RESORTS (INDIA) LIMITED

### 20. Tentative Calendar for financial year ending March 31, 2018:

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending March 31, 2018 are as follows:

First Quarter Results	Second week of August 2017
Second Quarter and half yearly Results	Second week of December 2017
Third Quarter Results	Second week of February 2018
Fourth Quarter and Annual Results	Second week of May 2018

### 21. Date of Book Closure / Record Date:

September 21, 2017 to September 27, 2017 (both days inclusive)

### 22. Listing on Stock Exchange:

BSE Limited (Scrip ID: ADVANIHO & Scrip Code – 523269)

National Stock Exchange of India Limited (Scrip Symbol – ADVANIHOTR)

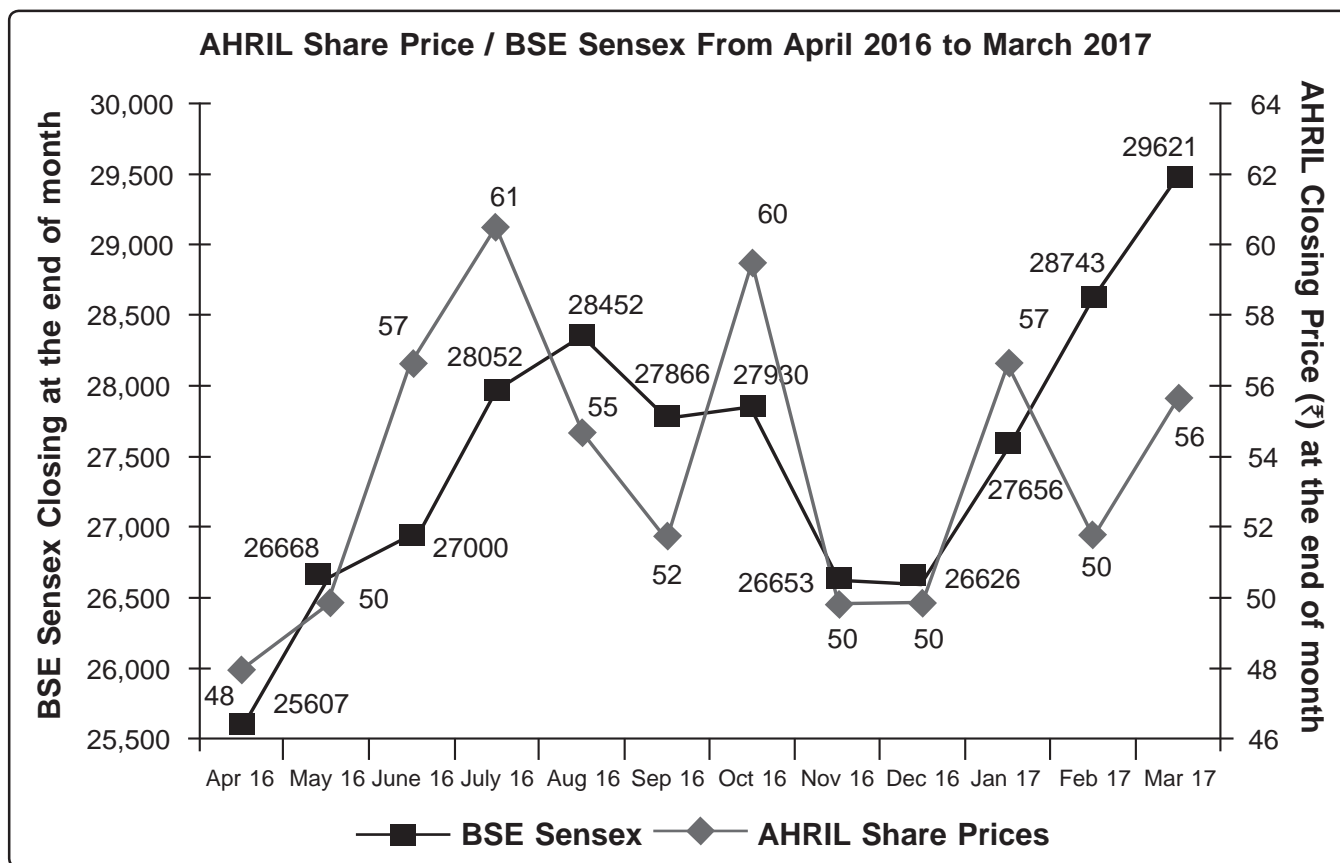
The Listing Fees for the financial year 2017-18 has been paid to National Stock Exchange of India Ltd, and the BSE Ltd.

### 23. Market Price Data:

The high and low Market Price of the Company's shares traded on the BSE Limited and National Stock Exchange, during each month in the financial year 2016-17 are given below:

Month	High (₹)	Low (₹)	Close (₹)	Month	High (₹)	Low (₹)	Close (₹)
BSE				NSE			
April'16	50.00	47.00	48.10	April'16	54.00	45.30	48.35
May'16	61.00	47.10	50.15	May'16	61.00	47.05	50.00
June'16	66.00	50.00	57.00	June'16	65.50	50.00	56.85
July'16	64.00	51.05	60.80	July'16	67.85	50.00	60.25
August'16	60.05	52.10	55.00	August'16	61.30	52.65	53.10
September'16	61.50	52.00	52.00	September'16	58.75	49.35	51.65
October'16	64.00	51.50	59.60	October'16	59.95	52.35	59.05
November'16	66.20	47.50	50.00	November'16	66.20	47.25	49.65
December'16	53.00	47.10	50.35	December'16	51.90	48.15	51.90
January'17	63.05	50.05	56.50	January'17	63.05	49.75	56.15
February'17	58.95	51.55	52.00	February'17	60.50	51.00	52.00
March'17	63.15	51.00	56.05	March'17	62.50	51.00	56.85

## 24. Performance of Company's share price in comparison to BSE Sensex:



## 25. Registrar and Share Transfer Agent:

### Datamatics Financial Services Limited

[Unit: Advani Hotels & Resorts (India) Limited]

Plot No. B-5, Part B, Cross Lane,

MIDC Marol, Andheri (East), Mumbai-400 093

Telephone No.: (022) 6671 2237, Fax No.: (022) 6671 2230

Contact Person: Mr. Anand Bhilare / Mr. Pradeep Mokhale

## 26. Share Transfer System

Out of the total Equity Share Capital, 96.94% is held in dematerialized form as on March 31, 2017. Transfers of these shares are done through the depositories with no involvement of the Company. The Share Transfer Committee constituted by the Board considers and approves all shares related issues like transfer, transmission, issue of duplicate shares, dematerialization, etc. The Share transfer formalities are complying with by the Company within the time prescribed by the Company Law. All the Share Certificates are returned within 15 days from the date of lodgment for Share transfer provided the transfer instruments are valid and complete in all respects.



## ADVANI HOTELS & RESORTS (INDIA) LIMITED

### 27. Distribution of Shareholding as on March 31, 2017:

Range (No. of Shares)	No. of Shareholders	% to Total	No. of Shares	% To Total
1 to 500	3510	72.93	984,599	2.13
501 to 1000	670	13.92	619,795	1.34
1001 to 2000	275	5.71	437,471	0.95
2001 to 3000	165	3.43	420,651	0.91
3001 to 4000	32	0.67	117,380	0.25
4001 to 5000	52	1.08	252,729	0.55
5001 to 10000	52	1.08	390,948	0.85
10001 & above	57	1.18	42,995,677	93.03
<b>Total</b>	<b>4813</b>	<b>100.00</b>	<b>46,219,250</b>	<b>100.00</b>

### 28. Category of Shareholding as on March 31, 2017:

Category	No. of Shares	% to Total
Promoters & Promoter Group	23,187,102	50.17
Mutual Funds	56,000	0.12
Bank / FIs / Insurance Companies	2,500	0.01
Foreign Institutional Investors	0	0
Bodies Corporate	17,108,987	37.02
General Public	5,314,527	11.50
NRIs / Foreign Bodies	550,134	1.18
<b>Total</b>	<b>46,219,250</b>	<b>100.00</b>

### 29. Demat of shares and liquidity:

The Company's shares are compulsory traded in the dematerialized form on BSE & NSE under the ISIN INE199C01026. Out of the total Equity Share Capital, 96.94% is held in dematerialized form as on March 31, 2017.

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2017, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

### 30. Location of Hotel:

#### Caravela Beach Resort

Varca Beach, Varca Village, Salcette, Goa 403 721

Telephone No: (0832) 6695000

### 31. Other Information:

#### (a) Electronic Clearing Service (ECS):

SEBI had vide its Circular No. DCC/FITTCIR-3/2001 dated October 15, 2001 advised that all Companies should mandatory use ECS facility wherever available. In the absence of ECS facility, companies may use warrants for distributing the dividends and vide its Circular No. D&CC/FITTCIR-04/2001 dated November 13, 2001 had advised companies to mandatorily print the Bank Account details furnished by the Depositories, on the dividend warrants. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. However, members who wish to receive dividend in an account other than the one specified while opening the

Depository Account, may notify their DPs about any change in the Bank Account details.

**(b) Nomination Facility:**

Shareholders holding Shares in Physical Form and desirous of making a Nomination in respect of their Shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 are requested to submit to the Company in the prescribed Form 2B for this purpose.

**(c) Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund ("IEPF"):**

Pursuant to Section 124(6) of the Companies Act, 2013 and other applicable provisions, if any, of the Act, all unclaimed / unpaid dividend, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, in relation to the Company, have been transferred to the IEPF established by the Central Government. In respect of the transfers made after coming into effect of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shareholders will be entitled to claim the dividend transferred from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.

Members who have not yet en-cashed their dividend warrant(s) pertaining to the final dividend for the financial year 2009-10 and onwards are requested to make their claims without any delay to M/s Datamatics Financial Services Limited.

The following are the details of the unclaimed dividends as on March 31, 2017 and respective due dates for claim by the Shareholders:

Financial Year	Date of Declaration of Dividend	Last Date for claim
2009 – 10 (Final)	15-12-2010	19-01-2018
2010 – 11 (Final)	05-08-2011	09-09-2018
2011 – 12 (Interim)	15-05-2012	21-06-2019
2012 – 13 (Interim)	08-02-2013	15-03-2020
2013 – 14 (Interim)	19-05-2014	23-06-2021
2014 --15 (Interim)	10-02-2015	17-03-2022
2014 --15 (Final)	16-09-2015	21-10-2022
2015 -- 16 (Interim)	10-02-2016	18-03-2023
2016-17 (1st Interim)	28-07-2016	02-09-2023
2016-17 (2nd Interim)	27-01-2017	03-03-2024

## ADVANI HOTELS & RESORTS (INDIA) LIMITED

To,  
The Board of Directors  
**ADVANI HOTELS AND RESORTS (INDIA) LIMITED**

We, the undersigned, in our respective capacities as Chairman and Managing Director and Chief Financial Officer of ADVANI HOTELS AND RESORTS (INDIA) LIMITED ("the Company"), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2017 and based on our knowledge and belief, we state that:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - (i) significant changes, if any, in the internal control over financial reporting during the year;
  - (ii) significant changes, if any, in the accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Mumbai  
Date: May 23, 2017

**SUNDER G. ADVANI**  
Chairman & Managing Director

**SHANKAR KULKARNI**  
Chief Financial Officer

## CODE OF CONDUCT:

The Board of Directors of the Company has laid a code of conduct for the Directors and senior management. The Code of Conduct is posted on the Company's website. All Directors and designated personnel in the senior management have affirmed compliance with the code for the year under review.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 23, 2017

**SUNDER G. ADVANI**  
Chairman & Managing Director

**SHANKAR KULKARNI**  
Chief Financial Officer

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN REGULATION 34 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015 READ WITH SCHEDULE VI THERETO BY THE COMPANY FOR YEAR ENDED 31ST MARCH, 2017**

To the shareholders of Advani Hotels & Resorts (India) Limited

We have examined the compliance of conditions of Corporate Governance by Advani Hotels & Resorts (India) Limited, for the year ended 31st March, 2017 as stipulated in Regulation 34 (3) of the SEBI (Listing Obligations And Disclosures Requirements) Regulations, 2015 read with Schedule VI thereto by the Company for year ended 31st March, 2017

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of corporate governance as stipulated in the above-mentioned Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **J.G.VERMA & CO.**  
*Chartered Accountants*  
(Registration No. 111381W)

**J.G.VERMA**  
*Partner*  
Membership No. 5005

Place: Mumbai  
Date: August 14, 2017

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADVANI HOTELS & RESORTS (INDIA) LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of ADVANI HOTELS & RESORTS INDIA LIMITED, ("the Company") which comprise of Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under the Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. 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; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's 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 financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.



### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report, are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standard) Amendment Rules, 2016.
  - (e) On the basis of written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) Our report on adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls is given in Annexure "B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 (m) to the financial statements.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - (iv) The Company has provided requisite disclosures in the financial statements as to the holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and the same are in accordance with the books of accounts maintained by the Company. Refer Note 17.2 to the financial statements.

For **J.G.VERMA & CO.**  
 Chartered Accountants  
 (Registration No.111381W)

Place: Mumbai  
 Mumbai: 23rd May, 2017

**J.G.VERMA**  
 Partner  
 Membership No. 5005

## ADVANI HOTELS & RESORTS (INDIA) LIMITED

### ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

The Annexure referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ in our report of even date to the members of ADVANI HOTELS & RESORTS (INDIA) LIMITED for the year ended 31st March, 2017. We report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the management in accordance with a phased programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. No material discrepancies between the books records and physical inventory have been noticed.
- (c) According to the records of the Company examined by us and the information and explanations given to us the title deeds of immovable properties are held in the name of the company.
- 2 In our opinion, physical verification of inventories has been conducted by the management at reasonable intervals. The discrepancies noticed on such verification by the management have been properly dealt with in the books of account.
- 3 The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register maintained under section 189 of the Act, hence clause 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable to the Company.
- 4 The Company has not given any loans, or made investments or issued any guarantee or provided any security covered under section 185 and 186 of the Act, hence clause 3 (iv) of the Order is not applicable to the Company.
- 5 The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and the rules framed there under. We are informed that the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court has not passed any Order.
- 6 The maintenance of cost records has not been prescribed for any of the activities of the of the Company under sub-section (1) of section 148 of the Act.
- 7 (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no arrears of undisputed amounts payable in respect of above statutory dues which were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no cases of non-deposit with appropriate authorities of disputed dues of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax or cess except the following:

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income-tax on completion of regular assessment	89.13	Asst Year 2012-13	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax on assessment of TDS (after rectification)	2.57	Asst Years 2005-06 to 2008-09	Commissioner of Income-tax (Appeals)
Customs Act, 1962	Differential duty on equipment imported under EPCG Scheme and Penalty	42.60 49.60 Plus Interest	2000	Customs, Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service tax	32.63 Plus Interest	2011 to 2015	Customs, Excise and Service Tax Appellate Tribunal

8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings dues to banks. The Company has not taken any loan from any financial institution or from government and by way of issue of debentures.
9. In our opinion on an overall basis and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
10. During the course of our examination of the books of account and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company or any fraud on the Company by its officers and employees was noticed or reported during the year, nor have we been informed of any such instance by the management.
11. According to the records of the Company examined by us and the information and explanations given to us managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company hence our comments as required under clause 3 (xii) of the Order are not given.
13. In our opinion and according to the records of the Company examined by us and the information and explanations given to us, the transactions entered into by the Company during the year with related parties are in compliance with the provisions of Section 177 and 188 of the Act, where applicable and the details thereof have been disclosed in the Financial Statements, etc. as required by the applicable accounting standards.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3 (xiv) of the Order is not applicable to the Company.
15. According to the records of the Company examined by us and the information and explanations given to us, the Company has not entered into any non-cash transactions referred to in section 192 of the Act with directors of the Company or persons connected with them during the year.
16. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **J.G.VERMA & CO.**  
Chartered Accountants  
(Registration No.111381W)

Place: Mumbai  
Mumbai: 23rd May, 2017

**J.G.VERMA**  
Partner  
Membership No. 5005

### ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

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

The Annexure referred to in paragraph 2 (f) under “Report on Other Legal and Regulatory Requirements” in our report of even date to the members of ADVANI HOTELS & RESORTS INDIA LIMITED for the year ended 31st March, 2017. We report that:

We have audited the internal financial controls over financial reporting of Advani Hotels & Resorts (India) Limited (“the Company”) as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company’s management is 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. 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 Act.

#### **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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 judgement, 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 expenditure 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 31st March, 2017, 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.

For **J.G.VERMA & CO.**  
Chartered Accountants  
(Registration No.111381W)

Place: Mumbai  
Mumbai: 23rd May, 2017

**J.G.VERMA**  
Partner  
Membership No. 5005



# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2017

	Note	As at 31st March 2017 ₹	As at 31st March 2016 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	3	92,438,500	92,438,500
Reserves and Surplus	4	339,333,367	284,853,493
		<b>431,771,867</b>	<b>377,291,993</b>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	5	1,865,798	33,616,724
Deferred Tax Liabilities (Net)	6	63,810,608	59,477,304
Long Term Provisions	7	6,353,496	5,108,472
		<b>72,029,902</b>	<b>98,202,500</b>
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	8	500,122	12,857,726
Trade Payables	9	30,272,389	22,989,289
Other Current Liabilities	10	70,774,574	110,193,339
Short Term Provisions	11	5,208,521	3,856,331
		<b>106,755,606</b>	<b>149,896,685</b>
<b>Total</b>		<b>610,557,375</b>	<b>625,391,178</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets:	12		
Tangible Assets		502,237,703	529,285,192
Intangible Assets		690,126	950,617
Capital Work-In-Progress		6,065,816	6,065,816
		<b>508,993,645</b>	<b>536,301,625</b>
Long Term Loans and Advances	13	11,243,964	12,169,093
Other Non Current Assets	14	1,544,704	1,435,716
		<b>521,782,313</b>	<b>549,906,434</b>
<b>CURRENT ASSETS</b>			
Inventories	15	14,161,495	13,914,296
Trade Receivables	16	27,913,930	42,030,710
Cash and Bank Balances	17	32,128,569	7,779,111
Short Term Loans and Advances	18	14,571,068	11,760,627
		<b>88,775,062</b>	<b>75,484,744</b>
<b>Total</b>		<b>610,557,375</b>	<b>625,391,178</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>	1 to 39		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **J. G. Verma & Co.**

Chartered Accountants  
(FRN 111381W)

**J. G. Verma**

Partner  
(Membership No. 5005)

Mumbai: May 23, 2017

For and on behalf of the Board of Directors

**Sunder G. Advani**  
Chairman & Managing Director  
(DIN 00001365)

**Haresh G. Advani**  
Executive Director  
(DIN 00001358)

**Nilesh Jain**  
Company Secretary

**Shankar Kulkarni**  
Vice President - Finance (CFO)

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

	Note	2016-17 ₹	2015-16 ₹
<b>REVENUE</b>			
Revenue from Operations	19	596,397,775	531,029,181
Other Income	20	12,015,776	9,164,368
<b>Total Revenue</b>		<b>608,413,551</b>	<b>540,193,549</b>
<b>EXPENSES</b>			
Cost of Food, Wine and Liquor Consumed	21	48,683,736	42,107,645
Employee Benefits Expense	22	173,207,620	167,373,235
Finance Costs	23	3,210,327	10,370,095
Depreciation and Amortisation Expense	12	36,912,603	40,542,682
Other Expenses	24	202,818,381	186,022,008
<b>Total Expenses</b>		<b>464,832,667</b>	<b>446,415,665</b>
<b>Profit before Exceptional and Extra-Ordinary Items and Tax</b>		<b>143,580,884</b>	<b>93,777,884</b>
Tax Expense:			
(1) Current Tax		(50,000,000)	(29,400,000)
(2) Deferred Tax		(4,333,304)	(679,777)
(3) Tax for earlier years (net)		(1,390,684)	333,414
		<b>(55,723,988)</b>	<b>(29,746,363)</b>
<b>Profit after tax for the year</b>		<b>87,856,896</b>	<b>64,031,521</b>
Earnings per Equity Share of face value of ₹ 2 each	34		
(1) Basic		1.90	1.39
(2) Diluted		1.90	1.39
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>	1 to 39		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For J. G. Verma & Co.**

Chartered Accountants

(FRN 111381W)

**Sunder G. Advani**

Chairman & Managing Director

(DIN 00001365)

For and on behalf of the Board of Directors

**Haresh G. Advani**

Executive Director

(DIN 00001358)

**J. G. Verma**

Partner

(Membership No. 5005)

**Nilesh Jain**

Company Secretary

**Shankar Kulkarni**

Vice President - Finance (CFO)

Mumbai: May 23, 2017

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	Year ended 31st March 2017 ₹	Year ended 31st March 2016 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before tax and adjustments	143,580,884	93,777,884
<b>Adjustments for:-</b>		
Depreciation and Amortisation	36,912,603	40,542,682
(Profit) / Loss on sale of assets (net)	(18,180)	367,444
Provision for doubtful debts / (written back) (net)	18,664	(68,982)
Provision for employee benefits	1,432,927	4,506,340
Interest / Dividend Income	(1,495,672)	(764,557)
Interest expenditure	3,210,327	10,370,095
<b>Operating profit before working capital changes:</b>	183,641,553	148,730,906
<b>Adjustments for:-</b>		
Trade and other receivables	14,098,116	(21,253,410)
Inventories	(247,199)	5,245,792
Decrease/(Increase) in Loans, Advances, Deposits & other bank balances (*)	(2,840,541)	1,801,360
Trade payables & Others (*)	(4,342,028)	24,024,614
<b>Cash generated from operations:</b>	190,309,901	158,549,262
Direct Taxes paid (Net of refund received)	(50,197,846)	(34,133,219)
<b>Net cash from Operating Activities:</b>	140,112,055	124,416,043
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets (including Capital Work-in-progress)	(9,227,830)	(10,887,646)
Sale of Fixed Assets	48,375	4,445
Current Investment in Mutual Fund	(202,000,000)	(148,500,000)
Redemption of Current Investment in Mutual Fund	202,000,000	148,500,000
Interest Income and Dividend	1,495,672	764,557
<b>Net Cash from / (used in) Investing Activities</b>	(7,683,783)	(10,118,644)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
<b>Proceeds from Borrowings:</b>		
Long Terms Borrowings	-	27,270,453
Short Term Borrowings	500,122	11,831,317
<b>Repayment of :</b>		
Long term Borrowings	(60,242,356)	(109,777,261)
Short Term Borrowings	(12,857,726)	-
Interest Paid	(3,512,908)	(10,537,486)
Dividends paid including Dividend Tax and payment to Investors Protection Fund	(32,783,636)	(33,417,221)
<b>Net Cash (used in) / from Financing Activities</b>	(108,896,504)	(114,630,198)
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	23,531,768	(332,799)
<b>CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	2,956,240	9,547,626
(Opening Balance) (Refer Note below)		
	26,488,008	9,214,827
(*) Less: balance in other bank accounts including margin deposits / dividend bank accounts considered under Loans and Advances. (Refer note below).	-	6,258,587
<b>CASH &amp; CASH EQUIVALENTS AT THE CLOSING OF THE YEAR</b>	26,488,008	2,956,240

Note: Cash & Cash Equivalents at the beginning of the year included Other Bank Balances of ₹ 6,258,587/- in the previous year, which have been appropriately regrouped in the current year and included in cash flow from operating activities.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **J. G. Verma & Co.**  
Chartered Accountants  
(FRN 111381W)

**J. G. Verma**  
Partner  
(Membership No. 5005)

Mumbai: May 23, 2017

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**Sunder G. Advani**  
Chairman & Managing Director  
(DIN 00001365)

**Nilesh Jain**  
Company Secretary

For and on behalf of the Board of Directors

**Haresh G. Advani**  
Executive Director  
(DIN 00001358)

**Shankar Kulkarni**  
Vice President - Finance (CFO)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 1 Corporate Information:

Advani Hotels & Resorts (India) Limited is a Public Limited Company, which was incorporated on March 13, 1987 in the name of Ramada Hotels (India) Limited. The name of the Company was changed from Ramada Hotels (India) Limited to Advani Hotels & Resorts (India) Limited in 1999. The shares of the Company are listed on Bombay Stock Exchange, National Stock Exchange and Delhi Stock Exchange. The Company is primarily engaged in the Hotel Business through its "Ramada Caravela Beach Resort" (name changed to "Caravela Beach Resort" on expiry of Franchise Agreement with Wyndham Hotel Asia Pacific Co. Limited from the close of January 31, 2017), a five star Deluxe Resort situated in South Goa.

### 2 Significant Accounting Policies:

#### 2.1 Basis for Preparation of Financial Statements:

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with accounting principles accepted in India ("Indian GAAP") and are in compliance with Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014.

#### 2.2 Use of Estimates:

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with accounting principles accepted in India ("Indian GAAP") and are in compliance with Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014.

#### 2.2 Use of Estimates:

The preparation of the financial statements in conformity with the Indian GAAP requires Company management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities as of the date of the financial statements. Actual results could differ from these estimates and assumptions. Any revision to accounting estimates is recognised prospectively in the current and future periods.

#### 2.3 Revenue Recognition:

The Company derives revenues primarily from hospitality services. Revenue on time and material contracts are recognized as the related services are performed. Revenue yet to be billed is recognized as unbilled revenue. Sales and services are stated exclusive of taxes.

Export Benefits arising out of Duty Free Scrips utilised for the acquisition of fixed assets are being adjusted against the cost of the related fixed assets.

#### 2.4 Fixed Assets:

Fixed Assets are stated at cost less depreciation. In the case of new projects successfully implemented, substantial expansion of existing units and expenditure resulting into enduring benefit, all pre-operative expenses including interest on borrowings for the project, incurred up to the date of installation are capitalized and added pro-rata to the cost of fixed assets.

#### 2.5 Depreciation:

- (i) Depreciation is provided on the items of tangible fixed assets in the accounts on straight-line method based on the useful lives of those assets prescribed in Schedule II to the Companies Act, 2013 after considering the residual value not exceeding 5% of the cost except in respect of miscellaneous items of plant and machinery costing ₹ 5,000/- or less, for which the Company estimates the useful life as one year and the cost is fully depreciated in the year of acquisition. Cost of intangible assets is amortized in accordance with the provisions of Accounting Standard 26 - "Intangible Assets".
- (ii) Where the historical cost of a depreciable asset undergoes a change due to increase or decrease in account of price adjustments, changes in duties or similar factors, depreciation on the revised amount is provided prospectively over the residual useful life of the asset.

#### 2.6 Impairment:

In accordance with Accounting Standard 28 – Impairment of Assets, the carrying amount of the Company's assets including intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated, as the higher of the net selling price and the value in use. Any impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 2.7 Investments:

Long Term Investments are valued at cost. Provision for diminution in value is made, if in the opinion of the management, such a decline is considered permanent. Other Investments are valued at cost or market value whichever is lower.

### 2.8 Inventories:

Stock of food, beverages, operating supplies and stores are carried at cost (computed on weighted average basis) or net realizable value, whichever is lower.

### 2.9 Employee Benefits:

Company's contributions to Provident Fund are charged to Statement of Profit and Loss. Gratuity payable at the time of retirement are charged to Statement of Profit and Loss on the basis of independent external actuarial valuation determined on the basis of the projected unit credit method carried out annually. Actuarial gains and losses are immediately recognized in the Statement of Profit and Loss. Gratuity in certain applicable cases is provided for in accordance with the provisions of the Goa Shops & Establishment Act, 1973. Provision for compensated absences is made on the basis of independent external actuarial valuation carried out at the end of the year.

### 2.10 Foreign Currency Transactions:

- (i) Sales made in foreign currency are converted at the prevailing applicable exchange rate on the date of the transaction.
- (ii) Payment made in foreign currency including for acquiring fixed assets are converted at the applicable rate prevailing on the date of remittance. Liability on account of foreign currency is converted at the exchange rate prevailing at the end of the year except in cases of subsequent payments where liability is provided at actual. Foreign currency in hand is translated at the year-end exchange rate.
- (iii) Monetary assets and liabilities denominated in foreign currency at the balance sheet date other than long term foreign currency items of assets and liabilities having a term of twelve months or more as discussed herein below, are translated at the year end exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss. Exchange differences relating to long term foreign currency items of assets and liabilities having a term of twelve months or more as covered in the Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard 11 (AS-11) notified by Government of India on March 31, 2009 and read with subsequent amendments, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the assets and depreciated over the balance useful life of the asset, and in other cases are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long term monetary item in accordance with the aforesaid Notification.

### 2.11 Prior Period Adjustments, Extra Ordinary items and Changes in Accounting Policies:

Prior period adjustments, extraordinary items and changes in accounting policies having material impact on the financial affairs of the Company are disclosed.

### 2.12 Leases:

Lease payment under an operating lease is recognised as an expense in the Statement of Profit and Loss with reference to the lease terms and other consideration.

Assets taken on a finance lease are capitalized and finance charges are charged to the Statement of Profit and Loss on an accrual basis.

### 2.13 Borrowing Costs:

Borrowing costs that are directly attributable to and incurred on acquiring qualifying assets (assets that necessarily take a substantial period of time for its intended use) are capitalized. Other borrowing costs are recognised as expenses in the period in which the same are incurred.

### 2.14 Segment Accounting:

Reportable Segments are identified having regard to the dominant source of revenue and nature of risks and returns.

### 2.15 Taxes on Income:

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted as on the Balance Sheet date. Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 2.16 Accounting Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized in terms of Accounting Standards 29 – "Provisions, Contingent Liabilities and Contingent Assets", when there is a present legal or statutory obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence of one or more uncertain future events not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow or resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

### 3 SHARE CAPITAL:

	As at 31st March 2017 ₹	As at 31st March 2016 ₹
<b>Authorized:</b>		
99,750,000 Equity Shares of ₹ 2 each	199,500,000	199,500,000
5,050,000 Preference Shares of ₹ 10 each	50,500,000	50,500,000
<b>Total</b>	<b>250,000,000</b>	<b>250,000,000</b>
<b>Issued, Subscribed and Paid up:</b>		
46,219,250 Equity Shares of ₹ 2 each, fully paid up	92,438,500	92,438,500
<b>Total</b>	<b>92,438,500</b>	<b>92,438,500</b>

3.1. The Company has issued one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder is entitled to one vote per share.

3.2. The Company declares and pays dividends in Indian Rupees. The payment of interim dividend is approved by the Board of Directors and ratified by the Shareholders. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

3.3. Reconciliation of the number of shares outstanding:

Particulars	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Number of Equity Shares at the beginning	46,219,250	46,219,250
Add: Less: Movement during the year	Nil	Nil
<b>Number of Equity Shares at the end</b>	<b>46,219,250</b>	<b>46,219,250</b>

3.4. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholder.

3.5. Particulars of shareholders holding more than 5% shares:	As at 31st March 2017		As at 31st March 2016	
Name of the Shareholder	Number of shares	% held	Number of shares	% held
Advani Sunder Gurdas	9,425,893	20.39%	9,425,893	20.39%
Advani Haresh Gurdas	5,330,139	11.53%	5,330,139	11.53%
Delta Corp Limited	16,385,315	35.45%	16,441,432	35.57%

3.6. No shares of the Company have been reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

3.7. The Company has not issued any security which is convertible into equity / preference shares.

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 4 RESERVES AND SURPLUS:

	As at 31st March 2017 ₹	As at 31st March 2016 ₹
<b>Capital Reserve:</b>		
As per Last Accounts	84,855,283	84,855,283
<b>Securities Premium Account:</b>		
As per Last Accounts	47,089,900	47,089,900
<b>Capital Redemption Reserve:</b>		
As per Last Accounts	10,000,000	10,000,000
<b>General Reserve:</b>		
As per Last Accounts	29,600,000	25,600,000
Add: Transfer from Surplus in Statement of Profit and Loss	5,400,000	4,000,000
	35,000,000	29,600,000
<b>Surplus in the Statement of Profit and Loss:</b>		
As per Last Accounts	113,308,310	79,978,408
Add: Net Profit after Tax transferred from Statement of Profit and Loss	87,856,896	64,031,521
Amount available for appropriation:	201,165,206	144,009,929
Appropriations:		
First Interim Dividend @ 10% (Previous year 24%)	(9,243,850)	(22,185,240)
Tax on first Interim Dividend	(1,881,824)	(4,516,379)
Second Interim Dividend @ 20% (Previous year Nil)	(18,487,700)	-
Tax on second Interim Dividend	(3,763,648)	-
Transfer to General Reserve	(5,400,000)	(4,000,000)
	(38,777,022)	(30,701,619)
	162,388,184	113,308,310
<b>Total</b>	<b>339,333,367</b>	<b>284,853,493</b>

### 5 LONG TERM BORROWINGS

Particulars	As at 31st March 2017 ₹	As at 31st March 2016 ₹	As at 31st March 2017 ₹	As at 31st March 2016 ₹
<b>Secured:</b>	<b>Non-current Portion</b>		<b>Current Maturities</b>	
<b>From Banks</b>				
Rupee Term Loans (Note 5.1)	-	27,742,815	-	27,500,000
<b>From Banks and Others</b>				
Vehicle Loans (Note 5.4)	1,865,798	5,873,909	2,931,583	3,516,025
<b>Total</b>	<b>1,865,798</b>	<b>33,616,724</b>	<b>2,931,583</b>	<b>31,016,025</b>

#### 5.1. Nature of Securities:

Term Loans were secured by a mortgage by deposit of title deeds of immovable properties of the Company situated at Village Varca, Salcette, Goa, a first charge by way of hypothecation of all the movables (except book debts and inventories) including machinery, spares, tools and accessories, present and future and certain collateral securities. **All the loans have been fully repaid during the year.**

#### 5.2. Particulars of Term Loans from Banks-Secured-Guaranteed:

Particulars	As at 31st March 2017 ₹	As at 31st March 2016 ₹
(i) By Directors	-	32,181,666
(ii) By Others	-	-
<b>Total</b>	<b>-</b>	<b>32,181,666</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

## 5.3. Particulars of terms of repayment of loans:

Particulars	Rate of Interest (Year end, Per annum)	Repayable in	Amount outstanding as at	
			31st March 2017 ₹	31st March 2016 ₹
Bank of Baroda (Limit ₹ 5.50 Crores)	12.25%	Repaid	-	23,061,149
Bank of India (Limit ₹ 3.76 Crores) FCNR(B) Loan	600 bps over LIBOR	Repaid	-	32,181,666
<b>Total</b>			<b>-</b>	<b>55,242,815</b>

5.4. Vehicle loans are secured by hypothecation of the respective vehicles.

## 6 DEFERRED TAX LIABILITY (NET):

	As at 31st March 2017 ₹	As at 31st March 2016 ₹
<b>Deferred Tax Liability:</b>		
Difference between the written down value of assets under the Companies Act and the Income Tax Act	67,294,172	63,684,561
Other Deferred Tax Liability	140,851	-
	<b>67,435,023</b>	<b>63,684,561</b>
<b>Deferred Tax Assets:</b>		
Expenses allowable for tax purpose on payment basis	3,617,955	4,207,257
Provision for doubtful debts	6,460	-
	<b>3,624,415</b>	<b>4,207,257</b>
<b>Deferred Tax Liability-net</b>	<b>63,810,608</b>	<b>59,477,304</b>
Deferred tax Charge / (Credit) for the year	<b>4,333,304</b>	<b>679,777</b>

## 7 LONG TERM PROVISIONS:

	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Provision for employee benefits (Refer Note 31)	6,353,496	5,108,472
<b>Total</b>	<b>6,353,496</b>	<b>5,108,472</b>

## 8 SHORT TERM BORROWINGS:

	As at 31st March 2017 ₹	As at 31st March 2016 ₹
<b>Secured:</b>		
Cash Credits		
Bank of Baroda (Refer Note 8.1)	-	11,633,312
Bank of India (Refer Note 8.1)	-	1,224,414
Axis Bank (Refer Note 8.2)	500,122	-
<b>Total</b>	<b>500,122</b>	<b>12,857,726</b>

8.1. Cash Credits from Bank of Baroda and Bank of India were secured by hypothecation of Company's inventories of stocks, stores and provisions, goods in transit and other moveable items and book debts. Cash Credits from them have been fully repaid during the year and the Company has requested the said banks to close the said facilities.

## ADVANI HOTELS & RESORTS (INDIA) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

8.2. Working Capital facilities including Cash Credit limit from Axis Bank are secured by exclusive first hypothecation charge on the current assets, present and future and further secured by collateral security by extension of exclusive first charge on entire movable fixed assets, present and future, (excluding vehicles) and first charge by way of a mortgage on the hotel property at Varca, Goa.

#### 9 TRADE PAYABLES:

	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Due to Micro and small enterprises (Refer Note 9.1)	78,725	48,923
Due to Trade Payables other than above	30,193,664	22,940,366
<b>Total</b>	<b>30,272,389</b>	<b>22,989,289</b>

#### 9.1 Details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company:

Particulars	As at 31st March 2017 ₹	As at 31st March 2016 ₹
(i) Principal amount due and remaining unpaid at the year end	78,725	48,923
(ii) Interest due on above and the unpaid interest at the year end	408	-
(iii) Interest paid	-	-
(iv) Payment made beyond the appointed day during the year	147,107	-
(v) Interest due and payable for the period of delay	408	-
(vi) Interest accrued and remaining unpaid	408	-
(vii) Amount of further interest remaining due and payable in succeeding years	-	-

#### 10 OTHER CURRENT LIABILITIES:

	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Current maturities of long term borrowings (Refer Note 5)	2,931,583	31,016,025
Interest accrued and due	-	302,581
Security Deposits	2,186,000	2,186,000
Unpaid dividend	2,109,076	1,515,690
Staff related dues	21,344,323	19,258,042
Statutory dues	8,577,950	7,330,280
Advances received from customers	24,724,201	39,848,171
Creditors for Capital Expenditure	1,062,694	885,242
Other payables	7,838,747	7,851,308
<b>Total</b>	<b>70,774,574</b>	<b>110,193,339</b>

#### 11 SHORT TERM PROVISIONS:

	31st March 2017 ₹	31st March 2016 ₹
Provision for employee benefits (Refer Note 31)	1,996,475	1,808,572
Provision for Income tax for the current year (net of taxes paid)	3,212,046	2,047,759
<b>Total</b>	<b>5,208,521</b>	<b>3,856,331</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**12 FIXED ASSETS:**

	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	As at 1.4.2016	Additions (Note 12.2)	Deductions	As at 31.3.2017	Upto 31.3.2016	For the year	Less: Sales/ (Adjustments)	As at 31.3.2017
	₹	₹	₹	₹	₹	₹	₹	₹
<b>I Tangible:</b>								
Land (Freehold) (including landscaping)	27,508,226	-	-	<b>27,508,226</b>	-	-	-	<b>27,508,226</b>
Buildings	525,621,341	391,115	5,738	<b>526,006,718</b>	169,937,598	11,797,329	5,738	<b>181,729,189</b>
Plant and Equipment	183,072,392	4,333,879	56,923	<b>187,349,348</b>	93,572,606	10,124,082	40,032	<b>103,656,656</b>
Furniture and Fixtures	140,761,711	930,578	157,761	<b>141,534,528</b>	105,274,936	8,904,143	157,761	<b>114,021,318</b>
Office Equipment and Computers	13,285,440	2,570,100	11,822	<b>15,843,718</b>	10,581,800	1,111,664	11,822	<b>11,681,642</b>
Vehicles and Motor Boats	32,577,708	1,359,646	913,854	<b>33,023,500</b>	14,174,686	4,665,394	900,550	<b>17,939,530</b>
	922,826,818	9,585,318	1,146,098	<b>931,266,038</b>	393,541,626	36,602,612	1,115,903	<b>429,028,335</b>
<b>II Intangible:</b>								
Computer Software	3,074,126	49,500	-	<b>3,123,626</b>	2,241,140	291,011	-	<b>2,532,151</b>
Web-site Development Charges	261,411	-	-	<b>261,411</b>	143,780	18,980	-	<b>162,760</b>
	3,335,537	49,500	-	<b>3,385,037</b>	2,384,920	309,991	-	<b>2,694,911</b>
<b>TOTAL</b>	926,162,355	9,634,818	1,146,098	<b>934,651,075</b>	395,926,546	36,912,603	1,115,903	<b>431,723,246</b>
<b>PREVIOUS YEAR TOTAL</b>	918,605,114	12,672,194	5,114,953	<b>926,162,355</b>	360,126,928	40,542,682	4,743,064	<b>395,926,546</b>
<b>III Capital Work in Progress [See Note (12.1) below]</b>								<b>6,065,816</b>

**NOTES:**

12.1. Capital Work in Progress includes expenses of ₹ 6,065,816/- (Previous year ₹ 6,065,816/-) incurred on renovation/refurbishing of the hotel, pending completion of the work (pending allocation).

12.2. Additions to Fixed Assets include ₹ 406,989/- (Previous Year ₹ 3,329,526/-) being loss due to fluctuation in foreign currency rates (in relation to foreign currency loans) capitalised in accordance with Accounting Standard-11 Notification.



# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 13 LONG TERM LOANS AND ADVANCES: (Unsecured, considered good)

	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Capital Advances	9,298	393,008
Security Deposits including for telephones and electricity	2,242,926	1,984,926
Other Loans and Advances:		
Prepaid Expenses	1,164,632	1,935,500
Payment of income tax (net of provision for taxation)	7,827,108	7,855,659
<b>Total</b>	<b>11,243,964</b>	<b>12,169,093</b>

### 14 OTHER NON CURRENT ASSETS

	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Bank Balances with maturity of more than 12 months:		
Margin Money Deposits	1,544,704	1,435,716
<b>Total</b>	<b>1,544,704</b>	<b>1,435,716</b>

### 15 INVENTORIES: (Valued at lower of cost and net realizable value)

	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Operating supplies and stores	10,410,214	9,812,929
Food and beverages	3,751,281	4,101,367
<b>Total</b>	<b>14,161,495</b>	<b>1,3914,296</b>

### 16 TRADE RECEIVABLES: (Unsecured, considered good unless otherwise stated)

	As at 31st March 2017 ₹	As at 31st March 2016 ₹
A. Outstanding for six months from the date they are due for payment [₹ 18,664/- (Previous Year ₹ Nil) considered doubtful]	46,660	-
Less: Provision for doubtful debts	18,664	-
	27,996	-
B. Other receivables	27,885,934	42,030,710
<b>Total</b>	<b>27,913,930</b>	<b>42,030,710</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

## 17 CASH AND BANK BALANCES:

	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Cash and cash equivalents:		
Balances with banks on current accounts	25,661,500	2,031,141
Cash on hand (including cheques on hand)	826,508	925,099
	26,488,008	2,956,240
Other bank balances:		
On unpaid dividend account	2,109,076	1,515,690
Short Term Deposit (exceeding 3 months but not exceeding 12 months)	2,319,831	2,245,410
Margin money deposit (Refer Note 17.1)	1,211,654	1,061,771
	5,640,561	4,822,871
<b>Total</b>	<b>32,128,569</b>	<b>7,779,111</b>

17.1 Margin money Deposit of ₹ 2,497,487/- in the previous year included ₹ 1,435,716/- which were with a maturity period exceeding 12 months, now regrouped under Other Non Current Assets in Schedule 14

17.2 Disclosure of details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016:

Particulars	SBNs	Other denomination notes	Total
(i) Closing cash in hand as on 8th November, 2016	981,500	238,873	1,220,373
(ii) Add: Permitted receipts	-	5,184,182	5,184,182
(iii) Less: Permitted payments	-	2,153,056	2,153,056
(iv) Less: Amount deposited in Banks	981,500	1,800,000	2,781,500
(v) Closing cash in hand as on 30th December, 2016	-	1,469,999	1,469,999

18 SHORT TERM LOANS AND ADVANCES:  
(Unsecured, considered good)

	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Security and other deposits	2,310,702	2,273,408
Advances recoverable in cash or kind	5,294,765	1,673,468
Other Loans and Advances:		
Prepaid Expenses	5,471,681	5,758,602
Loans to Employees	398,868	412,798
Cenvat Credit available	1,090,012	1,630,363
Other receivables	5,040	11,988
<b>Total</b>	<b>14,571,068</b>	<b>11,760,627</b>

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 19 REVENUE FROM OPERATIONS:

	2016-2017 ₹	2015-2016 ₹
Room	379,070,770	338,530,327
Food	160,276,675	136,469,008
Wine, Liquor & Other Beverages	27,487,980	26,246,192
(including sale of cigarettes ₹ 546,344/- (Previous Year ₹ 661,845/-))		
	566,835,425	501,245,527
OTHER OPERATING REVENUES:		
Guest sight seeing and transportation	6,607,784	7,993,526
Health Club, SPA, Beauty Parlour and Swimming Pool	9,631,249	9,856,955
Others	13,323,317	11,933,173
	29,562,350	29,783,654
<b>Total</b>	<b>596,397,775</b>	<b>531,029,181</b>

### 20 OTHER INCOME:

	2016-2017 ₹	2015-2016 ₹
Interest earned on bank deposits and others	419,469	201,183
Dividend on current investments in mutual fund (tax-free) (Refer Note 20.1)	1,076,203	563,374
Profit on sale/disposal of fixed assets (net)	18,180	-
Foreign Exchange Fluctuation Gain (net)	1,909,986	1,378,484
Excess provision and liabilities not payable, written back	7,983,490	6,698,381
Other non-operating income (net of direct expenses)	608,448	322,946
<b>Total</b>	<b>12,015,776</b>	<b>9,164,368</b>

**20.1** The Company had made an investment of ₹ 186,000,000/- (Previous Year ₹ 143,000,000/-) in 185,377 units (Previous Year 142,537 units) of SBI Premier Liquid Fund (Daily Dividend) ; ₹ 4,000,000/- (Previous Year ₹ 5,500,000/-) in 3972 units (Previous Year 5472 units) of SBI Short Term Ultra Debt Fund (Daily Dividend); and ₹ 12,000,000/- (Previous Year Nil) in 11,666 units (Previous year Nil) in Baroda Pioneer Treasury Advantage Fund as current investments during the year, which were fully redeemed during the year itself.

### 21 COST OF FOOD, WINE, LIQUOR & OTHER BEVERAGES CONSUMED:

	2016-2017 ₹	2015-2016 ₹
Opening Stock	4,101,367	4,052,176
Add: Purchases	48,333,650	42,156,836
	52,435,017	46,209,012
Less: Closing Stock	3,751,281	4,101,367
<b>Total</b>	<b>48,683,736</b>	<b>42,107,645</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****22 EMPLOYEE BENEFITS EXPENSE:**

	2016-2017 ₹	2015-2016 ₹
Salaries, Wages and Bonus	149,530,085	141,567,159
Contribution to Provident and other Funds	6,542,836	5,437,491
Provision for employee benefits	1,432,927	4,506,340
Workmen and Staff Welfare Expenses	15,701,772	15,862,245
<b>Total</b>	<b>173,207,620</b>	<b>167,373,235</b>

**23 FINANCE COSTS:**

	2016-2017 ₹	2015-2016 ₹
Interest to banks on Long Term borrowings	2,619,578	10,005,430
Interest to banks on Short Term borrowings	32,488	68,104
Other borrowing costs	558,261	296,561
<b>Total</b>	<b>3,210,327</b>	<b>10,370,095</b>

**24 OTHER EXPENSES:**

	2016-2017 ₹	2015-2016 ₹
Power and Fuel	41,875,434	39,347,627
Rent	5,589,173	5,398,318
Licence, Rates and Taxes	1,695,404	1,733,344
Repairs to Buildings	16,458,975	12,550,343
Repairs to Machinery	7,941,126	9,535,116
Repairs to other fixed assets	10,763,371	8,290,357
Linen and Room Supplies	10,626,896	10,492,837
Other Supplies and expenses (Refer Note 24.1)	11,373,025	11,350,348
Guest Transportation	10,937,992	9,340,622
Water Charges	3,583,343	3,379,380
Printing and Stationery	1,744,562	1,813,061
Expenses on Communication	4,569,683	3,846,588
Travelling and Conveyance	13,794,041	10,495,277
Insurance	3,378,751	3,123,222
Advertisement, publicity and sales promotion	7,652,501	7,958,090
Royalty	9,215,090	9,975,057
Service Charges - Marketing and collections	10,857,644	10,951,275
Band and music	6,187,180	5,265,159
Directors Fees	1,857,241	1,853,439
Consultancy, Legal and professional charges (Refer Note 24.1)	16,290,858	11,670,577
<b>Carried Forward</b>	<b>196,392,290</b>	<b>178,370,037</b>

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	2016-2017 ₹	2015-2016 ₹
<b>Brought Forward</b>	<b>196,392,290</b>	178,370,037
Auditors' Remuneration (Refer Note 27)	<b>724,583</b>	716,869
Donations (Refer Note 24.2)	<b>430,000</b>	524,501
Bad debts and irrecoverable amounts written off	-	2,832,494
Provision for Doubtful debts	<b>18,664</b>	-
Loss on sale / discard of fixed assets (net)	-	367,444
Luxury tax, Sales Tax etc. (including assessment dues)	-	34,736
Expenditure on Corporate Social Responsibility	<b>1,244,990</b>	499,290
Miscellaneous Expenses	<b>4,007,854</b>	2,676,637
<b>Total</b>	<b>202,818,381</b>	186,022,008

**24.1** Other Supplies and Expenses of ₹ 11,373,025/- (Previous Year ₹ 11,350,348/-) include ₹ 1,021,068/- (Previous Year ₹ 1,065,619/-) and Consultancy, Legal and Professional charges of ₹ 16,290,858/- (Previous Year ₹ 11,670,577/-) include ₹ 1,412,168/- (Previous Year ₹ 975,629/-) in respect of Expenses incurred on Spa and Ayurveda Operating Charges respectively.

**24.2** Donations include political donations of ₹ 330,000/- (Previous Year ₹ Nil) and ₹ 100,000/- (Previous year ₹ Nil) to (1) Aam Aadmi Party; and (2) Maharashtrawadi Gomantak Party respectively.

## 25. COMMITMENTS:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 1,466,833/- (Previous Year ₹ 1,536,472/-) net of advances.

(b) Other Commitments:

In terms of Non-Compete Agreement dated May 30, 2008, the Company as seller of its Flight Catering Undertaking to a party, has agreed and given an undertaking not to compete with the catering business of the said party in Goa for a period of ten years from the aforesaid date of Agreement.

## 26. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

a) Claims against the Company not acknowledged as debts ₹ 10,443,239/- (Previous Year ₹ 8,445,679/-).

b) Pending Bank Guarantees:

Particulars	2016-17 ₹	2015-16 ₹
The bank guarantees includes bank guarantee of ₹ 2,922,000/- (Previous Year ₹ 2,922,000/-) given to Govt. of Goa as mentioned in item (c) below.	<b>8,807,484</b>	8,807,484

c) Demand of ₹ 3,652,000/- (Previous Year ₹ 3,652,000/-) for the period from 2008 to 2012 and interest thereon of ₹ 851,040/- (Previous Year ₹ 851,040/-) raised by the Goa Government vide letter dated April 4, 2012 for renewal of Amusement and Slot Machine Licence in respect of casino in the Company's hotel at Goa has been disputed by the Company as unreasonable, irrational, discriminatory and unfair. The Company has taken a legal opinion and an appeal has been filed for cancellation of the demand. Pending disposal of appeal by the Court, no provision has been made for the said demand. The Company has provided a bank guarantee of ₹ 2,922,000/- (Previous year ₹ 2,922,000/-) to the Government against the above liability.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

- d) The Department of Home, Goa issued demand letter dated July 10, 2014 and September 8, 2014 requiring the Company to pay ₹ 22,380,246/- (Previous year ₹ 22,380,246/-) towards annual recurring fee in respect of Goa Nugget based on High Court order in the case of another hotel. The Company has not accepted the same and filed suitable replies to the said notices denying the liability. The Department of Home, Goa has issued a show notice dated November 19, 2015 for recovery of the said amount, which has been disputed by the Company by filing a writ petition in High Court of Bombay at Goa. As per the decision of the High Court, the Company has filed a suitable reply with the Department of Home, Goa on March 8, 2016, the decision on the same is pending.
- e) The Company has been importing certain items of F & B and equipment under SFIS (Served from India Scheme). The DGFT Department has issued 3 Show Cause Notices dated October 14, 2014 and October 29, 2014 and informed the Company that in view of its using a foreign brand, it is not entitled to any benefit of concessional duty under SFIS and accordingly required the Company to pay back the duty concession of ₹ 16,189,700/- (Previous year ₹ 16,189,700/-), ₹ 18,923,016/- (Previous year ₹ 18,923,016/-) and ₹ 10,960,269/- (Previous year ₹ 10,960,269/-) respectively availed by the Company. The Company has disputed the same. The Company has also filed a representation with the Ministry of Commerce, New Delhi on March 22, 2016 and February 22, 2017. No further communication has been received in response thereto.
- f) Demand raised by Income Tax authorities on completion of regular assessments and TDS assessment disputed by the Company in appeals and rectification proceedings for assessment years 2005-06, 2009-10 to 2012-13 which are pending at various stages – ₹ 2,353,244/- (after considering relief allowed by appellate authorities) (Previous Year ₹ 24,916,456/-).
- g) Demand raised by Sales Tax authorities for the year 2005-06 and 2006-07 disputed by the Company in appeal, which are pending amounting to NIL (Previous Year ₹ 1,215,646/-).
- h) Demand raised by Entertainment Tax Authorities, disputed by the Company in appeal, which is pending amounting to ₹ 43,180/- (Previous Year ₹ 43,180/-).
- i) Demand raised by the Provident Fund Commissioner, Goa by imposing damages of ₹ 472,598/- (Previous year ₹ 472,598/-) under section 14B of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 and interest of ₹ 230,840/- (Previous Year ₹ 230,840/-) under Section 7-Q of the aforesaid Act as the same are disputed and appeal has been filed, which is pending before the Employees Provident Fund Appellate Tribunal.
- j) The Commissioner of Customs, Mumbai vide consolidated order dated November 29, 2014, passed against the Company, its erstwhile 51% subsidiary, viz. Advani Pleasure Cruise Company Private Limited (APCCPL) and its Executive Director, Mr. Haresh G. Advani alleged violation of "actual user" condition prescribed in the EPCG License in respect of certain casino equipments imported in the year 2000, which were installed on the ship for the casino business being operated and managed by APCCPL at the relevant time and directed the Company to pay the differential duty of ₹ 4,259,549/- (Previous year ₹ 4,259,549/-) being the duty forgone on the aforesaid imports alongwith interest under the provisions of Section 28 & 28AB of the Customs Act, 1962, (The Act) confiscated the casino equipment so imported and installed and also imposed a penalty of ₹ 4,959,549/- (Previous year ₹ 4,959,549/-) plus applicable interest under Section 114A of the Act. The Commissioner also imposed penalty of ₹ 5 lakhs each on APCCPL and the Executive Director under Section 112 (ii) of the Act by the same consolidated order. The Company and others have not accepted the above consolidated order and appeals have been filed against the same by all the three parties, which are pending before the Customs, Excise and Service Tax Appellate Tribunal. Pending disposal of the appeal, no provision has been made for the aforesaid demand for differential duty, penalty imposed and applicable interest thereon.
- k) Demand from certain employees of the Company's erstwhile flight catering unit i.e. Airport Plaza, is ₹ Nil (Previous Year ₹ 1,000,000/-). Likewise, certain employees of the Company's hotel have also claimed certain benefits and filed complaints before labour commissioner/court at Goa, which are pending at various stages. The aggregate claims have been estimated by the Company at ₹ 3,746,199/- (Previous Year ₹ 7,635,000/-). Pending disposal of these matters, no provision has been made for these additional benefits/claims.

## ADVANI HOTELS & RESORTS (INDIA) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

- l) Demand raised by Service Tax Authorities for the period from 2011 to 2015 disputed by the Company in appeal, which is pending ₹ 3,262,550/- plus interest (Previous Year ₹ 3,673,242/- plus interest and penalty).
- m) The Company is hopeful that on disposal of litigations as referred to in item (a) to (l) above, the disputed demands will not survive. In the event any of the said litigation is held against the Company, it will be liable to pay the demand raised and / or to be further raised alongwith applicable interest thereon, which is presently unascertainable.

### 27. DETAILS OF AUDITORS' REMUNERATION:

Particulars	2016-17 ₹	2015-16 ₹
Audit Fees	500,000	500,000
For taxation matters	25,000	--
For other services	120,000	130,000
For expenses	72,721	80,657
Service Tax (Net of Credit availed)	6,862	6,212
<b>Total</b>	<b>724,583</b>	<b>716,869</b>

**27.1** The Company has paid ₹ 150,000/- (Previous Year ₹ 150,000/-) and ₹ 230,000/- (Previous year is ₹ 30,000/-) and service tax of ₹ 3,266/- (Previous Year ₹ 25,200/-) (net of Credit availed) thereon to a partner of the auditors for tax audit fee and for attending to taxation matters respectively.

- 28.** The Unclaimed dividend for the year 2009-10 to 2016-17 aggregating to ₹ 2,109,076/- (Previous Year ₹ 1,515,690/-) will be deposited at the appropriate time as and when applicable.

### 29. MOVEMENT IN PROVISION FOR DOUBTFUL DEBTS:

Particulars	2016-17 ₹	2015-16 ₹
Opening balance	-	68,982
Addition during the year	18,664	-
Deduction during the year	-	(68,982)
Closing balance	18,664	-

### 30. SEGMENT REPORTING UNDER ACCOUNTING STANDARD 17:

Hotel business is the Company's only business segment and hence disclosure of segment-wise information is not applicable under Accounting Standard 17 – "Segment Information".

### 31. THE DISCLOSURES REQUIRED UNDER ACCOUNTING STANDARD 15 "EMPLOYEE BENEFITS":

#### 31.1 Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized are charged off for the year are as under:

Particulars	2016-17 ₹	2015-16 ₹
Employer's Contribution to Provident Fund and Pension Scheme	6,542,836	5,437,491

#### 31.2. Defined Benefit Plan

In respect of Employees' Retiring Gratuity, the present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

employee benefit entitlement and measures each unit separately to build up the final obligation. During the previous year, the Company funded its gratuity liability through a Group Gratuity Fund administered by Life Insurance Corporation of India and paid ₹ 13,000,000/- in the previous year as an initial contribution, including for past services. The obligation for leave encashment is recognized on actuarial valuation basis.

	2016-2017 ₹ (Funded)	2015-2016 ₹ (Funded)
<b>A Gratuity:</b>		
<b>I. Assumptions:</b>	<b>6.95%</b>	7.65%
Discount rate – Current	<b>6.00%</b>	6.00%
Salary Escalation – Current	<b>6.95%</b>	7.65%
Expected return on planned assets	<b>7.50%</b>	7.50%
Attrition rate	<b>6.95%</b>	7.65%
<b>II. Funded status of the plan:</b>		
Present value of funded obligations	<b>18,442,193</b>	16,657,336
Fair value of plan assets	<b>13,424,920</b>	13,003,032
Net Liability (Assets) as per Balance Sheet	<b>5,017,273</b>	3,654,304
<b>III. Statement of Profit and Loss for the current period:</b>		
Current Service Cost	<b>1,294,015</b>	1,003,489
Interest Cost	<b>1,103,460</b>	944,333
Expected return on plan assets (net)	<b>(1,116,062)</b>	(8,434)
Actuarial Gain or (Loss)	<b>237,324</b>	2,928,336
Total included in "Employee Benefits Expense"	<b>1,518,737</b>	4,867,724
<b>IV. Reconciliation of Defined Benefit Obligation:</b>		
Opening Defined Benefit Obligation	<b>16,657,336</b>	13,308,308
Current Service Cost	<b>1,294,015</b>	1,003,489
Interest cost	<b>1,103,460</b>	944,333
Actuarial (Gain) / Loss on obligation	<b>48,869</b>	2,922,934
Benefit Paid	<b>(661,487)</b>	(1,521,728)
Closing Defined Benefit Obligation	<b>18,442,193</b>	16,657,336
<b>V. Reconciliation of plan assets:</b>		
Opening Value of Plan Assets	<b>13,003,032</b>	-
Expenses deducted from the fund	-	(5,724)
Expected return	<b>1,116,062</b>	14,158
Actuarial gain / (loss)	<b>(188,455)</b>	(5,402)
Contribution by Employer	-	13,000,000
Benefits paid	<b>(505,719)</b>	-
Closing value of plan assets	<b>13,424,920</b>	13,003,032

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	2016-2017 ₹ (Funded)	2015-2016 ₹ (Funded)
<b>VI. Reconciliation of net defined benefit liability:</b>		
Net Opening provision in books of accounts	3,654,304	13,308,308
Expenses as above	1,518,737	4,867,724
Gratuity paid by the Company	(155,768)	(1,521,728)
Employer's Contribution to plan assets	-	(13,000,000)
Closing Net Liability	5,017,273	3,654,304
<b>VII. Composition of the Plan assets:</b>		
Policy of Insurance issued by L.I.C.	100%	100%
<b>VIII. Table of experience adjustments:</b>		
Defined Benefit Obligation	18,442,193	16,657,336
Plan Assets	13,424,920	13,003,032
Surplus / (Deficit)	(5,017,273)	(3,654,304)
Experience adjustments on plan liabilities	(587,960)	(231,450)
Actuarial loss / (gain) due to change in demographic assumption	0	1,446,551
Actuarial loss / (gain) due to change in financial assumption	636,829	1,707,833
Experience adjustments on plan assets	188,455	5,402
Net actuarial loss / (gain) for the year	237,324	2,928,336
	2016-2017 ₹ (Unfunded)	2015-2016 ₹ (Unfunded)
<b>B. Leave Encashment:</b>		
Summary of Assumption:		
Retirement age	58 years	58 years
Attrition rate	7.50%	7.50%
Future Salary Rise	6.00%	6.00%
Rate of Discounting	6.95%	7.95%
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
<b>Actuarial Value of leave encashment liability (Unfunded)</b>	<b>3,282,698</b>	<b>3,212,740</b>
<b>I. Statement of Profit and Loss for the current period:</b>		
Current Service Cost	721,803	808,433
Interest on Obligation	234,959	153,556
Net Actuarial Loss / (Gain)	14,458	908,928
Past Service Cost	(474,943)	-
Total included in 'Employee Benefit Expense'	496,277	1,870,917

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	2016-2017 ₹	2015-2016 ₹
	(Unfunded)	(Unfunded)
<b>II. Reconciliation of Defined Benefit Obligation:</b>		
Opening Defined Benefit Obligation	3,212,740	2,052,396
Current Service Cost	721,803	808,433
Interest cost	234,959	153,556
Actuarial Losses / (Gains)*	14,458	908,928
Past Service Cost	(474,943)	-
Benefits Paid	(426,319)	(710,573)
Closing Defined Benefit Obligation	3,282,698	3,212,740
<b>III. Reconciliation of Net Defined Benefit Liability:</b>		
Net Opening Provisions in Books of Accounts	3,212,740	2,052,396
Employee Benefit Expense	496,277	1,870,917
Sub-total	3,709,017	3,923,313
Benefits paid by the Company	(426,319)	(710,573)
Closing Provision in Books of Accounts	3,282,698	3,212,740

**31.3 Other details:**

- (i) Gratuity is payable @ 15 days salary for each year of service subject to a maximum of ₹ 1,000,000/- (Previous Year ₹ 1,000,000/-).
- (ii) Leave is encashable on retirement / while in service / maximum leave accumulation is as per Company's scheme from time to time.
- (iii) The above information is as certified by the Actuary.
- (iv) Salary Escalation is considered as advised by the Company which is in line with the industry practice considering promotion and demand and supply of the employee.
- (v) Number of employees (average) 175 (Previous year 172).
- (vi) Salary per month – ₹ 4,191,484/- (Previous year ₹ 3,711,701/-).
- (vii) Contribution for next year – ₹ Nil (Previous year ₹ Nil).
- (viii) In addition to the provision made for gratuity as per actuarial valuation, the Company has made further provision of ₹ 50,000/- (Previous year ₹ 50,000/-) under the relevant provisions of the Goa Shop and Establishment Act, 1973.

**32. RELATED PARTY DISCLOSURES**

<b>(a) Subsidiary Company</b>	:	None
<b>(b) Parties where control exists</b>	:	None
<b>(c) Key Management Personnel</b>	:	
Mr. Sunder G. Advani	:	Chairman & Managing Director
Mr. Haresh G. Advani	:	Executive Director
Mr. Prahlad S. Advani	:	Director Operations



# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**(d) Other parties being relatives of Key Management Personnel with whom transactions have taken place during the year:**

Mrs. Menaka S. Advani	:	Director and relative
Mrs. Nina H. Advani	:	Director and relative

**(e) Other related parties with whom transactions have taken place during the year:**

M/s. D. M. Harish & Co., Advocates	:	A Partnership firm wherein relative of Mr. Adhiraj Harish, Non-Executive Director of the Company, is a partner
M/s. Malvi Ranchoddas & Co. Solicitors & Advocates	:	A Partnership firm wherein Mr. Prakash Mehta, Non-Executive Director of the Company, is a partner
M/s. S. D. Israni Law Chambers	:	A Law firm wherein Mr. S. D. Israni, Non-Executive Director of the Company, is a partner.

**(f) Summary of transactions during the year with Related Parties and status of year-end outstanding balances:**

(Figures in italics are for previous year)

Nature of transactions	Key Management Personnel ₹	Associates and other related parties ₹
Sitting Fees / Remuneration	<b>23,128,230</b>	<b>444,155</b>
	<i>21,653,277</i>	<i>503,453</i>
Professional Fees	--	<b>2,594,273</b>
	--	<i>2,405,476</i>
Expenses recovered	<b>792,837</b>	--
	<i>414,111</i>	--
<b>Balance outstanding at the year end:</b>		
Creditors / Payables	--	<b>656,856</b>
	<i>93,280</i>	<i>99,045</i>

**(g) Disclosure of Material Transactions with Related Parties:**

Particulars	2016-17 ₹	2015-16 ₹
<b>Remuneration to Key Managerial personnel and sitting fees:</b>		
Mr. Sunder G. Advani	<b>9,685,613</b>	9,472,279
Mr. Haresh G. Advani	<b>6,965,045</b>	6,445,164
Mr. Prahlad S. Advani	<b>6,477,572</b>	5,735,834
Mrs. Menaka S. Advani	<b>282,631</b>	342,395
Mrs. Nina H. Advani	<b>161,524</b>	161,058

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

Particulars	2016-17 ₹	2015-16 ₹
<b>Professional Fees:</b>		
M/s. Malvi Ranchoddas & Co	1,613,073	1,755,476
M/s. D M Harish & Co.	700,000	600,000
M/s. S. D. Israni Law Chambers	281,200	50,000
<b>Expenses recovered:</b>		
Mr. Sunder G. Advani	280,462	187,568
Mr. Hareesh G. Advani	142,291	226,543
Mr. Prahlad S. Advani	370,084	-
<b>Year end balances:</b>		
<b>Sundry Creditors / payables:</b>		
Mr. Sunder G. Advani	-	56,000
Mr. Hareesh G. Advani	-	37,280
M/s. Malvi Ranchoddas & Co.	656,856	99,045

- (h) The Chairman and Managing Director (CMD) and Executive Director (ED) were appointed for 5 years by the Shareholders of the Company at the Annual General Meeting (AGM) held on September 17, 2012 for a period of five years from March 1, 2013 to February 28, 2018. Remuneration as stated above has been paid to CMD and ED in terms of the Special Resolutions passed by the shareholders of the Company in the 29th AGM held on September 26, 2016 approving the remuneration payable to CMD and ED for the period from March 1, 2016 to February 28, 2018. The excess remunerations for the previous year has been recovered / written back during the year and included in the Other Income in Schedule 20 to the financial statements.

**33. LEASE:**

33.1 The Company has taken certain premises on operating lease. Rentals are with reference to lease terms and other consideration. The aggregate lease rentals payable are charged as rent in the Statement of Profit and Loss.

33.2 Future commitments in respect of minimum lease payments payable for non-cancelable operating leases entered into by the Company:

Particulars	2016-17 ₹	2015-16 ₹
Payable within one year –	4,809,596	4,989,214
Payable later than one year but not later than five years	8,078,252	474,225
Payable after five years	47,059,870	47,170,270

**34. EARNINGS PER SHARE (E.P.S.) UNDER ACCOUNTING STANDARD 20:**

Particulars	2016-17 ₹	2015-16 ₹
Profit after tax as per Accounts (In ₹)	87,856,896	64,031,521
No. of Shares outstanding	46,219,250	46,219,250
Nominal face value of share (In ₹)	2	2
Basic & Diluted E.P.S. (In ₹)	1.90	1.39

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 35. EARNINGS IN FOREIGN EXCHANGE:

Particulars	2016-17 ₹	2015-16 ₹
Hotel earnings (including encashment) as certified by the Management and relied upon by the Auditors. (Refer Note 35.1 below)	162,972,071	160,768,405

35.1. The above foreign exchange earnings include an amount of ₹ 73,344,142/-, (Previous year ₹ 14,404,563/-) received in Indian Rupees towards hotel services rendered by the Company to foreign guests for which amounts were received from tour operators in Indian Rupees and declaratory certificates are awaited.

### 36. EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF: (ON ACCRUAL BASIS)

Particulars	2016-17 ₹	2015-16 ₹
Royalty	9,164,015	9,926,294
Other matters	7,851,452	7,636,046

### 37. NON-RESIDENT SHAREHOLDERS ETC.:

Particulars	2016-17 ₹		2015-16 ₹
	1st Interim	2nd Interim	Interim & Final
Number of Non-Resident Shareholders	7	8	9
Year to which the dividend related	2016-17	2016-17	2015-16
Number of equity shares held	317,675	319,600	322,225
Amount of Dividend (₹)	63,535	127,840	96,668

### 38. C.I.F. VALUE OF IMPORTS:

Particulars	2016-17 ₹	2015-16 ₹
Capital goods	-	-
Stores, Spares and Supplies	150,472	15,695
Provision, Wines, etc.	-	-

### 39. COMPARATIVE FIGURES OF PREVIOUS YEAR:

The previous year's figures have been recast / regrouped / rearranged, wherever necessary for comparison purpose.

As per our report of even date

For and on behalf of the Board of Directors

For **J. G. Verma & Co.**  
Chartered Accountants  
(FRN 111381W)

**Sunder G. Advani**  
Chairman & Managing Director  
(DIN 00001365)

**Haresh G. Advani**  
Executive Director  
(DIN 00001358)

**J. G. Verma**  
Partner  
(Membership No. 5005)

**Nilesh Jain**  
Company Secretary

**Shankar Kulkarni**  
Vice President - Finance (CFO)

Mumbai: May 23, 2017

## ADVANI HOTELS & RESORTS (INDIA) LIMITED

CIN : L99999MH1987PLC042891

Registered Office: 18A & 18B, Jolly Maker Chambers-II, Nariman Point, Mumbai-400 021.  
Telephone No: (022) 2285 0101, Fax No.: (022) 2204 0744, Email ID: [cs.ho@advanihotels.com](mailto:cs.ho@advanihotels.com)

### ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Folio No./DP ID-Client ID: ..... No. of Shares: .....

I hereby record my presence at the 30<sup>th</sup> ANNUAL GENERAL MEETING to be convened at Rama & Sundri Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020 on Wednesday, September 27, 2017 at 2.30 p.m.

Member's/Proxy's Full Name

Member's/Proxy's Signature

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## ADVANI HOTELS & RESORTS (INDIA) LIMITED

CIN : L99999MH1987PLC042891

Registered Office: 18A & 18B, Jolly Maker Chambers-II, Nariman Point, Mumbai-400 021.  
Telephone No: (022) 2285 0101, Fax No.: (022) 2204 0744, Email ID: [cs.ho@advanihotels.com](mailto:cs.ho@advanihotels.com)

### 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): Registered Address:	E-mail Id: Folio No./Client Id: DP ID:
---	--

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

- Name: ..... Address: .....  
E-mail Id: ..... Signature: ..... or failing him
- Name: ..... Address: .....  
E-mail Id: ..... Signature: ..... or failing him
- Name: ..... Address: .....  
E-mail Id: ..... Signature: ..... or failing him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 30<sup>th</sup> Annual General Meeting of the Company, to be convened at 'Rama & Sundri Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020 on Wednesday, September 27, 2017 at 2.30 p.m. and at any adjournment thereof in respect of such Resolutions as are indicated below:

- Adoption of Audited Balance Sheet as at March 31, 2017, Statement of Profit and loss for the year ended on that date together with Reports of the Directors and Auditors thereon.
- Confirmation of the payment of 1st interim dividend @10% (Rs 0.20 per equity share) and 2nd Interim Dividend @ 20% (Rs 0.40 per equity share) already paid during the year, for the financial year ended March 31, 2017.
- Appointment of a Director in place of Mrs. Menaka S. Advani, who retires by rotation and being eligible, seeks re-appointment.
- Appointment of Statutory Auditors M/s Amar Bafna & Associates, Chartered Accountants for a period of 5 years.
- Re-Appointment of Mr. Prahlad S. Advani as Whole Time Director for a period of 5 years.

Signed this ..... day of ....., 2017

Signature of Shareholder:..... Signature of Proxyholder(s):.....

Affix  
1 Rupee  
Revenue  
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

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# NOTES

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Presidential Villa







Family Villa



Oceanfront Room





Golf Course



Lanai Coffee Shop





Beach Shack



Castaways Restaurant



# CARAVELA<sup>®</sup>

## BEACH RESORT





**Registered Office:**

Advani Hotels & Resorts India Ltd.  
18 A & B Jolly Maker Chambers II  
Nariman Point  
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**T:** +91 22 2285 0101 | **F:** +91 22 2204 0744

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