



**CARAVELA**<sup>®</sup>  
BEACH RESORT

VARCA, GOA

November 30, 2020

BSE Limited  
Corporate Compliance Department  
Rotunda Building P. J. Towers, Dalal  
Street, Fort Mumbai 400001  
Scrip Code - 523269

The National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East),  
Mumbai 400051  
Symbol : ADVANIHOTR

Dear Sir/Madam,

**Sub.: 33<sup>rd</sup> Annual Report 2019-2020**

This is to inform you that 33<sup>rd</sup> Annual General Meeting of the members of the company is scheduled to be held on Tuesday, 22<sup>nd</sup> December, 2020 at 5.30 PM through Video conferencing (VC) / Other Audio-Visual Means (OVAM).

Pursuant to Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules and regulations, please find enclosed herewith Annual Report for FY 2019-20 which is being dispatched to the members through electronic mode, whose email id are registered with the company/Depository Participants.

The same is also available on the website of the Company at  
<https://www.investors.caravelabeachresortgoa.com/>.

You are kindly requested to take the same on record.

Thanking you,

Yours faithfully,

S/d

**Nilesh Jain**  
**Company Secretary**

Encl: As above

Note: Due to ongoing COVID -19 pandemic outbreak and consequent lockdown, this intimation is being submitted without signature of the authorised person in SD/- mode.

Owned and operated by : **ADVANI HOTELS & RESORTS (INDIA) LIMITED**  
**(CIN: L99999MH1987PLC042891)**  
Registered Office : 18A & 18B, Jolly Maker Chambers – II, Nariman Point, Mumbai - 400021  
Tel: (91-22) 22850101 Telefax: (91-22) 22040744| Website: [www.caravelabeachresortgoa.com](http://www.caravelabeachresortgoa.com)  
EMAIL: [cs.ho@advanihotels.com](mailto:cs.ho@advanihotels.com)



ADVANI HOTELS & RESORTS (INDIA) LIMITED

ANNUAL REPORT | 2019 – 2020













# Corporate Information

## BOARD OF DIRECTORS

### CHAIRMAN & MANAGING DIRECTOR

Sunder G. Advani

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### EXECUTIVE DIRECTOR

Haresh G. Advani

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### WHOLE TIME DIRECTOR

Prahlad S. Advani

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### DIRECTORS

Prakash V. Mehta

Vinod Dhall

S. D. Israni

Adhiraj Harish

Admiral Sureesh Mehta (R)

Menaka S. Advani

Nina H. Advani

Ragini Chopra  
(w.e.f 30th August, 2020)

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### COMPANY SECRETARY

Nilesh Jain

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### CHIEF FINANCIAL OFFICER

Sachin Jain  
(w.e.f December 17, 2019)

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### BANKERS

Axis Bank

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### STATUTORY AUDITORS

JMT & Associates, Chartered Accountants  
(w.e.f. September 26, 2020)

Amar Bafna & Associates, Chartered  
Accountants  
(upto September 16, 2020)

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### SOLICITORS

Malvi Ranchoddas & Co.

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### REGISTERED OFFICE

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

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### RESORT LOCATION

Caravela Beach Resort  
Varca Beach, Salcete  
Goa 403 721

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### 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  
Director

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# Chairman and MD's Message



Dear Fellow Shareholders,

It is a proud privilege to address you on behalf of the Board of Directors on the 33<sup>rd</sup> Annual General Meeting of your Company.

The growth of the hotel industry is normally impacted by the growth of GDP. The Economic Survey presented in Parliament in January 2020 forecasted a lower GDP of 6.0 to 6.5% for 2020-2021. After the havoc created after March 2020 by Covid19, India's GDP has declined substantially. A key objective of the Economic Survey was to increase Export market share to 3.5 percent by 2025 and 6% by 2030 and also create 4 crore well paid jobs by 2025.

When we export more goods and services we create jobs in India. When a foreign tourist visits and spends money in India it is also an Export. The Hotel industry creates a very large number of well paid jobs and earns huge amounts of foreign exchange. Hotel stays comprise a major portion of their spend. India earned INR 1973 billion from foreign visitors in 2019 and this number will decline substantially unless certain measures are taken immediately. The Government should provide support to this capital intensive industry even though it has many priorities.

The Travel and Tourism industry in India provided jobs to 39.8 million persons in 2019. India stands to lose 23.7 million jobs in this industry in 2020 as per the projections made by the London based World Travel and Tourism Council.

As far as foreign tourists, the Embassies and Consulates abroad have now stopped issuing Tourist Visas. Last October, Dr Jaishankar had agreed to my suggestion at a USIBC meeting in Washington to make our Embassies more proactive in promoting tourism. Tourist Visas must be issued promptly. Even Russia, which has many cases of Covid19, is now issuing eVisas to tourists from 52 countries including India.

Foreign charter flights which have been bringing only foreign tourists to Goa for decades have not been given permission to land. This will have a major impact on revenues as these tourists stay in hotels for at least 10 days. They should not be required to spend time in quarantine unless they are tested

Covid19 Positive. Until recently even our own citizens were required to be quarantined on arrival in India. Fortunately quarantine is now not required for passengers who carry a negative Covid19 test result. Normal international flights need to be restarted as they are allowed only between specific 'air bubble cities'. In order to make India competitive, GST paid by foreign tourists should be refunded to them when they leave India. The hoteliers need to be given an incentive to attract foreign clients by increase of benefits from the SFIS.

Most hotels have had to rely on domestic traffic. Those travelling for conferences and weddings had until recently to restrict the gathering to 50 persons. After representations this has been relaxed to 200 and is based on the size of the venue.

**The Return on Equity (Shareholder's Funds) in FY 2019-2020 has gone up to 23.8% as against 20.9% last year.**

Most individuals have been impacted by Covid19 and spending on a holiday needed an incentive. Through the WTTC I requested that demand for hotel rooms in India would increase if a tax incentive was given by change in the LTC. The Government has introduced this but made it applicable only for those who purchase consumer goods and not for holidays.

#### **Our Financial Results:**

Our Company achieved total revenues of INR 712 million for the financial year ending 31<sup>st</sup> March, 2020. This represents a decline of 0.79% against revenue of INR 717 million in the financial year 2018-19. Until February 29, 2020 our turnover was up by 4.5% but there were many cancellations in March due to Corona Virus.

Nevertheless with reduction in costs, we achieved a higher gross profit of INR 180 million in the financial year 2019-2020 as against INR 176 million last year. Our Gross profits before tax for this financial year have increased from INR 139 million to 140.5 million

The Return on Equity (Shareholder's Funds) in FY 2019-2020 has gone up to 23.8% as against 20.9% last year.

Considering the 87% increase in Profit before Tax of INR 77.7 million for the nine month period ended December 2019 as against INR 41.5 million in the corresponding period of previous year, in February 2020 the Company declared a 2nd Interim dividend of 55%. Including the 2nd interim dividend, the Company has paid total dividend of 95% for the FY 2019-2020.

**Our Company's  
Return on Assets  
of 15.7% is one of the  
highest in the Hotel  
Industry!**

#### **TOTAL REVENUE**



#### **OCCUPANCY %**



#### **RevPOR**





The hotel industry in general is facing a difficult period.

A recent Survey conducted by HVS of Brands which control 380 hotels with 56,000 guest rooms in India reported that only 20% of their respondents felt that they would equal last years figures in 6-12 months.

The Survey did show that hotels in Resort locations and especially those in the upscale and upper upscale category will recover quickly.

## Until February 29, 2020 our turnover was up by 4.5%

Our Caravela Beach Resort Goa is one such Hotel. Moreover, Goa is ranked second as the best place in India to have a beach wedding. The first spot is for the Andamans which is not as accessible. Goa has just released its Master Plan for Tourism wherein they propose to add facilities to attract only affluent tourists.

We closed our hotel on 24th March as per Government policy. We reopened on 1st October. It is heartening that the occupancy for October 2020 and November has exceeded our expectations and more requests are coming in for the period until end of December. Guests are making last minute bookings and many are driving in from Maharashtra and Karnataka. Flights to Goa from all major cities have also increased. Our hotel was closed and had no operating income for both the First Quarter ending 30th June and the Second Quarter ending 30th September. However through cost cutting measures adopted we were able to reduce the net loss from INR 64 million to INR 50 million or about 28% between Q1 and Q2.

### Need for Loan:

The hotel has incurred a loss before tax of INR 114 million as of 30th September 2020. The losses would have been greater if we had not taken timely measures of reducing fixed costs especially in number of staff and reduction in the salaries of retained staff. We could only achieve Revenues of about INR 19 million in October and suffered an operating loss of approximately INR 1 million.

We have adequate funds to meet all obligations but we have applied for a long term loan of INR 150 million for Working Capital and minor renovations. Several banks have shown a positive interest as we are a debt free Company. We are evaluating the terms and conditions given by banks.

### Lessons from Covid19:

We have also made changes to make guests feel safe and to protect our employees from being exposed to Covid19. We have taken the expert advice of Bureau Veritas and Diversey Chemicals who are also training our Staff. We must all be relieved that at least three Companies have been able to prove that their Vaccines are highly effective in treating those who have or are likely to catch COVID 19. Since most people will have access to a Vaccine in a few months, I am hopeful that travel and tourism will return to normal sooner than projected earlier.

### Awards:

Besides financial performance, a Company is also benchmarked by qualitative measures and the recognition it receives. Our Company has received several awards this year, which are presented in the Awards section in the Report. In addition, I have had the honour of receiving the SAATE Lifetime Achievement Award, presented to me by the Director General of Tourism of India.

### Acknowledgements:

I would like to thank the members of our Board for giving us so much of their time and inputs in difficult circumstances. The Chief Minister of Goa has listened to our concerns favorably, members of the Central Government have tried to cooperate with their constraints. We are grateful to our dedicated employees and senior managers who have cooperated and worked during these difficult times. The shareholders, tour operators and travel agents and our repeat guests need to be thanked for supporting us. The Village of Varca and officials in the Government have been very helpful in our efforts to face this unprecedented calamity.

*Sunder G. Advani*

### OPERATING CASH FLOW AFTER-TAX

**178.2**  
₹ in millions

### RETURN ON ASSETS (ROA)

**15.7%**

### AFTER-TAX RETURN ON EQUITY

**23.8%**

### EBITDA

**180.2**  
₹ in millions



# Financial Summary

## OVER THE LAST EIGHT YEARS

₹ in millions

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Gross Revenue inclusive of taxes	833.5	858.1	765.8					
Net Revenue	711.6	717.3	638.2	608.6	540.2	490.3	413.3	397.9
Total Room Nights Sold (Numbers)	57,303	59,815	56,485	57,403	52,234	52,725	43,201	44,071
Average Occupancy (%)	80.0%	82.8%	79.2%	79.7%	72.0%	71.7%	67.1%	64.1%
Average Revenue Per Occupied Room per night (RevPOR) (₹)	12,090	11,749	11,018	10,367	10,110	9,030	9,042	8,614
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	180.2	176.4	164.9	183.7	144.7	117.2	83.6	91.0
EBITDA Margin (%)	25.3%	24.6%	25.8%	30.2%	26.8%	23.9%	20.2%	22.9%
Depreciation and Amortization	37.4	36.5	35.2	36.9	40.5	45.1	31.7	29.2
Earnings Before Interest and Taxes (EBIT)	142.8	139.9	129.7	146.8	104.2	72.1	51.9	61.8
EBIT Margin (%)	20.1%	19.5%	20.3%	24.1%	19.3%	14.7%	12.6%	15.5%
Interest / Finance Costs	2.3	0.6	0.6	3.2	10.4	16.9	21.7	16.3
Interest / Finance Income	7.4	8.4	3.8	1.5	0.8	0.4	0.2	1.1
Prior Period / Other Adjustments	-	-	-	-	-	-	-	1.8
Profit Before Tax (PBT)	140.5	139.3	129.1	143.6	93.8	55.2	30.2	43.7
PBT Margin (%)	19.7%	19.4%	20.2%	23.6%	17.4%	11.3%	7.3%	11.0%
Current Tax	36.4	40.5	42.7	50.0	29.4	17.3	9.2	16.0
Deferred Tax	(8.2)	(16.5)	1.0	2.9	0.7	2.3	(2.2)	1.1
Tax for earlier years	(0.3)	1.6	(0.9)	1.4	(0.3)	(0.4)	0.6	0.3
Total Tax	27.9	25.6	42.8	54.3	29.8	19.2	7.6	17.4
Tax Rate (%)	25.2%	29.1%	34.6%	34.6%	32.5%	32.5%	32.5%	32.5%
Profit After Tax (PAT)	112.6	113.7	86.3	89.3	64.0	36.0	22.6	26.3
Average PAT Per Occupied Room per night (₹)	1,965	1,901	1,528	1,556	1,225	683	523	597
PAT Margin (%)	15.8%	15.9%	13.5%	14.7%	11.8%	7.3%	5.5%	6.6%
Other comprehensive income (as per Ind AS)	0.2	(0.1)	0.9	-	-	-	-	-
Earnings Per Share (₹)	2.4	2.5	1.9	1.9	1.4	0.8	0.5	0.6
Dividend Per Share (₹) including final dividend	1.9	2.0	0.7	0.6	0.5	0.4	0.2	0.3
Dividend Percentage (Total)	95.0%	100.0%	35.0%	30.0%	24.0%	21.0%	12.0%	13.0%
Dividend Payout (including dividend tax)	105.9	111.4	38.9	33.4	26.7	23.3	12.9	14
Equity Capital (B)	92.4	92.4	92.4	92.4	92.4	92.4	92.4	92.4
Other Equity / Reserves & Surplus (C)	380.5	452.4	383.4	324.0	284.9	247.5	239.7	230.0
Shareholders Funds (B + C)	472.9	544.8	475.8	416.4	377.3	339.9	332.1	322.4
Long Term Debt and Vehicle Loans	3.3	4.4	5.1	4.8	64.6	147.3	174.1	111.6
Cash and Bank Balances including current investments	127.6	192.6	126.9	32.1	7.8	9.6	12.3	13.5
Long Term Debt to Shareholders Funds (Ratio)	0.01	0.01	0.01	0.01	0.17	0.43	0.52	0.35
After-Tax Return on Equity (Shareholders Funds)	23.8%	20.9%	18.1%	21.4%	17.0%	10.6%	6.8%	8.2%
Return on Assets	15.7%	15.4%	13.2%	14.5%	10.1%	5.4%	3.5%	4.4%
Current Ratio	1.43	1.90	1.36	0.84	0.51	0.56	-	-
Cash Conversion Cycle (in days)*	3.3	2.5	1.9	5.2	9.6	12.5	-	-
Operating Cash Flow (after tax)	178.2	150.4	153.9	140.1	124.4	97.7	-	-
CSR expenditure	2.8	2.5	2.0	1.3	0.5	-	-	-

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

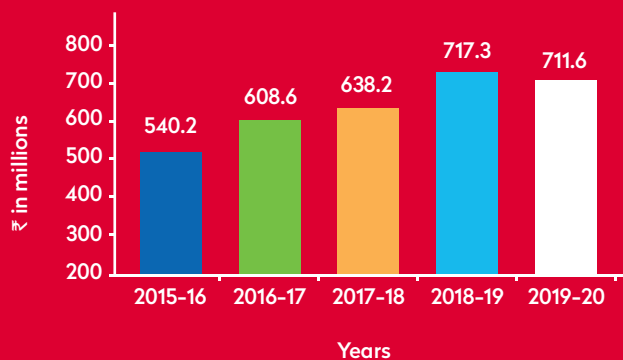


# Key Performance Indicators

“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

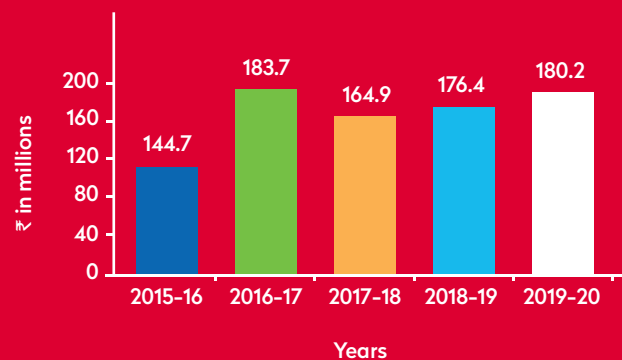
## TOTAL NET REVENUE

711.6



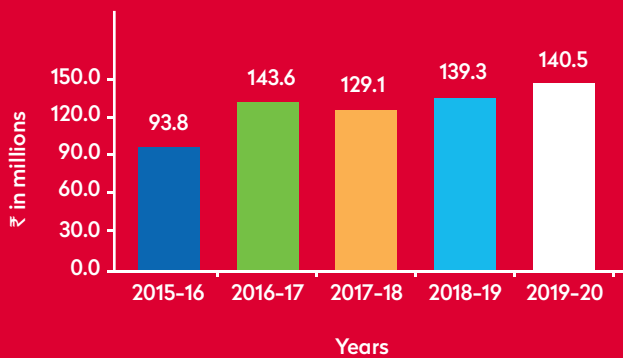
## EBITDA

180.2



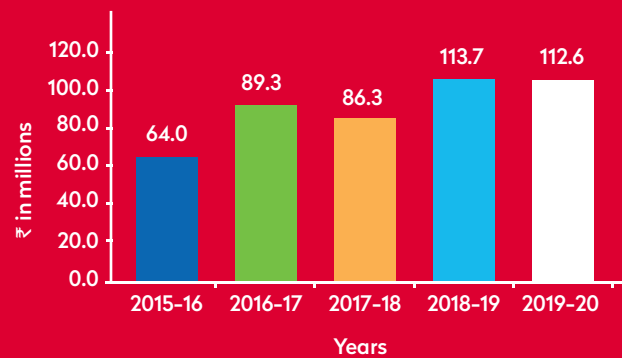
## PBT

140.5



## PAT

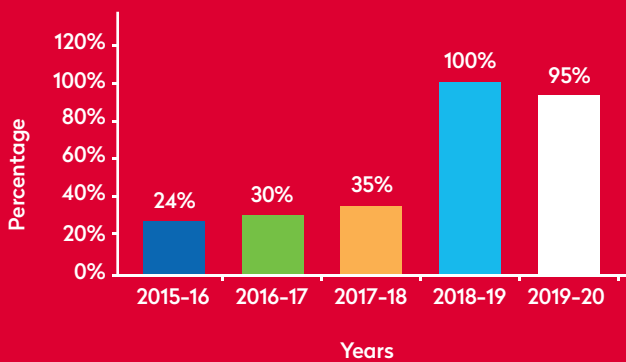
112.6



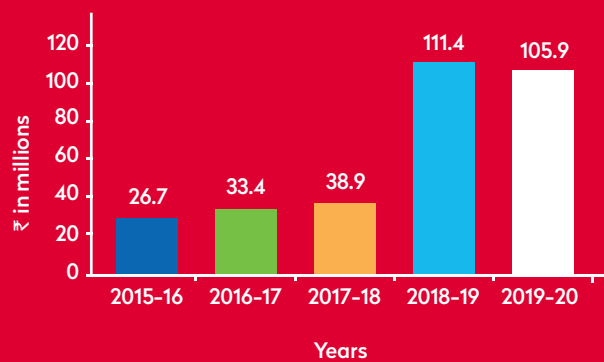


**“I believe non-dividend stocks aren’t much more than baseball cards. They are worth what you can convince someone to pay for it”**  
~ Mark Cuban

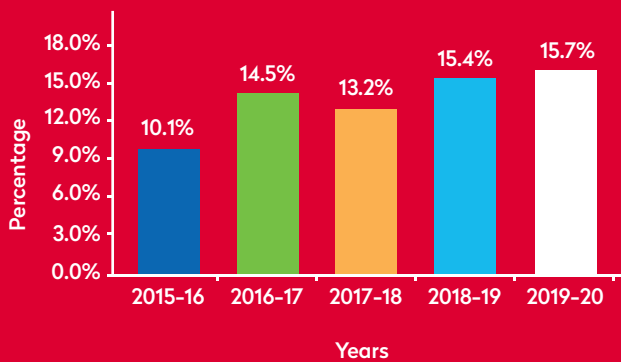
**DIVIDEND PERCENTAGE (Total) 95%**



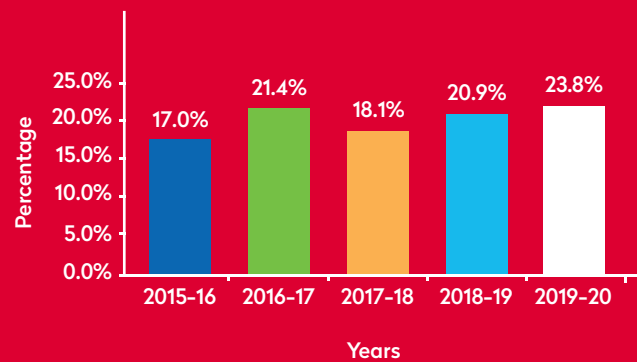
**DIVIDEND PAYOUT (Including Dividend Tax) 105.9**



**RETURN ON ASSETS 15.7%**



**AFTER-TAX RETURN ON EQUITY 23.8%**



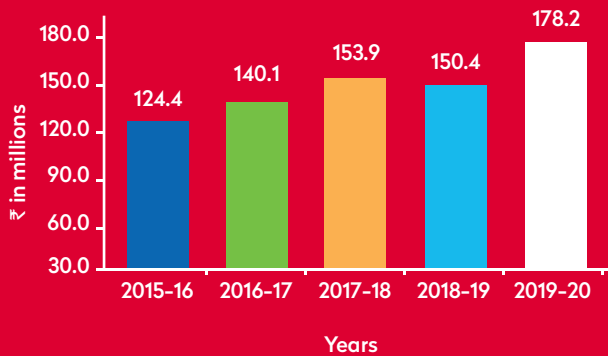


# Key Performance Indicators

“The purpose of a business is to create a customer who creates customers”  
~ Shiv Singh

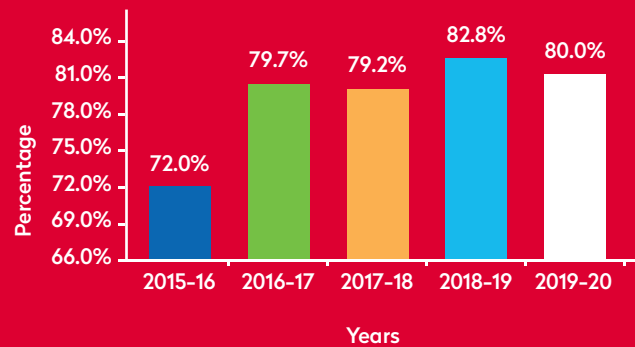
## OPERATING CASH FLOW AFTER TAX

178.2



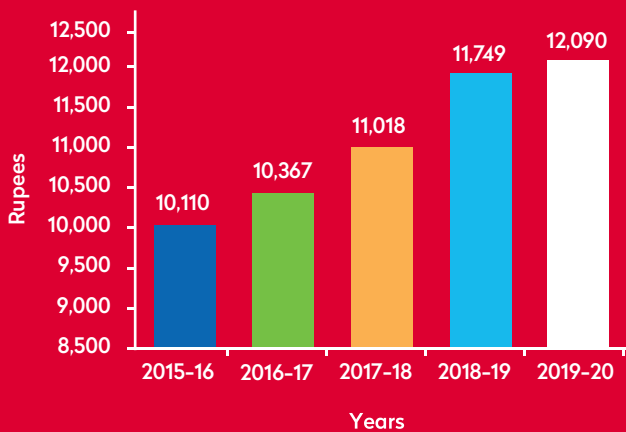
## AVERAGE OCCUPANCY %

80.0%



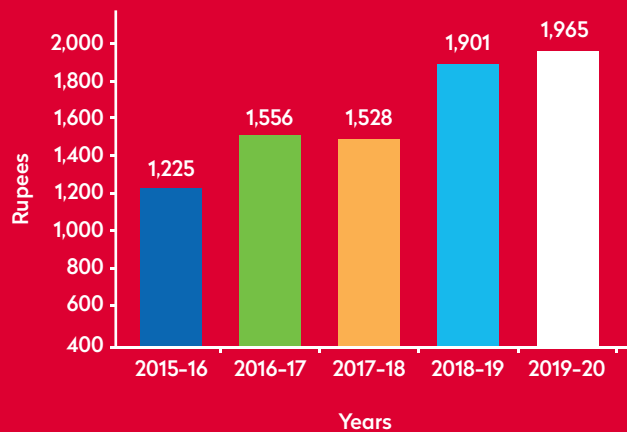
## AVERAGE NET REVENUE PER OCCUPIED ROOM PER NIGHT (RevPOR)

12,090



## AVERAGE PAT PER OCCUPIED ROOM PER NIGHT (₹)

1,965



# Snapshots



Mr. Sunder Advani was presented the Lifetime Achievement Award by Ms. Meenakshi Sharma, Director General of Tourism, Government of India at a glittering ceremony at the SAATE Annual Travel and Tourism Conference.



On Republic Day 2020, Mr. Prahlad S. Advani invited the Honourable Justice Mukopadhyya of the Supreme Court of India & the Company Law Board, to be the Chief Guest for the flag hoisting ceremony, along with Mr. Eugene Keller, a distinguished repeat guest from Switzerland, who has visited our hotel consecutively for the last 22 years!



# Snapshots



The Caravela team that helped create the excellent results



Above In January, Mr. Sunder Advani, Chairman and Managing Director, was invited for an exclusive fireside chat by Mr. Shantanu Prasad, the Founder of Business First and a leading journalist who has recorded stories of many successful entrepreneurs.

The interview on Business First delves into various aspects on how Mr. Advani started in the business and raised funds and permissions to build several hotels and India's first Casino and his advice to future Entrepreneurs on the 5 most important mistakes to avoid. The entire interview can be viewed on youtube: <https://www.youtube.com/watch?v=eJTqKpDYIyU>

Right Head of the Official delegation from the Republic of OMAN presenting a Memento to CMD Sunder Advani and WTD Prahlad Advani after visiting our Resort





# Snapshots



Chief Minister of Goa, Dr Pramod Sawant presenting a Memento to CMD, Mr. Sunder Advani for organising the Roundtable seminar on Tourism in Goa



Union Minister for Tourism, Government of India, Mr. Prahlad Singh Patel (centre) handing over an Award for the 'Best State in Tourism' to Goa. Mr. Sunder Advani is on the extreme right.



Mr. Sunder Advani was invited by the The Consul General of India in New York Mr Sandeep Chakravorty to participate in a talk on Wildlife of India at the Consulate.



# Snapshots



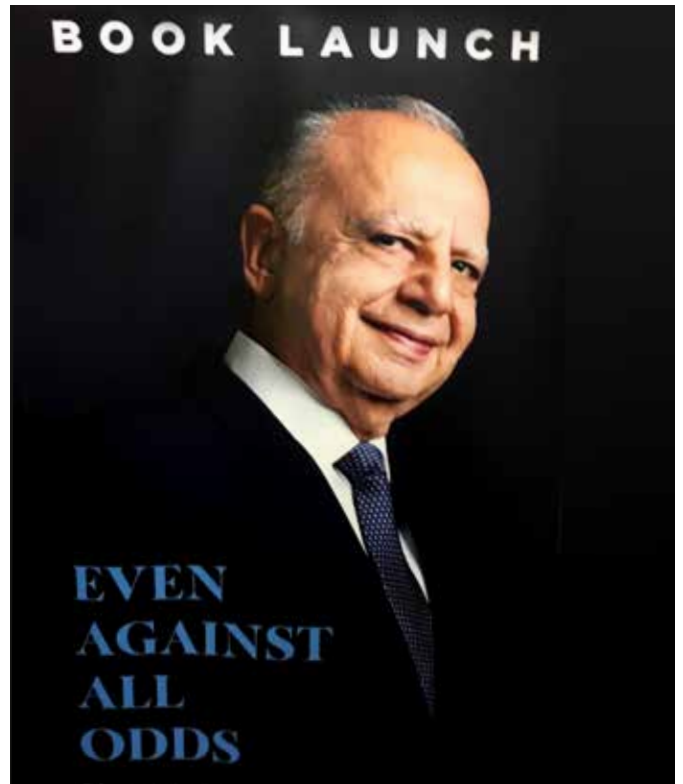
**CMD, Mr. Sunder Advani was invited by the US India Business Council for a discussion with Dr S Jaishankar In Washington DC. Mr Advani made a presentation requesting help of Embassies to promote tourism to India. The Ambassador of India to USA Mr. Harsh Shringla is seated to the left of Dr Jaishankar**



**Former Chief Minister of Goa Mr Digamber Kamath and his wife at our Resort with Directors (l-r) Mrs Menaka Advani, Mr Prahlad Advani and Mrs Nina Advani**



# Snapshots



Top left **CMD Sunder Advani** recently visited his alma mater the **Wharton School** of the **University of Pennsylvania** after a gap of **60 years**.

Top right **The entire delegation from OMAN** who were guests of the **CM Goa** for the **VIBRANT GOA SUMMIT** were invited by **CMD** to see our **Resort**

Bottom right **CMD Sunder Advani** was requested to speak to members of the prestigious **Willingdon Sports Club** in **Mumbai**

Bottom left **CMD Sunder Advani** and **Wholetime Director Prahlad Advani** after the successful visit and promise of business from the **OMAN Official delegation**



# Snapshots



Celebrity Bollywood Star Kriti Sanon attending her besties fabulous wedding at our Resort



Independence Day 2020: honouring those who laid-down their lives for Freedom and honouring the brave front-line workers who are defending our country from COVID-19



# Snapshots



Top  
In April 2020, the Caravela Beach Resort Goa donated hundreds of PPE Kits to the Vibrant Goa Foundation, to be graciously distributed by the Honourable Chief Minister of Goa, Dr. Pramod Sawant and the Director of Health Services, Dr. D'Sa, to Goa's frontline warriors - the selfless Doctor's who valiantly fought COVID-19 in Goa!

Bottom right  
In January 2020, Mr. Sunder G. Advani and Mr. Prahlad Advani met with Mr. Warren Foster-Brown, the Founder of the boutique interior design firm FBEYE.

Before founding FBEYE, Mr. Warren was one of the best designers at Wilson & Associates in Singapore and he personally designed the entire North Wing and the Presidential Villas of the Caravela Beach Resort Goa.

His boutique Singapore-based design studio has a large footprint and diverse international clientele, which include hospitality bigwigs such as Starwood / Marriott, Intercontinental, Four Seasons and Shangri-La hotels and resorts.





# Weddings at the Resort





## Weddings at the Resort





# Snapshots



Festivities at Caravela



# Snapshots



Festivities at Caravela



# Christmas Celebrations



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



# Christmas Celebrations





# Christmas Celebrations





# Christmas Celebrations





# New Years Celebrations





# New Years Celebrations





# New Years Celebrations





# New Years Celebrations





# New Years Celebrations





# New Years Celebrations





# Snapshots





**भारतीय विमानपत्तन प्राधिकरण**  
**AIRPORTS AUTHORITY OF INDIA**

No. AAI/GOA/APD/MISC/185      Date: 31.12.2019

To  
Sh.Sunder G.Advani,  
Chairman & Managing Director,  
Advani Hotels & Resorts(India) Ltd.,  
Goa/Mumbai.

Subject : Inauguration of new departure immigration counters at Goa International Airport.

Sir,

In its endeavour to upgrade the passenger facilitation at Goa International Airport, the Airports Authority of India among many other initiatives has provisioned for new immigration counters with dynamic display and e-gates to make it at par with other International Airports around the world. Since, we are ushering into the year 2020, it shall thus be most appropriate to formally dedicate this facility to the passengers on 1<sup>st</sup> Jan 2020. This office takes the opportunity to request your kindness to do the honours by formally inaugurating the facility at 12 PM on 01.01.2020 to encourage and support our efforts. It is also requested that Sh.Prahlad S.Advani also grace the occasion. Awaiting your kind confirmation please.

Yours faithfully,  
*Gagan Malik*  
31/12/19  
(Gagan Malik),  
Airport Director,  
AAI, Goa Airport

मोबा : ०८३२२५४०८०६, गोवा - ४०३८०१  
Goa International Airport, Goa - 403801

दूरभाष : (०८३२) २५४०८०६  
Phone : (०८३२) 2540806

फैक्स : (०८३२) २५४१६१०  
Fax : (०८३२) 2541610



On January 1, 2020, our Chairman & Managing Director Mr. Sunder G. Advani was invited as the Chief Guest by the Airports Authority of India (AAI), to formally inaugurate the new immigration counters (with dynamic display and E-Gates). Mr. Prahlad S. Advani was also formally invited to grace the occasion.

The innovative Mr. Gagan Malik, Airport Director, Goa International Airport, graciously hosted the duo along with his team.



# Snapshots



Dabolim Airport Goa under the AAI has undergone many improvements initiated by Mr. Malik and the airport is steadily upgrading the passenger experience for all!



# Awards



Mrs. Katie Mole, Serenity Holidays U.K. awarded the Caravela Beach Resort Goa with a 'Certificate of Excellence' for outstanding customer feedback, at the World Travel Market London in November 2019!

From left to right

Mr. Sunder G. Advani, Mr J Ashok Kumar, IAS, Secretary, Tourism, Government of Goa, Mrs. Katie Molley, Product Manager, Serenity Holidays U.K., Mr. Prahlad S. Advani and Mr. Martin Joseph Thypodath.

Opposite page, top

The Times of India - Hospitality Icons 2019 Goa!

Our Resort received two awards from the 'Times of India' on October 14, 2019! It was a great moment for the Company, which has pioneered 5-Star hospitality and award-winning WATG design for over 30-years in South-Goa.

The hotel won the title for the most: "Iconic 5-Star-Deluxe Beach Resort in Goa" and "Iconic 5-Star-Deluxe Beach-Wedding Destination in Goa"

Mr. Prahlad S. Advani, Mr. Prasad Kanoth and Mr. Sourav Panchanan, received the awards from Audrey D'Silva - Femina Miss India Goa, in a glitzy award ceremony!





# Awards



Our Caravela Beach Resort once again receives the prestigious 'Booking.com Traveller Review Award' with an overall rating of 8.5 points (out of a maximum of 10 points), across 1000 reviews on Booking.com!

We have fostered a 'Customer-Centric Culture' in our Resort and our team strives to create a memorable experience for all of our esteemed guests!





# Initiatives



## CARAVELA + CARES +

Commitment to Hygiene and Safety

OUR HYGIENE AND SAFETY PARTNERS



BUREAU  
VERITAS



A WELL-BEING INITIATIVE

We are proud to present our 'Caravela Cares' program – a well-being, hygiene and safety initiative!

We have partnered with independent third-party professionals, who are global leaders in the field of hygiene, sanitization and safety and have enrolled in the: 'Bureau Veritas (India)' COV-SAFE Certification Program and the 'Diversey' COVID-19 Operations Support Program & COVID-19 Shield Certification Program



## NOTICE

NOTICE is hereby given that the **33<sup>rd</sup> Annual General Meeting** (“AGM”) of the members of **ADVANI HOTELS & RESORTS (INDIA) LIMITED** will be held on Tuesday, December 22, 2020 at 10.30 a.m. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business. The venue of the meeting shall be deemed to be the registered office of the Company at 18A & 18B, Jolly Maker Chambers II, Nariman Point, Mumbai - 400 021, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2020, 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 1<sup>st</sup> interim dividend @40% (₹0.80 paise per equity share) and 2<sup>nd</sup> interim dividend @55% (₹1.10 per equity share) already paid during the year, for the financial year ended March 31, 2020;
3. To appoint a director in place of Mrs. Nina H. Advani (DIN00017274), who retires by rotation and, being eligible seeks re-appointment;

### SPECIAL BUSINESS:

4. Re-appointment of Dr. S. D. Israni 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 Dr. S D. Israni (DIN: 00125532), 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 October 1, 2020 up to September 30, 2025.”

5. Fix and approve the managerial remuneration of Mr. Prahlad S. Advani, Whole Time Director, (DIN:06943762) for the remaining 2 year period of his term;

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with part II section II of Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the approval of the Company is hereby accorded for the revision in the managerial remuneration payable to Mr. Prahlad S. Advani, serving as the Whole Time Director of the Company in charge of the Hotel Operations, for a period of two years i.e. from August 1, 2020 to July 31, 2022 (being the remaining term of his reappointment as a Whole Time Director), on the terms and conditions as set out in the Explanatory Statement annexed hereto, with liberty to the Directors / Nomination and Remuneration Committee to alter and vary the terms and conditions of the said remuneration in such manner as may be agreed between the Directors and Mr. Prahlad S. Advani to the extent specified in the Explanatory Statement.”

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

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



# ADVANI HOTELS & RESORTS (INDIA) LIMITED

6. Appointment of Mrs. Ragini Chopra as an Independent Director;

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Regulation 16(1)(b) and 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mrs. Ragini Chopra (DIN:07654254), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director, not liable to retire by rotation and to hold office for a term up to five consecutive years commencing from 30<sup>th</sup> August, 2020 to 29th August, 2025”.

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things and give such directions as may be necessary, in the best interest of the Company, for giving effect to the aforesaid Resolution, including but not limited to signing and execution of necessary forms and documents as may be deemed necessary and expedient in its discretion”.

7. Name change of Statutory Auditors firm from M/s Amar Bafna & Associates, Chartered Accountants (FRN:114854W) to M/s JMT & Associates, Chartered Accountants (FRN:104167W) due to its merger into M/s JMT & Associates, Chartered Accountants (FRN:104167W);

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby granted to approve and take note of the change of name of the Statutory Auditors firm of the company from M/s. Amar Bafna & Associates, Chartered Accountants (FRN: 114854W) to M/s. JMT & Associates, Chartered Accountants, (FRN: 104167W) pursuant to merger of M/s. Amar Bafna & Associates, Chartered Accountants (FRN: 114854W) with M/s. JMT & Associates, Chartered Accountants, (FRN: 104167W) w.e.f. September 16,2020 and that the Members hereby approve the appointment of M/s. JMT & Associates, Chartered Accountants, (FRN: 104167W) as Statutory Auditors of the Company on the same terms and conditions including remuneration for the remaining tenure for which M/s. Amar Bafna & Associates, Chartered Accountants (FRN: 114854W) was appointed by the shareholders of the Company;

**RESOLVED FURTHER THAT**, the Board of Directors of the company be and are hereby authorised to do all such acts, deeds and things as are necessary to give effect to this resolution.”

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

Nilesh Jain  
Company Secretary  
(ACS 18320)

Place: Mumbai  
Date: November 10, 2020

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



**NOTES:**

1. The profile of the Director seeking appointment/re-appointment, as required in terms of Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations, 2015) and Secretarial Standard 2, is annexed.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 read with Circular No. 20 dated May 5, 2020 (hereinafter collectively referred to as "MCA Circulars") and the Securities and Exchange Board of India ('SEBI') vide its circular dated May 12, 2020 in relation to 'Additional relaxation in relation to compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – COVID-19 pandemic' ('SEBI Circular') permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM Mode instead of physical presence of the Members at a common venue.
3. 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. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM Mode, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form, Route Map and Attendance Slip are not annexed to the Notice.
4. 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 the Annual General Meeting through VC/OAVM Mode on its behalf and authorization for voting through remote e-voting/electronic voting at AGM. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to [bhattvirendra1945@yahoo.co.in](mailto:bhattvirendra1945@yahoo.co.in) with copy marked to the Company at [cs.ho@advanihotels.com](mailto:cs.ho@advanihotels.com).
5. In terms of the provisions of Section 152 of the Act, Mrs. Nina H. Advani, Director, retires by rotation at the Meeting. The Board of Directors of the Company commends her re-appointment.
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 attend and vote at the Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, December 12, 2020 to Tuesday, December 22, 2020 (both days inclusive).
8. 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.
9. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2019-20 will also be available on the Company's website [www.caravelabeachresortgoa.com](http://www.caravelabeachresortgoa.com) and websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
10. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
11. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2012 - 2013, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 17, 2019 (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.

## 12. INSTRUCTIONS FOR REMOTE E-VOTING & JOINING THE AGM ARE AS FOLLOWS:

### A. PROCESS AND THE MANNER FOR VOTING THROUGH ELECTRONIC MEANS

- I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and MCA Circulars, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice.
- II. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period commences on December 19, 2020 (9:00 AM) and ends on December 21, 2020 (5:00 PM). During this period, Members holding shares either in physical form or in dematerialized form, as on Tuesday, December 15, 2020 i.e. cutoff date, 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 the Member, the Member shall not be allowed to change it subsequently.
- III. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
- IV. The remote voting module on the day of AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the AGM.

### B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM AND REMOTE E-VOTING (BEFORE AND DURING THE AGM) ARE AS UNDER:

- I. The Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system and they may access the same at <https://www.evoting.nSDL.com> under the Shareholders/Members login by using the remote e-voting credentials, where the EVEN of the Company will be displayed. On clicking this link, the Members will be able to attend and participate in the proceedings of the AGM. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID/Password may retrieve the same by following the remote e-voting instructions mentioned below to avoid last minute rush. Further, Members may also use the OTP-based login for logging into the e-voting system of NSDL.
- II. Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the meeting by following the procedure mentioned in the notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- III. Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
- IV. Shareholders who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending request from their registered email ID, if any mentioning their name, DP ID and client ID/Folio Number, PAN and Mobile Number at [cs.ho@advanihotels.com](mailto:cs.ho@advanihotels.com) between 9.00 AM (IST) on Wednesday December 16, 2020 and 5.00 PM on Friday December 18, 2020. Members who have registered themselves as Speaker, as aforesaid, will only be allowed to express their views/ask questions during the AGM. The company reserves the right to restrict the number of speakers depending upon the availability of time for the AGM
- V. The members who do not wish to speak during the AGM but have queries, may send the same latest by December 18, 2020 mentioning their name, DP ID and client ID/Folio Number, PAN and Mobile Number at [cs.ho@advanihotels.com](mailto:cs.ho@advanihotels.com). The same will be replied to by the company suitable at the AGM or by email.
- VI. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) /1800-222-990 or contact Ms. Soni Singh, Assistant Manager – NSDL at [SoniS@nsdl.co.in](mailto:SoniS@nsdl.co.in) at 022-24994360 or Mr. Amit Vishal, Senior Manager – NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) at 022-24994553.



VII. The procedure and instructions for remote e-voting before/during the AGM 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:**

**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.

**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:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
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.

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

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.
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.

### The instructions for e-voting during the AGM are as under:

1. The procedure for remote e-voting during the AGM is same as the instructions mentioned above for remote e-voting, since the Meeting is being held through VC/OAVM.
2. Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote on such resolution(s) through e-voting system during the AGM.

### General Guidelines for shareholders

1. 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.
2. 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) or contact Ms. Soni Singh, Assistant Manager or Mr. Amit Vishal, Senior Manager from NSDL at the designated e-mail IDs: : [SoniS@nsdl.co.in](mailto:SoniS@nsdl.co.in) or [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) or at telephone nos.: +91 22 2499 4360/ 4545/4738.

### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cs.ho@advanihotels.com](mailto:cs.ho@advanihotels.com).
  2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [cs.ho@advanihotels.com](mailto:cs.ho@advanihotels.com).
- VII. 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. December 15, 2020.
- VIII. 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. December 15, 2020, may obtain the login Id and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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.

- IX. 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.



- X. 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.
- XI. 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.
- 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 48 hours 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.
13. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013, will be available for inspection at the Annual General Meeting.
14. Members are requested to note that as per Section 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.
15. Members are requested to contact the Company for en-cashing the unclaimed dividends standing to the credit of their account. The detailed dividend history and due dates for transfer to IEPF are available on the website of the Company [www.caravelabeachresortgoa.com](http://www.caravelabeachresortgoa.com).
16. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Datamatics Financial Services Limited / the Company.
17. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip, which is enclosed with this Annual Report. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the Registration Counter at the venue.
18. Members desiring any information relating to the accounts are requested to write to the Company at [cs.ho@advanihotels.com](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:

Dr. S. D. Israni was appointed as an Independent Director of the company by the Board of Directors on October 1, 2015 and holds office up to September 30, 2020. 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.

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Based on recommendations of the Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Dr. S D Israni (DIN 06992229), who will be attaining the age of 75 years, on 17<sup>th</sup> September 2024, as an Independent Director, for a second term of five years from October 1, 2020 to September 30, 2025, not liable to retire by rotation.

Since Dr. S D Israni 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 Dr. Israni 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.

Dr. **S. D. Israni** is a Corporate Lawyer with over 42 years of experience as a practitioner in the field of Corporate Laws and Business Advisory services. He is qualified in the field of Law, Company Secretaryship and Management. He started his practice in the Chambers of late Shri D. M. Harish, a renowned Tax Advocate. He is founder and Senior Partner of S D Israni Law Chambers, Advocates & Solicitors (UK). He was associated with Institute of Company Secretaries in various capacities. He was also part of various committees constituted for simplification of company law and listing regulations.

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 Dr. S. D. Israni 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 Dr. S. D. Israni 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:**

At the 30th Annual General Meeting of the Company held on September 27, 2017, the Shareholders of the Company had approved via an Ordinary Resolution the reappointment of Mr. Prahlad S. Advani (hereinafter referred to as "Mr. Prahlad"), as a Whole Time Director of the Company in charge of Hotel Operations, for a period of five years i.e. from August 1, 2017 to July 31, 2022 and payment of remuneration for a period of 3 years from August 1, 2017 to July 31, 2020.

The Board of Directors of the Company has pursuant to the recommendations of the Nomination and Remuneration Committee meeting held on June 30, 2020 and September 14, 2020, approved the revision in the managerial remuneration payable to Mr. Prahlad S. Advani, Whole Time Director, as set out in the proposed Agreement, for the remaining term of his appointment (two years i.e. from August 1, 2020 to July 31, 2022), subject to the approval of the Shareholders of the Company.

Mr. Prahlad obtained a Bachelor of Science degree from the prestigious Cornell University School of Hotel Administration in the year 1999 with a focus in Financial Management. He received an 'Academic Excellence Award' with Distinction in all subjects. The Dean of the College appointed him in a leadership role at a young age and conferred him with the title of 'Dean's Assistant'. In this prestigious role, he represented Cornell University at industry events, hosted CEO's visiting the college and administered lectures to approximately 500 students on a weekly basis.



Mr. Prahlad is also an alumnus of Harvard Business School and a member of the Young Presidents Organization (YPO).

Before joining the Company, Mr. Prahlad was a full-time employee of Deutsche Bank Alex Brown in the USA, where he served as a Financial Analyst in their Investment Banking Division. The value of his annual compensation in the year 1999-2000 was US\$ 75,000 plus benefits.

However, Mr. Prahlad joined the Company with the title 'General Manager - Assets' on May 1, 2000, at a far lower monthly salary of Rs. 60,000 plus perquisites, which was paid with effect from September 2000. He has now completed twenty years of service with the Company.

Over his 20-year tenure, he has played a pivotal role and implemented turnaround strategies within various departments of the Company. His contributions are reflected in the financial summary table in each annual report and visible throughout the property and reflected in the online guest-satisfaction scores of the Hotel. For the sake of brevity, only some of his contributions are detailed below.

In the year 2002, he created long-term purchase contracts that resulted in an improvement in quality and annual savings of approximately one crore. In the year 2003, he successfully re-financed the Company's debt, which led to a 75% reduction in interest costs. In the years 2006, he created and implemented a long-term capital expenditure plan and procured several capital equipment's, thereby upgrading the hotel infrastructure and achieving a 25% reduction in energy. In the year 2008, he pioneered the strategic and timely disposition of the Company's Airport Plaza flight kitchen to Gate Gourmet and harvested a significant return on investment for all Shareholders.

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

In the year 2012, Mr. Prahlad was in charge of a team of professionals to implement a 'Property Improvement Plan' to upgrade the Hotel to the latest international standards. This improved the overall guest experience and provided the Hotel with the best mechanical and electrical infrastructure versus competitors. In addition, to secure the lowest long-term cost of ownership and maintain high levels of efficiency, he created a thorough preventive maintenance schedule for all important equipment. In addition, along with a professional landscape architect, he re-defined the landscaping, making it one of the best in Goa! As our industry is sensitive to the potential threat of terrorism, he took the responsibility of improving the Hotel's security and CCTV systems. Due to these improvements, our Resort has been able to continually improve its performance.

Thereafter, after serving the Company for 14 years, Mr. Prahlad was promoted by the Shareholders to the position of a Whole-Time Director, in charge of Hotel Operations, from August 1, 2014 to July 31, 2017.

During this phase, Mr. Prahlad took the lead to introduce Revenue Management and dynamic-pricing strategies to better monetize the perishable inventory of hotel rooms.

In addition, new market segments such as the 'Wedding Segment' were specifically targeted to enhance profitability. These actions contributed to the growth in Hotel Occupancy, Total Revenue and Total Revenue per Occupied Room since 2016. The strategies implemented by Mr. Prahlad also changed the Cash-Conversion-Cycle of the Company in an advantageous way.

As the digital-age of marketing was changing the dynamics of the industry, Mr. Prahlad took the initiative to re-make the Company's website and improve our social media engagement. As a result, the Hotel was able to increase its direct sales in a significant way.

Since 2017, Mr. Prahlad has assisted our Chairman and Managing Director in negotiating the international crew agreements and together they have secured significantly better commercial terms for the Company.

At the 30<sup>th</sup> Annual General Meeting, the Shareholders re-appointed Mr. Prahlad as a Whole Time Director, in charge of Hotel Operations for a period of 5 years, with effect from August 1, 2017 to July 31, 2022, and approved his remuneration for a period of 3 years from August 1, 2017 to July 31, 2020.

The Shareholders are aware of Mr. Prahlad's professional qualifications and his excellent performance as a General Manager Assets and subsequently as a Whole Time Director of the Company till his reappointment in August, 2017.

After his reappointment in August 2017, Mr. Prahlad is credited with the following achievements, which have resulted in the solid financial performance of the Company and the high Net Promoter Score (NPS) of the Hotel:

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1. Creation of an enthusiastic 'Customer-Centric-Culture' in the Hotel, resulting in several guest-satisfaction awards and high 'Online-Reputation Management' scores for the Hotel. The following prestigious international awards were won by the Hotel Operations Team:
  - i. The Trip Advisor 'Certificate of Excellence' Award in May 2018 and again in May 2019; for consistently high ratings from travellers, across 4500 guest reviews, yielding a solid rating of 4.5 stars out of a maximum of 5.0 stars.
  - ii. Booking.com 'Traveller Review Awards' for the period 2018-2020, with a commendable 8.5 points out of a maximum of 10 points, across 1000 customer reviews.
  - iii. The 'Holiday Check Germany Award' in April 2019 and again in April 2020, with guest satisfaction scores of 5.0 stars out of a maximum of 6.0 stars.
2. Taking cognizance of the cyclical nature of our industry and having experienced the stress on cash-flows in the past (due to the tragedies of September 11, 2001 and November 26, 2008), Mr. Prahlad focussed on reducing debt. He had observed how other hotels suffered the costs of financial distress due to excessive debt, which eventually led to a significant decline in Shareholder Value. Thus, as a de-risking strategy, Mr. Prahlad pioneered the vision of a debt-free Company, with liquid reserves at all times of at least Rs. 10 Crores. With his perseverance, in March 2017, the Company was finally debt-free and by March 2018 the Company had over 12 Crores in liquid reserves. Due to his foresight, our Company is in a much stronger financial position to survive the current COVID-19 crisis.
3. In addition, Mr. Prahlad has also assisted our Chairman & Managing Director in international marketing and contract negotiations with the Foreign Tour Operators. Their combined efforts ensured that the Hotel was able to grow revenue from international customers with better yields. In the financial year 2018-2019, revenue from the international segment grew by approximately 30.0%.
4. The consistent efforts made by Mr. Prahlad in Operations, Revenue Management and Customer-Centricity, contributed to the solid operating performance and growth of the Hotel in the financial years 2018-2019 and 2019-2020. The same is measurable by the following figures:
  - i. In 2018-2019, the Hotel was able to achieve an annual Occupancy of 82.77% and an annual average Net Revenue Per Occupied Room excluding GST of Rs. 11,749 per room per night, despite the absence of a brand and with no support from brand distribution!
  - ii. In 2018-2019, our Company had a 15.4% Return on Assets, which is well above the industry average. In the financial year 2019-2020, this has further risen to 15.7%.
  - iii. In 2018-2019, despite the absence of debt, (which is frequently used to increase the Return on Investment of equity holders), our Company achieved an After-Tax Return of Equity of over 20.0%. In the financial year 2019-2020, this has further risen to 23.8%.
5. During the months of February 2020 to June 2020, Mr. Prahlad took timely measures to minimise the adverse effects of the COVID-19 crisis on the Hotel and the Company. He created an 'Operations Crisis Management Team' and via daily meetings they implemented several measures such as SOPs to protect both employees and guests from the Corona virus, collecting the Hotel's legal dues to minimise the chances of bad debts and with the cooperation of all concerned, initiated timely measures to reduce costs in Sales & Marketing, Contracts, Overheads and Payroll by approximately Rs. 2.7 Crores per month.

Even though the Board of Directors had approved an increase in the remuneration payable to Mr. Prahlad in the meeting of June 30, 2020; due to the COVID-19 crisis, Mr. Prahlad has voluntarily foregone the increase of 10.0% for August 1, 2020 to July 31, 2021 and voluntarily foregone the increase of 10.0% from August 1, 2021 to July 31, 2022.

In addition, Mr. Prahlad also voluntarily gave-up the past increment of 1.2% he received on August 1, 2019, thereby voluntarily restricting his total remuneration and benefits to what was approved from August 1, 2018 to July 31, 2019.

Taking into account the qualification, experience and performance of Mr. Prahlad and the additional responsibilities handled by him in the Company during the last 20 years, and on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in its Meeting held on June 30, 2020 and September 14, 2020. has considered and approved the payment of remuneration to Mr. Prahlad, as a Whole Time Director of the Company in charge of Hotel Operations, with effect from August 1, 2020 on the terms and conditions agreed between the Board of Directors and Mr. Prahlad.



Mr. Prahlad holds 1,374,000 fully paid-up equity shares (amounting to 2.9728% of the total paid-up capital of the Company) in the Company as on the date of this notice.

Mr. Prahlad does not hold any directorships in other companies as on the date of this notice.

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

## **I. Period of appointment**

August 1, 2017 to July 31, 2022

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

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

Period of remuneration:

Remaining two years from August 1, 2020 to July 31, 2022.

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

(i) Fixed Compensation shall include Basic Salary, HRA, Company's Contribution to Provident Fund and Gratuity.

(ii) The Basic Salary shall be Rs. 4,05,000/- (Rupees Four Lakh and Five Thousand only) per month with such increase as may be decided by the Board of Directors or any committee thereof from time to time. The annual increments will be decided by the Board of Directors and will be merit based and take into account all relevant factors.

(iii) Company leased accommodation or House Rent Allowance in lieu thereof, subject to a maximum of 60% of Salary.

(iv) Provident Fund Contribution as per Company's Rules.

(v) The Company's contribution to Gratuity shall be according to the Gratuity Act, in force from time to time.

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

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

These perquisites and allowances may be granted to Mr. Prahlad in such form and manner as the Chairman & Managing Director / the Board of Directors may decide.

(i) Payment / reimbursement of medical / hospitalisation expenses for self and family members, subject to a maximum of one month's salary, or three months' salary over a period of three years whichever is higher.

(ii) Insurance policies such as Group Personal Accident policy, overseas Travel Insurance, Directors & Officers Liability policy, COVID-19 related insurance and healthcare, or others as may be decided from time to time.

(iii) Company car with driver and fuel reimbursement with associated expenses.

(iv) Provision of telephone at residence and mobile phones with associated expenses.

(v) Accommodation, boarding and lodging, etc. for self and family in the hotel at all times.

(vi) Provision of computer, laptop, and I-pad with associated expenses.

(vii) Privilege leave, on full pay and allowance, not exceeding 30 days in a financial year. In addition, Sick leave and other leave as per the rules of the Company or approved by the Board of Directors;

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(viii) Provision of one American Express credit card and one VISA corporate credit card.

(ix) Such other perquisites, knowledge-based subscriptions and seminars and business association memberships, as may be approved by the CMD or the Board of Directors from time to time.

## Explanation:

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

### III. Overall Remuneration

In the event the Company has no profits or has inadequate profits, in accordance with Section 197 and Schedule V of the Companies Act, 2013, the aggregate remuneration as specified above, or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion may pay to Mr. Prahlad S. Advani from time to time, shall not exceed the limits prescribed from time to time under Sections 197 and other applicable provisions of the Companies Act, 2013, read with Part II Section II of Schedule V to the said Act as may for the time being, be in force.

The Board of Directors are of the opinion that the Company will benefit from his first-hand knowledge of the Hotel, 20-year experience encompassing several aspects of the Company, detailed knowledge of the hotel industry and his business networks of Cornell University, Harvard Business School, the Young Presidents' Organization (YPO) and several local hotel forums. Mr. Prahlad has demonstrated agile leadership during the recent crisis and based on his historical and current performance, the Board recommends the resolution to the Shareholders for their acceptance and approval.

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

A copy of draft Agreement shall be available for inspection at the Registered Office of the Company on all working days between 11.00 a.m. to 2.00 p.m. except on Saturdays, Sundays and Public Holidays.

### Disclosures as per item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013

#### 1. General Information:

a. Nature of Industry: The Company is engaged in the Hotel Business and owns the 'Caravela Beach Resort Goa', a Five-Star-Deluxe Hotel in Goa. The business of the Company is seasonal in nature.

b. Date or expected date of commencement of commercial production – The Company commenced its commercial operations on December 4, 1990.

c. In case of New Companies – expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – Not Applicable

d. Financial Performance based on given indicators:

Sr. No.	Particulars	FY 31.03.2020 (₹)	FY 31.03.2019 (₹)
1	Profit After Tax (PAT)	11,26,86,534	11,37,05,976
2	EPS (Basic & diluted earnings per share)	2.44	2.46

e. Foreign Investments or Collaborations:

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

Foreign shareholding (NRIs' & Foreign bodies) in the Company as on March 31, 2020 is 0.72% of the Paid-up Equity Share Capital of the Company.



## 2. Information about the Appointee:

### a. Background details

Mr. Prahlad S. Advani is the Whole Time Director of Advani Hotels & Resorts (India) Limited. Advani Hotels & Resorts (India) Limited owns and operates the 200 key, 5-Star-Deluxe 'Caravela Beach Resort Goa'.

Mr. Prahlad S. Advani obtained a Bachelor of Science degree from the prestigious Cornell University School of Hotel Administration in the year 1999 with a focus in Financial Management. He received an 'Academic Excellence Award' with Distinction in all subjects. Mr. Prahlad S. Advani is also an alumnus of the Harvard Business School and a member of the Young Presidents Organization (YPO).

Before joining the Company, the Appointee was a full-time employee with Deutsche Bank Alex Brown in the USA, where he served as a Financial Analyst in their Investment Banking Division. The value of his annual compensation in the year 1999-2000 was US\$75,000.

However, the Appointee joined the Company as General Manager Assets on May 1, 2000, at a far lower monthly salary of Rs. 60,000 plus perquisites, which was paid with effect from September 2000.

Mr. Prahlad S. Advani has a total of over 20 plus years work experience in the hotel industry.

### b. Past Remuneration approved:

Period	Amount (₹)	Period	Amount (₹)	Period	Amount (₹)
01/08/2017 To 31/07/2018	70,70,000	01/08/2018 To 31/07/2019	81,80,000	01/08/2019 To 31/07/2020	82,80,000

### c. Recognition or Awards:

The Caravela Beach Resort Goa, under the leadership of Mr. Prahlad S. Advani has received more than 12 awards (from both domestic and international entities), in the last three years alone!

He was personally felicitated by the Honourable Health Minister of Goa with the 'Goa Red Ribbon Warrior Award' in December 2018 and by Bookings.com in April 2019 with the 'Heroes of Hospitality Award'.

The awards were also conferred because of the outstanding contributions of all the Directors of the Company and other dedicated employees of the Company.

### d. Job Profile and his suitability:

Mr. Prahlad S. Advani has over 20 years of experience in the hotel industry. He has a deep understanding of hotel industry and his proven track record, coupled with broad-based business experience, combined with his strong leadership capabilities will enable him to continue to benefit the Company over the long-term.

### e. Remuneration proposed:

The remuneration proposed to be paid to Mr. Prahlad S. Advani from August 1, 2020 to July 31, 2021 is Rs. 8.18 million (Rupees Eighty One Lakhs and Eighty Thousand only), and from August 1, 2021 to July 31, 2022 is Rs. 8.18 million (Rupees Eighty One Lakhs and Eighty Thousand only) as done in the past.

As per section IV of part II section II of Schedule V of the Companies Act, 2013 the following perquisites are not included in the Managerial Remuneration

- Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (43 of 1961);
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- Encashment of leave at the end of the tenure.

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

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- f. Comparative remuneration Profile with respect to the Industry, size of the Company, profile of the position and the person. The remuneration proposed to be paid to Mr. Prahlad S. Advani are reasonable given his educational qualifications, overseas exposure, past salary before joining the Company, rich work experience, in-depth knowledge of the Caravela Beach Resort Goa and 20-year track-record of financial performance with the Company. Furthermore, as compared to the norms prevailing in the hospitality industry for candidates with a similar background, the remuneration and perquisites payable to a person of similar stature would be approximately in the range of Rs. 10 million to Rs. 12 million per annum.
- g. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.
- i. Pecuniary relationship with the Company: Apart from the remuneration from the Company, Mr. Prahlad S. Advani does not have any direct or indirect pecuniary relationship with the Company.
- ii. Relationship with managerial personnel:
- a) Mr. Sunder G. Advani who is the Chairman & Managing Director of the Company, is the father of Mr. Prahlad;
- b) Mrs. Menaka S. Advani who is a Non-Executive Director of the Company, is the mother of Mr. Prahlad;
- c) Mr. Haresh G. Advani, Executive Director and Mrs. Nina H. Advani, Director respectively of the Company, are the uncle and aunt of Mr. Prahlad.

### 3. Other Information:

#### a) Reason for Inadequate Profits:

Due to tragic Covid-19 pandemic across the globe in March 2020, the profitability of the Company as per the projected profitability estimates is likely to be in-adequate for next two years.

As can be seen from the past performance and till February 29, 2020, the Company was on a consistent growth trajectory and has generated a high Return on Equity for all Shareholders over each year.

As per the industry experts, the hospitality industry is likely to come back to normal after about 2 years, due to the uncontrollable and adverse impact of the COVID-19 Coronavirus.

Even though the Board of Directors had approved an increase in the remuneration payable to Mr. Prahlad in the meeting of June 30, 2020; due to the COVID-19 crisis, Mr. Prahlad has voluntarily foregone the increase of 10.0% for 2020-2021 and voluntarily foregone the increase of 10.0% 2021-2022.

In addition, Mr. Prahlad also voluntarily gave-up the past increment of 1.2% he received on August 1, 2019, thereby voluntarily restricting his total remuneration and benefits to what was approved from August 1, 2018 to July 31, 2019.

Through his voluntary goodwill gesture, Mr. Prahlad will draw the same remuneration and benefits he received from August 1, 2018 to July 31, 2019, for each subsequent year till July 31, 2022, and these amounts and benefits are lower than what has been previously approved by all concerned.

#### b) Steps taken or proposed to be taken for improvement:

Please refer point (i) above. As the performance is suddenly impacted in March 2020 due to COVID-19, once a vaccine is made and is available, the entire hotel industry and the economy will recover. The Company is debt free and has reasonable financial reserves to protect itself during this once-in-100-year tragedy.

#### c) Expected increase in productivity and profits in measurable terms

Please refer point (i) above.

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

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



## Item No 6:

Pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and rules made there under and regulation 16(1)(b) and 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), based on the recommendations of the Nomination and Remuneration Committee, the Board has appointed Mrs. Ragini Chopra (DIN:07654254) as an Additional (Independent Woman) Director of the Company, not liable to retire by rotation, for the period of 5 (five) consecutive years, effective from 30th August, 2020, subject to approval of Members at this Annual General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Act, from a member proposing the candidature of Mrs. Ragini Chopra for the office of Independent Woman Director.

Mrs. Ragini Chopra is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given her consent to act as a director and a declaration to the effect that she is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

The Company has also received declaration from Mrs. Ragini Chopra that she meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Listing Regulations.

In the opinion of the Board, Mrs. Ragini Chopra fulfils the conditions for appointment as an Independent Women Director as specified in the Act and the Listing Regulations. Mrs. Ragini Chopra is independent of the management and possesses appropriate skills, experience and knowledge.

The brief details of Mrs. Ragini Chopra, in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice:

Except Mrs. Ragini Chopra, none of the other directors or the Key Managerial Personnel or their relatives are interested or concerned whether directly or indirectly in this resolution. She is not related to any of the Directors or Key Managerial Personnel of the Company.

The Board recommends the Ordinary Resolution set out at Item No.6 of the Notice for approval of the members as Ordinary Resolution.

## Item No 7:

The Members of the Company, in their 30th Annual General Meeting held on September 27, 2017, have appointed M/s. Amar Bafna & Associates, Chartered Accountants (FRN: 114854W) as Statutory Auditors of the Company for a term of 5 years i.e. from the conclusion of 30th Annual General Meeting till the conclusion of 35th Annual General Meeting.

M/s. Amar Bafna & Associates, Chartered Accountants (FRN: 114854W) has been merged with M/s. JMT & Associates, Chartered Accountants, (FRN: 104167W) with effect from September 16, 2020 and the letter to that effect was received by the Company on September 16, 2020, thereby resulting in change in name of the firm of Statutory Auditors of the Company. Accordingly, the Board of Directors of the Company via circular resolution dated September 26, 2020 approved and took note of the same. The Board of Directors has further recommended the change in the name of Statutory Auditor’s Firm on account of merger for noting and approval of the shareholders of the company and appointment of M/s. JMT & Associates, Chartered Accountants, (FRN: 104167W) on the same terms and conditions including remuneration for the remaining tenure for which M/s. Amar Bafna & Associates, Chartered Accountants (FRN: 114854W) was appointed by the shareholders of the Company.

The Board of Directors recommends the noting and approval of Shareholders by way of an Ordinary Resolution. Set out at item no.7 of the Notice for approval of the members.

None of the Directors or Key Managerial Personnel or their relatives is in any way concerned or interested in the above referred resolution except to the extent of their shareholding.

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:

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

Name of Director	Mrs. Nina H Advani	Dr. S. D. Israni	Mrs. Ragini Chopra	Mr. Prahlad S. Advani
Director Identification Number (DIN)	00017274	00125532	07654254	06943762
Date of Appointment / Re-appointment	August 9, 2018	October 1, 2015	August 30,2020	August 1, 2014
Age	68 Years	71 years	68 years	43 Years
Date of Birth	December 11,1952	September 17,1949	December 25, 1952	May 28,1977
Qualification	Graduate i.e. "A" levels –Southampton, U.K	Law, Company Secretaryship and Management	Bachelor of Arts Hotel Management from Oberoi School of Management Hospitality Administration from Cornell University	Bachelor of Science in Hotel Administration from Cornell University with a concentration in Financial Management and an alumnus of Harvard University/ Harvard Business School
Expertise	Business Administration	Corporate Law and Business Advisory Services	Hospitality management and administration, marketing, Airline Management, PR and brand management	Hotel Administration and General Management
List of other Directorships	Regency Hotels Private Limited	1. Modern India Limited 2. Cravatex Limited 3. Blossom Industries Limited 4. Verifacts Services Private Limited	1.Appejay Surrendra Park Hotels Limited	Nil
Chairmanship / Membership of other Committees of other Companies	I. Chairman: Nil II. Member: Nil	Audit Committee –Modern India Limited –Cravatex Limited Stakeholders Relationship Committee Nil	I. Chairman: Nil II. Member: Nil	I. Chairman: Nil II. Member: Nil
No. of Equity Shares held in the Company	21,36,350 (4.622% of Paid up Share Capital)	Nil	Nil	13,74,000 (2.973% of Paid up Share Capital)
Inter-se relationship between the Board Members	Wife of Mr. Haresh G. Advani, Executive Director of the Company	N.A	N.A	Father-Mr. Sunder G. Advani, Chairman & Managing Director Mother-Mrs. Menaka S. Advani, Non Executive Director Uncle- Mr. Haresh G. Advani, Executive Director Aunt- Mrs. Nina H. Advani, Non Executive Director



Name of Director	Mrs. Nina H Advani	Dr. S. D. Israni	Mrs. Ragini Chopra	Mr. Prahlad S. Advani
No. of Board meetings attended during the financial year 2019-20	7 out of 7	7 out of 7	N.A	7 out of 7
Remuneration last drawn (including sitting fees, if any)	₹ 3,10,000 as sitting fees for attending Board & other committee meetings	₹ 4,70,000 as sitting fees for attending Board & other committee meetings	N.A	₹ 87,04,361

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**

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

Place: Mumbai  
Date: November 10, 2020

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

## DIRECTORS' REPORT

### Directors' Report to the Members

The Directors take pleasure in presenting the 33<sup>rd</sup> Annual Report of your Company together with the audited financial accounts for the year ended March 31, 2020.

As per the provisions of Section 96(1) of the Companies Act, 2013, the Company was required to conduct its 33<sup>rd</sup> Annual General Meeting (AGM) on or before 30th September, 2020. The Company had applied for extension of AGM with the Registrar of Companies (ROC) Mumbai to conduct their AGM on or before 31<sup>st</sup> December, 2020. The approval for the same was granted on 8th September, 2020.

### 1. FINANCIAL RESULTS:

Your Company's financial performance for the year ended March 31, 2020 is set out below:

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
<b>Total Income</b>	<b>711.55</b>	717.25
<b>Profit before Depreciation, Finance Costs and Tax</b>	<b>180.21</b>	176.43
Less: Depreciation	37.44	36.54
<b>Profit before Finance Costs and Tax</b>	<b>142.77</b>	139.89
Less: Finance Costs	2.25	0.64
<b>Profit before Tax</b>	<b>140.52</b>	139.25
Less: Provision for Taxation:		
Current Tax	36.40	40.50
Deferred Tax Liability/(Asset)	(8.20)	(16.53)
Tax for earlier years	(0.30)	1.57
<b>Profit for the year after Tax</b>	<b>112.62</b>	113.71
<b>Other comprehensive Income (OCI) Net of tax</b>	<b>0.17</b>	(0.12)
<b>Total Comprehensive Income for the year</b>	<b>112.79</b>	113.59
Profit brought forward from last year	273.00	206.47
<b>Adjustment on initial adoption of Ind AS 116</b>	<b>(0.81)</b>	0.00
<b>Profit available for appropriation</b>	<b>384.98</b>	320.06
Transfer to General Reserve	9.50	2.50
Interim Dividends for the Year	152.53	36.98
Dividend Distribution Tax	31.35	7.58
Balance Profit carried to Balance Sheet	191.60	273.00
Basic and Diluted Earnings per Equity Share of ₹ 2/- each	2.44	2.46

### INCOME:

Until February 29, 2020, the Company had achieved Total Net Income of ₹ 667.8 Million as compared to a Total Income of ₹ 639.1 Million during the corresponding 11 month period of the preceding financial year. Thus, the Company was on a growth trajectory until February 29, 2020.

During the month of March 2020, the Caravela Beach Resort Goa abruptly received a number of cancellations due to the COVID-19 pandemic. International flights were not allowed to land and this led to cancellations from foreign customers. Subsequently, in order to control the spread of the Coronavirus, a National Lock-Down came into effect and domestic travel also came to a stand-still. As a result the Total Net Income for the month of March 2020 was only ₹ 43.7 Million, as against ₹ 76.7 Million recorded in March 2019.

Thus your Company achieved a total income of ₹ 711.55 Million as compared to ₹ 717.25 Million in the previous year, registering a decline of 0.79% on a year to year basis.



**EARNINGS BEFORE INTEREST, DEPRECIATION TAX AND AMORTIZATION (EBIDTA):**

The Gross Profit before Depreciation, Finance Costs and Tax increased by 2.14% from ₹ 176.43 Million to ₹ 180.21 Million.

**FINANCE COSTS:**

Interest Costs for the year increased by 251.6% from ₹ 0.64 Million to ₹ 2.25 Million on account of Ind AS 116 from this year. The company still continues to be a debt-free company.

**PROFIT BEFORE TAX:**

Profit before Tax has increased by 0.9% from ₹ 139.25 Million to ₹ 140.52 Million.

**PROFIT AFTER TAX:**

Profit for the year after Tax has decreased by 0.9% from ₹ 113.71 Million to ₹ 112.62 Million.

**2. COVID-19:**

The Government of India had imposed 'lock-downs' across the country, from March 25, 2020. All airline, road, and railway travel were suspended and hotels, offices, factories, schools, universities, restaurants etc were closed. The hotel business has been severely impacted on account of COVID-19. The Company had temporarily closed the operations of its resort located at Goa from March 25, 2020 and till September 30, 2020. The directors are pleased to inform that the resort operations have been restarted w.e.f. October 1, 2020 with strict precautions to safeguard hotel guests and employees from COVID-19 infection. The guest response is encouraging.

The Central Government had permitted the hotels, to reopen the business from June 8, 2020, subject to decision to be taken by the respective State Government. The Goa Government had permitted the hotels from 3<sup>rd</sup> July, 2020 to resume operations subject to strict SOPs and Social distancing measures. Most of Goa hotels were shut because there were very few flights and all passengers are required to be in quarantine.

During the temporary closure of resort operations, the Company had taken all necessary measures to contain costs and carrying out in house repairs and maintenance work of the resort. The Company has assessed the potential impact of COVID-19 on the carrying value of property, plant & equipment, right of use assets, intangible assets, investments, trade receivables, inventories, and other current assets appearing in the financial statements of the Company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these Financial statements, has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets fully. However, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

**3. DIVIDEND:**

The Company has declared the following dividends during 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	September 17, 2019	September 27, 2019	0.80	40	44,575,785
2 <sup>nd</sup> Interim Dividend	February 11, 2020	February 21, 2020	1.10	55	61,291,728
		Total	1.90	95	105,867,513

The total dividend for the year stands at ₹ 1.90/- per equity share having face value of ₹ 2/- each representing 95% dividend as against 100% dividend in the previous year.

The Directors have not recommended any final dividend for the financial year ended March 31, 2020.

**4. TRANSFER TO RESERVES:**

We propose to transfer ₹ 9.5 Million to the General Reserve out of the amount available for appropriation.

## 5. UPGRADATION AND ADDITIONS:

During the year under review, one more new 12-seater coach was added to the Company's fleet of vehicles to facilitate guest transportation. Also a 4-seater buggy was added for movement of guests within our hotel. One buggy with catering box was added for Food & Beverage department for smooth movement of food and beverage to various function venues given to groups and marriage parties. The Company procured new sun beds, dining tables and arm chairs. For banquet halls, the Company added banquet tables and dining chairs. The Company procured an imported Robot Coupe Veg Processor, Blanco plate warmer, packing machine, 4 door freezers and Roller Grill Waffle Machine to enhance the kitchen operations. Also exhaust fan with duct was installed at cafeteria tandoor area. As per the requirement from engineering department, submersible pump, blower fan and engineering data recording software was installed at back office.

Lastly, the Company added new telephones, Samsung LED TV's, Dehumidifiers for guest rooms..

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

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

## 7. 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.

## 8. 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)

## 9. 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 is committed 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.

## 10. 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.

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

The details of Loans given, Guarantees given and Investments made, if any and covered under the provisions of Section 186 of the Act, read with Companies (Meetings of Board and Its Powers) Rules, 2014 are given in the notes to the Financial Statements forming part of this Annual Report.

## 12. 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).



**13. 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 the reappointment of Mr. Prakash Mehta, Mr. Vinod Dhall, Adm. Sureesh Mehta and Mr. Adhiraj Harish as Independent Directors of the Company for a second term of five years.

Dr S. D. Israni was appointed as an Independent Director of the company by the Board of Directors on October 1, 2015. Based on the recommendations of the Nomination and Remuneration Committee, his re-appointment for a second term of five years w.e.f October 1, 2020 to September 30, 2025 is proposed at the ensuing AGM for the approval of the Members by way of special resolution.

Mr. Prahlad S. Advani was re-appointed as Whole Time Director of the company at the 30<sup>th</sup> Annual General Meeting held on September 27, 2017, for a period of five years i.e. from August 1, 2017 to July 31, 2022 and payment of remuneration for a period of 3 years from August 1, 2017 to July 31, 2020. Based on the recommendations of the Nomination and Remuneration Committee, his payment of remuneration for the remaining period of two years w.e.f. August 1, 2020 to July 31, 2022 is proposed at the ensuing AGM for the approval of the Members by way of an ordinary resolution.

In order to comply with the Listing Regulations on Board composition of Executive Directors and Non Executive Independent Directors, the Board of Directors appointed Mrs. Ragini Chopra as an Additional Directors (Non Executive Independent Woman Director) of the Company w.e.f. 30.08.2020 under Section 161 of the Companies Act, 2013. The appointment is subject to the approval of the shareholders at the ensuing Annual General Meeting. The Company also received i) consent in writing to act as a Directors in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; ii) intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified as per Section 164(2) of the Companies Act, 2013; and iii) a declaration to the effect that she meets the criteria of independence as provided under Section 149 of the Companies Act, 2013. Mrs. Ragini Chopra, Independent Director shall hold office for a term of 5 years i.e. 30.08.2020 to 29.08.2025.

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. Nina H. 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, 2020 are: Mr. Sunder G. Advani, Chairman & Managing Director, Mr. Sachin Jain, Chief Financial Officer and Mr. Nilesh Jain, Company Secretary.

During the year Mr. Shankar Kulkarni, V.P Finance, designated as CFO of the company has resigned on April 5, 2019 and he was relieved from his duties on July 13, 2019. Mr. Sachin Jain was appointed as General Manager Finance on June 17,2019 and designated as CFO and KMP by the Board of Directors on December 17,2019.

## 14. BUSINESS RESPONSIBILITY REPORT:

In accordance with regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Business Responsibility Report describing the initiatives taken by the Company from the environmental, social and governance perspective is attached as "Annexure B" and forms part of this Report.

## 15. CORPORATE GOVERNANCE:

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

As reported in paragraph 20 about the merger of Statutory Auditors Firm, M/s Amar Bafna & Associates, Chartered Accountants with M/s JMT & Associates, Chartered Accountants, the Auditors Certificate on Corporate Governance has been issued by M/s JMT & Associates, Chartered Accountants as requested by the Board of Directors of the Company.

## 16. 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.

## 17. 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.



## 18. 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, 2020, 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, 2020 there were no reportable incidents of fraud as defined in Section 143(12) of the Companies Act, 2013.

## 19. 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, 2020, the applicable Accounting Standards have been followed and there are no material departures;
- (ii) They have selected such accounting policies and applied them consistently and made judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit and loss of the Company for the year ended March 31, 2020;
- (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, 2020 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 2019-20.

## 20. STATUTORY AUDITORS:

At the 30<sup>th</sup> AGM held on September 27, 2017 the Members approved the appointment of M/s Amar Bafna & Associates, Chartered Accountants (Firm Registration No. 114854W) as Statutory Auditors of the Company to hold office as such for a period of five years from the conclusion of that AGM till the conclusion of the 35<sup>th</sup> AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act.

The present Statutory Auditors, M/s Amar Bafna & Associates vide their letter dated September 16, 2020 had informed the Company that their firm was getting merged with another firm of Chartered Accountants, viz. M/s. JMT & Associates, Chartered Accountants (Firm Registration No. 104167W) with effect from September 16, 2020 in accordance with the rules and regulations of the Institute of Chartered Accountants of India (ICAI) and on merger all their partners will become partners of the merged firm of M/s JMT & Associates. Accordingly, the Board, on the recommendation of the Audit Committee, vide their circular resolution dated September 26, 2020, and in terms of sub section (8) of Section 139 of the Act appointed M/s. JMT & Associates, Chartered Accountants (ICAI Firm Registration No. 104167W) as Statutory Auditors of your Company in place of M/s Amar Bafna & Associates which got merged as mentioned above with effect from September 16, 2020. The Board has also by way of an abundant caution, sought approval of the Members in the ensuing AGM to approve the aforesaid appointment for the remaining period as per the agenda included in the Notice for the ensuing AGM. The Board commends the appointment.

M/s. JMT & Associates have consented to act as statutory auditors of the Company for the remaining period i.e. up to the 35<sup>th</sup> AGM of the Company and given a certificate in accordance with Section 139, 141 and other applicable provisions of the Act to the effect that their appointment, if made, shall be in accordance with the conditions prescribed and that they are eligible to hold office as Statutory Auditors of the Company. As required under Regulation 33 of the Listing Regulations, Statutory Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

Necessary resolution and explanation thereto have been provided in the AGM notice seeking approval of members.

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

## 22. 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 June 30, 2020, is attached separately to this report as "**Annexure C**".

Further, Pursuant to SEBI circular CIR/CFD/CMD1/27/2019 dated February 08, 2019, the Annual Secretarial Compliance Report dated June 24, 2020 submitted by Mr Virendra G. Bhatt, Practicing Company Secretary also attached separately to this report as "**Annexure D**".

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.

## 23. 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.

## 24. 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.



## 25. 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.

## 26. 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 'E'** hereto and forms part of this Report.

## 27. TRANSFER OF UNCALIMED DIVIDEND

During the year, the company has transferred unpaid dividend related to financial year 2011-2012 and 2012-2013 to the Investor Education & Protection Fund (IEPF) as per the requirements of the Companies Act, 2013. The company has also transferred 20,138 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.

## 28. 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 F**" the prescribed Form No. MGT-9, which 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 7 (seven) times in the financial year 2019-20. 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.

## 29. 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 G**”.

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.

## 30. 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.

## 31. 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: November 10, 2020

**SUNDER G. ADVANI**  
Chairman & Managing Director  
(DIN 0001365)



## ANNEXURE “A” TO THE DIRECTOR’S REPORT 2019-20

### 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 Harish, Member
3.	Average net profit of the company for last three financial years	₹ 139.69 Million
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	₹ 2.79 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	₹ 2.79 Million Nil

Sr. 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	Maharashtra	₹ 4,70,000	₹ 4,70,000	₹ 4,70,000	Directly through a. Prasad Chikitsa b. Human Touch Foundation
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	₹ 254,919	₹ 254,919	₹ 254,919	Directly through a. Gomantak Pashu Rakshak Sanstha b. Dr. Anjali Nononha c. Dr. Kiran d. Mascot e. Peta India f. In Defence of Animals

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Sr. 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
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	₹ 2,055,088	₹ 2,055,088	₹ 2,055,088	Directly through a. Kalashree Mandal b. Prasad Chikitsa c. Maharashtra State Women's Council (MSWC) d. Naik Motors/Colva Police
4.	Training to promote rural sports, nationality recognized sports, Paralympic sports and Olympic sports;	Contribution for Unity Run, Tennis Ball Cricket Tournament	Goa	₹ 15,000	₹ 15,000	₹ 15,000	Directly through Colva Police
			Total	₹ 2,795,007	₹ 2,795,007	₹ 2,795,007	

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” TO THE DIRECTORS REPORT BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015:

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY:

1.	Corporate Identity Number (CIN) of the Company	L99999MH1987PLC042891	
2.	Name of the Company	Advani Hotels & Resorts (India) Limited	
3.	Registered address	18A & 18B, Jolly Maker Chambers II, Nariman Point, Mumbai - 400 021	
4.	Website	<a href="http://www.caravelabeachresortgoa.com">www.caravelabeachresortgoa.com</a>	
5.	E-mail id	<a href="mailto:cs.ho@advanihotels.com">cs.ho@advanihotels.com</a>	
6.	Financial Year reported	2019-2020	
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	551	Short Term Accommodation activities
		561	Restaurants and mobile food service activities
8.	List three key products /services that the Company manufactures / provides (as in balance sheet)	a) Hotel Services b) Food and beverage services	
9.	Total number of locations where business activity is undertaken by the Company		
	(a) Number of International Locations(Provide details of major5)	N.A	
	(b) Number of National Locations	Only Goa	
10.	Markets served by the Company–Local / State / National /International	The Company caters to both national and international markets	

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital	₹ 9,24,38,500
2.	Total Turnover	₹ 71,15,51,681
3.	Total profit after taxes	₹ 11,26,16,304
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2% amounting to ₹ 27,95,007
5.	List of activities in which expenditure in 4 above has been incurred	(1) Preventive Healthcare (2) Promotion of Sports (3) Animal Welfare (4) Woman's Empowerment

### SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Nil
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If Yes, then indicate the number of such subsidiary company(s)	N.A
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If Yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

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## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR:

#### (a) Details of the Director/BR Head responsible for implementation of the BR policy/policies:

1.	DIN Number (if applicable)	00001365
2.	Name	Mr. Sunder G Advani
3.	Designation	Chairman & Managing Director
4.	Telephone number	0832-6695000
5.	e-mail id	<a href="mailto:cmd@advanihotels.com">cmd@advanihotels.com</a>

### 2. Principle-wise (as per NVGs) BR Policy/policies:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine (9) areas of Business Responsibility. These briefly are as follows:

Principal (P1):	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principal (P2):	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principal (P3):	Businesses should promote the wellbeing of all employees.
Principal (P4):	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principal (P5):	Businesses should respect and promote human rights.
Principal (P6):	Business should respect, protect, and make efforts to restore the environment.
Principal (P7):	Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principal (P8):	Businesses should support inclusive growth and equitable development.
Principal (P9):	Business should engage with and provide value to their customers and consumers in a responsible manner.

#### (a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	There have been consultations with stakeholders wherever required and possible and accordingly the relevant policies continue to evolve over time.								
3	Does the policy conform to any national / international standards ? If yes, specify?	The policies which have been laid out as above are in accordance with applicable laws and conform to industry benchmarks.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner / CEO/ appropriate Board Director?	Policies mandated under the Companies Act, 2013 ('The Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') are approved by the Board and circulated amongst relevant stakeholders. Other policies are approved by the Managing Director/functional heads of the Company as deemed appropriate from time to time.								



No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Does the company have a specified committee of the Board /Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	The Policies mandated to be displayed on the website of the Company as per the Act and Listing Regulations are available online on <a href="http://www.caravelabeachresortgoa.com/investor-relations">www.caravelabeachresortgoa.com/investor-relations</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Will be done in due course as applicable								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	<b>NOT APPLICABLE</b>								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

## 3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:	Annually
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report?	The BR Report for 2019-2020 can be accessed through the link <a href="http://www.caravelabeachresortgoa.com/investor-relations">www.caravelabeachresortgoa.com/investor-relations</a>
(c)	How frequently it is published?	This is the first business responsibility report being published for the financial year 2019-2020 by the company. Henceforth it will be published annually.

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### Principle1 – Business should conduct and govern themselves with Ethics, Transparency and Accountability

1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No.  Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	Company's Code of Business Conduct and Ethics are laid out for Board members and Senior Management personnel. Board members and Senior Management personnel affirm compliance to the code on annual basis, including during last financial year. This highlights company's commitment to ethical and transparent corporate governance practices. The philosophy of the company in relation to Corporate Governance is to ensure transparent disclosures and reporting that conforms fully to laws, regulations and guidelines, and to promote ethical conduct throughout the organisation with the primary objective of enhancing shareholders' value while being a responsible corporate citizen. However, beyond this as well, Company has checks and balances in place for ensuring ethical business conduct across its operations.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	During the year under review, no complaint has been received under the investigation mechanism.

#### Principle 2 - Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	As a hospitality company, the rooms and F&B experience provided to the guests is our product and service. The Company ensures environmental sustainability by (a) Quarterly ambient quality monitoring including water, air and noise pollution checking done by authorised agency (b) Maintaining swimming pool and cooling tower water quality (c) checks the stack emissions of boiler and Diesel generator stack (d) CBBR (circular bed bio-reactor) technology STP to treat sewage water and use for gardening purpose (e) Undertake environment cleaning drive during different occasions like earth day It is the Company's endeavor to incorporate measures for energy and water conservation, waste treatment, in its operations.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)	



	<p>(a) Reduction during sourcing/ production /distribution achieved since the previous year throughout the value chain?</p>	<p>As a Company, we are committed to energy conservation by taking following steps :</p> <ul style="list-style-type: none"> <li>(a) All CFL fixtures replaced with LED's</li> <li>(b) Installed VFD's for AHU's speed control of motor thereby reducing frequent ON/OFF which in turn saves power consumption</li> <li>(c) Undertake General awareness training on energy conservation</li> <li>(d) All the banquet and conference hall lighting has dimmer based control</li> <li>(e) Maintain ON/OFF schedule for various Equipments TFA's, etc</li> </ul> <p>We are also planning to install solar power generation and timer based control system for the external and public area lighting</p> <p>As a Company, we are committed to water conservation by taking following steps :</p> <ul style="list-style-type: none"> <li>(a) Have installed orifice and aerators for taps and also replaced conventional taps with sensor taps for water saving</li> <li>(b) Auto level sensor installed for various tank</li> <li>(c) Use STP treated water for gardening purpose</li> <li>(d) Rain water harvesting system for ground water regeneration</li> <li>(e) Installed condensate recovery system for steam boiler to condense the unused steam and re-use for steam generation</li> </ul> <p>The Company has decided to replace the hot water generator (working on high speed diesel) with electrical heat-pumps for supplying hot water, which also generates chilled water as a byproduct, resulting in reduction in consumption of high speed diesel. Orders placed for heat pump and expected to receive the same by December 2020.</p> <p>The Company's property is designed to treat 100% wastewater through STP, where sewage water is treated not only through the Sewage Water Treatment Plant but also through Ultra-Filtration system, resulting in water that is odor free and pleasant to utilize, though recycled. Parameters have been set and the quality of the treated water is being monitored online.</p>
	<p>(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?</p>	<p>Yes, as result of the energy conservation initiatives undertaken by the Company, there was a reduction in electricity consumption during the financial year 2019-20. Also, water resources are being conserved.</p> <p>The Company is also installing Electrolytic Control (EC) Motors for most of the Air Handling Units (AHU) &amp; Variable Frequency Drives (VFD) for the Ventilation System which allows adjustment of use according to requirement. The Company's property is designed to treat 100% wastewater through STP, where sewage water is treated not only through the Sewage Water Treatment Plant but also through additional filtration systems such as Ultra-Filtration, resulting in water that is odor free and pleasant to utilize, though recycled. The recycled water is getting utilized in the chiller plant cooling tower, flushing and gardening.</p>
<p>3</p>	<p>Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.</p>	<p>The Company has crafted strategies to ensure sustainable consumption of energy, water and other resources at its Hotel. Another important initiative includes recycling of water through use of sewage treatment plants, rainwater harvesting, installation of water saving taps/fixtures, pressure reducing valves at its Hotel. The Company has been focusing on energy conservation and water conservation and recycling, and reusing waste generated.</p>

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4	<p>Has the company taken any steps to procure goods and services from local &amp; small producers, including communities surrounding their place of work?</p> <p>(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</p>	Company gives equal preference to all competent local and small vendors for procuring goods and services.
5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so	We have installed Organic Waste Converter (OWC) to convert kitchen waste into compost manure. We are also doing segregation of Dry and Wet Waste and disposing the same as per standard procedures. The used kitchen is being sent to authorised agency for biodiesel generation.

### Principle 3 – Business should promote the well-being of all employees

1	Total number of employees	389
2	Total number of employees hired on temporary/contractual/casual basis	297
3	Number of permanent women employees	16
4	Number of permanent employees with disabilities	0
5	Do you have an employee association that is recognized by management?	AITUC
6	What percentage of your permanent employees is members of this recognized employee association?	13%
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	See table below

No.	Category	No of complaints filed during the financial year	No of complaints pending as on the end of the financial year
	Child labour / forced labour/ involuntary labour	Nil	Nil
	Sexual harassment	1	Nil (The complainant has voluntarily abandoned the services)
	Discriminatory employment	Nil	Nil

8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	(a)Permanent Employees	74%
		(b)Permanent Women Employees	67%
		(c)Casual /Temporary/Contractual Employees	66%
		(d)Employees with Disabilities	N.A



**Principle 4 - Business should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

1	Has the company mapped its internal and external stakeholders? Yes/No	The Company reiterates its commitment to the overall interest of all its stakeholders. The company accords due importance to voices and concerns of all stakeholders of the company such as employees, communities, suppliers, customers, regulatory bodies, shareholders etc.  as they play a key role in building a sustainable business. It uses both formal and informal mechanism to engage with various stakeholders to understand their concerns and expectation.
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	The Company has mapped disadvantaged, vulnerable and marginalized stakeholders, and is actively working with them towards inclusive growth. As part of the CSR initiatives, Company is running education and collaborating with NGO's to help the less fortunate in society.
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	Refer point 2 above

**Principle 5 - Business should respect and promote human rights**

1	Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	While the Company does not have a stated policy on human rights, it has been practicing to respect human rights as a responsible corporate citizen, without any gender discrimination and exploitation. It believes in providing equal opportunity and to remunerate them in a fair manner commensurate with their skills and competence. The Company ensures conformance to fundamental labour principles including prohibition of child labour, forced labour, freedom of association and protection from discrimination in all its operation through communication to its employees periodically.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Nil

**Principle 6 - Business should respect, protect and make efforts to restore the environment**

1	Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors/ NGOs /others.	We understand that It is our responsibility as good corporate citizen to also be a good steward of our air, land and water. More details in Annexure E to the Director's Report
2	Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Annexure E to our Director's Report contains details of our energy conservation measures which forms part of this Annual Report
3	Does the company identify and assess potential environmental Risks? Y/N	Yes – the Company is compliant with local/national laws concerning environment.
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No the company does not have any project related to Clean Development Mechanism.
5	Has the company undertaken any other initiatives on–clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink or webpage etc.	The Company property has replaced existing CFL light fixtures with LED light fixtures and all upcoming properties are designed with 100% LED light fixtures along with motion sensors. Other similar initiatives undertaken have been detailed hereinabove.

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6	Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes
7	Number of show cause/legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as at the end of Financial Year.	We have not received any kind of show cause notice, as we obtain all the statutory certificates from Goa state pollution control board and fire dept and renew the same on time.

## Principle 7 - Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes the company is part of the following associations: (a) The Federation of Hotels and Restaurants Association of India (FHRAI) (b) Hotel Association of India (HAI) (c) World Travel and Tourism Council (d) US-India Business Council (USIBC)
2	Have you advocated /lobbied through above associations for the advancement or improvement of public good? Yes/No;  If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	The Hotel Association of India (HAI) is considered as the apex organization of the Indian Hospitality industry and represents the entire spectrum of the industry. The Executive Committee of HAI is a combination of hotel owners and hotel managers and makes representations on behalf of the industry from time to time. The Company also participates as a stakeholder in other industry associations related to economic reform and promotion of tourism policies through the World Travel and Tourism Council and US India Business Council'

## Principle 8 - Business should support inclusive growth and equitable development

1	Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.	Company's primary focus, from CSR perspective, is on education, Preventive healthcare services, Animal Welfare, Women Empowerment and Promotion of Sports. All activities undertaken are as per the list of activities specified in Schedule VII of the Companies Act 2013.
2	Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/ any other organization?	The programmes and projects are undertaken by the Company's in-house team alongwith engagement of external NGO's from time to time
3	Have you done any impact assessment of your initiative?	A formal impact assessment has not been done by the company.
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	During the year under review, the company has not made any direct contribution to community development projects
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	No

## Principle 9 - Business should engage with and provide value to their customers and consumers in a responsible manner

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Customer Satisfaction is of utmost important for the Company. The Company receives customer complaints which are appropriately redressed. At the end of the financial year under review, 1 consumer cases/litigations are pending (including 1 filed during the year)
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)	Since the company is in the hospitality business and not manufacturing, the requirement of display product info on the product label is not applicable to the company



3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	None
4	Did your company carry out any consumer survey/consumer satisfaction trends?	<p>Customer engagement processes have been aligned across the value chain to monitor the customer satisfaction and feedback. Consumers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc.</p> <p>The company received the following awards during the year in this area:</p> <ul style="list-style-type: none"> <li>• The 'HolidayCheck AG Germany' Awards in April 2019 and again in April 2020, with guest satisfaction scores of 5.0 stars out of a maximum of 6.0 stars.</li> <li>• The TripAdvisor 'Certificate of Excellence' Award in May 2019; for consistently high ratings from travellers, across 4463 guest reviews, yielding a solid rating of 4.5 stars out of 5.0 stars.</li> <li>• The Resort received two awards from the 'Times of India' in October 2020 for the most 'Iconic 5-Star Deluxe Beach Resort in Goa' and 'Iconic 5-Star Deluxe Beach-Wedding Destination in Goa'</li> <li>• 'Certificate of Excellence for Outstanding Customer Feedback' from Serenity Holidays - United Kingdom, in November 2019.</li> <li>• Mr. Sunder G. Advani, Chairman &amp; Managing Director, was felicitated with a 'Lifetime Achievement Award' at the SATTE (South Asia Travel &amp; Tourism Exhibition), on January 10, 2020.</li> <li>• Booking.com 'Traveller Review Awards' in February 2020, with a commendable 8.5 points out of a maximum of 10 points, across approximately 1000 customer reviews.</li> </ul>

## ANEXURE “C” TO THE DIRECTORS REPORT SECRETARIAL AUDIT REPORT

Form No. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[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, 2020 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, 2020 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 31<sup>st</sup> March, 2020:-

- (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,2018;
- (vi) I further report that, based on the Compliance Report of various Laws submitted by Department Heads of the Company, the Company has proper system to comply with the applicable laws.
- (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 and Disclosure Requirements) Regulations, 2015;
  - (b) Secretarial Standards Issued by the Institute of Company Secretaries of India.

During the period under review, I am of the opinion that the Company has prima facie complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.



I further report that I have not examined the Financial Statements, Financial books and related financial Act like Income Tax, Sales Tax, Value Added Tax, Goods and Services Tax, ESIC, Provident Fund, Professional Tax, Foreign Currency Transactions, Related Party Transactions etc., For these matters, I rely on the report of statutory auditors for Financial Statement for the financial year ended 31<sup>st</sup> March, 2020.

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 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 and as per minutes of the meetings, majority decisions of the Board were unanimous and no dissenting views were found 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 period under review, as per the information provided by the Company, prima facie there were no instances of transaction in the securities of the Company during the closure of window.

I further report that during the audit period, there were no instances of:

- i. Public/ Rights / Preferential issue of shares/debentures/ sweat equity etc.;
- ii. Issue of equity shares under Employee Stock Option Scheme;
- iii. Redemption / Buy- back of securities;
- iv. Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013 which would have major bearing on the Company's affairs;
- v. Merger / amalgamation / reconstruction etc.;
- vi. Foreign Technical Collaborations.

I further report that:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my 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. I have not verified the correctness and appropriateness of financial records and Books of Accounts of Company.
5. 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.
6. 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.
7. Due to COVID - 19 and continuous Lockdown, we were able to partially verify the information physically, therefore we rely on the information provided by the Company in electronic mode.

**Place: Mumbai**  
**Date: 30<sup>th</sup> June, 2020**

**UDIN: A001157B000400644**

**Virendra G. Bhatt**  
**ACS No.: 1157**  
**COP No.: 124**

## ANNEXURE “D” TO THE DIRECTORS REPORT SECRETARIAL COMPLIANCE REPORT

**1. I, Virendra G. Bhatt, Practicing Company Secretary, 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 Clause 2 of this report.
- (b) the filings/ submissions made by the Listed Entity to the stock exchanges in connection with the above,
- (c) website of the listed entity,
- (d) all other documents, filings or submission on the basis of which this certification is given

**for the year ended 31<sup>st</sup> March, 2020 (“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 there under; and
- (b) The Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guide lines 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:-**

- (e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (f) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable during the review period);
- (g) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable during the review period);
- (i) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable during the review period);
- (j) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable during the review period);
- (k) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not Applicable during the review period);
- (l) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (m) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (n) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - (Not applicable during the review period);

**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 there under except in respect of matters specified below.

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	N.A	N.A	N.A

- (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) I further report that during the review period, as per the information provided by the Company, prima facie there were no instances of transaction by the designated persons in the securities of the Company during the closure of window.
- (d) The following are the details of actions 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:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
-	N.A.	N.A.	N.A.	N.A.

- (e) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31 <sup>st</sup> March, 2019	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	None	N.A.	Not required	N.A.

- (f) The Listed entity has prima facie complied with points 6(A) and 6(B) as mentioned in SEBI Circular No: CIR/CFD/CMD1/114/2019 dated 18<sup>th</sup> October, 2019 and that they have incorporated all the terms and conditions in the respective appointment letter/ supplemental letter issued to the Statutory Auditors.
- (g) Due to COVID - 19 and continued lockdown, we are unable to verify the partial information physically, therefore we rely on the information provided by the Company in electronic mode.

Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

UDIN: A001157B000372528

Virendra G. Bhatt  
ACS No.: 1157  
COP No.: 124



## ANNEXURE “E” TO THE DIRECTORS’ REPORT ADDITIONAL INFORMATION

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, 2020:

### A. CONSERVATION OF ENERGY IN 2019-2020:

#### (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 2019-20, 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.
- (c) The Company initiated procurement of Heat Pump in the financial year 2019-20 and installation of the same got delayed due to the present pandemic COVID-19 situation. It may be installed by the end of December, 2020.
- (d) At present we are using diesel to run our Hot Water Generator (HWG) that will be replaced by the new Heat Pump. Hence we shall be able to save on the consumption of diesel and also reduce the impact on the environment caused by the emissions of the existing HWG.
- (e) Secondly, the by-product of the heat pump, which is chilled water, shall be fed to the existing chilled water line, thereby reducing the load on the Chiller.

#### (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 Rs 103.97 million (previous year Rs 118.24 million). The total outgo in foreign exchange for the current year was Rs 14.27 million (previous year Rs 17.89 million).

## ANNEXURE “F” TO THE DIRECTORS’ REPORT FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED MARCH 31,2020

[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
(ii)	<b>Name of the Company</b>	Advani Hotels & Resorts (India) Ltd.
(iv)	<b>Category / Sub-Category of the Company</b>	Public Company / limited by Share
(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, if any</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:-

Sr. 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	57.23%
2	Restaurant and Mobile Food Service activities	561	29.53%

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

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
The Company does not have any holding, subsidiary or associate company					

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (April 1,2019)				No. of Shares held at the end of the year (March 31,2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1. Indian</b>									
a) Individual/ HUF	22808602	-	22808602	49.349	22808602	-	22808602	49.349	0.00
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp	3,78,500	-	3,78,500	0.819	378,500	-	378,500	0.819	0.00
e) Banks / FI									
f) Any Other									
<b>Sub-total (A)(1):-</b>	<b>23187102</b>	<b>-</b>	<b>23187102</b>	<b>50.168</b>	<b>23187102</b>	<b>-</b>	<b>23187102</b>	<b>50.168</b>	<b>0.00</b>
<b>2) Foreign</b>									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other....									
<b>Sub-total (A)(2):-</b>									
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	47000	47000	0.1017	0	47000	47000	0.1017	0.00
b) Banks / FI	0	2500	2500	0.0054	0	2500	2500	0.0054	0.00
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>49500</b>	<b>49500</b>	<b>0.1071</b>	<b>0</b>	<b>49500</b>	<b>49500</b>	<b>0.1071</b>	<b>0</b>
<b>2. Non Institutions</b>									
a) Bodies Corp. (i) Indian	16012708	16500	16029208	34.6808	15913088	16500	15929588	34.4653	-0.2155
b) Individuals (i) Individual shareholders holding nominal share capital up to ₹ 1 lakh c) (ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2692965	824200	3517165	7.6097	2840603	753645	3594248	7.7765	0.1668
	2407681	0	2407681	5.2093	2635140	0	2635140	5.7014	0.4921
d) Others (Specify)	467789	0	467789	1.0121	487427	0	487427	1.0546	0.0425
(i) NRI Rep	317040	120050	437090	0.9457	184854	250	185104	0.4005	-0.5452
(ii) NRI Non Rep	118790	3000	121790	0.2635	146196	3000	149196	0.3228	0.0593
(iii) Foreign Bodies	0	1925	1925	0.0042	0	1925	1925	0.0042	0.000
<b>Sub-total (B)(2)</b>	<b>22016973</b>	<b>965675</b>	<b>22982648</b>	<b>49.7253</b>	<b>22207308</b>	<b>775320</b>	<b>22982628</b>	<b>49.7252</b>	<b>0.0000</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>22016973</b>	<b>1015175</b>	<b>23032148</b>	<b>49.8324</b>	<b>22207308</b>	<b>824820</b>	<b>23032148</b>	<b>49.8324</b>	<b>0.0000</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>45204075</b>	<b>1015175</b>	<b>46219250</b>	<b>100.00</b>	<b>45394430</b>	<b>824820</b>	<b>46219250</b>	<b>100.00</b>	<b>0.000</b>



## ii Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	SUNDER G ADVANI	9425893	20.3939	-	9425893	20.3939	-	0.00
2.	HARESH G ADVANI *	5330139	11.5323	-	4790139	10.3639	-	(1.168)
3.	NINA H ADVANI	2136350	4.6222					
4.	LALITA SUNDER BADINEHAL	1383800	2.9940					
5.	PRAHLAD SUNDER ADVANI	1374000	2.9728					
6.	MENAKA SUNDER ADVANI	1310880	2.8362					
7.	NATASHA MIRCHANDANI	741399	1.6041					
8.	ALEKHA HARESH ADVANI	518451	1.1217					
9.	SUNDER ADVANI INVESTMENTS PRIVATE LTD**	378500	0.8189					
10.	SUNDER ADVANI CONSULTANTS LLP**	-	-	-	378500	0.8189	-	0.8189
11.	INDIRA SHIV THADANI	275000	0.5950	-	275000	0.5950	-	0.00
12.	BALRAM DAYARAM DATWANI	163940	0.3547	-	163940	0.3547	-	0.00
13.	JIHAN HARESH ADVANI*	122500	0.2650	-	662500	1.4334	-	1.168
14.	SABRINA DILIP JHANGIANI	26250	0.0568	-	26250	0.0568	-	0.00
15.	Total							

\*. Gift of 5,40,000 shares from Mr. Haresh G. Advani to Mr. Jihan H. Advani

\*\* . Change of name of M/s Sunder Advani Investments Private Limited to M/s Sunder Advani Consultants LLP

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

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

Sr. No	Particulars	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	MR. HARESH G ADVANI	5330139	11.5323	05.04.2019	(540000)	Transfer by gift	47,90,139	10.3639
2	Mr. JIHAN HARESH ADVANI	122500	0.2650	05.04.2019	540000	Transfer by gift	6,62,500	1.433
3	M/S SUNDER ADVANI INVESTMENTS PRIVATE LTD	378500	0.8189	22.05.2019	(378500)	Name change	0	0
4	M/S SUNDER ADVANI CONSULTANTS LLP	0	0.00	22.05.2019	378500	Name change	3,78,500	0.8189

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

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Date	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	15610232	33.774	1-APRIL-2019	No Change		15610232	33.774
		15610232	33.774	31-MAR-2020				
2	GOPIKISHAN S. DAMANI	1930009	4.176	1-APRIL-2019	No Change		1930009	4.176
		1930009	4.176	31-MAR-2020				
3	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY	467789	1.012	1-APRIL-2019			467789	1.012
			1.012	12-JULY-2019	20138	TRANSFER	487927	1.056
				19-JULY-2019	500	TRANSFER	487427	1.055
		487427	1.055	31-MAR-2020				
4	KAMAL SHYAMSUNDER KABRA	0	0	1-APRIL-2019			0	0
			0.07	20-SEPT-2019	3318	TRANSFER	3318	0.070
				27-SEPT-2019	147682	TRANSFER	151000	0.327
				04-OCT-2019	4490	TRANSFER	155490	0.336
				11-OCT-2019	8056	TRANSFER	163546	0.354
				18-OCT-2019	454	TRANSFER	164000	0.355
				25-OCT-2019	2000	TRANSFER	166000	0.359
5	PANNA BANKIM	166000	0.359	31-MAR-2020				
		144172	0.312	1-APRIL-2019			144172	0.312
			0.31	5-APRIL-2019	6,394	TRANSFER	150566	0.326

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Date	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
		150566	0.326	31-MAR-2020				
6	HASMUKH PAREKH	112000	0.242	1-APRIL-2019	-	-	112000	0.242
		112000	0.242	31-MAR-2020				
7	CLOVER TECHNOLOGIES PRIVATE LIMITED	109412	0.237	01-APRIL-2019			109412	0.237
			0.007	19-APRIL-2019	3,122	TRANSFER	112534	0.243
			0.013	03-MAY-2019	5,803	TRANSFER	109412	0.237
		118337	0.256	31-MAR-2019				
8	NIRAJ DEEPAK DALAL	100000	0.216	1-APRIL-2019			100000	0.216
			0.004	27-SEP-2019	2,000	TRANSFER	98000	0.212
			0.002	1-NOV-2019	935	TRANSFER	97065	0.210
		97065	0.210	31-MAR-2020				
9	SIRV PARVESH CHHIBBER	100000	0.216	1-APRIL-2019	-	-	100000	0.216
		100000	0.216	31-MAR-2020	-	-		
10	BHARAT AMIN	62000	0.134	1-APRIL-2019	-	-	62000	0.134
				10-MAY-2019	62000	TRANSFER	0	0.000
		0	0.00	31-MAR-2020	-	-		
11	PREMNATH KAPOOR	187500	0.406	1-APRIL-2019			187500	0.406
				27-SEPT-2019	187500	TRANSFER	0	0.000
		0	0.00	31-MAR-2020				

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

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Date	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	9425893	20.3939			No Change	9425893	20.3939
2	Mr. Haresh G Advani, Executive Director	5330139	11.5323	5.4.2019	(540000)	Transfer by Gift	4790139	10.3639
3	Mrs. Nina H Advani, Non Executive Director	2136350	4.6222			No Change	2136350	4.6222
4	Mr. Prahlad S Advani, Whole Time Director	1374000	2.9728			No Change	1374000	2.9728
5	Mrs. Menaka S Advani, Non Executive Director	1310888	2.8362			No Change	1310880	2.8362
6	Mr. Prakash V Mehta, Independent Director	-	-	-	-	-	-	-
7	Mr. Vinod Dhall Independent Director	-	-	-	-	-	-	-



# ADVANI HOTELS & RESORTS (INDIA) LIMITED

8	Dr. S. D. Israni Independent Director	-	-	-	-	-	-	-
9	Adm. Sureesh Mehta Independent Director	-	-	-	-	-	-	-
10	Mr. Adhiraj Harish Independent Director	-	-	-	-	-	-	-
11	Mrs. Ragini Chopra Additional Director (Independent Director)	-	-	-	-	-	-	-
12	Mr. Sachin Jain, KMP- CFO	-	-	-	-	-	-	-
13	Mr. Nilesh Jain, KMP-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	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>
Change in Indebtedness during the financial year					
Addition		0.00	0.00	0.00	0.00
Deletion		12.51	0.00	0.00	12.51
<b>Net Change</b>		<b>(12.51)</b>	<b>0.00</b>	<b>0.00</b>	<b>(12.51)</b>
Indebtedness at the end of the financial year					
(i)	Principal Amount	3.22	0.00	0.00	3.22
(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>3.22</b>	<b>0.00</b>	<b>0.00</b>	<b>3.22</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in million)

Sr. No.	Particulars	Mr. Sunder G. Advani	Mr. Haresh G. Advani	Mr. Prahlad S. Advani	Total
1	Gross Salary	13.02	8.68	7.84	29.54
	(a) Salary as per provisions contained in section 17(1) of Income tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.68	0.46	0.86	2.00
	(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	-	-	-	-
	Total (A)	13.70	9.14	8.70	31.54
	Ceiling as the Companies Act, 2013	As per Special Resolution and as per Schedule V		As per Ordinary Resolution and as per Schedule V	

### 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	0.44	-	-	0.44
	Mr. Vinod Dhall	0.41	-	-	0.41
	Adm. Sureesh Mehta	0.34	-	-	0.34
	Dr. S. D. Israni	0.47	-	-	0.47
	Mr. Adhiraj Harish	0.43	-	-	0.43
	Total (1)	2.09	-	-	2.09
2	Other Non-Executive Directors				
	Mrs. Menaka S. Advani	0.42	-	-	0.42
	Mrs. Nina H. Advani	0.31	-	-	0.31
	Total (2)	0.73	-	-	0.73
	Total (B) = (1+2)	1.66			1.46
	Total Managerial Remuneration (A) + (B)				35.09

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## C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(₹ in million)

Sr. No.	Particulars	Shankar S Kulkarni, CFO	Sachin Jain, CFO	Nilesh Jain, CS	Total
1	Gross Salary	1.05	0.86	1.97	3.88
	(a) Salary as per provisions contained in section 17(1) of Income tax Act, 1961	0.21	0.03	0.09	0.33
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Options				
3	Sweat Equity				
4	Commission - AS % of profit - Others, specify				
5	Others, please specify				
	Total	1.26	0.89	2.06	4.21

- Mr. Shankar Kulkarni upto July 13,2019
- Mr. Sachin Jain from December 17,2019

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

There were no penalties, punishments, compounding of offences for the year ending March 31, 2020.



## ANNEXURE “G” TO THE DIRECTORS’ REPORT DISCLOSURES - REMUNERATION TO MANAGERIAL PERSONNEL

### 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	40
		Mr. Hareesh G Advani, ED	26
		Mr. Prahlad S Advani, WTD	24
		For this purpose, Sitting Fees paid to the Directors have not been considered as remuneration.	
2	The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary in the financial year	Mr. Sunder G Advani, CMD	9%
		Mr. Hareesh G Advani, ED	9%
		Mr. Prahlad S Advani, WTD	1%
		Mr. Sachin Jain (designated as KMP on 17 <sup>th</sup> December, 2019)	N.A
		Mr. Nilesh Jain CS	8%
3	The percentage increase in the median remuneration of employees in the financial year:	During FY 2020, the percentage increase in the median remuneration of employees as compared to previous year was approximately 9 %.	
4	The number of permanent employees on the rolls of company	There were 183 Employees (Executives 129 and confirmed workman 54) as on March 31, 2020	
5	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in remuneration is 9 % for Employees other than Managerial Personnel and 7 % 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)	59 years	₹1,36,95,600	82 years	CMD, Hotel Airport Plaza, Mumbai

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

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	48 Years	₹ 91,38,404	69 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	20 Years	₹ 87,04,361	42 years	Deutsche Bank Alex Brown in U.S.A. as a Financial Analyst in the Investment Banking Division
4	Mr. Prasad Kanoth	Hotel Manager	Bachelor of Commerce	37 Years	₹ 36,96,312	60 Years	Club Mahindra Varca
5	Mr. Ajay Vichare	General Manager - Corporate Finance	B.Com, CA (Inter)	26 Years	₹ 34,24,394	50 Years	United Phosphorus Limited
6	Mr. Sachin Jain	CFO	CA, MBA (Finance)	20 Years	₹ 29,48,004	45 years	JW Marriot Aerocity
7	Mr. Niraj Ojha*	Vice President – Sales & Marketing	Dip-in Hotel Management	19 years	₹ 25,72,050	44 years	The Lalit Hotels
8	Mr. Saurav Panchanan	Executive Assistant Manager	Dip-in Hotel and Catering Management	18 Years	₹ 24,06,600	40 years	Hilton Worldwide-Scotland
9	Mr. Arunava Mukherjee	Executive Chef	Dip-in Hotel Management	19 years	₹ 20,97,012	43 Years	Swiggy
10	Mr. Nilesh Jain	Company Secretary	B.Com, LLB, ACS, ACMA	18 Years	₹ 20,66,067	43 Years	CS, Rishiroop Limited

\*Joined on June 19, 2019.

### III. Employees drawing remuneration of Rs 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)	59 years	₹ 1,36,95,600	82 years	CMD, Hotel Airport Plaza, Mumbai

## MANAGEMENT DISCUSSION AND ANALYSIS

Though this discussion relates to the financial growth for the period 1 April, 2019 up to 31 March, 2020, we have highlighted the normal 11 month period up to 29 February when the impact of the COVID-19 global pandemic began to impact all businesses in India and our Company.

The tourism and hospitality industry was the first to be impacted by COVID-19 and much will depend on when foreign tourists and domestic tourists feel it is safe to travel, when the Government allows foreign airlines and domestic airlines to operate as before, when the number of active COVID-19 cases start to decline in India and Goa, when an effective vaccine is freely available. Also if any incentives are provided by the Government to create local demand for taking holidays or holding MICE events within India.

### India's Travel and Tourism Industry

As is well known, the majority of foreign tourists visit India during the months between November and March. Foreign tourist arrivals for the 11 month period up to February end had already reached last year's figures of 10.5 million. Then the Corona virus cases appeared in Europe and tourists started to cancel their trips to India. Finally the Government took the right decision to stop all international and domestic flights and ordered a total lockdown on 24 March, 2020. Even prior to the official lockdown many took the decision to curtail travel for fear of contracting the virus. As per the Ministry of Tourism FTA in March 2020 declined by 66.4% to 328462 as compared to 978236 in the previous March. The occupancy of hotels all over India started to plummet and most Hotel Companies reported a significant drop in revenues and profits for the January to March quarter as well as the entire year.

The World Travel and Tourism Council, a think tank based in London, has estimated that Travel and Tourism contributes to 10.3% of global GDP. One out of every 10 jobs in the world are in the Travel and tourism Industry. The WTTC annual Economic Impact Report of India's travel and tourism industry shows that almost 40 million jobs or 8% of jobs in India were in this industry. India earned INR 2130 billion or 5.6% of its Exports from this industry. A large number of foreign tourists came from Bangladesh (12%) followed by the USA (9%) followed by the UK (6%). Foreign spending was only 17% while domestic spending was a high 83%. It has found that leisure spending accounted for 94% of the amount spent on travel and tourism.

There is a huge opportunity for India's tourism industry as many of these tourists will either not be able to travel abroad or would be hesitant to travel overseas without adequate insurance. As far as outbound travel, about 26 million Indian citizens travelled overseas with the largest number traveling to UAE, Thailand, USA and Singapore.

Each State has at different stages given permission to hotels to operate with certain restrictions. Bars and health clubs and swimming pools are still closed. Since offices have remained closed, many Companies have adapted to employees working from home. Conferences are postponed for the time being.

There is however a silver lining as far as resort hotels. Many in the big cities have been restricted to staying at home and are anxious to go to a less populated area with a beach and open spaces to be with nature. Their preference is to drive to the destination. We are fortunate that our only hotel is on a virgin beach in Goa which is within driving distance from Mumbai, Pune, Bangalore, Hyderabad and Ahmedabad. Goa airport is now handling 17 daily flights connecting Delhi, Mumbai, Pune, Bangalore and Ahmedabad. The Government of Goa has taken a wise decision to concentrate on affluent tourists. A suggestion was given by me that the Central Government should give some Income tax relief to domestic tourists who holiday in India. The Central Government is considering the same. The new policy announced by the Central Government that hotel bills of over 20000 will be scrutinized will help a mid priced 5 Star Deluxe hotel like ours. There is a good scope for our hotel to achieve good occupancy in the near future.



# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## Hotel Industry in Goa

There are 4070 hotels in Goa with a capacity of 46000 rooms. Only 84 of these or 9000 rooms are in the A Category. The number of tourists arriving in Goa has been steadily increasing. As per the Government of Goa, only 312000 arrived in the calendar year 2013. This number has increased to 806000 in 2019. As per their data 713000 or about 90% of the arrivals were domestic tourists. The number of foreign tourists arriving by direct charter flights has increased between 2015-16 from 159000 to 219000 in 2018-19. Until suspension of all international flights in March 2020, this number had reached 170000. However there will be fewer charter flights this November due to various reasons such as fear of contracting COVID-19. The number of active cases as of August 13 were only 3491 and the number of deaths at 91 were one of the lowest of the States in India. In a recent Webinar, an authority on the UK outbound travel market stated that sales from UK to Goa are up 8% compared to last year. He said that 59% of UK tourists will visit places they already know. India will be more accessible as Spice Jet is scheduled to start flights to and from London. The Airport Authority of India has announced a major relaxation to increase inbound tourism in that passengers do not require to be quarantined if they possess a recent COVID-19 negative test certificate on arrival.

We are like others aggressively pursuing the domestic market. Our Freedom Package with an attractive price of 5500 per day on a pre-purchase has been launched. With our spacious lobby with a feeling of being outdoors while indoors will give us a USP over other hotels in Covid19 decisions on where to stay.

We have also entered into an agreement with Bureau Veritas whereby they will oversee our hygiene and sanitation methods This will provide greater assurance to prospective clients that they will be safe in our hotel. We have strict SOPs in place and made many improvements in operations.

As far as the 11 month period up to 29 February, our revenues were ₹ 667.8 Million which were 4.5% higher than the same period last year. Even after a very poor March, our total revenues were Rupee Foradian ₹ 711.55 Million which is almost the same as the last financial year. Our Gross profits were ₹180.21 Million. Our Profits before tax of ₹ 140.52 Million were slightly higher than last year.

## 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.

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:

During the year under review, one more new 12-seater coach was added to the Company's fleet of vehicles to facilitate guest transportation. Also a 4-seater buggy was added for movement of guests within our hotel. One buggy with catering box was added for Food & Beverage department for smooth movement of food and beverage to various function venues given to groups and marriage parties. The Company procured new sun beds, dining tables and arm chairs. For banquet halls, the Company added banquet tables and dining chairs. The Company procured an imported Robot Coupe Veg Processor, Blanco plate warmer, packing machine, 4 door freezers and Roller Grill Waffle Machine to enhance the kitchen operations. Also exhaust fan with ducting was installed at cafeteria tandoor area. As per the requirement from engineering department, submersible pump, blower fan and engineering data recording software was installed at back office.

Lastly, the Company added new telephones, Samsung LED TV's, Dehumidifiers for guest rooms.

## 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, 2020.

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Income		
Sales & Other Operating Income	701.27	702.75
Other Income	10.28	14.50
Total Income	711.55	717.25
Expenditure		
Cost of material consumed	55.38	56.74
Employee Benefits expense	241.61	224.46
Power & Fuel	51.18	53.08
Depreciation	37.44	36.54
Repairs & Maintenance	32.18	48.72
Finance Costs	2.25	0.64
Other expenses	150.99	157.82
Total Expenditure	571.03	578.00
Profit Before Tax	140.52	139.25
Tax Expense	27.90	25.54
Net Profit After tax	112.62	113.71

The total income decreased by 0.79% to ₹ 711.55 million from ₹ 717.25 million in the previous year due to impact on the business due to COVID-19 related cancellations and nationwide lockdown in March 2020.

The average occupancy decreased from 82.8% to 80.0%.

The RevPAR (Revenue Per Available Room) increased from ₹ 5243 to ₹ 5614.

The RevPOR (Revenue Per Occupied Room) increased from ₹ 11991 to ₹ 12090.

### Expenditure:

Cost of material consumed has gone down from ₹ 56.74 million to ₹ 55.38 million due to decrease in occupancy in the month of March due to COVID-19.

The total expenditure decreased by 1.2% from ₹ 578.00 million to ₹ 571.03 million in the previous year.

Payroll costs increased by 7.6% from ₹ 224.46 million to ₹ 241.61 million over the previous year.

Power and Fuel costs have decreased by 3.6 % from ₹ 53.08 Million to ₹ 51.18 Million due to lesser occupancy and closure of hotel in the month of March 2020 on account of COVID-19.

Finance costs increased from ₹ 0.64 Million to ₹ 2.25 Million on account of change in definition of finance costs in IND AS 116.

### Profit before Tax (PBT):

The PBT has increased by 0.9 % to ₹ 140.52 million from ₹ 139.25 million in the previous year.

### Profit after Tax (PAT):

The PAT has decreased by 1.0 % to ₹ 112.62 million as compared to ₹ 113.71 million in the previous year.

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## 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 31,2020	March 31,2019
EBITDA / Total Income (percent)	25.3	24.6
Profit after Tax / Total Income (percent)	15.8	15.9
Long Term Debt to Shareholders Funds (ratio)	0.01	0.01
Return on Equity (After Tax) (percent)	23.8	20.9
Earnings Per Share (₹)	2.44	2.46

## 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 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 183. 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, when a reliable COVID-19 vaccine is freely available in India and major source markets, 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: November 10, 2020

Sunder G Advani  
Chairman & Managing Director



## CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020.

### 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 and Corporate Social Responsibility 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, 2020, 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) Mrs. Ragini Chopra was appointed as an Additional Director in the category of Non executive Independent Woman Director on August 30, 2020.
- (iii) 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, 2020 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.
- (iv) 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.
- (v) 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.

## ADVANI HOTELS & RESORTS (INDIA) LIMITED

(vi) 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, 2020 are given herein below.

Name of Director	Category	No. of Board Meetings attended	Attendance at the last AGM held on 17.09.2019	No. of Outside Directorships #	No. of Committee Chairmanships / Memberships \$	
					Chairmanship	Membership
Mr. Sunder G. Advani, Chairman & Managing Director	Non-Independent Executive	07	Present	None	None	None
Mr. Haresh G. Advani, Executive Director	Non-Independent Executive	07	Present	None	None	None
Mr. Prahlad S. Advani, Whole-time Director (Operations)	Non-Independent Executive	07	Present	None	None	None
Mr. Prakash V. Mehta	Independent Non-Executive	06	Present	6	2	7
Mrs. Menaka S. Advani	Non-Independent Non-Executive	07	Present	None	None	None
Mr. Vinod Dhall	Independent Non-Executive	06	Present	3	1	1
Adm. Sureesh Mehta (Retired)	Independent Non-Executive	06	Absent	None	None	None
Mr. Adhiraj Harish	Independent Non-Executive	06	Present	2	None	3
Mrs. Nina H. Advani	Non-Independent Non-Executive	07	Present	None	None	None
Dr. S. D. Israni	Independent Non-Executive	07	Present	2	None	2
Mrs Ragini Chopra*	Additional Director Independent Non-Executive	-	-	1	None	None

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

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

\*Appointed on 30<sup>th</sup> August, 2020

- (vii) During the financial year 2019-20, 7 (Seven) Board Meetings were held on May 10, 2019, August 13, 2019, September 17, 2019, November 14, 2019, February 3, 2020, February 11, 2020 and March 23, 2020. The gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings.
- (viii) During the year 2019-20, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

- (ix) The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.
- (x) During the year, one meeting of the Independent Directors was held on February 3, 2020. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.
- (xi) The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.
- (xii) 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 31,2020
1.	Mr. Prakash V. Mehta	Nil
2.	Mr. Vinod Dhall	Nil
3.	Adm. Sureesh Mehta (Retired)	Nil
4.	Mr. Adhiraj Harish	Nil
5.	Mrs. Menaka S. Advani	1,310,880
6.	Mrs. Nina H. Advani	2,136,350

### 4. Selection criteria of Board Members

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

### 5. Familiarization Program of Independent Directors

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

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

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



## 6. Prevention of Insider Trading

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

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

## 7. Board Training and Induction:

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected of him/her, as a Director of the Company. The Director is also explained in detail the compliances required from him/her, under the Companies Act, SEBI Listing Regulations and other relevant regulations and his/her, 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 reviews 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	3
4.	Dr. S. D. Israni	Independent, Non-Executive	4
5.	Mr. Adhiraj Harish	Independent, Non-Executive	3

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

- (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 10, 2019, August 13, 2019, November 14, 2019 and February 3, 2020. The necessary quorum was present for all the meetings.
- (vi) The last Annual General Meeting (AGM) was held on September 17, 2019 and was attended by Mr. Prakash V. Mehta, Chairman of the Audit Committee.

## **B. Nomination and Remuneration Committee:**

- (i) The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of the SEBI Listing Regulations read with Section 178 of the Act.

### **(ii) The broad terms of reference of the Nomination and Remuneration Committee are as under:**

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (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 2019-20 under review only one meeting of the Committee were held on August 13, 2019. The composition of the Nomination and Remuneration Committee and particulars of meetings attended by the Members of the Remuneration Committee are as under.

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

- (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 2019-20 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. (page 75)

### 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, 2020 there were no pending complaints.

- (iv) During the year under review seven meetings of the Stakeholders Relationship Committee were 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. Haresh G. Advani	Non-Independent Executive
4	Mrs. Nina H. Advani	Non-Independent Non-Executive
5	Mr. Adhiraj Harish	Non Executive – Independent Director

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

(vi) Name designation and address of Compliance Officer

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

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

## D. Corporate Social Responsibility (“CSR”) Committee

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

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

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

The composition of the CSR Committee is under:

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

## 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 3, 2020, 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:**

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

**Performance evaluation of Board and Committees:**

- a. Effectiveness of Board processes, information and processing
- b. Board structure and composition
- c. Effective in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations
- d. Quality of relationship between Board and Management
- e. Board / Committee meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues
- f. 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
- g. Efficacy of communication with stakeholders
- h. Board / Committees inculcate positive perspectives in the Company to uphold and execute the good Corporate Governance practices

**9. 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.

**10. Subsidiary Companies:**

The Company does not have any subsidiary company.



# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## 11. 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.

## 12. 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, 2019	62	41,425
Shareholders who approached the company for transfer of shares from suspense account during the year	0	0
Shareholders to whom shares were transferred from suspense account during the year	0	0
Shareholders whose shares are transferred to the demat Account of the IEPF Authority as per Section 124 of the Act	04	3,800
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on March 31, 2020	58	37,625

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

## 13. 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
2018-2019	32 <sup>nd</sup> AGM held on Monday, September 17, 2019 at 3.30 PM	'Rangaswar', 4 <sup>th</sup> Floor, Chavan Centre, Gen. Jagannath Bhosale Marg, Nariman Point, Mumbai – 400021	Reappointment of following Independent Directors for second term of 5 years (1) Mr. Prakash V. Mehta (2) Mr. Vinod Dhall (3) Adm. Sureesh Mehta (4) Mr. Adhiraj Harish
2017-2018	31 <sup>st</sup> AGM held on Monday, August 9, 2018 at 3.30 PM	'Rangaswar', 4 <sup>th</sup> 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

### (ii) Extra-Ordinary General Meeting (EGM)

No extraordinary general meeting of the members was held during FY 2019 -2020.

## (iii) Postal Ballot

No event of postal ballot was held during FY 2019-2020.

## (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.

**14. Certificate from Practicing Company Secretary:**

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.

**15. Statutory Auditors and remuneration:**

Amar Bafna & Associates, Chartered Accountants (Firm Registration No. 114854W) were appointed as Statutory Auditors of the Company. After the close of the financial year, the erstwhile firm of Statutory Auditors merged with M/s JMT & Associates, Chartered Accountants (FRN 104767W) with effect from September 16, 2020. The particulars of payment to statutory auditors during the financial year 2019 - 2020 are as given below

Particulars	Amount (₹)
Statutory Audit Fees	5,00,000
For Limited Review	50,000
Reimbursement of out of pocket expenses	22,195
Total	5,72,195

**16. Disclosures:****(i) 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.

**(ii) 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.

**(iii) 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.

**(iv) CEO & MD / CFO Certification:**

Mr. Sunder G. Advani, Chairman & Managing Director and Mr. Sachin Jain, 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, 2020.

## 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:

### 33<sup>rd</sup> Annual General Meeting

Day & Date : December 22, 2020

Time : 10.30 a.m.

The AGM will be held through VC/OAVM mode and physical attendance of the members is dispensed with.

For details the Notice of the AGM be referred (page 33).

## 21. Tentative Calendar for financial year ending March 31, 2021:

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending March 31, 2021 are as follows:

First Quarter Results	Held on September 14, 2020
Second Quarter and half yearly Results	Held on November 10, 2020
Third Quarter Results	Second week of February 2021
Fourth Quarter and Annual Results	Last week of May 2021

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

December 12, 2020 to December 22, 2020 (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 2020-21 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 2019 - 2020 are given below:

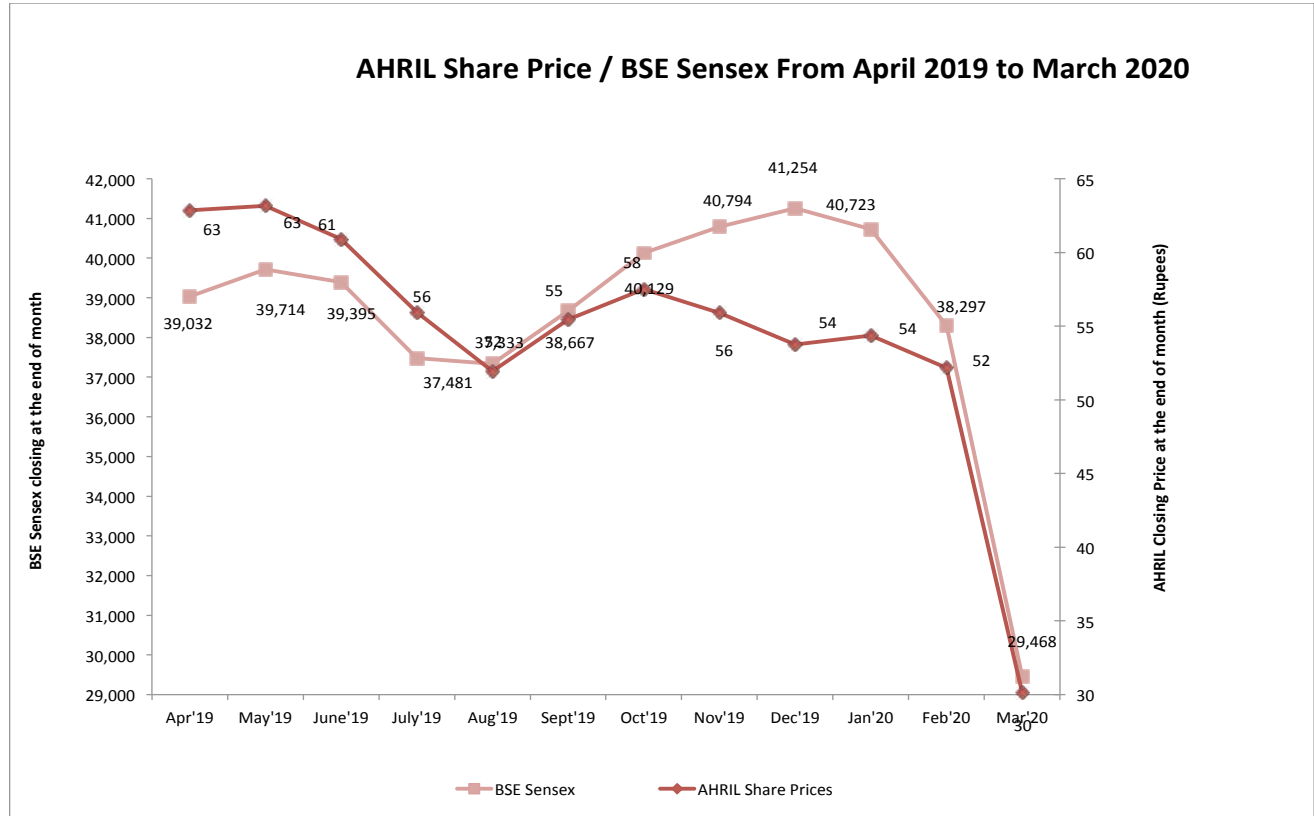
#### BSE

#### NSE

Month	High	Low	Close	Month	High	Low	Close
April'19	71.95	61.50	62.85	April'19	74.00	63.10	63.50
May'19	70.70	54.20	63.15	May'19	70.55	55.35	63.80
June'19	65.90	56.00	60.90	June'19	65.85	56.15	62.10
July'19	63.00	51.10	55.95	July'19	63.00	52.00	55.15
August'19	56.05	48.10	51.95	August'19	59.70	49.00	52.25
September'19	64.55	50.00	55.45	September'19	64.40	50.00	55.20
October'19	59.80	50.35	57.50	October'19	59.75	51.55	57.75
November'19	59.25	53.10	55.90	November'19	60.00	54.05	54.65
December'19	64.90	51.00	53.75	December'19	60.00	52.00	53.20
January'20	59.90	49.70	54.35	January'20	59.90	51.20	53.85
February'20	62.00	50.05	52.15	February'20	61.00	50.00	51.00
March'20	58.00	24.90	30.15	March'20	54.10	24.50	30.10

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## 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. Rajendra Jadhav

## 28. Share Transfer System

Out of the total Equity Share Capital, 98.22% is held in dematerialized form as on March 31, 2020. 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, 2020:

Range (No. of Shares)	No. of Shareholders	% to Total	No. of Shares	% To Total
1 to 500	4411	77.17	915,543	1.98
501 to 1000	654	11.44	591,785	1.28
1001 to 2000	279	4.88	441,773	0.96
2001 to 3000	132	2.31	339,070	0.73
3001 to 4000	51	0.89	184,130	0.40
4001 to 5000	52	0.91	253,034	0.55
5001 to 10000	69	1.21	535,349	1.15
10001 & above	68	1.19	42,958,566	92.95
<b>Total</b>	<b>5716</b>	<b>100.00</b>	<b>46,219,250</b>	<b>100.00</b>

### 30. Category of Shareholding as on March 31, 2020:

Category	No. of Shares	% to Total
Promoters & Promoter Group	23,187,102	50.17
Mutual Funds	47,000	0.10
Bank / FIs / Insurance Companies	2,520	0.01
Foreign Institutional Investors	0	0.00
Bodies Corporate	16,417,015	35.52
General Public	6,229,388	13.48
NRIs / Foreign Bodies	336,225	0.72
<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, 98.22% is held in dematerialized form as on March 31, 2020.

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2020, 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:

### (i) 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.

### (ii) 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.

### (iii) 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 interim dividend for the financial year 2013-14 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, 2020 and respective due dates for claim by the Shareholders:

Financial Year	Date of Declaration of Dividend	Last Date for claim
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 (1 <sup>st</sup> Interim)	28-07-2016	02-09-2023
2016-17 (2 <sup>nd</sup> Interim)	27-01-2017	03-03-2024
2017-18 (1 <sup>st</sup> Interim)	30-11-2017	04-01-2025
2017-18 (Final)	09-08-2018	13-09-2025
2018-19 (1 <sup>st</sup> Interim)	14-02-2019	21-03-2026
2018-19 (2 <sup>nd</sup> Interim)	10-05-2019	14-06-2026
2019-20 (1 <sup>st</sup> Interim)	17-09-2019	22-10-2026
2019-20 (2 <sup>nd</sup> Interim)	11-02-2020	18-03-2027

**(iv) 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 20,138 Equity shares (including 3,800 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.

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

To,  
The Board of Directors

## ADVANI HOTELS AND RESORTS (INDIA) LIMITED

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

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2020 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: June 30, 2020

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

**SACHIN JAIN**  
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: June 30, 2020

**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, 2020**

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, 2020 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, 2020.

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.

**JMT & Associates**  
Chartered Accountants  
Registration No. 104167W

Place: Mumbai  
Date: November 10, 2020

Amar Bafna  
**Partner**  
Membership No. 048639  
UDIN:20048639AAAAFP1095

## 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 31<sup>st</sup> March, 2020, 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 (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, and profit and other comprehensive income, 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 Act. Our responsibilities under those SAs 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 Act 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
1	<p>Refer Note 30 of the financial statements</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>Considering the above, we examined the level of provisions recorded and assessed the adequacy of disclosures in financial statements.</p>

## Emphasis of Matter

We draw attention to:

Note 33 to the financial statements, regarding the management's impairment assessment of property, plant and equipment, right-of-use assets, intangible assets, investments, trade receivables, inventories and other current assets appearing in the financial statements of the Company as at 31<sup>st</sup> March, 2020 being considered unimpaired/recoverable based on its internal and external sources of information and estimates, and its judgments on implication expected to arise from COVID-19 pandemic. This being an unprecedented event, which is difficult to estimate, the actual implications could vary. The economic/social consequences of this event are impacting the very operation of the hotel and consumer demand.

Our opinion is not modified in respect of the above matter.

## 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 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 Act, 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 Act, we give in the "**Annexure-A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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) of the Act, 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 purposes 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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(f) 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  
(Firm Registration No. 114854W)

**Amar Bafna**  
Partner  
Membership No. 048639  
UDIN: 20048639AAAACO2343

Mumbai: 30<sup>th</sup> June, 2020

## 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 31<sup>st</sup> March, 2020. 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 after the close of the financial year by the management in accordance with a phased programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. No material discrepancies between the books records and physical inventory have been noticed.
- (c) According to the records of the Company examined by us and the information and explanations given to us the title deeds of immovable properties are held in the name of the company.
2. In our opinion, physical verification of inventories has been conducted by the management at reasonable intervals. The discrepancies noticed on such verification by the management have been properly dealt with in the books of account.
3. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Act, hence clause 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable to the Company.
4. 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
Income-tax Act, 1961	Tax on regular assessment under Section 143 (1)(a)	22.52	AY 2017-18	Rectification before the Assessing officer
Income-tax Act, 1961	Tax on regular assessment under Section 143 (1)(a)	58.43	AY 2018-19	Rectification before the Assessing officer
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



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  
(Firm Registration No. 114854W)

**Amar Bafna**  
Partner  
Membership No. 048639  
UDIN: 20048639AAAACO2343

Mumbai: 30<sup>th</sup> June, 2020

## 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, 2020. We report that:

We have audited the internal financial controls over financial statements of Advani Hotels & Resorts (India) Limited (“the Company”) as of 31st March, 2020 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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 with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, 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 with reference to financial statements.

### Meaning of Internal Financial Controls with reference to Financial Statements

A company’s internal financial control with reference to financial statements 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 with reference to financial statement 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2020, based on the internal control with reference to financial statements 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 (the "Guidance Note").

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

Amar Bafna

**Partner**

Membership No. 048639

UDIN: 20048639AAAACO2343

Mumbai: 30<sup>th</sup> June, 2020



# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## BALANCE SHEET AS AT MARCH 31, 2020

(₹)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>I ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, Plant and Equipment	3	461,028,600	483,781,256
(b) Right of Use Assets	3A	7,899,998	-
(c) Investment Property	4	1,941,030	1,941,030
(d) Other Intangible assets	5	628,844	984,536
(e) Financial Assets			
(i) Loans	6	2,381,450	1,250,000
(ii) Other Financial Assets	7	8,898,387	3,416,687
(f) Other tax assets (net)	8	98,780	98,780
(g) Other non - current assets	9	2,949,178	1,239,474
<b>Total non-current assets</b>		<b>485,826,267</b>	<b>492,711,763</b>
<b>2. Current assets</b>			
(a) Inventories	10	16,651,095	13,863,543
(b) Financial Assets			
(i) Investments	11	112,249,492	190,651,660
(ii) Trade receivables	12	26,020,914	34,159,497
(iii) Cash and cash equivalents	13	15,397,306	1,994,373
(iv) Bank balances other than (iii) above	14	6,849,433	5,627,214
(v) Loans	6	1,297,921	2,595,632
(vi) Other financial assets	7	11,200	11,200
(c) Other current assets	9	11,738,747	18,846,028
(d) Other tax assets (net)	7	454,951	-
<b>Total current assets</b>		<b>190,671,059</b>	<b>267,749,147</b>
<b>Total Assets</b>		<b>676,497,326</b>	<b>760,460,910</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	380,546,430	452,444,593
<b>Equity attributable to the owners of the Company</b>		<b>472,984,930</b>	<b>544,883,093</b>
<b>2. LIABILITIES</b>			
<b>2a Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	3,319,567	4,408,583
(ii) Other financial liabilities	20	4,697,966	-
(b) Provisions	18	6,624,706	6,407,669
(c) Deferred tax liabilities (Net)	8	55,526,434	63,999,587
<b>Total non-current liabilities</b>		<b>70,168,673</b>	<b>74,815,839</b>
<b>2b Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	-	11,142,315
(ii) Trade payables			
Dues to Micro, Small and Medium Enterprises creditors	19	2,056,371	153,338
Due to creditors other than above creditors	19	32,514,341	32,122,667
(iii) Other financial liabilities	20	50,536,668	38,791,766
(b) Other current liabilities	21	46,025,085	53,728,526
(c) Provisions	18	2,119,995	2,163,583
(d) Current tax liabilities (Net)	8	91,263	2,659,783
<b>Total current liabilities</b>		<b>133,343,723</b>	<b>140,761,978</b>
<b>Total Equity and Liabilities</b>		<b>676,497,326</b>	<b>760,460,910</b>
<b>III SIGNIFICANT ACCOUNTING POLICIES</b>	1		
<b>IV 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)

For and on behalf of the Board of Directors

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

**Prahlad S. Advani**  
Director of Operations  
(Whole-time Director)  
(DIN 6943762)

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

**Nilesh Jain**  
Company Secretary

**Sachin Jain**  
Chief Financial Officer

Mumbai, June 30, 2020

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
<b>I Revenue from Operations</b>	<b>22</b>	701,265,454	702,755,025
<b>II Other Income</b>	<b>23</b>	10,286,227	14,498,697
<b>III Total Income (I + II)</b>		<b>711,551,681</b>	<b>717,253,722</b>
<b>IV Expenses</b>			
(a) Food, wine, liquor and other beverages consumed	<b>24</b>	55,383,143	56,738,644
(b) Employee benefits expense	<b>25</b>	241,611,840	224,455,607
(c) Finance costs	<b>26</b>	2,253,673	638,001
(d) Depreciation and amortization expense	<b>27</b>	37,442,648	36,535,422
(e) Other expenses	<b>28</b>	234,342,972	259,640,829
<b>Total expenses (IV)</b>		<b>571,034,276</b>	<b>578,008,503</b>
<b>V Profit before exceptional items and tax (III - IV)</b>		<b>140,517,405</b>	<b>139,245,219</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit before tax</b>		<b>140,517,405</b>	<b>139,245,219</b>
<b>VIII Tax expense</b>	<b>8</b>		
(a) Current tax		36,400,000	40,500,000
(b) Current tax - earlier years (net)		(300,000)	1,572,104
(c) Deferred tax (credit) / charge		(8,198,899)	(16,532,861)
		27,901,101	25,539,243
<b>IX Profit after tax (VII - VIII)</b>		<b>112,616,304</b>	<b>113,705,976</b>
<b>X Other Comprehensive Income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(a) Remeasurements of the defined benefit plans: Actuarial gain/(loss)		235,048	(162,035)
(b) Income-tax effect on it		(60,232)	47,185
<b>Other Comprehensive Income for the year (X)</b>		<b>174,816</b>	<b>(114,850)</b>
<b>XI Total Comprehensive Income for the year (IX + X)</b>		<b>112,791,120</b>	<b>113,591,126</b>
<b>XII Earnings per equity share of ₹2/- each</b>			
Basic / Diluted	<b>29</b>	2.44	2.46
<b>XIII SIGNIFICANT ACCOUNTING POLICIES</b>	<b>1</b>		
<b>XIV 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)

For and on behalf of the Board of Directors

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

**Prahlad S. Advani**  
 Director of Operations  
 (Whole-time Director)  
 (DIN 6943762)

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

**Nilesh Jain**  
 Company Secretary

**Sachin Jain**  
 Chief Financial Officer

Mumbai, June 30, 2020

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

### A Equity Share Capital

(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
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

(₹)

Particulars	Reserves and Surplus					Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at April 1, 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
<b>Less:</b>						
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>Add:</b>						
Addition during the year	-	-	-	9,500,000	-	9,500,000
Adjustment - Lease (Ind-As-116) on initial adoption (net of tax) Refer Note 3A	-	-	-	-	(814,161)	(814,161)
Profit for the year					112,616,304	112,616,304
Other comprehensive income for the year (net of tax)					174,816	174,816
Total Comprehensive Income for the year	-	-	-	-	111,976,959	111,976,959
	82,355,283	10,000,000	47,089,900	49,500,000	384,976,369	573,921,552
<b>Less:</b>						
Second Interim Dividend - FY 2018-19					(64,706,950)	(64,706,950)
Dividend Distribution Tax on the above					(13,300,659)	(13,300,659)
First Interim Dividend - FY 2019-20					(36,975,400)	(36,975,400)
Dividend Distribution Tax on the above					(7,600,385)	(7,600,385)
Second Interim Dividend - FY 2019-20					(50,841,175)	(50,841,175)
Dividend Distribution Tax on the above					(10,450,553)	(10,450,553)
Transfer to General Reserve					(9,500,000)	(9,500,000)
	-	-	-	-	(193,375,122)	(193,375,122)
Balance as at March 31, 2020	82,355,283	10,000,000	47,089,900	49,500,000	191,601,247	380,546,430
Significant Accounting Policies	Note 1					
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)

For and on behalf of the Board of Directors

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

**Prahlad S. Advani**  
 Director of Operations  
 (Whole-time Director)  
 (DIN 6943762)

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

**Nilesh Jain**  
 Company Secretary

**Sachin Jain**  
 Chief Financial Officer

Mumbai, June 30, 2020

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

(₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>I. Cash flows from operating activities</b>		
Profit for the year (before tax)	140,517,405	139,245,219
Adjustments for:		
Depreciation and amortization	37,442,648	36,535,422
(Profit) / Loss on sale of assets (net)	(106,659)	20,467
Provision for doubtful debts / (written back) net	(43,195)	19,626
Provision for employee benefits	408,497	108,241
Interest income	(720,801)	(1,018,207)
Interest income due to fair valuation of security deposits	(133,336)	(138,220)
Dividend income	(4,335,374)	(7,334,340)
Gain on Mutual Fund investments	(715,661)	-
Fair Value of Mutual Fund Investments under Ind AS	(1,636,181)	-
Finance costs recognized in profit and loss	2,253,673	638,001
Notional rent expense on Fair value of Security deposit	125,332	137,239
Operating profit before working capital changes	173,056,348	168,213,448
<b>Movements in working capital:</b>		
(Increase) / Decrease in trade receivables	8,181,778	(2,312,115)
(Increase) / Decrease in inventories	(2,787,552)	861,277
(Increase) / Decrease in other assets	(1,132,077)	(4,686,188)
Increase / (Decrease) in trade payables and other liabilities	905,569	(11,666,067)
<b>Cash generated from operations</b>	178,224,066	150,410,355
Less: Income taxes paid (net of refunds)	(39,123,471)	(36,421,644)
<b>Net cash generated from operating activities (A)</b>	139,100,595	113,988,711
<b>II. Cash flows from investing activities</b>		
(Purchase) / (reinvestment) of current investments	(366,006,271)	(335,651,660)
Proceeds on sale / maturity of current investments	446,760,282	145,000,000
Interest received	720,801	1,018,207
Dividend from current investments	4,335,374	7,334,340
Payments for property, plant and equipment, intangible assets and capital work-in-progress	(11,266,494)	(15,444,008)
Proceeds from disposal of property, plant and equipment	490,727	-
<b>Net cash generated / (used in) from investing activities (B)</b>	75,034,419	(197,743,121)
<b>III. Cash flows from financing activities</b>		
Proceeds from borrowings:		
Long Term	-	12,000,995
Short Term	-	-
Repayment of borrowings:		
Long Term	(1,089,016)	-
Short Term	(11,418,834)	(2,360,452)
Repayment of lease liabilities	(4,275,680)	-
Dividends paid (including tax)	(182,819,927)	(44,617,426)
Interest paid	(1,128,624)	(638,001)
<b>Net cash used in financing activities (C)</b>	(200,732,081)	(35,614,884)
<b>IV. Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	13,402,933	(119,369,294)
V. Cash and cash equivalents at the beginning of the year	1,994,373	121,363,667
<b>VI. Cash and cash equivalents at the end of the year</b>	15,397,306	1,994,373

## Notes:

- 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.
- Figures in bracket indicate cash outflow.



# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020 - CONTD..... DETAILS OF CASH AND CASH EQUIVALENT

(₹)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
<b>Balances with banks</b>			
In Current Accounts		14,327,897	1,052,163
Cash on hand		1,069,409	942,210
<b>Total</b>		<b>15,397,306</b>	<b>1,994,373</b>
<b>VII. SIGNIFICANT ACCOUNTING POLICIES</b>	1		
<b>VIII. 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)

For and on behalf of the Board of Directors

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

**Prahlad S. Advani**  
*Director of Operations*  
 (Whole-time Director)  
 (DIN 6943762)

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

**Nilesh Jain**  
*Company Secretary*

**Sachin Jain**  
*Chief Financial Officer*

Mumbai, June 30, 2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 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.

The financial statements were approved by the Board of Directors and authorized for issue on June 30, 2020.

#### 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 based on 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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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.

### 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 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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 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).

### 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 116.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

- 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.

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 considering 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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

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.

**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, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and discounts given to the customers.

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.

Contract balances

**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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### j. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period 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.

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.

### l. 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 earnings 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

#### (i) Accounting Policy from FY 2019-20 onwards:

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, 2020. 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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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 regarding lessor accounting are substantially like 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 has applied Ind AS 116 from April 1, 2019 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17. Refer Note 1.5 (m) of Financial Statements for the year ended March 31, 2019 for Lease Policy under Ind AS 17. The Company's operating leases mainly relate to real estate assets such as offices taken for periods ranging upto three years and certain staff accommodation taken on leave and licence basis for short period of time less than one year. The Company has not elected to recognize right of use assets and lease liabilities for short term leases.

Refer Note 3A to the Financial Statements for the year ended March 31, 2020 for change in accounting policy.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is change in the future lease payments arising from a change in an index or rate. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics

Lease Income from operating leases where company is a lessor is recognized as income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

### **(ii) Accounting Policy upto FY 2018-19**

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<sup>st</sup> 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.

### **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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****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**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 3. PROPERTY, PLANT AND EQUIPMENT

(₹)

March 31, 2020									
Particulars	Gross Carrying Value				Depreciation / Amortisation				Net Carrying Value
	As at April 1, 2019	Additions	Deductions / Adjustments	As at March 31, 2020	As at April 1, 2019	For the year	Deductions / Adjustments	As at March 31, 2020	As at March 31, 2020
Land - Freehold (including landscaping)	25,567,196	-	-	25,567,196	-	-	-	-	25,567,196
Buildings	374,848,414	675,951	-	375,524,365	35,497,527	11,877,461	-	47,374,988	328,149,377
Plant and Equipment	110,446,379	3,423,482	1,923,370	111,946,491	29,159,628	10,313,407	1,720,387	37,752,648	74,193,843
Furniture and Fixture	43,974,088	2,887,409	-	46,861,497	21,506,560	5,704,361	-	27,210,921	19,650,576
Office Equipment and Computers	7,521,292	1,081,075	-	8,602,367	4,669,333	1,561,516	-	6,230,849	2,371,518
Vehicles	27,400,807	3,053,577	3,514,874	26,939,510	15,143,872	4,033,339	3,333,791	15,843,420	11,096,090
<b>Total</b>	<b>589,758,176</b>	<b>11,121,494</b>	<b>5,438,244</b>	<b>595,441,426</b>	<b>105,976,920</b>	<b>33,490,084</b>	<b>5,054,178</b>	<b>134,412,826</b>	<b>461,028,600</b>

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>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 3A. LEASES

A	<b>Change in Accounting Policy:</b>
	Except as specified below, the Company consistently applied the accounting policies to all periods presented in this financial statements. The Company has applied Ind AS 116 with the date of initial application of April 1, 2019. As a result, the Company has changed its accounting policy for lease contracts as detailed below.
B	The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019.

(₹)

Particulars	Amount
Lease commitments as at March 31, 2019	40,656,804
Add/(Less): contracts reassessed as lease contracts	(23,759,475)
Add/(less): adjustments on account of extension / termination	-
<b>Lease Liabilities as on April 1, 2019</b>	<b>16,897,329</b>
Break up of the lease liabilities	Amount
Current lease liability	4,275,680
Non-Current lease liability	12,621,649
<b>Lease Liabilities as on April 1, 2019</b>	<b>16,897,329</b>

C	The Company has adopted Ind AS 116 "Leases" effective April 1, 2019. This resulted in recognition of Right of use Assets of ₹ 16,897,329/- and equivalent amount of lease liability. The cumulative effect of applying the aforesaid Ind AS resulted in ₹ 814,161/- (net of tax), which has been debited to the retained earnings.
D	The impact of change in accounting policy on account of adoption of Ind AS 116 is as under:

(₹)

Particulars	Amount
Increase in Lease Liability	<b>16,897,329</b>
Increase in Right of Use of assets	<b>16,897,329</b>
Increase / (Decrease) in Deferred tax assets	<b>334,486</b>
Increase / (Decrease) in Finance Costs	<b>1,125,049</b>
Increase / (Decrease) in depreciation	<b>3,451,872</b>

E	<b>As Lessee:</b>
i)	Additions to Right of Use Assets
	Property, Plant and Equipment comprises owned and leased assets that do not meet the definition of investment property.

(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Property, Plant and Equipment owned	<b>11,121,494</b>	15,159,008
Right of Use Assets (except for Investment Property)	-	-
	<b>11,121,494</b>	15,159,008



# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 3A. LEASES Contd...

ii) Carrying value of Right of Use Assets at the end of the reporting period: Right of Use Assets comprise leased assets that do not meet the definition of investment property.

(₹)

Particulars	As at March 31, 2020
Balance as at April 1, 2019	
Additions during the year	- 168,97,329
Less: Depreciation charge for earlier years charged to Retained Earnings	(5,545,459)
Less: Depreciation charge for the year	(3,451,872)
Balance as at March 31, 2020	7,899,998

iii) Maturity analysis of lease liabilities - contractual undiscounted cash flows

(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Less than one year	3,797,280	4,051,937
One to five years	3,745,310	2,394,998
More than five years	46,721,770	46,839,070
<b>Total undiscounted lease liabilities</b>	<b>54,264,360</b>	<b>53,286,005</b>

iv) Amounts recognised in the Statement of Profit or Loss

(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest on lease liabilities	1,125,049	-
Expenses relating to short term leases	3,825,999	3,560,858

v) Amounts recognised in the Cash Flow Statement

(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Repayment of lease liabilities	4,275,680	5,020,237

F The Company's operating leases mainly relate to real estate assets such as offices. The Company has also entered into short term lease contracts for certain staff accommodation taken on leave and licence basis for less than one year period.

G **As Lessor:**

The Company has not entered into any contract as operating lease of finance lease for any of its asset as Lessor.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

## 4. INVESTMENT PROPERTY

(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Opening gross carrying amount / Deemed cost</b>	1,941,030	1,941,030
Additions	-	-
Disposals	-	-
<b>Closing gross carrying amount</b>	<b>1,941,030</b>	1,941,030
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	-	-
Depreciation charge	-	-
Disposals	-	-
<b>Closing accumulated depreciation</b>	-	-
<b>Net carrying amount</b>	<b>1,941,030</b>	1,941,030
<b>Fair value of investment property</b>		
Fair value of investment property done by independent valuer	<b>Not done</b>	Not done
Fair value of investment property not done by independent valuer	<b>29,445,000</b>	29,445,000

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Amounts recognised in profit or loss for investment properties</b>		
Rental income	<b>Nil</b>	<b>Nil</b>
Direct operating expenses (including repairs and maintenance) from property that generated rental income	<b>Nil</b>	<b>Nil</b>
<b>Profit from investment properties before depreciation</b>	<b>Nil</b>	<b>Nil</b>
Depreciation	<b>Nil</b>	<b>Nil</b>
<b>Profit from investment properties</b>	<b>Nil</b>	<b>Nil</b>

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

5. OTHER INTANGIBLE ASSETS (ACQUIRED SEPARATELY)

(₹)

March 31, 2020									
Particulars	Gross Carrying Value			Depreciation / Amortisation			Net Carrying Value		
	As at April 1, 2019	Additions	Deductions / Adjustments	As at March 31, 2020	As at April 1, 2019	For the year	Deductions / Adjustments	As at March 31, 2020	As at March 31, 2020
Computer Software	2,224,746	145,000	-	2,369,746	1,300,901	481,712	-	1,782,613	587,133
Web-site Development	117,631	-	-	117,631	56,940	18,980	-	75,920	41,711
<b>Total</b>	<b>2,342,377</b>	<b>145,000</b>	<b>-</b>	<b>2,487,377</b>	<b>1,357,841</b>	<b>500,692</b>	<b>-</b>	<b>1,858,533</b>	<b>628,844</b>
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
Computer Software	1,939,746	285,000	-	2,224,746	737,250	563,651	-	1,300,901	923,845
Web-site Development	117,631	-	-	117,631	37,960	18,980	-	56,940	60,691
<b>Total</b>	<b>2,057,377</b>	<b>285,000</b>	<b>-</b>	<b>2,342,377</b>	<b>775,210</b>	<b>582,631</b>	<b>-</b>	<b>1,357,841</b>	<b>984,536</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

## 6. LOANS

(₹)

	Particulars	As at March 31, 2020	As at March 31, 2019
6A	<b>Non-current</b>		
	<b>(Unsecured, considered good)</b>		
	Security Deposits	2,381,450	1,250,000
	<b>Non-current total</b>	<b>2,381,450</b>	<b>1,250,000</b>
6B	<b>Current</b>		
	<b>(Unsecured, considered good)</b>		
	Security Deposits	797,740	2,195,852
	Amounts due from employees	500,181	399,780
	<b>Current total</b>	<b>1,297,921</b>	<b>2,595,632</b>
	<b>Total</b>	<b>3,679,371</b>	<b>3,845,632</b>

## 7. OTHER FINANCIAL ASSETS

(₹)

	Particulars	As at March 31, 2020	As at March 31, 2019
7A	<b>Non-current</b>		
	<b>(Unsecured, considered good)</b>		
	Bank Balance in Fixed Deposit Account with maturity more than 12 months	8,898,387	3,416,687
	[Includes i. Fixed Deposit Receipt of ₹ 5,264,347/- (Previous Year Nil) pledged with a bank as a collateral security for cash credit facility availed by the Company (Refer Note 17.1) and ii. Margin Deposit Receipts of ₹ 3,634,042/- (Previous Year ₹ 3,416,687/-) as a security for various bank guarantees issued by a Bank]		
	<b>Non-current total</b>	<b>8,898,387</b>	<b>3,416,687</b>
7B	<b>Current</b>		
	<b>(Unsecured, considered good)</b>		
	Other assets	11,200	11,200
	<b>Current total</b>	<b>11,200</b>	<b>11,200</b>
	<b>Total</b>	<b>8,909,587</b>	<b>3,427,887</b>



# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 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, 2020	March 31, 2019
Current tax in respect of current year (*)	36,400,000	40,500,000
Current tax adjustments in respect of previous years	(300,000)	1,572,104
Deferred tax in respect of current year (*)	(8,198,899)	(16,532,861)
<b>Income tax expense recognised in Statement of Profit and Loss</b>	<b>27,901,101</b>	<b>25,539,243</b>

(\*) On September 20, 2019, vide Taxation Laws (Amendment) Ordinance 2019, the Government of India had inserted Section 115BAA in the Income Tax Act, 1961 which provided domestic companies a non-reversible option to pay corporate tax at reduced rate of 22% effective April 1, 2019 subject to certain conditions. The Company has elected to exercise the option from the financial year 2019-20. Provision for income tax for the year and re-measurement of deferred tax liabilities as at March 31, 2020 has accordingly been done considering the reduced rate prescribed in the said section.

(ii) Income tax recognised in Other Comprehensive Income

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Deferred tax on remeasurements of defined benefit plans	(60,232)	47,185
<b>Income tax expense recognised in Other Comprehensive Income</b>	<b>(60,232)</b>	<b>47,185</b>

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

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
<b>Profit for the year before tax</b>	<b>140,517,405</b>	<b>139,245,219</b>
Income tax expense calculated at 22% plus applicable surcharge and cess (Previous year at 25%) (*)	36,008,428	40,548,208
Tax effect of income exempted from tax (Dividend)	(1,110,966)	(2,135,760)
Tax effect of fair value of gain not taxable	(419,281)	-
Tax effect on non - deductible expense	529,870	400,397
Effect on deferred tax balances due to change in current tax rate	(7,571,788)	(15,678,907)
Others	560,985	596,581
Interest on delayed payment of tax	203,853	236,620
<b>Total</b>	<b>28,201,101</b>	<b>23,967,139</b>
Adjustment in respect of previous year	(300,000)	1,572,104
<b>Tax expense as per Statement of Profit and Loss</b>	<b>27,901,101</b>	<b>25,539,243</b>

c) Tax assets

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Non Current tax assets (net)	98,780	98,780
Current tax assets (net)	454,951	-
<b>Total</b>	<b>553,731</b>	<b>98,780</b>

d) Tax liabilities

Particulars	As at March 31,	As at March 31,
	2020	2019
Current tax liabilities (net)	91,263	2,659,783
<b>Total</b>	<b>91,263</b>	<b>2,659,783</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

e) <b>The major components of deferred tax (liabilities) / assets arising on account of timing differences as follows:</b>				
<b>As at March 31, 2020</b>				(₹)
<b>Particulars</b>	<b>Balance sheet As at April 1, 2019</b>	<b>Profit &amp; Loss 2019-20 #</b>	<b>OCI # 2019-20</b>	<b>Balance sheet as at March 31, 2020</b>
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961	(66,740,180)	(8,734,686)	-	58,005,494
Adjustment for Lease Expenses under Ind AS 116	-	(334,486)	-	(334,486)
Provision for expenses allowed for tax purpose on payment basis	(2,740,593)	535,787	60,232	(2,144,574)
<b>Net Deferred tax liabilities</b>	<b>(63,999,587)</b>	<b>(8,533,385)</b>	<b>60,232</b>	<b>55,526,434</b>
(#) ₹ 3,34,486/- adjusted against opening retained earnings (Refer note 16)				
(##) OCI - Other Comprehensive Income.				
<b>As at March 31, 2019</b>				(₹)
<b>Particulars</b>	<b>Balance sheet As at April 1, 2018</b>	<b>Profit &amp; Loss 2018-19</b>	<b>OCI## 2018-19</b>	<b>Balance sheet as at March 31, 2019</b>
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)	490,792	(47,185)	(2,740,593)
<b>Net Deferred tax liabilities</b>	<b>80,579,633</b>	<b>(16,532,861)</b>	<b>(47,185)</b>	<b>63,999,587</b>
<b>Notes to Deferred Tax:</b>				
i) 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.				
ii) 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, 2020 or March 31, 2019.				
iii) 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) <b>Unrecognised deferred tax liability</b> <span style="float: right;"><b>None (Previous year - None)</b></span>				
g) <b>Unrecognised deferred tax assets</b>				
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.				
(₹)				
<b>Particulars</b>	<b>As at March 31, 2020</b>		<b>As at March 31, 2019</b>	
	<b>Gross Amount</b>	<b>Unrecognised tax effect</b>	<b>Gross Amount</b>	<b>Unrecognised tax effect</b>
Long Term capital loss	-	-	-	-
<b>Total</b>	-	-	-	-
(₹)				
<b>Particulars</b>	<b>Expiry Date</b>	<b>As at March 31, 2019</b>	<b>Expiry Date</b>	<b>As at March 31, 2018</b>
Long Term capital loss	-	-	31-03-2020	-
<b>Total</b>	-	-	-	-

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 9. OTHER ASSETS

(₹)

Particulars		As at March 31, 2020	As at March 31, 2019
<b>9A</b>	<b>Non-current</b>		
	Capital advances	2,231,410	92,040
	Prepaid expenses	127,712	160,293
	Deposits with Government authorities and others	590,056	987,141
	<b>Non-current total</b>	<b>2,949,178</b>	<b>1,239,474</b>
<b>9B</b>	<b>Current</b>		
	Advances to Suppliers	4,644,949	9,531,391
	Prepaid expenses	1,974,039	4,107,560
	Other advances including GST Input credit	5,119,759	5,207,077
	<b>Current total</b>	<b>11,738,747</b>	<b>18,846,028</b>
	<b>Total</b>	<b>14,687,925</b>	<b>20,085,502</b>

### 10. INVENTORIES

(₹)

Particulars		As at March 31, 2020	As at March 31, 2019
	<b>Inventories</b>		
	<b>(Valued at lower of cost and net realizable value)</b>		
i)	Food, Beverages and Liquor	5,035,603	4,147,720
ii)	Stores and Operating Supplies	11,615,492	9,715,823
	<b>Total</b>	<b>16,651,095</b>	<b>13,863,543</b>

### 11. INVESTMENTS

(₹)

Particulars		As at March 31, 2020	As at March 31, 2019
	Other Investments (unquoted)		
	Investments carried at fair value through profit or loss		
	Investments in Mutual Funds		
	HDFC Liquid Fund-Direct Plan-Daily Dividend Reinvest Plan	20,016,783	190,651,660
	Units held 19,627.761 (Previous year: 186,946.383)		
	(NAV as at March 31, 2020 ₹ 1,019.82 (Previous Year ₹ 1,019.82))		
	HDFC Liquid Fund-Direct Plan-Growth Option	92,232,709	-
	Units held 23,609.391 (Previous year: Nil)		
	(NAV as at March 31, 2020 ₹ 3,906.61/- (Previous Year Nil))		
	<b>Total</b>	<b>112,249,492</b>	<b>190,651,660</b>

**Note:** The Company had made an investment of ₹ 2,500,000/- (Previous Year ₹ Nil/-) in 2,500.00 units (Previous Year Nil) of Baroda Money Market Fund - Regular Plan Growth as current investment during the year, which was fully redeemed during the year itself.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 12. TRADE RECEIVABLES

(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured		
Considered good	26,020,914	34,411,264
Considered doubtful	-	43,195
	26,020,914	34,202,692
Less: Allowance for doubtful debts (expected credit loss allowance)	-	43,195
<b>Total</b>	<b>26,020,914</b>	<b>34,159,497</b>

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

(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance as at beginning of the year	43,195	23,569
Allowance for bad and doubtful debts during the year/ (written back)	(43,195)	19,626
Balance as at the end of the year	-	43,195

### 13. CASH AND CASH EQUIVALENTS

(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand (including collection on hand)	1,069,409	942,210
Balances with Banks		
In current accounts	14,327,897	1,052,163
<b>Total</b>	<b>15,397,306</b>	<b>1,994,373</b>

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

(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Term deposits with maturity exceeding 3 months but less than 12 months*	2,872,785	2,705,765
Unpaid dividend Accounts	3,976,648	2,921,449
<b>Total</b>	<b>6,849,433</b>	<b>5,627,214</b>

\* Refer Note 7A for bank balance in Fixed Deposit Accounts with maturity more than 12 months.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 15. SHARE CAPITAL

Particulars		As at March 31, 2020		As at March 31, 2019	
		No. of shares	Amount	No. of shares	Amount
<b>A</b>	<b>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>Total</b>		<b>250,000,000</b>		<b>250,000,000</b>
<b>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>Total</b>		<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, 2020		As at March 31, 2019	
	No. of shares	Rupees	No. of shares	Rupees
<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, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
(during 5 financial years immediately preceding March 31, 2020)					
<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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	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 Haresh Gurdas	4,790,139	10.36%	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, 2020	As at March 31, 2019
<b>RESERVES AND SURPLUS:</b>		
<b>a) Capital Reserve:</b>		
Opening and Closing balance	82,355,283	82,355,283
<b>b) Securities Premium Account:</b>		
Opening and Closing balance	47,089,900	47,089,900
<b>c) Capital Redemption Reserve:</b>		
Opening and Closing balance	10,000,000	10,000,000
<b>d) General Reserve:</b>		
Opening balance	40,000,000	37,500,000
Add: Transfer from Surplus in Statement of Profit and Loss	9,500,000	2,500,000
	49,500,000	40,000,000
<b>e) Retained Earnings</b>		
Opening balance	272,999,410	206,465,797
Less: Adjustment - Lease {Ind-AS-116} on initial adoption (net of taxes) (Refer Note 3 A)	(814,161)	
Add: Profit for the year	112,616,304	113,705,976
Other Comprehensive Income for the year (net of tax)	174,816	(114,850)
<b>Less:</b>		
Final Dividend for FY 2017-18 @ 10%	-	(9,243,850)
Tax on Final Dividend	-	(1,881,830)
First Interim Dividend @ 30% for FY 2018-19	-	(27,731,550)
Dividend Distribution Tax on First Interim Dividend for FY 2018-19	-	(5,700,283)
Second Interim Dividend for FY 2018-19 @ 70%	(64,706,950)	-
Tax on Second Interim Dividend for FY 2018-19	(13,300,659)	-
First Interim Dividend for FY 2019-20 @ 40%	(36,975,400)	-
Tax on First Interim Dividend for FY 2019-20	(7,600,385)	-
Second Interim Dividend for FY 2019-20 @ 55%	(50,841,175)	-
Tax on Second Interim Dividend for FY 2019-20	(10,450,553)	-
Transfer to General Reserve	(9,500,000)	(2,500,000)
	191,601,247	272,999,410
<b>Total</b>	<b>380,546,430</b>	<b>452,444,593</b>

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 17. FINANCIAL LIABILITIES

		(₹)	
Particulars		As at March 31, 2020	As at March 31, 2019
<b>A</b>	<b>Non-Current Borrowings</b>		
	<b>Secured:</b>		
	<b>Term Loan</b>		
	<b>From Banks and others</b>		
	Vehicle loans [Refer Note 17.1 (i)]	3,222,583	4,588,119
	<b>Unsecured</b>		
	Other Loans	1,186,000	1,186,000
	<b>Total Non-Current Borrowings</b>	4,408,583	5,774,119
	Less: Current maturities disclosed under the head "Other financial liabilities"		
	Vehicle loans [Refer Note 17.1 (i)]	1,089,016	1,365,536
		1,089,016	1,365,536
	<b>Non-Current Borrowings</b>	<b>3,319,567</b>	<b>4,408,583</b>
<b>B</b>	<b>Current Borrowings</b>		
	<b>Secured:</b>		
	Cash credit from a bank [Refer Note 17.1 (ii)]	-	11,142,315
	<b>Total Current Borrowings</b>	-	11,142,315
<b>17.1</b>	<b>Nature of Securities:</b>		
	i) Vehicle loans are secured by hypothecation of respective vehicles.		
	ii) 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 a collateral security by pledge of Fixed Deposit Receipt of ₹ 50.00 lakhs. (Limit ₹ 50.00 lakhs (Previous Year ₹ 600.00 lakhs) (Refer Note 7A).		
<b>17.2</b>	<b>Particulars of Term Loans from Banks-Secured-Guaranteed:</b>	(₹)	
	<b>Particulars</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	(i) By Directors	-	-
	(ii) By Others	-	-
		-	-
<b>17.3</b>	<b>Particulars of terms of repayment of loans/rate of interest (Year end Per Annum) - Not Applicable</b>		

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

## 18. PROVISIONS

(₹)			
	Particulars	As at March 31, 2020	As at March 31, 2019
<b>18A</b>	<b>Non-current</b>		
	Provision for employee benefits		
	Compensated absences	2,308,987	3,823,790
	Gratuity	4,265,719	2,533,879
	Gratuity Under State Act	50,000	50,000
	<b>Non-current total</b>	<b>6,624,706</b>	<b>6,407,669</b>
<b>18B</b>	<b>Current</b>		
	Provision for employee benefits		
	Compensated absences	687,990	493,655
	Gratuity	1,432,005	1,669,928
	Gratuity Under State Act	-	-
	<b>Current total</b>	<b>2,119,995</b>	<b>2,163,583</b>
	<b>Total</b>	<b>8,744,701</b>	<b>8,571,252</b>

## 19. TRADE PAYABLES

(₹)			
	Particulars	As at March 31, 2020	As at March 31, 2019
	<b>Trade payables</b>		
	i) Due to Micro, Small and Medium Enterprises (Refer Note 19.1)	2,056,371	153,338
	ii) Due to other than Micro, Small and Medium Enterprises	32,514,341	32,122,667
	<b>Total</b>	<b>34,570,712</b>	<b>32,276,005</b>
<b>19.1</b>	<b>Note: Dues to micro and small enterprises</b>		
	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, 2020	As at March 31, 2019
	i) Principal amount and interest due:		
	Principal amount	2,056,371	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	-	-



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 20. OTHER FINANCIAL LIABILITIES

(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-Current</b>		
Lease Liabilities	4,697,966	-
<b>Non-Current total</b>	<b>4,697,966</b>	<b>-</b>
<b>Current</b>		
Current maturities of long-term borrowings	1,089,016	1,365,536
Lease Liabilities	4,651,920	-
Security Deposits (Unsecured)	-	56,500
Employee payables	33,269,463	27,526,112
Accrual for Expenses	57,329	172,095
Others payables- capital creditors	617,684	1,103,485
Unclaimed dividend (Refer Note 20.1)	3,976,648	2,921,449
Others payables	6,874,608	5,646,589
<b>Current total</b>	<b>50,536,668</b>	<b>38,791,766</b>
<b>Total</b>	<b>55,234,634</b>	<b>38,791,766</b>

**20.1** The Company has paid ₹ 214,410/- and ₹ 238,244/- to the Investor Education and Protection Fund (IE&PF) under Section 125 of the Companies Act, 2013 in respect of the unclaimed dividends for FY - 2011-12 and FY - 2012-13 respectively. There are no amounts due for payment to the IE&PF as at the year end.

### 21. OTHER LIABILITIES

(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current</b>		
Advances from customers	37,050,131	35,012,695
Statutory Dues	8,974,954	18,715,831
<b>Current total</b>	<b>46,025,085</b>	<b>53,728,526</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 22. REVENUE FROM OPERATIONS

(₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Hotel Operations:</b>		
<b>i) Sale of services and products</b>		
Rooms, Restaurants, Bar, Banquets, etc.:		
Room Sale	401,310,060	378,883,606
Food Sale	207,071,729	222,225,539
Wine, Liquor and Other beverages	41,888,040	41,200,816
	<b>650,269,829</b>	<b>642,309,961</b>
<b>ii) Other operating revenue</b>		
Guest sight seeing and transportation	22,105,335	28,290,737
Health Club, SPA, Beauty Parlour and Swimming Pool	12,780,710	11,546,595
Others	16,109,580	20,607,732
	<b>50,995,625</b>	<b>60,445,064</b>
<b>Total</b>	<b>701,265,454</b>	<b>702,755,025</b>

**22.1** The operations of the Company's hotel at Goa were temporarily closed effective from March 25, 2020 in view of nation-wide lockdown imposed by the Central and State Government due to COVID-19 pandemic attack. Hence, the figures of the current year are not comparable with the figures of the previous year, which were for full year. Refer Note 33.

**22.2** Other disclosures as per Ind AS 115: "Revenue from Contracts with Customers"

- i) Revenue from contracts with customers is recognised by the Company, net of indirect taxes.
- ii) The Company derived its revenue from the transfer of goods and services over time in its major service lines.
- iii) Contract balances: Advance collection is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from customers towards hotel services. Revenue is recognised once performance obligation is met, i.e. on room stay, sale of food and beverages. provision of banquet & weddings and conference services. The particulars of contract balances outstanding are given in Note 21.

### 23. OTHER INCOME

(₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
i) Interest earned	720,801	1,018,207
ii) Dividend on current investments in mutual fund (tax-free)	4,335,374	7,334,340
iii) Gain on mutual funds investments	715,661	-
iv) Fair value gain of mutual funds investments under Ind AS	1,636,181	-
v) Other non-operating income:		
(a) Foreign Exchange Fluctuation Gain (net)	-	1,525
(b) Excess provision and liabilities not payable, written back	2,155,255	5,902,497
(c) Provision for doubtful debts no longer required, written back	43,195	-
(d) Excess provision for employee benefits written back	307,224	-
(e) Fair Valuation of security deposits	133,336	138,220
(f) Other non-operating income (net of direct expenses)	132,541	103,908
(g) Profit on Sale/disposal of Fixed Assets (Net)	106,659	-
<b>Total</b>	<b>10,286,227</b>	<b>14,498,697</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

(₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Stock	4,147,720	4,517,908
Purchases	56,271,026	56,368,456
	60,418,746	60,886,364
Less: Closing Stock	5,035,603	4,147,720
<b>Total</b>	<b>55,383,143</b>	<b>56,738,644</b>

### 25. EMPLOYEE BENEFITS EXPENSE

(₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	213,339,687	196,863,049
Contribution to provident funds and other funds	7,838,223	7,949,827
Provision for employee benefits	1,728,965	2,608,241
Employees' welfare expenses	18,704,965	17,034,490
<b>Total</b>	<b>241,611,840</b>	<b>224,455,607</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, 2020	Year ended March 31, 2019
i) Provident Fund: Contribution to DCP recognized as expense for the year as under:		
Employer's contribution to Provident Fund	3,957,954	4,009,270
Employer's contribution to Employees Pension Scheme	3,372,142	3,440,427
Employer's contribution to National Pension Scheme	508,127	500,130
<b>Total</b>	<b>7,838,223</b>	<b>7,949,827</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
(₹)				
<b>I. Assumptions:</b>				
Discount rate	6.25%	7.10%	6.25%	7.10%
Salary growth rate for next 1 year	0.00%	6.00%	0.00%	6.00%
Salary growth rate after 1 year	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	0.10%	0.11%	0.10%	0.11%
Age 40 Years	0.17%	0.18%	0.17%	0.18%
Age 50 Years	0.44%	0.49%	0.44%	0.49%
Age 60 Years	1.12%	1.15%	1.12%	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	25,009,862	23,808,468	2,996,977	4,317,445
Less: Fair value of plan assets	19,312,138	19,604,661	-	-
Net Liability (Assets) as per Balance Sheet	5,697,724	4,203,807	2,996,977	4,317,445
<b>III. Statement of Profit and Loss for the current period:</b>				
Current Service Cost	1,489,777	1,527,731	900,009	808,378
Past service cost and loss/(gain) on curtailments and settlements	-	-	-	-
Net interest cost	239,188	289,154	289,014	239,253
Net value of remeasurement on the obligation and plan assets	-	-	(1,496,247)	261,323
Total included in 'Employee Benefit Expense'	1,728,965	1,816,885	(307,224)	1,308,954
<b>IV. Other comprehensive income</b>				
Components of actuarial gain / losses on obligations:				
Due to change in financial assumptions	408,704	231,681	143,251	55,970
Due to change in demographic assumptions	(4,189)	-	90	-
Due to experience adjustments	(579,336)	13,500	(1,639,588)	205,353
Return on plan assets excluding amounts included in interest income	(60,227)	(83,146)	-	-
Amount recognized in Other Comprehensive Income	(235,048)	162,035	(1,496,247)	261,323



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(₹)

	Gratuity (Funded)		Compensated absences - Earned Leave (Unfunded)	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>V. Reconciliation of Defined Benefit Obligation:</b>				
Opening Defined Benefit Obligation	23,808,468	21,285,404	4,317,445	3,526,089
Current Service Cost	1,489,777	1,527,731	900,009	808,378
Interest cost	1,457,076	1,314,879	289,014	239,253
Components of actuarial gain / losses on obligations:				
Due to change in financial assumptions	408,704	231,681	143,251	55,970
Due to change in demographic assumptions	(4,189)	-	90	-
Due to experience adjustments	(579,336)	13,500	(1,639,588)	205,353
Past service cost	-	-	-	-
Benefits Paid	(1,570,638)	(564,727)	(1,013,244)	(517,598)
Closing Defined Benefit Obligation	25,009,862	23,808,468	2,996,977	4,317,445
<b>Note:</b> The closing Defined Benefit Obligations includes a) Gratuity of ₹ 14,73,463/- and b) Leave Encashment Benefits of ₹ 3,67,993/- in respect of employees resigned including after the close of the financial year.				
<b>VI. Reconciliation of plan assets:</b>				
Opening value of plan of assets	19,604,661	16,560,517	-	-
Interest income	1,217,888	1,025,725	-	-
Return on plan assets excluding amounts included in interest income	60,227	83,146	-	-
Contribution by Employer	-	2,500,000	-	-
Benefits Paid	(1,570,638)	(564,727)	-	-
Closing value of plan assets	19,312,138	19,604,661	-	-
<b>VII. Reconciliation of net defined benefit liability:</b>				
Net Opening provision in books of accounts	4,203,807	4,724,887	4,317,445	3,526,089
Expenses as above	1,728,965	1,816,885	(307,224)	1,047,631
Amount recognized as Other Comprehensive Income	(235,048)	162,035	-	261,323
Benefits Paid	-	-	(1,013,244)	(517,598)
Employer's Contribution to plan assets	-	(2,500,000)	-	-
Closing Net Liability	5,697,724	4,203,807	2,996,977	4,317,445
<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	1,432,005	1,669,928	687,990	493,655
Non-Current liability	4,265,719	2,533,879	2,308,987	3,823,790
Net Liability	5,697,724	4,203,807	2,996,977	4,317,445

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹)

	Gratuity (Funded)		Compensated absences - Earned Leave (Unfunded)	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>X. Expected cash flows based on past service liability:</b>				
Year 1	6,390,881	19.4%	319,997	7.50%
Year 2	1,626,536	4.9%	238,355	5.60%
Year 3	1,922,340	5.8%	252,989	5.90%
Year 4	2,602,460	7.9%	247,705	5.80%
Year 5	1,853,430	5.6%	223,611	5.20%
Year 6 to Year 10	12,446,986	37.9%	1,308,883	30.70%
<b>XI. Sensitivity to key assumptions:</b>				
<b>Discount rate Sensitivity</b>				
Increase by 0.5%	24,462,511	23,237,824	2,910,747	4,179,945
(% change)	-2.19%	-2.40%	-2.88%	-3.18%
Decrease by 0.5%	25,584,350	24,408,596	3,088,344	4,463,287
(% change)	2.30%	2.52%	3.05%	3.38%
<b>Salary growth rate Sensitivity</b>				
Increase by 0.5%	25,543,183	24,322,097	3,088,129	4,464,132
(% change)	2.13%	2.16%	3.04%	3.40%
Decrease by 0.5%	24,528,100	23,288,251	2,910,147	4,177,925
(% change)	-1.93%	-2.19%	-2.90%	-3.23%
<b>Withdrawal rate (W.R.) Sensitivity</b>				
W.R. x 110%	25,061,097	23,889,522	2,988,258	4,305,826
(% change)	0.20%	0.34%	0.29%	-0.27%
W.R. x 90%	24,953,435	23,719,661	3,006,115	4,329,352
(% change)	-0.23%	-0.37%	0.30%	0.28%

**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. The claims of the ex-employee according to the legal advisers are not maintainable as they find no merits in the false case made out by the ex-employee against the company and its directors. Several such complaints filed by the ex-employee have been closed by the concerned authorities.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 26. FINANCE COSTS

(₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expenses on long term borrowings	318,624	478,793
Interest expenses on short term borrowings	24,732	45,191
Interest on lease liabilities (Refer Note 3A)	1,125,049	-
Other borrowing costs (on delayed statutory dues)	785,268	114,017
<b>Total</b>	<b>2,253,673</b>	<b>638,001</b>

### 27. DEPRECIATION AND AMORTISATION EXPENSE

(₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of Property, plant and equipment (Refer Note 3)	33,490,084	35,952,791
Depreciation on Right of Use assets (Refer Note 3A)	3,451,872	-
Amortisation of Intangible assets (Refer Note 5)	500,692	582,631
<b>Total</b>	<b>37,442,648</b>	<b>36,535,422</b>

### 28. OTHER EXPENSES

(₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Power and Fuel	51,179,388	53,086,493
Rent (Refer Note 3A)	158,820	5,179,057
Licence, Rates and Taxes	2,586,550	2,080,777
Repairs to Buildings	14,650,289	26,004,691
Repairs to Machinery	10,847,003	12,547,613
Repairs to other fixed assets	6,678,695	10,168,285
Linen and Room Supplies	10,460,956	13,314,587
Other Supplies and expenses (Refer Note 28.1)	12,879,199	15,589,462
Guest Transportation	9,156,554	11,963,164
Water Charges	3,429,720	3,322,080
Printing and Stationery	2,552,843	2,505,190
Expenses on Communication	3,241,844	3,748,135
Travelling and Conveyance	16,966,814	17,143,656
Insurance	3,684,545	3,470,892
Advertisement, publicity and sales promotion	14,391,965	12,049,491
Service Charges - Marketing and collections	28,664,723	25,466,583
Band and music	7,304,209	6,415,351
Directors Fees	2,820,000	1,660,000
Consultancy, Legal and professional charges (Refer Note 28.2)	21,263,844	25,678,324
Auditors' remuneration (Refer Note 28.3)	572,195	555,459
Bad debts and irrecoverable amounts written off	69,242	-
<b>Carried forward</b>	<b>223,559,398</b>	<b>251,949,290</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 28. OTHER EXPENSES Contd....

(₹)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Brought forward	223,559,398	251,949,290
	Provision for Doubtful debts	-	19,626
	Fair valuation of security deposits	125,332	137,239
	Loss on sale / discard of fixed assets (net)	-	20,467
	GST, Luxury tax, Sales Tax etc. (including assessment dues)	4,192,146	1,430,934
	Expenditure on Corporate Social Responsibility (Refer Note 28.4)	2,795,007	2,510,233
	Miscellaneous Expenses	3,671,089	3,573,040
	<b>Total</b>	<b>234,342,972</b>	<b>259,640,829</b>
<b>28.1</b>	<b>Other Supplies and expenses include:</b>		
	Expenses incurred on Ayurveda Operating supplies	992,298	799,588
<b>28.2</b>	<b>Consultancy, legal and professional expenses include:</b>		
	Expenses incurred on Ayurveda Operating charges	1,711,753	1,559,094
<b>28.3</b>	<b>Auditors' remuneration and expenses:</b>		
	Statutory Audit fees	500,000	500,000
	For limited review	50,000	37,500
	Reimbursement of out-of-pocket expenses	22,195	17,959
	<b>Total</b>	<b>572,195</b>	<b>555,459</b>
<b>28.4</b>	<b>Expenditure incurred on corporate social responsibility activities:</b>		
	(1) Gross amount required to be spent by the company during the year	2,794,000	2,500,000
	(2) Amount spent during the year on		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	2,795,007	2,510,233
	(Include ₹ 1,085,088/- (Previous Year ₹ Nil) incurred during the FY 2019-20 but yet to be paid due to Covid-19 pandemic lockdown and will be paid in the FY 2020-21)		



# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 29. EARNINGS PER SHARE

(₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Basic / Diluted earnings per share</b>		
From continuing operations attributable to the owners of the company	2.44	2.46
From discontinued operation	-	-
<b>Total basic earnings per share attributable to the owners of the company</b>	<b>2.44</b>	<b>2.46</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, 2020	Year ended March 31, 2019
<b>Earnings used in the calculation of basic earning per share</b>		
Profits from continuing operations attributable to the owners of the company	112,616,304	113,705,976
Profit / Loss from discontinued operation	-	-
<b>Earnings used in the calculation of basic earnings per share</b>	<b>112,616,304</b>	<b>113,705,976</b>
Weighted average number of equity shares for the purpose of basic / diluted earnings per share	46,219,250	46,219,250

### 30. CONTINGENT LIABILITIES

(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Claims against the Company not acknowledged as debts	4,790,571	13,323,083
b) Pending bank guarantees	3,185,633	3,185,633
c) Other Contingent liabilities:		
A. In respect of claims against the Company pending appellate / judicial decisions, not acknowledged as debts:		
i) Service tax (Settled under Govt. Amnesty Scheme during the year)	-	4,165,448
ii) Provident fund dues and charges	703,438	703,438
iii) Customs duty	10,219,098	10,219,098
iv) License Fees for renewal of casino licence - State Government	3,652,000	3,652,000
v) Annual recurring fees for casino - State Government	22,380,246	22,380,246
vi) Income-tax	8,094,420	588,929
<b>Notes:</b> i) 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 filed by the Income Tax Department has been dismissed by the ITAT vide Appellate Order dated June 3, 2019. Accordingly, the above demand does not survive now.		
ii) The Income Tax Authorities have filed appeals against the orders passed by the ITAT for AY 2010-11, 2011-12 and 2012-13 with the High Court, which are pending. The ITAT has allowed these appeals in favour of the Company. The Company has not been served with the appeal memo yet and it is not known against which relief appeals have been filed. Further the tax effect in each of these appeals is less than the prescribed limits for not filing the appeals by the Income Tax Authorities. Hence, these appeals are liable to be withdrawn by the Income Tax Authorities for which an application has been made by the Company. In view of the above, no further provision is required to be made for any tax liability for the above 3 years.		
B. By Employees	12,598,844	8,617,340

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 30. CONTINGENT LIABILITIES Contd...

		(₹)		
Particulars	As at March 31, 2020	As at March 31, 2019		
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. Since from various State High Courts matters on similar issue are moving to the Supreme Court of India, the Company filed a petition before the Supreme Court of India for seeking the relief in the matter. The Company's petition has been admitted and matter has been tagged to the other similar matters pending before the Court. The matter is pending disposal before the Supreme Court. 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. 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 (d) 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, 2020	As at March 31, 2019		
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	<b>1,834,286</b>	1,544,750	

### 32. 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".

### 33. IMPACT OF COVID-19

Covid-19 pandemic has impacted and continues to impact business operations in many countries including in India due to lockdown, travel bans, quarantines, and other emergency measures. With respect to operations of the Company, it has impacted its business by way of reduction in the hotel occupancy and ARR for the month of March 2020 as the hotel operations were temporarily closed due to lockdown announced by the Government. Company's hotel continues to be so closed in view of continuing lockdown. The management has taken / is taking several cost savings initiatives to conserve cash and reduce loss due to such forced closure of its operations.

In evaluating the impact of Covid-19 on its ability to continue as a going concern and its possible impact on its financial position, the management has assessed the impact of macro-economic conditions on its business and the carrying values of its major assets comprising of Property, Plant & Equipment, trade receivables, investments and other assets as at the balance sheet date. The management has carefully considered the circumstances and risk exposures arising from Covid-19 situation for developing estimates based on all available information in its assessment of impact thereof on its financial reporting.

Based on aforesaid assessment and the fact that the Company has no loan debts and enough liquid funds, the management believes that the Company will continue as a going concern and will be able to meet all its obligations as well as recover the carrying amount of its assets as on the balance sheet date.

Management believes that it has considered all the possible impact of known events arising from Covid-19 pandemic in the preparation of these financial statements. The associated economic impact is highly dependent on variables that are difficult to predict. The impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Company will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognised in the financial statements as and when these material changes to economic conditions arise.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 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 creditworthiness 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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### Maturities of financial liabilities

March 31, 2020

(₹)

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	1,089,016	1,181,195	952,372	-	3,222,583
Trade payables	34,570,712	-	-	-	34,570,712
Other financial liabilities	54,145,618	-	-	-	54,145,618
<b>Total</b>	<b>89,805,346</b>	<b>1,181,195</b>	<b>952,372</b>	<b>-</b>	<b>91,938,913</b>

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>					
Vehicle loans	1,365,536	1,089,016	2,027,370	106,197	4,588,119
Trade payables	32,276,005	-	-	-	32,276,005
Other 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>

### 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, 2020	As at March 31, 2019
Vehicle Term Loans and other	17	4,408,583	5,774,119
Less: Cash and cash equivalents	13	15,397,306	1,994,373
Net debt		(10,988,723)	3,779,746
Total equity	15 & 16	472,984,930	544,883,093
Gearing Ratio		-2.32%	0.69%

### 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.



# ADVANI HOTELS & RESORTS (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 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, 2020 and March 31, 2019:

(₹)

Particulars	Foreign Currency	March 31, 2020	March 31, 2019
Trade payables	U. S. Dollars (US\$)	809,457	839,050
	Great Britain Pounds (GBP)	72,695	-
		809,457	839,050
Trade receivables	U. S. Dollars (US\$)	-	-
	Euro (€)	-	-
	Great Britain Pounds (GBP)	-	-
		-	-
Net Receivable / (Payable)		(809,457)	(839,050)

For the year ended March 31, 2020 and March 31, 2019, 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:

(₹)

Particulars	% change in US\$ rate	Effect on profit before tax	
		For the year ended March 31, 2020	For the year ended March 31, 2019
Appreciation in exchange rate	1%	(8,095)	(8,391)
Depreciation in exchange rate	-1%	8,095	8,391

(₹)

Particulars	% change in € rate	Effect on profit before tax	
		For the year ended March 31, 2020	For the year ended March 31, 2019
Appreciation in exchange rate	1%	-	-
Depreciation in exchange rate	-1%	-	-

(₹)

Particulars	% change in GBP rate	Effect on profit before tax	
		For the year ended 31st March, 2020	For the year ended 31st March, 2019
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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 35. FINANCIAL INSTRUMENTS

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

(₹)

Particulars	Refer Note No.	Non Current		Current	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>i) Financial Assets measured at Amortised Cost</b>					
Bank deposit with more than 12 months	7	8,898,387	3,416,687	-	-
Sundry Deposits	6	2,381,450	1,250,000	797,740	2,195,852
Trade and Other Receivables	12	-	-	26,020,914	34,159,497
Cash & Cash Equivalents	13	-	-	15,397,306	1,994,373
Other Bank Balances	14	-	-	6,849,433	5,627,214
Others	6 & 7	-	-	511,381	410,980
<b>Total</b>		<b>11,279,837</b>	<b>4,666,687</b>	<b>49,576,774</b>	<b>44,387,916</b>
<b>ii) Financial Liabilities measured at Amortised Cost</b>					
Long term borrowings	17	3,319,567	4,408,583	-	-
Short term borrowings	17	-	-	-	11,142,315
Trade & other payables	19	-	-	34,570,712	32,276,005
Other financial liabilities	20	-	-	55,234,634	38,791,766
<b>Total</b>		<b>3,319,567</b>	<b>4,408,583</b>	<b>89,805,346</b>	<b>82,210,086</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 and approved by the Board of Directors are based on the profits available for distribution as reported in the financial statements of the Company.

#### Dividends paid during the year

(₹)

Particulars	FY 2019-20	FY 2018-19
Final Dividend for FY 2017-18 @10%	-	9,243,850
Tax on Final Dividend for FY 2017-18	-	1,881,830
First Interim Dividend @ 30% for FY 2018-19	-	27,731,550
Dividend Distribution Tax on First Interim Dividend for FY 2018-19	-	5,700,283
Second Interim Dividend @ 70% for FY 2018-19	64,706,950	-
Tax on Second Interim Dividend for FY 2018-19	13,300,659	-
First Interim Dividend @ 40% for FY 2019-20	36,975,400	-
Dividend Distribution Tax on First Interim Dividend for FY 2019-20	7,600,385	-
Second Interim Dividend @ 55% for FY 2019-20	50,841,175	-
Dividend Distribution Tax on Second Interim Dividend for FY 2019-20	10,450,553	-
<b>Total</b>	<b>183,875,122</b>	<b>44,557,513</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 37. RELATED PARTY DISCLOSURES

**(a) Related parties**

**i) Subsidiary Company:**

None

**ii) Parties where control exists:**

None

**iii) Key Management Personnel:**

Mr. Sunder G. Advani

Chairman & Managing Director

Mr. Haresh G. Advani

Executive Director (Whole-time Director)

Mr. Prahlad S. Advani

Director of Operations (Whole-time Director)

Mr. Nilesh Jain

Company Secretary

Mr. Shankar Kulkarni (upto July 2019)

Chief Financial Officer

Mr. Sachin Jain (from December 2019)

Chief Financial Officer

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

Mrs. Menaka S. Advani

Non-Executive Director and relative

Mrs. Nina H. Advani

Non-Executive Director and relative

Mrs. Shahna Garg Advani (Proprietary Concern M/s. D'Bar Inc)

Relative

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

M/s. D. M. Harish & Co., Advocates

A Partnership firm wherein relative of Mr. Adhiraj Harish, Non-Executive Director of the Company, is a partner.

M/s. Malvi Ranchoddas & Co., Solicitors & Advocates

A Partnership firm wherein Mr. Prakash Mehta, Non-Executive Director of the Company, is a partner.

M/s. S. D. Israni Law Chambers

A Law firm wherein Mr. S. D. Israni, Non-Executive Director of the Company, is a partner.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### (b) Summary of transactions during the year with Related Parties and status of year-end outstanding balances: (₹)

Nature of transactions	(Figures in italics are for previous year)	
	Key Management Personnel	Associates and other related parties
Sitting Fees / Remuneration	<b>35,754,996</b>	<b>730,000</b>
	<i>34,672,796</i>	<i>480,000</i>
Professional Fees	-	<b>1,731,486</b>
	-	<i>1,941,050</i>
Digital Marketing & Other Design Services		<b>891,913</b>
		-
Expenses recovered	<b>609,860</b>	-
	<i>1,577,682</i>	-
Balance outstanding at the year end:		
Creditors / Payables	-	<b>335,520</b>
	-	<i>729,000</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

Particulars	(₹)	
	2019-20	2018-19
Short term employee benefits	29,536,000	27,360,000
Post employment benefits	588,000	556,800
Perquisites	1,414,365	1,242,925
Other long term benefits*	-	-

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

Particulars	(₹)	
	2019-20	2018-19
Short term employee benefits	3,878,513	5,264,863
Post employment benefits	50,384	176,818
Perquisites	287,734	71,390
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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

(₹)

Particulars	2019-20	2018-19
<b>Remuneration to Key Managerial personnel and sitting fees to their relatives:</b>		
Mr. Sunder G. Advani - Chairman & Managing Director	13,695,600	12,367,251
Mr. Hareesh G. Advani - Executive Director (Whole-time director)	9,138,404	8,348,976
Mr. Prahlad S Advani - Director of Operations (Whole-time director)	8,704,361	8,443,498
Mrs. Menaka S Advani (Relative and non-executive director)	420,000	280,000
Mrs. Nina H. Advani (Relative and non-executive director)	310,000	200,000
Mr. Nilesh Jain - Company Secretary	2,066,007	1,867,535
Mr. Shankar G. Kulkarni - Vice President Finance - CFO	1,262,056	3,645,536
Mr. Sachin Jain - CFO	888,568	-
<b>Professional Fees:</b>		
Malvi Ranchoddas & Co.	881,486	1,041,050
D M Harish & Co.	850,000	850,000
S. D. Israni Law Chambers	-	50,000
<b>Digital Marketing &amp; Other Design Services:</b>		
D'Bar Inc (Mrs. Shahna Garg Advani)	891,913	-
<b>Expenses recovered:</b>		
Mr. Sunder G. Advani	152,898	271,465
Mr. Hareesh G. Advani	184,443	233,620
Mr. Prahlad S Advani	272,519	1,072,597
<b>Year end balances:</b>		
Sundry Creditors / payables:		
Malvi Ranchoddas & Co.	106,920	684,000
S. D. Israni Law Chambers	45,000	45,000
D'Bar Inc (Mrs. Shahna Garg Advani)	183,600	-

**Note:** The previous figures have been regrouped / reclassified, wherever necessary to conform to the current year's presentation.

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

For and on behalf of the Board of Directors

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

**Prahlad S. Advani**  
*Director of Operations*  
 (Whole-time Director)  
 (DIN 6943762)

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

**Nilesh Jain**  
*Company Secretary*

**Sachin Jain**  
*Chief Financial Officer*

Mumbai, June 30, 2020











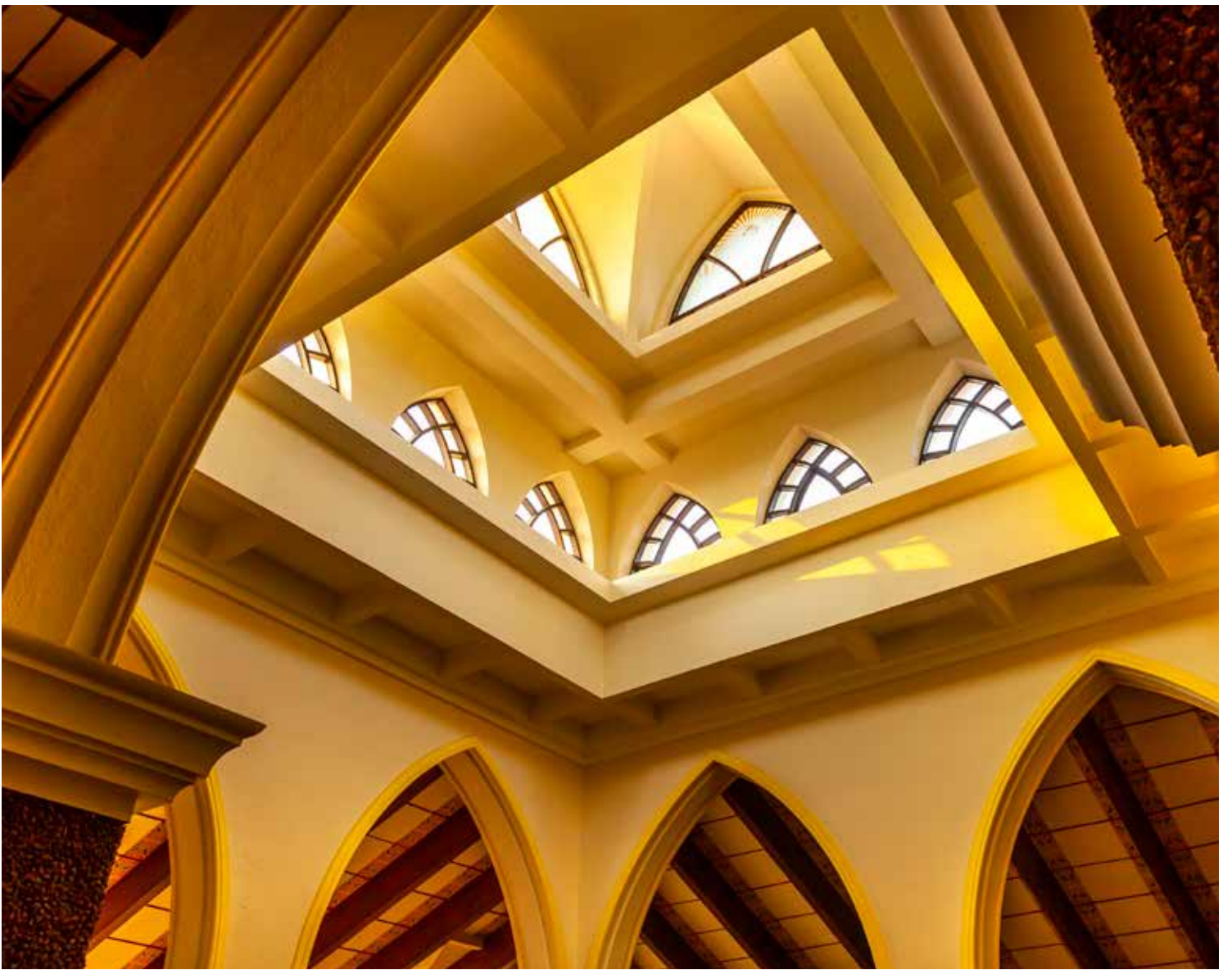












































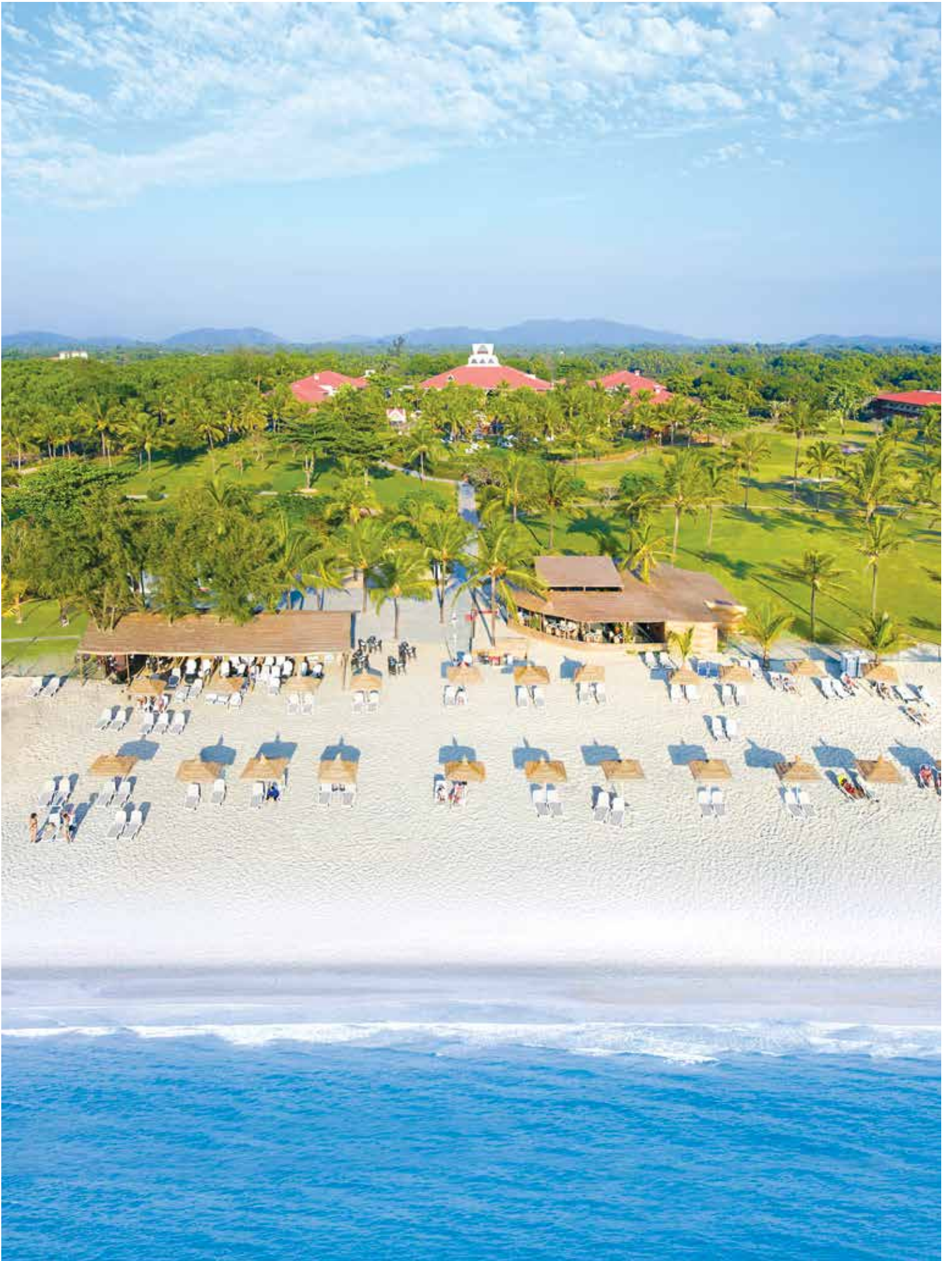
















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