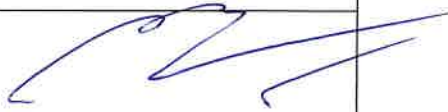
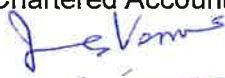


FORM A
(Pursuant to Clause 31(a) of Listing Agreement)

Sr. No.	Particulars	Details
1.	Name of the Company	Advani Hotels & Resorts (India) Limited
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit observation	Matter of Emphasis We draw attention to Note 33.1(c) to the financial statements which describes payment/provision of remuneration of Rs.1,251,946 to a relative executive of the Company, for which an application for approval has been made to the Central Government under Section 314(1B) of the Act, which is awaited. Our opinion is not qualified in respect of this matter.
4.	Frequency of observation	First Time and quarterly
5.	<u>Signed by</u>	For Advani Hotels & Resorts (India) Limited
	Chairman & Managing Director	Mr. Sunder G. Advani 
	Audit Committee Chairman	Mr. K. Kannan 
	Chief Financial Officer	Mr. Shankar Kulkarni 
	Auditors of the Company	For J.G. Verma & Co. Chartered Accountants  J.G. Verma Partner

Mumbai, August 1, 2014



ADVANI HOTELS & RESORTS (INDIA) LTD



ANNUAL REPORT
2013 - 2014



Mr. Sunder G. Advani, Chairman & Managing Director

Chairman's Speech

Welcome to the 27th Annual General Meeting of our Company. Every year, I emphasize the importance of the tourism industry. We are now fortunate to have a Prime Minister who, even before he was elected, identified Tourism as one of the major thrusts for the economy. This is the first time that any political party has stated that they recognize that tourism and hospitality can play an important role in India's economy. In his speech on Independence Day our Prime Minister mentioned that the benefits of tourism percolate to various sectors in both urban and rural areas of India and efforts should be made to make India clean. In this same speech, our Prime Minister stated that he would like everything to be made in India. This is the first time that a Prime Minister has made a statement outlining the necessity for India to be a major exporter and reduce the reliance on imports. I was particularly elated to hear these words as it has been our Company's mission to increase exports of the Services sector by attracting more foreign tourists.

Tourism contributed to 6.2% of India's GDP and 7% employment as per a study conducted by the World Travel & Tourism Council. While both domestic and foreign tourism create jobs, India needs to earn foreign exchange to reduce the Current Account Deficit. Our country has to continually spend more on imports, especially oil. More of us are travelling overseas which adds to the outflow of funds. However, our exports as well as the number of foreign tourist arrivals are not increasing at the same rate. These are some of the reasons for the increase in the Current Account Deficit, which was identified as a major cause of concern for the Indian economy. Several measures need to be taken to increase foreign exchange earnings from tourism. We need to make it easier for foreign tourists, especially affluent tourists, to visit India. The Government has committed to offer Visas On Arrival in the few months at 9 airports, including Goa, which will remove one of the major bottlenecks. Only 6.8 million foreigners visited India last year. As there were adverse media reports regarding the safety of women in India, the increase was marginal. It is heartening that in 2013 there was an increase of 6.2% in the amounts spent in India by international visitors.

The future for the hospitality industry looks encouraging. The world is regaining confidence in India. The future for Goa's tourism is especially bright. The number of foreign tourists visiting Goa is likely to increase as the new integrated terminal, which is at least 5 times bigger, is fully operational with 5 aerobridges. The terminal has enough space for issuing Visas on Arrival, which will lead to a substantial increase in foreign visitors. The number of domestic visitors are also likely to increase. Airfares have become cheaper due to competition. The fact that the new Minister of Tourism of India is from Goa may also lead to new infrastructure projects such as bridges being approved for

Goa. Our hotel will benefit from these developments as we have the newest guest rooms in Goa after the recent renovation. The Ministry of Tourism of the Government of India reclassified our hotel in the 5-star Deluxe category even prior to the total redoing of 62 rooms of our oceanfront wing.

We managed to achieve a 4% growth in total income from ₹ 3979 lakhs to ₹ 4133 lakhs despite the fact that 30% of the guestrooms were closed for renovation from July to October 2013. This increase was achieved due to higher realization in Rupees from foreign currency denominated charter contracts after the weakening of the rupee. However, the profit after tax declined from ₹ 263 lakhs to ₹ 226 lakhs.

Since business for April and May improved substantially, the Company declared an interim dividend at the rate of 12% for the financial year 2013-2014. The quarter ending June was the best ever as we made a profit of ₹ 27 lakhs as compared to a loss of ₹ 90 lakhs. I would like to highlight that our Company is doing exceedingly well even thereafter. Our total income for the financial year as of the end of August is up by about 45%. The Gross Operating Profit for the 4 months ending July is ₹ 219 lakhs as compared to a Loss of ₹ 29 lakhs. Although our Company is one of the smaller players in the hospitality industry as far as sales, it has one of the highest ratios of net profits to sales of all listed hotel Companies. We believe in creating value for our shareholders while providing value for money to our guests. Careful planning for growth is essential for success in any business. It also helps if borrowing is kept to reasonable limits so that profitability is not impacted by high interest costs.

In conclusion, I would like to thank the Central Government, especially the Ministries of Tourism and Civil Aviation, and also the Government of Goa for their continued assistance to the tourism industry. I would also like to thank the Wyndham Hotel Group, Bank of Baroda and Bank of India for their support. I am extremely grateful to my colleagues on the Board for their valuable advice. The employees and executives of the Ramada Caravela Beach Resort deserve immense praise for their unstinted dedication. A special thanks to our business associates, tour operators and travel agents. Last but not the least, I would like to thank all you shareholders for your continued support and encouragement and giving me the opportunity to continue to lead your Company in an exciting era for our industry.



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

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BOARD OF DIRECTORS	Mr. Sunder G. Advani Mr. Haresh G. Advani Mr. K. Kannan Mr. Prakash V. Mehta Mr. Anil Harish Mrs. Menaka S. Advani Mrs. Nina H. Advani (w.e.f. August 01, 2014) Mr. Prahlad S. Advani (w.e.f. August 01, 2014)	Chairman & Managing Director Executive Director
GENERAL MANAGER – FINANCE (CFO)	Mr. Shankar Kulkarni	
COMPANY SECRETARY	Mr. Kumar Iyer (upto May 19, 2014) Mr. Raju Bamane (w.e.f. June 24, 2014)	
AUDITORS	Messrs J. G. Verma & Co. Chartered Accountants	
SOLICITORS	Messrs Malvi Ranchoddas & Co.	
BANKERS	Bank of Baroda Bank of India	
REGISTERED OFFICE	18A & 18B, Jolly Maker Chambers – II Nariman Point Mumbai - 400 021	
LOCATION OF THE RESORT	Ramada Caravela Beach Resort Varca Beach, Varca Village Salcette, Goa - 403 721	
DELHI SALES OFFICE	4th Floor, Statesman House Barakhamba Road, Connaught Place New Delhi - 110 001	
REGISTRAR AND SHARE TRANSFER AGENTS	Datamatics Financial Services Limited Plot No. B-5, Part B, Cross Lane MIDC Marol, Andheri (East) Mumbai - 400 093	
FOREIGN COLLABORATORS	Wyndham Hotels, U.S.A. (Previously Ramada International, Inc., U.S.A.)	

NOTICE

Notice is hereby given that the **Twenty Seventh Annual General Meeting** of the Members of **Advani Hotels & Resorts (India) Limited** will be held at 'Rangaswar', 4th Floor, Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai – 400021 on Wednesday September 24, 2014 at 11.00 a.m. to transact the following business;

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014, 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 the Interim Dividend paid @ 12% (₹ 0.24 per Share) and consider, approve and declare the same as the final dividend for the financial year ended 31st March, 2014.
3. To re-appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of Thirtieth Annual General Meeting to be held after this meeting subject to ratification at every Annual General Meeting and to fix their remuneration and to pass the following remuneration;

“RESOLVED that pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder and pursuant to the recommendation of Audit Committee of the Board of Directors of the Company, M/s. J. G. Verma & Co., Chartered Accountants, having Firm Registration No. 111381W be and hereby re-appointed as the Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the third consecutive Annual General Meeting subject to ratification of the appointment by the members at every Annual General Meeting to be held after this meeting and that the Board of Directors be and hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors.”

SPECIAL BUSINESS:

4. Appointment of Mr. Prakash Vasantlal Mehta as an Independent Director

To consider and if thought fit to pass with or without modification(s) the following resolution as **Ordinary Resolution**;

“RESOLVED that pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications and re-enactment(s) thereof, for the time being in force) Mr. Prakash Vasantlal Mehta (DIN : 00001366) Director of the Company whose period of office liable to determination by retirement of Directors by rotation (under the erstwhile Companies Act, 1956) and who retires by rotation at the Annual General Meeting be and is hereby appointed as an Independent Director of the Company to hold office upto five consecutive years commencing from September 24, 2014 and whose term of office shall not be liable to retire by rotation.”

5. Appointment of Mr. Krishnamoorthy Kannan as an Independent Director

To consider and if thought fit to pass with or without modification(s) the following resolution as **Ordinary Resolution**;

“RESOLVED that pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications and re-enactment(s) thereof, for the time being in force) Mr. Krishnamoorthy Kannan (DIN : 00001509) Director of the Company whose period of office liable to determination by retirement of Directors by rotation



(under the erstwhile Companies Act, 1956) and who retires by rotation at the Annual General Meeting be and is hereby appointed as an Independent Director of the Company to hold office upto five consecutive years commencing from September 24, 2014 and whose term of office shall not be liable to retire by rotation.”

6. Appointment of Mr. Anil Harish as an Independent Director

To consider and if thought fit to pass with or without modification(s) the following resolution as **Ordinary Resolution**;

“RESOLVED that pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications and re-enactment(s) thereof, for the time being in force), Mr. Anil Harish (DIN : 00001685) Director of the Company whose period of office liable to determination by retirement of Directors by rotation (under the erstwhile Companies Act, 1956) be and is hereby appointed as an Independent Director of the Company to hold office upto five consecutive years commencing from September 24, 2014 and whose term of office shall not be liable to retire by rotation.”

7. Appointment of Mr. Vinod Dhall as an Independent Director

To consider and if thought fit to pass with or without modification(s) the following resolution as **Ordinary Resolution**;

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (the 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), Mr. Vinod Dhall (DIN: 02591373), who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years commencing from September 24, 2014 and whose term of office shall not be liable to retire by rotation.”

8. Appointment of Mrs. Nina Haresh Advani as Non Executive Director

To consider and if thought fit to pass with or without modification(s) the following resolution as **Ordinary Resolution**;

“RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof for the time being in force), Mrs. Nina Haresh Advani (DIN: 00017274), who was appointed by the Board of Directors as an Additional Director of the Company with effect from August 1, 2014 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Companies Act, 2013 proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Non Executive Director of the Company and whose term of office shall be liable to retire by rotation.”

9. Ratification for holding an office or place of profit under Section 188(1)(f) and (3) of the Companies Act, 2013 by Mr. Prahlad S. Advani, Vice President and Asset Manager for the period April 1, 2014 to July 31, 2014

To consider and if thought fit to pass with or without modification(s) the following resolution as **Special**

Resolution;

“RESOLVED that pursuant to the Special Resolution No. 5 passed under Section 314(1B) of the Companies Act 1956 by the Shareholders of the Company in their Twenty Third Annual General Meeting of the Company held on Wednesday, December 15, 2010 read together with Central Government's approval vide letters SRNo. B07008162/1/2011 – CL. VII dated the March 16, 2012 and SRNo. B93872000/2014 – CL VII dated the August 13, 2014, and pursuant to the provisions of Clause (f) of Sub Section (1) and Sub Section (3) of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable Rules made under the Companies Act, 2013 (including any statutory modification(s) or reenactment(s) thereof for the time being in force and hereinafter referred to as the “Act”) the Company hereby ratifies the holding of an office or place of profit by Mr. Prahlad S. Advani, Vice President and Asset Manager for the period from April 1, 2014 to July 31, 2014 on the same terms and conditions as mentioned in the said Special Resolution No. 5 which is reproduced as follows;

Salary

Salary of ₹ 1,30,000 in the Company's Special Grade of ₹ 1,30,000 – ₹ 17,500 – ₹ 2,00,000.

For the period from April 1, 2014 to July 31, 2014 Salary of ₹ 1,73,030/- per month (pro-rata of the total remuneration allowed and approved by the Central Government vide its approval letter SRNo. B93872000/2014 – CL VII dated the August 13, 2014).

Perquisites

In addition to the salary, Mr. Prahlad S. Advani shall be entitled to the following perquisites:

CATEGORY 'A'

I. Housing

- (a) Company leased unfurnished accommodation or House Rent Allowance in lieu thereof subject to a maximum of 60% of Salary.
- (b) In case the accommodation is owned by the Company, 10% of the salary shall be deducted by the Company.

II. Medical reimbursement

Medical expenses reimbursement for self, spouse and family members subject to a maximum of one month's salary per annum or three months' salary over a period of three years.

III. Leave Travel Allowance

Leave Travel Allowance for self, spouse and family members once in a year incurred in accordance with the Company's rules subject to a maximum of one month's salary per annum or two months' salary over a period of two years.

IV. Insurance

Insurance premium not exceeding 3.1% of the Salary.

V. Other allowances/reimbursements

- (a) Reimbursement of Uniform, Books & Periodicals and Computer Allowance subject to a maximum of 15% of the Salary.



- (b) Reimbursement of Club Fees/Expenses subject to a maximum of 10% of the Salary.
- (c) Reimbursement of Entertainment Expenses subject to a maximum of 12% of the Salary.

CATEGORY 'B'

I. Provident Fund

Provident Fund/Superannuation/Annuity Fund Contributions as per the Company's rules.

II. Gratuity

Gratuity as per the Company's rules.

CATEGORY 'C'

I. Car

Provision of a car with driver and petrol expenses for use of Company's business. Use of car for personal purposes shall be billed by the Company.

II. Telephone

Provision of telephone at residence for Company's business purpose. Provision of Mobile phone as per Company's rules.

The employment can be terminated by either party by giving 90 days notice in writing.

RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board be and is hereby 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."

10. Appointment of Mr. Prahlad S. Advani as Whole-time Director

To consider and if thought fit to pass with or without modification(s) the following resolution as **Special Resolution**;

"RESOLVED that pursuant to the provisions of Sections 196, 197, 198 and 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 reenactment thereof for the time being in force and hereinafter referred to as the "Act") and subject to the approval of the Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by the Central Government and any of the authorities while granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the appointment of Mr. Prahlad S. Advani (DIN: 06943762) as a Whole-time Director of the Company Designated as "Director of Operations" for a period of three years with effect from August 1, 2014 upon the remuneration as may be determined and agreed to between the Board of Directors and Mr. Prahlad S. Advani, subject to the following terms and conditions:

I. Period of appointment: August 1, 2014 to July 31, 2017

II. Remuneration

(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 in the scale range of ₹ 2,46,000 – ₹ 32,000 – ₹ 3,10,000 per month, payable monthly. 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 contributions 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) Flexible Compensation

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 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 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.

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 Schedule V to the said Act as may for the time being, be in force.



IV. Termination

The employment can be terminated by either party by giving 90 days notice in writing.

RESOLVED FURTHER that the approval of the Company be accorded to the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include any duly authorised Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) to revise the basic salary payable to Mr. Prahlad S. Advani, Director of Operations within the above mentioned scale of salary.

RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board 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."

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

Raju Bamane
Company Secretary

Place: Mumbai
Date: August 26, 2014

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

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
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. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.
3. Corporate Members intending to send their authorised representatives u/s 187 of the Companies Act, 1956, are requested to send a duly certified copy of the Board Resolution authorizing their representative/s to attend and vote at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 24, 2014 to Wednesday, September 24, 2014 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.

5. As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of upto five consecutive years and are not liable to retire by rotation. Accordingly, resolutions proposing appointment of an Independent Directors are given at item nos. 4 to 7.
6. 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 e-mail address either with the Company or with the Depository. Members who have not registered their e-mail 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.caravelabeachresort.com to M/s. Datamatics Financial Services Limited/Investor Service Department of the Company. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
7. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a 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 e-mail IDs 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 to attend the AGM.
8. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Friday, August 22, 2014, are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 9.00 a.m. on Thursday, September 18, 2014 and will end at 6.00 p.m. on Saturday, September 20, 2014. The Company has appointed Mr. Virendra Bhatt, Practicing Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

PROCEDURE FOR E-VOTING

- I. The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting for AGM. The instructions for e-voting are as under:
 - (A) In case of Members receiving the E-mail from NSDL:
 - (i) Open e-mail and open PDF file viz.; "AHRIL e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on "Shareholder – Login".
 - (iv) Insert user ID and password as initial password noted in step I (A) (i) above. Click "Login"
 - (v) "Password change" menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly



recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (vi) Home page of “e-Voting” opens. Click on “e-Voting: Active E-voting Cycles”.
- (vii) Select “EVEN” (Electronic Voting Event Number) 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” and also click on “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) For the votes to be considered valid, the corporate and institutional shareholders (companies, trusts, societies, etc.) are required to send a scanned copy (PDF/JPG format) of the relevant Board Resolution/ Appropriate Authorization etc. together with attested specimen signature of the duly authorized signatory(ies), to the Scrutinizer through e-mail at bhattvirendra@sify.com with a copy marked to evoting@nsdl.co.in.

(B) In case of Shareholders receiving physical copy of the Notice of AGM and Ballot Form:

- (i) User ID and initial password is provided at the bottom of the Ballot Form
- (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast your vote.

- II. 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 www.evoting.nsdl.com.
 - III. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.
 - IV. The voting rights shall be as per the number of equity share held by the Member(s) as on Friday, August 22, 2014. Members are eligible to cast their vote electronically only if they are holding shares as on that date.
 - V. The Companies (Management and Administration) Rules, 2014 provides that the electronic voting period shall be completed three days prior to the date of AGM. Accordingly, the e-voting period shall commence at 9.00 a.m. on Thursday, September 18, 2014 and will end at 6.00 p.m. on Saturday, September 20, 2014. The e-voting module shall be disabled by NSDL at 6.00 p.m. on Saturday, September 20, 2014.
 - VI. The results shall be declared on or after the AGM. The results along with the Scrutinizer’s Report, shall also be placed on the website of the Company.
- 9. Members holding shares in demat form and in physical form are requested to intimate any change(s) in their address and/or bank mandate to their Depository Participants and M/s. Datamatics Financial Services Limited/Investor Service Department of the Company respectively.
 - 10. Members are requested to note that as per Section 205A of the Companies Act, 1956 dividends not encased/claimed within seven years from the date of declaration will 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.
 - 11. The details of the due dates for transfer of the unpaid/ unclaimed dividend to the IEPF given below.

Members who have not claimed dividend in respect of the financial year(s) given as follows are requested to approach the Company/the Registrar and Share Transfer Agents of the Company for claiming the same. The details of the unpaid/unclaimed dividend are available on the website of the Company i.e. www.caravelabeachresort.com.

Year of Declaration	Date of Declaration	Due Date (For transfer to IEPF)
2007 – 08 (Interim)	23-04-2008	17-05-2015
2007 – 08 (Final)	28-08-2008	13-09-2015
2009 – 10 (Final)	15-12-2010	22-01-2018
2010 – 11 (Final)	05-08-2011	10-09-2018
2011 – 12 (Interim)	15-05-2012	22-06-2019
2012 – 13 (Interim)	08-02-2013	12-03-2020

12. The Securities and Exchange Board of India 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 have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Datamatics Financial Services Limited/Investor Service Department of the Company.
13. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
14. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
15. Members desirous of seeking clarifications/explanations are requested to forward their queries to the Company at its Registered Office at least 7 days prior to the date of the Meeting.
16. Members are requested to kindly bring their copy of the Annual Report to the Annual General Meeting.
17. The Registrar and Share Transfer Agents of the Company are:

Datamatics Financial Services Limited,

Plot No. B-5, Part B, Cross Lane, MIDC, Marol,
Andheri (East), Mumbai – 400093.

E_mail ID: amit_banerjee@dfssl.com; Contact Person: Mr. Amit Banerjee
Tel.: 91-22-6671 2237 Fax: 91-22-6671 9645

Explanatory Statement

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ("Act"), sets out all material facts relating to the business mentioned at Item Nos. 3 to 10 of the accompanying Notice dated August 26, 2014:

Item No. 3

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

M/s. J. G. Verma & Co., Chartered Accountants have been the Auditors of the Company since inception of the



Company and have completed 26 years as Auditors of the Company. As per the provisions of Section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, M/s. J. G. Verma & Co., Chartered Accountants, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has proposed the appointment of M/s. J. G. Verma & Co., Chartered Accountants as the statutory auditors of the Company for a period of three years to hold office from the conclusion of this Annual General Meeting till the conclusion of the thirtieth Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment at every Annual General Meeting).

The Board recommends the Resolution at Item No. 3 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or their respective relatives are concerned or interested in the Resolution set out at Item No. 3 of the Notice.

Item Nos. 4 to 6:

Mr. Prakash Mehta and Mr. K. Kannan retire by rotation at the ensuing Annual General Meeting under the applicable provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (the "Act"), Mr. Prakash Mehta, Mr. K. Kannan and Mr. Anil Harish, all being Independent Directors and eligible and offering themselves for appointment, are proposed to be appointed as Independent Directors for five (5) consecutive years commencing from September 24, 2014 and their term of office shall not be liable to retire by rotation. In the opinion of the Board, Mr. Prakash Mehta, Mr. K. Kannan and Mr. Anil Harish fulfill the conditions specified in the Act for their appointment as Independent Directors of the Company and are independent of the management. Copy of the draft letter for appointment of Mr. Prakash Mehta, Mr. K. Kannan and Mr. Anil Harish as Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Prakash Mehta, Mr. K. Kannan and Mr. Anil Harish as Independent Directors. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Prakash Mehta, Mr. K. Kannan and Mr. Anil Harish as Independent Directors, for the approval by the Shareholders of the Company.

Mr. Prakash Mehta, Mr. K. Kannan and Mr. Anil Harish are concerned and interested in the Resolutions set out at item nos. 4 to 6 respectively as it relates to their own appointment. The respective relatives of Mr. Prakash Mehta, Mr. K. Kannan and Mr. Anil Harish may be deemed to be concerned or interested in the Resolutions set out at item nos. 4 to 6 respectively, 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 Resolutions set out at Item nos. 4 to 6 of the Notice.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange/s.

Item No. 7

The Company has received a notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Vinod Dhall as an Independent Director of the Company. It is therefore proposed to appoint Mr. Vinod Dhall as an Independent Director of the Company to hold office for five consecutive years commencing from September 24, 2014 and whose term of office shall not be liable to retirement by rotation.

As per the provisions of Section 149 of the Act which has come into force with effect from April 1, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Vinod Dhall has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

The matter regarding appointment of Mr. Vinod Dhall as an Independent Director was placed before the Nomination & Remuneration Committee and the Board of Directors, which recommends his appointment as an Independent Director with effect from September 24, 2014.

In the opinion of the Board, Mr. Vinod Dhall fulfils the conditions specified in the Act and the Rules made thereunder for appointment as an Independent Director and he is independent of the Management.

In compliance with the provisions of Sections 149, 150 and 152 read with Schedule IV of the Act, the appointment of Mr. Vinod Dhall as an Independent Director is being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Mr. Vinod Dhall shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

Mr. Vinod Dhall is interested and concerned in the Resolution at Item No.7 of the Notice as it relates to his own appointment. The relatives of Mr. Vinod Dhall may be deemed to be interested in the Resolution at Item No. 7, 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.7 of the Notice.

A brief profile of the Independent Directors to be appointed is given as below:

Mr. Prakash Vasantlal Mehta

Mr. Mehta is graduated in Law from the University of Bombay in 1963 and qualified as a Solicitor in 1966. He is a Member of the Maharashtra & Goa Bar Association and also a Member of the Managing Committee of the Bombay Incorporated Law Society.

His areas of specialization include Joint Ventures & Foreign Collaborations, Property Laws and Corporate Laws.

Mr. Mehta is also on the Board and Board Committee positions of reputed companies.

He has been appointed as Non Executive & Independent Director of the Company w. e. f. June 30, 1989.

Mr. Krishnamoorthy Kannan

Mr. K. Kannan is a Fellow member of the Institute of Chartered Accountants of India (ICAI) and Associate member of the Institute of Cost Accountants of India (erstwhile name the Institute of Cost and Works Accountants of India). Mr. Kannan has a rich and varied experience in the domain of Finance, Banking, Corporate Laws, Taxation and Accounts. He is a former Chairman and Managing Director of the Bank of Baroda.

Mr. Kannan is also holding Directorship on the Board of reputed Companies i.e. Patel Engineering Ltd., Patel Realty (India) Ltd., Kesar Enterprises Ltd., Kesar Terminals & Infra Ltd., Kesar Multimodal Logistics Ltd. etc.

Mr. Kannan has been appointed as Non Executive & Independent Director of the Company w. e. f. July 26, 2003

Mr. Anil Harish

Mr. Anil Harish is a Partner of the Law Firm, D. M. Harish & Co. which was founded by his father, late Mr. D. M. Harish. Mr. Anil Harish has since the time he joined D. M. Harish & Co. in 1971, expanded the scope of his practice to include many diverse areas of the law including Corporate Law, Joint Ventures and Collaborations, Property, Mergers and Acquisitions, Demergers, LLPs, Arbitration, Exchange Control, Foreign Investments,



Trusts, Wills and Indian and International Taxation. He has been an office bearer of several institutions in the legal field such as the Society of Indian Law Firms, of which he was the Executive Vice President. As a specialist in the field of Real Estate, Mr. Harish is on the Advisory Board of the magazine "Property Scape" as well as the Accommodation Times Institute of Real Estate Management. Mr. Harish has been ranked by the prestigious legal directory of Chambers & Partners as a leading tax lawyer having a solid clientele of both domestic and overseas organizations.

He is a director of several prestigious public limited companies in India. He is involved with several educational and charitable trusts and is the former President of the Hyderabad (Sind) National Collegiate Board.

Mr. Harish is a graduate in Arts and Law and holding LL. M. degree from the University of Miami. U.S.A.

He has been appointed as Non Executive & Independent Director of the Company w. e. f. February 20, 1998.

Mr. Vinod Dhall

Mr. Vinod Kumar Dhall serves as Head of a law firm, Dhall Law Chambers. Mr. Dhall is a Senior Consultant on Competition Law and Policy to the Royal Government of Bhutan. He advises / lectures on corporate governance issues and competition law and policy and is a resource person to reputed academic and other institutions/ organizations in India. He served as Secretary of Government of India. Mr. Dhall has been in the Indian Administrative Service since 1966. He specialized ... in the fields of Corporate Affairs, Industry, Commerce and Finance, in which his total experience has been for about 27 years. This includes economic regulatory experience in the areas of capital markets, insurance and corporate affairs, as well as direct experience of running businesses as Chief Executive Officer of government owned companies. He served as an Acting Chairman of the Competition Commission of India until July 2008.

Mr. Dhall has been the Non-Executive Chairman of Schneider Electric Infrastructure Limited since December 16, 2011. He has been an Independent & Non-Executive Director of Bharti Infratel Limited since September 3, 2012; ICICI Prudential Trust Ltd., since July 15, 2010. He serves as an Independent Director of ICICI Prudential Life Insurance Company Ltd. He has been an Independent Non-Executive Director of Orient Cement Limited since November 1, 2011.

Previously, he served as a Director of ICICI Prudential Life Insurance Company Ltd. since March 5, 2009 and ICICI Prudential Pension Funds Management Company Limited since April 21, 2011. Mr. Dhall served as a Director of Areva T&D India Limited (ALSTOM T&D India Limited) from February 04, 2011 to December 12, 2011. He served as an Independent Non-Executive Director of Asian Hotels (North) Ltd. from November 11, 2010 to December 11, 2012.

He received several awards for his academic performance from University of Allahabad. He has a Bachelors' Degree in Law from University of Delhi and a Masters' degree in Mathematics from University of Allahabad.

The Board recommends the Ordinary Resolutions set out at Items Nos. 4 to 7 of the Notice for approval by the Members.

Mr. Prakash Mehta, Mr. K. Kannan, Mr. Anil Harish and Mr. Vinod Dhall are concerned and interested in the Resolutions set out at item nos. 4 to 7 respectively as it relates to their own appointment. The respective relatives of Mr. Prakash Mehta, Mr. K. Kannan, Mr. Anil Harish and Mr. Vinod Dhall may be deemed to be concerned or interested in the Resolutions set out at item nos. 4 to 7 respectively, 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 Resolutions set out at Item nos. 4 to 7 of the Notice.

Item No. 8

The Board of Directors of the Company at its meeting held on August 1, 2014 has appointed Mrs. Nina H. Advani as an Additional Director with effect from August 1, 2014.

Under Section 161(1) of the Companies Act, 2013, an Additional Director of the Company can hold office till the next Annual General Meeting or the last date on which the Annual General Meeting of the Company should have been held, whichever is earlier.

Hence the Directors are seeking the approval of the Members of the Company for the appointment of Mrs. Nina H. Advani as Non Executive Director of the Company.

The Board recommends the resolution to the members for their acceptance and approval.

Mrs. Nina H. Advani is a graduate i.e. “A” levels – Southampton, U.K. and having rich and varied of experience in the Business and Administration.

She has worked as Manager in Ron Rosseller, Redondo Beach, Los Angeles, California, U.S.A. and also Realtor in Century 21, which is one of the largest real estate firms in California, U.S.A.

She was Director of J. B. A. Printing Inks. She has been President of Maharashtra State Women’s Council (96 year old NGO running 10 projects for underprivileged children and women) during 2010 to 2014.

Mrs. Nina H. Advani as this is being her own appointment and Mr. Haresh G. Advani, being husband of Mrs. Nina H. Advani and Executive Director of the Company, are interested and concerned in the Resolution set out at Item No.8 of the Notice. The other relatives of Mrs. Nina H. Advani may be deemed to be interested in the Resolution set out at Item No.8, 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.8 of the Notice.

Item No. 9

The Shareholders of the Company at the Annual General Meeting held on December 15, 2010 had passed a Special resolution approving that Mr. Prahlad S. Advani, Vice President and Asset Manager hold and continue to hold an office or place of profit under Section 314(1B) of the Companies Act, 1956 on the remuneration and other terms and conditions given as follows;

Salary

Salary of ₹ 1,30,000 in the Company’s Special Grade of ₹ 1,30,000 – ₹ 17,500 – ₹ 2,00,000.

Perquisites

In addition to the salary, Mr. Prahlad S. Advani shall be entitled to the following perquisites:

CATEGORY ‘A’

I. Housing

- (a) Company leased unfurnished accommodation or House Rent Allowance in lieu thereof subject to a maximum of 60% of Salary.
- (b) In case the accommodation is owned by the Company, 10% of the salary shall be deducted by the Company.

II. Medical reimbursement

Medical expenses reimbursement for self, spouse and family members subject to a maximum of one month’s salary per annum or three months’ salary over a period of three years.

III. Leave Travel Allowance

Leave Travel Allowance for self, spouse and family members once in a year incurred in accordance with the



Company's rules subject to a maximum of one month's salary per annum or two months' salary over a period of two years.

IV. Insurance

Insurance premium not exceeding 3.1% of the Salary.

V. Other allowances/reimbursements

- (a) Reimbursement of Uniform, Books & Periodicals and Computer Allowance subject to a maximum of 15% of the Salary.
- (b) Reimbursement of Club Fees/Expenses subject to a maximum of 10% of the Salary.
- (c) Reimbursement of Entertainment Expenses subject to a maximum of 12% of the Salary.

CATEGORY 'B'

I. Provident Fund

Provident Fund/Superannuation/Annuity Fund Contributions as per the Company's rules.

II. Gratuity

Gratuity as per the Company's rules.

CATEGORY 'C'

I. Car

Provision of a car with driver and petrol expenses for use of Company's business. Use of car for personal purposes shall be billed by the Company.

II. Telephone

Provision of telephone at residence for Company's business purpose. Provision of Mobile phone as per Company's rules.

The employment can be terminated by either party by giving 90 days notice in writing.

An Application was made on March 4, 2011 to the Central Government. The Company then received an approval for initial three years from the Central Government vide letter No. SRNo. B07008162/1/2011 – CL. VII dated March 16, 2012 which allowed a total remuneration of ₹ 2,97,397 p.m. for the period from December 15, 2010 to December 14, 2011 and an increase of 10% p.a. i.e. total remuneration of ₹ 3,27,137 p.m. from December 15, 2011 to December 14, 2012 and ₹ 3,59,851 p.m. from December 15, 2012 to December 14, 2013.

A further application was made by the Company on January 16, 2014 for approval for Mr. Prahlad S. Advani to hold an office or place of profit, for a period of 2 years. The Company received approval from the Central Government vide its letter No. SRNo. B93872000/2014 – CL VII dated August 13, 2014 only for the period from December 15, 2013 to March 31, 2014. In view of the fact that the Companies Act, 1956 had been replaced with the Companies Act, 2013 which had taken effect from April 1, 2014, the approval that has been granted by the Central Government was for the period from December 15, 2013 to March 31, 2014, at total remuneration of ₹ 3,95,833 p.m.

Under Clause 4 of the Central Government's letter dated August 13, 2014, it directs that the Company may take necessary action to continue to hold an office or place of profit by Mr. Prahlad S. Advani w.e.f. April 1, 2014 in the Company as per Section 188(1)(f) of the Companies Act, 2013.

Accordingly, the Special Resolution to ratify the holding of office or place of profit by Mr. Prahlad S. Advani as Vice President and Asset Manager for the period from April 1, 2014 to July 31, 2014 and to pay him a total remuneration of ₹ 3,95,833 p.m. i.e. pro-rata of the total remuneration allowed and approved by the Central Government vide its approval letter SRNo. B93872000/2014 – CL VII dated the August 13, 2014, is being tabled.

The approval letters, dated March 16, 2012 and dated August 13, 2014 received from the Central Government with respect to holding an office or place of profit under Section 314(1B) of the Companies Act, 1956 by Mr. Prahlad S. Advani, Vice President and Asset Manager, are open for inspection by any Member(s) of the Company during the normal business hours on week days except Saturday.

It may be noted that Mr. Prahlad S. Advani has been appointed as an Additional Director and Whole-time Director of the Company w.e.f. August 1, 2014. Accordingly, the Resolution No.9 referred to above is only for the period from April 1, 2014 upto July 31, 2014. A separate Resolution for his appointment as Whole-time Director and his remuneration with effect from August 1, 2014 is being tabled separately as Resolution No.10 of this Notice dated August 26, 2014.

Mr. Prahlad S. Advani himself and his relatives Mr. Sunder G. Advani being father of Mr. Prahlad S. Advani and Chairman & Managing Director and Key Managerial Personnel and Mrs. Menaka S. Advani being Mother of Mr. Prahlad S. Advani and Non Executive Director of the Company are concerned and interested in the resolution set out at Item no. 9 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. 9, 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. 9 of the Notice.

Item No. 10

The Board of Directors, at its meeting held on August 1, 2014, has appointed Mr. Prahlad S. Advani as a Whole-time Director designated as “Director of Operations” (hereinafter referred to as the “Appointee”), to hold office for a period of three years with effect from August 1, 2014.

This appointment is subject to the approval of the Shareholders of the Company.

Profile of Mr. Prahlad S. Advani (“the Appointee”)

Mr. Prahlad S. Advani is Bachelor of Science in Hotel Administration from Cornell University with 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 – Asset Management 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.

After a tenure of 10 years, the Appointee was promoted as Vice President - Asset Management of your Company with effect from December 15, 2010. During his tenure as Vice President - Asset Management of the Company he played a significant role in planning and implementing a long-term capital expenditure plan of over ₹ 5,000 lakhs; carried out energy audit to achieve a 25% reduction in annual energy consumption; improving the Resort’s Internal Security by CCTV setup; assisted top management in negotiating with the foreign tour operators in signing major contracts.



Taking into account the qualification, experience and performance of the Appointee and the additional responsibilities handled by the Appointee in the Company during last 14 years, on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in its Meeting held in August 1, 2014 have considered and approved his appointment as Whole Time Director of the Company with effect from August 1, 2014 on the terms and conditions to be agreed between the Board of Directors and the Appointee as contained in the resolution.

The Appointee holds 13,74,000 (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 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, 2014 to July 31, 2017

II. Remuneration

(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 in the scale range of ₹ 2,46,000 – ₹ 32,000 – ₹ 3,10,000 per month, payable monthly. 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 contributions as per company rules
- (v) The Company's contribution to Gratuity shall be according to the Gratuity Act, in force from time to time.

(B) Flexible Compensation

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 as may be decided by the management from time to time;
- (iii) Company car with driver and petrol reimbursement with associated expenses
- (iv) Provision of telephone(s) at residence; and mobile phone with associated expenses
- (v) Accommodation, boarding and lodging 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.

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 Schedule V to the said Act as may for the time being, be in force.

IV. Termination

The employment can be terminated by either party by giving 90 days notice in writing.

This Explanatory Statements shall be treated as an abstract and memorandum of the terms and conditions of the appointment of Mr. Prahlad S. Advani as Whole-time Director in accordance with Section 190 of the Companies Act, 2013.

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

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 Key Managerial Personnel and Mrs. Menaka S. Advani being Mother of Mr. Prahlad S. Advani and Non Executive Director of the Company are concerned and interested in the resolution set out at item no.10 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.10, 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.10 of the Notice.

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

Raju Bamane
Company Secretary

Place: Mumbai
Date: August 26, 2014

Registered Office:

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

PURSUANT TO THE PROVISIONS OF CLAUSE 49 OF THE LISTING AGREEMENT THE DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING GIVEN AS FOLLOWS:

Name of Director	Mr. K. Kannan	Mr. Prakash V. Mehta	Mr. Anil Harish
Appointed on	July 26, 2003	June 30, 1989	February 23, 1998
Age	75 years	72 years	60 years
Qualification	FCA, AICWA	LL.B. Solicitor	B.A. LL.B. LL.M. (USA)
Expertise	Finance, Banking	Law	Taxation Law
List of other Directorships #	1. Kesar Enterprises Ltd. 2. Patel Engineering Ltd. 3. Prithvi Asset Reconstruction & Securitisation Co. Ltd. 4. Kesar Terminals & Infra Ltd. 5. Kesar Multimodal Logistics Ltd. 6. Patel Realty (India) Ltd, Mumbai	1. Bharat Bijlee Ltd. 2. Camphor & Allied Products Ltd. 3. Hikal Ltd. 4. Mukand Ltd. 5. Mukand Engineers Ltd. 6. PCS Technology Ltd. 7. W. H. Brady & Co. Ltd.	1. Ador Welding Ltd. 2. Ashok Leyland Ltd. 3. Future Retail Ltd. 4. Future Ventures India Ltd. 5. Hotel Leelaventure Ltd. 6. Hinduja Global Solutions Ltd. 7. Hinduja Ventures Ltd. 8. Hinduja Leyland Finance Ltd. 9. Mukta Arts Ltd. 10. Mahindra Lifespace Developers Ltd. 11. Oberoi Realty Ltd. 12. Unitech Ltd. 13. Valecha Engineering Ltd.
Chairmanship/ Membership of other Committees of other Companies \$	I. Chairman of Audit Committees: 1. Patel Engineering Ltd. 2. Patel Realty (India) Ltd. II. Member of Audit Committees: 1. Kesar Enterprises Ltd. 2. Prithvi Asset Reconstruction & Securitisation Co. Ltd. 3. Kesar Terminals & Infra Ltd. III. Chairman of Shareholders/ Investors Grievance Committee: 1. Patel Engineering Ltd.	I. Member of Audit Committees: 1. Bharat Bijlee Ltd. 2. Hikal Ltd. 3. Mukand Engineers Ltd. 4. Mukand Ltd. 5. Camphor & Allied Industries Ltd. II. Member of Remuneration Committees: 1. Bharat Bijlee Ltd. 2. Hikal Ltd. 3. Mukand Ltd. III. Member of Shareholders/ Investors Grievance Committee: 1. Bharat Bijlee Ltd. 2. Hikal Ltd.	Chairman of Audit Committees: 1. Hinduja Ventures Ltd. 2. Hinduja Global Solutions Ltd. 3. Ador Welding Ltd. 4. Ashok Leyland Ltd. Member of Audit Committees: 1. Hotel Leelaventure Ltd. 2. Future Venture India Ltd. 3. Mahindra Lifespace Developers Ltd. 4. Oberoi Realty Ltd. 5. Unitech Ltd. 6. Valecha Engineering Ltd. Member of Shareholders/ Investors Grievance Committee: 1. Oberoi Realty Ltd.
No. of Equity Shares held in the Company	Nil	500	Nil
Inter-se relationship between the Board Members	No	No	No

Name of Director	Mrs. Nina H. Advani	Mr. Prahlad S. Advani	Mr. Vinod Dhall
Appointed on	August 1, 2014	August 1, 2014	September 24, 2014
Age	61 years	37 years	70 years
Qualification	Graduate i.e. "A" levels – Southampton, U.K.	Bachelor of Science in Hotel Administration from Cornell University with concentration in Financial Management and completed an Advanced Diploma in Owner & President Management Program from Harvard University/Harvard Business School	LL.B.
Expertise	Business Administration	Hotel Business Administration	A retired IAS Officer, Corporate Law
List of other Directorships #	1. Regency Hotels Pvt. Ltd.	Nil	1. ICICI Prudential Life Insurance Company Ltd. 2. ICICI Prudential Pension Funds Management Company Ltd. 3. ICICI Prudential Trust Ltd. 4. Orient Cement Ltd. 5. Bharati Infratel Ltd. 6. Schneider Electric Infrastructure Ltd.
Chairmanship/ Membership of other Committees of other Companies \$	I. Chairman/Member of Audit Committees: Nil II. Chairman/Member of Remuneration Committees: Nil III. Chairman/Member of Shareholders/ Investors Grievance Committee: Nil	I. Chairman/Member of Audit Committees: Nil II. Chairman/Member of Remuneration Committees: Nil III. Chairman/Member of Shareholders/ Investors Grievance Committee: Nil	I. Member of Audit Committees: 1. ICICI Prudential Pension Funds Management Company Ltd. 2. ICICI Prudential Trust Ltd. 3. Orient Cement Ltd. 4. Bharati Infratel Ltd. 5. Schneider Electric Infrastructure Ltd. II. Member of Remuneration Committees: 1. ICICI Prudential Life Insurance Company Ltd. 2. ICICI Prudential Pension Funds Management Company Ltd. 3. Orient Cement Ltd. 4. Schneider Electric Infrastructure Ltd. III. Member of Shareholders/ Investors Grievance Committee: 1. Orient Cement Ltd.
No. of Equity Shares held in the Company	21,31,100 (4.61% of paid up share capital)	13,74,000 (2.97% of paid up share capital)	Nil
Inter-se relationship between the Board Members	Wife of Mr. Haresh G. Advani	Son of Mr. Sunder G. Advani and Mrs. Menaka S. Advani	No

Excludes Directorships in Private Limited Companies, Unlimited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

\$ Includes only membership/s of Audit Committee and Shareholders/Investors Grievance Committee of other Public Limited Companies.



DIRECTORS' REPORT

Directors' Report to the Members

The Directors have pleasure to present the 27th Annual Report of your Company together with the audited financial accounts for the year ended March 31, 2014.

FINANCIAL RESULTS:

Your Company's financial performance for the year ended March 31, 2014 is set out below:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Total Income	4133.31	3979.26
Profit before Depreciation, Interest and Tax (PBDIT)	835.63	910.24
Depreciation	316.74	292.19
Profit before Interest and Tax	518.89	618.05
Interest	216.53	163.25
Profit before Tax and prior adjustments	302.36	454.80
Prior period adjustments	—	17.83
Profit before Tax	302.36	436.97
Less: Provision for Taxation:		
– Current Tax	92.00	160.00
– Deferred Tax Liability/(Asset)	(21.64)	10.53
– Tax for earlier years	5.60	3.79
Profit for the year after Tax	226.40	262.65
Profit brought forward from last year	660.46	551.47
Profit available for appropriation	886.86	814.12
Transfer to General Reserve	6.00	14.00
Interim Dividend paid/Dividend	110.93	120.17
Dividend Tax	17.99	19.49
Balance Profit carried to Balance Sheet	751.94	660.46
Basic and Diluted Earnings per Equity Share of ₹ 2/- each (in ₹)	0.49	0.57

PERFORMANCE/OPERATIONS:

Your Company achieved a total turnover of ₹ 4133 lakhs, as compared to ₹ 3979 lakhs in the previous year, registering a growth of 3.87% on a year to year basis. The Company carried out a total renovation of 62 guestrooms of the Oceanfront wing by replacing the flooring, furniture, beds, headboards, upholstery, carpets, air-conditioning, TVs, lighting and much of the bathrooms. Even though almost one third of the room inventory was not available for sale for the period between July and October, the Company was able to achieve a higher turnover. We have contracted these newly renovated rooms at substantially higher rates as they have been appreciated by all.

The Finance Costs have gone up from ₹ 163 Lakhs to ₹ 217 Lakhs due to borrowings made in the current year for renovation of these 62 rooms and replacement of all the cold storages in the kitchen. The Gross Operating Profit (PBDIT) declined 8% from ₹ 910 lakhs to ₹ 836 lakhs largely due to increased staff cost. The Company's net profit after tax has decreased by 14% to ₹ 226 lakhs. The earnings per Equity Share, which has a face value of ₹ 2, decreased from ₹ 0.57 to ₹ 0.49.

DIVIDEND:

The Board of Directors had declared and paid an Interim Dividend of ₹ 0.24 per share (i.e. 12% on an equity share of par value of ₹ 2/- each) for the year 2013-14. This entailed an outflow of ₹ 129 lakhs, including the Dividend Tax thereon. The Board has recommended that this Interim Dividend be treated as the final dividend for the financial year 2013-14. Your Company has a high payout ratio of 57%.

TRANSFER TO RESERVE:

The Company has transferred ₹ 6 Lakhs to general reserve out of the amount available for appropriation and an amount of ₹ 752 Lakhs proposed to be retained in the Surplus in the Statement of Profit and Loss.

DIRECTORS:

Mr. Prakash Mehta and Mr. K. Kannan Independent directors of the Company, whose period of office is liable to determination by retirement by rotation under the applicable provisions of the erstwhile Companies Act, 1956 are being retired by rotation in this 27th Annual General Meeting ("AGM").

Pursuant to the provisions of Section 149 read with Schedule IV and other applicable provisions of the Companies Act, 2013, Mr. Prakash Mehta, Mr. K. Kannan and Mr. Anil Harish are eligible and offering themselves for appointment.

The Board of Directors of the Company in its meeting held on August 1, 2014 has appointed Mrs. Nina H. Advani as an Additional Director and Mr. Prahlad S. Advani as an Additional Director and Whole-time Director with effect from August 1, 2014 and being Additional Director they can hold Office of Director till the ensuing Annual General Meeting of the Company i.e. upto September 24, 2014.

In line with the requirements of the Companies Act, 2013, Mr. Prakash Mehta, Mr. K. Kannan and Mr. Anil Harish, satisfy the criteria of Independence Directors under Section 149(6) of the Act and are being appointed as Independent Directors, to hold office for a term of 5 years.

Mr. Vinod Dhall is proposed to be appointed as Independent Director for a term of 5 years and the approval of the shareholders is being sought at the ensuing AGM of the Company. Attention of the Members is drawn to Resolution No. 7 of the Notice and its related Explanatory Statement of the 27th Annual General Meeting.

The Board of Directors of the Company recommends the appointments of Mr. Prakash Mehta, Mr. K. Kannan, Mr. Anil Harish and Mr. Vinod Dhall as Independent Directors for the five consecutive years from the commencement of this 27th AGM i.e. September 24, 2014 and Mrs. Nina H. Advani as non Executive Director and Mr. Prahlad S. Advani as Whole-time Director, to the members of the Company for their approval.

UPGRADATION PLAN FOR 2014-15:

The Company plans to improve the public areas of the Hotel since all the guestrooms have been renovated. The restaurants in the lobby and the casino need to be upgraded. The swimming pool needs to be renovated along with new water proofing to reduce the loss of water.

FUTURE OUTLOOK:

The economies of Europe have not fully recovered. The growth of the Russian economy has slowed down partly as a result of the sanctions imposed by the US after the crisis in Ukraine. These events have a direct impact on the hotel industry in Goa and specially our hotel which relies heavily on Russian tourists. Fortunately, Russian tourists will be allowed to obtain Visas on Arrival at Goa airport in the next season and the traffic from Russia will increase substantially on this account.

The domestic demand for Goa hotels is also likely to increase as India's GDP as a whole is likely to improve. Goa is becoming an even more popular wedding destination. The cost of travel to Goa is likely to come down due to competition. Moreover, very little new supply of hotel rooms is expected in Goa in the next few years as it takes considerable time for new projects to be approved and obtain the series of clearances required. As such, our hotel should do better in the future although employee costs will continue to put a pressure on margins.

CORPORATE GOVERNANCE REPORT, MANAGEMENT DISCUSSION & ANALYSIS REPORT AND BUSINESS RESPONSIBILITY REPORT:

As per Clause 49 of the Listing Agreement entered into with Stock Exchanges Corporate Governance Report with



auditors' certificate thereon and Management Discussion and Analysis are attached and form part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required by Section 217(2AA) of the Companies Act, 1956 the Directors hereby confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) Appropriate accounting policies have been selected and applied consistently and 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 at the end of the financial year and of the profit of the Company for that period;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing fraud and other irregularities;
- (iv) The annual accounts have been prepared on a "going concern" basis.

AUDITORS:

With respect to the captioned Matter of Emphasis in the Auditors' Report read with Note No. 33.1(c) to the Financial Statements, the Directors do state that the Company has now received the requisite approval under Section 314(1B) of the Companies Act, 1956 in respect of Mr. Prahlad S. Advani, a relative of Director to hold and continue to hold an office or place of profit as Vice President and Asset Manager of the Company, from the Central Government vide its letter SRNo. B93872000 / 2014 – CL VII dated the August 13, 2014.

M/s. J. G. Verma & Company, Chartered Accountants, who are the statutory auditors of the Company, hold office till the conclusion of the ensuing AGM and are eligible for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s. J. G. Verma & Company, Chartered Accountants as Statutory Auditors of the Company from the conclusion of the ensuing AGM till the conclusion of the Thirtieth AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

FIXED DEPOSITS:

The Company has not accepted or invited any fixed deposits from the public in the year under review.

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.

LISTING:

Your Company's equity shares are listed on the Bombay Stock Exchange, National Stock Exchange and Delhi Stock Exchange. Your Company has paid the Listing Fees for the financial year 2014-15.

ADDITIONAL INFORMATION:

(a) Conservation of Energy:

Your Company makes all efforts to reduce consumption and cost of energy on a regular basis.

In 2012-13, the Company bought a new LT Panel with an in-built PLC (Program Logic Controller), which ensures that the DG Sets run at the optimum load to conserve diesel. This new LT Panel capacitor bank has also ensured that we have a Power Factor of 99%. We have got a credit on our electricity bills from the Government Electricity Department each month due to this efficient Panel.

Furthermore, the Company has procured a new 1 ton IBR boiler from Thermax with a good system for condensate recovery. As a result, we have saved approximately ₹ 1.25 Lakh per month on diesel and also improved the laundry operation.

The Company has installed a new Gas Bank with high safety standards and this new Gas System is also saving the hotel about ₹ 50,000 per month.

In 2013 the company procured new cold rooms with high efficiently Bitzer compressors from Germany. This has led to more efficient cooling and conservation of energy. Lastly, in 2013 we replaced 62 old Fan-coil units

with new improved units from Trane. This combined with our in- room energy saving device has reduced the load on the — HVAC System.

(b) Technology absorption:

The relevant particulars relating to technology absorption in terms of Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is not applicable as the hotel forms a part of the service industry and as such 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 ₹ 2439.66 lakhs (previous year ₹ 2167 lakhs). The total outgo in foreign exchange for the current year was ₹ 604.43 lakhs (previous year ₹ 282 lakhs).

PARTICULARS OF EMPLOYEES:

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is as follows:

Employee Name	Designation	Age in Years	Qualification	Experience In years	Date of Commencement	Remuneration In ₹	Last Employment
Mr. Sunder G. Advani	Chairman & Managing Director	75	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)	54	March 1, 1988	81,56,044	Chairman & Managing Director, Hotels Airport Plaza, Mumbai

ACKNOWLEDGEMENTS:

Your Directors appreciate the assistance provided by the bankers, the Goa Government and Wyndham Hotel Group (USA). We thank the Shareholders, our valued clients and the tour operators for their continued support. Your Directors also appreciate the contributions made by all employees to improve the operations of the Company

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 26, 2014

SUNDER G. ADVANI
Chairman & Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS

The results for the period between April 1, 2013 and March 31, 2014 are used for this analysis. The actual future performance will depend on many factors including Government policies both in India and Goa, exchange rates, situation in countries likely to send tourists to Goa, the favourable climate for tourism in Goa, competition etc.

INDIA TOURISM OUTLOOK:

Travel and Tourism contributed \$7 trillion or 9.5% of the global GDP. One out of 11 jobs were in this industry as per the "Tourism Action Plan" prepared by the World Travel & Tourism Council (India). India ranks 41st in international tourist arrivals as per the UNWTO, but ranks 16th in the World Tourism Receipts which indicates that those who travel to India spend more than when they visit other countries. This is a better indicator for the impact of tourism than counting the number of international visitors. India ranks 20 out of 144 countries as regards price competitiveness in the Travel & Tourism industry as measured by the World Economic Forum. India is not considered as an expensive country but still receives only 6.8 million foreign visitors. The adverse publicity generated in the world about the safety of women and the slowdown of the economy has had a negative impact on travel by foreigners to India. Receipts from international visitors grew by 6.2% in 2013. The revenue from tourism will help alleviate the Current Account Deficit as cost of imports of oil products may go up substantially. The GDP of India slowed down to 4.8% which affected business travel and domestic travel. Hotels in most of the major cities witnessed a drop in demand and an increase in supply of rooms, which resulted in lower REVPAR. Overall, the occupancies in India declined by 2.2% and the room rates were down by 2%.

The outlook for the industry as a whole is stable. Demand is likely to grow by 13.5%. However, there will be a pressure on room rates as supply is also likely to increase by 13% as some projects including Aerocity in Delhi are yet to open.

TOURISM TO GOA:

Goa received about 500,000 foreign tourists. 4.5 million domestic tourists visited Goa last year. The opening of the new integrated terminal was delayed and only took place after the main charter season was over. The new terminal which is 5 times the original terminal will allow for issuance of Visas on Arrival at Goa airport, which has been confirmed by the Government of India. This will increase the flow of Russian tourists as they find it a tedious procedure to travel to Moscow to obtain Visas. However, the Ukraine crisis and the possibility of further sanctions on Russia may have a negative impact unless there is a peaceful solution to this issue.

The number of charter flights and passengers to Goa from overseas has increased and flights are planned to start earlier in October and continue beyond May. The Government of Goa has realized that encouraging affluent tourists will be more beneficial to the economy and planned to improve the infrastructure by establishing a single window clearance. Golf courses, marinas and other attractions are being approved. This will help our hotel as it is designed for the affluent market. The rates obtained for the next season have been increased as the newly refurbished Ocean wing has been appreciated by all.

The domestic traffic to Goa is expected to increase, as Goa is becoming more popular especially for weddings and our hotel has had a large increase in number of weddings. All the guestrooms and public areas are open in this financial year, which will add to the revenues compared to last year.

FINANCIAL PERFORMANCE:

The total income for the year increased to ₹ 3979 lakhs to ₹ 4133 lakhs, which is an increase of about 4%. This was achieved despite a reduction of 30% in the number of rooms available for sale as the entire Oceanfront wing of 62 rooms was closed for renovation between July and October. We achieved this due to higher room rates in the winter months as we received more rupees for our foreign contracts after the weakening of the rupee. However, the gross profit, before Depreciation, Interest and Tax declined from ₹ 910 lakhs to ₹ 836 lakhs. Net profit after tax declined from ₹ 263 lakhs to ₹ 226 lakhs.

Our Company earned foreign exchange equivalent to ₹ 2440 lakhs partly because we received higher revenues in INR when the Rupee had weakened in comparison to the US Dollar. We had signed all of our foreign contracts in USD or Euros or UK Pounds. Some foreign tour operators did find our hotel to be expensive as compared to our competitors in Goa and we did lose some occupancy as a result. In the forthcoming season, we may have to consider offering foreign tour operators rates in INR.

STRENGTHS/WEAKNESSES/OPPORTUNITIES AND THREATS:

A large portion of the rooms of our hotel have been totally renovated and appear newer than those of competing hotels. The lowest category of rooms called standard room have been upgraded after the renovation and these rooms are quoted at significantly higher rates. The newly renovated rooms are preferred by both the foreign and domestic clients. The decision of the Goa Government to encourage affluent tourists will benefit our hotel. The new photography done of our resort will lead to more business from travel portals. The opportunities are that with its unique architecture, the hotel can reinvent itself for whichever market that has a growth potential. There is over 100,000 square feet FSI available to undertake any expansions, such as a new spa, additional rooms, a villa development, new conference center, etc.

Our weaknesses are that we are in only one location in Goa. There is a large reliance on the Russian market for revenues and in the winter months. Any disruptions in this market, especially during this period affects the years profitability. Government policies towards tourists may change. Natural disasters cannot be predicted. The Company is de-risking our business model by making efforts to increase the flow of domestic clients by making the product "Indian Friendly". We have installed 40 inch TV's and created a niche for ladies to do their makeup prior to weddings in the newly renovated rooms.

RENOVATION:

Only part of the swimming pool and the spa will undergo minor repairs in this season. Some parts of the lobby will be upgraded.

FUTURE TRENDS:

The number of domestic travelers to Goa will increase as Goa is becoming an even more popular destination. There is a trend to have a destination wedding in Goa and these are bringing in substantial business to our hotel. Foreign tourists will also increase to Goa as the issue of Visa On Arrival will start this year.

MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATING RESULTS:

The table below provides the break-up of revenues and expenditures for the financial years ended March 31, 2014 and March 31, 2013 respectively.

₹ in Lakhs		
Particulars	March 31, 2014	March 31, 2013
Income from Operations		
Sales & Other Operating Income	3975.67	3868.08
Other Income	157.64	111.18
Total Income	4133.31	3979.26
Expenditure		
Cost of material consumed	307.01	293.51
Employee Benefits expense	1299.09	1148.44
Power & Fuel	378.14	347.39



₹ in Lakhs

Particulars	March 31, 2014	March 31, 2013
Depreciation	316.74	292.19
Repairs & Maintenance	340.50	352.29
Interest	216.53	163.25
Other expenses	972.94	927.39
Total Expenditure	3830.95	3524.46
Profit Before Tax and Exceptional/Prior Period Items	302.36	454.80
Exceptional/prior period Items	—	17.83
Profit Before Tax	302.36	436.97
Tax Expense	75.96	174.32
Net Profit After Tax	226.40	262.65

The total income increased by 3.87% to ₹ 4133 Lakhs from ₹ 3979 in the previous year. The income from operations increased from ₹ 3868 Lakhs to ₹ 3976 Lakhs while other income increased from ₹ 111 Lakhs to ₹ 158 Lakhs.

The food and beverage revenue increased by 2.29% from ₹ 1181 Lakhs to ₹ 1208 Lakhs. There was a drop in revenue in the Casino from ₹ 34 lakhs to ₹ 27 Lakhs as the Company restarted the operations only from the last week of February 2014.

EXPENDITURE:

The total expenditure increased by 8.71% to Rs.3831 Lakhs from ₹ 3524 Lakhs in the previous year.

Payroll cost was higher by 13.12% (₹ 151 Lakhs) over the previous year mainly on account of salary increments.

Other operating expenses were higher by 6.31% as compared to previous year mainly on account of rise in cost of raw material, tariff hike in the power and fuel.

Interest has gone up from ₹ 163 Lakhs to ₹ 217 Lakhs due to additional borrowings of approximately Rs.1000 Lakhs for room renovation and other capital expenditure.

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

EBIDTA registered a decline of 8.13% (₹ 74 Lakhs) to ₹ 836 Lakhs in 2013-14 as against ₹ 910 Lakhs in the previous year.

PROFIT BEFORE TAX (PBT):

The PBT was lower at ₹ 302 Lakhs from ₹ 437 Lakhs in the previous year.

PROFIT AFTER TAX (PAT):

The PAT decreased by 14% to ₹ 226 Lakhs from ₹ 263 Lakhs in the previous year.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The management of Ramada Caravela Beach Resort, including all its executives and employees, recognizes CSR as a vital part of corporate activity and therefore continues to strive to promote social contribution activities

as a good corporate citizen in order to realize a better society. Besides, it also continues to work to minimize environmental effects and utilize resources towards the development of a sustainable society that is in harmony with the environment. The Company undertook the following CSR activities:

- Polio Immunization Program was conducted in cooperation with the Village Health Center with the motive of public health and genuine efforts made to support the World Polio Eradication Program.
- Supported Anti-Plastic Drive in association with the Village Panchayat of Varca. Clean-up drive of the main roads in and around the village was undertaken with collaborative support of the community, comprising of the village youth and teenagers. The participants went about the work, collecting waste items such as plastic bottles, bags and cardboard etc, amongst other waste.
- World Environment Day was observed by cleaning of the village road near the resort premises and beach cleaning. This was followed by nurturing of the plants and trees in the resort. The staff were also educated on the need to take positive environmental action in their day to day life.
- The Company observes Earth Hour by having power shut down for an hour and observes 'Earth Day' aimed to convey environment conservation messages and the need to take action on climate change.
- The Company continues to support the cause of HIV positive children in the form of donations and visits to 'ASSRO' – a regular shelter for the HIV positive.
- The company supports blood donation camps in collaboration with the Blood Bank of Goa Medical College / Hospicio and Association of Voluntary Blood Donors Goa.
- The Company also supports the South Goa SPCA and the Gomantak Pashu Rakshak Society by donating discarded bed-sheets and old newspapers to help them in their animal sterilization programs and has worked closely with 'Mission Rabies' to administer anti rabies vaccinations to stray dogs & Cats.
- In Mumbai, the Company similarly supports WSD, 'The Welfare of Stray Dogs' association for anti-rabies programs and sterilization efforts to control the stray population.
- The Company also assists terminal cancer patients, by sending blankets to the Lions Club, Goa.
- In 2014, the company is procuring & installing a new sewage treatment plant from Thermax to surpass the standards of the Goa State Pollution Control Board to ensure effluent is thoroughly treated — to international standards.
- The Company also cleans the beach in front of the resort on a daily basis and removes any litter to keep the beach clean.

INTERNAL CONTROL SYSTEM AND ADEQUACY:

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

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

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

HUMAN RESOURCES:

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



CAUTIONARY STATEMENT:

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 26, 2014

SUNDER G. ADVANI
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

(As per Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

CORPORATE PHILOSOPHY:

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 continues to adhere to the philosophy of good Corporate Governance and believes in values of transparency, professionalism, accountability and is also committed to continually evolving and adopting appropriate Corporate Governance best practices.

BOARD OF DIRECTORS:**Composition of the Board**

As on March 31, 2014, the Board comprises one Non-Executive, two Executive and three Independent Directors as required under applicable legislation. The composition of the Board is in conformance with Clause 49 of the listing agreement 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. The details of Directors are as follows:

Sr. No.	Name of the Directors	Category
1.	Mr. Sunder G. Advani, Chairman & Managing Director	Promoter & Executive Director
2.	Mr. Haresh G. Advani, Executive Director	Promoter & Executive Director
3.	Mr. K. Kannan	Non-Executive & Independent Director
4.	Mr. Prakash V. Mehta	Non-Executive & Independent Director
5.	Mr. Anil Harish	Non-Executive & Independent Director
6.	Mrs. Menaka S. Advani	Non-Executive Director

Directors' Attendance

During the financial year 2013-14, 5 (Five) Board Meetings were held on May 13, 2013, July 30, 2013, October 29, 2013, January 29, 2014 & March 4, 2014. Majority of the Directors attended all the Meetings. Leave of absence was granted to the Directors who expressed their inability to attend the Meetings.

The details of attendance of Directors at the Board Meetings held during the financial year 2013-14 and at the 26th Annual General Meeting as well as the details of their other Directorships/Committee Chairmanships or Memberships are as follows:

Sr. No.	Name of the Director	Designation	No. of Board Meetings attended	Attendance at the last AGM held on July 30, 2013	No. of Outside Directorships #	No. of other Committee Chairmanships/Memberships (excluding the Company) \$	
						Chairmanship	Membership
1.	Mr. Sunder G. Advani	Chairman & Managing Director	05	Present	None	None	None
2.	Mr. Haresh G. Advani	Executive Director	05	Present	None	None	None
3.	Mr. K. Kannan	Director	05	Present	6	3	3
4.	Mr. Prakash V. Mehta	Director	04	Present	7	None	10
5.	Mr. Anil Harish	Director	05	Present	13	5	7
6.	Mrs. Menaka S. Advani	Director	05	Present	None	None	None

Excludes Directorships contemplated under Section 278 of the Companies Act, 1956.

\$ Includes only membership/s of Audit Committee, Remuneration and Shareholders/Investors Grievance Committee of other Public Limited Companies.



AUDIT COMMITTEE:

The composition of the Committee and particulars of meetings attended by the Members of the Audit Committee are as under. During the financial year 2013-14 under review, 4 (Four) meetings of the Audit Committee were held on May 13, 2013, July 30, 2013, October 29, 2013 and January 29, 2014.

Sr. No.	Name of the Member	Designation	No. of Committee Meetings attended in the year under review
1.	Mr. K. Kannan	Chairman	4
2.	Mr. Prakash V. Mehta	Member	3
3.	Mrs. Menaka S. Advani	Member	4

The Audit Committee comprises of only non-executive Directors of which two-thirds are independent Directors. The Chairman of the Audit Committee is Independent Director. The constitution of the Audit Committee also meets the requirements of the provisions of Section 292A of the Companies Act, 1956.

(I) The role of the Audit Committee shall include the following:

- Overseeing 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.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(II) Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

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

REMUNERATION COMMITTEE:

The composition of the Remuneration Committee and particulars of meetings attended by the Members of the Remuneration Committee are as under. The Remuneration Committee consist of all Non Executive and Independent Directors. The Committee approves the annual salaries, performance commission, service agreements and other employment conditions of the Executive Directors and relatives of the Directors. During the financial year 2013-14 under review 2 (two) meetings of the Remuneration Committee were held on May 13, 2013 and October 29, 2013.

Sr. No.	Name of the Member	Designation	No. of Committee Meetings attended in the year under review
1.	Mr. K. Kannan	Chairman	2
2.	Mr. Anil Harish	Member	2
3.	Mr. Prakash V. Mehta	Member	2

The scope and broad terms of reference of the Remuneration Committee are as follows:

- To review, assess and recommend the appointment of Executive and Non-Executive Directors and relative of Directors from time to time;
- To periodically review and recommend the remuneration package of the Executive Directors, relative of Directors and recommend suitable revision;
- To recommend compensation to the Non-Executive Directors in accordance with the Companies Act, 1956.

DETAILS OF REMUNERATION PAID TO THE EXECUTIVE DIRECTORS DURING THE YEAR ENDED MARCH 31, 2014.

Sr. No.	Name of the Director	Salary (Basic + HRA) ₹	Perquisites ₹	Commission ₹	Service Tenure	Notice Period
1.	Mr. Sunder G. Advani Chairman & Managing Director	74,48,000	7,08,044	—	5 years	6 months
2.	Mr. Hareesh G. Advani Executive Director	49,65,920	5,13,400	—	5 years	6 months



DETAILS OF SITTING FEES PAID* TO THE NON-EXECUTIVE DIRECTORS DURING THE YEAR ENDED MARCH 31, 2014.

Name of the Director	Mr. K. Kannan	Mr. Prakash V. Mehta	Mr. Anil Harish	Mrs. Menaka S. Advani
Sitting Fees Paid (₹)	2,20,000	1,80,000	1,40,000	1,80,000

* exclusive of service tax.

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

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

Sr. No.	Name of the Member	Designation
1.	Mrs. Menaka S. Advani	Chairperson & Non-Executive Director
2.	Mr. Sunder G. Advani	Member & Managing Director
3.	Mr. Haresh G. Advani	Member & Executive Director
4.	Mr. K. Kannan	Member & Non-Executive Independent Director

The Company has constituted a Shareholders/Investors Grievance Committee to look into the redressal of complaints of shareholders and investors relating to transfer of shares, non-receipt of Annual report, dividends etc. The Chairperson of the Committee is a non-executive Director.

The Board has designated Mr. Raju Bamane, Company Secretary of the Company as the Compliance Officer.

The Company Secretary acts as the Compliance Officer and 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.

During the year under review, no complaint has been received from the Shareholders and as on March 31, 2014 there were no pending complaints.

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

SHARE TRANSFER COMMITTEE:

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

Sr. No.	Name of the Member	Designation
1.	Mr. Sunder G. Advani	Member & Managing Director
2.	Mr. Haresh G. Advani	Member & Executive Director
3.	Mrs. Menaka S. Advani	Chairperson & Non-Executive Director

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

COMPLIANCE OFFICER OF THE COMPANY:

Mr. Raju Bamane, Company Secretary is the Compliance Officer of the Company. He is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for Governance matters.

GENERAL BODY MEETINGS AND POSTAL BALLOT:
Annual General Meetings held during the last 3 years

Particulars	FY 2012-13	FY 2011-12	FY 2010-11
Date	July 30, 2013	September 17, 2012	August 5, 2011
Location	'Rangaswar', 4th Floor, Chavan Centre, Gen. Jagannath Bhosale Marg, Nariman Point, Mumbai-400 021	'Rangaswar', 4th Floor, Chavan Centre, Gen. Jagannath Bhosale Marg, Nariman Point, Mumbai-400 021	'Rangaswar', 4th Floor, Chavan Centre, Gen. Jagannath Bhosale Marg, Nariman Point, Mumbai-400 021
Time	11.00 a.m.	11.00 a.m.	10.30 a.m.

Special Resolutions passed in previous three General Meetings of the Company:

- (i) 26th Annual General Meeting (AGM) held on July 30, 2013
No Special Resolution passed in the 26th AGM
- (ii) 25th Annual General Meeting (AGM) held on September 17, 2012
 - (a) Appointment of Mr. Sunder G. Advani as Managing Director
 - (b) Appointment of Mr. Haresh G. Advani as Whole-time Director
- (iii) 24th Annual General Meeting (AGM) held on August 5, 2011
No Special Resolution passed in the 24th AGM

The Company has not conducted any business through postal ballot during the year under review.

DISCLOSURES:

- During the year, the Company has not entered into any material significant related party transactions with its Directors/Promoters that may have potential conflict with the interest of the Company at large. As required by the Accounting Standard AS-18, the details of Related Party Transaction are given in the Notes to the Accounts.
- There was no instance of non-compliance on any matter relating to the capital markets during the past three years.
- The Company has complied with all the mandatory requirements of Clause 49 relating to Corporate Governance.
- Pursuant to the provisions of Sub-Clause V of Clause 49 of the Listing Agreement with the Stock Exchanges, the Chairman & Managing Director (CMD) and the General Manager Finance (CFO) have issued a Certificate to the Board, for the financial year ended March 31, 2014.

MEANS OF COMMUNICATION:

- The Company communicates with the shareholders at large through its Annual Report, publication of financial results, press releases and by submission and filing of reports and returns with the stock exchanges and all statutory bodies.
- The Financial results are usually published in the 'Business Standard' or 'Free Press Journal' (in English) and 'Navakal' or 'Navshakti' (in Marathi).
- The Financial results and other disclosures are also available in the Company's website i.e. www.CaravelaBeachResort.com.
- Management Discussion and Analysis Report forms part of this Annual Report.

STATUS OF COMPLIANCE WITH NON-MANDATORY REQUIREMENTS:

(a) **Remuneration Committee:**

The Company has a Remuneration Committee, the details whereof are furnished above in this Report.



(b) **Tenure of Independent Directors:**

Pursuant to the provisions of Section 149 and Schedule IV of the Companies Act, 2013, the maximum tenure for the Independent Directors has been prescribed for five years.

(c) **Training of Board Members:**

The Directors of the Company are senior professionals of high standing and experience in corporate sector and the industry in which the Company operates. They are being kept informed of the business model, growth factors and the risk profile of the Company. Hence, the Company has not laid down any formal training mechanism for its directors.

(d) **Whistle Blower Policy:**

Though the Company does not have a formal Whistle Blower Policy, the Company takes cognizance of complaints made and suggestion given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. The Company promotes ethical behaviour in all its business activities. All employees are free to approach the Audit Committee to raise their concern relating to fraud, malpractice or any other activity or event which is against the Company's interest.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT FORMS PART OF THE DIRECTORS REPORT:

GENERAL SHAREHOLDERS INFORMATION:

➤ **27th Annual General Meeting**

Date & Time : Wednesday, September 24, 2014 at 11.00 a.m.

Venue : "Rangaswar", 4th Floor, Chavan Centre, General Jagannath Bhosale Marg,
Nariman Point, Mumbai – 400 021.

➤ **Calendar of Financial Year ended 2013-14**

The meetings of Board of Directors for approval of quarterly financial results during the financial year ended 31st March, 2014 were held on the following dates:

First Quarter Results	July 30, 2013
Second Quarter and half yearly Results	October 29, 2013
Third Quarter Results	January 29, 2014
Fourth Quarter and Annual Results	May 19, 2014

➤ **Tentative Calendar for financial year ending March 31, 2015**

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending March 31, 2015 are as follows:

First Quarter Results	Second week of August 2014
Second Quarter and half yearly Results	Second week of November 2014
Third Quarter Results	Second week of February 2015
Fourth Quarter and Annual Results	Second week of May 2015

➤ **Date of Book Closure**

From Monday, September 22, 2014 to Wednesday, September 24, 2014 (both days inclusive) for the purpose of Annual General Meeting for the financial year 2013-14.

➤ **Listing on Stock Exchange**

Bombay Stock Exchange Limited (Scrip ID: ADVANIHO & Scrip Code – 523269)
National Stock Exchange of India Limited (Scrip Symbol – ADVANIHOTR)
Delhi Stock Exchange Association Limited (Scrip Code – 5924)

➤ ISBN No. INE199C01026

Listing Fees for the financial year 2014-15 has been paid to National Stock Exchange of India Ltd., The Bombay Stock Exchange Ltd. and Delhi Stock Exchange Ltd.

➤ Listing of GDRs/ADRs/FCCB

There is no convertible instrument which could result in increasing the Equity Capital of the Company as the Company has not issued any GDR / ADR / FCCB.

➤ Dematerialisation of Shares

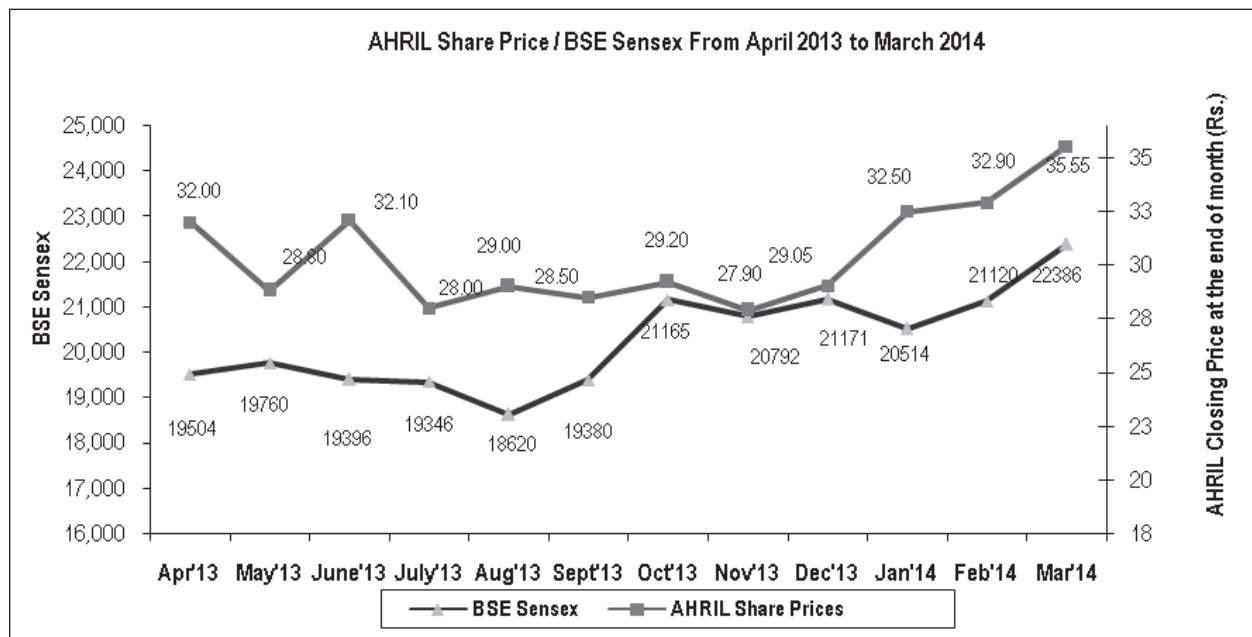
As per notifications issued by the Securities and Exchange Board of India (SEBI), the trading in Company's shares is permitted only in dematerialized form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scripless trading, the Company has enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

➤ Market Price Data

The high and low Market Price of the Company's shares traded on the Bombay Stock Exchange Limited, during each month in the financial year 2013-14 are given below:

Month	High ₹	Low ₹	Close Price ₹	Month	High ₹	Low ₹	Close Price ₹
April'13	32.05	28.30	32.00	October'13	30.00	27.80	29.20
May'13	30.30	28.75	28.80	November'13	29.50	27.90	29.00
June'13	32.10	27.40	32.10	December'13	29.80	27.60	29.05
July'13	31.95	27.60	28.00	January'14	38.00	29.00	32.50
August'13	29.90	27.10	29.00	February'14	35.10	31.00	32.90
September'13	31.50	27.65	28.50	March'14	36.75	32.30	35.55

➤ Performance of Company's Share Price in comparison to BSE Sensex





➤ **Registrar and Share Transfer Agent**

Datamatics Financial Services Limited
[Unit: Advani Hotels & Resorts (India) Limited]
Plot No. B-5, Part B, Cross Lane,
MIDC Marol, Andheri (East), Mumbai-400 093
Telephone No.: (022) 6671 2237, Fax No.: (022) 6671 2230
Contact Person: Mr. Amit Banerjee

➤ **Share Transfer System**

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.

➤ **Distribution of Shareholding as on March 31, 2014**

Range (No. of Shares)	No. of Shareholders	% of Total	No. of Shares	% of Total
1-500	3,545	69.87	1,180,060	2.55
501-1000	799	15.75	749,857	1.62
1001-2000	332	6.54	527,751	1.14
2001-3000	187	3.69	479,268	1.04
3001-4000	38	0.75	138,241	0.30
4001-5000	59	1.16	287,474	0.62
5001-10000	50	0.98	388,260	0.84
10001 and above	64	1.26	42,468,339	91.89
Total	5,074	100.00	46,219,250	100.00

➤ **Category of Shareholding as on March 31, 2014**

Category	No. of Shares	% of Total
Promoters & Promoter Group	23,185,287	50.16
Mutual Funds	56,000	0.12
Bank/FIs/Insurance Companies	2,500	0.01
Foreign Institutional Investors	0	0.00
Bodies Corporate	16,722,219	36.18
General Public	5,417,803	11.72
NRIs/OCBs	835,441	1.81
Total	46,219,250	100.00

➤ **Shares held by Non-Executive Directors**

Sr. No.	Non-Executive Directors	No. of Shares held as on March 31, 2014
1.	Mr. K. Kannan	NIL
2.	Mr. Prakash V. Mehta	500
3.	Mr. Anil Harish	NIL
4.	Mrs. Menaka S. Advani	1,305,630

➤ **Demat of shares and liquidity**

The Company's shares are held in the dematerialized form by National Securities Depository Limited and the Central Depository Services (India) Limited under the ISIN INE199C01026. Out of the total Equity Share Capital, 95.31% is held in dematerialised form as on March 31, 2014. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. May 28, 2001 as per the Notification issued by the SEBI.

➤ As on date the Company has not issued GDRs/ADRs/Warrants or any other convertible instruments.

➤ **Location of Hotel**

Ramada Caravela Beach Resort

Varca Beach, Varca Village, Salcette, Goa-403 721
Telephone No: (0832) 6695000

➤ **Registered Office and Correspondence Address**

Advani Hotels & Resorts (India) Limited
18A & 18B, Jolly Maker Chambers-II,
Nariman Point, Mumbai-400 021.
Telephone No: (022) 2285 0101, Fax No.: (022) 2204 0744
Email ID: cs.ho@advanihotels.com

➤ **CEO & CFO Certificate**

Mr. Sunder G. Advani, Chairman & Managing Director and Mr. Shankar Kulkarni, General Manager - Finance and Chief Financial Officer have furnished the requisite certificate to the Board of Directors pursuant to Clause 49 (V) of the Listing Agreement.

➤ **Other Information**

(a) Electronic Clearing Service (ECS):

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

(b) Nomination Facility:

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

CEO & CFO Certification Under Clause 41 & 49(V) of the Listing Agreement to be placed before the Board along with Audited Annual Accounts for the year ended March 31, 2014:



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, 2014 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: August 26, 2014

SUNDER G. ADVANI
Chairman & Managing Director

SHANKAR KULKARNI
Chief Financial Officer

CODE OF CONDUCT:

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 26, 2014

SUNDER G. ADVANI
Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of Corporate Governance of **ADVANI HOTELS & RESORTS (INDIA) LIMITED**, for the year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Share Transfer and Shareholders / Investors Grievance Committee.

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

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

J.G. VERMA
Partner
Membership No. 5005

Mumbai, August 26, 2014



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **ADVANI HOTELS & RESORTS (INDIA) LIMITED**, ("the Company") which comprise of Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2014;
- (ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

MATTER OF EMPHASIS

We draw attention to Note 33.1(c) to the financial statements which describes payment/provision of remuneration of ₹ 1,251,946 to a relative executive of the Company, for which an application for approval has been made to the Central Government under Section 314(1B) of the Act, which is awaited. Our opinion is not qualified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report, are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report, comply with the applicable Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - (e) On the basis of written representations received from the Directors of the Company, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March, 2014 from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Act.

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

J.G. VERMA
Partner
Membership No. 5005

Mumbai, May 19, 2014



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our report to the members of **ADVANI HOTELS & RESORTS (INDIA) LIMITED** for the year ended 31st March, 2014. We report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The Company has physically verified its fixed assets during the year in accordance with the a regular programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed by the Management on such physical verification as compared to book records.
(c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. (a) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the inventory records of the Company, we are of the opinion that the company is maintaining proper records of inventory. Discrepancies, which were noticed on physical verification of inventory as compared to book records, were not material and have been properly dealt with in the books of account.
3. (a) According to the information and explanations given to us, the Company has not granted any loan or advance to companies, firms or other parties covered in the Register maintained under section 301 of the Act. Therefore, the provisions of sub-clauses (a) to (d) of clause 4 (iii) of the Order are not applicable to the Company.
(b) According to the information and explanations given to us, the Company has not taken any loan, secured or unsecured, during the year from companies, firms and other parties covered in the Register maintained under Section 301 of the Act. Therefore, the provisions of sub-clauses (e) to (f) of clause 4 (iii) of the Order are not applicable to the Company.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal control system.
5. (a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions to be entered in the register maintained under Section 301 of the Act, have been entered in the register.
(b) According to the information and explanation given to us, the Company has not entered into any contracts/arrangements which need to be entered in the register maintained under Section 301 of the Act, exceeding the value of ' 5 Lakhs in respect of each party during the year under review.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA and other provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Hence the clause 4 (vi) of the Order is not applicable to the Company.
7. In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and nature of its business.

8. The maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Act for any of the products of the Company.
9. (a) According to the records of the Company and the information and explanations given to us, the Company has been *generally* regular in depositing undisputed statutory dues, including provident fund, investor education & protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other applicable statutory dues with the appropriate authorities during the year. The Company's operations do not give rise to any excise duty liability.
- (b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of undisputed statutory dues as at 31st March, 2014 which were outstanding for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and on the basis of our examination of the documents and records, there are no cases of non-deposit with appropriate authorities of disputed dues of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, 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
Central Sales Tax Act, 1956	Central Sales tax	12.16	Asst. Years 2005-06 & 2006-07	Asst. Commissioner of Commercial Tax (Value Added Tax)
Income-tax Act, 1961	Income-tax on completion of regular assessment	10.66	Asst. Year 2005-06	Income-Tax Appellate Tribunal
Income-tax Act, 1961	Income-tax on completion of regular assessment	54.47 (₹ 54.18 paid)	Asst. Years 2010-11	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax on completion of regular assessment	78.79	Asst. Years 2011-12	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax on assessment of TDS	15.13	Asst. Years 2005-06 to 2008-09	Commissioner of Income-tax (Appeals)

10. The Company neither had accumulated losses at the end of the financial year nor incurred any cash losses either during the financial year or preceding financial year.
11. 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 dues to banks as per loan agreements or extended due dates. There were no borrowings from any financial institutions or by way of debentures.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. According to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures, and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
16. In our opinion on an overall basis, and according to the information and explanations given to us, the term loans taken during the year were applied for the purpose for which the loans were obtained.



17. According to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we report that funds raised on short term basis have *prima facie*, not been used during the year for long term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
19. According to the information and explanations given to us, the Company has not issued any debentures during the year under audit. Accordingly, the provisions of clause (XIX) of paragraph 4 of the aforesaid Order are not applicable to the Company.
20. The Company has not raised money by public issue during the year. Accordingly, the provisions of clause (XX) of paragraph 4 of the aforesaid Order are not applicable to the Company.
21. To the best of our knowledge and belief, and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

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

J.G. VERMA
Partner
Membership No. 5005

Mumbai, May 19, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

	Note	31 st March 2014 ₹	31 st March 2013 ₹
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	92,438,500	92,438,500
Reserves and Surplus	4	239,738,969	229,991,099
		332,177,469	322,429,599
NON-CURRENT LIABILITIES			
Long Term Borrowings	5	132,206,481	84,184,555
Deferred Tax Liabilities (Net)	6	58,886,054	61,049,686
Long Term Provisions	7	10,196,730	9,598,357
		201,289,265	154,832,598
CURRENT LIABILITIES			
Short Term Borrowings	8	5,846,286	31,353,627
Trade Payables	9	25,800,489	26,850,592
Other Current Liabilities	10	111,962,052	66,681,038
Short Term Provisions	11	6,992,871	8,819,009
		150,601,698	133,704,266
TOTAL		684,068,432	610,966,463
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets:	12		
Tangible Assets		587,726,764	483,268,777
Intangible Assets		310,967	508,386
Capital Work-In-Progress		10,142,889	30,824,522
		598,180,620	514,601,685
Long Term Loans and Advances	13	8,807,201	19,649,950
		606,987,821	534,251,635
CURRENT ASSETS			
Inventories	14	17,799,310	13,573,285
Trade Receivables	15	28,175,288	31,127,570
Cash and Bank Balances	16	12,344,183	13,524,891
Short Term Loans and Advances	17	18,761,830	18,489,082
		77,080,611	76,714,828
TOTAL		684,068,432	610,966,463

SIGNIFICANT ACCOUNTING POLICIES AND**NOTES ON ACCOUNTS** 1 to 40

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

As per our report of even date

For and on behalf of the Board

FOR J. G. VERMA & CO.
Chartered Accountants

SUNDER G. ADVANI
Chairman & Managing Director

HARESH G. ADVANI
Executive Director

J. G. VERMA
Partner

KUMAR IYER
Company Secretary

SHANKAR KULKARNI
General Manager – Finance (CFO)

Mumbai, May 19, 2014



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note	2013-14 ₹	2012-13 ₹
REVENUE			
Revenue from Operations	18	397,566,817	386,808,013
Other Income	19	15,764,203	11,118,243
TOTAL REVENUE		413,331,020	397,926,256
EXPENSES			
Cost of food, wine and liquor consumed	20	30,700,534	29,350,652
Employee Benefits Expense	21	129,908,825	114,843,648
Finance Costs	22	21,653,381	16,325,089
Depreciation and Amortisation Expense	12	31,673,809	29,219,237
Other Expenses	23	169,158,112	162,707,141
TOTAL EXPENSES		383,094,661	352,445,767
Profit before Exceptional and Extra-Ordinary Items and Tax .		30,236,359	45,480,489
Less: Prior Period Adjustments:	24	—	1,783,423
Profit before Extra-ordinary Items and Tax		30,236,359	43,697,066
Tax Expense:			
(1) Current Tax		(9,200,000)	(16,000,000)
(2) Deferred Tax (Refer Note 6)		2,163,632	(1,053,091)
(3) Tax for earlier years		(560,000)	(378,738)
		(7,596,368)	(17,431,829)
Profit after tax for the year		22,639,991	26,265,237
Earnings per Equity Share of face value of ₹ 2 each	35		
(1) Basic		0.49	0.57
(2) Diluted		0.49	0.57

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 to 40

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

As per our report of even date

For and on behalf of the Board

FOR J. G. VERMA & CO.
Chartered Accountants

SUNDER G. ADVANI
Chairman & Managing Director

HARESH G. ADVANI
Executive Director

J. G. VERMA
Partner

KUMAR IYER
Company Secretary

SHANKAR KULKARNI
General Manager – Finance (CFO)

Mumbai, May 19, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	31st March, 2014 ₹	31st March, 2013 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and adjustments	30,236,359	43,697,066
Adjustments for:		
Depreciation	31,673,809	29,219,237
Loss on sale of assets (net)	2,363,975	1,387,573
Provision for doubtful debts/(written back)	(145,432)	121,388
Provision for employee benefits	712,448	1,525,410
Interest income	(199,956)	(1,070,582)
Interest expenditure	21,653,381	16,325,089
Operating profit before working capital changes:	86,294,584	91,205,181
Adjustments for:		
Trade and other receivable	3,097,714	(12,333,227)
Inventories	(4,226,025)	632,706
Trade payable and others	16,293,919	(2,840,160)
Cash generated from operations:	101,460,192	76,664,500
Direct Taxes paid (Net of refund received)	(11,716,799)	(161,067)
Net cash from Operating Activities:	89,743,393	76,503,433
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (including Capital Work-in-progress)	(120,174,107)	(53,098,668)
Decrease/(Increase) in Loans, Advances and Deposits	10,586,587	(13,506,538)
Sale of Fixed Assets	6,159,100	683,245
Interest received	199,956	1,069,882
Net Cash from/(used in) Investing Activities	(103,228,464)	(64,852,079)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Borrowings:		
Long Term Borrowings	134,448,795	54,157,992
Short Term Borrowings	15,000,000	15,000,000
Repayment of:		
Long Term Borrowings	(75,721,435)	(21,493,614)
Short Term Borrowings	(40,507,341)	(28,225,537)
Interest paid	(20,703,747)	(20,027,689)
Dividends paid including Dividend Tax	(211,909)	(26,557,214)
Net Cash (used in)/from Financing Activities	12,304,363	(27,146,062)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(1,180,708)	(15,494,708)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	13,524,891	29,019,599
(Opening Balance)		
CASH & CASH EQUIVALENTS AT THE CLOSING OF THE YEAR	12,344,183	13,524,891
(Closing Balance) (See Note below)		

Note: The Closing Balance of Cash & Cash Equivalent includes restricted cash being (i) Lien marked bank deposits of ₹ 2,261,870/- (Previous Year ₹ 2,952,651/-) and (ii) Dividend Bank Account Balances of ₹ 1,549,811/- (Previous Year ₹ 1,761,720/-).

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

1 to 40

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

As per our report of even date

For and on behalf of the Board

FOR J. G. VERMA & CO.
Chartered Accountants

SUNDER G. ADVANI
Chairman & Managing Director

HARESH G. ADVANI
Executive Director

J. G. VERMA
Partner

KUMAR IYER
Company Secretary

SHANKAR KULKARNI
General Manager – Finance (CFO)

Mumbai, May 19, 2014



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

1. Corporate Information:

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

2. Significant Accounting Policies:

2.1. Basis for Preparation of Financial Statements:

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with accounting principles accepted in India ("Indian GAAP") and are in compliance with Accounting Standards as notified by the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

2.2. Use of Estimates:

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

2.3. Revenue Recognition:

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

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

2.4. Fixed Assets:

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

2.5. Depreciation:

- (i) Depreciation is provided in the accounts on straight-line method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- (ii) Where the historical cost of a depreciable asset undergoes a change due to increase or decrease on account of price adjustments, changes in duties or similar factors, depreciation on the revised amount is provided prospectively over the residual useful life of the asset.

2.6. Impairment:

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

2.7. Investments:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

2.8. Inventories:

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

2.9. Employee Benefits:

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

2.10. Foreign Currency Transactions:

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

2.11. Prior Period Adjustments, Extra-ordinary items and Changes in Accounting Policies:

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

2.12. Leases:

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

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

2.13. Borrowing Costs:

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

2.14. Segment Accounting:

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

2.15. Taxes on Income:

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

2.16. Accounting Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized in terms of Accounting Standards 29 – “Provisions, Contingent Liabilities and Contingent Assets” as notified by the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, when there is a present legal or statutory obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

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

3. SHARE CAPITAL:

	31 st March 2014 ₹	31 st March 2013 ₹
Authorised:		
99,750,000 Equity Shares of ₹ 2/- each	199,500,000	199,500,000
5,050,000 Preference Shares of ₹ 10/- each	50,500,000	50,500,000
TOTAL	250,000,000	250,000,000
Issued, Subscribed and Paid up:		
46,219,250 Equity Shares of ₹ 2/- each, fully paid up	92,438,500	92,438,500
TOTAL	92,438,500	92,438,500

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

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

3.3. Reconciliation of the number of shares outstanding:

Particulars:	31 st March 2014	31 st March 2013
Number of Equity Shares at the beginning	46,219,250	46,219,250
Add/(Less): Movement during the year	—	—
Number of Equity Shares at the end	46,219,250	46,219,250

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

- 3.4. In the event of liquidation of the Company, the holders of the Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.
- 3.5. Particulars of Shareholders holding more than 5% shares:

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	Number of shares	% held	Number of shares	% held
Advani Sunder Gurdas	9,425,893	20.39%	9,425,893	20.39%
Advani Haresh Gurdas	5,828,324	12.61%	5,808,502	12.57%
Delta Hospitality and Leisure Private Limited	16,453,783	35.60%	16,453,783	35.60%
TOTAL	31,708,000	68.60%	31,688,178	68.56%

- 3.6. No shares of the Company have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.
- 3.7. The Company has not issued any security, which is convertible into Equity/Preference Shares.

4. RESERVES AND SURPLUS:

	31 st March 2014 ₹	31 st March 2013 ₹
Capital Reserve:		
As per Last Accounts:	84,855,283	84,855,283
Securities Premium Account:		
As per Last Accounts:	47,089,900	47,089,900
Capital Redemption Reserve:		
As per Last Accounts	10,000,000	10,000,000
General Reserve:		
As per Last Accounts	22,000,000	20,600,000
Add: Transfer from Surplus in Statement of Profit and Loss	600,000	1,400,000
	22,600,000	22,000,000
Surplus in the Statement of Profit and Loss		
As per Last Accounts	66,045,916	55,147,143
Add: Net Profit after Tax transferred from Statement of Profit and Loss	22,639,991	26,265,237
Amount available for appropriation:	88,685,907	81,412,380
Appropriations:		
Interim Dividend @ 12% (Previous year 13%)	(11,092,620)	(12,017,005)
Tax on Interim Dividend	(1,799,501)	(1,949,459)
Transfer to General Reserve	(600,000)	(1,400,000)
	75,193,786	66,045,916
TOTAL	239,738,969	229,991,099



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

5. LONG TERM BORROWINGS:

	31 st March 2014 ₹	31 st March 2013 ₹	31 st March 2014 ₹	31 st March 2013 ₹
	Non-current portion		Current maturities	
Secured: From Banks				
Rupee Term Loans (Note 5.1)	121,993,494	83,515,260	38,750,000	26,000,000
Unsecured: From Banks and Others				
Vehicle Loans	10,212,987	669,295	3,109,398	1,458,658
TOTAL	132,206,481	84,184,555	41,859,398	27,458,658

5.1. Nature of Securities:

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

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

	31 st March 2014 ₹	31 st March 2013 ₹
(i) By Directors	60,303,788	109,515,260
(ii) By Others	—	—
TOTAL	60,303,788	109,515,260

5.3. Particulars of Terms of Repayment of Loans:

	Rate of Interest (Per annum)	Repayable in	Amount outstanding as at	
			31 st March 2014 ₹	31 st March 2013 ₹
Bank of Baroda (Limit ₹ 280 Lakhs)	12.85%	2 half yearly installments	9,000,000	20,991,149
Bank of Baroda (Limit ₹ 550 Lakhs)	12.90%	10 half yearly installments	33,633,991	—
Bank of Baroda (Limit ₹ 150 Lakhs)	12.85%	7 half yearly installments	13,500,000	13,614,000
Bank of Baroda (Limit ₹ 400 Lakhs) FCNR(B) Loan (Refer Note 5.4)	675 bps over LIBOR	5 installments ending in April-2015	15,647,382	32,106,881
Bank of India (Limit ₹ 150 Lakhs)	14.25%	3 quarterly installments	2,250,000	5,250,000
Bank of India (Limit ₹ 299 Lakhs)	14.25%	8 half yearly installments	29,800,000	37,553,230
Bank of India (Limit ₹ 376 Lakhs) FCNR(B) Loan (Refer Note 5.4)	600 bps over LIBOR	8 half yearly installments	36,912,121	—
Bank of India (Limit ₹ 200 Lakhs)	12.50%	4 yearly installments	20,000,000	—
TOTAL			160,743,494	109,515,260

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

- 5.4. During the year, Bank of India (Previous year Bank of Baroda) has converted a part of the Rupee Loan amounting to ₹ 37,600,000/- (Previous year ₹ 40,000,000/-) into Foreign Currency Loan.

6. DEFERRED TAX LIABILITIES (NET):

	31 st March 2014 ₹	31 st March 2013 ₹
Deferred Tax Liability:		
Difference between the written down value of assets under the Companies Act, 1956 and the Income Tax Act, 1961.	64,089,993	61,930,965
	<u>64,089,993</u>	<u>61,930,965</u>
Deferred Tax Assets:		
Expenses allowable for tax purpose on payment basis	5,125,352	755,505
Provision for doubtful debt/loans and advances	78,587	125,774
	<u>5,203,939</u>	<u>881,279</u>
Deferred Tax Liability-net	<u>58,886,054</u>	<u>61,049,686</u>
Deferred tax Charge/(Credit) for the year	<u>(2,163,632)</u>	<u>1,053,091</u>

- 6.1. Deferred Tax effect on long term capital loss of ₹ 13,950,261/- incurred in 2010-11 has not been recognised on consideration of prudence.

7. LONG TERM PROVISIONS:

	31 st March 2014 ₹	31 st March 2013 ₹
Provision for employee benefits (Refer Note 32)	10,196,730	9,598,357
TOTAL	<u>10,196,730</u>	<u>9,598,357</u>

8. SHORT TERM BORROWINGS:

	31 st March 2014 ₹	31 st March 2013 ₹
Secured:		
Cash Credits (Refer Note 8.1)	5,846,286	26,353,627
Unsecured:		
Short term bank loan	—	5,000,000
TOTAL	<u>5,846,286</u>	<u>31,353,627</u>

- 8.1. Cash Credits are secured by hypothecation of Company's inventories of stocks, stores and provisions, goods in transit and other moveable items and book debts.

9. TRADE PAYABLES:

	31 st March 2014 ₹	31 st March 2013 ₹
Micro, small and medium enterprises (Refer Note 9.1)	—	—
Others	25,800,489	26,850,592
TOTAL	<u>25,800,489</u>	<u>26,850,592</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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

	31 st March 2014	31 st March 2013
	₹	₹
Principal amount due and remaining unpaid	—	—
Interest due on above and the unpaid interest	—	—
Interest paid	—	—
Payment made beyond the appointed day during the year	—	—
Interest due and payable for the period of delay	—	—
Interest accrued and remaining unpaid	—	—
Amount of further interest remaining due and payable in succeeding years.	—	—

10. OTHER CURRENT LIABILITIES:

	31 st March 2014	31 st March 2013
	₹	₹
Current maturities of long term borrowings (Refer Note 5)	41,859,398	27,458,658
Interest accrued and due	856,040	-
Security deposits	2,186,000	2,686,000
Unpaid dividend	1,549,811	1,761,720
Staff related dues	10,572,539	8,324,766
Statutory dues	8,727,379	6,884,427
Advances received from customers	20,587,750	9,198,608
Creditors for Capital Expenditure	8,310,497	3,496,970
Interim dividend payable (Refer Note 10.1)	11,092,620	—
Tax on interim dividend	1,799,501	—
Other payables	4,420,517	6,869,889
TOTAL	111,962,052	66,681,038

10.1. The Board of Directors of the Company has approved the payment of interim dividend @ 12% for the year ended March 31, 2014, in the Board Meeting held on May 19, 2014, which is subject to ratification by the shareholders.

11. SHORT TERM PROVISIONS:

	31 st March 2014	31 st March 2013
	₹	₹
Provision for employee benefits (Refer Note 32)	3,298,105	3,184,030
Provision for Income tax for the current year net of taxes paid	3,694,766	5,634,979
TOTAL	6,992,871	8,819,009

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

12. FIXED ASSETS:

(Amount in ₹)

	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 1.4.2013	Additions (Note 12.2)	Deductions	As at 31.3.2014	Upto 31.3.2013	For the year	Less: Sales/ (Adjustments)	As at 31.3.2014	As at 31.3.2014	As at 31.3.2013
I. Tangible:										
Land (Freehold) (including landscaping)	25,567,576	—	—	25,567,576	—	—	—	—	25,567,576	25,567,576
Buildings	445,926,240	81,249,481	2,473,242	524,702,479	128,504,477	12,160,794	1,352,026	139,313,245	385,389,234	317,421,763
Plant and Equipment	150,660,248	19,632,164	2,828,946	167,463,466	68,243,628	7,839,537	1,624,167	74,458,998	93,004,468	82,416,620
Furniture and Fixtures	125,985,562	23,951,156	11,423,262	138,513,456	81,098,499	7,917,612	11,145,466	77,870,645	60,642,811	44,887,063
Office Equipment and Computers	12,329,385	935,337	521,225	12,743,497	9,416,737	1,024,617	228,310	10,213,044	2,530,453	2,912,648
Vehicles and Motor Boats	19,777,447	18,639,153	12,324,793	26,091,807	9,714,340	2,483,669	6,698,424	5,499,585	20,592,222	10,063,107
	780,246,458	144,407,291	29,571,468	895,082,281	296,977,681	31,426,229	21,048,393	307,355,517	587,726,764	483,268,777
II. Intangible:										
Computer Software	2,167,522	50,161	—	2,217,683	1,857,100	205,205	—	2,062,305	155,378	310,422
Web-site Development Charges	261,411	—	—	261,411	63,447	42,375	—	105,822	155,589	197,964
	2,428,933	50,161	—	2,479,094	1,920,547	247,580	—	2,168,127	310,967	508,386
TOTAL	782,675,391	144,457,452	29,571,468	897,561,375	298,898,228	31,673,809	21,048,393	309,523,644	588,037,731	483,777,163
Previous Year Total	748,315,888	40,695,484	6,335,981	782,675,391	273,944,154	29,219,237	4,265,163	298,898,228	483,777,163	
III. Capital Work in Progress [See Note (12.1) below]									10,142,889	30,824,522

NOTES:

- 12.1. Capital Work in Progress include expenses of ₹ 8,227,239/- (Previous year ₹ 29,177,537/-) incurred on renovation/refurbishing of the hotel, pending completion of the work (pending allocation).
- 12.2. Additions to Fixed Assets include ₹ 5,558,009/- (Previous Year ₹ 1,234,996/-) being loss due to fluctuation in foreign currency rates (in relation to foreign currency loans) capitalised in accordance with Accounting Standard-11 Notification.

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

	31 st March 2014 ₹	31 st March 2013 ₹
Capital Advances	4,238,097	12,885,451
Security Deposits including for telephones and electricity	337,870	1,350,870
Other Loans and Advances:		
Prepaid Expenses	3,279,365	3,451,124
Payment of income tax (net of provision for taxation)	945,869	1,962,505
Others	6,000	—
TOTAL	8,807,201	19,649,950



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

14. INVENTORIES:

(Valued at lower of cost and net realizable value)

	31 st March 2014 ₹	31 st March 2013 ₹
Operating supplies and stores	14,678,214	10,503,394
Food and beverages	3,121,096	3,069,891
TOTAL	17,799,310	13,573,285

15. TRADE RECEIVABLES:

(Unsecured, considered good unless otherwise stated)

	31 st March 2014 ₹	31 st March 2013 ₹
A. Outstanding for six months from the date they are due for payment (₹ 242,216/- (Previous Year ₹ 387,648/-) considered doubtful)	273,050	501,802
Less: Provision for doubtful debts	242,216	387,648
	30,834	114,154
B. Other receivables	28,144,454	31,013,416
TOTAL (A + B)	28,175,288	31,127,570

16. CASH AND BANK BALANCES:

	31 st March 2014 ₹	31 st March 2013 ₹
Cash and cash equivalents:		
Balances with banks on current accounts	5,422,579	6,686,427
Cheques/drafts on hand	—	479,053
Cash on hand	3,109,923	1,645,041
	8,532,502	8,810,521
Other bank balances:		
On unpaid dividend account	1,549,811	1,761,719
Margin money deposit	2,261,870	2,952,651
	3,811,681	4,714,370
TOTAL	12,344,183	13,524,891

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**17. SHORT TERM LOANS AND ADVANCES:
(Unsecured, considered good)**

	31 st March 2014 ₹	31 st March 2013 ₹
Security and other deposits	3,547,880	2,984,574
Advances recoverable in cash or kind	2,289,125	3,373,615
Other Loans and Advances:		
Prepaid Expenses	5,444,382	5,573,268
Taxes Paid net of Provision	6,476,603	5,443,382
Loans to Employees	241,778	314,859
Cenvat Credit available	741,696	598,667
Other receivables	20,366	200,717
TOTAL	18,761,830	18,489,082

18. REVENUE FROM OPERATIONS:

	2013-2014 ₹	2012-13 ₹
Hotel Operations:		
Room	243,853,374	235,924,329
Food	102,070,392	100,923,018
Wine and Liquor	18,754,121	17,207,246
(including sale of cigarettes ₹ 299,906/- (Previous Year ₹ 314,482/-))		
	364,677,887	354,054,593
Other Operating Revenues:		
Income from Electronic amusements and Gaming	2,709,645	3,426,409
Guest sightseeing and transportation	9,664,258	8,569,275
Health Club, SPA, Beauty Parlor and Swimming Pool	10,988,769	9,563,540
Others	9,526,258	11,194,196
	32,888,930	32,753,420
TOTAL	397,566,817	386,808,013

19. OTHER INCOME:

	2013-2014 ₹	2012-13 ₹
Interest earned on bank deposits	199,956	207,848
Interest on tax refunds	—	862,734
Foreign Exchange Fluctuation Gain (net)	10,127,107	6,868,445
Excess provision and liabilities not payable, written back	4,997,824	2,722,620
Other non-operating income (net of direct expenses)	439,316	456,596
TOTAL	15,764,203	11,118,243



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

20. COST OF FOOD, WINE AND LIQUOR CONSUMED:

	2013-14	2012-13
	₹	₹
Opening Stock	3,069,891	3,080,014
Add: Purchases	30,751,739	29,340,529
	33,821,630	32,420,543
Less: Closing Stock	3,121,096	3,069,891
TOTAL	30,700,534	29,350,652

21 EMPLOYEE BENEFITS EXPENSE:

	2013-2014	2012-13
	₹	₹
Salaries, Wages and Bonus	111,657,817	94,639,671
Contribution to Provident and other Funds	4,719,522	4,281,558
Provision for employee benefits	712,448	1,525,410
Workmen and Staff Welfare Expenses	12,819,038	14,397,009
TOTAL	129,908,825	114,843,648

22 FINANCE COSTS:

	2013-2014	2012-13
	₹	₹
Interest to banks on Long Term borrowings	17,873,347	9,878,494
Interest to banks on Short Term borrowings	2,299,795	4,986,836
Other borrowing costs	1,480,239	1,459,759
TOTAL	21,653,381	16,325,089

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**23. OTHER EXPENSES:**

	2013-14 ₹	2012-13 ₹
Power and Fuel	37,814,091	34,739,411
Rent	5,651,392	5,815,656
Licence, Rates and Taxes	1,840,239	2,638,861
Repairs to Buildings	17,452,967	15,617,168
Repairs to Machinery	10,043,710	12,337,587
Repairs to other fixed assets	6,552,907	7,274,492
Replacement of operating supplies	3,114,938	1,368,248
Expenses on apartments and board	21,153,755	19,115,118
Water Charges	4,748,156	4,869,351
Printing and Stationery	1,479,662	1,792,565
Expenses on Communication	2,616,665	2,509,639
Travelling and Conveyance	14,648,538	12,801,598
Insurance	3,112,498	2,667,677
Advertisement, Publicity and Sales Promotion	8,919,893	7,889,218
Royalty	7,322,538	7,315,886
Service Charges - Marketing and collections	3,463,819	2,683,465
Band and Music	6,657,512	6,534,457
Directors Fees	722,110	1,064,219
Legal and Professional Charges	5,533,964	7,916,660
Donations	354,004	570,002
Bad debts and irrecoverable amounts written off	311,529	413,355
Provision for Doubtful Debts	—	121,388
Loss on sale/discard of fixed assets (net)	2,363,975	1,387,573
Luxury Tax, Sales Tax, Central Excise, etc. (including assessment dues)	9,069	40,917
Miscellaneous Expenses	3,270,181	3,222,630
TOTAL	169,158,112	162,707,141

24. PRIOR PERIOD ADJUSTMENTS:**Expenses:**

	2013-2014 ₹	2012-13 ₹
Excess interest booked in previous year reversed	—	1,783,423
TOTAL	—	1,783,423



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

25. Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 5,458,205/- (Previous Year ₹ 15,383,661/-) net of advances.

(b) Other Commitments:

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

26. Contingent liabilities not provided for in respect of:

(a) Claims against the Company not acknowledged as debts ₹ 4,765,557/- (Previous Year ₹ 2,545,833/-)

(b) Pending Bank Guarantees:

Particulars:

	2013-14 ₹	2012-13 ₹
Bank Guarantees	8,807,484	9,407,484

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

(d) Demand raised by Income Tax Authorities, disputed by the Company in appeal and rectification proceedings, which are pending – ₹ 16,003,521/- (Previous Year ₹ 2,607,583/-).

(e) Demand raised by Sales Tax Authorities, disputed by the Company in appeal, which are pending amounting to ₹ 1,215,646/- (Previous Year ₹ 1,215,646/-).

(f) Demand raised by Entertainment Tax Authorities, disputed by the Company in appeal, which is pending amounting to ₹ 43,180/- (Previous Year ₹ 43,180/-).

(g) Demand of ₹ NIL (Previous Year ₹ 310,234/-) raised by Luxury Tax Authorities for financial year 2007-08 is disputed by the Company and rectification application is pending.

(h) Certain employees of the Company's flight catering unit i.e. Airport Plaza, which is sold in earlier year have demanded higher wages with effect from August 01, 2006. The matter is pending in the Labour Court. Pending disposal of the matter, no provision has been made for the additional wages, as the amount is indeterminate.

27. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2014. This is information as required to be disclosed under "The Micro, Small and Medium Enterprises Development Act, 2006" (the Act) has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**28. Details of Auditors' Remuneration:**

	2013-14 ₹	2012-13 ₹
Audit fees	350,000	350,000
For taxation matters	30,000	262,500
For other services	110,000	130,000
For expenses	57,443	106,285
Service Tax	63,148	94,233
TOTAL	610,591	943,018

29. The Unclaimed Dividend for the year 2007-08, 2009-10, 2010-11, 2011-12 and 2012-13 aggregating to ₹ 1,549,811/- (Previous Year ₹ 1,761,720/-) will be deposited with Investor Education and Protection Fund (IEPF) at the appropriate time as and when applicable.

30. Movement in Provision for Doubtful Debts/Loans and Advances:

Particulars:	2013-14 ₹	2012-13 ₹
Opening balance	387,648	266,260
Addition during the year	82,244	121,388
Deduction during the year	(227,676)	—
Closing balance	242,216	387,648

31. Segment Reporting under Accounting Standard 17:

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

32. The disclosures required under Accounting Standard 15 – "Employee Benefits":**(a) Defined Contribution Plan**

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

Particulars:	2013-14 ₹	2012-13 ₹
Employer's Contribution to Provident Fund and Pension Scheme	4,719,522	4,281,558

(b) Defined Benefit Plan

In respect of Employees' Retiring Gratuity, the present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized on actuarial valuation basis.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 ₹ (Unfunded)	2012-13 ₹ (Unfunded)
(c) Retiring Gratuity Liability:		
I. Assumptions:		
Discount Rate	9.33%	8.25%
Salary Escalation	4.00%	4.00%
Attrition Rate	2.00%	2.00%
II. Change in Benefit Obligation:		
Liability at the beginning of the year	10,796,958	9,556,750
Interest Cost	932,156	822,740
Current Service Cost	770,971	662,468
Benefit Paid	(538,132)	(1,079,846)
Actuarial (Gain)/Loss on obligations	(586,518)	834,846
Liability at the end of the year	11,375,435	10,796,958
III. Amount recognized in the Balance Sheet:		
Liability at the end of the year	11,375,435	10,796,958
Fair value of Plan Assets at the end of the year	—	—
Difference	(11,375,435)	(10,796,958)
Amount recognized in the Balance Sheet	(11,375,435)	(10,796,958)
IV. Expenses recognized in Statement of Profit and Loss:		
Current Service Cost	770,971	662,468
Interest Cost	932,156	822,740
Actuarial Gain or (Loss)	(586,518)	834,846
Expense recognized in Statement of Profit and Loss	1,116,609	2,320,054
V. Balance Sheet Reconciliation:		
Opening Net Liability	10,796,958	9,556,750
Expenses as above	1,116,609	2,320,054
Employer's Contribution	(538,132)	(1,079,846)
Closing Net Liability [Refer note (viii) below]	11,375,435	10,796,958
(d) Leave Encashment Liability:		
I. Summary of Assumption:		
Retirement Age	58 years	58 years
Attrition Rate	2.00%	2.00%
Future Salary Rise	4.00%	4.00%
Rate of Discounting	9.33%	8.25%
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
II. Actuarial Value of leave encashment liability	2,069,400	1,935,429

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**(e) Other details:**

- (i) Gratuity is payable @15 days salary for each year of service subject to a maximum of ₹ 1,000,000/- (Previous Year ₹ 1,000,000/-).
- (ii) Leave is encashable on retirement/while in service/maximum leave accumulation is as per Company's scheme from time to time.
- (iii) The above information is as certified by the Actuary.
- (iv) Salary Escalation is considered as advised by the Company, which is in line with the industry practice considering promotion and demand and supply of the employee.
- (v) Number of employees (average) 177 (Previous year 173).
- (vi) Salary per month – ₹ 3,463,137/- (Previous year ₹ 3,100,503/-).
- (vii) Contribution for next year – ₹ Nil (Previous year ₹ Nil).
- (viii) In addition to the provision made for gratuity as per actuarial valuation, the Company has made further provision of ₹ 50,000/- under the relevant provisions of the Goa Shop and Establishment Act, 1973.

33. Related Party Disclosures under Accounting Standard 18:

- (a) Subsidiary Company:** : None
- (b) Parties where control exists:** : None
- (c) Key Management Personnel:**
 - Mr. Sunder G. Advani : Chairman & Managing Director
 - Mr. Haresh G. Advani : Executive Director
 - Mr. Prahlad S. Advani : Vice President & Asset Manager-Relative
- (d) Other parties being relatives of Key Management Personnel with whom transactions have taken place during the year:**
 - Mrs. Menaka S. Advani : Director and relative
- (e) Other related parties with whom transactions have taken place during the year:**
 - M/s. D. M. Harish & Co., Advocates : A Partnership firm wherein Mr. Anil Harish, Non-Executive Director of the Company, is a Partner
 - M/s. Malvi Ranchoddas & Co., Solicitors & Advocates : A Partnership firm wherein Mr. Prakash V. Mehta, Non-Executive Director of the Company, is a Partner



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(f) 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)	
	Associates and other related parties ₹	Key Management Personnel ₹
(i) Remuneration/Sitting Fees	17,905,906 15,911,243	180,496 281,114
(ii) Consultancy Fees	— —	807,132 1,309,467
(iii) Expenses recovered	2,947,045 2,646,738	— —
(iv) Balance outstanding at the year end: Creditors/Payables	1,028,104 1,651,772	99,045 —

(g) Disclosure of Material Transactions with Related Parties:

Particulars:	2013-14 ₹	2012-13 ₹
(i) Remuneration to Key Managerial Personnel and sitting fees:		
Mr. Sunder G. Advani (Refer Note 33.1)	8,156,044	7,365,150
Mr. Haresh G. Advani (Refer Note 33.1)	5,479,320	4,651,104
Mr. Prahlad S. Advani	4,270,542	3,894,989
Mrs. Menaka S. Advani	180,496	281,114
(ii) Consultancy Fees:		
Malvi Ranchoddas & Co.	447,132	904,971
D. M. Harish & Co.	360,000	404,496
(iii) Expenses recovered:		
Mr. Sunder G. Advani	880,700	886,541
Mr. Haresh G. Advani	753,965	365,068
Mr. Prahlad S. Advani	1,312,380	1,395,129
(iv) Year end balances:		
Sundry Creditors/payables:		
Mr. Sunder G. Advani	479,740	465,092
Mr. Haresh G. Advani	309,403	290,716
Mr. Prahlad S. Advani	238,961	895,964
Malvi Ranchoddas & Co.	99,045	—

33.1 (a) The Managerial Remuneration to the Chairman and Managing Director (CMD) and to the Executive Director (ED) has been paid/provided in accordance with the resolutions approved by the Shareholders of the Company at the Annual General Meeting held on September 17, 2012 read with the resolutions passed by the Board of Directors in their meeting held on July 10, 2012, February 08, 2013 and May 13, 2013 and as approved by the Central Government vide their approval letters dated October 7, 2013 and dated January 31, 2013 for CMD and ED respectively. The approval of the Central Government is received under Section 269,198/309, 1956 of the Companies Act for a period of March 1, 2013 to February 29, 2016.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

- (b) The Managerial Remuneration to the CMD and the ED for previous year was paid/provided in accordance with the resolutions approved by the Shareholders of the Company at the Annual General Meeting held on September 26, 2007 read with the resolutions passed by the Board of Directors in their meetings held on May 7, 2010 and May 13, 2011 and approved by the Central Government vide their approval letters dated September 20, 2013 for CMD and ED.
- (c) Remuneration to Mr. Prahlad S. Advani, Vice President & Asset Manager includes payment/provision of Rs. 1,251,946/- (Previous year Rs. Nil) for the period from December 15, 2013 to March 31, 2014, which was approved by the Shareholders of the Company in the Annual General Meeting held on December 15, 2010, for which an application has been made to the Central Government under Section 314 (1B) of the Companies Act, 1956 and the approval is awaited.

33.2 The above remuneration excludes provision for gratuity and leave availment since it is provided on an actuarial valuation of the Company's liability to all its employees.

34. Lease:

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

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

Particulars:	2013-14	2012-13
	₹	₹
Payable within one year	4,961,525	5,675,650
Payable later than one year but not later than five years	6,605,570	15,628,475
Payable after five years	—	—

35. Earnings Per Share (E.P.S.) under Accounting Standard 20:

Particulars:	2013-14	2012-13
	₹	₹
Profit after tax (In ₹)	22,639,991	26,265,237
No. of Shares outstanding	46,219,250	46,219,250
Nominal face value of share (In ₹)	2	2
Basic & Diluted E.P.S. (In ₹)	0.49	0.57

36. Earnings in Foreign Exchange:

Particulars:	2013-14	2012-13
	₹	₹
Hotel earnings (including encashment) as certified by the Management and relied upon by the Auditors. The above earnings are on the basis of actual receipts during the year.	243,966,101	216,675,151



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

37. Expenditure in foreign currency on account of: (on accrual basis)

Particulars:

	2013-14	2012-13
	₹	₹
Royalty	7,307,888	7,009,171
Professional & Consultation fees	307,650	10,246,262
Other matters	6,829,206	7,376,423

38. Non-resident Shareholders etc.:

Particulars:

	2013-14	2012-13
	₹	₹
Number of Non-Resident Shareholders	37	36
Year to which the dividend related	N.A.	2012-13
Number of equity shares held	835,441	1,101,257
Amount of Dividend (In ₹)	NIL	286,327

39. C.I.F. Value of Imports:

Particulars:

	2013-14	2012-13
	₹	₹
Capital goods	43,675,159	1,625,473
Stores, Spares and Supplies	514,413	—
Provision, Wines, etc.	1,809,012	1,419,184

40. Comparative Figures of Previous Year:

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

For and on behalf of the Board

SUNDER G. ADVANI
Chairman & Managing Director

HARESH G. ADVANI
Executive Director

KUMAR IYER
Company Secretary

SHANKAR KULKARNI
General Manager – Finance (CFO)

Mumbai, May 19, 2014

FIVE YEAR SUMMARY

₹ in Lakhs

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Total Revenue	4133	3979	3739	3522	3240
Profit before Tax	302	437	339	175	146
Tax (Including Deferred Tax)	76	174	115	34	69
Profit after Tax	226	263	224	185	77
Earnings Per Share (₹)	0.49	0.57	0.49	0.30	0.17
Dividend per Share (₹)	0.24	0.26	0.24	0.20	0.10
Dividend percentage	12%	13%	12%	10%	5%
Dividend payout	111	120	111	92	46
Equity Capital	924	924	924	924	924
Reserves & Surplus	2397	2300	2177	2082	2004
Shareholders Funds	3322	3224	3101	3006	2928
Borrowings	1381	1156	995	595	1574
Capital Employed	4703	4380	4096	3601	4502
Net Block	5982	5146	4915	4141	4216
Payments relating to Employees	1299	1148	1032	952	764
Total Debt to Equity (Ratio)	0.42	0.36	0.32	0.20	0.54

ADVANI HOTELS & RESORTS (INDIA) LIMITED

CIN : L99999MH1987PLC042891

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

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

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

I hereby record my presence at the 27th ANNUAL GENERAL MEETING to be convened at 'Rangaswar', 4th Floor, Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai-400 021 on Wednesday, September 24, 2014 at 11.00 a.m.

Member's/Proxy's Full Name

Member's/Proxy's Signature

TEAR HERE

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PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): Registered Address:	E-mail Id: Folio No./Client Id: DP ID:
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I/We, being the member (s) of shares of the above named company, hereby appoint:

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be convened at 'Rangaswar', 4th Floor, Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai-400 021 on Wednesday, September 24, 2014 at 11.00 a.m. and at any adjournment thereof in respect of such Resolutions as are indicated below:

- Adoption of Audited Balance Sheet as at 31st March 2014, Statement of Profit and loss for the year ended on that date together with Reports of the Directors and Auditors thereon.
- Confirmation of the payment of Interim Dividend paid @ 12% (₹ 0.24 per Share) and consider, approve and declare the same as the final dividend for the financial year ended 31st March, 2014.
- Appointment of Auditors.
- Appointment of Mr. Prakash Vasantlal Mehta as an Independent Director.
- Appointment of Mr. Krishnamoorthy Kannan as an Independent Director.
- Appointment of Mr. Anil Harish as an Independent Director.
- Appointment of Mr. Vinod Dhall as an Independent Director.
- Appointment of Mrs. Nina Haresh Advani as Non Executive Director.
- Ratification for holding an office or place of profit under Section 188(1)(f) and (3) of the Companies Act, 2013 by Mr. Prahlad S. Advani, Vice President and Asset Manager for the period April 1, 2014 to July 31, 2014.
- Appointment of Mr. Prahlad S. Advani as Whole-time Director.

Signed this day of, 2014

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

Affix
1 Rupee
Revenue
Stamp

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

TEAR HERE



Mr. Shripad Naik, Minister of Tourism & Culture, Government of India Presenting an award to Mr. Sunder G. Advani, Chairman & Managing Director for his continuing support to the tourism industry of Goa at a Travel & Tourism event at our hotel.



10th Indo American Chamber of Commerce Award's Night. Those present include Miss India, (extreme left), Ms. Deanna Hanek Abdeen, Acting Consul General, US Consulate Mumbai (Second left), Mr. Nanik Rupani, President of IACC, Western India Council (third left), Miss India Runner Up (fifth left) and Mr. Sunder G. Advani, Vice President - IACC Western India Council (extrem right).



Aerial view of the property and hotel's beach and restaurant.



All-day dining in the lower atrium lobby


RAMADA®
 caravela beach resort
 G o a

Registered Office: 18 A & B, Jolly Maker Chambers II, Nariman Point, Mumbai 400 021.
 Tel: (91-22)2285 0101, Fax: (91-22) 2204 0744, www.caravelabeachresort.com