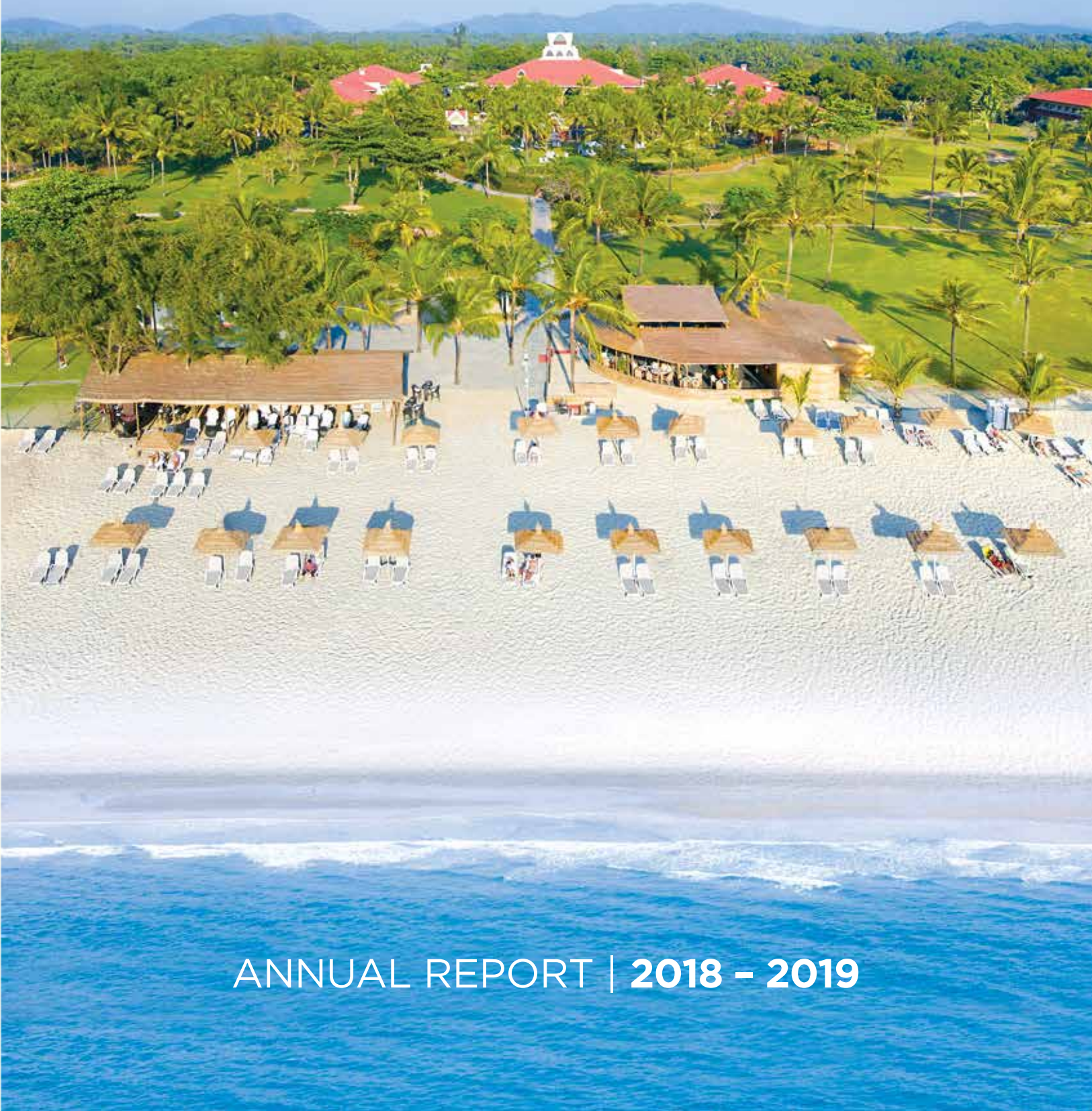


# ADVANI HOTELS & RESORTS (INDIA) LIMITED



ANNUAL REPORT | **2018 – 2019**











# Corporate Information

## BOARD OF DIRECTORS

### CHAIRMAN + MANAGING DIRECTOR

Sunder G. Advani

---

### EXECUTIVE DIRECTOR

Haresh G. Advani

---

### WHOLE TIME DIRECTOR

Prahlad S. Advani

---

### DIRECTORS

Prakash V. Mehta

Vinod Dhall

S. D. Israni

Adhiraj Harish

Admiral Sureesh Mehta (R)

Menaka S. Advani

Nina H. Advani

---

### COMPANY SECRETARY

Nilesh Jain

---

### CHIEF FINANCIAL OFFICER

Shankar Kulkarni  
(Till July 13, 2019)

---

### BANKERS

Axis Bank

---

### STATUTORY AUDITORS

Amar Bafna & Associates Chartered Accountants

---

### SOLICITORS

Malvi Ranchoddas & Co.

---

### REGISTERED OFFICE

18A & 18B  
Jolly Maker Chambers II  
Nariman Point  
Mumbai 400 021

---

### RESORT LOCATION

Caravela Beach Resort  
Varca Beach, Salcete  
Goa 403 721

---

### DELHI SALES OFFICE

1506 Statesman House  
Barakhamba Road,  
Connaught Place  
New Delhi 110 001

---

### REGISTRAR AND SHARE TRANSFER AGENTS

Datamatics Business Solutions Limited  
Plot No. B-5, Part B  
Cross Lane, MIDC Marol  
Andheri (East)  
Mumbai 400 093

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+ Managing  
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# Chairman and MD's Message



Dear Fellow Shareholders,

It is a great honour and privilege for me to address all of you on behalf of the Board of Directors.

India is the fastest growing economy in the world. India's GDP grew by 7.5% when compared to China's GDP of 6.9%. These figures were released a day before the Budget, wherein the Government has projected the real GDP growth of 7.0% for 2019 - 2020. The Economic Survey explained that high growth can only be sustained if there is an increase in savings, investments and exports. It also mentioned the Services sector as a key driver to achieve high employment and growth. A priority for India is to create jobs and skilled manpower.

To create jobs in tourism, investment has to come largely from the private sector. There are several reasons why private investment is not coming forward. My recently released book 'EVEN AGAINST ALL ODDS' contains several quotes with respect to this subject.

'Hotels should be classified as infrastructure and made eligible for loans with a longer repayment scheme'

"Lower Interest rates are crucial if India wants entrepreneurs to play a larger role in enhancing our Gross Domestic Product (GDP)."

In the recent budget, the Government has raised the Income Tax surcharge for individuals earning over Rs. 2 crores per annum. I feel that in order not to discourage investment, the Government should introduce an exemption that this additional surcharge will only be levied if the concerned entity does not invest in creating new jobs in India. For example, in USA, before issuing Green Cards under the EB5 investor programme, the Government monitors the capital invested and the jobs created for locals. Hence, if the Government were to provide some offsets in taxation to encourage investment, it would help increase growth. Another possibility that could be considered by the Government is to allow companies to buy capital equipment to avail 100% depreciation in the year of purchase itself. This would kick-start the manufacturing sector and lead to overall job creation. These benefits would be reaped by all of us Indians. These are some

of the ways the Government can encourage local investment and can create jobs.

Our Honourable Prime Minister Narendra Modi's vision of India becoming a 5 trillion dollar economy by 2025 will give a boost to the Tourism sector.

**Despite the drop in foreign charter flights to Goa, the number of rooms occupied by foreign nationals in our hotel has increased by over 19%.**

The World Travel & Tourism Council (WTTC), the global authority on travel and tourism, (of which I was the Chairman of the India Initiative), has done a research study called 'India 2019 Annual Research', which shows that travel and tourism in India contributed 9.2% of the GDP and provided 42.7 million jobs or 8.0% of the total employment. The largest contributor is domestic travel and tourism. This industry also earned INR 1973 billion from foreign visitors and is a net exporter.

The Secretary of Tourism of the Government of India invited me and industry leaders in June to give suggestions on how the Government could achieve its objective of doubling the foreign tourist arrivals in the next five years. Some of the suggestions made by me were to drastically reduce the visa fee for foreign tourists, to reduce the GST on hotel rooms to a flat 12%, and to give incentives to hotels earning foreign exchange and to promote the beaches of Goa and Kerala.

As far as Goa is concerned, the number of foreign tourists has remained static while the number of charter flights has reduced.

Despite the drop in foreign charter flights to Goa, the number of rooms occupied by foreign nationals in our hotel has increased by over 19%. Our single hotel earned an equivalent of INR 118 million in foreign exchange, as compared to INR 99 million in the previous financial year.

For the financial year 2018-2019, our hotel achieved a record occupancy of 82.8% compared to an overall occupancy of Goa hotels of 72.1%

#### TOTAL REVENUE

**717.3**  
₹ in millions

#### OCCUPANCY %

**82.8%**

#### RevPOR

**11,749**  
Rupees  
per Room per Night  
excluding taxes

The 28% GST on hotel rooms priced above Rs 7500 has played a major role in negatively affecting the revenue of 5-star hotels especially in Goa, as Goa is a leisure destination. Foreign tourists as well as domestic tourists are enticed to visit other countries where taxes are below 10%.

## You will be pleased to know that your Company had the third highest Return on Assets as compared to all listed companies in the hospitality industry.

For the financial year 2018-2019, our hotel achieved a record occupancy of 82.8% compared to an overall occupancy of Goa hotels of 72.1% and occupancy of 74.9% in competing hotels in South Goa. Net revenue increased by 12.4% to INR 717 million excluding taxes. Our Gross profits for the year before depreciation and finance costs were INR 176 million.

I am happy to report that your Company's net profits after tax were up by 31.7% over the last year. You will be pleased to know that your Company had the third highest Return on Assets as compared to all listed companies in the hospitality industry.

Our Company has also performed better compared to last year even for the first quarter of the current financial year 2019 - 2020.

As per the report prepared by Horwath, the occupancy of hotels in Goa for the months of April, May and June was worse than last year. In spite of this, for the quarter ended June 30, 2019, your Company achieved a Total Net Revenue of INR 165.7 million as compared to INR 152.5 million, which reflects an 8.7% growth in sales over the same period last year. The Gross Operating Profit for this quarter grew to INR 30.9 million from INR 22.8 million reflecting a growth of 35.5%.

This was achieved by recording 84.7% average occupancy in the month of April, 84.7% occupancy in May and 90.9% occupancy in the month of June. The Average Net Revenue per Occupied Room per night grew by 8.1% in April to Rs. 11,124, it also grew by 12.1% in May to Rs. 10,923 per room per night and grew by 3.7% in June to Rs. 9,594 per room per night.

The Profit Before Tax for the three months ended June 30, 2019 also grew to INR 21.6 million, as compared to INR 13.4 lakhs, which reflects a 61.2% increase over the same period last year.

Because of the excellent results and since this was the thirtieth year of our listing on the Stock Exchange, we declared a special dividend totalling to 100% for the financial year 2018-19.

We hope to do better in the next year although there are a few disturbing events of late. The local economy and automobile sector is showing signs of a potential slow down. The airfares for travel within India have increased due to the discontinuation of Jet Airways. We are concerned of the explosive situation in Iran. The potential slowdown of domestic corporate business and the economy of UK after BREXIT are a concern.

### Acknowledgements:

*I would like to thank all of you our loyal shareholders, the Board of Directors, our dedicated employees, our professional vendors and consultants, our travel agents, tour operators and online travel agents, our gracious guests, my fellow hoteliers, the entire village of Varca, the Government of Goa, and the Ministry of Tourism and Civil Aviation for supporting us over the last 30 years.*

**Sunder G. Advani**

Chairman & Managing Director  
Advani Hotels & Resorts (India) Limited

### OPERATING CASH FLOW AFTER-TAX

**150.4**

₹ in millions

### RETURN ON ASSETS (ROA)

**15.4%**

### AFTER-TAX RETURN ON EQUITY

**20.9%**

### PROFIT AFTER TAX (PAT)

**113.7**

₹ in millions



# Financial Summary

₹ in millions

PARTICULARS	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Gross Revenue inclusive of taxes	858.1	765.8	-	-	-	-	-	-
Net Revenue	717.3	638.2	608.6	540.2	490.3	413.3	397.9	373.9
Total Room Nights Sold (Numbers)	59,815	56,485	57,403	52,234	52,725	43,201	44,071	44,332
Average Occupancy (%)	82.8%	79.2%	79.7%	72.0%	71.7%	67.1%	64.1%	68.6%
Average Revenue Per Occupied Room per night (RevPOR) (₹)	11,749	11,018	10,367	10,110	9,030	9,042	8,614	7,920
EBITDA (Earnings Before Interest, Taxes, Depreciation & Amortization)	176.4	164.9	183.7	144.7	117.2	83.6	91.0	79.4
EBITDA Margin (%)	24.6%	25.8%	30.2%	26.8%	23.9%	20.2%	22.9%	21.2%
Depreciation and Amortization	36.5	35.2	36.9	40.5	45.1	31.7	29.2	27.1
Earnings Before Interest and Taxes (EBIT)	139.9	129.7	146.8	104.2	72.1	51.9	61.8	52.3
EBIT Margin (%)	19.5%	20.3%	24.1%	19.3%	14.7%	12.6%	15.5%	14.0%
Interest / Finance Costs	0.6	0.6	3.2	10.4	16.9	21.7	16.3	18.4
Interest / Finance Income	8.4	3.8	1.5	0.8	0.4	0.2	1.1	3.9
Prior Period / Other Adjustments	-	-	-	-	-	-	1.8	-
Profit Before Tax (PBT)	139.3	129.1	143.6	93.8	55.2	30.2	43.7	33.9
PBT Margin (%)	19.4%	20.2%	23.6%	17.4%	11.3%	7.3%	11.0%	9.1%
Current Tax	40.5	42.7	50.0	29.4	17.3	9.2	16.0	8.5
Deferred Tax	(16.5)	1.0	2.9	0.7	2.3	(2.2)	1.1	3.0
Tax for earlier years	1.6	(0.9)	1.4	(0.3)	(0.4)	0.6	0.3	0.0
Total Tax	25.6	42.8	54.3	29.8	19.2	7.6	17.4	11.5
Tax Rate (%)	29.1%	34.6%	34.6%	32.5%	32.5%	32.5%	32.5%	32.5%
Profit After Tax (PAT)	113.7	86.3	89.3	64.0	36.0	22.6	26.3	22.4
Average PAT Per Occupied Room per night (₹)	1,901	1,528	1,556	1,225	683	523	597	505
PAT Margin (%)	15.9%	13.5%	14.7%	11.8%	7.3%	5.5%	6.6%	6.0%
Other comprehensive income (as per Ind AS)	(0.1)	0.9	0.0	-	-	-	-	-
Earnings Per Share (₹)	2.5	1.9	1.9	1.4	0.8	0.5	0.6	0.5
Dividend Per Share (₹) including final dividend	2.0	0.7	0.6	0.5	0.4	0.2	0.3	0.2
Dividend Percentage (Total)	100%	35%	30%	24%	21%	12%	13%	12%
Dividend Payout (including dividend tax)	111.4	38.9	33.4	26.7	23.3	12.9	14	12.9
Equity Capital (A)	92.4	92.4	92.4	92.4	92.4	92.4	92.4	92.4
Other Equity / Reserves & Surplus (B)	452.4	383.4	324.0	284.9	247.5	239.7	230.0	217.7
Shareholders Funds (A + B)	544.8	475.8	416.4	377.3	339.9	332.1	322.4	310.1
Long Term Debt and Vehicle Loans	4.4	5.1	4.8	64.6	147.3	174.1	111.6	77.8
Free Cash and Bank Balances including current investments*	192.6	126.9	32.1	7.8	9.6	12.3	13.5	29.0
Long Term Debt to Shareholders Funds (Ratio)	0.01	0.01	0.01	0.17	0.43	0.52	0.35	0.25
After-Tax Return on Equity (Shareholders Funds)	20.9%	18.1%	21.4%	17.0%	10.6%	6.8%	8.2%	7.2%
Return on Assets	15.4%	13.2%	14.5%	10.1%	5.4%	3.5%	4.4%	4.4%
Current Ratio	1.90	1.36	0.84	0.51	0.56	-	-	-
Cash Conversion Cycle (in days)**	2.5	1.9	5.2	9.6	12.5	-	-	-
Operating Cash Flow (after tax)	150.4	153.9	140.1	124.4	97.7	-	-	-
CSR expenditure	2.5	2.0	1.3	0.5	-	-	-	-

\* Free Cash and Bank Balances including current investments for the F.Y. 2018-19 is before payment of the 2nd Interim Dividend of Rs. 78 million. The net cash and bank balance after paying the 2<sup>nd</sup> Interim Dividend is Rs. 114.6 million.

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

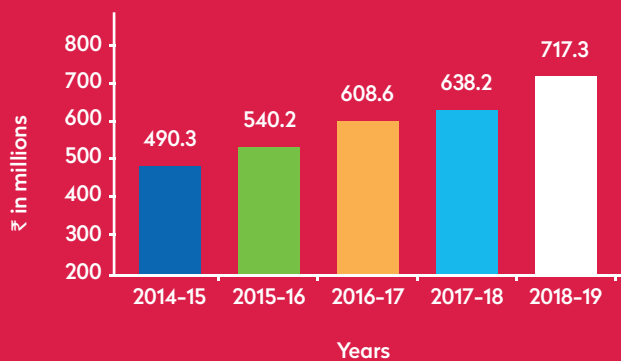


# Key Performance Indicators

**“Cash... is to a business as oxygen is to an individual: never thought about when it is present, the only thing in mind when it is absent” ~ Warren Buffet**

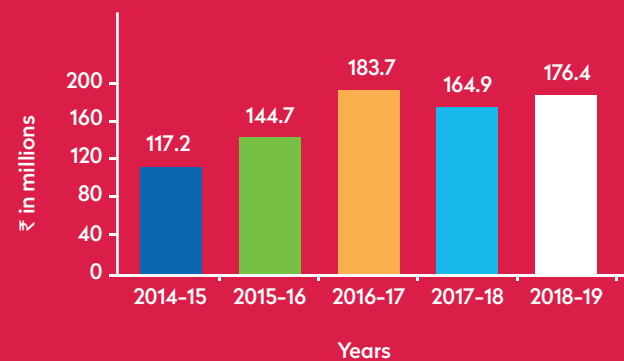
## TOTAL NET REVENUE

717.3



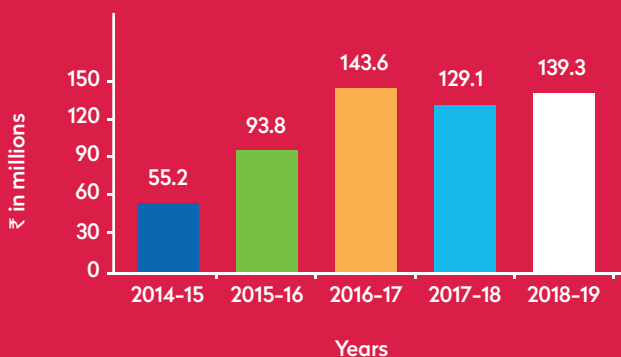
## EBITDA

176.4



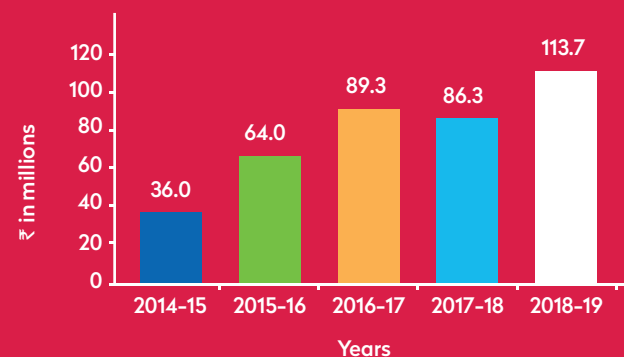
## PBT

139.3



## PAT

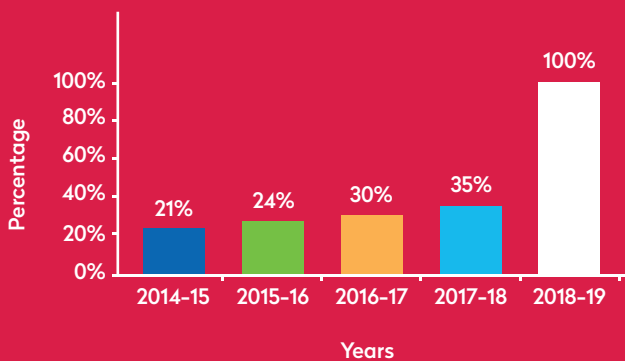
113.7



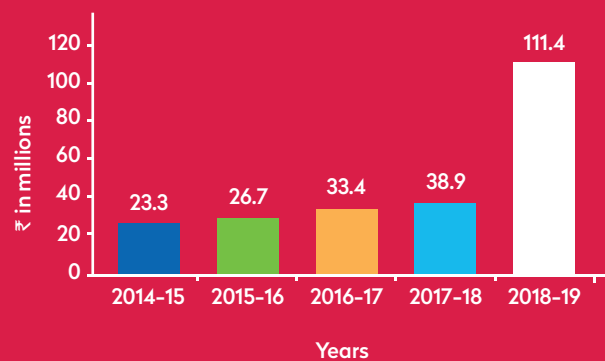


**"I believe non-dividend stocks aren't much more than baseball cards. They are worth what you can convince someone to pay for it"**  
~ Mark Cuban

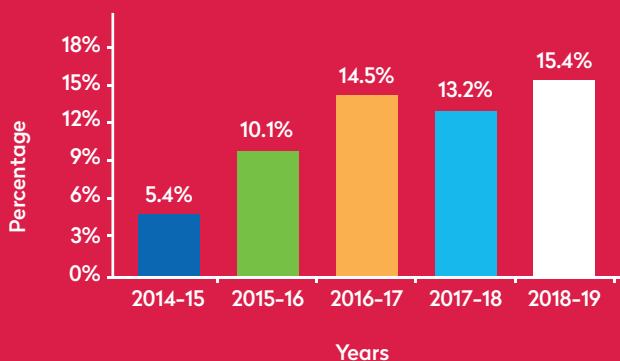
### DIVIDEND PERCENTAGE (Total) 100%



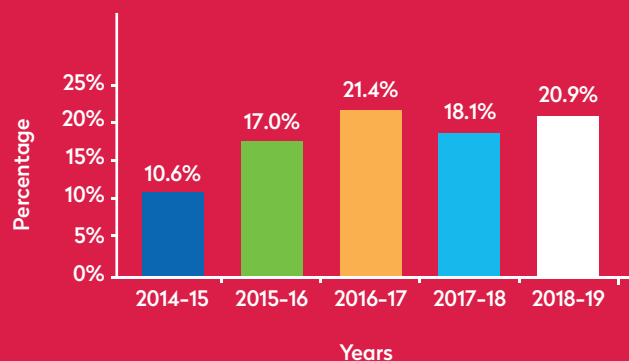
### DIVIDEND PAYOUT (Including Dividend Tax) 111.4



### RETURN ON ASSETS 15.4%



### AFTER-TAX RETURN ON EQUITY 20.9%



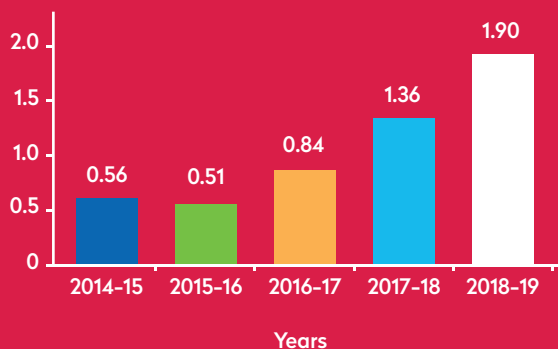


# Key Performance Indicators

**"The purpose of a business is to create  
a customer who creates customers"**  
~ Shiv Singh

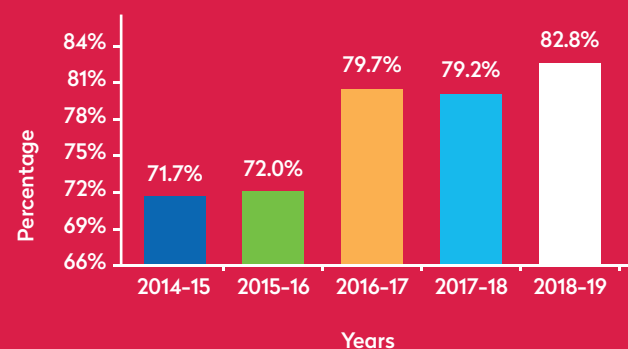
## CURRENT RATIO

1.90



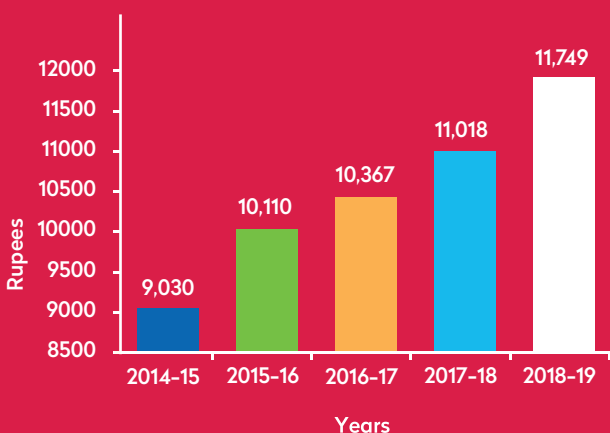
## AVERAGE OCCUPANCY %

82.8%



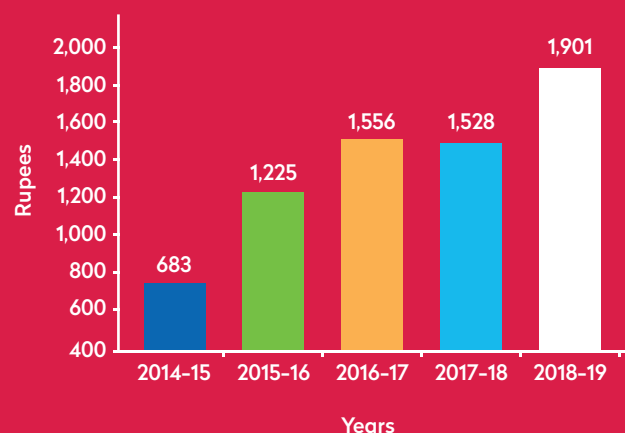
## AVERAGE NET REVENUE PER OCCUPIED ROOM PER NIGHT

11,749



## AVERAGE PAT PER OCCUPIED ROOM PER NIGHT

1,901





# Snapshots



Republic Day celebrations at the Resort



A photo from our August Board Meeting. Our Directors from left to right: Adhiraj Harish, Haresh Advani, Prahlad S. Advani, Sunder Advani, Menaka Advani, S.D. Israni, Admiral Sureesh Mehta (Retired), Prakash Mehta and Nina Advani

# Snapshots



अमिताभ कांत  
Amitabh Kant  
मुख्य कार्यकारी अधिकारी  
Chief Executive Officer



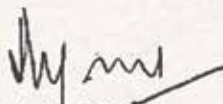
भारत सरकार  
नीती आयोग, संसद मार्ग,  
नई दिल्ली-110001  
Government of India  
NATIONAL INSTITUTION FOR TRANSFORMING INDIA  
NITI Aayog, Parliament Street,  
New Delhi-110001  
Tel.: 23096576, 23096574 Fax : 23096575  
E-mail : ceo-niti@gove.in, amitabh.kant@nic.in

## FOREWORD

I first met Sunder Advani about fifteen years ago, when I was joint secretary Ministry of Tourism of the Government of India. Sunder has remained in touch and worked with me on areas relating to travel and tourism. Sunder never fails to call me on his monthly visits to Delhi and whenever possible. I always try to meet him. He is the most dynamic eighty year old I know, and his commitment to the tourism and hospitality industries in India is matchless.

In the fifty years that span Sunder's career in India, our country has made tremendous strides in development, and he has been responsible, as an individual, in implementing some of the most important changes in this sector. In 1969, when five-star hotels were the realm of a very small elite in India, when foreign companies were still viewed with suspicion, and before the Indo-US trade relationship had begun to develop, Sunder Advani introduced an American hotel chain into India. It was the first instance of franchising in India and is a testimony to his vision for the future, and to his persistence in fighting an uphill battle on many fronts. In the 1970s, Sunder Advani who built and successfully ran India's first airport hotel. In the 1980s, Sunder was one of the pioneers of developing Goa as a destination for luxury tourism. His hotel is one of the best in the state, and when the Minister of Tourism of China visited India with a delegation of industrialists in 2005, I requested him to host them as I felt his hotel would be the best place for them to get an impression of Goa and of India. In those days, even Sunder had the license for the only full-fledged casino in Goa, an opulent setting for an elegant evening.

When Sunder invited me to the keynote speaker at a seminar he arranged at the US India Economic Summit in Delhi in September 2016, I accepted with pleasure. Over the years, I have travelled with the Indian delegation in which Sunder played a key role to WTTC forums and have observed his passion for causes related to tourism and hospitality in India. These include matters like building a new airport in Goa and continuing with the existing one at Dabolim. He has constantly and vigorously raised issues relating to high taxation in tourism. He has also strongly raised issues about TFCI and IACC as well. We have lively discussion on these and other matters which he has passionate views about. It is this passion which has made him a solid pillar of support in all the initiatives I have made to develop tourism in India. He is a man of tremendous energy, Vibrancy and dynamism and totally committed to the cause of India tourism.

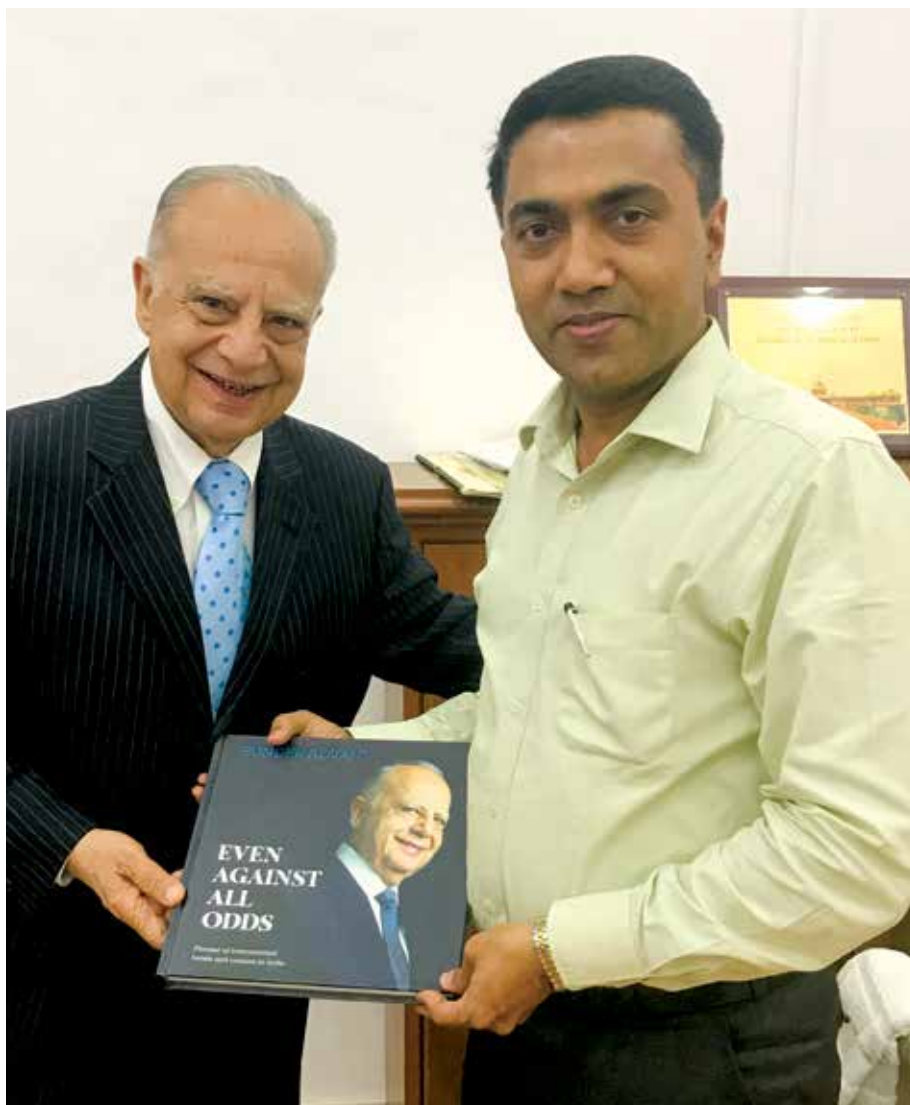
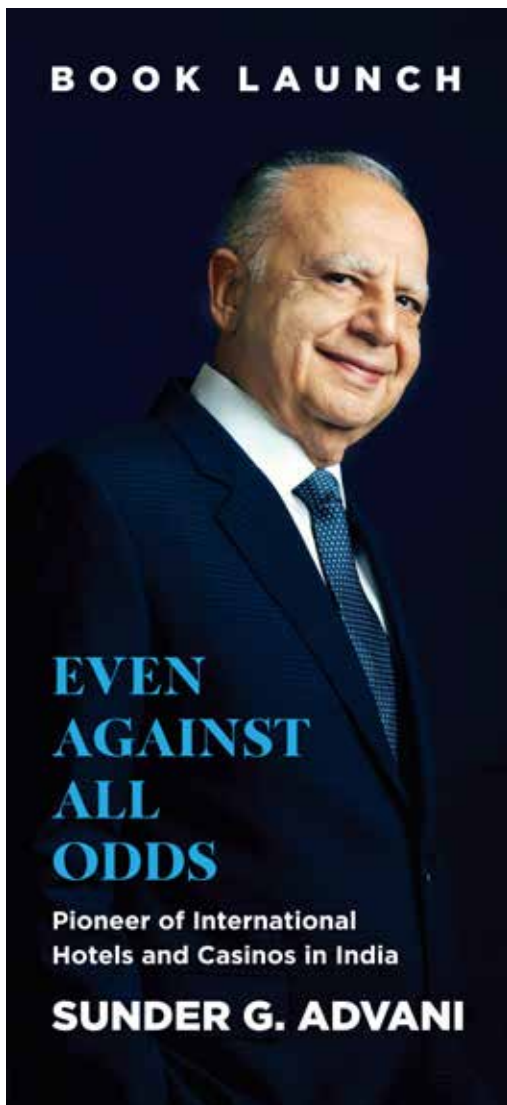


(Amitabh Kant)

CEO of Niti Aayog, Mr. Amitabh Kant wrote the Foreword for Mr. Sunder Advani's book, 'Even Against All Odds'



# Snapshots



Top Right:  
Shree Pramod Sawant,  
Honourable Chief Minister  
of Goa being presented  
with Mr. Sunder Advani's  
autobiography



Bottom right:  
President & CEO of the  
World Travel & Tourism  
Council, Gloria Guevara  
Manzo & Sunder Advani  
at the World Travel  
Market in London

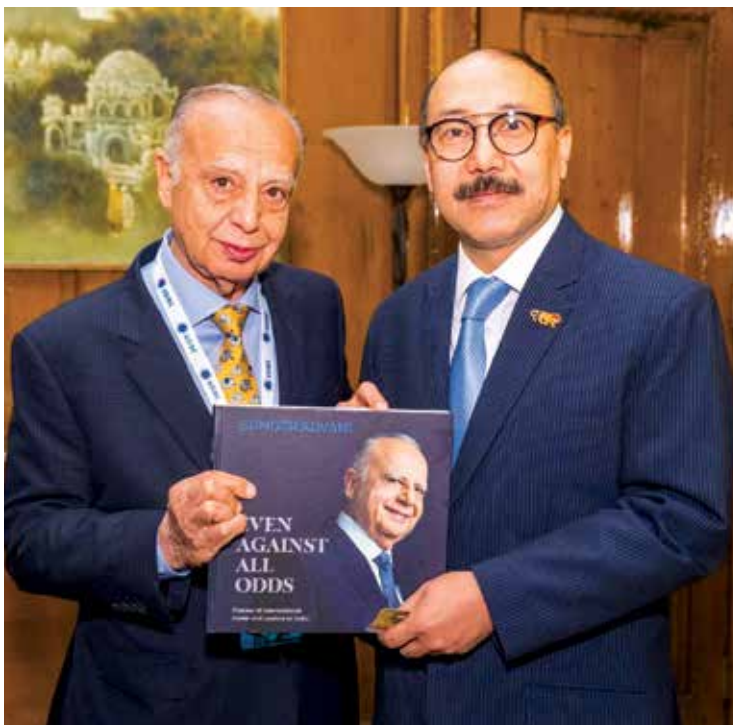


Bottom left:  
Minister of Tourism,  
Shree KJ Alphons, Rajeev  
Talwar and Priya Paul at  
lunch with Sunder Advani

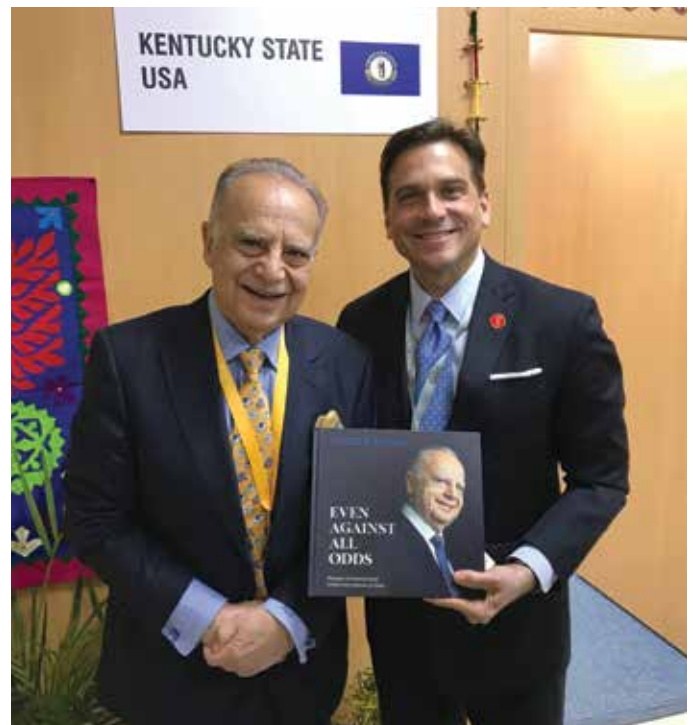
# Snapshots



Mr. Edgard Kagan, U.S. Consul General in Mumbai, invited dignitaries to the U.S. Consulate to hear Mr. Sunder Advani's speech and launch his book



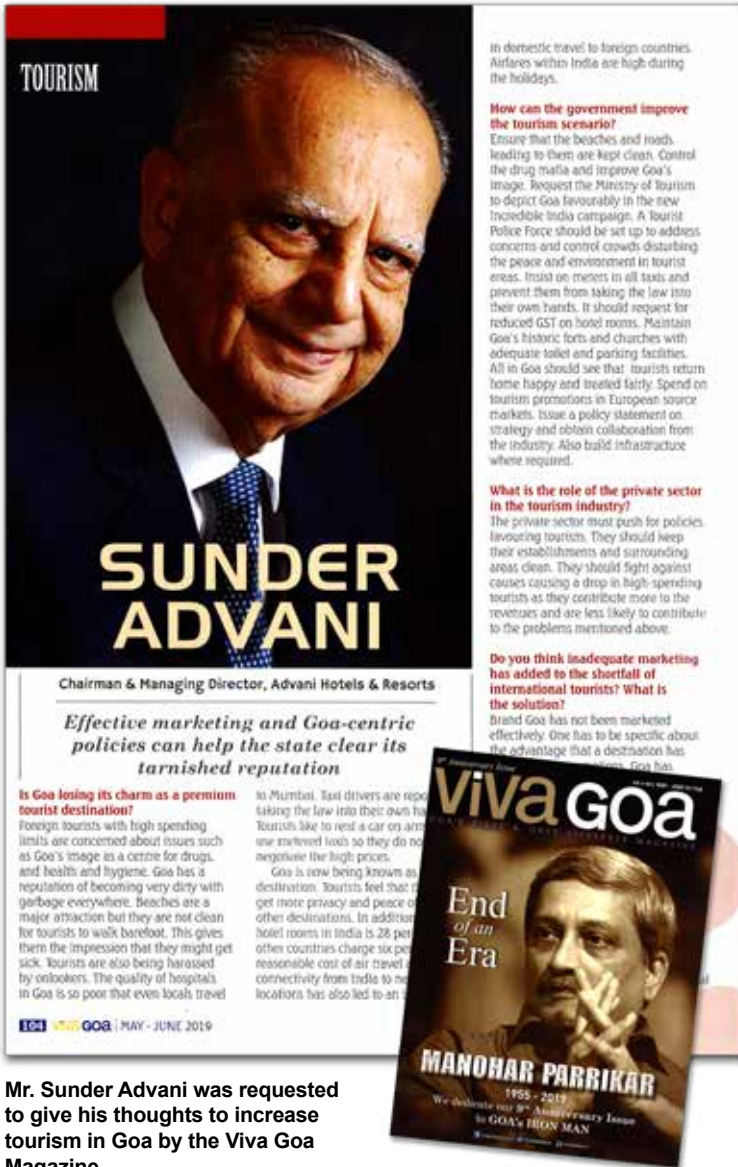
Indian Ambassador to the U.S., Mr. Harsh Shringla presented with a copy of the book



At the Vibrant Gujarat Summit, Sunder Advani presented his book to the Governor of Kentucky. (The photo is taken at the Kentucky Pavilion with the Assistant to the Governor)



# Snapshots



Mr. Sunder Advani was requested to give his thoughts to increase tourism in Goa by the Viva Goa Magazine



Top right  
US India Business Council Reception with the Deputy Consul Jennifer Larson

Middle right  
Chinese delegation head, Liu Shijun in discussion with Sunder Advani at the WTTC Convention in Seville, Spain

Bottom right  
Mr. Sunder Advani's book 'EVEN AGAINST ALL ODDS' is being displayed by the US Library of Congress in Washington, D.C.

**Sunder Advani**

From: Loar, Jonathan

To: 'Sunder Advani'


Subject: Mr. Sunder Advani's book 'EVEN AGAINST ALL ODDS' is being displayed by the US Library of Congress in Washington DC.

Dear Sunder,

Good to hear from you. The book has been catalogued, and it is discoverable in our online catalog: <https://lccn.loc.gov/2019399236>. I have it at my desk for labeling and barcoding/ inventory, and afterwards it will be on the shelf as part of the Library's general collections.

All the best and please do visit the Library of Congress if you come through the DC area,

Jon



# Snapshots



Top

**Launch of the book 'Even Against All Odds' at the Caravela Beach Resort, Goa. Invitees from left to right: Mr. Digambar Kamat (former Chief Minister of Goa), Mr. Sushil Kumar Shinde (former Home Minister of India), Mrs. Menaka Advani, Mr. Sunder Advani, Mr. Pratapsingh Rane (former Chief Minister of Goa) and Mr. Francisco Sardinha (Member of Parliament)**

Left

**At the NYU International Hospitality Industry Investment Conference with Nicholas Graf, Dean of the NYU School of Hotel Administration**

Top right and opposite page

**Interview with CNBC Awaaz and publication in the Mint newspaper online and offline editions in May 2019, after the spectacular Q4 and annual results**

Bottom right

**Prasad Kanoth, Vivek Chaturvedi and Mr. Sunder Advani give a 'Certificate of Appreciation' to Raj Gupta, Kaushal Gupta and Nasim of Global Odyssey, at the 'Caravela Bash' held in Delhi for our partners from the travel trade**



## Advani Hotels Q4 net vaults 61.5%

**A**dvani Hotels & Resorts (India) Ltd. owner and operator of the Caravela Beach Resort Goa, has achieved a net profit growth of 61.50 percent during the fourth quarter ended March 31, 2019. The profit at Rs 6.88 crore is up from Rs 4.26 crore in the corresponding quarter of the previous year. Net Sales increased 15.17 percent at Rs 22.85 crore during the fourth quarter, up from Rs 19.67 crore in the corresponding quarter ended March 2018.

The Caravela Beach Resort is an independent 5-star deluxe beach resort comprising of 201 keys. The Resort opened in the year 1990 under the name 'Ramada Renaissance Resort, Goa'. The Caravela is designed by the world famous architects WATG (who also designed the Atlantis Resorts, Sun City, the Bellagio and Wynn in Las Vegas).

The Caravela is a 40-minute drive from Goa's Dabolim Airport. It is built on a 23-acre estate with a 275-meter long beach-front, and is located on the powdery white sands of Varca Beach, South-Goa. The Resort has an 83-foot high Atrium lobby, making it Goa's tallest and largest lobby. The Resort is surrounded by immaculately landscaped gardens designed by the renowned international landscape architect Belt Collins Singapore. The Caravela is home to several unique birds and a large golf course. The guest-rooms are connected to the main lobby via air-conditioned corridors, making it comfortable in the summer months and monsoon-proof during the rainy months. Several of the rooms have direct sea-views, and all rooms have private balconies.

**Hospitality pioneer celebrates a 30-year anniversary with a 100% dividend payout**



Aerial view of The Caravela Beach Resort - Goa's first swim-up pool bar is the perfect place to relax!

85.81 crores versus Rs 76.58 crores in the previous year. Total Net Income increased by 12.39 percent to Rs 71.73 crore, from Rs 63.82 crore in the previous financial year.

Speaking on the achievement, Sunder G. Advani, the Chairman and Managing Director said, "In 2019, we will complete 30 years from our IPO listing on the stock exchanges. In honour of this special occasion, the Board has approved a total dividend of 100 percent for all shareholders." This approximately amounts to a total outflow of Rs. 11.14 crores including Dividend Tax. The Company announced a second-interim-dividend of 70

percent (Rs 1.40 per share of face value Rs 2.00 each) at its Board meeting held on May 10, 2019. When added to the 30 percent (Rs 0.60) first-interim-dividend declared in February 2019, this works out to a 100 percent dividend in total.

The average annual occupancy percentage of the Caravela Beach Resort rose to an impressive 82.77 percent, up from 79.20 percent in the previous year. The annual net revenue per occupied room (RevPOR) grew by 6.63 percent to Rs 11,749 per room per night, (net of taxes), from Rs 11,018 per room per night in the previous year.

Earnings per share (EPS) on a diluted basis for the financial year climbed to Rs 2.46 from Rs 1.87 in the previous year, an increase of 31.55 percent. For investors, the Company gave a handsome Return of Equity (RoE) of 20.90 percent. It also notched up a Return on Assets (RoA) of 15.00 percent, which is well above the hotel industry average of 5.60 percent.

"Our Company is virtually debt-free; we have no long term debt, we have no working capital loans, and we only have vehicle loans of Rs 44 lakhs. The Company had liquid funds of approximately Rs 20 crore. Even

after paying a 100 percent dividend, the Company will still have over Rs 12 crores in liquid funds. We have kept this as a reserve for potential capital expenditures, and a cushion for the future. We have over 130,000 square feet of un-used FSI available for future expansions" added Advani.

During the financial year, the Caravela Beach Resort Goa, (currently with a Trip Advisor rating of 4.7 points out of a maximum of 5 points), has bagged several guest satisfaction awards. It was awarded the Trip Advisor Bravo Badge and the Trip Advisor Certificate of Excellence Award in May 2018. The Resort was awarded the 'GO-MMT Customer Choice Award for Independent Hotels in the Premium Segment' at the Go-Itibo Make My Trip Star Partners Meet in Goa in October 2018.

The Resort was also awarded a Certificate of Excellence from the globally renowned U.K. tour operator for outstanding customer feedback. In February 2019, the Resort was awarded the 2018 Bookings.com Guest Review Award for having one of the highest guest review scores from Bookings.com customers. Currently the Caravela scores 8.5 out of a maximum of 10 with Bookings.com.

In April 2019, the Resort also received Booking.com's 'Heroes of Hospitality Award' for consistent excellence in customer service. "I thank our entire operations team at the Caravela, led by Mr. Prahlad S. Advani, our Director in charge of Operations, for making the culture customer-centric, and energetically taking the extra step to please our esteemed guests" said Advani.

Over the years, Advani Hotels has also been active in doing its bit for the underprivileged through the Company's Corporate Social Responsibility (CSR) program.

The Company has contributed to Prasad Chikitsa, who in turn undertakes various socially beneficial activities. Under one such program, families which do not have the financial wherewithal to start a kitchen garden were given assistance. As a result, the beneficiaries received fresh vegetables from their own kitchen gardens. This helped them to counter malnutrition in their families. Prasad Chikitsa also held five camps through which patients were given oral health kits and dental procedures were conducted.

In addition, the Company extensively worked with the Maharashtra State Women's Council in its Asha Kisan Street Children Project, which aims at reducing inequalities among poor people, and also with Asha Sadan, which works towards empowering needy women. The Caravela has also contributed to organisations involved in alleviating the suffering of helpless animals. These included contributions to the People for the Ethical Treatment of Animals (PETA) towards setting up a shelter for

stray cattle; contributing to In Defense of Animals India (IDAI), towards running a shelter for homeless and blind dogs, and contributing to The Welfare of Stray Dogs (WSD), which works towards animal neutering activities.

On December 1, 2018 (World AIDS Day), the Hon'ble Minister for Health and Women and Children in Goa, Shri Vishwajit Rane, felicitated Mr. Prahlad Advani with the 'Goa Red Ribbon Warrior' award for supporting the betterment of the lives of young children suffering from HIV in Goa. The award was conferred at the Positive Power Summit, organised by the Human Touch Foundation.

Mr. Sunder Advani said, "We endeavour to make a small but meaningful difference over time. Other Companies are also giving back to society and this is a positive trend for our country." "I would like to thank all our loyal shareholders, the Board of Directors, our dedicated employees, our professional vendors and consultants, our travel agents, tour operators and online travel agents, our gracious guests, my fellow hoteliers, the entire village of Varca, the Government of Goa, and the Ministry of Tourism and Civil Aviation for supporting us over these 30 years" he said.



Mr. Sunder G. Advani & Mr. Prahlad S. Advani of The Caravela Beach Resort, Goa received the Booking.com 'Heroes of Hospitality Award' by Ms. Ruchi Lahoti, Area Manager of Booking.com





# CSR



In association with the Indian Coast Guard, our team enthusiastically participated in the 'Coastal Clean Up Day'



Prasad Kanoth along with Susan Pinto handing over individual appetising lunch boxes to the HIV affected children of the Human Touch Foundation and then taking the kids to a professional football match!



Our team planting trees on 'World Environment Day'



# Snapshots



The new 'Varca D' is a multi-purpose banqueting venue that is perfectly suited for medium-size events



On New Year's Eve, our team led by Prahlad S. Advani (our Director in charge of hotel operations), delighted our 500+ guests



# Snapshots



Our Food & Beverage team at the New Year's Eve celebrations



# Snapshots



Our professional Guest Relations team makes all guests feel welcome and at home



On Christmas Eve, our Managers in this photo created a special children's play area with a magician and a customised kids buffet; it was a hit!



# Snapshots



To celebrate the arrival of Christmas, our guests and employees got together for the annual 'Cake Mixing Ceremony'



# Snapshots



Executive Chef Saurabh Puri earned a place in the Guinness Book of World Records for the 'World's Largest Mud Pie'





## Weddings at the Resort





## Weddings at the Resort





## New Years Celebrations





# New Years Celebrations





# Awards



Top

Based on high guest-satisfaction scores, our Resort was awarded the 'GO-MMT Customer Choice Award for Independent Hotels in the Premium Segment', at the glittering Goibibo MakeMyTrip 'Star Partners Meet' in October 2018. The award was presented by Mr. Parikshit Choudhury, Chief Business Officer Go-MMT and Mr. Vikram Challur, Regional Director Go-MMT to Mr. Prahlad S. Advani

Left

Potential customers from Germany rely on the online reputation score of our Resort on HolidayCheck Germany. For the first time ever in our Company's history, our Resort has won a 'Recommendation Certificate' from HolidayCheck Germany, for a high customer satisfaction score of 5.6 points out of a maximum of 6.0 points

In addition, our guest satisfaction scores on the TUI Germany customer survey is 9.4 points out of a maximum of 10 points

Opposite page bottom

On World AIDS Day, the Honourable Minister for Health and Women and Children in Goa, Shree Vishwajit Rane, felicitated Mr. Prahlad S. Advani with the 'Goa Red Ribbon Warrior' award, for supporting young children suffering from HIV in Goa

The award was conferred at the 'Positive Power Summit', organised by the 'Human Touch Foundation' NGO

On August 5, 2018, our Resort sponsored 'Positive Trekking', an annual initiative organised by the NGO for children who are living with HIV in Goa. Approximately 45 children afflicted by HIV participated in this unique initiative and had a fun-filled day!



# Awards



In April 2019, our Caravela Beach Resort Goa received the Booking.com 'Heroes of Hospitality Award' for excellence in customer service. This award was presented by Ms. Ruchi Lahoti, Area Manager of Booking.com, who honoured Mr. Sunder Advani & Mr. Prahlad S. Advani in their 'Wall of Fame' award celebrations, held at the Deltin Caravela Casino in Panjim.

## Caravela Beach Resorts bags Goa Red Ribbon Warrior award

■ TEAM B&C | NT

In recognition for its work for children suffering from HIV, Caravela Beach Resort, Varca, was presented with the Goa Red Ribbon Warrior award. Vishwajit Rane, health minister, gave the award at the Positive Power Summit, organized by the Human Touch Foundation, on the eve of World AIDS Day.

Caravela Beach Resort in partnership with the NGO is working for children with HIV. The resort also sponsored the last trek of 'Positive Trekking', an annual programme for adolescents in the age group of 12 - 21 years. Approximately 45 children participating in the trek had a fun-filled day at events organised by the foundation.

Sunder G Advani, chairman and managing director, Advani Hotels & Resorts (India) Ltd., said, "We are happy to have partnered with Human Touch Foundation for this no-



Prahlad Advani pioneered the CSR initiative with the Human Touch Foundation and the entire team of volunteers, for their selfless service to society.



Vishwajit Rane, minister for health felicitating Prahlad Advani, director, Advani Hotels & Resorts.



# Awards



12/12/2018

भारत सरकार / Government of India

पर्यटन मंत्रालय / Ministry of Tourism, होटल एवं रेस्तरां प्रभाग / H & R Division

सी -1, हुटमेंट्स / C-1, Hutments दारा शिकोहा रोड नई दिल्ली / Dara Shikoh Road, New Delhi - 110011

टेली / Tele: 011-23012810

Approval No: 181223RSD469

Dated: Wednesday, December 12, 2018

File No: 14-HRACC(14)/2018-H&R

To,  
General Manager,  
Caravela Beach Resort,  
Varca Beach, Salcete, Goa – 403 721, India Salcete - Goa, Pin: 403 72

Sir,

The recommendation of the Hotel & Restaurants Approval and Classification Committee (HRACC) in respect of **Reclassification** of the hotel has been examined by the Government, whose decision is hereby announced as under:

<u>Five (*****) Deluxe</u>	<u>Reclassification</u>	<u>PERIOD</u>
Caravela Beach Resort, Varca Beach, Salcete, Goa – 403 721, India Salcete - Goa, Pin: 403 72	Five Years Rooms - 199	Tuesday, December 11, 2018 to Sunday, December 10, 2023

3. The rating has been awarded to the hotel as mentioned above for a period of five years, subject to the condition that the management of the hotel should at all times comply with all the regulatory conditions for the classification of hotels and other terms and conditions introduced by this Ministry from time to time.

4. The hotel will apply for Re-Classification six months before the expiry of this approval on the Terms and Conditions laid down in this Ministry's Circular No. 8-TH.1 (03)/2013 dated December, 16, 2014 as and when due.

5. The Reclassification of **Caravela Beach Resort** at Varca Beach, Salcete, Goa – 403 721, India Salcete - Goa, Pin: 403 72, by the Ministry of Tourism is no substitute to other NOCs / Permissions/ Clearances which shall be taken by the Hotel.

6. The hotel has certified that they have obtained all necessary approvals from the concerned authorities for construction and running the hotel like clearances/no objection certificates from the Coastal Regulation Zone (CRZ), Environment & Forests, Pollution Control, Police, Fire and Municipal/ Local Authorities and that the hotel has been constructed and is being run as per the Acts, Rules, Regulations and guidelines prescribed by the local Authorities (Panchayat or Municipal) and / or State Government / Union Territory Administration and / or Government of India. If at any stage it is found that the hotel has not obtained any clearance from the local authorities (Panchyat or Municipal) and /or State Government / Union Territory Administration and / or Government of India or it is found that such clearance (s) has / have been obtained on the basis of misrepresentation of fact (s) or if it is found that any fact mentioned in the application seeking the classification/re-classification status/approval is incorrect, then the Classification/Re-Classification status/approval granted by the Ministry of Tourism, Govt. of India shall stand withdrawn with immediate effect and Director/ Owner/ Partner/ Chairman/ Managing Director/CEO/Authorised representative of the hotel shall be liable for facing criminal proceeding for misrepresentation of facts to the Ministry, Govt. of India.

(Sagnik Chowdhury)  
Asst. Director General & Member/Secretary (HRACC)

(सग्निक चौधरी / SAGNIK CHOWDHURY)  
असिस्टेंट गेनरल सेक्रेटरी / Asst. Director General  
पर्यटन मंत्रालय / Ministry of Tourism  
भारत सरकार / Government of India  
नई दिल्ली / New Delhi

For the period December 2018 till December 2023, the Ministry of Tourism classified our Resort as a '5-Star Deluxe Hotel', which is the highest category rating for a hotel in our country. After a thorough inspection of our Resort, the hotel classification inspectors gave Mr. Sunder Advani a standing ovation for his professional presentation and valuable contributions towards the Hospitality Industry



# Awards



Top  
Our Resort was awarded  
the 'Trip Advisor Bravo  
Badge' and the 'Trip Advisor  
Certificate of Excellence'

We currently have a  
ranking of 4.5 stars (out  
of a maximum of 5 stars),  
with over 3600 customer  
reviews on TripAdvisor;  
more reviews than any  
of our competitors!

Bottom right  
In August 2019,  
Caravela Beach Resort,  
Goa received the 'Best  
Employer Brand  
Award' in Goa

Bottom left  
In August 2019,  
we also received the  
'Best Recreational Resort'  
award by Holiday Biz





# Awards

## Booking.com Guest Review Awards 2018

Dear Partner,

A glowing review is a thank you note the whole world can see. And in 2018, you impressed your guests so much that they said thanks again and again – and now, your property review score is one of the highest on Booking.com.

That's why we are honoured to present you with the 2018 Booking.com Guest Review Award. From all of us at Booking.com, congratulations!

A Guest Review Award is no small achievement. Delivering such an incredible experience to your guests is the result of dedication, passion and a lot of hard work. To showcase your accomplishment, we invite you to display your Guest Review Award in your property and share it online with the hashtag **#GuestsLoveUs**.

We're proud to call you our partner, and – just like your many happy guests – we want to give you our biggest thanks.

Here's to many more years of celebrating success and Growing Together.

Our warmest wishes,



**James Waters**  
Vice President Of Partner & Customer Services  
Booking.com

To opt out from future mail, please update your settings via this link: <https://go.partners.booking.com/DM.html>



Derek Sivers said,  
"Customer service is  
the new marketing."

Mr. Prahlad S. Advani has  
fostered a 'Customer-Centric  
Culture' in the Resort and our  
entire operations team has  
strived to create a positive  
experience for all our  
esteemed guests

These efforts have increased  
overall customer satisfaction,  
which in turn has resulted in  
these numerous awards

These positive customer  
reviews on the internet have  
indirectly given a boost to our  
sales and helped differentiate  
our Resort from competitors

In February 2019, Booking.com  
awarded our Resort with the  
2018 'Booking.com Guest  
Review Award'

Currently, our Resort has an  
admirable guest review score  
of 8.5 points out of a maximum  
of 10 points, with over 1200  
reviews on Booking.com

Our Resort has a collective  
'Online Reputation Management  
Score' across several platforms  
of 90 out of 100, which is the  
highest amongst our  
competitors!



## NOTICE

NOTICE is hereby given that the **32<sup>nd</sup> Annual General Meeting** ("AGM") of the members of **ADVANI HOTELS & RESORTS (INDIA) LIMITED** will be held on Tuesday, September 17, 2019 at 3.30 p.m. at 'Rangaswar', 4th Floor, Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai - 400 021, to transact the following business:

### ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Balance Sheet as at 31st March, 2019, 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 @30% (0.60 paise per equity share) and 2nd interim dividend @70% (₹ 1.40 per equity share) already paid for the financial year ended March 31, 2019.
3. To appoint a director in place of Mrs. Menaka S. Advani (DIN00001375), who retires by rotation and, being eligible, seeks re-appointment.

### SPECIAL BUSINESS:

4. Re-appointment of Mr. Prakash V. Mehta as an Independent Director

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, approval of the Members of the Company be and is hereby accorded for re-appointment & continuation of Mr. Prakash V. Mehta (DIN: 00001366), who has attained the age of 75 years, as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second consecutive term of 5 (five) years commencing with effect from September 24, 2019 up to September 23, 2024."

5. Re-appointment of Mr. Vinod K. Dhall as an Independent Director

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, approval of the Members of the Company be and is hereby accorded for re-appointment & continuation of Mr. Vinod K. Dhall (DIN: 02591373), who has attained the age of 75 years, as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second consecutive term of 5 (five) years commencing with effect from September 24, 2019 up to September 23, 2024."

6. Re-appointment of Adm. Sureesh Mehta (Retired) as an Independent Director

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, approval of the Members of the Company be and is hereby accorded for re-appointment & continuation of Admiral Sureesh Mehta (Retired) (DIN: 06992229), as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second consecutive term of 5 (five) years commencing with effect from September 24, 2019 up to September 23, 2024."



### 7. Re-appointment of Mr. Adhiraj A. Harish as an Independent Director

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, approval of the Members of the Company be and is hereby accorded for re-appointment & continuation of Mr. Adhiraj A. Harish (DIN: 03380459), as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second consecutive term of 5 (five) years commencing with effect from November 10, 2019 up to November 9, 2024."

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

**Nilesh Jain**

Company Secretary  
(ACS 18320)

Place: Mumbai

Date: August 13, 2019

#### **Registered Office:**

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

#### **NOTES:**

1. The profile of the Directors' seeking 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 Standard 2, is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING 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. THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE VALID AND EFFECTIVE SHOULD BE LODGED / DEPOSITED AT THE OFFICE OF THE REGISTRAR AND SHARE TRANSFER AGENT ("R&T AGENT") OF THE COMPANY OR AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROVIDED THAT A PROXY SHALL NOT HAVE THE RIGHT TO SPEAK AT THE MEETING. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER A MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY PROVIDED THAT SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
4. In terms of the provisions of Section 152 of the Act, Mrs. Menaka S. Advani, Director, retires by rotation at the Meeting. The Board of Directors of the Company commends her re-appointment.
5. SEBI has decided that securities of listed companies can be transferred only in dematerialized form from 5th December 2018. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.
6. 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.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 7, 2019 to Tuesday, September 17, 2019 (both days inclusive).
8. 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.

9. Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to M/s. Datamatics Business Solutions Limited/Investor Service Department of the Company immediately.
10. 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 Business Solutions 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.

11. 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.
12. Members may also note that the Annual Report for FY 2018 – 19 will also be available on the Company's website [www.caravelabeachresortgoa.com](http://www.caravelabeachresortgoa.com) for their download.
13. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2011 - 2012, 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 August 9, 2018 (date of last Annual General Meeting) on the website of the Company ([www.caravelabeachresortgoa.com](http://www.caravelabeachresortgoa.com)) as also on the website of the Ministry of Corporate Affairs.

#### **14. 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 by 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.
- IV. The remote e-voting period commences on September 14, 2019 (9:00 AM) and ends on September 16, 2019 (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 10, 2019, 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:
  - Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
  - Step 2 : Cast your vote electronically on NSDL e-Voting system.



Details on Step 1 is mentioned below:

## How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of Advani Hotels & Resorts (India) Limited, which is 111183
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [bhattivirendra1945@yahoo.co.in](mailto:bhattivirendra1945@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- VI. 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 10, 2019.
- VII. 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 10, 2019, 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.
- VIII. 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.
- IX. 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.
- X. Mr. Virendra G. 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.
- XI. The Chairman shall, at the 32nd 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.
- XII. 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.



- XIII. The voting 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.
15. 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.
16. Members are requested to note that as per Section 124 of the Companies Act, 2013, 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.
17. 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).
18. 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.
19. 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.
20. Members desiring any information relating to the accounts are requested to write to the Company at [cs.ho@advanihotels.com](mailto:cs.ho@advanihotels.com) or [finance.ho@advanihotels.com](mailto:finance.ho@advanihotels.com) well in advance so as to enable the management to keep the information ready.

### Explanatory Statement

As required under Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to business mentioned under Item Nos. 4 to 7 of the accompanying Notice:

#### Item No 4:

Mr. Prakash V. Mehta was appointed as an Independent Director of the Company at the 27th Annual General Meeting ("AGM") of the Company held on September 24, 2014 and holds office up to September 23, 2019. As per Section 149(10) of the Companies Act, 2013 (the Act) an Independent Director shall hold office for a term of up to five consecutive years on the Board of Directors of a Company, but shall be eligible for re-appointment for another term of up to five consecutive years with approval of shareholders obtained by way of passing a special resolution by the Company. Pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a person who has attained the age of seventy five years may be appointed/continue as a non-executive Director of a listed company subject to approval of its shareholders by way of a special resolution.

Based on recommendations of the Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Prakash V. Mehta (DIN 00001366), who has attained the age of 75 years on 12th February, 2017, as an Independent Director, for a second term of five years from September 24, 2019 to September 23, 2024, not liable to retire by rotation.

The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed there under and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Mr. Mehta would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

In the opinion of the Board, he fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. Copy of the draft letter for appointment of

Mr. Mehta setting out the terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Mr. Prakash V. Mehta obtained a Bachelors Degree in Law from the University of Bombay in 1963, thereafter qualified as a Solicitor in 1966 and since then has been practicing as a Solicitor. He is a partner of M/s. Malvi Ranchoddas & Co., a renowned firm of Solicitors. He has considerable experience in the field of Law and is also an expert in Corporate Law, Acquisitions, Joint Ventures and Foreign Collaborations. He is a Director on the Boards of several prominent companies in India. He has been a Director on the Board of the Company since June 30, 1989. Further details and current directorships have been given in the Annexure to this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Mr. Prakash V. Mehta as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Special Resolution at Item No. 4 of this Notice for approval of the Members.

Except Mr. Prakash V Mehta and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way concerned, or interested, in the Resolution set out at Item No. 4 of the Notice.

#### **Item No 5:**

Mr. Vinod K. Dhall was appointed as an Independent Director of the company at the 27th Annual General Meeting ("AGM") of the Company held on September 24, 2014 and holds office up to September 23, 2019. As per Section 149(10) of the Companies Act, 2013 (the Act) an Independent Director shall hold office for a term of up to five consecutive years on the Board of Directors of a Company, but shall be eligible for re-appointment for another term of up to five consecutive years with approval of shareholders obtained by way of passing a special resolution by the Company. Pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a person who has attained the age of seventy five years may be appointed/continue as a non-executive Director of a listed company subject to approval of its shareholders by way of a special resolution.

Based on recommendations of the Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Vinod K. Dhall (DIN 02591373), who has attained the age of 75 years on 20th February, 2019, as an Independent Director, for a second term of five years from September 24, 2019 to September 23, 2024, not liable to retire by rotation.

The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed there under and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

The Board, based on the performance evaluation and recommendations of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Mr. Dhall would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

In the opinion of the Board, he fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Mr. Vinod K. Dhall was a seasoned Bureaucrat and was Ex-Member & acting Chairman of the Competition Commission of India. He is having vast and rich experience in the field of Corporate Affairs, Economic regulatory experience in the areas of capital markets and Insurance. He is a Director on the Boards of several prominent companies in India. Further details and current directorships have been given in the Annexure to this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Mr. Vinod K Dhall as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Special Resolution at Item No. 5 of this Notice for approval of the Members.



Except Mr. Vinod K Dhall and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way concerned, or interested, in the Resolution set out at Item No. 5 of the Notice.

### **Item No 6:**

Adm. Sureesh Mehta was appointed as an Independent Director of the company by the Board of Directors on September 24, 2014 and holds office up to September 23, 2019. As per Section 149(10) of the Companies Act, 2013 (the Act) an Independent Director shall hold office for a term of up to five consecutive years on the Board of Directors of a Company, but shall be eligible for re-appointment for another term of up to five consecutive years with approval of shareholders obtained by way of passing a special resolution by the Company. Pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a person who has attained the age of seventy five years may be appointed/continue as a non-executive Director of a listed company subject to approval of its shareholders by way of a special resolution.

Based on recommendations of the Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Adm. Sureesh C. Mehta (DIN 06992229), who will be attaining the age of 75 years, on 18th August 2022, as an Independent Director, for a second term of five years from September 24, 2019 to September 23, 2024, not liable to retire by rotation.

Since Adm. Sureesh Mehta will attain the age of 75 during his second term, a special resolution is also being passed for his continuation in accordance with Regulation 17(1A) of the listing regulations.

The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed there under and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

The Board, based on the performance evaluation and recommendations of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Mr. Mehta would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

In the opinion of the Board, he fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Admiral Sureesh C. Mehta was an alumnus of the National Defence Academy, the Defence Services Staff College, Wellington, India and the National Defence College, New Delhi. He was a naval aviator who flew Sea Hawk jets from the aircraft carrier, INS Vikrant. His operational Command assignments encompassed frigates INS Beas and INS Godavari, as also INS Garuda - a premier Naval Air Station of the Indian Navy. His illustrious career saw him command the Western Fleet during the Kargil crisis, the Indian Coast Guard and the Eastern Naval Command as the Flag Officer Commanding-in-Chief. His Principal Staff appointments at Delhi were as Chief of Personnel – managing the vast plethora of the Navy's HRD issues - and the Deputy Chief of the Naval Staff, responsible for naval operations in all the three dimensions. In his over 42 years of Commissioned service, he has dealt with complex issues in diversified fields, and has acquired considerable expertise in various facets of management, operations, fiscal planning, technology, futuristic development, prudent decision-making, national security and diplomatese. Further details and current directorships have been given in the Annexure to this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Adm. Sureesh Mehta as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Special Resolution at Item No. 6 of this Notice for approval of the Members.

Except Adm. Sureesh Mehta and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way concerned, or interested, in the Resolution set out at Item No. 6 of the Notice.

**Item No 7:**

Mr. Adhiraj Harish was appointed as an Independent Director of the company by the Board of Directors of the Company at their meeting held on November 10, 2014 and holds office up to November 9, 2019. As per Section 149(10) of the Companies Act, 2013 (the Act) an Independent Director shall hold office for a term of up to five consecutive years on the Board of Directors of a Company, but shall be eligible for re-appointment for another term of up to five consecutive years with approval of shareholders obtained by way of passing a special resolution by the Company.

Based on recommendations of the Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Adhiraj Harish (DIN 03380459) as an Independent Director, for a second term of five years from November 10, 2019 to November 9, 2024, not liable to retire by rotation.

The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed there under and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

The Board, based on the performance evaluation and recommendations of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Mr. Adhiraj would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

In the opinion of the Board, he fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Mr. Adhiraj A. Harish graduated in Management and Law and also has done Master in Legislative Laws from University of Mumbai in 2014. He has successfully completed online certification course on Intellectual Property Rights with the World Intellectual Property Organization (WIPO). He is a member of Bar Council of Maharashtra. He is working as Associate at D.M. Harish & Co., Advocates. He has also attended courses at the University of California, Berkeley in 2005 on International Business: to analyze the effects of overseas business investments on domestic and foreign economies and Marketing: Review various Marketing strategies adopted by Multinational Corporations. His area of practice includes Real Estate, Will and Succession, Foreign Exchange Management Act (FEMA) etc. Further details and current directorships have been given in the Annexure to this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Mr. Adhiraj A. Harish as an Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Special Resolution at Item No. 7 of this Notice for approval of the Members.

Except Mr. Adhiraj Harish and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way concerned, or interested, in the Resolution set out at Item No. 7 of the Notice.



## ADVANI HOTELS & RESORTS (INDIA) LIMITED

Particulars of director seeking re-appointment pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard-2:

<b>Name of Director</b>	<b>Mrs. Menaka S Advani</b>	<b>Mr. Prakash V. Mehta</b>	<b>Mr. Vinod K. Dhall</b>	<b>Adm. Sureesh Mehta (Retired)</b>	<b>Mr. Adhiraj A. Harish</b>
Director Identification Number (DIN)	00001375	00001366	02591373	06992229	03380459
Date of Appointment / Re-appointment	September 30, 1989	September 24, 2014	September 24, 2014	September 24, 2014	November 10, 2014
Age	73 Years	77 years	75 years	72 years	33 Years
Date of Birth	August 12, 1946	February 12, 1942	February 20, 1944	August 18, 1947	December 13, 1986
Qualification	MA (Economics), Innkeepers Diploma, Holiday Inn University (USA)	LLB from the University of Mumbai and Qualified as Solicitor	Indian Administrative Service (IAS)	M. Sc. (Defense Study)	LL.M., online certification course on Intellectual Property Rights with the World Intellectual Property Organization (WIPO).
Expertise	Administration and Human Resource Development	Corporate Laws, Acquisitions, Joint Ventures and Foreign Collaborations	Corporate Affairs, Competition Law, Insurance and economic regulatory experience in the areas of capital markets	Admiral, Chief of Indian Navy Retired	Real Estate, Will and Succession, FEMA etc
List of other Directorships	Sunder Advani Consultants LLP	-Oriental Aromatics Limited; - Hikal Limited; -Mukand Engineers Limited; - Mukand Limited; - Bharat Bijlee Limited; - Mukand Sumi Special Steel Limited; - India Safety Vaults Private Limited; - Lotus Shopping Centres Private Limited; - Pegasus Assets Reconstruction Pvt Ltd; - G-Corp Lotus Mall Private Limited; - Iris Investment Advisors Private Limited;	-ICICI Prudential Pension Funds Management Company Limited -ICICI Securities Limited; -ICICI Prudential Trust Limited; -ICICI Home Finance Limited; -Schneider Electric Infrastructure Limited;	Nil	-Future Consumer Limited -Aadhar Wholesale Trading and Distribution Limited -The Nilgiri Dairy Farm Private Ltd.

Name of Director	Mrs. Menaka S Advani	Mr. Prakash V. Mehta	Mr. Vinod K. Dhall	Adm. Sureesh Mehta (Retired)	Mr. Adhiraj A. Harish
Chairmanship / Membership of other Committees of other Companies	I. Chairman: Nil II. Member: Nil	<b>Audit Committee:</b> - Bharat Bijlee Limited (Member); - Oriental Aromatics Limited (Member); - Hikal Limited (Member); - Mukand Limited (Member); - Mukand Engineers Limited (Chairman) <b>Stakeholder Relationship Committee:</b> - Hikal Limited (Member); - Bharat Bijlee Limited (Chairman)	<b>Audit Committee:</b> -ICICI Prudential Pension Funds Management Co Ltd (Chairman); - ICICI Prudential Trust Limited (Member); - Schneider Electric Infrastructure Limited (Chairman); <b>Stakeholder Relationship Committee:</b>	Nil	<b>Audit Committee</b> -Future Consumer Limited -Aadhar Wholesale Trading & Distribution Limited  <b>Stakeholders Relationship Committee</b> -Future Consumer Limited
No. of Equity Shares held in the Company	13,10,880 (2.836% of Paid up Share Capital)	Nil	Nil	Nil	Nil
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	N.A	N.A	N.A	N.A
No. of Board meetings attended during the financial year 2018-19	5 out of 5	5 out of 5	2 out of 5	5 out of 5	4 out of 5
Remuneration last drawn (including sitting fees, if any)	₹2,80,000 as sitting fees for attending Board & other committee meetings	₹3,20,000 as sitting fees for attending Board & other committee meetings	₹1,00,000 as sitting fees for attending Board & other committee meetings	₹2,40,000 as sitting fees for attending Board & other committee meetings	₹2,20,000 as sitting fees for attending Board & other committee meetings

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

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

Place: Mumbai  
Date: August 13, 2019

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

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



## DIRECTORS' REPORT

### Directors' Report to the Members

The Directors have pleasure to present the 32<sup>nd</sup> Annual Report of your Company together with the audited financial accounts for the year ended March 31, 2019.

### 1. FINANCIAL RESULTS:

Your Company's financial performance for the year ended March 31, 2019 is set out as below:

(₹ in millions)

Particulars	March 31, 2019	March 31, 2018
<b>Total Income</b>	<b>717.25</b>	<b>638.22</b>
<b>Profit before Depreciation, Finance Costs and Tax</b>	<b>176.43</b>	<b>164.86</b>
Less: Depreciation	36.54	35.19
<b>Profit before Finance Costs and Tax</b>	<b>139.89</b>	<b>129.67</b>
Less: Finance Costs	0.64	0.59
<b>Profit before Tax</b>	<b>139.25</b>	<b>129.08</b>
Less: Provision for Taxation:		
Current Tax	40.50	42.70
Deferred Tax Liability/(Asset)	(16.53)	0.92
Tax for earlier years	1.57	(0.88)
<b>Profit after Tax</b>	<b>113.71</b>	<b>86.34</b>
<b>Other comprehensive Income (OCI) Net of tax</b>	<b>(0.12)</b>	<b>0.92</b>
<b>Total Comprehensive Income for the year</b>	<b>113.59</b>	<b>87.26</b>
Profit brought forward from last year	206.47	149.52
<b>Profit available for appropriation</b>	<b>320.06</b>	<b>236.78</b>
Transfer to General Reserve	2.50	2.50
Interim / Final Dividends for the Year	36.98	23.11
Dividend Distribution Tax	7.58	4.70
Balance Profit carried to Balance Sheet	273.00	206.47
Basic and Diluted Earnings per Equity Share of ₹2/- each	2.46	1.87

#### INCOME:

Your Company achieved a total turnover of ₹717.25 Million as compared to ₹638.22 Million in the previous year, registering a growth of 12.38% on a year to year basis. This increase was achieved without any expansion in room or food and beverage facilities.

#### EARNINGS BEFORE INTEREST, DEPRECIATION, TAX AND AMORTIZATION (EBIDTA)

The Gross Profit before Depreciation, Finance Costs and Tax increased by 7.02% from ₹164.86 Million to ₹176.43 Million.

#### INTEREST:

Interest Costs for the year have remained almost the same at ₹0.64 Million. The Company is still debt-free.

#### PROFIT BEFORE TAX:

Profit before Tax has increased by 7.88% from ₹129.08 Million to ₹139.25 Million.

#### PROFIT AFTER TAX:

Profit for the year after Tax has increased by 31.7% from ₹86.34 Million to ₹113.71 Million.

## 2. DIVIDEND:

The Company has declared the following dividends for the year out of the available profits of the Company:-

Type of Dividend	Date of Declaration	Record Date	Rate of Dividend per share (Face value ₹2 per share)	%	Total Payout including Dividend Distribution Tax (₹)
1 <sup>st</sup> Interim Dividend	February 14, 2019	February 27, 2019	0.60	30	33,431,833
2 <sup>nd</sup> Interim Dividend	May 10, 2019	May 22, 2019	1.40	70	78,007,609
		<b>Total</b>	2.00	100	111,439,442

The total dividend paid for the year stands at ₹2/- per equity share having face value of ₹2/- each representing 100% dividend. The second interim dividend of 70% i.e., ₹1.40 per Equity share of ₹2/- each was paid to celebrate the completion of 30 years of listing of the company on the Bombay Stock Exchange (BSE).

The Directors have not recommended any final dividend for the financial year ended March 31, 2019.

## 3. TRANSFER TO RESERVES:

We propose to transfer ₹2.5 Million to the General Reserve out of the profit available for appropriation.

## 4. UPGRADATION AND ADDITIONS:

We had planned to replace the lobby flooring in a phased manner to minimise disruption to our ongoing operations. The lobby flooring was replaced in certain sections in 2016-2017 and some sections in 2017-2018. The balance lobby flooring has been replaced in August 2018. With this, the upper and lower lobby flooring has now been replaced entirely.

During the off-season period of FY 2018-2019, the Company appointed CB Richard Ellies (CBRE) India office, as a Project Management Company for hotel related civil, interior, and service works. The scope of work was determined on the basis of inputs derived from the operation team and guest feedback.

The work completed includes the water-proofing of the Varca A and Varca B Ballroom and the South-section and West-section of main lobby roof to arrest certain leakages. Thereafter, the entire 23-meter high lobby was painted with the help of a boom-lift.

Simultaneously, a complete renovation of staff lockers and staff toilets and executive lockers and toilets took place and the service elevator was also completely retrofitted with new equipment from Otis.

The old Garden Villas 11-19 were enhanced by installing a new double leaf arch-shaped balcony door, new balcony tiles, a new main door and new flooring.

The Company procured an imported SALVA bakery deck oven, new dough sheeter, meat mincer and an additional ice cube machine to enhance the kitchen operations.

In addition, the Company added one Toyota Innova Crysta and one new 12-seater coach to the Company's fleet of vehicles to facilitate our guest transportation. One Mahindra Maxi vehicle was also procured to improve material movement.

The Company bought new guest-room telephones, Samsung TV's and minibars.

Lastly, the Company procured new sun loungers for the pool area and also new dining chairs and tables for the beach restaurant.

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

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

## 6. 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.



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

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in “**Annexure A**” of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR policy is available on the website of the Company at [www.caravelabeachresortgoa.com/investorrelations](http://www.caravelabeachresortgoa.com/investorrelations)

### 8. 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.

### 9. BUSINESS RISK MANAGEMENT:

The Company has a robust 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. The framework has different risk models, which help in identifying risk trends, exposure and potential impact analysis at a Company level. Risk management forms an integral part of the Company's Mid-Term Planning cycle.

### 10. 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.

### 11. 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/investorrelations](http://www.caravelabeachresortgoa.com/investorrelations).

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

- (a) Appointment / Reappointment: During the year under review, the shareholders of the company have approved by passing special resolution via postal ballot for the continuation of Mr. Prakash V Mehta and Mr. Vinod K. Dhall as independent non executive Directors up to September 23, 2019 of the Company despite having attained age of 75 years.

Mr. Prakash V. Mehta and Mr. Vinod K. Dhall were appointed as independent directors at the 27th Annual General Meeting (AGM) held on September 24, 2014 for a period of five years.

Adm. Sureesh Mehta (Retired) and Mr. Adhiraj A. Harish were appointed as Independent Directors of the Company by the Board of Directors on September 24, 2014 and November 10, 2014 respectively. Based on the recommendations of the Nomination and Remuneration Committee, their re-appointment for a second term of five years is proposed at the ensuing AGM for the approval of the Members by way of special resolution.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees for the purpose of attending meetings of the Board/Committee of the Company.

- (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/investorrelations](http://www.caravelabeachresortgoa.com/investorrelations)

- (g) Key Managerial Personnel: Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2019 are: Mr. Sunder G. Advani, Chairman & Managing Director, Mr. Shankar Kulkarni, Chief Financial Officer and Mr. Nilesh Jain, Company Secretary.

There was no change in the Key Managerial Personnel of the Company during the year however Mr. Shankar Kulkarni, VP Finance, designated as CFO of the Company has resigned on April 5, 2019 and the same has been accepted by the Board of Directors at their meeting held on May 10, 2019. The Board of Directors appreciated the work done by him during his around 11 year stint with the Company and wished him good luck for his future endeavors. He was relieved from his duties on July 13, 2019.

### 13. 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.

### 14. MANAGEMENT DISCUSSION AND ANALYSIS:

Management's Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section, forming part of the Annual Report.

### 15. SECRETARIAL STANDARDS:

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.



### 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, 2019, 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, 2019 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, 2019, the applicable Indian 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, 2019 and of the profit and loss of the Company for the year ended March 31, 2019;
- (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, 2019 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 2018-19.

## 18. STATUTORY AUDITORS:

At the 30<sup>th</sup> AGM held on September 27, 2017 the Members approved appointment of Amar Bafna & Associates, Chartered Accountants (Firm Registration No. 114854W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 30<sup>th</sup> AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

## 19. STATUTORY AUDITORS' REPORT:

The Statutory Auditors' Report to the Shareholders for the year under review does not contain any qualification, reservations or adverse remarks or disclaimers.

The report of the Statutory Auditors along with the Notes to Schedules forms part of the Annual Report and contains an Unmodified Opinion without any qualification, reservation, disclaimer or adverse remark.

The Statutory Auditors of the Company have not reported any fraud as specified in Section 143(12) of the Act.

## 20. SECRETARIAL AUDITOR'S REPORT:

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 3, 2019, is attached separately to this report as "Annexure B".

Further, Pursuant to SEBI circular CIR/CFD/CMD1/27/2019 dated February 08, 2019, the Annual Secretarial Compliance Report dated May 4, 2019 submitted by Mr Virendra G. Bhatt, Practicing Company Secretary also attached separately to this report as "Annexure C".

The Secretarial Auditors' Report and the Secretarial Compliance Report for the year under review do not contain any qualification, reservations or adverse remarks or disclaimers and hence, do not call for any further information and explanation under Section 134(3) of the Companies Act, 2013.

## 21. 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.

## 22. 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.

## 23. 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.



### 24. 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 'D'** hereto and forms part of this Report.

### 25. TRANSFER OF UNCLAIMED DIVIDEND:

During the year, the company has transferred unpaid dividend related to financial year 2010-2011 to the Investor Education & Protection Fund (IEPF) as per the requirements of the Companies Act, 2013. The company has also transferred 20,392 Equity shares on which dividend has not been paid or claimed by shareholders for a period of seven consecutive years or more to the Investor Education and Protection Fund established by the Ministry of corporate Affairs.

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

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

As per the requirements of Section 92(3) of the Act and Rules framed there under, the extract of the Annual Return for FY 2019 is given in "**Annexure E**" in the prescribed Form No. MGT-9, which is a part of this report. The same is available on the website of the company at [www.caravelabeachresortgoa.com/investorrelations](http://www.caravelabeachresortgoa.com/investorrelations)

#### (ii) MEETINGS:

The Board of Directors met 5 (five) times in the financial year 2018-19. 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:

Details pertaining to the Audit 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 and within the limits of the omnibus approval granted by the Audit Committee and Board of Directors. 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/investorrelations](http://www.caravelabeachresortgoa.com/investorrelations).

#### (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 year under review, the Company has received only one complaint of sexual harassment from the women employees of the Company. One complaint was pending from last financial year. Both the complaints were resolved during the year and no complaint was pending at the end of the year.

**27. 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 F**”.

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.

**28. 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.

**29. ACKNOWLEDGEMENTS:**

Your Directors appreciate the assistance provided by the bankers, the Ministry of Finance, Tourism and the Goa Government. We thank the Shareholders, our valued clients and the tour operators for their continued support. Your Directors also 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 13, 2019

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



## ANNEXURE "A" TO THE DIRECTORS' REPORT 2018-19

### 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 14 <sup>th</sup> 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 A. Harish, Member
3.	Average net profit of the company for last three financial years	₹ 124.71 Million
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	₹ 2.49 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	₹ 2.51 Million Nil

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	Preventive Health Care and Livelihood Enhancement	Maharashtra	₹ 1,020,000	₹ 1,020,000	₹ 1,020,000	Directly through a. Prasad Chikitsa b. Human Touch Foundation

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	₹ 290,233	₹ 290,233	₹ 290,233	Directly through a. Gomantak Pashu Rakshak Sanstha b. Dr. Anjali Nononha c. Mascot d. Peta India e. In Defence of Animals f. The welfare of Stray Dogs
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	₹ 1,200,000	₹ 1,200,000	₹ 1,200,000	Directly through a. Isha Education b. Maharashtra Dyslexia Association c. Maharashtra State Women's Council (MSWC)
			<b>Total</b>	<b>₹ 2,510,233</b>	<b>₹ 2,510,233</b>	<b>₹ 2,510,233</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 Company has 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" SECRETARIAL AUDIT REPORT 2018-19

Form No. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 has prima facie complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2019 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, 2019:-

- (a) The Securities And Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (c) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) 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 entered into by the Company with the stock exchanges read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

(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. And I rely on observation & qualification if any made by statutory auditor's of the company in his report.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors / Committees that took place during the period under review.

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 3, 2019**

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



**ANNEXURE "C" TO THE DIRECTORS' REPORT  
SECRETARIAL COMPLIANCE REPORT  
FOR THE YEAR ENDED MARCH 31, 2019**

**1. I have examined:**

- (a) all the documents and records made available to me and explanation provided by **Advani Hotels and Resorts (India) Limited** ("the listed entity") arising from the compliances of specific Regulations listed under para 2 infra.
- (b) the filings/ submissions made by the Listed Entity to the stock exchanges in connection with the above,
- (c) website of the listed entity,

**for the year ended 31st March, 2019 ("Review Period") in respect of compliance with the provisions of:**

- (a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

**2. The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-**

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

**and based on the above examination, I hereby report that, during the Review Period:**

- (a) The Listed Entity has prima facie complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder. However, in the absence of any transaction relating to buyback of securities, issue of Non-Convertible and Redeemable Preference Shares and issue of debt securities during the review period, the compliance of the relevant regulations mentioned above does not arise.
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars / guidelines issued thereunder insofar as it appears from my examination of those records.
- (c) No action was taken against the listed entity/ its promoters/ directors either by SEBI by Stock Exchanges (including under the Standard Operating Procedures Issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars/ guidelines issued thereunder.
- (d) This being the first reporting since the notification of the requirement to submit this report, reporting on actions to comply with the observations made in previous reports does not arise.

**Place: Mumbai  
Date: May 4, 2019**

**Virendra G. Bhatt  
ACS No.: 1157  
C P No.: 124**

## ANNEXURE "D" TO THE DIRECTORS' REPORT

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 forming part of Directors' Report for the year ended March 31, 2019:

### A. CONSERVATION OF ENERGY IN 2018-2019:

**(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 2018-19, the company has taken following steps for utilizing alternative sources of energy:

- (a) The Company spent considerable amount on LED light bulbs and have replaced the existing light bulbs to conserve energy. This will also reduce energy bills in the forthcoming months.
- (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 hotel is a 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 ₹118.24 million (previous year ₹98.74 million). The total outgo in foreign exchange for the current year was ₹17.89 million (previous year ₹17.13 million).



**ANNEXURE "E" TO THE DIRECTORS' REPORT****FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED MARCH 31, 2019**

[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)	<b>CIN</b>	L99999MH1987PLC042891
(ii)	<b>Registration Date</b>	13 <sup>th</sup> March 1987
(iii)	<b>Name of the Company</b>	Advani Hotels & Resorts (India) Ltd.
(iv)	<b>Category / Sub-Category of the Company</b>	Public Company / limited by shares
(v)	<b>Address of the Registered office and contact details</b>	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)	<b>Whether listed company</b>	Yes
(vii)	<b>Name, Address and Contact details of Registrar and Transfer Agent</b>	Datamatics Business Solutions 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	53.91%
2	Restaurant and Mobile Food Service activities	561	31.62%

**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				

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

##### i) Category-wise Shareholding

Category of Shareholders		No. of Shares held at the beginning of the year (April 1, 2018)				No. of Shares held at the end of the year (March 31, 2019)				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>(A) Promoters</b>										
1 Indian										
(a) Individuals/ Hindu Undivided Family		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 / State Government		0	0	0	0.000	0	0	0	0.000	0.000
(c) Bodies Corporate		3,78,500	0	3,78,500	0.819	3,78,500	0	3,78,500	0.819	0.000
(d) Financial Institutions / Banks		0	0	0	0.000	0	0	0	0.000	0.000
(e) 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			0	0	0.000		0	0	0.000	0.000
(a) Individuals (Non-Resident Individuals/ Foreign 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
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>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) Public shareholding</b>										
1 Institutions										
(a) Mutual Funds/UTI		0	47,000	47,000	0.1017	0	47,000	47,000	0.1017	0.000
(b) Financial Institutions / Banks		0	2,500	2,500	0.0054	0	2,500	2,500	0.0054	0.000
(c) Governments		0	0	0	0.000	0	0	0	0.000	0.000
(d) Venture Capital Funds		0	0	0	0.000	0	0	0	0.000	0.000
(e) Insurance Companies		0	0	0	0.000	0	0	0	0.000	0.000
(f) Foreign Institutional Investors		0	0	0	0.000	0	0	0	0.000	0.000
(g) Foreign Venture Capital Investors		0	0	0	0.000	0	0	0	0.000	0.000
(h) Qualified Foreign Investor		0	0	0	0.000	0	0	0	0.000	0.000
(i) Any Other (specify)		0	0	0	0.000	0	0	0	0.000	0.000
<b>Sub Total (B) (1)</b>		<b>0</b>	<b>49,500</b>	<b>49,500</b>	<b>0.1071</b>	<b>0</b>	<b>49,500</b>	<b>49,500</b>	<b>0.1071</b>	<b>-0.0195</b>
2 Non-institutions										
(a) Bodies Corporate		1,61,48,274	19,500	1,61,67,774	34.9806	1,60,12,708	16,500	1,60,29,208	34.6808	-0.2998
(b) (i) Individuals - shareholders holding nominal share capital up to ₹ 1 Lakh		27,15,369	9,66,880	36,82,249	7.9669	26,92,965	8,24,200	35,17,165	7.6097	-0.3572
(b) (ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh		22,94,208	0	22,94,208	4.9637	24,07,681	0	24,07,681	5.2093	0.2455
(c) Any other (specify)										
(c) (i) NRI Rep		1,28,375	1,20,050	2,48,425	0.5375	3,17,040	1,20,050	4,37,090	0.9457	0.4082
(c) (ii) NRI Non -Rept		1,28,170	12,500	1,40,670	0.3044	1,18,790	3,000	1,21,790	0.2635	-0.0408
(c) (iii) Foreign Bodies		0	1,925	1,925	0.0042	0	1,925	1,925	0.0042	0.0000
(c) (iv) Foreign National		0	0	0	0.000	0	0	0	0.000	0.0000
<b>Sub Total (B)(2)</b>		<b>2,18,61,793</b>	<b>11,20,855</b>	<b>2,29,82,648</b>	<b>49.7253</b>	<b>2,20,16,973</b>	<b>9,65,675</b>	<b>2,29,82,648</b>	<b>49.7253</b>	<b>0.0000</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>		<b>2,18,61,793</b>	<b>11,70,355</b>	<b>2,30,32,148</b>	<b>49.8324</b>	<b>2,20,16,973</b>	<b>10,15,175</b>	<b>2,30,32,148</b>	<b>49.8324</b>	<b>0.0000</b>
<b>Total (A)+(B)</b>		<b>4,50,48,895</b>	<b>11,70,355</b>	<b>4,62,19,250</b>	<b>100.000</b>	<b>4,52,04,075</b>	<b>10,15,175</b>	<b>4,62,19,250</b>	<b>100.000</b>	<b>0.000</b>
<b>(C) Shares held by custodians and against which Depository Receipts have been issued</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>4,50,48,895</b>	<b>11,70,355</b>	<b>4,62,19,250</b>	<b>100.00</b>	<b>4,52,04,075</b>	<b>10,15,175</b>	<b>4,62,19,250</b>	<b>100.00</b>	<b>0.000</b>



# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (April 1, 2018)			Shareholding at the end of the year (March 31, 2019)			% Change during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered	
1	SUNDER G ADVANI	94,25,893	20.3939	-	94,25,893	20.3939	-	0.00
2	HARESH G ADVANI	53,30,139	11.5323	-	53,30,139	11.5323	-	0.00
3	NINA H ADVANI	21,36,350	4.6222	-	21,36,350	4.6222	-	0.00
4	LALITA SUNDER BADINEHAL	13,83,800	2.9940	-	13,83,800	2.9940	-	0.00
5	PRAHLAD SUNDER ADVANI	13,74,000	2.9728	-	13,74,000	2.9728	-	0.00
6	MENAKA SUNDER ADVANI	13,10,880	2.8362	-	13,10,880	2.8362	-	0.00
7	NATASHA MIRCHANDANI	7,41,399	1.6041	-	7,41,399	1.6041	-	0.00
8	ALEKHA HARESH ADVANI	5,18,451	1.1217	-	5,18,451	1.1217	-	0.00
9	SUNDER ADVANI INVESTMENTS PRIVATE LTD	3,78,500	0.8189	-	3,78,500	0.8189	-	0.00
10	INDIRA SHIV THADANI	2,75,000	0.5950	-	2,75,000	0.5950	-	0.00
11	BALRAM DAYARAM DATWANI	1,63,940	0.3547	-	1,63,940	0.3547	-	0.00
12	JIHAN HARESH ADVANI	1,22,500	0.2650	-	1,22,500	0.2650	-	0.00
13	SABRINA DILIP JHANGIANI	26,250	0.0568	-	26,250	0.0568	-	0.00
	<b>Total (A)+(B)</b>	<b>2,31,87,102</b>	<b>50.1676</b>		<b>2,31,87,102</b>	<b>50.1676</b>		<b>0.00</b>

## iii) Change in Promoters' Shareholding

Sr. No	Particulars	Shareholding at the beginning of the year (April 1, 2018)		Cumulative Shareholding during the year (01-04-2017 to 31-03-2019)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	No changes during the year				
2					

## 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	1,56,10,232	35.774	1-APRIL-2018			1,56,10,232	35.774
		1,56,10,232	33.774	31-MAR-2019				
2	RADHAKISHAN S. DAMANI	17,35,959	3.756	1-APRIL-2018			17,35,959	3.756
			0.081	28-SEPT-2018	37,284	TRANSFER	17,73,243	3.837
			0.048	05-OCT-2018	22,247	TRANSFER	17,95,490	3.885
			0.097	12-OCT-2018	44,645	TRANSFER	18,40,135	3.981
			0.011	19-OCT-2018	4,870	TRANSFER	18,45,005	3.992
			0.184	26-OCT-2018	85,004	TRANSFER	19,30,009	4.176
		19,30,009	4.176	31-MAR-2019				
3	PREMNATH KAPOOR	0	0	1-APRIL-2018			0	0
			0.406	21-DEC-2018	1,87,500	TRANSFER	1,87,500	0.406
		1,87,500	0.406	31-MAR-2019				
4	PANNA BANKIM	35,394	0.077	1-APRIL-2018			35,394	0.077
			0.235	29-MAR-2019	1,08,778	TRANSFER	144,172	0.312
		1,44,172	0.312	31-MAR-2019				

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
5	HASMUKH PAREKH	2,07,000	0.448	1-APRIL-2018	-	-	2,07,000	0.448
			0.448	11-MAY-2018	1,000	TRANSFER	2,06,000	0.446
				18-MAY-2018	19,000	TRANSFER	1,87,000	0.405
				06-JULY-2018	25,000	TRANSFER	1,62,000	0.351
				10-AUG-2018	46,041	TRANSFER	1,15,959	0.251
				17-AUG-2018	3,959	TRANSFER	1,12,000	0.242
		1,12,000	0.242	31-MAR-2019				
6	CLOVER TECHNOLOGIES PRIVATE LIMITED	0	0	1-APRIL-2018			0	0
			0.035	30-NOV-2018	16,338	TRANSFER	16,338	0.035
			0.032	07-DEC-2018	14,771	TRANSFER	31,109	0.067
			0.035	14-DEC-2018	16,000	TRANSFER	47,109	0.102
			0.009	21-DEC-2018	4,000	TRANSFER	51,109	0.111
			0.001	28-DEC-2018	250	TRANSFER	51,359	0.111
			0.002	31-DEC-2018	796	TRANSFER	52,155	0.113
			0.002	11-JAN-2019	847	TRANSFER	53,002	0.115
			0.025	18-JAN-2019	11,598	TRANSFER	64,600	0.140
			0.053	01-FEB-2019	24,463	TRANSFER	89,063	0.193
			0.044	08-FEB-2019	20,349	TRANSFER	1,09,412	0.237
		1,09,412	0.237	31-MAR-2019				
7	NIRAJ DEEPAK DALAL	0	0	1-APRIL-2018			0	0
			0.057	26-OCT-2018	26,160	TRANSFER	26,160	0.057
			0.006	02-NOV-2018	2,580	TRANSFER	28,740	0.062
			0.030	09-NOV-2018	13,760	TRANSFER	42,500	0.092
			0.114	16-NOV-2018	52,500	TRANSFER	95,000	0.206
			0.022	11-JAN-2019	10,000	TRANSFER	1,05,000	0.227
			0.006	15-MAR-2019	2,750	TRANSFER	1,02,250	0.221
			0.003	22-MAR-2019	1,250	TRANSFER	1,01,000	0.219
			0.002	29-MAR-2019	1000	TRANSFER	1,00,000	0.216
		1,00,000	0.216	31-MAR-2019				
8	SIRV PARVESH CHHIBBER	1,00,000	0.216	1-APRIL-2018	-	-	100000	0.216
		1,00,000	0.216	31-MAR-2019	-	-		
9	BHARAT AMIN	62,000	0.134	1-APRIL-2018	-	-	62000	0.134
		62,000	0.134	31-MAR-2019	-	-		
10	MANJULA JAIN	63,000	0.136	1-APRIL-2018	-	-	63,000	0.136
			0.136	28-SEPT-2018	63,000	TRANSFER	0	0.00
			0.125	19-OCT-2018	58,000	TRANSFER	58,000	0.125
			0.125	08-FEB-2019	58,000	TRANSFER	0	0.00
		0	0.00	31-MAR-2019				



## 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
11	SHASHANK S KHADE	1,66,749	0.361	1-APRIL-2018			1,66,749	0.361
			0.050	12-OCT-2018	23,000	TRANSFER	143,749	0.311
				26-OCT-2018	70,000	TRANSFER	73,749	0.160
				02-NOV-2018	23,446	TRANSFER	50,303	0.109
				09-NOV-2018	7,000	TRANSFER	43,303	0.094
				16-NOV-2018	33,303	TRANSFER	10,000	0.022
				30-NOV-2018	5,000	TRANSFER	5000	0.011
				28-DEC-2018	92	TRANSFER	4908	0.011
				11-JAN-2019	4,908	TRANSFER	0	0.00
		0	0.00	31-MAR-2019				

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

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	Mr. Sunder G Advani, Chairman & 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 S Advani, Non Executive Director	13,10,888	2.8362				13,10,880	2.8362
6	Mr. Prakash V Mehta, Independent Director	500	0.00	(500)	20-MAR-2019	TRANSFER	0	0.00
7	Mr. Vinod Dhall Independent Director	-	-	-	-	-	-	-
8	Dr. S. D. Israni Independent Director	-	-	-	-	-	-	-
9	Adm. Sureesh Mehta Independent Director	-	-	-	-	-	-	-
10	Mr. Adhiraj Harish Independent Director	-	-	-	-	-	-	-
11	Mr. Shankar Kulkarni, CFO	-	-	150	20-JUN-2018	TRANSFER	150	0.00
12	Mr. Nilesh Jain, CS	-	-	-	-	-	-	-

## V. INDEBTEDNESS

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

(₹ in million)

Particulars	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	5.09	0.00	0.00	5.09
(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>5.09</b>	<b>0.00</b>	<b>0.00</b>	<b>5.09</b>
Change in Indebtedness during the financial year				
Addition	13.00	0.00	0.00	13.00
Deletion	2.36	0.00	0.00	2.36
<b>Net Change</b>	<b>10.64</b>	<b>0.00</b>	<b>0.00</b>	<b>10.64</b>
Indebtedness at the end of the financial year				
(i) Principal Amount	15.73	0.00	0.00	15.73
(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>15.73</b>	<b>0.00</b>	<b>0.00</b>	<b>15.73</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. Hareesh 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	11.96	7.97	7.42	27.35
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.41	0.38	1.02	1.81
	(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>12.37</b>	<b>8.35</b>	<b>8.44</b>	<b>29.16</b>
	Ceiling as the Companies Act, 2013	As per Special Resolution and as per Schedule V		As per Ordinary Resolution and as per Schedule V	



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### 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	0.32	-	-	0.32
	Mr. Vinod Dhall	0.10	-	-	0.10
	Adm. Sureesh Mehta	0.24	-	-	0.24
	Dr. S. D. Israni	0.30	-	-	0.30
	Mr. Adhiraj Harish	0.22	-	-	0.22
	<b>Total (1)</b>	<b>1.18</b>	<b>-</b>	<b>-</b>	<b>1.18</b>
2	Other Non-Executive Directors				
	Mrs. Menaka S. Advani	0.28	-	-	0.28
	Mrs. Nina H. Advani	0.20	-	-	0.20
	<b>Total (2)</b>	<b>0.48</b>	<b>-</b>	<b>-</b>	<b>0.48</b>
	<b>Total (B) = (1+2)</b>	<b>1.66</b>			<b>1.66</b>
	<b>Total Managerial Remuneration (A) + (B)</b>				<b>30.82</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	3.62	1.81	5.43
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.18	0.08	0.26
	(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</b>	<b>3.80</b>	<b>1.89</b>	<b>5.69</b>

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

There were no penalties, punishments, compounding of offences for the year ending March 31, 2019.

## ANNEXURE "F" TO THE DIRECTORS' 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	37
		Mr. Haresh G. Advani, ED	25
		Mr. Prahlad S. Advani, WTD	25
		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	11%
		Mr. Haresh G. Advani, ED	11%
		Mr. Prahlad S. Advani, WTD	15%
		Mr. Shankar S. Kulkarni, CFO	12%
		Mr. Nilesh Jain, CS	8%
3	The percentage increase in the median remuneration of employees in the financial year:	During FY 2019, the percentage increase in the median remuneration of employees as compared to previous year was approximately 10%.	
4	The number of permanent employees on the rolls of company	There were 181 Employees (Executives 125 and confirmed workman 56) as on March 31, 2019	
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 10% for Employees other than Managerial Personnel and 10% 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	Educational Qualification	Total Experience	Remuneration drawn in F. Y. 2018-19	Age	Previous Employment & 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)	58 years	1,23,67,251	81 years	CMD, Hotel Airport Plaza, Mumbai



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Sr. No.	Emp. Name	Designation	Educational Qualification	Total Experience	Remuneration drawn in F. Y. 2018-19	Age	Previous Employment & Designation
2	Mr. Haresh G. Advani	Executive Director	Graduate from the Cornell School of Hotel Administration USA	47 Years	83,48,976	68 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	19 Years	84,43,498	41 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)	30 Years	37,92,876	49 Years	ETP International Pvt. Ltd.
5	Mr. Ajay Vichare	General Manager - Corporate Finance	B.Com, CA (Inter)	25 Years	37,07,933	49 Years	United Phosphorus Limited
6	Mr. Prasad Kanoth	Hotel Manager	Bachelor of Commerce	36 Years	32,94,372	59 Years	Club Mahindra Varca
7	Mr. Sanjeev Swain	GM Sales & Marketing	B.A in Hospitality Management and Diploma in Hotel Administration	13 Years	24,23,462	35 Years	ITC Acron Waterfront Resort, Baga, Goa & ITC Fortune Select Regina, Candolim, Goa
8	Mr. Shoumo Mukherjee*	Vice President – Sales & Marketing	M.B.A. (Marketing)	25 Years	20,32,388	53 Years	Director Sales & Marketing, Jumeriah Hotels
9	Mr. Sourav Panchanan	Executive Assistant Manager	Dip-in Hotel and Catering Management	17 Years	19,36,476	39 years	Hilton Worldwide-Scotland
10	Mr. Nilesh Jain	Company Secretary	B.Com, LLB, ACS, ACMA	17 Years	18,87,335	42 Years	CS, Rishiroop Limited

\*Joined on October 9, 2018

### b. Employees drawing remuneration of ₹ 1.02 Crore or above per annum

Sr. No.	Emp. Name	Designation	Educational Qualification	Total Experience	Remuneration drawn in F. Y. 2018-19	Age	Previous Employment & 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)	58 years	1,23,67,251	81 years	CMD, Hotel Airport Plaza, Mumbai

## MANAGEMENT DISCUSSION AND ANALYSIS

This discussion reflects the financial growth for the period between 1 April, 2018 and 31st March, 2019.

Results will be affected on account of various factors such as the incidence of tax on hotels and on those likely to spend on leisure and specifically on hotels, changes made by the State and Central Government, the relative growth of the Indian economy and of countries from which tourists come to Goa, the demand and supply of new rooms in Goa, the rates charged, including GST, in relation to competing destinations and the exchange rate of the rupee in comparison to the UK Pound and Russian ruble.

### India's Travel and Tourism Industry

As per the Ministry of Tourism of the Government of India 10.5 Million foreign tourists visited India this year which represents a 5% increase over the previous year.

The World Travel and Tourism Council, a think tank based in London, has released a detailed study on the Economic Impact of the Travel and Tourism Industry of India in the last year. Their research shows that the largest number of visitors to India came from residents of the US (9%) followed by Bangladesh (9%) and the UK (7%). The rest came from various countries.

Their research has determined that Travel and Tourism contributed 9.2% of the total economy of India last year. Moreover this sector which includes hotels provided 42.6 Million jobs or 8.1% of the total employment in India.

Another finding of the study was that 87.2% of the total spent on travel and tourism was contributed from domestic visitors while only 12.8% was from international visitors. India earned INR 1973 billion from international visitors last year and these revenues are also Exports.

Although domestic tourism is a large factor in India's travel and tourism industry, the report projects international arrivals to increase to 17.8 Million next year. The Ministry of Tourism has already set a target of doubling the foreign tourist arrivals in 5 years.

This will only occur if some of the suggestions made by industry experts are followed. These include waiver of visa charges for foreign tourists, reduction of GST on hotel rooms to 12% as a maximum, improvement in Incredible India Website, and spending more on targeted promotion in select countries, incentives to hotels who are exporters.

As per a study conducted by a leading firm of hotel consultants, the 5 Star Deluxe hotels in India recorded the highest increase in ReVPar since 2008 despite doubling of room inventory. This is a good sign for the future of our hotel.

The Government needs to concentrate on attracting affluent tourists.

### Hotel Industry in Goa:

As per the figures released by the Airport Authority of India, Goa Airport was the 10th busiest airports in India and received 7.6 Million passengers in this financial year.

However the domestic passengers have increased while the number of persons from foreign countries has declined. As per a recent article, the number of charter flights in this season declined 20% from 1984 to only 1599. There were 2330 charter flights the year prior to that. Hence foreign tourism as a whole is on the decline.

However our hotel has achieved an increase of 31% in revenues from foreign Charters in this financial year. As far as domestic business, the revenue from conferences increased by 55% and is now the largest contributor to our revenues.

Although Goa hotels recorded an average occupancy of 72.1% our hotel achieved an occupancy of 82.8% and was the highest for our Competitive set.

Despite the fact that the GST rates for hotel rooms charging above 7500 rupees per day remained at 28% our hotel achieved net revenue of INR 71.7 Million which is 12.4% higher than last year. This was achieved without any additions to room inventory or facilities.

### Strengths, Weaknesses and Risks:

Our strength continues to be the large spectacular lobby. Another advantage is the easy access to our wide beach with white sand. Our swimming pool is one of the largest in Goa. Our staff receives excellent reviews from the guests.

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Our weaknesses continue in that we are a single unit hotel. Moreover we are not affiliated with an international brand. We are part of the leisure segment which is influenced by events both within India and worldwide.

The proposed MOPA airport will take away some flights from Dabolim Airport though roads have been constructed to reduce travel time between North and South Goa.

### Renovation and Additions:

We had planned to replace the lobby flooring in a phased manner to minimise disruption to our ongoing operations. The lobby flooring was replaced in certain sections in 2016-2017 and some sections in 2017-2018. The balance lobby flooring has been replaced in August 2018. With this, the upper and lower lobby flooring has now been replaced entirely.

During the off-season period of FY 2018-2019, the Company appointed CB Richard Ellies (CBRE) India office, as a Project Management Company for hotel related civil, interior, and service works. The scope of work was determined on the basis of inputs derived from the operation team and guest feedback.

The work completed includes the water-proofing of the Varca A and Varca B Ballroom and the South-section and West-section of main lobby roof to arrest certain leakages. Thereafter, the entire 23-meter high lobby was painted with the help of a boom-lift.

Simultaneously, a complete renovation of staff lockers and staff toilets and executive lockers and toilets took place and the service elevator was also completely retrofitted with new equipment from Otis.

The old Garden Villas 11-19 were enhanced by installing a new double leaf arch-shaped balcony door, new balcony tiles, a new main door and new flooring.

The Company procured an imported SALVA bakery deck oven, new dough sheeter, meat mincer and an additional ice cube machine to enhance the kitchen operations.

In addition, the Company added one Toyota Innova Crysta and one new 12-seater coach to the Company's fleet of vehicles to facilitate our guest transportation. One Mahindra Maxi vehicle was also procured to improve material movement.

The Company bought new guest-room telephones, Samsung TV's and minibars.

Lastly, the Company procured new sun loungers for the pool area and also new dinning chairs and tables for the beach restaurant.

### Future Outlook:

The future for Goa hotels, especially in the mid priced sector, is very bright.

### 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, 2019.

(₹ in millions)

Particulars	March 31, 2019	March 31, 2018
<b>Income:</b>		
Sales & Other Operating Income	702.75	624.77
Other Income	14.50	13.45
Total Income	717.25	638.22
<b>Expenditure:</b>		
Cost of material consumed	56.74	50.82
Employee Benefits expense	224.46	204.03
Power & Fuel	53.09	47.19
Depreciation	36.54	35.19
Repairs & Maintenance	48.72	39.40
Finance Costs	0.64	0.59
Other expenses	157.82	131.93
Total Expenditure	578.01	509.15
Profit Before Tax	139.24	129.07



Tax Expense	25.54	42.73
Net Profit After tax	113.70	86.34

The total income increased by 12.38% to ₹717.25 million from ₹638.22 million in the previous year.

The average occupancy increased from 79.2% to 82.8%.

The RevPOR (Revenue Per Occupied Room) increased from ₹11018 to ₹11749.

### Expenditure:

Cost of material consumed has gone up from ₹50.82 million to ₹56.74 million due to increase in occupancy and increase in rates due to inflation.

The total expenditure increased by 13.5% to ₹578.01 millions from ₹509.15 millions in the previous year.

Payroll costs increased by 10% from ₹204.03 million to ₹224.46 million over the previous year.

Power and Fuel costs have increased by 12.5% due to increase in cost of diesel and increase in unit rate of electricity.

### Profit before Tax (PBT):

The PBT has increased by 7.9% to ₹139.25 million from ₹129.08 million in the previous year.

### Profit after Tax (PAT):

The PAT has increased by 31.7% to ₹113.71 million as compared to ₹86.34 million in the previous year.

### Liabilities:

The Company's long term loans have reduced to almost NIL. This is an achievement as others in our hotel industry are burdened with high debt.

### Financial Ratios:

Particulars	March 31, 2019	March 31, 2018
EBITDA / Total Income (percent)	24.6	25.8
Profit after Tax / Total Income (percent)	15.9	13.5
Long Term Debt to Shareholders Funds (ratio)	0.01	0.01
Return on Equity (After Tax) (percent)	20.9%	18.1%
Earnings Per Share (in ₹)	2.46	1.87

### 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 and SOP's are being strengthened by the new firm of Internal Auditors to ensure greater efficiency.

The Internal Auditor reviews the internal control procedures and its implementation on a regular basis and submits monthly reports. In addition, the firm picks up one department every quarter for a detailed analysis/study. 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 tries to retain and promote deserving employees. Accordingly, systems are formulated to monitor the performance, guest satisfaction of the 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, improvement in back of the house areas and improved employee safety and security relating in particular to the female workforce. The industrial relations have been cordial during the year.

The Company continues to have a structured learning and development program to carry out the “Training need analysis” and to provide inputs for the development of the team. The number of total employees is 149. Our hotel receives very favorable comments from guests relating to Staff Service and attitude.

### **Cautionary Statement:**

Comments made in this analysis describing the Company's performance, estimates may be “forward looking statements” within the meaning of applicable securities law. We have used assumptions over which the Company has no control. The Company does not 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 of rooms, the travel patterns of domestic and foreign tourists, law and order problems in India and terrorist activities abroad, change in tax and other Government regulations, etc.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: August 13, 2019

Sunder G. Advani  
Chairman & Managing Director

## CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019.

### 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 maximize 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.

The company's governance structure broadly comprises the Board of Directors and the Committees of the Board.

**Board of Directors** – The Board plays a pivotal 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, 2019, 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 holds 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, 2019 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 mother of Mr. Prahlad S. Advani. 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, 2019 are given herein below.

Name of Director	Category	No. of Board Meetings attended	Attendance at the last AGM held on 09.08.2018	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. Hareesh 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	7
Mrs. Menaka S. Advani	Non-Independent Non-Executive	05	Present	None	None	None
Mr. Vinod Dhall	Independent Non-Executive	02	Absent	5	2	3
Adm. Sureesh Mehta (Retired)	Independent Non-Executive	05	Present	None	None	None
Mr. Adhiraj A. Harish	Independent Non-Executive	04	Present	2	None	3
Mrs. Nina H. Advani	Non-Independent Non-Executive	05	Present	None	None	None
Dr. S. D. Israni	Independent Non-Executive	05	Present	2	None	2

# 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 2018-19, 5 (Five) Board Meetings were held on May 17, 2018, August 9, 2018, September 24, 2018, November 2, 2018 and February 14, 2019. 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 2018-19, 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 February 14, 2019. 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 March 31, 2019
1.	Mr. Prakash V. Mehta	Nil
2.	Mr. Vinod Dhall	Nil
3.	Adm. Sureesh Mehta (Retired)	Nil
4.	Mr. Adhiraj A. 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 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	4
2.	Mrs. Menaka S. Advani	Non-Independent Non-Executive	4
3.	Mr. Vinod Dhall	Independent, Non-Executive	1
4.	Dr. S. D. Israni	Independent, Non-Executive	4
5.	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 17, 2018, August 9, 2018, November 2, 2018 and February 14, 2019. The necessary quorum was present for all the meetings.

(vi) The last Annual General Meeting (AGM) was held on August 9, 2018 and was attended by Mr. Prakash V. Mehta, Chairman of the Audit Committee and Nomination and Remuneration 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;
- (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.
- (6) Recommend to the Board, all remuneration, in whatever from, payable to senior management.

- (iii) During the financial year 2018-19 under review only one meeting of the Committee were held on February 14, 2019. The composition of the Nomination and Remuneration Committee and particulars of meetings attended by the Members of the Remuneration Committee are as under.

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

- 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 2018-19 was Rs 16.60 Lakhs. 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 Directors 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 Executive 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 Directors' 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. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
  4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
  5. Approval of share transfers, transmissions, issue of duplicate share certificates etc
- (iii) During the year under review, all requests/queries received from shareholders were resolved and as on March 31, 2019 there were no pending complaints.
- (iv) During the year under review no meeting of the Stakeholders Relationship Committee was held.
- (v) The composition of the Committee comprises of the following two Non-Executive Directors, two Executive Directors and one independent Director:

S. 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. Hareesh G. Advani	Non-Independent Executive
4.	Mrs. Nina H. Advani	Non-Independent Non-Executive
5.	Mr. Adhiraj A. Harish*	Non Executive – Independent Director

- Inducted on February 14, 2019

- (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

- (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 to 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 November 2, 2018.

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 A. 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.	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

The Share Transfer Committee was looking into the approval of share transfers, transmissions, issue of duplicate share certificates and discontinued w.e.f. March 31, 2019 in view of the SEBI mandate.

## 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 February 14, 2019, 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 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

- h. 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 Director's Report.

**11. Subsidiary Companies:** The Company does not have any subsidiary company.

### 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 disclosures as required by the Ind AS 24 "Related Party Disclosures" have been made in the notes to the Financial Statements.

### 13. Equity Shares in the Unclaimed Suspense Account:

As per Regulation 34(3) read with Schedule V to the Listing Regulations, the details of the shares lying in the Unclaimed Suspense Account are as follows:

Particulars	No. of Shareholders	No. of Equity Shares
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on April 1, 2018	73	2,39,675
Shareholders who approached the company for transfer of shares from suspense account during the year	05	1,92,000
Shareholders to whom shares were transferred from suspense account during the year	05	1,92,000
Shareholders whose shares are transferred to the demat Account of the IEPF Authority as per Section 124 of the Act	06	6250
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on March 31, 2019	62	41,425

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

### 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
2017-2018	31 <sup>st</sup> AGM held on Monday, August 9, 2018 at 3.30 PM	'Rangaswar', 4th Floor, Chavan Centre, Gen. Jagannath Bhosale Marg, Nariman Point, Mumbai – 400021	No Special Resolutions passed
2016-2017	30 <sup>th</sup> AGM held on Monday, September 27, 2017 at 3.30 PM	Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400020	No Special Resolutions passed

2015-2016	29 <sup>th</sup> 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
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**(ii) Extra-Ordinary General Meeting (EGM)**

No extraordinary general meeting of the members was held during FY 2018 -2019.

**(iii) Postal Ballot**

During the year under review one event of postal ballot was held to take the approval of shareholders. Postal Ballot details provided below:-

The Company issued one postal ballot notice dated 14 February 2019 to obtain the consent from the Shareholders by way of Special Resolutions through postal ballot/e-voting for:

Resolution (1): Approval for continuation of Directorship of Mr. Prakash V Mehta as a non executive independent director despite exceeding the age limit of 75 years,

Resolution (2): Approval for continuation of Directorship of Mr. Vinod K Dhall as a non executive independent director despite exceeding the age limit of 75 years

Mr. Virendra G. Bhatt, Practicing Company Secretary was appointed as the Scrutinizer for conducting the postal ballot / e-voting process.

After due scrutiny of all the postal ballot forms / e-voting received upto the close of the working hours on 23rd March 2019 (being the last date fixed for receipt of duly filled postal ballot forms) the Scrutinizer submitted his final report on 23rd March 2019. The date of declaration of the results of postal ballot / e-voting i.e. 25th March 2019 has been taken as the date of passing of the Resolutions.

Mr. Sunder G Advani, Chairman & Managing Director announced the following results of the Postal Ballot/ e-voting.

		Resolution No. 1	Resolution No. 2
A	Number of Valid Postal Ballots forms received and e-voting by shareholders	110	110
B	Votes in favour of the Resolution	23216297	23214797
C	Votes against the Resolution	1197	1197
D	Number of invalid Postal Ballot Forms re-ceived	1251	2751

The votes cast assenting to all the above mentioned Special Resolutions are 99.99% of the total votes polled and consequently the Resolutions as mentioned in the Notice of Postal Ballot dated February 14, 2019 were passed by the shareholders by overwhelming majority.

**(iv) Details of special resolution proposed to be conducted through postal ballot:**

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

15. A certificate has been received from Mr. Virendra G. Bhatt, Practicing Company Secretary, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.



## 16. 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 Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. 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, 2019.

## 17. 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.

## 18. 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.

## 19. Means of Communication:

The extracts of 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.

## 20. General Shareholder Information:

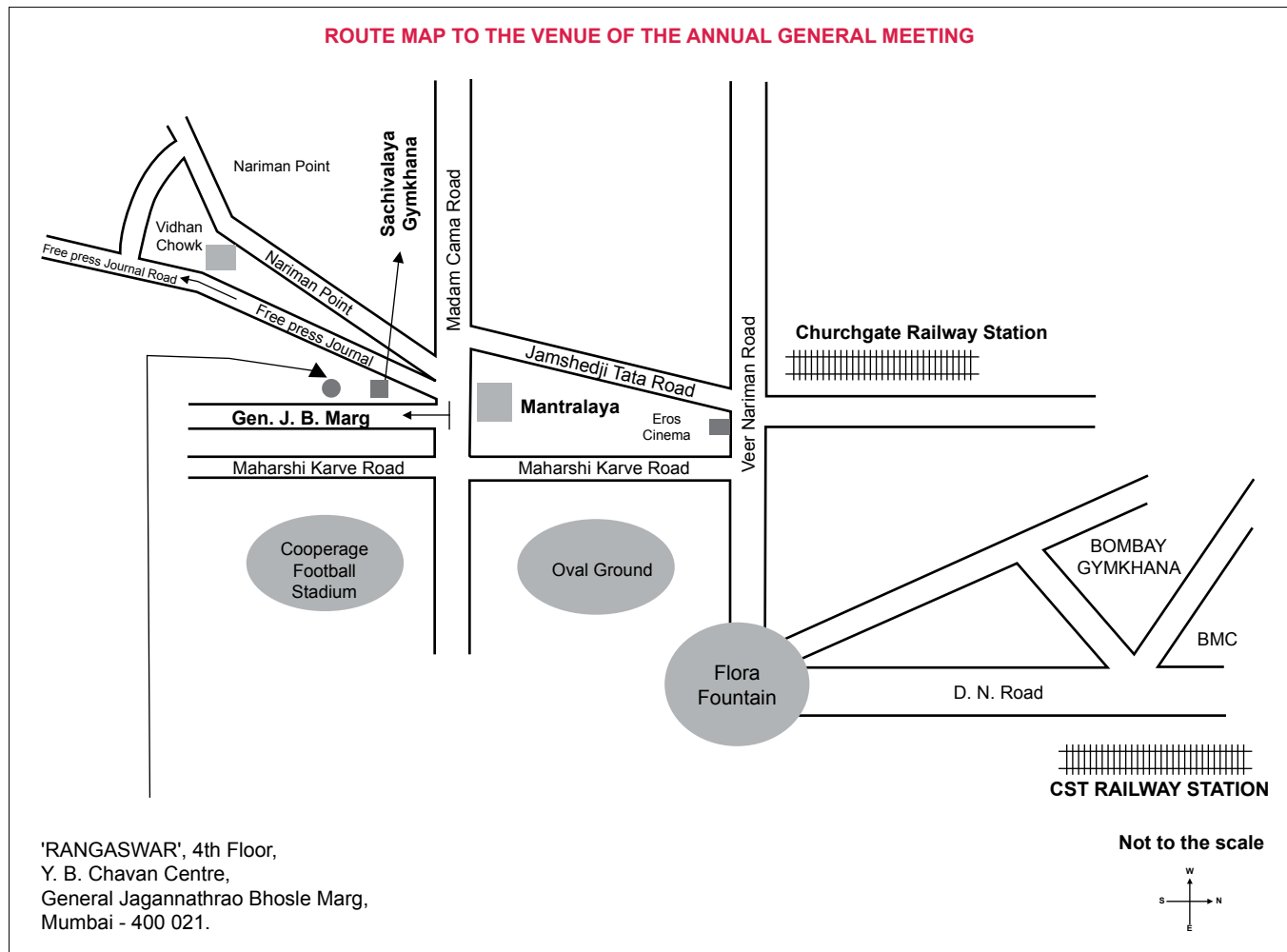
### 32<sup>nd</sup> Annual General Meeting

Day & Date : Tuesday, September 17, 2019

Time : 3.30 p.m.

Venue : 'Rangaswar', 4th Floor, Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai-400 021

The route map of the venue is as below:



## 21. Tentative Calendar for the financial year ending on March 31, 2020:

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending on March 31, 2020 are as follows:

First Quarter Results	Second week of August, 2019
Second Quarter and half yearly Results	Second week of November, 2019
Third Quarter Results	Second week of February, 2020
Fourth Quarter and Annual Results	Last week of May, 2020

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

September 7, 2019 to September 17, 2019 (both days inclusive)

## 23. 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 2019-20 has been paid to National Stock Exchange of India Ltd, and the BSE Ltd.

## 24. Corporate Identity Number (CIN) of the Company:

L99999MH1987PLC042891

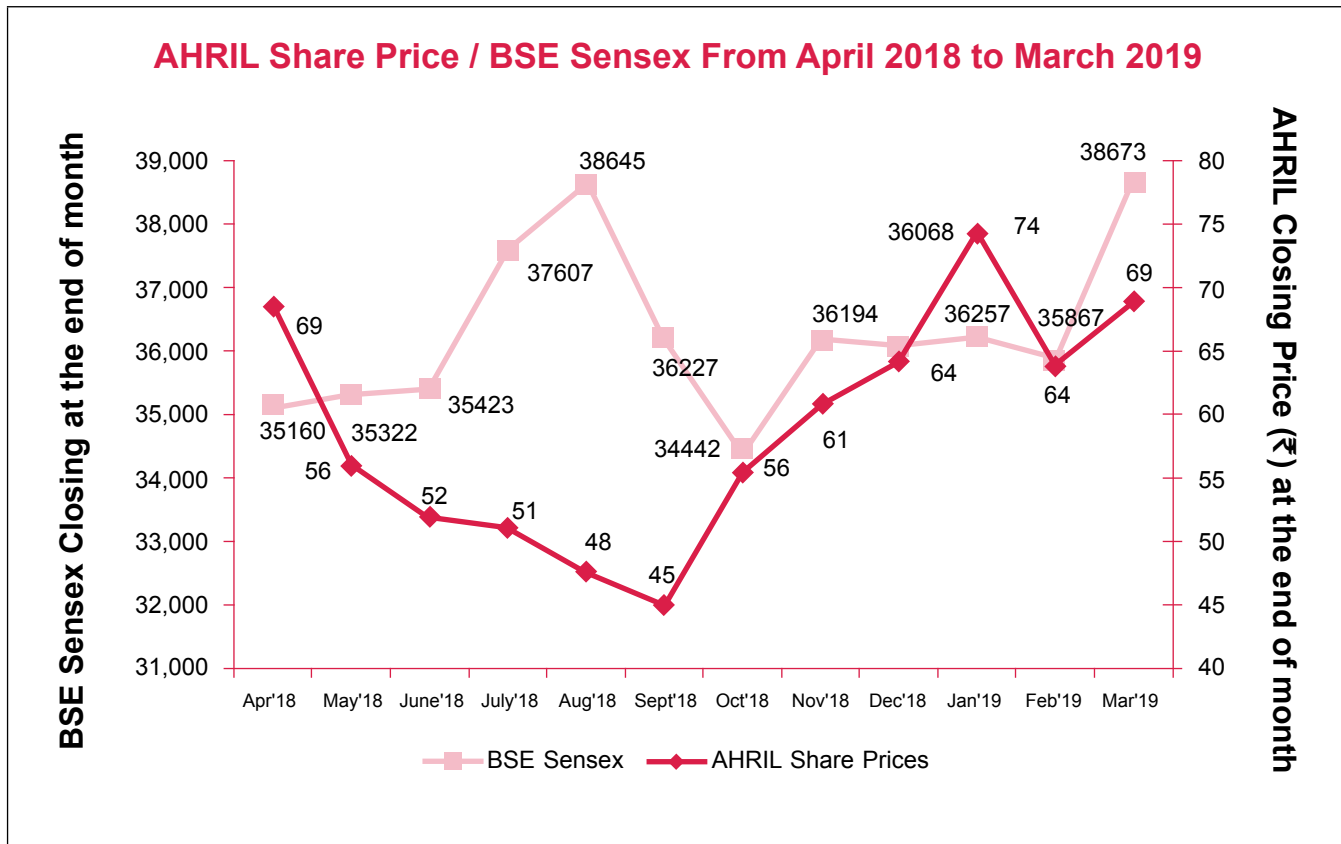
## 25. Market Price Data:

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 2018 - 2019 are given below:

Month	High (₹)	Low (₹)	Close (₹)	Month	High (₹)	Low (₹)	Close (₹)
	BSE				NSE		
April 2018	79.00	54.30	68.50	April 2018	75.50	53.40	68.80
May 2018	70.10	53.05	56.10	May 2018	70.90	52.90	55.70
June 2018	58.50	50.10	52.00	June 2018	58.25	50.75	52.80
July 2018	56.90	44.10	51.15	July 2018	55.00	43.80	51.95
August 2018	54.60	45.60	47.65	August 2018	56.50	46.30	48.20
September 2018	56.25	42.00	45.10	September 2018	55.30	41.45	45.35
October 2018	61.20	45.00	55.50	October 2018	59.30	45.00	55.10
November 2018	64.20	51.80	60.90	November 2018	63.80	52.00	60.90
December 2018	67.90	55.45	64.20	December 2018	68.85	55.10	64.15
January 2019	78.35	62.10	74.25	January 2019	78.20	61.95	72.25
February 2019	73.00	55.25	63.95	February 2019	75.00	57.10	62.85
March 2019	73.10	61.55	68.95	March 2019	73.00	58.25	68.10



**26. Performance of Company's share price in comparison to BSE Sensex:**



**27. Registrar and Share Transfer Agent:**

**Datamatics Business Solutions 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

**28. Share Transfer System**

Out of the total Equity Share Capital, 97.80% is held in dematerialized form as on March 31, 2019. 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.

**29. Distribution of Shareholding as on March 31, 2019:**

Range (No. of Shares)	No. of Shareholders	% to Total	No. of Shares	% To Total
1 to 500	4337	76.37	962,791	2.08
501 to 1000	382	12.01	619,970	1.34
1001 to 2000	281	4.95	442,263	0.96
2001 to 3000	151	2.66	388,242	0.84
3001 to 4000	38	0.67	138,201	0.30
4001 to 5000	57	1.00	275,704	0.60
5001 to 10000	67	1.18	495,962	1.07
10001 & above	66	1.16	42,896,117	92.81
<b>Total</b>	<b>5679</b>	<b>100.00</b>	<b>46,219,250</b>	<b>100.00</b>

**30. Category of Shareholding as on March 31, 2019:**

Category	No. of Shares	% to Total
Promoters & Promoter Group	23,187,102	50.17
Mutual Funds	47,000	0.10
Bank / FIs / Insurance Companies	2,500	0.01
Foreign Institutional Investors	0	0.00
Bodies Corporate	16,494,497	35.69
General Public	5,927,346	12.82
NRIs / Foreign Bodies	560,805	1.21
<b>Total</b>	<b>46,219,250</b>	<b>100.00</b>

**31. 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, 97.80% is held in dematerialized form as on March 31, 2019.

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2019, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

**32. Location of Hotel:****Caravela Beach Resort**

Varca Beach, Varca Village, Salcette, Goa-403 721

Telephone No: (0832) 6695000

**33. 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 2012-13 and onwards are requested to make their claims without any delay to M/s Datamatics Business Solutions Limited.

The following are the details of the unclaimed dividends as on March 31, 2019 and respective due dates for claim by the Shareholders:

Financial Year	Date of Declaration of Dividend	Last Date for claim
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
2017-18 (1st Interim)	30-11-2017	04-01-2025
2017-18 (Final)	09-08-2018	13-09-2025
2018-19 (1st Interim)	14-02-2019	21-03-2026
2018-19 (2nd Interim)	10-05-2019	14-06-2026

## (d) Mandatory Transfer of Shares to the Demat Account of Investors Education and Protection Fund (IEPFA) in case of unpaid / unclaimed dividend on shares for a consecutive period of seven years:

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPF Rules.

During the year under review, the company has transferred 20,392 Equity shares (including 6,250 Equity Shares referred to in Note 13 above) after completing all formalities to the Demat Account of the Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred.



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, 2019 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 has 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 10, 2019

**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 10, 2019

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

**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 31<sup>ST</sup> MARCH, 2019**

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 31<sup>st</sup> March, 2019 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 31<sup>st</sup> March, 2019.

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 Amar Bafna & Associates**  
Chartered Accountants  
(Registration No. 114854W)

Place: Mumbai  
Date: May 10, 2019

Amar Bafna  
**Partner**  
Membership No. 048639

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF ADVANI HOTELS & RESORTS (INDIA) LIMITED

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of Advani Hotels & Resorts (India) Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2019, and profit, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S.No.	Key Audit Matter	Response to Key Audit Matter
	Refer Note 30 of the financial statements The Company has significant tax and other litigations against it. There is a high level of judgement required in estimating the level of provisioning required and appropriateness of disclosure of those litigations as contingent liabilities.	For legal, regulatory and tax matters our procedures included examining external legal opinions obtained by management;  Meeting and discussions with the management and examining relevant correspondence; discussing litigations with the Company's legal and tax consultants assessing management's conclusions through understanding precedents set in similar cases.  We also involved our internal tax specialists to gain an understanding and to determine the level of exposure for direct and indirect tax litigations of the Company.  In light of the above, we examined the level of provisions recorded and assessed the adequacy of disclosures in financial statements.

##### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### Responsibilities of Management and those charged with Governance 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### 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 Companies Act, 2013, 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. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
3. 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 it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity 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 Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the Directors as on 31st March, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - (g) 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 30 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

**For Amar Bafna & Associates**  
Chartered Accountants  
(Registration No. 114854W)

**Amar Bafna**  
Partner  
Membership No. 048639

Mumbai: 10<sup>th</sup> May, 2019

## **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, 2019. 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 book 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 In respect of investment made by the Company in acquisition of units of certain mutual funds, it has complied with the provisions of Section 186 of the Act. The Company has not given any loans, or issued any guarantee or provided any security covered under Section 185 and 186 of the Act during the year.
- 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 products 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, customs duty, value added tax, goods and service 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, customs duty, goods and service tax, 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
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
The Finance Act, 1994	Service tax	9.03 Plus Interest	2015 to 2017	Customs, Excise and Service Tax Commissioner (Appeals)

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 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 Amar Bafna & Associates**  
 Chartered Accountants  
 (Registration No. 114854W)

**Amar Bafna**  
 Partner

Mumbai: 10<sup>th</sup> May, 2019

Membership No. 048639

## 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, 2019. 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, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The 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, 2019, 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 Amar Bafna & Associates**

Chartered Accountants  
(Registration No. 114854W)

**Amar Bafna**

Partner  
Membership No. 048639

Mumbai: 10<sup>th</sup> May, 2019



# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## BALANCE SHEET AS AT MARCH 31, 2019

		(₹)	
Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	3	483,781,256	504,595,506
(b) Investment Property	4	1,941,030	1,941,030
(c) Other Intangible assets	5	984,536	1,282,167
(d) Financial Assets			
(i) Loans	6	1,250,000	2,232,772
(ii) Other Financial Assets	7	3,416,687	3,125,434
(e) Other tax assets (net)	8	98,780	1,852
(f) Other non - current assets	9	1,239,474	1,909,655
<b>Total non-current assets</b>		<b>492,711,763</b>	<b>515,088,416</b>
<b>2 Current assets</b>			
(a) Inventories	10	13,863,543	14,724,820
(b) Financial Assets			
(i) Investments	11	190,651,660	-
(ii) Trade receivables	12	34,159,497	31,867,007
(iii) Cash and cash equivalents	13	1,994,373	121,363,667
(iv) Bank balances other than (iii) above	14	5,627,214	5,532,365
(v) Loans	6	2,595,632	1,079,502
(vi) Other financial assets	7	11,200	11,200
(c) Other current assets	9	18,846,028	14,408,138
(d) Other tax assets (net)	8	-	7,707,652
<b>Total current assets</b>		<b>267,749,147</b>	<b>196,694,351</b>
<b>Total Assets</b>		<b>760,460,910</b>	<b>711,782,767</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 EQUITY</b>			
(a) Equity Share capital	15	92,438,500	92,438,500
(b) Other equity	16	452,444,593	383,410,980
<b>Equity attributable to the owners of the Company</b>		<b>544,883,093</b>	<b>475,849,480</b>
<b>2 LIABILITIES</b>			
<b>2a Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	4,408,583	4,151,661
(b) Provisions	18	6,407,669	6,275,950
(c) Deferred tax liabilities (Net)	8	63,999,587	80,579,633
<b>Total non-current liabilities</b>		<b>74,815,839</b>	<b>91,007,244</b>
<b>2b Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	11,142,315	1,000,000
(ii) Trade payables			
Dues to Micro, Small and Medium Enterprises creditors	19	153,338	-
Due to creditors other than above creditors	19	32,122,667	37,568,310
(iii) Other financial liabilities	20	38,791,766	39,474,835
(b) Other current liabilities	21	53,728,526	60,237,827
(c) Provisions	18	2,163,583	2,025,026
(d) Current tax liabilities (Net)	8	2,659,783	4,620,045
<b>Total current liabilities</b>		<b>140,761,978</b>	<b>144,926,043</b>
<b>Total Equity and Liabilities</b>		<b>760,460,910</b>	<b>711,782,767</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		
<b>The notes are an integral part of these financial statements</b>	2 to 37		

As per our report of even date  
**For Amar Bafna & Associates**  
Chartered Accountants  
(Firm Registration No. 114854W)

**Amar Bafna**  
Partner  
(Membership No. 048639)

Mumbai: May 10, 2019

**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)

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

		(₹)	
Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
<b>I Revenue from Operations</b>	<b>22</b>	702,755,025	624,770,165
<b>II Other Income</b>	<b>23</b>	14,498,697	13,454,287
<b>III Total Income (I + II)</b>		<b>717,253,722</b>	<b>638,224,452</b>
<b>IV Expenses</b>			
(a) Food, wine, liquor and other beverages consumed	<b>24</b>	56,738,644	50,818,060
(b) Employee benefits expense	<b>25</b>	224,455,607	204,030,379
(c) Finance costs	<b>26</b>	638,001	594,697
(d) Depreciation and amortization expense	<b>27</b>	36,535,422	35,191,739
(e) Other expenses	<b>28</b>	259,640,829	218,512,491
<b>Total expenses (IV)</b>		<b>578,008,503</b>	<b>509,147,366</b>
<b>V Profit before exceptional items and tax</b>		<b>139,245,219</b>	<b>129,077,086</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit before tax</b>		<b>139,245,219</b>	<b>129,077,086</b>
<b>VIII Tax expense</b>	<b>8</b>		
Current tax		40,500,000	42,700,000
Current tax - earlier years (net)		1,572,104	(878,895)
Deferred tax (credit) / charge		(16,532,861)	912,846
		25,539,243	42,733,951
<b>IX Profit after tax (VII - VIII)</b>		<b>113,705,976</b>	<b>86,343,135</b>
<b>X Other Comprehensive Income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans : Actuarial gain/(loss)		(162,035)	1,404,882
Income-tax effect on it		47,185	(486,202)
<b>Other Comprehensive Income for the year (X)</b>		<b>(114,850)</b>	<b>918,680</b>
<b>XI Total Comprehensive Income for the year (X + IX)</b>		<b>113,591,126</b>	<b>87,261,815</b>
<b>XII Earnings per equity share of ₹ 2/- each</b>			
Basic / Diluted	<b>29</b>	2.46	1.87
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>1</b>		
<b>The notes are an integral part of these financial statements</b>	<b>2 to 37</b>		

As per our report of even date  
**For Amar Bafna & Associates**  
*Chartered Accountants*  
 (Firm Registration No. 114854W)

**Amar Bafna**  
*Partner*  
 (Membership No. 048639)

Mumbai: May 10, 2019

For and on behalf of the Board of Directors  
**Sunder G. Advani**  
*Chairman & Managing Director*  
 (DIN 00001365)

**Nilesh Jain**  
*Company Secretary*

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

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

### A Equity share capital

(₹)

	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the reporting year	92,438,500	92,438,500
Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting year	92,438,500	92,438,500

### B Other equity

(₹)

	Reserves and Surplus					Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at April 1, 2017	82,355,283	10,000,000	47,089,900	35,000,000	149,518,207	323,963,390
<b>Add:</b>						
Addition during the year	-	-	-	2,500,000	-	2,500,000
Profit for the year					86,343,135	86,343,135
Other comprehensive income for the year (net of tax)					918,680	918,680
Total Comprehensive Income for the year	-	-	-	-	87,261,815	87,261,815
	82,355,283	10,000,000	47,089,900	37,500,000	236,780,022	413,725,205
<b>Less:</b>						
Dividend on Equity Shares					23,109,625	23,109,625
Dividend Distribution Tax					4,704,600	4,704,600
Transfer to General Reserve					2,500,000	2,500,000
	-	-	-	-	30,314,225	30,314,225
Balance as at March 31, 2018	82,355,283	10,000,000	47,089,900	37,500,000	206,465,797	383,410,980
<b>Add:</b>						
Addition during the year	-	-	-	2,500,000	-	2,500,000
Profit for the year					113,705,976	113,705,976
Other comprehensive income for the year (net of tax)					(114,850)	(114,850)
Total Comprehensive Income for the year	-	-	-		113,591,126	113,591,126
	82,355,283	10,000,000	47,089,900	40,000,000	320,056,923	499,502,106
Final Dividend - FY 2017-18					9,243,850	9,243,850
Dividend Distribution Tax on the above					1,881,830	1,881,830
Interim Dividend - FY 2018-19					27,731,550	27,731,550
Dividend Distribution Tax on the above					5,700,283	5,700,283
Transfer to General Reserve					2,500,000	2,500,000
	-	-	-	-	47,057,513	47,057,513
Balance as at March 31, 2019	82,355,283	10,000,000	47,089,900	40,000,000	272,999,410	452,444,593
<b>Significant Accounting Policies Note 1</b>						
The notes are an integral part of these financial statements	Note 2 to 37					

As per our report of even date  
**For Amar Bafna & Associates**  
*Chartered Accountants*  
 (Firm Registration No. 114854W)

**Amar Bafna**  
*Partner*  
 (Membership No. 048639)

Mumbai: May 10, 2019

For and on behalf of the Board of Directors  
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*Executive Director*  
 (DIN 00001358)

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



**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019**

(₹)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Cash flows from operating activities</b>		
<b>Profit for the year (before tax)</b>	<b>139,245,219</b>	<b>129,077,086</b>
Adjustments for:		
Depreciation and amortization	36,535,422	35,191,739
(Profit) / Loss on sale of assets (net)	20,467	1,172,319
Provision for doubtful debts / (written back) net	19,626	4,905
Provision for employee benefits	108,241	1,355,887
Interest income	(1,018,207)	(689,275)
Interest income due to fair valuation of security deposits	(138,220)	(126,807)
Dividend income	(7,334,340)	(3,120,956)
Finance costs recognized in profit and loss	638,001	594,697
Notional rent expense on Fair value of Security deposit	137,239	137,239
Operating profit before working capital changes	<b>168,213,448</b>	<b>163,596,834</b>
<b>Movements in working capital:</b>		
(Increase)/Decrease in trade receivables	(2,312,115)	(3,959,782)
(Increase)/Decrease in inventories	861,277	(563,325)
(Increase)/Decrease in other assets	(4,686,188)	(3,134,509)
Increase/(Decrease) in trade payables and other liabilities	(11,666,067)	38,355,076
<b>Cash generated from operations</b>	<b>150,410,355</b>	<b>194,294,294</b>
Less: Income taxes paid (net of refunds)	(36,421,644)	(40,295,505)
<b>Net cash generated from operating activities (A)</b>	<b>113,988,711</b>	<b>153,998,789</b>
<b>Cash flows from investing activities</b>		
(Purchase) / (reinvestment) of current investments	(335,651,660)	(248,745,969)
Proceeds on sale/maturity of current investments	145,000,000	248,745,969
Interest received	1,018,207	689,275
Dividend from current investments	7,334,340	3,120,956
Payments for property, plant and equipment, intangible assets and capital work-in-progress	(15,444,008)	(37,024,113)
Proceeds from disposal of property, plant and equipment	-	1,835,000
<b>Net cash generated/(used in) from investing activities (B)</b>	<b>(197,743,121)</b>	<b>(31,378,882)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings:		
Long Term	1,858,680	3,516,000
Repayment of borrowings:		
Long Term	10,142,315	(3,223,489)
Short Term	(2,360,452)	(500,122)
Dividends paid (including tax)	(44,617,426)	(26,941,940)
Interest paid	(638,001)	(594,697)
<b>Net cash used in financing activities (C)</b>	<b>(35,614,884)</b>	<b>(27,744,248)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(119,369,294)</b>	<b>94,875,659</b>
Cash and cash equivalents at the beginning of the year	121,363,667	26,488,008
<b>Cash and cash equivalents at the end of the year</b>	<b>1,994,373</b>	<b>121,363,667</b>

**Notes:**

1. The above cash flow statement has been prepared as per the "indirect method" set out in the Indian Accounting Standard (Ind AS) - 7 Statement of Cash Flow.
2. Figures in bracket indicate cash outflow.

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## DETAILS OF CASH AND CASH EQUIVALENT

(₹)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Balances with banks</b>		
In Current Accounts	1,052,163	117,680,219
In deposits with original maturity of less than 3 months	-	2,879,031
Cash on hand	942,210	804,417
<b>Total</b>	<b>1,994,373</b>	<b>121,363,667</b>

### Significant Accounting Policies Note 1

The notes are an integral part of these financial statements Notes 2 to 37

As per our report of even date

**For Amar Bafna & Associates**

*Chartered Accountants*

(Firm Registration No. 114854W)

**Amar Bafna**

*Partner*

(Membership No. 048639)

Mumbai: May 10, 2019

For and on behalf of the Board of Directors

**Sunder G. Advani**

*Chairman & Managing Director*

(DIN 00001365)

**Haresh G. Advani**

*Executive Director*

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**Nilesh Jain**

*Company Secretary*

**Shankar Kulkarni**

*Vice President - Finance (CFO)*

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### 1. Company Overview and Significant Accounting Policies

#### 1.1 Company overview

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 and National Stock Exchange. The Company is primarily engaged in the Hotel Business through its "Caravela Beach Resort", a five-star Deluxe Resort situated in South Goa.

#### 1.2 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values, and the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### 1.3 Functional & Presentation Currency

These financial statements are presented in Indian Rupees (INR) (₹), which is also the Company's functional currency.

#### 1.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### 1.5 Significant Accounting Policies

##### a. Property, Plant & Equipment:

Under the previous Indian GAAP, property, plant and equipment were carried in the balance sheet on the basis of historical cost. The Company has regarded the same as deemed cost and presented same values in Ind-AS compliant financials.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation on fixed assets is calculated on a straight-line basis using the rates based on the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013. 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.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**b. Investment Property**

Investment Property is property (land or a building or part of a building or both) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods and services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

Any gain or loss on disposal of investment property is calculated as the difference between net proceeds from disposal and the carrying amount of investment property and is recognized in the Statement of Profit and Loss.

**c. Inventories**

Inventories are measured at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion & selling expenses.

**d. Financial Instruments**

A financial instrument comes into existence as a result of a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets**

**Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

**Subsequent measurement**

For the purposes of subsequent measurement, financial assets are classified in three categories:

- 1 Financial Asset at amortized cost
- 2 Financial Asset at Fair value through other comprehensive income
- 3 Financial Asset at Fair value through profit and loss

**Financial Asset at amortized cost**

A 'Financial Asset' is measured at the amortized cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit or Loss.

**Financial Asset at Fair value through OCI (FVTOCI)**

A 'Financial Asset' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Financial Asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Financial Asset at fair value through profit or loss (FVTPL)

FVTPL is a residual category for Financial Assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a Financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

### Equity Instruments

All the equity investments in scope of Ind AS 109 are measured at fair value. For equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable, if the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

### De-recognition of Financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a) The Company has transferred substantially all the risks and rewards of the asset, or
  - (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial assets that are debt instruments and are measured as at FVTOCI.
- c) Lease receivables under Ind AS 17.
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables')
- e) Loan commitments, which are not measured as at FVTPL
- f) Financial guarantee contracts, which are not measured as at FVTPL

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

**Financial Liabilities**

**Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. For financial liabilities maturing within one year from the balance sheet date, the carrying amount approximate fair value due to the short maturity of these instruments.

**Subsequent Measurement**

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the profit or loss.

**Financial Liabilities at amortized cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

**e. Dividend**

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**f. Cash and Cash Equivalents**

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

**g. Provisions, Contingent liabilities**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is disclosed in case of;

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### h. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and discounts given to the customers.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers", which replaces Ind AS 18 dealing with revenue recognition. Prior to adoption of IND AS 115, the Company's revenue was primarily comprised of Revenue from Hotel operations. The adoption of the new standard did not have impact on recognition of revenue during the year as well as previous year. Income from operations from revenue from rooms, food and beverage & banquets is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services, which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer. Requisite disclosure of contract revenues is given in Note 22 to the financial statements.

Contract balances (effective from April 1, 2018)

#### a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### b) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

### i. Other Income

Other income is comprised primarily of interest income, dividend income, gain on sale of investments and exchange gain / loss on translation of assets and liabilities. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recognised using the effective interest rate (EIR). Dividend income is recognised when right to receive payment is established.

Export incentives / benefits are recognised as income when the right to receive payment / credit is established and no significant uncertainty as to measurability or collectability exists.

### j. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### k. Income tax

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### **I. Earnings per share**

Basic Earnings per share are calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of equity shares to the extent that they are entitled to participate in dividends relative to a fully paid equity shares during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **m. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April, 2014, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

#### **Company as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing cost. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### n. Fair Value Measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### o. Employee benefits

**Provident Fund:** Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

**Gratuity (Funded through LIC) and Leave Encashment (Unfunded):** Provision for gratuity and leave encashment are based on actuarial valuation as on the date of the Balance Sheet. The valuation is done by an independent actuary using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Gratuity in certain applicable cases is provided for in accordance with the provisions of the Goa Shops & Establishment Act, 1973.

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives, etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

### p. Foreign Currencies

#### Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement of long term monetary items recognized in the financial statements for the period ending immediately before the beginning of the first Ind AS financial period, 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 exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).



### 2. RECENT ACCOUNTING PRONOUNCEMENTS: STANDARDS ISSUED BUT NOT YET EFFECTIVE

#### 2.1 Ind AS 116 - Leases

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after April 1, 2019.

It eliminates the classification of leases as either finance leases or operating leases for a lessee as required by Ind AS 17. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Company's operating leases mainly relate to real estate assets such as offices and certain staff accommodation taken on leave and licence basis ranging from eleven months to three years on cancellation basis. The Company is evaluating the impact of this revised standard on its financials.

#### 2.2 Other Amendments on the existing standards but not effective:

A number of other accounting standards have been modified on miscellaneous issues with effect from April 1, 2019. Such changes include clarification / guidance on:

- i) Income tax consequences in case of dividends (Ind AS 12 – Income Taxes (amendments relating to income tax consequences of dividend));
- ii) Accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities (Ind AS 12 – Income Taxes (amendments relating to uncertainty over income tax treatments));
- iii) Accounting treatment for specific borrowings post capitalization of corresponding qualifying asset (Ind AS 23 – Borrowing Costs);
- iv) Accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans (Ind AS 19 – Plan Amendment, Curtailment or Settlement);

The above amendments will come into force from April 1, 2019. The Company does not expect the effect of this on the financial statements to be material, based on preliminary evaluation.

### 3. PROPERTY, PLANT AND EQUIPMENT

(₹)

March 31, 2019									
Particulars	Gross Carrying Value				Depreciation / Amortisation				Net Carrying Value
	As at April 1, 2018	Additions	Deductions/ Adjustments	As at March 31, 2019	As at April 1, 2018	For the year	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2019
Land - Freehold (including landscaping)	25,567,196	-	-	25,567,196	-	-	-	-	25,567,196
Buildings	374,785,715	62,699	-	374,848,414	23,512,588	11,984,939	-	35,497,527	339,350,887
Plant and Equipment	104,881,118	5,752,769	187,508	110,446,379	19,171,850	10,175,049	187,271	29,159,628	81,286,751
Furniture and Fixture	39,480,868	4,661,307	168,087	43,974,088	15,141,427	6,533,220	168,087	21,506,560	22,467,528
Office Equipment and Computers	6,962,782	558,510	-	7,521,292	2,848,696	1,820,637	-	4,669,333	2,851,959
Vehicles	23,302,664	4,123,723	25,580	27,400,807	9,710,276	5,438,946	5,350	15,143,872	12,256,935
<b>Total</b>	<b>574,980,343</b>	<b>15,159,008</b>	<b>381,175</b>	<b>589,758,176</b>	<b>70,384,837</b>	<b>35,952,791</b>	<b>360,708</b>	<b>105,976,920</b>	<b>483,781,256</b>

March 31, 2018									
Particulars	Gross Carrying Value				Depreciation / Amortisation				Net Carrying Value
	As at April 1, 2017	Additions	Deductions/ Adjustments	As at March 31, 2018	As at April 1, 2017	For the year	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2018
Land - Freehold (including landscaping)	25,567,196	-	-	25,567,196	-	-	-	-	25,567,196
Buildings	356,074,858	18,710,857	-	374,785,715	11,797,329	11,715,259	-	23,512,588	351,273,127
Plant and Equipment	93,815,389	14,360,584	3,294,855	104,881,118	10,122,697	9,666,856	617,703	19,171,850	85,709,268
Furniture and Fixture	36,417,353	3,511,238	447,723	39,480,868	8,904,143	6,483,913	246,629	15,141,427	24,339,441
Office Equipment and Computers	5,273,740	1,803,214	114,172	6,962,782	1,111,664	1,786,017	48,985	2,848,696	4,114,086
Vehicles	19,746,341	3,646,776	90,453	23,302,664	4,662,371	5,074,475	26,570	9,710,276	13,592,388
<b>Total</b>	<b>536,894,877</b>	<b>42,032,669</b>	<b>3,947,203</b>	<b>574,980,343</b>	<b>36,598,204</b>	<b>34,726,520</b>	<b>939,887</b>	<b>70,384,837</b>	<b>504,595,506</b>

#### Notes:

- 3.1 Additions to Fixed Assets include ☐ Nil (Previous Year ☐ 406,989/-) being loss due to fluctuation in foreign currency rates (in relation to foreign currency loans) capitalised in accordance with Accounting Standard.

## 4. INVESTMENT PROPERTY

(₹)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Opening gross carrying amount / Deemed cost</b>	1,941,030	1,941,030
Additions	-	-
Disposals	-	-
<b>Closing gross carrying amount</b>	1,941,030	1,941,030
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	-	-
Depreciation charge	-	-
Disposals	-	-
<b>Closing accumulated depreciation</b>	-	-
<b>Net carrying amount</b>	1,941,030	1,941,030
<b>Fair value of investment property</b>		
Fair value of investment property done by independent valuer	Not done	Not done
Fair value of investment property not done by independent valuer	29,445,000	29,445,000

**Amounts recognised in profit or loss for investment properties**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rental income	Nil	Nil
Direct operating expenses (including repairs and maintenance) from property that generated rental income	Nil	Nil
<b>Profit from investment properties before depreciation</b>	Nil	Nil
Depreciation	Nil	Nil
<b>Profit from investment properties</b>	Nil	Nil

4.1 Investment property is a parcel of land near the Company's hotel at Goa. The land is freehold and there are no restrictions on the realisability of the said investment property.



## 5. OTHER INTANGIBLE ASSETS (ACQUIRED SEPARATELY)

(₹)

March 31, 2019		Gross Carrying Value				Depreciation / Amortisation			Net Carrying Value	
Particulars	As at April 1, 2018	Additions	Deductions / Adjustments	As at March 31, 2019	As at April 1, 2018	For the year	Deductions / Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2019
Computer Software	1,939,746	285,000	-	2,224,746	737,250	563,651	-	1,300,901	923,845	923,845
Web-site Development	117,631	-	-	117,631	37,960	18,980	-	56,940	60,691	60,691
<b>Total</b>	2,057,377	285,000	-	2,342,377	775,210	582,631	-	1,357,841	984,536	984,536

March 31, 2018		Gross Carrying Value				Depreciation / Amortisation			Net Carrying Value	
Particulars	As at April 1, 2017	Additions	Deductions / Adjustments	As at March 31, 2018	As at April 1, 2017	For the year	Deductions / Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2018
Computer Software	882,486	1,057,260	-	1,939,746	291,011	446,239	-	737,250	1,202,496	1,202,496
Web-site Development	117,631	-	-	117,631	18,980	18,980	-	37,960	79,671	79,671
<b>Total</b>	1,000,117	1,057,260	-	2,057,377	309,991	465,219	-	775,210	1,282,167	1,282,167

## 6. LOANS

(₹)		
Particulars	As at March 31, 2019	As at March 31, 2018
<b>6A Non-current</b>		
(Unsecured considered good)		
Security Deposits	1,250,000	2,232,772
<b>Non-current total</b>	<b>1,250,000</b>	<b>2,232,772</b>
<b>6B Current</b>		
(Unsecured considered good)		
Security Deposits	2,195,852	817,160
Amounts due from employees	399,780	262,342
<b>Current total</b>	<b>2,595,632</b>	<b>1,079,502</b>
<b>Total</b>	<b>3,845,632</b>	<b>3,312,274</b>

## 7. OTHER FINANCIAL ASSETS

(₹)		
Particulars	As at March 31, 2019	As at March 31, 2018
<b>7A Non-current</b>		
(Unsecured, Considered Good)		
Bank Balance in Fixed Deposit Account with maturity more than 12 months	3,416,687	3,125,434
<b>Non-current total</b>	<b>3,416,687</b>	<b>3,125,434</b>
<b>7B Current</b>		
(Unsecured, Considered Good)		
Other assets	11,200	11,200
<b>Current total</b>	<b>11,200</b>	<b>11,200</b>
<b>Total</b>	<b>3,427,887</b>	<b>3,136,634</b>

## 8. INCOME TAX

## a) Major Components of Income Tax Expense consist of the following:

## (i) Income tax recognised in Statement of Profit and Loss

(₹)		
Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Current tax in respect of current year	40,500,000	42,700,000
Current tax adjustments in respect of previous years	1,572,104	(878,895)
Deferred tax in respect of current year	(16,532,861)	912,846
<b>Income tax expense recognised in Statement of Profit and Loss</b>	<b>25,539,243</b>	<b>42,733,951</b>

## (ii) Income tax recognised in Other Comprehensive Income

(₹)		
Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Deferred tax on remeasurements of defined benefit plans	47,185	(486,202)
<b>Income tax expense recognised in Other Comprehensive Income</b>	<b>47,185</b>	<b>(486,202)</b>

## b) Reconciliation of tax expense and accounting profit for the year is as follows:

(₹)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
<b>Profit for the year before tax</b>	<b>139,245,219</b>	129,077,086
Income tax expense calculated at 29.12% (Previous Year 34.61%)	<b>40,548,208</b>	44,673,579
Add: Tax effect on non - deductible expense	<b>12,489,152</b>	15,653,193
Less: Tax effect of allowance for tax purpose	<b>(10,638,220)</b>	(16,712,575)
Less: Tax effect of income exempted from tax (Dividend)	<b>(2,135,760)</b>	(1,080,163)
Others because of DT rectification of earlier years	<b>(16,532,861)</b>	912,846
Interest on delayed payment of tax	<b>236,620</b>	165,966
<b>Total</b>	<b>23,967,139</b>	43,612,846
Adjustment in respect of previous year	<b>1,572,104</b>	(878,895)
<b>Tax expense as per Statement of Profit and Loss</b>	<b>25,539,243</b>	42,733,951

## c) Tax assets

(₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current tax assets (net)	<b>98,780</b>	1,852
Current tax assets (net)	-	7,707,652
<b>Total</b>	<b>98,780</b>	7,709,504

## d) Tax liabilities

(₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Current tax liabilities (net)	<b>2,659,783</b>	4,620,045
<b>Total</b>	<b>2,659,783</b>	4,620,045

## e) The major components of deferred tax (liabilities) / assets arising on account of timing differences as follows:

As at March 31, 2019				(₹)
Particulars	Balance sheet As at April 1, 2018	Profit & Loss 2018-19	OCI * 2018-19	Balance sheet As at March 31, 2019
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961	83,763,833	(17,023,653)	-	66,740,180
Provision for expenses allowed for tax purpose on payment basis	(3,184,200)	443,607	47,185	(2,740,593)
<b>Deferred tax expense / (benefit)</b>		<b>(16,580,046)</b>	<b>47,185</b>	
<b>Net Deferred tax liabilities</b>	<b>80,579,633</b>			<b>63,999,587</b>

(\*) OCI - Other Comprehensive Income.



As at March 31, 2018				(₹)
Particulars	Balance sheet As at April 1, 2017	Profit & Loss 2017-18	OCI 2017-18	Balance sheet As at March 31, 2018
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961	82,070,510	1,693,323	-	83,763,833
Provision for expenses allowed for tax purpose on payment basis	(2,889,925)	(780,477)	486,202	(3,184,200)
<b>Deferred tax expense / (benefit)</b>		<b>912,846</b>	<b>486,202</b>	
<b>Net Deferred tax liabilities</b>	<b>79,180,585</b>			<b>80,579,633</b>

**Notes to Deferred Tax:**

- The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- In India, in case income tax payable on book profit (that is Minimum Alternate Tax - 'MAT') exceeds the income tax payable on tax profit, the differential amount shall be carried forward as a MAT credit for a period of 15 years. The said MAT credit can be offset against any future income tax payable. The Company does not have any such MAT credit as at March 31, 2019 or March 31, 2018.
- Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

f) **Unrecognised deferred tax liability** **None (Previous year - None)**

g) **Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

(₹)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Long Term capital loss	-	-	13,950,261	3,218,325
<b>Total</b>	<b>-</b>	<b>-</b>	<b>13,950,261</b>	<b>3,218,325</b>

(₹)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Expiry Date	As at March 31, 2018	Expiry Date	As at March 31, 2017
Long Term capital loss	-	-	31-3-2019	3,218,325
<b>Total</b>		<b>-</b>		<b>3,218,325</b>

## 9. OTHER ASSETS

(₹)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>9A Non-current</b>		
Capital advances	92,040	123,520
Prepaid expenses	160,293	819,514
Deposits with Government authorities and others	987,141	966,621
<b>Non-current total</b>	<b>1,239,474</b>	<b>1,909,655</b>
<b>9B Current</b>		
Advances to Suppliers	9,531,391	5,157,816
Prepaid expenses	4,107,560	3,513,633
Other advances including Input GST credit	5,207,077	5,736,689
<b>Current total</b>	<b>18,846,028</b>	<b>14,408,138</b>
<b>Total</b>	<b>20,085,502</b>	<b>16,317,793</b>

## 10. INVENTORIES

(₹)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Inventories</b>		
<b>(Valued at lower of cost and net realizable value)</b>		
Food, Beverages and Liquor	4,147,720	4,517,908
Stores and Operating Supplies	9,715,823	10,206,912
<b>Total</b>	<b>13,863,543</b>	<b>14,724,820</b>

## 11. INVESTMENTS

(₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Other Investments (unquoted)		
Investments in Mutual Funds (Valued at lower of cost and fair value)		
HDFC Liquid Fund-Direct Plan-Daily Dividend Reinvest Plan	190,651,660	-
Units held 186,946.383 (Previous year Nil)		
(NAV as at March 31, 2019 ₹190,651,660/- (Previous Year Nil))		
<b>Total</b>	<b>190,651,660</b>	<b>-</b>

**12. TRADE RECEIVABLES**

(₹)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured</b>		
Considered good	34,159,497	31,867,007
Considered doubtful	43,195	23,569
	34,202,692	31,890,576
Less: Allowance for doubtful debts (expected credit loss allowance)	43,195	23,569
<b>Total</b>	<b>34,159,497</b>	<b>31,867,007</b>

**12.1** The movement in Allowance for bad and doubtful debts is as follows:

(₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance as at beginning of the year	23,569	18,664
Allowance for bad and doubtful debts during the year	19,626	4,905
Trade receivables written off during the year / received	-	-
Balance as at the end of the year	43,195	23,569

**13. CASH AND CASH EQUIVALENTS**

(₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand (including collection on hand)	942,210	804,417
Balances with Banks		
In Current accounts	1,052,163	117,680,219
In Deposit Accounts:		
Deposits with original maturity within three months	-	2,879,031
<b>Total</b>	<b>1,994,373</b>	<b>121,363,667</b>

**14. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Term deposits with maturity exceeding 3 months but less than 12 months	2,705,765	2,551,003
Unpaid dividend Accounts	2,921,449	2,981,362
<b>Total</b>	<b>5,627,214</b>	<b>5,532,365</b>

**15. SHARE CAPITAL**

(₹)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No of shares	₹	No of shares	₹
<b>A Authorised</b>				
<b>Equity share capital</b>				
Equity shares of ₹ 2/- each	99,750,000	199,500,000	99,750,000	199,500,000
<b>Preference share capital</b>				
Preference shares of ₹ 10/- each	5,050,000.00	50,500,000	5,050,000.00	50,500,000
		<b>250,000,000</b>		<b>250,000,000</b>
<b>B Issued, subscribed and fully paid up</b>				
<b>Equity share capital</b>				
Equity shares of ₹ 2/- each	46,219,250	92,438,500	46,219,250	92,438,500
		<b>92,438,500</b>		<b>92,438,500</b>

**NOTES:****15.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No of shares	₹	No of shares	₹
<b>Equity shares:</b>				
At the beginning of the period	<b>46,219,250</b>	<b>92,438,500</b>	46,219,250	92,438,500
Add: Bonus issue of shares	-	-	-	-
Less: Shares extinguished on buyback	-	-	-	-
At the end of the period	<b>46,219,250</b>	<b>92,438,500</b>	46,219,250	92,438,500

Shares bought back	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
(during 5 financial years immediately preceding March 31, 2019)					
<b>Equity Shares bought back</b>	-	-	-	-	-

**15.2 Rights and terms attached to equity shares**

- 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.
- 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.
- 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 shareholders.



**15.3 Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% holding in the class	No. of shares	% holding in the class
<b>Equity shares of ₹2/ each fully paid up:</b>				
Advani Sunder Gurdas	9,425,893	20.39%	9,425,893	20.39%
Advani Hareesh Gurdas	5,330,139	11.53%	5,330,139	11.53%
Delta Corp Limited	15,610,232	33.77%	15,610,232	33.77%

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

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

**16. OTHER EQUITY**

(₹)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>RESERVES AND SURPLUS:</b>		
<b>Capital Reserve:</b>		
Opening and Closing balance	82,355,283	82,355,283
<b>Securities Premium Account:</b>		
Opening and Closing balance	47,089,900	47,089,900
<b>Capital Redemption Reserve:</b>		
Opening and Closing balance	10,000,000	10,000,000
<b>General Reserve:</b>		
Opening balance	37,500,000	35,000,000
Add: Transfer from Surplus in Statement of Profit and Loss	2,500,000	2,500,000
	40,000,000	37,500,000
<b>Retained Earnings:</b>		
Opening balance	206,465,797	149,518,207
Add: Profit for the year	113,705,976	86,343,135
Other Comprehensive Income for the year (net of tax)	(114,850)	918,680
<b>Less:</b>		
Final Dividend for FY 2017-18 @10% (Previous year Nil)	(9,243,850)	-
Tax on Final Dividend	(1,881,830)	-
First Interim Dividend for FY 2018-19 @30% (Previous year 25%)	(27,731,550)	(23,109,625)
Tax on first Interim Dividend	(5,700,283)	(4,704,600)
Transfer to General Reserve	(2,500,000)	(2,500,000)
	272,999,410	206,465,797
<b>Total</b>	<b>452,444,593</b>	<b>383,410,980</b>

**16.1** Refer Note 36 (ii) for payment of second interim dividend for FY 2018-19 after the close of the financial year.

**17. FINANCIAL LIABILITIES**

(₹)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>A Non-Current Borrowings</b>		
Secured:		
Term Loan		
From Banks and others		
Vehicle loans [Refer Note 17.1 (i)]	4,588,119	5,089,892
Unsecured		
Other Loans	1,186,000	1,186,000
<b>Total Non-Current Borrowings</b>	<b>5,774,119</b>	<b>6,275,892</b>
Less: Current maturities disclosed under the head "Other financial liabilities"		
Vehicle loans [Refer Note 17.1 (i)]	1,365,536	2,124,231
	1,365,536	2,124,231
<b>Non-Current Borrowings</b>	<b>4,408,583</b>	<b>4,151,661</b>
<b>B Current Borrowings</b>		
Secured		
Cash credit from a bank [Refer Note 17.1 (ii)]	11,142,315	-
Unsecured		
Other Loans	-	1,000,000
<b>Total Current Borrowings</b>	<b>11,142,315</b>	<b>1,000,000</b>

**17.1 Nature of Securities:**

- Vehicle loans are secured by hypothecation of respective vehicles.
- 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 mortgage on hotel property at Varca, Goa. (Limit ₹6.00 crores (Previous Year ₹6.00 crores).

**17.2 Particulars of Term Loans from Banks-Secured-Guaranteed:**

(₹)

Particulars	March 31, 2019	March 31, 2018
(i) By Directors	-	-
(ii) By Others	-	-
	-	-

**17.3 Particulars of terms of repayment of loans / rate of interest (Year end Per Annum) - Not Applicable**

## 18. PROVISIONS

(₹)

	As at March 31, 2019	As at March 31, 2018
<b>18A Non-current</b>		
Provision for employee benefits		
Compensated absences	3,823,790	3,028,794
Gratuity	2,533,879	3,197,156
Gratuity Under State Act	50,000	50,000
<b>Non-current total</b>	<b>6,407,669</b>	<b>6,275,950</b>
<b>18B Current</b>		
Provision for employee benefits		
Compensated absences	493,655	497,295
Gratuity	1,669,928	1,527,731
Gratuity Under State Act	-	-
<b>Current total</b>	<b>2,163,583</b>	<b>2,025,026</b>
<b>Total</b>	<b>8,571,252</b>	<b>8,300,976</b>

## 19. TRADE PAYABLES

(₹)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Trade payables</b>		
i) Due to Micro, Small and Medium Enterprises (Refer Note 19.1)	153,338	-
ii) Due to other than Micro, Small and Medium Enterprises	32,122,667	37,568,310
<b>Total</b>	<b>32,276,005</b>	<b>37,568,310</b>

### 19.1 Note: Dues to micro and small enterprises

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at March 31, 2019	As at March 31, 2018
i) Principal amount and interest due:		
Principal amount	153,338	-
Interest due	-	-
ii) Interest paid by Buyer in terms of section 16 of MSMED Act	-	-
iii) Amount paid beyond the appointed day	-	-
iv) Interest due and payable to supplier, for payment already made under MSMED Act	-	-
v) Amount of interest accrued and remaining unpaid at the end of accounting year	-	-
vi) Amount of further interest remaining due and payable even in succeeding years	-	-

## 20. OTHER FINANCIAL LIABILITIES

(₹)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current</b>		
Current maturities of long-term borrowings	1,365,536	2,124,231
Security Deposits (Unsecured)	56,500	60,500
Employee payables	27,526,112	25,743,653
Accrual for Expenses	172,095	125,905
Others payables-capital creditors	1,103,485	3,987,011
Unclaimed dividend (Refer Note 20.1)	2,921,449	2,981,362
Others payables	5,646,589	4,452,173
<b>Current total</b>	<b>38,791,766</b>	<b>39,474,835</b>

**20.1** The Company has paid ₹230,174/- to the Investor Education and Protection Fund (IE&PF) under Section 125 of the Companies Act, 2013 in respect of the unclaimed dividend for FY - 2010-11. There are no amounts due for payment to the IE&PF as at the year end.

## 21. OTHER LIABILITIES

(₹)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current</b>		
Advances from customers	35,012,695	43,347,188
Statutory Dues	18,715,831	16,890,639
<b>Current total</b>	<b>53,728,526</b>	<b>60,237,827</b>

## 22. REVENUE FROM OPERATIONS

(₹)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Hotel Operations:</b>		
i) <b>Sale of services and products</b>		
Rooms, Restaurants, Bar, Banquets, etc.:		
Room Sales	378,883,606	381,901,460
Food Sales	222,225,539	171,158,231
Wine, Liquor and Other beverages	41,200,816	34,820,587
	642,309,961	587,880,278
ii) <b>Other operating revenue</b>		
Guest sight seeing and transportation	28,290,737	10,758,367
Health Club, SPA, Beauty Parlour and Swimming Pool	11,546,595	9,291,065
Others	20,607,732	16,840,455
	60,445,064	36,889,887
<b>Total</b>	<b>702,755,025</b>	<b>624,770,165</b>



### 23. OTHER INCOME

(₹)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
i) Interest earned	1,018,207	689,275
ii) Dividend on current investments in mutual fund (tax-free) (Refer note 23.1)	7,334,340	3,120,956
iii) Other non-operating income:		
(a) Foreign Exchange Fluctuation Gain (net)	1,525	376,740
(b) Excess provision and liabilities not payable, written back	5,902,497	8,608,399
(c) Fair Valuation of security deposits	138,220	126,807
(d) Other non-operating income (net of direct expenses)	103,908	532,110
<b>Total</b>	<b>14,498,697</b>	<b>13,454,287</b>

**23.1** Dividend has been earned on the following current investments in mutual funds made during the year. (Previous year: Fully redeemed before the year end).

(₹)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
i) SBI Premier Liquid Fund (Daily Dividend)	-	70,000,000
ii) Baroda Pioneer Treasury Advantage Fund	-	2,500,000
iii) Baroda Pioneer Treasury Advantage Fund Plan A Daily Dividend Reinvest.	-	2,445,969
iv) HDFC Liquid Fund - Direct Plan Dividend Daily Reinvest	328,317,320	173,800,000
<b>Total</b>	<b>328,317,320</b>	<b>248,745,969</b>

### 24. FOOD, WINE, LIQUOR AND OTHER BEVERAGES CONSUMED

(₹)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stock	4,517,908	3,751,281
Purchases	56,368,456	51,584,687
	60,886,364	55,335,968
Less: Closing Stock	4,147,720	4,517,908
<b>Total</b>	<b>56,738,644</b>	<b>50,818,060</b>

### 25. EMPLOYEE BENEFITS EXPENSE

(₹)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	196,863,049	174,499,971
Contribution to provident funds and other funds	7,949,827	7,317,845
Provision for employee benefits	2,608,241	5,821,916
Employees' welfare expenses	17,034,490	16,390,647
<b>Total</b>	<b>224,455,607</b>	<b>204,030,379</b>

## 25.1 Gratuity and other post employment benefit plans

The Company has classified various benefits provided to employees as under:

### a) Defined Contribution Plans (DCP)

Particulars	(₹)	
	Year ended March 31, 2019	Year ended March 31, 2018
i) Provident Fund: Contribution to DCP recognized as expense for the year as under:		
Employer's contribution to Provident Fund	4,009,270	3,714,828
Employer's contribution to Employees Pension Scheme	3,440,427	3,035,887
Employer's contribution to National Pension Scheme	500,130	567,130
<b>Total</b>	<b>7,949,827</b>	<b>7,317,845</b>

### b) Defined Benefit Plans: (DBP)

- i) Contribution to Gratuity fund
- ii) Compensated absences Earned Leave

In accordance with the Indian Accounting Standard 19 - Employee Benefits, actuarial valuation was done in respect of aforesaid defined benefit plans based on the following assumptions:

	Gratuity (Funded)		Compensated absences - Earned Leave (Unfunded)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>I. Assumptions:</b>				
Discount rate	7.10%	7.30%	7.10%	7.30%
Salary growth rate	6.00%	6.00%	6.00%	6.00%
Withdrawal rate	7.50%	7.50%	7.50%	7.50%
Sample rates per annum of Indian Assured Lives Mortality:				
Age 20 Years	0.09%	0.09%	0.09%	0.09%
Age 30 Years	0.11%	0.11%	0.11%	0.11%
Age 40 Years	0.18%	0.18%	0.18%	0.18%
Age 50 Years	0.49%	0.49%	0.49%	0.49%
Age 60 Years	1.15%	1.15%	1.15%	1.15%
Demographic assumptions:				
Retirement Age	58 years	58 years	58 years	58 years
Leave availment rate	NA	NA	1% p.a.	1% p.a.
Leave Encashment rate	NA	NA	0.00%	0.00%
Mortality Rate: Published rate under Indian Assured Lives Mortality - Ultimate table (IALM)	IALM	IALM	IALM	IALM
<b>II. Funded status of the plan:</b>				
Present value of funded / unfunded obligations	23,808,468	21,285,404	4,317,445	3,526,089
Less: Fair value of plan assets	19,604,661	16,560,517	-	-
Net Liability (Assets) as per Balance Sheet	4,203,807	4,724,887	4,317,445	3,526,089
<b>III. Statement of Profit and Loss for the current period:</b>				
Current Service Cost	1,527,731	1,438,476	808,378	793,496
Past service cost and loss/(gain) on curtailments and settlements	-	3,082,473	-	-
Net interest cost	289,154	298,714	239,253	208,757
Net value of remeasurement on the obligation and plan assets	-	-	-	-
Total included in 'Employee Benefit Expense'	1,816,885	4,819,663	1,047,631	1,002,253

(₹)

	Gratuity (Funded)		Compensated absences - Earned Leave (Unfunded)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>IV. Other comprehensive income:</b>				
Components of actuarial gain / losses on obligations:				
Due to change in financial assumptions	231,681	(278,635)	55,970	(79,361)
Due to change in demographic assumptions	-	-	-	-
Due to experience adjustments	13,500	(693,703)	205,353	(272,054)
Return on plan assets excluding amounts included in interest income	(83,146)	(81,129)	-	-
Amount recognized in Other Comprehensive Income	162,035	(1,053,467)	261,323	(351,415)
<b>V. Reconciliation of Defined Benefit Obligation:</b>				
Opening Defined Benefit Obligation	21,285,404	18,442,193	3,526,089	3,282,698
Current Service Cost	1,527,731	1,438,476	808,378	793,496
Interest cost	1,314,879	1,099,480	239,253	208,757
Components of actuarial gain / losses on obligations:				
Due to change in financial assumptions	231,681	(278,635)	55,970	(79,361)
Due to change in demographic assumptions	-	-	-	-
Due to experience adjustments	13,500	(693,703)	205,353	(272,054)
Past service cost	-	3,082,473	-	-
Benefits Paid	(564,727)	(1,804,880)	(517,598)	(407,447)
Closing Defined Benefit Obligation	23,808,468	21,285,404	4,317,445	3,526,089
<b>VI. Reconciliation of plan assets:</b>				
Opening value of plan of assets	16,560,517	13,424,920	-	-
Interest income	1,025,725	800,766	-	-
Return on plan assets excluding amounts included in interest income	83,146	81,129	-	-
Contribution by Employer	2,500,000	4,058,582	-	-
Benefits Paid	(564,727)	(1,804,880)	-	-
Closing value of plan assets	19,604,661	16,560,517	-	-
<b>VII. Reconciliation of net defined benefit liability:</b>				
Net Opening provision in books of accounts	4,724,887	5,017,273	3,526,089	3,282,698
Expenses as above	1,816,885	4,819,663	1,047,631	1,002,253
Amount recognized as Other Comprehensive Income	162,035	(1,053,467)	261,323	(351,415)
Benefits Paid	-	-	(517,598)	(407,447)
Employer's Contribution to plan assets	(2,500,000)	(4,058,582)	-	-
Closing Net Liability	4,203,807	4,724,887	4,317,445	3,526,089
<b>VIII. Composition of the Plan assets:</b>				
Policy of Insurance issued by L.I.C.	100%	100%	NA	NA
<b>IX. Bifurcation of liability:</b>				
Current liability	1,669,928	1,527,731	493,655	497,295
Non-Current liability	2,533,879	3,197,156	3,823,790	3,028,794
Net Liability	4,203,807	4,724,887	4,317,445	3,526,089

(₹)

	Gratuity (Funded)		Compensated absences - Earned Leave (Unfunded)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>X. Expected cash flows based on past service liability:</b>				
Year 1	6,572,553	18.3%	493,655	6.50%
Year 2	1,944,932	5.4%	471,919	6.20%
Year 3	1,648,263	4.6%	403,050	5.30%
Year 4	1,999,521	5.6%	465,605	6.20%
Year 5	2,907,275	8.1%	481,971	6.40%
Year 6 to Year 10	11,761,398	32.8%	2,181,921	28.90%
<b>XI. Sensitivity to key assumptions:</b>				
<b>Discount rate Sensitivity</b>				
Increase by 0.5%	23,237,824	20,714,478	4,179,945	3,493,036
(% change)	-2.40%	-2.68%	-3.18%	-0.94%
Decrease by 0.5%	24,408,596	21,721,693	4,463,287	3,724,541
(% change)	2.52%	2.05%	3.38%	5.63%
<b>Salary growth rate Sensitivity</b>				
Increase by 0.5%	24,322,097	21,683,957	4,464,132	3,725,057
(% change)	2.16%	1.87%	3.40%	5.64%
Decrease by 0.5%	23,288,251	20,765,697	4,177,925	3,491,532
(% change)	-2.19%	-2.44%	-3.23%	-0.98%
<b>Withdrawal rate (W.R.) Sensitivity</b>				
W.R. x 110%	23,889,522	21,279,442	4,305,826	3,599,521
(% change)	0.34%	-0.03%	-0.27%	2.08%
W.R. x 90%	23,719,661	21,125,838	4,329,352	3,611,895
(% change)	-0.37%	-0.75%	0.28%	2.43%

**NOTES:**

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of rate of escalation in salary is considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.
- The gratuity plan is funded through Life Insurance Corporation of India and earned leave is unfunded.

25.2 An ex-employee of the Company, after termination of her services from the employment, made defamatory allegations against the Company and its Directors. The complaints filed by the said employee have been closed. The Company has appointed legal advisors and the matter is being handled with their advise.

**26. FINANCE COSTS**

(₹)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest expenses on long term borrowings	478,793	494,555
Interest expenses on short term borrowings	-	1,353
Other borrowing costs (on delayed statutory dues)	159,208	98,789
<b>Total</b>	<b>638,001</b>	<b>594,697</b>



**27. DEPRECIATION AND AMORTISATION EXPENSE**

(₹)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of Property, plant and equipment (Refer Note 3)	35,952,791	34,726,520
Amortisation of Intangible assets (Refer Note 5)	582,631	465,219
<b>Total</b>	<b>36,535,422</b>	<b>35,191,739</b>

**28. OTHER EXPENSES**

(₹)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Power and Fuel	53,086,493	47,186,915
Rent	5,179,057	5,155,902
Licence, Rates and Taxes	2,080,777	1,825,817
Repairs to Buildings	26,004,691	18,936,666
Repairs to Machinery	12,547,613	9,288,728
Repairs to other fixed assets	10,168,285	11,173,258
Linen and Room Supplies	13,314,587	11,137,251
Other Supplies and expenses (Refer Note 28.1)	15,589,462	11,632,735
Guest Transportation	11,963,164	10,372,902
Water charges	3,322,080	3,681,774
Printing and Stationery	2,505,190	1,707,797
Expenses on Communication	3,748,135	4,300,822
Travelling and Conveyance	17,143,656	16,437,753
Insurance	3,470,892	3,512,033
Advertisement, publicity and sales promotion	12,049,491	8,496,095
Service charges - Marketing and collections	25,466,583	22,480,786
Band and music	6,415,351	5,534,186
Directors Fees	1,660,000	2,425,500
Consultancy, Legal and professional charges (Refer Note 28.2)	25,678,324	14,487,350
Auditors' remuneration (Refer Note 28.3)	555,459	579,765
Bad debts and irrecoverable amounts written off	-	34,660
Provision for Doubtful debts	19,626	4,905
Fair valuation of security deposits	137,239	137,239
Loss on sale / discard of fixed assets (net)	20,467	1,172,319
GST, Luxury tax, Sales tax, etc. (including assessment dues)	1,430,934	1,111,358
Expenditure on Corporate Social Responsibility (Refer Note 28.4)	2,510,233	2,015,647
Miscellaneous Expenses	3,573,040	3,682,328
<b>Total</b>	<b>259,640,829</b>	<b>218,512,491</b>
<b>28.1 Other Supplies and expenses include:</b>		
Expenses incurred on Ayurveda Operating supplies	799,588	611,429

(₹)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>28.2 Consultancy, legal and professional expenses include:</b>		
Expenses incurred on Ayurveda Operating charges	1,559,094	1,622,986
<b>28.3 Auditors' remuneration and expenses:</b>		
Statutory Audit fees	500,000	500,000
For limited review	37,500	50,000
Reimbursement of out-of-pocket expenses	17,959	25,084
Service Tax (Net of credit availed)	-	4,681
	555,459	579,765
<b>28.4 Expenditure incurred on corporate social responsibility activities:</b>		
(1) Gross amount required to be spent by the Company during the year	2,500,000	1,999,450
(2) Amount spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	2,510,233	2,015,647
<b>28.5 Particulars of Direct operating expenses arising from investment property:</b>		
Direct expenses arising from investment property that generated rental income during the year	-	-
Direct expenses arising from investment property that did not generate rental income during the year	-	-

## 29. EARNINGS PER SHARE

(₹)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Basic / Diluted earnings per share</b>		
From continuing operations attributable to the owners of the Company	2.46	1.87
From discontinued operation	-	-
<b>Total basic earnings per share attributable to the owners of the Company</b>	<b>2.46</b>	<b>1.87</b>

### Basic / Diluted earnings per share

The earnings and weighted average number of equity share used in the calculations of basic earnings per share are as follows:

(₹)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Earnings used in the calculation of basic earning per share</b>		
Profits from continuing operations attributable to the owners of the Company	113,705,976	86,343,135
Profit / Loss from discontinued operation	-	-
<b>Earnings used in the calculation of basic earnings per share</b>	<b>113,705,976</b>	<b>86,343,135</b>

(₹)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Weighted average number of equity shares for the purpose of basic / diluted earnings per share	<b>46,219,250</b>	46,219,250

**30. CONTINGENT LIABILITIES**

(₹)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Claims against the Company not acknowledged as debts	<b>13,323,083</b>	6,274,767
b) Pending bank guarantees	<b>3,185,633</b>	3,010,000
c) Other Contingent liabilities:		
A. In respect of claims against the Company pending appellate / judicial decisions, not acknowledged as debts:		
i) Service tax	<b>4,165,448</b>	4,165,448
ii) Provident fund dues and charges	<b>703,438</b>	703,438
iii) Customs duty	<b>10,219,098</b>	10,219,098
iv) License Fees for renewal of casino licence - State Government	<b>3,652,000</b>	3,652,000
v) Annual recurring fees for casino - State Government	<b>22,380,246</b>	22,380,246
vi) Income-tax	<b>588,929</b>	-
Note: A demand of ₹7,962,070/- (Previous Year ₹7,962,070/-) was raised by the Income Tax Department on completion of AY 2011-12 by disallowing certain claims made by the Company. The Commissioner (Appeals) has deleted the disallowances made by the Income Tax Department and accordingly the above demand does not exists presently. The Income Tax Department had carried the matter further before the Income Tax Appellate Tribunal (ITAT) against the order of the Commissioner (Appeals). The appeal has been heard and appellate order is awaited. The Company is hopeful that the Department's appeal will be dismissed and accordingly no provision has been made for the above amount.		
B. By Employees	<b>8,617,340</b>	6,412,650
d) 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 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. As a consequence, the authorities have denied the export benefits available to the Company under Service Export Incentive Scheme (SEIS) for the year 2015-16 and 2016-17 aggregating to ₹ 4,123,884/- for which necessary applications have been made by the Company. The Company is making similar applications for the year 2017-18 and 2018-19. Since no approvals have been received so far and in view of denial referred to above, the value of benefits for the above years will be recognised in the books of accounts on getting the necessary approval from the Authorities.	<b>46,072,985</b>	46,072,985

- e) The Company expects a reimbursement of ₹1,000,000/- (Previous year ₹1,000,000) in respect of the above contingent liabilities
- f) The Company is hopeful that on disposal of litigations as referred to in item (a) to (e) 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 along with applicable interest thereon, which is presently unascertainable.

### 31. COMMITMENTS

(₹)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,544,750	1,430,880

### 32. OPERATING LEASE ARRANGEMENTS

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

(₹)

Particulars	As at March 31, 2019	As at April 1, 2018
a) Payable within one year –	4,051,937	4,854,202
b) Payable later than one year but not later than five years –	2,394,998	3,516,226
c) Payable after five years -	46,839,070	47,045,470

### 33. SEGMENT INFORMATION

Hotel business is the Company's only business segment and hence disclosure of segment-wise information is not applicable under Indian Accounting Standard 108 – "Operating Segments".

### 34. FINANCIAL RISK MANAGEMENT

#### 34.1 Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Audit Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by the internal audit team. The internal audit team undertakes both regular and adhoc reviews of risk management controls and procedures and the results of which are reported to the audit committee.



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

- Credit Risk
- Liquidity Risk
- Market Risk

## a) Credit Risk

Credit risk arises from the possibility that customers, or counterparty to financial instruments may not be able to meet their obligations. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arise from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables.

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

The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before entering into a contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Company.

## b) Liquidity Risk

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

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times. Management also insures that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and taking into consideration the internal statement of financial position ratio targets.

## Maturities of financial liabilities

March 31, 2019

(₹)

Particulars	Due in 1st year	Due in 2nd year	Due in 3rd - 5th year	Due after 5th year	Total
<b>Non-derivative financial liabilities</b>					
Term loans	1,365,536	1,089,016	2,027,370	106,197	4,588,119
Trade payables	32,276,005	-	-	-	32,276,005
Other Current financial liabilities	37,426,230	-	-	-	37,426,230
<b>Total</b>	<b>71,067,771</b>	<b>1,089,016</b>	<b>2,027,370</b>	<b>106,197</b>	<b>74,290,354</b>

**March 31, 2018**

(₹)

Particulars	Due in 1st year	Due in 2nd year	Due in 3rd - 5th year	Due after 5th year	Total
<b>Non-derivative financial liabilities</b>					
Vehicle loans	2,124,231	1,032,921	1,932,740	-	5,089,892
Trade payables	37,568,310	-	-	-	37,568,310
Other Current financial liabilities	29,812,863	-	-	-	29,812,863
<b>Total</b>	<b>69,505,404</b>	<b>1,032,921</b>	<b>1,932,740</b>	<b>-</b>	<b>72,471,065</b>

**Capital Risk Management**

The Company manages its capital to ensure that it will be able to continue as a going concern. The structure is managed to maintain an investment grade credit rating, to provide ongoing returns to shareholders and to service debt obligations, whilst maintaining maximum operational flexibility.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by Equity. Net debt is calculated as total borrowings (including 'current and non-current term loans' as shown in the balance sheet) less cash and cash equivalents.

(₹)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
Vehicle Term Loans and other	17	<b>5,774,119</b>	6,275,892
Less: Cash and cash equivalents	13	<b>1,994,373</b>	121,363,667
Net debt		<b>3,779,746</b>	(115,087,775)
Total equity	15 & 16	<b>544,883,093</b>	475,849,480
Gearing Ratio		<b>0.69%</b>	-24.19%

**c) Market Risk**

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

The Company uses derivatives to manage its exposure to foreign currency risk and interest rate risk. All such transactions are carried out within the guidelines set by the risk management committee.

**Foreign Currency Risk**

The primary market risk to the Company is foreign exchange risk. The Company is exposed to foreign exchange risk through its purchases from overseas suppliers and payment of services availed in various foreign currencies. The Company pays off its foreign exchange exposure within a short period of time, thereby mitigating the risk of material changes in exchange rate of foreign currency exposure.

The following tables display foreign currency risk from financial instruments as at March 31, 2019 and March 31, 2018:

(₹)

Particulars	Foreign Currency	March 31, 2019	March 31, 2018
<b>Trade payables</b>	U. S. Dollars (US\$)	<b>839,050</b>	1,289,456
		<b>839,050</b>	1,289,456
<b>Trade receivables</b>	U. S. Dollars (US\$)	-	-
	Euro (€)	-	-
	Great Britain Pounds (GBP)	-	-
		-	-
Net Receivable / (Payable)		<b>(839,050)</b>	(1,289,456)

For the year ended March 31, 2019 and March 31, 2018, the effect of every percentage point of depreciation and appreciation in the exchange rate between the Indian Rupee and the corresponding foreign currency, is as under:

(₹)

Effect on profit before tax			
Particulars	% change in US\$ rate	For the year ended March 31, 2019	For the year ended March 31, 2018
Appreciation in exchange rate	1%	(8,391)	(12,895)
Depreciation in exchange rate	-1%	8,391	12,895

(₹)

Effect on profit before tax			
Particulars	% change in € rate	For the year ended March 31, 2019	For the year ended March 31, 2018
Appreciation in exchange rate	1%	-	-
Depreciation in exchange rate	-1%	-	-

(₹)

Effect on profit before tax			
Particulars	% change in GBP rate	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Appreciation in exchange rate	1%	-	-
Depreciation in exchange rate	-1%	-	-

#### Interest Rate Risk

The Company adopts a policy to hedge the interest rate movement in order to mitigate the risk with regards to floating rate linked loans based on the market outlook on interest rates. This is achieved partly by entering into fixed rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

### 35. FINANCIAL INSTRUMENTS

#### a) Category-wise classification of Financial Instruments:

(₹)

Particulars	Refer Note No.	Non-Current		Current	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>i) Financial Assets measured at Amortised Cost</b>					
Bank deposit with more than 12 months	7	3,416,687	3,125,434	-	-
Sundry Deposits	6	1,250,000	2,232,772	2,195,852	817,160
Trade and Other Receivables	12	-	-	34,159,497	31,867,007
Cash & Cash Equivalents	13	-	-	1,994,373	121,363,667
Other Bank Balances	14	-	-	5,627,214	5,532,365
Others	6 & 7	-	-	410,980	273,542
<b>Total</b>		<b>4,666,687</b>	<b>5,358,206</b>	<b>44,387,916</b>	<b>159,853,741</b>
<b>ii) Financial Liabilities measured at Amortised Cost</b>					
Long term borrowings	17	4,408,583	4,151,661	-	-
Short term borrowings	17	-	-	11,142,315	1,000,000
Trade & other payables	19	-	-	32,276,005	37,568,310
Other financial liabilities	20	-	-	38,791,766	39,474,835
<b>Total</b>		<b>4,408,583</b>	<b>4,151,661</b>	<b>82,210,086</b>	<b>78,043,145</b>

#### b) Fair Value Measurements

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled. All the fair values as disclosed above have been determined on the basis of Level 3 hierarchy.

### 36. DIVIDEND

The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company.

#### i) Dividends paid during the year

(₹)

Particulars	FY 2018-19	FY 2017-18
Final Dividend fo FY 2017-18 @10% (Previous year Nil)	9,243,850	-
Tax on Final Dividend	1,881,830	-
First Interim Dividend @ 30% (Previous Year 25%) for FY 2018-19	27,731,550	23,109,625
Dividend Distribution Tax on First Interim Dividend	5,700,283	4,704,600
<b>Total</b>	<b>44,557,513</b>	<b>27,814,225</b>

#### ii) Subsequent event

The Board of Directors of the Company at its meeting held on May 10, 2019 has approved the payment of second interim dividend of 70 percent, i.e. ₹ 1.40 per equity share of ₹2/- each for the financial year ended March 31, 2019.



### 37. RELATED PARTY DISCLOSURES

(a) Related parties

i) <b>Subsidiary Company:</b>	None
ii) <b>Parties where control exists:</b>	None
iii) <b>Key Management Personnel:</b>	
Mr. Sunder G. Advani	Chairman & Managing Director
Mr. Haresh G. Advani	Executive Director (Whole-time Director)
Mr. Prahlad S. Advani	Director Operations (Whole-time Director)
Mr. Nilesh Jain	Company Secretary
Mr. Shankar Kulkarni	Chief Financial Officer
iv) <b>Other parties being relatives of Key Management Personnel with whom transactions have taken place during the year:</b>	
Mrs. Menaka S. Advani	Non-Executive Director and relative
Mrs. Nina H. Advani	Non-Executive Director and relative
v) <b>Other related parties with whom transactions have taken place during the year:</b>	
M/s. D. M. Harish & Co., Advocates	A Partnership firm wherein relative of Mr. Adhiraj A. Harish, Non-Executive Director of the Company, is a partner.
M/s. Malvi Ranchoddas & Co. Solicitors & Advocates	A Partnership firm wherein Mr. Prakash V. Mehta, Non-Executive Director of the Company, is a partner.
M/s. S. D. Israni Law Chambers	A Law firm wherein Dr. S. D. Israni, Non-Executive Director of the Company, is a partner.

(b) 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>34,672,796</b>	<b>480,000</b>
	<i>31,072,844</i>	<i>641,547</i>
Professional Fees	-	<b>1,941,050</b>
	-	<i>1,273,564</i>
Expenses recovered	<b>1,577,682</b>	-
	<i>622,528</i>	-
<b>Balance outstanding at the year end:</b>		
Creditors / Payables	-	<b>729,000</b>
	-	<i>147,365</i>

**(c) Breakup of compensation to Key Management Personnel (KMP)**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

**i) Compensation to KMP - Executive Directors**

	(₹)	
<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
Short term employee benefits	<b>27,360,000</b>	23,510,240
Post employment benefits	<b>556,800</b>	484,800
Perquisites	<b>462,698</b>	1,895,529
Other long term benefits*	-	-

**ii) Compensation to KMP - Other than Executive Directors**

	(₹)	
<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
Short term employee benefits	<b>5,264,863</b>	4,740,089
Post employment benefits	<b>176,818</b>	157,872
Perquisites	<b>71,390</b>	284,314
Other long term benefits*	-	-

\*As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## (d) Disclosure of Material Transactions with Related Parties:

(₹)

Particulars	2018-19	2017-18
<b>Remuneration to Key Managerial personnel and sitting fees to their relatives:</b>		
Mr. Sunder G. Advani - Chairman & Managing Director	12,367,251	11,221,866
Mr. Haresh G. Advani - Executive Director (Whole-time director)	8,348,976	7,492,510
Mr. Prahlad S. Advani - Director Operations (Whole-time director)	8,443,498	7,176,193
Mrs. Menaka S. Advani (Relative and non-executive director)	280,000	360,859
Mrs. Nina H. Advani (Relative and non-executive director)	200,000	280,688
Mr. Nilesh Jain - Company Secretary	1,867,535	1,683,200
Mr. Shankar G. Kulkarni - Vice President Finance - CFO	3,645,536	3,499,075
<b>Professional Fees:</b>		
Malvi Ranchoddas & Co.	1,041,050	373,564
D. M. Harish & Co.	850,000	800,000
S. D. Israni Law Chambers	50,000	100,000
<b>Expenses recovered:</b>		
Mr. Sunder G. Advani	271,465	476,736
Mr. Haresh G. Advani	233,620	88,788
Mr. Prahlad S. Advani	1,072,597	57,004
<b>Year end balances:</b>		
<b>Sundry Creditors / payables:</b>		
Malvi Ranchoddas & Co.	684,000	147,365
S. D. Israni Law Chambers	45,000	-

Note : The previous year figures have been regrouped / rearranged, wherever necessary.

As per our report of even date  
**For Amar Bafna & Associates**  
*Chartered Accountants*  
 (Firm Registration No. 114854W)

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

For and on behalf of the Board of Directors  
**Haresh G. Advani**  
*Executive Director*  
 (DIN 00001358)

**Amar Bafna**  
*Partner*  
 (Membership No. 048639)

**Nilesh Jain**  
*Company Secretary*

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

Mumbai: May 10, 2019

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## Notes

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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: 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 32<sup>nd</sup> Annual General Meeting to be convened at 'Rangaswar', 4th Floor, Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai-400 021 on Tuesday, September 17, 2019 at 3.30 p.m.

Member's/Proxy's Full Name

Member's/Proxy Signature

TEAR HERE

## 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: 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):	E-mail Id:
Registered Address:	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 32<sup>nd</sup> Annual General Meeting of the Company, to be convened at Rangaswar', 4th Floor, Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai-400 021, on Tuesday, September 17, 2019 at 3.30 p.m. and at any adjournment thereof in respect of such special Resolutions as are indicated below:

- Adoption of Audited Balance Sheet as at March 31, 2019, 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 @ 30% (₹0.60 per Equity Share) and 2nd Interim Dividend @70% (₹1.40 per Equity Share) already paid during the year, for the financial year ended March 31, 2019.
- Appointment of a Director in place of Mrs. Menaka S. Advani, who retires by rotation and being eligible, seeks re-appointment.
- Re-appointment of Mr. Prakash V. Mehta as an Independent Director.
- Re-appointment of Mr. Vinod K. Dhall as an Independent Director.
- Re-appointment of Adm. Sureesh Mehta (Retired) as an Independent Director.
- Re-appointment of Mr. Adhiraj A. Harish as an Independent Director.

Affix  
1 Rupee  
Revenue  
Stamp

Signed this ..... day of ....., 2019

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

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.

TEAR HERE



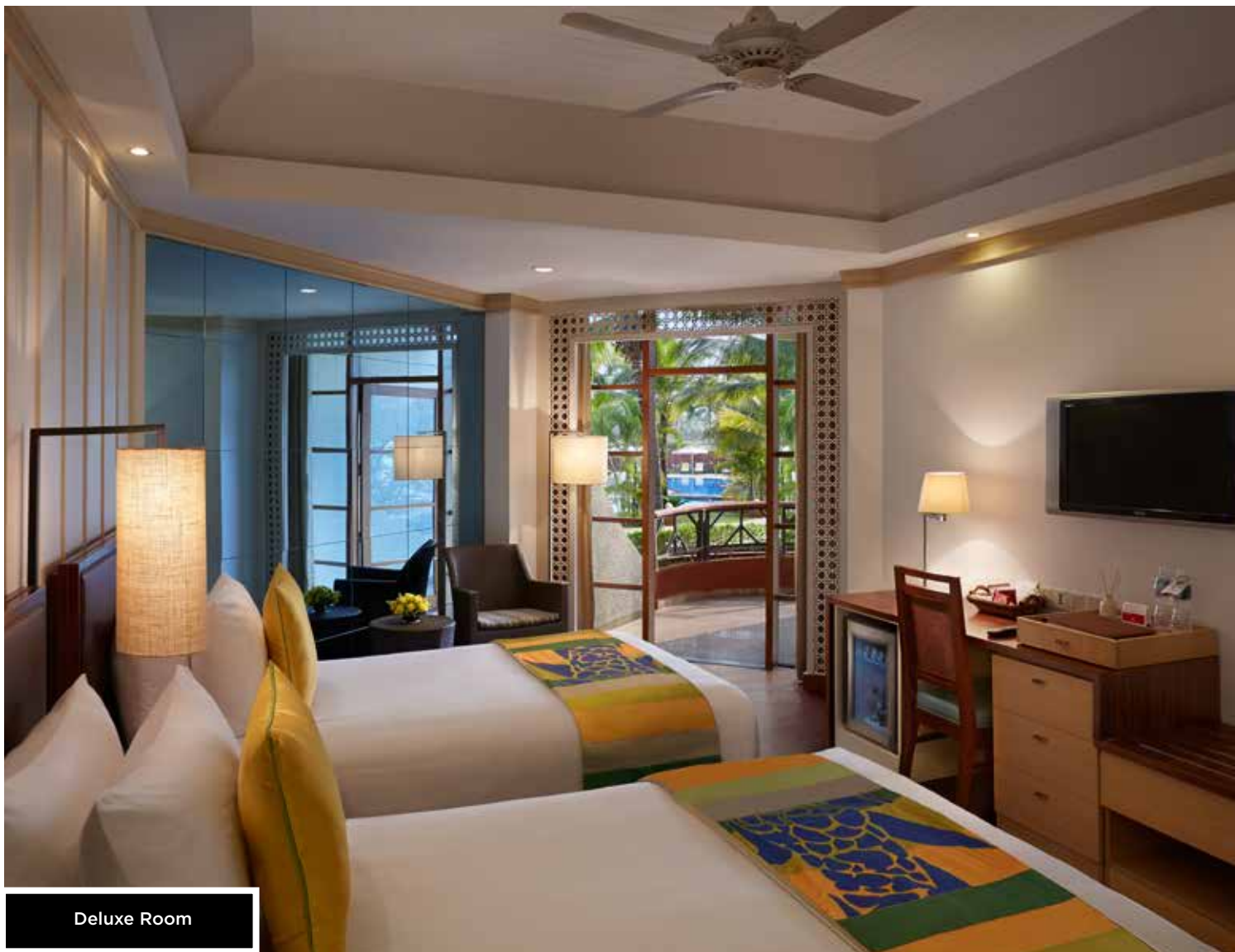


Sunset Point



Yoga at Sunset Point

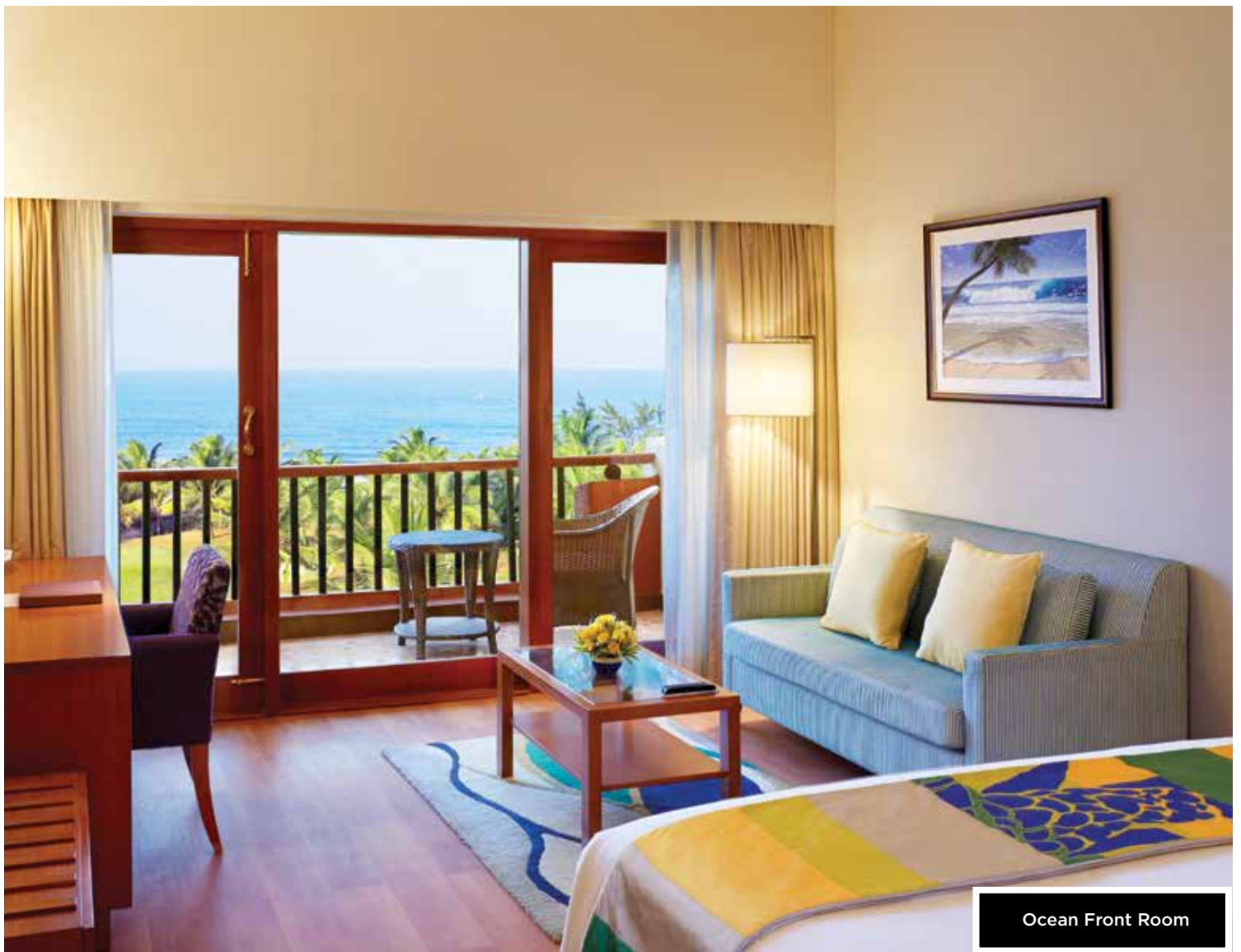




Deluxe Room



Private Dining



Ocean Front Room



Spa treatments





Poolside Dining



Wood-fired pizzas





Castaways Restaurant



Swim-up Pool Bar





Ocean view Villas with private gardens



Original Mario Miranda artworks





Presidential Villa







Lunch at our Beach Shack



Authentic Goan Cuisine

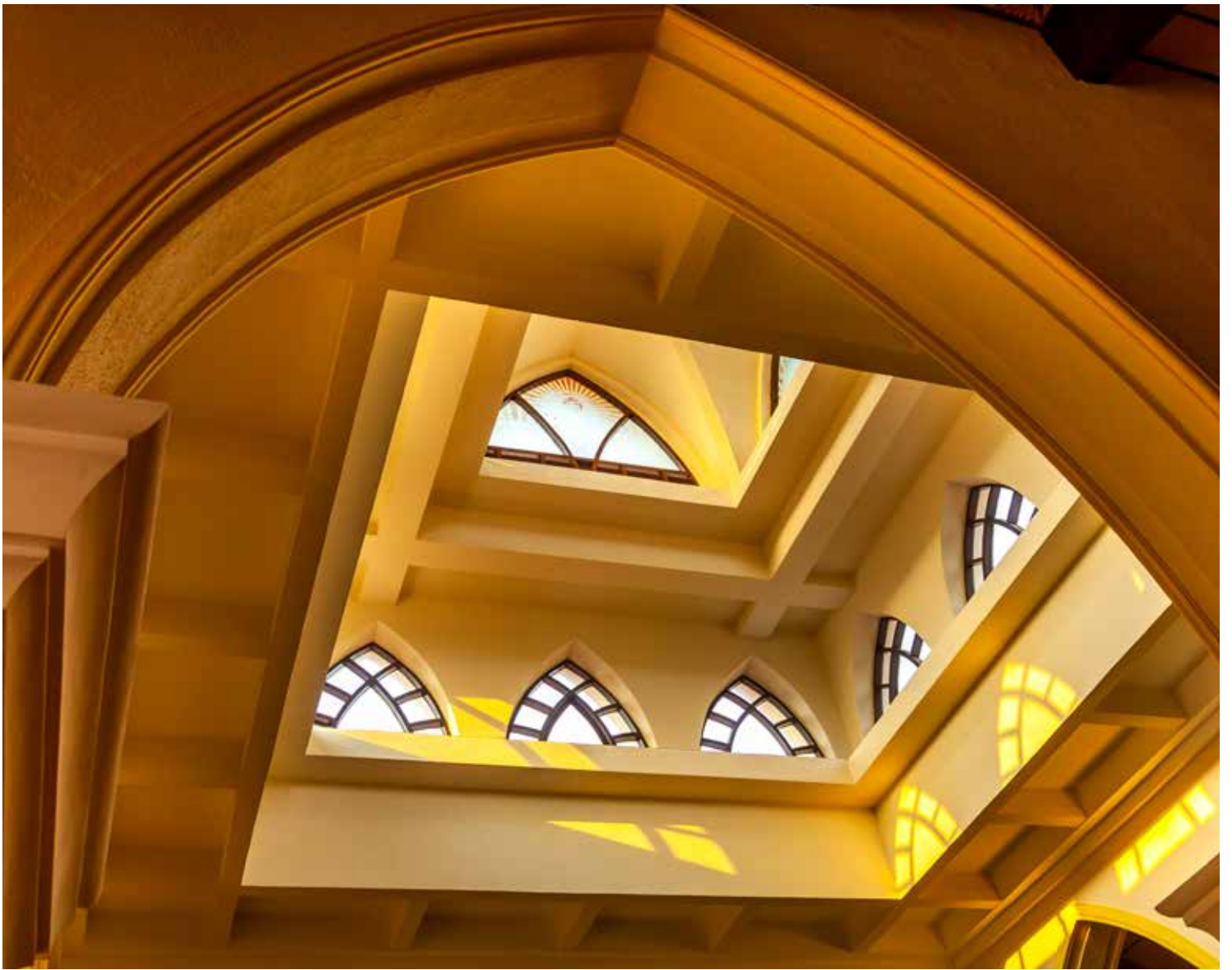




































# CARAVELA<sup>®</sup>

## BEACH RESORT

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VARCA, GOA

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

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