

NOTICE

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

ORDINARY BUSINESS:

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

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

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

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

SPECIAL BUSINESS:

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

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

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

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

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

Nilesh Jain
Company Secretary
(ACS 18320)

Place: Mumbai
Date: August 14, 2017

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

NOTES:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice. The profile of the Directors seeking appointment/re-appointment, as required in terms of Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations, 2015) and secretarial standards 2, is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A PERSON CAN ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.

3. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution together with their specimen signature authorizing their representatives to attend and vote at the AGM.
4. In case of joint holder/s attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 21st, 2017 to Wednesday, September 27th, 2017 (both days inclusive).

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

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

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

12. Voting through electronic means & at the AGM

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (LODR) Regulations, 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at AGM by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM (Remote e-voting) will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

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IV. The remote e-voting period commences on 23rd September, 2017 (9:00 AM) and ends on 26th September, 2017 (5:00 PM). During this period members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 20, 2017, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.

V. The procedure and instructions for remote e-voting are as under:

A. in case a member receives an email from NSDL (for members whose email ID's are registered with the Company/depository participants):

- (i) Open email and open PDF file 'AHRIL remote e-Voting.pdf' attached to the e-mail, using your Client ID / Folio No. as password. The PDF file contains your User ID and Password for remote e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
- (ii) Launch an internet browser and open <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login.
- (iv) Put 'User ID' and 'Initial Password' as noted in step (i) above and click on 'Login'.
- (v) Password change menu will appear. Change the Password with a new Password of your choice with minimum 8 digits/characters or combination thereof. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
- (vi) Home page of remote e-voting will open. Click on e-Voting - Active Voting Cycles.
- (vii) Select 'EVEN' of ADVANI HOTELS & RESORTS (INDIA) LIMITED.
- (viii) Now you are ready for e-voting as 'Cast Vote' page opens.
- (ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
- (x) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (xi) Once you have confirmed your vote on the resolution, you cannot modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at bhattvirendra1945@yahoo.co.in with a copy marked to evoting@nsdl.com.

(B) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip (for members whose email ids are not registered with the company/depository participant or requesting physical copy):

- (i) Initial Password is provided, as follows, at the bottom of the Attendance Slip.

EVEN (E-Voting Event Number)	USER ID	PASSWORD
-	-	-

- (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) mentioned above, to cast vote.

VI. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of NSDL's e-voting website <https://evoting.nsdl.com> or call on toll free no.: 1800-222-990.

- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the Cut-off date i.e. September 20, 2017.
- X. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. September 20, 2017, may obtain the login Id and password by sending a request at rajivr@nsdl.com.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories, as on the cut-off date only, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Virendra Bhatt, Practicing Company Secretary (Membership No. ACS 1157) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the 30th Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.caravelabeachresortgoa.com and on the website of NSDL www.nsdl.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai, National Stock Exchange of India Limited (NSE), where the shares of the Company are listed.
13. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013, will be available for inspection at the Annual General Meeting.
14. Members are requested to note that as per Section 205A of the Companies Act, 1956, dividends not encashed / claimed within seven years from the date of declaration shall be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.
15. Members are requested to contact the Company for en-cashing the unclaimed dividends standing to the credit of their account. The detailed dividend history and due dates for transfer to IEPF are available on the website of the Company www.caravelabeachresortgoa.com

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

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

Item No. 4

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

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

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

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

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

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

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

The Board recommends the Resolution for approval by the Members.

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

Item No. 5 :

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I. Period of appointment

August 1, 2017 to July 31, 2022

II. Remuneration Period and Terms

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

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

(A) Fixed Compensation:

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

(B) Perquisites and Allowances:

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

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

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

Explanation:

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

III. Overall Remuneration

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

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

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

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

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

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

1. General Information:

- a. Nature of Industry: The Company is engaged in the Hotel Business and owns “Caravela Beach Resort”, a Five-Star Deluxe Hotel in Goa. The business of the company is seasonal in nature.
- b. Date or expected date of commencement of commercial production – The Company commenced its commercial operations on 4th December, 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 31.03.2017 (₹)	F Y 31.03.2016 (₹)
1	Profit After Tax (PAT)	87,856,896	64,031,521
2	EPS (Basic & diluted earnings per share)	1.90	1.39

- 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 Luxury Resort on Colva Beach at Varca, Goa.

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

2. Information about the appointee:

- 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 203 room 5 Star Deluxe “Caravela Beach Resort, Goa”.

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

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

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

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

- b. Past Remuneration approved:

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

c. Recognition or Awards:

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

d. Job Profile and his suitability:

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

e. Remuneration proposed:

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

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

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

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

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

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

3. Other Information:

a) Reason for Inadequate Profits:

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

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

ADVANI HOTELS & RESORTS (INDIA) LIMITED

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

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

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

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

Nilesh Jain
Company Secretary
(ACS 18320)

Place: Mumbai
Date: August 14, 2017

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

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

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

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