



ADVANI HOTELS & RESORTS (INDIA) LTD



ANNUAL REPORT | **2015-2016**



Mr. Sunder G Advani, Chairman & Managing Director

Organizing of Important Events



Mr. Amitabh Kant, CEO, NITI Aayog, Guest of Honour and keynote speaker at the IACC Travel & Tourism Forum held in New Delhi on 29th June 2016, being welcomed by Mr. Sunder G. Advani, who chaired the Event



Mr. Sunder G. Advani, Regional President, Indo-American Chamber of Commerce (IACC) and U.S. Ambassador to India Mr. Richard Verma, who was the Chief Guest at the IACC Forum on Travel & Tourism in New Delhi

Participation in Important Events



Mr. Sunder G. Advani led a Delegation of IACC to New York. The Consul General of India at the Indian Consulate in New York had invited media and professionals to meet Mr. Sunder G. Advani, CMD and the delegates. Deputy Consul General requested the CMD to distribute Awards to the International Achievers who were recognized at the Event



Deputy Mayor of Jersey City, N.J., Mr. Raj Mukherjee receiving an award from Mr. Sunder G. Advani at the Event in New York

Participation in Important Events



Mr. Piyush Goyal, Minister of State with Independent Charge for Power, Coal, New and Renewable Energy and Mines addressed an Interactive Meeting organized by IACC in Mumbai where Mr. Sunder G. Advani, CMD was Guest Speaker



Mr. Sunder G. Advani presents a memento to Guest Speaker Dr. Mukund Rajan, Director, Tata Sons, at the Indo American Corporate Excellence Awards Event held in Mumbai

Events at our Hotel

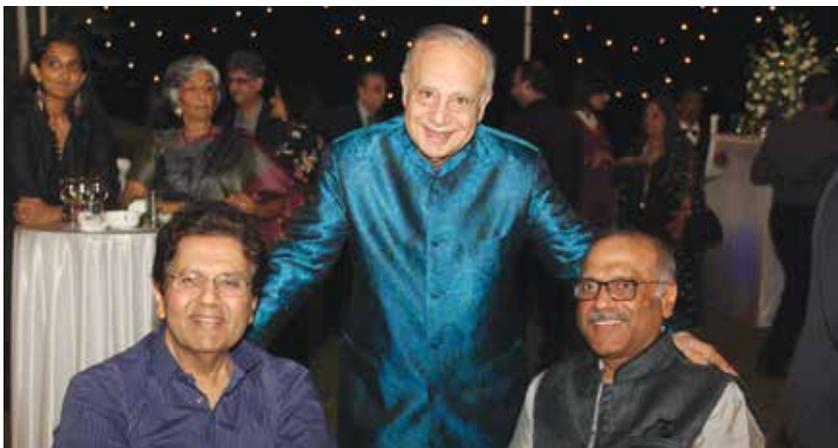


Blood Donation Camp organized at the Hotel on June 17, 2016



Goanna Masterchef 2016 Award held in our hotel

25th Anniversary Celebration at Willingdon Club, Mumbai



Some of the VIP Guests

25th Anniversary Celebration at our Resort in Goa



Mr. Sunder G. Advani cutting the Anniversary Cake



Former Chief Minister of Goa, Mr. Digambar Kamat, addressing the invited guests along with Directors



Directors with their family members



Chairman's Speech

Dear Fellow Shareholders,

India is now the fastest growing economy in the world with a growth in GDP of over 7.3%. However, our country whose population is over 1.25 billion, and growing, has a high unemployment rate of over 7%. We need to create jobs so that our young people are gainfully employed which will lead to all round prosperity and reduction in anti-social activities.

Importance of Tourism:

I have always maintained that India has a better chance of success in the 'Services' sector, as compared to the 'Manufacturing' sector, which requires more capital, more dependence on coordination between various factors of production to create a product at a cheaper cost than anyone else. The Chinese have succeeded in making everything cheaper largely because they have a low cost of capital and lower wages in relation to productivity, primarily due to the absence of trade unions, democracy. Our major advantage is that India has a large number of educated manpower who can communicate better in English. It should not be a surprise that almost 58% of our GDP is derived from Services. Tourism, which accounts for 1 out of 11 jobs globally and which is part of the Services sector, has a great potential in our country. The more liberal Civil Aviation Policy announced recently will increase air connectivity.

I, as the Chairman of the Travel and Tourism Forum of the Indo American Chamber of Commerce, held a one day Seminar in New Delhi recently where prominent speakers from the Government, tour operators, airlines spoke on tourism issues. Mr. Amitabh Kant, the CEO of Niti Aayog and the creator of the 'Incredible India' Campaign in his keynote address stated "I have always believed that tourism is critical to India, and has a multiplier effect in impacting creation of jobs and that the top political leadership, the Prime Minister himself, is committed to the betterment of the tourism sector". He further stated "I have been involved in the Manufacturing sector, and can tell you that it is a long term gain and takes time in yielding desired results. Tourism on the other hand can give you quick results". Mr. Kant also advocated that India should concentrate on attracting high spending tourists and not mass tourism.

The U.S. Ambassador to India was the Chief Guest. The largest number of foreign tourists to India come from the U.S. and also avail the maximum E-Tourist Visas issued. On his recent visit to the U.S., our Prime Minister succeeded

in having India selected as the tourism partner of the U.S. for 2017. The Ambassador's key message, which was highlighted by the media was that 'Tourism could support 47 million Jobs by 2025 in India'. Mr. Suman Billa, the Joint Secretary of the Tourism Ministry, while sharing details of the budget allocated for tourism, admitted that "Inbound has grown almost by 10 percent compared to the previous year. The problem is that we are growing on a very narrow base, if you consider India's diverse product offerings".

In my speech, I highlighted that the impact of travel and tourism was also benefiting smaller towns and that tourism led to the growth of ancillary industries. The other advantages for encouraging this industry, besides job creation, were that when a foreign tourist visited India, not only did the tourist spend on hotel accommodation but also on local travel, shopping etc. The hotel industry earned valuable foreign exchange and as such was also an exporter. However, it did not receive the same incentives received by other exporters. The tax structure was such that India had become a more expensive destination as compared to competing destinations such as Thailand, Sri Lanka and Vietnam where the tax on tourism was about 5% as compared to almost 35% in India. India was never considered as a country that one visits for leisure. Also that we needed to change India's image and the over emphasis on the Delhi-Agra-Jaipur Golden Triangle. Though the beaches of Goa were far superior to Bali, we were not as successful in attracting affluent tourists.

Goa:

The small state of Goa has contributed significantly to India's tourism efforts. India has a huge coast line with excellent beaches on the East Coast and West Coast as well as the Andaman Islands. But Goa is the one beach destination where tourism has flourished. Goa has recorded an Average Annual Growth Rate of 15% over the last 6 years. There are many reasons why Goa keeps growing in popularity year after year. German and British tourists, who discovered Goa in the mid-80's, found that not only were the beaches of Goa world class but the local Goans welcomed tourists. Then the Russians came to Goa in droves to escape their severe winters. European tourists arrived during the winter months by charter flights directly into Goa from London, Frankfurt and Moscow. Russian tourists were the main occupants of most hotels in Goa until two years ago.

Domestic tourists could not access Goa, as it was a part of Portugal until 1961, and there was only one daily flight

operating to Goa from Mumbai and Cochin till 1990. Since Indian tourists have better incomes to spend on holidays and with increased flights into Goa from every major city, Goa has become a favourite holiday destination. It has also gained popularity for conferences and weddings. Goa has now become a year round destination with high occupancies year round. There are 24 daily flights to Goa from Mumbai alone. Since it is difficult to obtain the permissions from the various authorities to build hotels in Goa, the existing hotels are doing extremely well. Our 5 Star Deluxe hotel in South Goa is on one of the largest beaches in the world. Some new hotels have come up but these are smaller properties and primarily in North Goa which has become commercialized.

As such, the prestigious DefExpo India 2016 was held in South Goa when delegations from Israel, Russia and other countries stayed in our 200 room hotel. Most of the delegates for the even more high profile BRICS Conference, where the President of China is expected, will be staying in South Goa. Our hotel is one of the few selected by the Ministry of External Affairs to house the VIPs. Goa's future depends on the State Government's timely action on issues like cleanliness, infrastructure, law and order, which will determine if Goa can attract affluent tourists. The present airport at Dabolim is equidistant to North and South Goa hotels. However, the original expansion plan to renovate the old terminal needs to be implemented.

Financial Highlights:

This has been an excellent year for Goa and especially our hotel. The overall occupancies of hotels in Goa for the year was 70.7%, which is second highest of all cities in India. The Average Room Rate (ARR) in Goa was also second only to Mumbai. Our hotel achieved an occupancy of 72%. Our REVPAR (Revenue Per Room) increased by over 15% as our ARR went up by 18%. As a result, our Company recorded the highest ever net profit of ₹ 64 million. This represents a

growth of 56% year on year. We achieved an increase in gross profit of 70% compared to last year.

The first quarter results which were published after our Board Meeting on 28th July 2016 were exceptionally good. We registered an increase in occupancy from 73.7% to 77.7%. Moreover, our Average Room Rate for the first quarter also increased by 9.5% to ₹ 5994. As a result, our Profit Before Tax increased by 64% and our Profit After Tax increased by 31%. As a result of the good performance, the Board approved payment of interim dividend of 10% for the financial year 2016-17. We have unutilized FSI of over 100,000 sq.ft. and we propose to add a larger Banquet Hall to capture the increasing Wedding and Conference business. Our Company is almost debt free.

Acknowledgments:

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

I would like to thank the Central Government, especially the Ministries of Tourism, Civil Aviation, External Affairs, Finance 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. The employees and executives of the Ramada Caravela Beach Resort are our most important assets and deserve immense praise. A special thanks to our business associates, tour operators and travel agents. Last but not the least, I would like to thank all you shareholders for your faith in our Company.



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



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Advani Hotels & Resorts (India) Limited

BOARD OF DIRECTORS	Mr. Sunder G. Advani Mr. Haresh G. Advani Mr. Prakash V. Mehta Mr. Vinod Dhall Adm. Sureesh Mehta (Retd) Mrs. Menaka S. Advani Mrs. Nina H. Advani Mr. Prahlad S. Advani Mr. Adhiraj Harish Dr. S. D. Israni	Chairman & Managing Director Executive Director Whole Time Director (w.e.f. October 1, 2015)
CHIEF FINANCIAL OFFICER	Mr. Shankar Kulkarni	
COMPANY SECRETARY	Mr. Nilesh Jain	(w.e.f. August 17, 2015)
STATUTORY 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	
BENGALURU SALES OFFICE	Raheja Towers, 10th Floor, West Wing, M. G. Road, Bengalure - 560 001	
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 **29th Annual General Meeting** ("AGM") of the members of **ADVANI HOTELS & RESORTS (INDIA) LIMITED** will be held on Monday, 26th September, 2016 at 3.30 p.m. at 'Rangaswar', 4th Floor, Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai-400 021, to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Balance Sheet as at March 31, 2016, 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 interim dividend @24% (₹ 0.48 per equity share) already paid during the year, for the financial year ended March 31, 2016.
3. To appoint a director in place of Mrs. Nina H. Advani, who retires by rotation and being eligible, seeks re-appointment.
4. To ratify appointment of Auditors and fix their remuneration and in this regard to consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time and pursuant to the recommendation of Audit Committee of the Board of Directors of the Company, the Company hereby ratifies the appointment of M/s. J. G. Verma & Co., Chartered Accountants (Firm Registration No. 111381W), as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 30th Annual General Meeting of the Company to be held in the calendar year 2017 and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors."

SPECIAL BUSINESS:

5. To appoint Dr. S. D. Israni (DIN:00125532) as a Director and in this regard to consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 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), Dr. S. D. Israni (DIN:00125532), who was appointed by the Board of Directors with effect from October 1, 2015 as an Additional Director of the Company, pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, and being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 proposing the candidature of Dr. S. D. Israni for the office of Independent Director, be and is hereby appointed as a Non-Executive, Independent Director of the Company to hold office for five consecutive years, with effect from October 1, 2015 up to September 30, 2020 and whose term of office shall not be liable to retirement by rotation."

6. To fix the remuneration of Mr. Sunder G Advani, Managing Director (DIN:00001365) for the remaining period of his appointment and in this regard to consider, and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof) and subject to the approval of the Central Government, if deemed necessary, the Members of the Company do hereby approve the payment of remuneration of Mr. Sunder G. Advani as the Managing Director of the Company for a period of two years i.e. from March 1, 2016 to February 28, 2018 on the same terms and conditions, as previously approved by the shareholders

of the Company at the 25th Annual General Meeting held on September 17, 2012 including remuneration viz Salary, Commission, perquisites etc which is reproduced below:-

On and with effect from 1st day of March, 2013 the Company shall pay the following remuneration and provide the following perquisites, benefits, etc., to the Managing Director in consideration of his services to the Company, namely:-

- a. Salary: ₹ 3,85,000/- (Rupees Three Lakhs Eighty Five Thousand Only) per month in the grade of ₹ 3,85,000 – ₹ 5,25,000.
- b. Commission: In addition to salary, perquisites and other allowances, commission shall be paid to the Managing Director, based on the net profits of the Company. Such commission shall be of such percentage and of such amount as the Board of Directors of the Company may determine keeping in view the performance of the Company in respect of each financial year.
- c. Perquisites: In addition to the salary as above, the Managing Director will also be entitled to the following perquisites as may be determined by the Board of Directors.
 - i. Housing: Any one of the options given below:
 - Housing I – The expenditure by the Company on hiring unfurnished accommodation for the Managing Director subject to a maximum of 60% of the basic salary payable.
 - Housing II – The Company owned accommodation. The perquisite value shall be determined as per the Income Tax Rules.
 - Housing III – In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance, equal to 60% of the basic salary payable.
 - ii. In addition to Housing, the Managing Director shall be entitled to reimbursement of gas and electricity expenses at actuals.
- d. Other Costs:
 - i. Medical Reimbursement:

Expenses actually incurred by the Managing Director for himself and the members of his family subject to a maximum of one month's basic salary payable per annum.
 - ii. Leave Travel Allowance:

Leave travel allowance for the Managing Director and his family once in a year subject to a maximum of one month's basic salary payable per annum.
 - iii. Personal Accident Insurance:

Premium not to exceed ₹ 9,000/- per annum.
 - iv. Reimbursement of club fees, car with driver and telephone/s at residence. Provision for use of Company's car and telephone at residence including payment for local calls and long-distance calls shall not be included in the computation of perquisites for the purpose of calculating such ceiling.
- e. Provided always that the aggregate of the remuneration payable as aforesaid to the Managing Director shall not exceed 5% of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013.
- f. The Managing Director shall also be entitled to the following benefits:
 - i. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
 - ii. Encashment of leave at the end of the tenure.

The Gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of limits for remuneration or perquisites as aforesaid.

Note- Family for this purpose shall mean the spouse, the dependent children and the dependent parents of the appointee.



g. Minimum Remuneration:

In the event of absence or inadequacy of profits in any year due to any internal and /or external reasons, the Managing Director will be paid the aforesaid remuneration and perquisites as minimum remuneration for that year, subject to approval of the Central Government in that behalf, if deemed necessary.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to vary and / or alter the terms and conditions of the Agreement in such manner, from time to time as may be agreed to between the Board and Mr. Sunder G. Advani, subject to the applicable provisions of the Act or any amendment thereto or any re-enactment thereof, including the terms of approval of the Central Government.

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 or desirable.”

7. To fix the remuneration of Mr. Haresh G. Advani, Executive Director (DIN:00001358) for the remaining period of his appointment and in this regard to consider, and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof) and subject to the approval of the Central Government, if deemed necessary, the Members of the Company do hereby approve the payment of remuneration of Mr. Haresh G. Advani as the Executive Director of the Company for a period of two years i.e. from March 1, 2016 to February 28, 2018 on the same terms and conditions, as previously approved by the shareholders of the Company at the 25th Annual General Meeting held on September 17, 2012 including remuneration viz Salary, Commission, perquisites etc which is reproduced below:-

On and with effect from 1st day of March 2013 the Company shall pay the following remuneration and provide the following perquisites, benefits, etc, to the Executive Director in consideration of his services to the Company, namely:-

- a. Salary: ₹ 2,56,700/- (Rupees Two Lakh Fifty Six Thousand Seven Hundred Only) per month in the grade of ₹ 2,56,700 - ₹ 23,300 - ₹ 3,49,900.
- b. Commission: In addition to salary, perquisites and other allowances, commission shall be paid to the Executive Director, based on the net profits of the Company. Such commission shall be of such percentage and of such amount as the Board of Directors of the Company may determine keeping in view the performance of the Company in respect of each financial year.
- c. Perquisites: In addition to the salary as above, the Executive Director will also be entitled to the following perquisites as may be determined by the Board of Directors.
 - i. Housing: Any one of the options given below:
 - Housing I – The expenditure by the Company on hiring unfurnished accommodation for the Executive Director subject to a maximum of 60% of the basic salary payable.
 - Housing II – The Company owned accommodation. The perquisite value shall be determined as per the Income Tax Rules.
 - Housing III – In case no accommodation is provided by the Company, the Executive Director shall be entitled to House Rent Allowance, equal to 60% of the basic salary payable.
 - ii. In addition to Housing, the Executive Director shall be entitled to reimbursement of gas and electricity expenses at actuals.
- d. Other Costs:
 - i. Medical Reimbursement:

Expenses actually incurred by the Executive Director for himself and the members of his family subject to a maximum of one month's basic salary payable per annum.

- ii. Leave Travel Allowance:
Leave travel allowance for the Executive Director and his family once in a year subject to a maximum of one month's basic salary payable per annum.
 - iii. Personal Accident Insurance:
Premium not to exceed ₹ 6,000/- per annum.
 - iv. Reimbursement of club fees, car with driver and telephone/s at residence. Provision for use of Company's car and telephone at residence including payment for local calls and long-distance calls shall not be included in the computation of perquisites for the purpose of calculating such ceiling.
- e. Provided always that the aggregate of the remuneration payable as aforesaid to the Executive Director shall not exceed 4% of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013.
- f. The Executive Director shall also be eligible to the following benefits:
- i. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
 - ii. Encashment of leave at the end of the tenure.

The Gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of limits for remuneration or perquisites as aforesaid.

Note - Family for this purpose shall mean the spouse, the dependent children and the dependent parents of the appointee.

- g. Minimum Remuneration:

In the event of absence or inadequacy of profits in any year due to any internal and /or external reasons, the Executive Director will be paid the aforesaid remuneration and perquisites as minimum remuneration for that year, subject to approval of the Central Government in that behalf, if deemed necessary.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to vary and / or alter the terms and conditions of the Agreement in such manner, from time to time as may be agreed to between the Board and Mr. Haresh G. Advani, subject to the applicable provisions of the Act or any amendment thereto or any re-enactment thereof, including the terms of approval of the Central Government.

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 or desirable."

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

Place: Mumbai
Date: July 28, 2016

Nilesh Jain
Company Secretary
(ACS18320)

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



NOTES:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (“the Act”), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice. The profile of the Directors seeking appointment/re-appointment, as required in terms of Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (“Listing Regulations, 2015) is annexed.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

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

3. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.

4. In case of joint holder/s, attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 20, 2016 to Monday, September 26, 2016 (both days inclusive).

6. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant (DP), with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DP of the Members. Members holding shares in demat form are requested to intimate any change in their address and/or bank mandate immediately to their DP.

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

8. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not registered their email address with the Company can now register the same by submitting a duly filled-in ‘E-communication Registration Form’ available on the website of the Company www.ramadacaravela.com to M/s. Datamatics Financial Services Limited or to the Company.

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

9. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or the Depository Participant(s) , unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.

10. Members may also note that the Annual Report for FY 2015 – 16 will also be available on the Company's website www.ramadacaravela.com for their download.
11. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2007-08, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 16, 2015 (date of last Annual General Meeting) on the website of the Company (www.ramadacaravela.com) as also on the website of the Ministry of Corporate Affairs.
12. **Voting through electronic means & at the AGM**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. The remote e-voting period commences on 22nd September, 2016 (9:00 am) and ends on 25th September, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "AHRIL remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN 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 remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Advani Hotels & Resorts (India) Limited".



- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “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) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to bhattvirendra1945@yahoo.co.in with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

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

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

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19th September, 2016.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 12th September, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

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

- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Virendra Bhatt, Practicing Company Secretary (Membership No. ACS 1157) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

- XIV. The Chairman shall, at the 29th Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.ramadacaravela.com and on the website of NSDL www.nsdl.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai, National Stock Exchange of India Limited (NSE), where the shares of the Company are listed.
13. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013, will be available for inspection at the Annual General Meeting.
14. Members are requested to note that as per Section 205A of the Companies Act, 1956, dividends not encashed/claimed within seven years from the date of declaration shall be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.
15. Members are requested to contact the Company for en-cashing the unclaimed dividends standing to the credit of their account. The detailed dividend history and due dates for transfer to IEPF are available on the website of the Company www.ramadacaravela.com.
16. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Datamatics Financial Services Limited/the Company.
17. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip, which is enclosed with this Annual Report. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the Registration Counter at the venue.
18. Members desiring any information relating to the accounts are requested to write to the Company at cs.ho@advanihotels.com or finance.ho@advanihotels.com well in advance so as to enable the management to keep the information ready.

EXPLANATORY STATEMENT

Item No. 4

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

M/s. J. G. Verma & Co., Chartered Accountants (ICAI's Firm Registration No. 111381W), were appointed as the Statutory Auditors of the Company for a period of three years at the 27th Annual General Meeting (AGM) of the Company held on September 24, 2014.

As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM. Accordingly, ratification of the members is being sought for the proposal contained in the resolution.

The Board recommends the Resolution for approval by the Members.

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



Item No. 5

The Board of Directors of the Company, upon the recommendation of the Nomination and Remuneration Committee, at its meeting held on October 1, 2015 has appointed Dr. S. D. Israni as an Additional Director with effect from October 1, 2015.

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 Dr. S. D. Israni as an Independent Director of the Company. It is therefore proposed to appoint Dr. S. D. Israni as an Independent Director of the Company to hold office for five consecutive years commencing from October 1, 2015 up to September 30, 2020 and whose term of office shall not be liable to retirement by rotation.

As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board and is not liable to retire by rotation. Dr. S. D. Israni has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

In the opinion of the Board, Dr. S. D. Israni fulfils the conditions specified in the Act and the Rules made there under for appointment as an Independent Director and he is independent of the Management.

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

The terms and conditions of appointment of Dr. S. D. Israni shall be open for inspection by the Members at the Registered Office during normal business hours on any working day except Saturday.

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

Dr. S. D. Israni is interested and concerned in the Resolution set out at Item No. 5 of the Notice as it relates to his own appointment. The relatives of Dr. S. D. Israni may be deemed to be interested in the Resolution set out at Item No.5, to the extent of their shareholding in the Company, if any. None of the other Directors or Key Managerial Personnel or their respective relatives, are concerned or interested in the Resolution set out at Item No.5 of the Notice.

Item No: 6

At the Twenty Fifth (25th) Annual General Meeting (AGM) of the Company held on September 17, 2012, the Members of the Company had already approved the re-appointment of and the remuneration payable to Mr. Sunder G. Advani as the Managing Director of the Company for a period of five years i.e. from March 1, 2013 to February 28, 2018, under the provisions of the erstwhile Companies Act, 1956 (the "Erstwhile Act").

Name of Director	Designation	Period of appointment / Re-appointment	Managerial Remuneration approved by the Members in 25th AGM held on September 17, 2012
Mr. Sunder G. Advani	Managing Director	March 1, 2013 to February 28, 2018	₹ 3,85,000/- p.m. effective from 1st March,2013 in the grade of ₹ 3,85,000 - ₹ 35,000 - ₹ 5,25,000

Based on the abovementioned approval of the Members, the Company had made an application to the Central Government pursuant to the provisions of Sections 269, 198 and 309 of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956 for the re-appointment and the remuneration payable to Mr. Sunder G. Advani. The Central Government has approved his appointment for a period of 5 years but the Managerial Remuneration was approved for a period of 3 years i.e., up to February 29, 2016.

As the initial three year term was coming to an end, the Company filed a fresh application with the Central Government, seeking its approval for the payment of remuneration (as previously approved by the shareholders vide a special resolution as aforesaid) for the remainder of the term. The said file was initially closed by the Under Secretary, MCA on the ground that the Company had not furnished a copy of the special resolution and certain other information/documents required by the MCA. The Company has since requested the MCA to reconsider the matter, which is pending.

In the meantime the Board is of the view that it would be prudent to adopt a special resolution reiterating and re-confirming the payment of remuneration as was fixed by the shareholders at their meeting held on September 17, 2012.

The Board of Directors have, pursuant to the recommendation of the Nomination and Remuneration Committee at their meeting held on July 28, 2016, approved the payment of remuneration to Mr. Sunder G. Advani, Managing Director, for the remaining period of two years i.e. from March 1, 2016 to February 28, 2018 of Mr. Sunder G. Advani's tenure as the Managing Director of the Company, subject to the approvals of the Shareholders of the Company and the Central Government, if required.

Mr. Sunder G. Advani is the Promoter and Founder Chairman & Managing Director of Advani Hotels & Resorts (India) Limited [formerly known as Ramada Hotels (India) Limited] since 1987, which commenced operations in 1990, as a Joint Venture with the renowned Ramada International chain of hotels (now part of Wyndham Hotels, USA). Advani Hotels & Resorts (India) Limited owns and operates the 200 room 5 Star Deluxe "Ramada Caravela Beach Resort, Goa".

Mr. Sunder G. Advani has completed his Bachelors and Masters in Business Administration in USA. Mr. Sunder G. Advani has a total of over 55 years experience in setting up and managing hotels. He has worked for 10 years as a Management Consultant and in senior positions in Marketing with Corporations in USA. On returning to Bombay in 1969 he obtained a franchise from the Memphis based Holiday Inns Inc., to promote the Holiday Inn at Juhu beach in Bombay. In 1972 Mr. Advani became the Representative in India for Holiday Inns (USA). In 1983 he was appointed by Ramada International Hotels (USA) as the sole Representative for South Asia.

From 1970 till 1989 Mr. Sunder G. Advani was the Chairman & Managing Director of Plaza Hotels (P) Ltd, which owned and operated the 80 room Airport Plaza Hotel and Flight Kitchen at Bombay airport which is now known as Hotel Orchid, a part of Kamat Hotels.

Mr. Sunder G. Advani enjoys immense credibility as an Hotelier and is reputed in the industry for his right assessment of projects and their timely implementation.

Mr. Sunder G. Advani is the recipient of the Hall of Fame Award at ITB Berlin in March 2000. Another outstanding achievement under his direction was the prestigious PATWA Award for the Best Resort in March 1998, awarded by the International body of Travel Writers in Berlin.

Mr. Sunder G. Advani is also an active member of the London based World Travel & Tourism Council India Initiative, a highly respected think-tank of the tourism industry. Mr. Sunder G. Advani is also the president of the Indo American Chamber of Commerce (Western Region) and on the Executive Council of the Indo American Chamber of Commerce.

Mr. Sunder G. Advani has a deep understanding of the Indian hospitality industry and his proven track record coupled with broad-based business experience combined with his strong leadership capability has enabled him to continue the growth of the Company.

Under the leadership of Mr. Sunder G. Advani, the turnover increased from ₹ 3739 Lakhs in the financial year 2011-12 to ₹ 5402 Lakhs in the financial year 2015-16 and profitability of the company has increased from ₹ 224 Lakhs in the financial year 2011-12 to ₹ 640 Lakhs in the financial year 2015-16 as explained in the table below:

Financial Highlights:

(₹ in Lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013 – 14	FY 2014 – 15	FY 2015 – 16
Total Income	3739	3979	4133	4903	5402
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)	794	910	836	1172	1447
Net profit before tax	339	437	302	552	938
Net profit after tax	224	263	226	360	640
Dividend Payout	111	120	111	194	222



Taking into consideration the above, the time and efforts put in by Mr. Sunder G. Advani and the Company's plans to carry out refurbishment of the hotel property with a view to increase the occupancy by attracting high-paying foreign tourists as well as domestic tourists, conferences and marriages it will be in the interest of the Company to pay the same remuneration to Mr. Sunder G. Advani as the Managing Director on the same terms and conditions for the remaining period of two years i.e. from March 1, 2016 to February 28, 2018. The proposed salary is just and equitable. A person of similar standing in the hotel industry would command a much higher remuneration in a similarly placed position.

Members are requested to approve the remuneration payable to Mr. Sunder G. Advani, Managing Director, for the period from March 1, 2016 to February 28, 2018 by passing a Special resolution as in terms of Section II Part II of Schedule V of the Companies Act, 2013 including any modification thereof.

The total remuneration payable including salary, perquisites, other allowances and commission to the Managing Director and the Executive Director taken together shall not exceed 10% of the profits of the Company calculated in accordance with Section 198 of the Companies Act, 2013.

The Nomination and Remuneration Committee comprising of three independent directors, constituted as per explanation of Schedule V of the Companies Act, 2013 has recommended the aforesaid remuneration and that the same be treated as Minimum Remuneration in case of loss or inadequacy of profits in any year during the term of his appointment.

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

Upon approval by the shareholders via a special resolution an addenda to the existing agreement shall be executed to incorporate the aforesaid changes.

None of the Directors of the Company except Mr. Sunder G. Advani, himself, Mr. Prahlad S. Advani, Mr. Hareesh G. Advani, Mrs, Nina H. Advani and Mrs. Menaka S. Advani (being his relatives) is in any way concerned or interested in the aforesaid resolution.

The Board of Directors recommend the passing of the resolution set out in Item No. 6 of the accompanying Notice as it feels the same is in the interest of the Company.

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

1. General Information:

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

Particulars	Financial Year ended March 31, 2016 (₹)	Financial Year ended March 31, 2015 (₹)
Profit After Tax (PAT)	64,031,521	36,013,325
EPS (Basic & diluted earnings per share)	1.39	0.78

e. Foreign Investments or Collaborations:

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

Foreign shareholding (NRIs' & Foreign bodies) in the Company as on March 31, 2016 is 1.63% of the Paid-up Equity Share Capital of the Company.

2. Information about the appointees:

a. Background details :

Mr. Sunder G. Advani is the Promoter and Founder Chairman & Managing Director of Advani Hotels & Resorts (India) Limited (formerly known as Ramada Hotels (India) Limited) since 1987, which commenced operations in 1990 as a Joint Venture with the renowned Ramada International chain of hotels (now part of Wyndham Hotels, USA). Advani Hotels & Resorts (India) Limited owns and operates the 200 room 5 Star Deluxe "Ramada Caravela Beach Resort, Goa".

Mr. Sunder G. Advani has completed his Bachelors and Masters in Business Administration in USA. Mr. Sunder G. Advani has a total of over 55 years experience in setting up and managing Hotels in Agra, Chennai, Hyderabad, Mumbai, Goa & Colombo.

b. Past Remuneration (as approved by Central Government) :

Period	Amount (₹)	Period	Amount (₹)	Period	Amount (₹)
March 1, 2013 to February 28, 2014	8,055,984	March 1, 2014 to February 28, 2015	8,861,583	March 1, 2015 to February 28, 2016	9,655,008

c. Recognition or Awards :

Mr. Sunder G. Advani is the recipient of the Hall of Fame Award at ITB Berlin in March 2000. Another outstanding achievement under his direction was the prestigious PATWA Award for the Best Resort in March 1998, which is awarded by the International body of Travel Writers.

Mr. Sunder G. Advani is also an active member of the London based World Travel & Tourism Council India Initiative, a highly respected think-tank of the tourism industry. He is also Regional President of the Indo American Chamber of Commerce.

d. Job Profile and his suitability :

Mr. Sunder G. Advani, Promoter-cum-Founder Chairman & Managing Director of the Company since 1987, is a veteran in the hotel industry and has over 55 years of experience. Mr. Sunder G. Advani has a deep understanding of Indian hospitality industry and his proven track record coupled with broad-based business experience combined with his strong leadership capability will enable him to continue the growth of the Company

e. Remuneration proposed :

The remuneration proposed to be paid to Mr. Sunder G. Advani from 1st March,2016 to 28th February,2017 is ₹ 10,396,992 and from March 1, 2017 to February 28, 2018 is ₹ 11,139,000.

The said remunerations including annual increments have been approved as Minimum Remuneration by the Board of Directors of the Company on the recommendation of the Remuneration Committee and also by the Members at the 25th Annual General Meeting of the Company held on September 17, 2012 by passing a Special Resolution.

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

The remuneration proposed to be paid to Mr. Sunder G. Advani is very reasonable as compared to the norms prevailing in the hospitality industry according to which the remuneration payable to a person of similar stature as on date would be at-least in the range of ₹ 1.25 Crores to ₹ 1.50 Crores per annum.



- g. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any – Apart from the remuneration from the Company, Mr. Sunder G. Advani does not have any direct or indirect pecuniary relationship with the Company or with the managerial personnel.

3. Other Information:

- a) Reasons for Loss / inadequate Profits :

The continuing recessionary trends in Europe, which comprise a majority of the Company's charter business, is expected to adversely affect the revenues at least for the next two to three years. Also, the foreign tourists' preference to stay in low cost budget hotels and avoid staying in Five Star Deluxe Hotels like ours in Goa due to the continuing recessionary trends in most parts of the world is also likely to continue to affect our revenue. Thus, the Company has to compensate for the lower foreign tourists/charters arrivals by accommodating domestic tourists at lower rates.

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

The Company's business comprises of only one segment i.e. owning and operating the Five Star Deluxe Resort 'Ramada Caravela Beach Resort' in Goa. As the aforesaid resort is around 25 years old, the Company proposes to carry out major renovation / repairs by partially closing the resort in a phased manner, which will impact the Company's revenues. The objective of the proposed renovation / refurbishment is to meet the increasing expectations and demands of both the domestic as well as international clients since hotels of international repute have established in Goa and the Company needs to catch up with them by offering similar standards of products and services which will help the Company generate higher revenues in future.

- c) Expected increase in productivity and profits in measurable terms :

The profitability of the Company as per the projected profitability estimates is increasing year-on-year for the next five years and correspondingly the excess remuneration payable to Mr. Sunder G. Advani is reducing year after year.

Item No: 7

At the Twenty Fifth (25th) Annual General Meeting (AGM) of the Company held on September 17, 2012, the Members of the Company had already approved the re-appointment of and the remuneration payable to Mr. Haresh G. Advani as the Executive Director of the Company for a period of five years i.e. from March 1, 2013 to February 28, 2018, under the provisions of the erstwhile Companies Act, 1956 (the "Erstwhile Act").

Name of Director	Designation	Period of appointment / Re-appointment	Managerial Remuneration approved by the Members in 25th AGM held on September 17, 2012
Mr. Haresh G. Advani	Executive Director	March 1, 2013 to February 28, 2018	₹ 2,56,700/- p.m. effective from March 1, 2013 in the grade of ₹ 2,56,700 - ₹ 23,300 - ₹ 3,49,900

Based on the abovementioned approvals of the Members, the Company had made an application to the Central Government pursuant to the provisions of Sections 269, 198 and 309 of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956 for the re-appointment and the remuneration payable to Mr. Haresh G. Advani. The Central Government has approved his appointment for a period of 5 years but the Managerial Remuneration was approved for a period of 3 years i.e., up to February 29, 2016.

The Company is in the process of making fresh application to the Central Government seeking its approval for the payment of remuneration (as previously approved by the shareholders vide a special resolution as aforesaid) for the remainder of the term.

In the meantime the Board is of the view that it would be prudent to adopt a special resolution reiterating and re-confirming the payment of remuneration as was fixed by the shareholders at their meeting held on September 17, 2012.

The Board of Directors have, pursuant to the recommendation of the Nomination and Remuneration Committee at their meeting held on July 28, 2016, approved the revision in the remuneration payable to Mr. Haresh G. Advani, Executive Director, as set out in the Agreement dated November 2, 2012, for a further period of two years i.e. from March 1, 2016 to February 28, 2018, subject to the approvals of the Shareholders of the Company and the Central Government, if required.

Mr. Haresh G. Advani jointly promoted Advani Hotels & Resorts (India) Limited [formerly known as Ramada Hotels (India) Limited] in 1987, which commenced operations in 1990, as a Joint Venture with the renowned Ramada International chain of hotels (now part of Wyndham Hotels, USA.). Advani Hotels & Resorts (India) Limited owns and operates the 200 room 5 Star Deluxe “Ramada Caravela Beach Resort, Goa”.

Mr. Haresh G. Advani is a graduate from the Cornell School of Hotel Administration, U.S.A. and has worked in various hotels in USA including Holiday Inn and Belmonte Plaza (Now W) in NYC.

Mr. Haresh G. Advani was the Promoter of one of the first marketing and advertising agency in Dubai in the year 1978. Mr. Haresh G. Advani returned to India and joined Mr. Sunder G. Advani in Plaza Hotels (P) Ltd in 1983, which owned and operated the 80 room Airport Plaza hotel and Flight Kitchen at Bombay airport which is now known as Hotel Orchid, a part of Kamat Hotels.

Mr. Haresh G. Advani has a deep understanding of the Indian hospitality industry and his proven track record coupled with broad-based business experience combined with his strong leadership capability has enabled him to continue the growth of the Company.

Under the leadership of Mr. Haresh G. Advani, the turnover increased from ₹ 3739 Lakhs in the financial year 2011-12 to ₹ 5402 Lakhs in the financial year 2015-16 and profitability of the company has increased from ₹ 224 Lakhs in the financial year 2011-12 to ₹ 640 Lakhs in the financial year 2015-16 as explained in the table below:

Financial Highlights:

(₹ in Lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013 – 14	FY 2014 – 15	FY 2015 – 16
Total Income	3739	3979	4133	4903	5402
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)	794	910	836	1172	1447
Net profit before tax	339	437	302	552	938
Net profit after tax	224	263	226	360	640
Dividend Payout	111	120	111	194	222

Taking into consideration the above, the time and efforts put in by Mr. Haresh G. Advani and the Company’s plans to carry out refurbishment of the hotel property with a view to increase the occupancy by attracting high-paying foreign tourists as well as domestic tourists, conferences and marriages it will be in the interest of the Company to pay the same remuneration to Mr. Haresh G. Advani as the Executive Director on the same terms and conditions for a further period of two years i.e. from March 1, 2016 to February 28, 2018. The proposed salary is just and equitable. A person of similar standing in the hotel industry would command a much higher remuneration in a similarly placed position.

Members are requested to approve the remuneration payable to Mr. Haresh G. Advani, Executive Director, aged 64 years, for the period from March 1, 2016 to February 28, 2018 by passing a Special resolution.

The total remuneration payable including salary, perquisites, other allowances and commission to the Managing Director and the Executive Director taken together shall not exceed 10% of the profits of the Company calculated in accordance with Section 198 of the Companies Act, 2013.



The Nomination and Remuneration Committee comprising of three independent directors, constituted as per explanation of Schedule V of the Companies Act, 2013 has recommended the aforesaid remuneration and that the same be treated as Minimum Remuneration in case of loss or inadequacy of profits in any year during the term of his appointment.

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

Upon approval by the shareholders via a special resolution an addenda to the existing agreement shall be executed to incorporate the aforesaid changes.

None of the Directors of the Company except Mr. Haresh G. Advani, himself, Mrs. Nina H. Advani, Mr. Sunder G. Advani, Mr. Prahlad S. Advani and Mrs. Menaka S. Advani (being his relatives) is in any way concerned or interested in the aforesaid resolution.

The Board of Directors recommend the passing of the resolution set out in Item No. 7 of the accompanying Notice as it feels the same is in the interest of the Company.

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

1. General Information:

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

Particulars	Financial Year ended March 31, 2016 (₹)	Financial Year ended March 31, 2015 (₹)
Profit After Tax (PAT)	64,031,521	36,013,325
EPS (Basic & diluted earnings per share)	1.39	0.78

- Foreign Investments or Collaborations:

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

Foreign shareholding (NRIs' & Foreign bodies) in the Company as on March 31, 2016 is 1.63% of the Paid-up Equity Share Capital of the Company.

2. Information about the appointees:

- Background details :

Mr. Haresh G. Advani is the Joint Promoter and Executive Director of Advani Hotels & Resorts (India) Limited (formerly known as Ramada Hotels (India) Limited) since 1987, which commenced operations in 1990 as a Joint Venture with the renowned Ramada International chain of hotels (now part of Wyndham Hotels, USA). Advani Hotels & Resorts (India) Limited owns and operates the 200 room 5 Star Deluxe "Ramada Caravela Beach Resort, Goa".

Mr. Haresh G. Advani has completed his Bachelors in Hotel Administration in USA. Mr. Haresh G. Advani has a total experience of over 45 years in setting up and managing Hotels.

b. Past Remuneration (as approved by Central Government) :

Period	Amount (₹)	Period	Amount (₹)	Period	Amount (₹)
March 1, 2013 to February 28, 2014	5,448,048	March1, 2014 to February 28, 2015	5,941,992	March 1, 2015 to February 28, 2016	6,435,960

c. Recognition or Awards :

The resort owned by the Company has received numerous awards in the past. The awards were conferred because of the outstanding contribution of all the Directors of the company including Mr. Haresh G. Advani and managerial personnel and other staff members of the company.

d. Job Profile and his suitability :

Mr. Haresh G. Advani, Joint Promoter-cum-Executive Director of the Company since 1987, is a veteran in the hotel industry and has over 45 years of experience. Mr. Haresh G. Advani has a deep understanding of Indian hospitality industry and his proven track record coupled with broad-based business experience combined with his strong leadership capability will enable him to continue the growth of the Company

e. Remuneration proposed :

The remuneration proposed to be paid to Mr. Haresh G. Advani from March 1, 2016 to February 28, 2017 is ₹ 6,929,928 and from March 1, 2017 to February 28, 2018 is ₹ 7,423,872.

The said remunerations including annual increments have been approved as Minimum Remuneration by the Board of Directors of the Company on the recommendation of the Remuneration Committee and also by the Members at the 25th Annual General Meeting of the Company held on 17th September 2012 by passing a Special Resolution.

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

The remuneration proposed to be paid to Mr. Haresh G. Advani are very reasonable as compared to the norms prevailing in the hospitality industry according to which the remuneration payable to a person of similar stature as on date would be at-least in the range of ₹ 0.80 Crores to ₹ 1.00 Crores per annum.

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

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

3. Other Information:

a) Reasons for Loss / inadequate Profits :

The continuing recessionary trends in Europe, which comprise a majority of the Company's charter business, is expected to adversely affect the revenues at least for the next two to three years. Also, the foreign tourists' preference to stay in low cost budget hotels and avoid staying in Five Star Deluxe Hotels like ours in Goa due to the continuing recessionary trends in most parts of the world is also likely to continue to affect our revenue. Thus, the Company has to compensate for the lower foreign tourists/charters arrivals by accommodating domestic tourists at lower rates.



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

The Company's business comprises of only one segment i.e. owning and operating the Five Star Deluxe Resort 'Ramada Caravela Beach Resort' in Goa. As the aforesaid resort is around 25 years old, the Company proposes to carry out major renovation / repairs by partially closing the resort in a phased manner, which will impact the Company's revenues. The objective of the proposed renovation / refurbishment is to meet the increasing expectations and demands of both the domestic as well as international clients since hotels of international repute have established in Goa and the Company needs to catch up with them by offering similar standards of products and services which will help the Company generate higher revenues in future.

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

The profitability of the Company as per the projected profitability estimates is increasing year-on-year for the next five years and correspondingly the excess remuneration payable to Mr. Haresh G. Advani is reducing year after year.

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

Place: Mumbai
Date: July 28, 2016

Nilesh Jain
Company Secretary
(ACS18320)

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

Additional information on directors recommended for appointment and re-appointment as required under Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015:

Name of Director	Mrs. Nina H Advani	Dr. S. D. Israni
Appointed on	August 1, 2014	October 1, 2015
Age	63 Years	67 Years
Qualification	Graduate i.e. "A" levels –Southampton, U.K	Law, CS and Management
Expertise	Business Administration	Law
List of other Directorships	1. Regency Hotels Pvt. Ltd.	1. Blossom Industries Limited 2. Modern India Limited 3. Gharda Chemicals Limited 4. Cravatex Limited 5. Verifacts Services Pvt. Ltd. 6. Sidmak Laboratories (India) Pvt. Ltd.
Chairmanship/Membership of other Committees of other Companies	I. Chairman: Nil II. Member: Nil	I. Chairman: Nil II. Member: 3
No. of Equity Shares held in the Company	21,36,350 (4.62% of Paid up Share Capital)	0
Inter-se relationship between the Board Members	Wife of Mr. Haresh G. Advani, Executive Director of the Company	None

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



DIRECTORS' REPORT

Directors' Report to the Members

The Directors have pleasure to present the 29th Annual Report of your Company together with the audited financial statements for the year ended March 31, 2016.

1. FINANCIAL RESULTS:

Your Company's financial performance for the year ended March 31, 2016 is set out as below:

Particulars	(₹ in lakhs)	
	March 31, 2016	March 31, 2015
Total Income	5401.94	4902.54
Profit before Depreciation, Finance Costs and Tax	1446.91	1171.62
Less: Depreciation	405.43	450.26
Profit before Finance Costs and Tax	1041.48	721.36
Less: Finance Costs	103.70	169.14
Profit before Tax	937.78	552.22
Less: Provision for Taxation:		
Current Tax	294.00	173.00
Deferred Tax Liability/(Asset)	6.80	22.73
Tax for earlier years	(3.33)	(3.64)
Profit for the year after Tax	640.31	360.13
Profit brought forward from last year	799.78	751.94
Adjustment for carrying amount of assets in terms of transitional provisions of Schedule II of the Companies Act, 2013 (net of Deferred Tax)	-	(49.15)
Profit available for appropriation	1440.09	1062.92
Transfer to General Reserve	40.00	30.00
Interim Dividend paid/Final Dividend	221.85	194.12
Dividend Distribution Tax	45.16	39.02
Balance Profit carried to Balance Sheet	1133.08	799.78
Basic and Diluted Earnings per Equity Share of ₹ 2/- each	1.39	0.78

INCOME:

Your Company achieved a total turnover of ₹ 540.2 million as compared to ₹ 490.3 million in the previous year, registering a growth of 10.18% on a year to year basis. This increase was achieved without any expansion in room or food and beverage facilities. The Gross Profit before Depreciation, Finance Costs and Tax increased by 23.5% from ₹ 117.2 million to ₹ 144.7 million.

FINANCE COSTS:

Finance Costs have reduced significantly from ₹ 16.9 million to ₹ 10.4 million. This result was achieved by lowering debt from ₹ 134.25 million to ₹ 55.24 million.

PROFIT BEFORE TAX:

Profit before Tax has increased by 70% from ₹ 55.2 million to ₹ 93.8 million.

PROFIT AFTER TAX:

Profit for the year after Tax has increased by 78% from ₹ 36 million to ₹ 64 million.

2. DIVIDEND:

The Company paid an interim dividend of 24% (₹ 0.48 per Equity share of ₹ 2 each) in February 2016. The total outgo for the current year amounts to ₹ 26.7 million (including dividend distribution tax of ₹ 4.52 million) as against ₹ 23.3 million (including dividend distribution tax of ₹ 3.9 million) in the previous year. This represents a payout ratio of 42%.

The Board of Directors has decided to treat the interim dividend as final dividend for the financial year 2015-16.

3. TRANSFER TO RESERVES:

We propose to transfer ₹ 4 million to the General Reserve out of the amount available for appropriation. An amount of ₹ 113.31 million is proposed to be retained as surplus in the statement of Profit and Loss.

4. ECONOMIC SCENARIO AND OUTLOOK:

The Indian economy has the potential to become the world's 3rd-largest economy by the next decade, and one of the largest economies by mid-century. The outlook for the short-term growth is also good as, according to the IMF, the Indian economy is the "bright spot" in the global landscape. India also topped the World Bank's growth outlook for 2015-16 for the first time with the GDP having grown 7.6% in 2015-16 and expected to grow 7.7-8.0% in 2016-17.

The increase in prosperity in India will lead to a larger spend on leisure and corporate get togethers at exotic locations. The recent decline in value of the Indian Rupee beyond 66 to USD will encourage us Indians to travel within India. Domestic tourism will grow and Goa and our Company will benefit from this trend.

As the Rupee depreciates, India will also become a cheaper holiday destination for foreign tourists. Foreign tourist arrivals into India and Goa will increase as a result of the policy of issuing E-Tourist Visas to citizens of 150 countries at several airports in India including Goa.

5. UPGRADATION PLAN FOR 2016-17:

Some minor renovation to the lobby and public areas are planned to be carried out in this financial year. The Ministry of Tourism, Government of India, New Delhi had reclassified Company's resort as "Five (*****) Star Deluxe Category" on June 18, 2013 which is valid upto June 17, 2018.

6. SUBSIDIARY/HOLDING COMPANY, ETC.:

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

7. SUSTAINABLE DEVELOPMENT:

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

8. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

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

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



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

9. HUMAN RESOURCES DEVELOPMENT:

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

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

10. BUSINESS RISK MANAGEMENT:

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

11. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

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

12. VIGIL MECHANISM:

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

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

- (a) Appointment: The Board of Directors had appointed Dr. S D Israni as an Additional Director of the Company in the category of Independent Director with effect from October 1, 2015.

Dr. Israni aged 67 years is a Corporate Lawyer with over 42 years of experience as a practitioner in the field of Corporate Laws and Business Advisory services. He is qualified in the field of Law, Company Secretaryship and Management.

- (b) Retirement by rotation: In accordance with the provisions of the Companies Act, 2013, Mrs. Nina H. Advani, Director of the Company, retires by rotation and is eligible for re-appointment.

Further details about the Directors are given in the Corporate Governance Report as well as in the Notice of the ensuing Annual General Meeting being sent to the shareholders along with the Annual Report.

- (c) Independent Directors Declaration: The Independent Directors have submitted the Declaration of Independence, as required pursuant to Section 149 of the Companies Act, 2013 and provisions of the SEBI Listing Regulations, stating that they meet the criteria of independence as provided therein.

(d) Evaluation of the Board's performance: In compliance with the Companies Act, 2013, and Regulation 17 of the SEBI Listing Regulations, the performance evaluation of the Board and its Committees were carried out during the year under review. More details on the same are given in the Corporate Governance Report.

(e) Policy on Directors appointment and remuneration: The Nomination & Remuneration Committee of Directors has approved a Policy for Selection, Appointment and Remuneration of Directors which inter-alia requires that the Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board. The Policy also lays down the positive attributes/ criteria while recommending the candidature for the appointment as Director.

The Company follows a Policy on Remuneration of Directors, KMP and Senior Management Employees. The policy is approved by the Nomination & Remuneration Committee and the Board. The main objective of the said policy is to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors, KMP and senior management employees. The Remuneration Policy for the Directors and senior management employees is given in the Corporate Governance Report.

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

The policy on company's familiarization programme for Independent Directors and the details of familiarization programmes imparted to Independent Directors including the No. of hours spent by each Independent Director in such programmes is posted on the company's website at www.ramadacaravela.com/investorrelations

(g) Key Managerial Personnel: Mr. Raju M. Bamane, Company Secretary and Key Managerial Personnel of the Company, resigned from the services of the Company w.e.f. June 15, 2015 and Mr. Nilesh Jain has been appointed as Company Secretary and Key Managerial Personnel w.e.f August 17, 2015.

(h) Listing Agreement: The Securities and Exchange board of India (SEBI) on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective December 1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date.

The Company has entered into listing agreement with BSE Limited and the National Stock Exchange of India Limited during November 2015.

14. CORPORATE GOVERNANCE:

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

15. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

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



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

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

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

For the year ended March 31, 2016, the Board is of the opinion that the Company has sound IFC, commensurate with the nature and size of the business operations, wherein controls are in place and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the existing controls and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

During the year ended March 31, 2016 there were no reportable incident of fraud as defined in Section 143(12) of the Companies Act, 2013.

16. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) In the preparation of the accounts for the financial year ended March 31, 2016, the applicable Accounting Standards have been followed and there are no material departures;
- (ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit and loss of the Company for the year ended March 31, 2016;
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing fraud and other irregularities;
- (iv) They have prepared the annual accounts for the financial year ended March 31, 2016 on a "going concern" basis;
- (v) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2015-16.

17. STATUTORY AUDITORS:

At the 27th Annual General Meeting of the Company held on September 24, 2014, M/s. J. G. Verma & Co., Chartered Accountants, Mumbai, have been appointed as Statutory Auditors of the Company till 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.

As required under SEBI (LIDOR) Regulations, 2015, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. They are eligible to continue as Statutory Auditors for the financial year 2016-17. Your Board recommends ratification of their appointment as the Statutory Auditors at the ensuing Annual General Meeting.

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

18. SECRETARIAL AUDIT:

Pursuant to the requirements of the Companies Act, 2013, the company has appointed Mr. Virendra G. Bhatt, Practicing Company Secretary, to undertake the Secretarial Audit of the Company, whose report dated May 16, 2016, is attached separately to this report as "Annexure B".

Management reply to the observations in the Secretarial Audit Report is as under:

Sr. No.	Observation	Management Response
1	"Board of Directors of the Company not having been constituted as per Listing Regulations as it was short of one independent director for first two quarters of the year".	Owing to his untimely demise, Mr. K. Kannan, an independent director of the Company ceased to be a director of the Company w.e.f. December 18, 2014. There was a delay in finding a competent person who could be appointed as an independent director of the Company in the place of the deceased director. The Board of Directors of the company ultimately appointed Dr. S. D. Israni as an Additional Director of the Company in the category of Independent Non Executive Director with effect from October 1, 2015.
2	On payment of managerial remuneration to the Managing Director, Mr. Sunder G. Advani and the Executive Director, Mr. Haresh G. Advani	This is self explanatory and does not require any clarification or response save and except that each of the Managing Director, Mr. Sunder G. Advani and the Executive Director, Mr. Haresh G. Advani have given an undertaking to the Board of Directors in terms of Section 197(9) of the Companies Act, 2013 to refund the excess remuneration to the Company and each of them have further confirmed that they will hold the excess remuneration in trust for and on behalf of the Company. The Management further reports that pending the final disposal of the Applications by the Central Government, the Managing Director and the Executive Director have refunded the excess remuneration drawn by them till 1st quarter ended June 30,2016

19. FIXED DEPOSITS:

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



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

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

21. 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.

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

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

23. TRANSFER OF UNCALIMED DIVIDEND

During the year, the unclaimed dividend of ₹ 0.51 million pertaining to the interim and final dividend for the year ended March 31, 2008 was transferred to the Investor Education & Protection Fund (IEPF) within the prescribed time.

24. DISCLOSURES UNDER THE COMPANIES ACT, 2013 AND LISTING REGULATIONS

(i) EXTRACT OF ANNUAL RETURN:

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

(ii) MEETINGS:

The Board of Directors met 6 (six) times in the financial year 2015-16. The details of the board meetings and the attendance of the Directors are provided in the Corporate Governance Report. The gap between the Board Meetings was within the period prescribed under the Companies Act, 2013.

(iii) AUDIT COMMITTEE:

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

(iv) RELATED PARTY TRANSACTIONS:

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Parties are provided in the Company's financial statements in accordance with the Accounting Standards.

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

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

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

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

25. PARTICULARS OF EMPLOYEES:

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

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

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

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

27. ACKNOWLEDGEMENTS:

I would like to thank the Central Government, especially the Ministries of Tourism, Civil Aviation, External Affairs, Finance 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. The employees and executives of the Ramada Caravela Beach Resort are our most important assets and deserve immense praise. A special thanks to our business associates, tour operators and travel agents. Last but not the least, I would like to thank all you shareholders for your faith in our Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date: July 28, 2016

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



ANNEXURE 'A' TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.

The Company has adopted the CSR policy on November 14, 2015 in compliance with the provisions of the Companies Act, 2013 and is available on the website at www.ramadacaravela.com/investorrelations

2. The Composition of the CSR Committee:

Mrs. Menaka S. Advani, Chairperson

Mrs. Nina H. Advani, Member

Mr. Adhiraj Harish, Member

3. Average net profit of the company for last three financial years ₹ 46.02 million.
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) ₹ 0.92 million.
5. Details of CSR spent during the financial year:
 - (a) Total amount to be spent for the financial year - ₹ 0.92 million.
 - (b) Amount unspent, if any ₹ 0.42 million.
 - (c) Manner in which the amount spent during the financial year is detailed below:

Sr. No	CSR project or activity identified	Sector in which the project is covered	Specify the state and district where projects or programs was undertaken	Amount outlay (budget project or programme wise	Amount spent on the project or programme	Cumulative expenditure up to the reporting period	Amount Spent direct or through implementing agency
1	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water	Promoting health care and Sanitation	Goa	₹ 255,776	₹ 255,776	₹ 255,776	Directly
2	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water ;	Animal welfare	Goa	₹ 231,114	₹ 231,114	₹ 231,114	Directly
3	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;	Reduction of inequalities faced by economically backward groups	Goa	₹ 12,400	₹ 12,400	₹ 12,400	Directly
			Total	₹ 499,290	₹ 499,290	₹ 499,290	

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

There were several challenges to establish a sustainable CSR model. The Company could not entirely consume the allocated CSR Budget, given the Company's Agenda to utilise the funds in justifiable, sustainable and measurable activities. Therefore, a sum of ₹ 0.42 million remained unspent from the CSR budget of FY 2015 - 16. Going forward it is proposed to strengthen engagement with various stakeholders and ramp up the CSR spend.

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

Sunder G. Advani
(Chairman & Managing Director)

Menaka S. Advani
(Chairperson CSR Committee)



ANNEXURE 'B' TO THE DIRECTORS' REPORT

Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

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

To,

The Members,

Advani Hotels and Resorts (India) Limited

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

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 has prima facie complied with the statutory provisions listed hereunder:

I have examined the books, papers, minutes' books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Not Applicable during the audit period;
- (v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended 31st March, 2016:-
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (c) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) For the other applicable laws our audit was limited to:-
 - (a) The Payment of Wages Act, 1936
 - (b) The Minimum Wages Act, 1948
 - (c) Employees State Insurance Act, 1948
 - (d) The Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - (e) The Payment Of Bonus Act, 1965
 - (f) The Payment of Gratuity Act, 1972
 - (g) The Maternity Benefit Act, 1961

(vii) I have also examined compliance with the applicable clauses of the following:

- (a) The Listing Agreements & SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 entered into by the Company with the Stock Exchanges viz., BSE Limited, National Stock Exchange Limited.
- (b) Secretarial Standards Issued by the Institute of Company Secretaries of India.

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

I report that:

1. The Managing Director Mr. Sunder G. Advani and Executive Director, Mr. Haresh G Advani was re-appointed for a period of 5 years i.e., 01.03.2013 to 28.02.2018 by the shareholders of the Company by passing Special resolutions at the 25th Annual General Meeting held on September 17, 2012. The Ministry of Corporate Affairs (MCA), New Delhi has approved their re-appointment for a period of 5 years up to February 28, 2018 but the remuneration was approved only for a period of 3 years up to February 29, 2016.
2. The Board of Directors at their meeting held on November 14, 2015 decided to approach the MCA and accordingly the Company made an application to the MCA on December 30, 2015 for their approval for the Managerial Remuneration of CMD for balance period of 2 years (01.03.2016 to 28.02.2018). The application is pending for their approval.

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

I further report that the Board of Directors of the company was not duly constituted as per the Listing Regulations as it was short of one Independent Director for first two quarters of the year.

I further report that as per the information provided the Company has prima facie given adequate notice to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that there are prima facie adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

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

I further report that:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. Where ever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the company.

Place: Mumbai
Date: May 16, 2016

Virendra Bhatt
ACS No – 1157
COP No – 124



ANNEXURE 'C' TO THE DIRECTORS' REPORT

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 forming part of Directors' Report for the year ended March 31, 2016:

A. CONSERVATION OF ENERGY:

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

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

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

In 2015-16, the company has taken following steps:

(a) The Company has replaced the existing 4 Pole structure with a new 4 Pole structure.

The old four pole structure's CTs and PTs experienced frequent failures and this in turn resulted in the hotel having to start its generators to supply power. With the new four pole structures and new CTs and PTs, the amount of generator usage has reduced resulting in a saving of diesel.

The old 4 Pole structure has some loose connections at the HT terminals and hence there were a voltage losses, this has completely avoided now with new four pole structure.

A special feature added in new 4 pole structure is that we have independent isolator to isolate the 33 KV supply at our end. (Not dependent on Goa Electricity Dept).

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

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

In 2015-16, the Company spent ₹ 3.27 million on 4 pole structure and VFD replacement to conserve energy.

B. TECHNOLOGY ABSORPTION:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company's foreign exchange earnings for the current year were ₹ 160.77 million (previous year ₹ 157.05 million). The total outgo in foreign exchange for the current year was ₹ 17.77 million (previous year ₹ 25.02 million).

ANNEXURE 'D' TO THE DIRECTORS' REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED MARCH 31, 2016

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main Products/services	NIC Code of the Product/ service	% to total turnover of the company
1	Short Term Accommodation activities	551	63.75%
2	Restaurant and Mobile Food Service activities	561	25.70%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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



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

i) Category-wise Shareholding:

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2015)				No. of Shares held at the end of the year (March 31, 2016)				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(A)	Promoters									
1	Indian									
	(a) Individuals/ Hindu Undivided Family	2,27,98,102	10,500	2,28,08,602	49.35	2,28,08,602	0	2,28,08,602	49.35	0
	(b) Central Government/State Government	0	0	0	0	0	0	0	0	0
	(c) Bodies Corporate	3,78,500	0	3,78,500	0.82	3,78,500	0	3,78,500	0.82	0
	(d) Financial Institutions/Banks	0	0	0	0	0	0	0	0	0
	(e) Any Other (specify)	0	0	0	0	0	0	0	0	0
	Sub Total (A)(1)	2,31,76,602	10,500	2,31,87,102	50.17	2,31,87,102	0	2,31,87,102	50.17	0
2	Foreign									
	(a) Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0
	(b) Other - Individuals	0	0	0	0	0	0	0	0	0
	(c) Bodies Corporate	0	0	0	0	0	0	0	0	0
	(d) Banks/FI	0	0	0	0	0	0	0	0	0
	(e) Any Other (specify)	0	0	0	0	0	0	0	0	0
	Sub Total (A) (2)	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	2,31,76,602	10,500	2,31,87,102	50.17	2,31,87,102	0	2,31,87,102	50.17	0
(B)	Public shareholding									
1	Institutions									
	(a) Mutual Funds/UTI	0	56,000	56,000	0.12	0	56,000	56,000	0.12	0
	(b) Financial Institutions/Banks	0	2,500	2,500	0.01	0	2,500	2,500	0.01	0
	(c) Governments	0	0	0	0	0	0	0	0	0
	(d) Venture Capital Funds	0	0	0	0	0	0	0	0	0
	(e) Insurance Companies	0	0	0	0	0	0	0	0	0
	(f) Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
	(g) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
	(h) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
	(i) Any Other (specify)	0	0	0	0	0	0	0	0	0
	Sub Total (B) (1)	0	58,500	58,500	0.13	0	58,500	58,500	0.13	0
2	Non-institutions									
	(a) Bodies Corporate	1,67,42,506	41,000	1,67,83,506	36.31	1,66,79,339	40,500	1,67,19,839	36.17	-0.142
	(b) (i) Individuals - shareholders holding nominal share capital up to ₹ 1 Lakh	21,13,432	16,42,760	37,56,192	8.13	21,97,696	15,73,510	37,71,206	8.16	0.3
	(ii) Individual - shareholders holding nominal share capital in excess of ₹ 1 Lakh	16,81,787	0	16,81,787	3.64	18,49,918	0	18,49,918	4	0.36
	(c) Qualified Foreign Investor									
	(d) Any other (specify)									
	i. NRI Rep	1,45,842	3,10,300	4,56,142	0.99	1,45,943	3,10,300	4,56,243	0.99	0
	ii. NRI Non -Rept	2,81,096	12,500	2,93,596	0.64	2,83,017	12,500	2,95,517	0.64	0.004
	iii. OCB	0	0	0	0	0	0	0	0	0
	iv. Foreign Bodies	0	2,425	2,425	0.01	0	2,425	2,425	0.01	0
	v. Foreign National	0	0	0	0	0	0	0	0	0
	Sub Total (B)(2)	2,09,64,663	20,08,985	2,29,73,648	49.71	2,10,34,413	19,39,235	2,29,73,648	49.71	0
	Total Public Shareholding (B)=(B)(1)+(B)(2)	2,09,64,663	20,67,485	2,30,32,148	49.83	2,10,34,413	19,97,735	2,30,32,148	49.83	0
	Total (A)+(B)	4,41,41,265	20,77,985	4,62,19,250	100	4,42,21,515	19,97,735	4,62,19,250	100	0
(C)	Shares held by custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
	i Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
	ii Public	0	0	0	0	0	0	0	0	0
	Sub Total (C)	0	0	0	0	0	0	0	0	0
(D)	Others	0	0	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)+(D)	4,41,41,265	20,77,985	4,62,19,250	100	4,42,21,515	19,97,735	4,62,19,250	100	0

ii) Shareholding of Promoters:

Sr. No	Names of Shareholders	No. of Shares held at the beginning of the year (April 1, 2015)			No. of Shares held at the end of the year (March 31, 2016)			% Change during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered	No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered	
1	SUNDER G. ADVANI	9425893	20.3939	-	9425893	20.3939	-	0.0000
2	HARESH G. ADVANI	5330139	11.5323	-	5330139	11.5323	-	0.0000
3	NINA H. ADVANI	2131100	4.6108	-	2136350	4.6222	-	0.0114
4	LALITA SUNDER ADVANI	1383800	2.9940	-	1383800	2.9940	-	0.0000
5	PRAHLAD ADVANI	1374000	2.9728	-	1374000	2.9728	-	0.0000
6	MENAKA SUNDER ADVANI	1305630	2.8249	-	1310880	2.8362	-	0.0114
7	NATASHA MIRCHANDANI	741399	1.6041	-	741399	1.6041	-	0.0000
8	ALEKHA HARESH ADVANI	518451	1.1217	-	518451	1.1217	-	0.0000
9	SUNDER ADVANI INVESTMENTS PRIVATE LTD.	378500	0.8189	-	378500	0.8189	-	0.0000
10	INDIRA SHIV THADANI	275000	0.5950	-	275000	0.5950	-	0.0000
11	BALRAM DAYARAM DATWANI	163940	0.3547	-	163940	0.3547	-	0.0000
12	JIHAN HARESH ADVANI	122500	0.2650	-	122500	0.2650	-	0.0000
13	SABRINA DILIP JHANGIANI	26250	0.0568	-	26250	0.0568	-	0.0000
14	RUKMANI GURDAS ADVANI	10500	0.0227	-	0	0.0000	-	-0.0227
Total		23187102	50.1676		23187102	50.1676		0.0000

iii) Change in Promoters' Shareholding:

Sr. No	Particulars	Shareholding at the beginning of the year (April 1, 2015)		Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mrs. Nina H. Advani	2131100	4.6108		
	23.12.15 - Gift from Mrs. Rukmani G. Advani	5250	0.0114	2136350	4.6222
2	Mrs. Menaka S. Advani	1292000	2.7954		
	23.12.15 - Gift from Mrs. Rukmani G. Advani	5250	0.0114	1297250	2.8067
3	Mrs. Rukmani G. Advani	10500	0.0227		
	23.12.15 - Gift to Mrs. Nina H. Advani	-5250	0.0114	5250	0.0114
	23.12.15 - Gift to Mrs. Menaka S. Advani	-5250	0.0114	0	0.0000

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

Sr. No	Particulars	Shareholding at the beginning of the year		Date wise increase/decrease in shareholding during the year		Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	DELTA CORP LIMITED	16453783	35.599	1 Apr 15			16453783	35.599
			-0.675	15 Jan 16	-311871	TRANSFER	16141912	34.925
			0.648	18 Mar 16	299520	TRANSFER	16441432	35.573
		16441432	35.573	31 Mar 16				
2	RADHAKISHAN S. DAMANI	1560287	3.376	1 Apr 15			1560287	3.376
			0.003	7 Aug 15	1201	TRANSFER	1561488	3.378
			0	14 Aug 15	60	TRANSFER	1561548	3.379
			0.006	21 Aug 15	2962	TRANSFER	1564510	3.385
			0.001	28 Aug 15	450	TRANSFER	1564960	3.386
			0.002	25 Sep 15	1000	TRANSFER	1565960	3.388
			0.003	5 Feb 16	1263	TRANSFER	1567223	3.391
			0.017	12 Feb 16	7923	TRANSFER	1575146	3.408
			0.02	19 Feb 16	9066	TRANSFER	1584212	3.428
			0.004	22 Feb 16	1832	TRANSFER	1586044	3.432
			0.006	26 Feb 16	2741	TRANSFER	1588785	3.437



Sr. No	Particulars	Shareholding at the beginning of the year		Date wise increase/decrease in shareholding during the year		Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
			0.009	4 Mar 16	4203	TRANSFER	1592988	3.447
			0.003	11 Mar 16	1244	TRANSFER	1594232	3.449
			0.206	18 Mar 16	94998	TRANSFER	1689230	3.655
			0	25 Mar 16	67	TRANSFER	1689297	3.655
			0.085	31 Mar 16	39121	TRANSFER	1728418	3.74
		1728418	3.74					
3	SHIV PURI	252796	0.547	1 Apr 15	-	-	252796	0.547
		252796	0.547	31 Mar 16	-	-		
4	PREM KAPOOR	187500	0.406	1 Apr 15	-	-	187500	0.406
		187500	0.406	31 Mar 16	-	-		
5	ANISH AND CO PVT LTD	124266	0.269	1 Apr 15	-	-	124266	0.269
		124266	0.269	31 Mar 16	-	-		
6	SIRV PARVESH CHHIBBER	100000	0.216	1 Apr 15	-	-	100000	0.216
		100000	0.216	31 Mar 16	-	-		
7	BHARAT AMIN	62000	0.134	1 Apr 15	-	-	62000	0.134
		62000	0.134	31 Mar 16	-	-		
8	RAJESH M SAWNANI	61500	0.133	1 Apr 15	-	-	61500	0.133
		61500	0.133	31 Mar 16	-	-		
9	SURESH N TALWAR	60000	0.13	1 Apr 15	-	-	60000	0.13
		60000	0.13	31 Mar 16	-	-		
10	AMBAR RAO	55300	0.12	1 Apr 15	-	-	55300	0.12
		55300	0.12	31 Mar 16	-	-		
11	RELIGARE FINVEST LTD.	74000	0.16	1 Apr 15			74000	0.16
			0.002	17 Apr 15	800	TRANSFER	74800	0.162
			-0.001	8 Jan 16	-592	TRANSFER	74208	0.161
			-0.002	22 Jan 16	-800	TRANSFER	73408	0.159
			-0.159	11 Mar 16	-73408	TRANSFER	0	0
		0	0	31 Mar 16				

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Particulars	Shareholding at the beginning of the year		Date wise increase/decrease in shareholding during the year		Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Mr. Prakash V. Mehta, Independent Director	500	0	-	-	-	500	0
2	Mr. Vinod Dhall, Independent Director	-	-	-	-	-	-	-
3	Dr. S. D. Israni, Independent Director	-	-	-	-	-	-	-
4	Adm. Sureesh Mehta, Independent Director	-	-	-	-	-	-	-
5	Mr. Adhiraj Harish, Independent Director	-	-	-	-	-	-	-
6	Mr. Shankar Kulkarni, CFO	-	-	-	-	-	-	-
7	Mr. Nilesh Jain, CS	-	-	-	-	-	-	-

V. INDEBTEDNESS:

(₹ in lakhs)

Particulars	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	1342.52	130.62	0.00	1473.14
(ii) Interest due but not paid	4.70	0.00	0.00	4.70
(iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	1347.22	130.62	0.00	1477.84
Change in Indebtedness during the financial year				
Addition	0.00	0.00	0.00	0.00
Deletion	791.76	36.72	0.00	828.48
Net Change	(791.76)	(36.72)	0.00	(828.48)
Indebtedness at the end of the financial year				
(i) Principal Amount	552.43	93.90	0.00	646.33
(ii) Interest due but not paid	3.03	0.00	0.00	3.03
(iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	555.46	93.90	0.00	649.36

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-Time Director and/or Manager

(₹ in lakhs)

Sr. No.	Particulars	Sunder G. Advani	Haresh G. Advani	Prahlad S. Advani	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	88.15	58.37	50.90	197.42
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	6.80	5.85	2.64	15.29
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- As % of profit	-	-	-	-
	- Others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	94.95	64.22	53.54	212.71
	Celling as per the Companies Act	As per CG Approval-till Feb. 2016 and for Mar. 2016 as per Schedule V		As per special Resolution	

B. Remuneration to other Directors

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Prakash V. Mehta	Vinod Dhall	Adm. Sureesh Mehta	Dr. S. D. Israni	Adhiraj Harish	Total
1	Independent Directors						
	(a) Fees for attending Board/Committee Meetings	3.40	2.60	3.00	1.40	3.00	13.40
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-
	Total (1)	3.40	2.60	3.00	1.40	3.00	13.40
2	Other Non-Executive Directors				Menaka S. Advani	Nina H. Advani	Total
	(a) Fees for attending Board/Committee Meetings				3.40	1.60	5.00
	(b) Commission				-	-	-
	(c) Others, please specify				-	-	-
	Total (2)				3.40	1.60	5.00
	Total Remuneration to other Directors (1) + (2)						18.40
	Total Managerial Remuneration (A+B)						231.11



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

(₹ in lakhs)

Sr. No.	Particulars	Shankar S. Kulkarni, CFO	Raju Bamane, CS*	Nilesh Jain, CS**	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	28.47	2.80	8.55	39.820
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	1.22	0.61	0.09	1.92
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- As % of profit	-	-	-	-
	- Others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	29.69	3.41	8.64	41.74

*Upto June 16, 2015

** w.e.f August 17, 2015

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishments, compounding of offences for the year ending March 31, 2016.

ANNEXURE 'E' TO THE DIRECTORS' REPORT

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

Sr. No.	Requirements	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Name of the Director	Ratio
		Mr. Sunder G. Advani, CMD	38
		Mr. Haresh G. Advani, ED	26
		Mr. Prahlad S. Advani, WTD	23
		For this purpose, Sitting Fees paid to the Directors have not been considered as remuneration.	
2	The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary in the financial year	Mr. Sunder G. Advani, CMD	6.20%
		Mr. Haresh G. Advani, ED	7.86%
		Mr. Prahlad S. Advani, WTD	13.00%
		Mr. Shankar S. Kulkarni, CFO	23.40%
		Mr. Raju Bamane, CS	N.A
		Mr. Nilesh Jain, CS	N.A
		Mr. Raju Bamane resigned w.e.f. 15th June,2015 Mr. Nilesh Jain joined w.e.f 17th August,2015	
3	The percentage increase in the median remuneration of employees in the financial year:	During FY 2016, the percentage increase in the median remuneration of employees as compared to previous year was approximately 10%.	
4	The number of permanent employees on the rolls of company	There were 174 (Executives 110 and confirmed workmen 64) employees as on March 31, 2016	
5	The explanation on the relationship between average increase in remuneration and company performance:	In view of the business performance and profits of the Company in FY 2014-15, the overall percentage increase of 13.70% has been primarily provided to offset inflation cost and increase in cost of living expenses.	
6	Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the company;	For the FY 2016, the remuneration paid to all KMPs aggregate to ₹ 136.46 Lakhs and approximately 2.52% of the Gross Revenue. The Gross revenue was ₹ 5401.94 Lakhs (previous year ₹ 4,902.54 Lakhs)	
7	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies;	<p>The market capitalization of the Company increased from ₹ 19874 Lakhs as at March 31, 2015 to ₹ 21815 Lakhs as at March 31, 2016, an increase of 9.77% during the year under review. Over the same period, the price to earnings ratio moved from 55.13 to 33.96.</p> <p>The last public offer for the shares of the Company was a right issue made in the year 1991-92 for 840000 Equity Shares of ₹ 10/- each at par. The market quotation (BSE closing) of the Equity Shares of the Company as on March 31, 2016 was ₹ 47.20 per share of face value of ₹ 2/- each representing an increase of approximately 2360% over the period.</p>	



Sr. No.	Requirements	Disclosure			
8	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in remuneration is 13.70% for employees other than Managerial Personnel and 8.39% for Managerial Personnel.			
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;	Particulars	Remuneration for FY 2016 (₹ in Lakhs)	% of Gross Revenue FY 2016	% of Net Profit FY 2016
		Mr. Sunder G. Advani, CMD	94.72	1.75%	14.79%
		Mr. Shankar S. Kulkarni, CFO	29.69	0.55%	4.64%
		Mr. Raju Bamane, CS	3.41	0.06%	0.53%
		Mr. Nilesh Jain, CS	8.64	0.16%	1.35%
10	The key parameters for any variable component of remuneration availed by the directors	No commission was paid to any Executive Director for the year ended March 31, 2016.			
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	This is not applicable to the Company.			
12	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed.			

II. Information under Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Employee Name	Designation	Age in Years	Qualification	Experience In years	Date of Commencement	Remuneration (₹)	Last Employment
Mr. Sunder G. Advani	Chairman & Managing Director	77	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)	56	March 1, 1988	9,472,279	Chairman & Managing Director, Hotel Airport Plaza, Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

The results for the period between April 01, 2015 and March 31, 2016 are used for this analysis. The actual future performance will depend on many factors including Government policies, both in India and Goa. The performance of the Corporate sector, the disposable income of our people, the economies of countries that provide tourists to Goa, the relative attractiveness of competing destinations and new supply of rooms in Goa.

Indian Economy:

India's projected GDP of well over 8% makes India the fastest growing economy in the world. The Services Sector constitutes about 58% of India's GDP. This is good news for the hospitality industry. When GDP grows, there is an increase in disposable income and families can afford to spend on discretionary items, such as leisure. Corporates can also spend more on conferences, morale building get-togethers. Goa is the ideal location for all of these activities.

India Tourism Outlook:

Tourism is a very important economic activity and the potential for India is enormous. The Travel & Tourism industry is the largest employer in the world and accounts for 1 out of every 11 jobs. Many countries rely heavily on tourism to bolster their economies. The World Travel & Tourism Council, a think tank for our industry based in London, has estimated that travel and tourism's direct contribution to employment was 25 million or 5.5% of the total employment in India. Travel and Tourism directly contributes 6.3% to India's GDP.

It is estimated that 8 million foreign tourists visited India last year. The Government of India has made E-Tourist Visas available to citizens of 155 countries at 16 airports in India including Goa. There was an increase of 273% in the number of E-Tourist Visas between January and June. Foreign exchange earnings from international visitors to India amounted to INR 1285 billion. Foreign exchange earnings of this magnitude by the Tourism industry help to reduce the gap between increasing imports and declining merchandise exports. We are fortunate that oil imports, which constitute India's major item of import, were under control due to lower oil prices worldwide. As of now, we do not know the full impact of the GST bill on the Services Sector. In order to attract more foreign tourists, taxes on the hospitality industry need to be reasonable.

68 million U.S. Residents travelled abroad in 2104, but only 1.1 million of these came to India. After the recent joint statement of Prime Minister Narendra Modi and President Obama that United States and India will be Travel and Tourism partner countries for 2017, the number of U.S. Residents coming to India will increase. India has everything – historic monuments, culture, beautiful beaches, English speaking people, good hotels and better connectivity within India. India has traditionally been marketed as a country which has one of the seven wonders of the world, namely the Taj Mahal. This grew from the assumption that people travel only to see famous places. However, the scenario that the tourist wanted to combine a cultural experience with a relaxing holiday at a beach was not thought of. If we want more foreign tourists to visit India, we must analyse not only where they are going on long haul holidays, why they are going there and which part or activity in India can we offer where we have a competitive advantage. Spirituality is one such area. Unfortunately, the hotel industry which is also an exporter, does not receive the same incentives received by other exporters.

Tourism to Goa:

Domestic tourism is becoming even more important as we Indians are travelling more within India due to various reasons. The Tourism Ministry has estimated that there were 1432 million of domestic tourist visits within India in 2015. A large portion of these trips are for leisure, as there has been a considerable rise in disposable income available to middle class families in India. The measures taken by Prime Minister Modi such as Swachh Bharat Abhiyan, Investment on building more roads for connectivity will lead to more domestic travellers taking road journeys within India. As India's growth rate in GDP is one of the highest in the world, expenditure on Meetings, Incentives, Conferences and Exhibitions (MICE) is expected to increase



substantially. All of the above bode well for the domestic hospitality industry, especially in Goa, which is now recognized as the favoured holiday destination in India.

The domestic airlines have increased flights to Goa. The airfares have kept in line due to lower oil prices and competition. There was a substantial increase in weddings and domestic business as a whole, as more Indians decided to visit Goa instead of going elsewhere.

On the other hand, the numbers of passengers from Russia have declined substantially due to the devaluation of the Russian Rouble. The rates for Russian clients have had to be reduced as there was a drop in demand for all hotels and price became an important factor in increasing occupancies.

Strengths / Weaknesses / Opportunities and Threats:

We have been able to make our resort a year-round destination.

The Company is de-risking the business model by attracting more domestic clients by improving the website and adding better photos of the resort for online travel agents. The largest growth for our business has been from the online travel agents. These measures have resulted in higher revenues and improved revenue per available room (Rev PAR) during the year.

The Central and State Government have realized the importance of attracting affluent tourists, which will benefit our hotel. As informed earlier, over 100,000 square feet FSI is available for our hotel to undertake any expansion, such as a, additional rooms, a villa development, sangeet hall, new spa etc, which could yield additional revenue streams for the existing hotel unit.

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

There has been a large reliance on the Russian market for revenues in the winter months, which is reducing from last year. Central and State Government policies towards tourists may change. Natural disasters cannot be predicted.

Goa has become the focus area for domestic and major international hotel chains because of the high occupancies and increasing room rates. This will lead to an increased supply of rooms in Goa and our hotel will have to compete with existing and new hotels entering in Goa. Recently built properties tend to have larger banquet halls to tap the wedding and conference market, larger sized rooms for the domestic market and larger spas.

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

Renovation:

There are some renovation plans, for the improvement in the lobby etc, for the ongoing financial year.

Future Outlook:

World Travel and Tourism Council (WTTC) have estimated that the World Travel & Tourism GDP will grow by 3.7% and that the South Asia Region which includes India will witness the highest growth of 6.9%. While foreign tourists will come to India in larger numbers, the number visiting Goa will depend upon the Civil Aviation policies regarding allowing of more scheduled flights into Goa airport and also on the tourism friendly policies of the Government of Goa. The cleanliness drive initiative taken by our Prime Minister by way of Swachh Bharat Abhiyan and the World Yoga Day will add to the attraction of Goa. Foreign tourists will increase to Goa as the issue of E-Visas prior to Arrival has started at Goa airport. The number of domestic travellers to Goa will increase as Goa is becoming an even more popular destination. There is a trend to have a destination wedding in Goa and this will bring in substantial business to our hotel.

Management Discussion and Analysis of Operating Results:

The table below provides the break-up of revenues and expenditures for the financial year ending March 31, 2016.

(₹ in million)

Particulars	March 31, 2016	March 31, 2015
Income from Operations		
Sales & Other Operating Income	5310	4848
Other Income	92	55
Total Income	5402	4903
Expenditure		
Cost of material consumed	421	408
Employee Benefits expense	1674	1403
Power & Fuel	393	436
Depreciation	405	450
Repairs & Maintenance	304	347
Finance Costs	104	169
Other expenses	1163	1137
Total Expenditure	4464	4350
Profit Before Tax	938	552
Tax Expense	298	192
Net Profit After Tax	640	360

The total income increased by 10.18% to ₹ 5402 lakhs from ₹ 4903 lakhs in the previous year.

The room revenue increased by 16.28% from ₹ 2911 lakhs to ₹ 3385 lakhs.

The RevPar (Revenue Per Available Room) increased from ₹ 4038 to ₹ 4664 largely due to an increase of 15% in Average Room Rates.

Expenditure:

The total expenditure increased by 2.62% to ₹ 4464 lakhs from ₹ 4350 lakhs in the previous year.

Payroll cost was higher by 19.35% (₹ 271 lakhs) compared to the previous year mainly on account of salary increments and provision made as per amendments in the Payment of Bonus Act.

Finance Costs have reduced from ₹ 169 lakhs to ₹ 104 lakhs due to repayment of loans of approximately ₹ 827 lakhs.

Earnings before Interest, Depreciation, Tax and Amortisation (EBIDTA):

EBIDTA registered an increase of 23.5% to ₹ 1447 lakhs in 2015-16 as against ₹ 1172 lakhs in the previous year.

Profit before Tax (PBT):

The PBT has increased by 70% to ₹ 938 lakhs from ₹ 552 lakhs in the previous year.

Profit after Tax (PAT):

The PAT has increased by 78% to ₹ 640 lakhs from ₹ 360 lakhs in the previous year

Liabilities:

The Company's liabilities have reduced substantially during the year. The long term loans have reduced from ₹ 1342.52 lakhs to ₹ 552.43 lakhs. The Company has also funded Gratuity liability of ₹ 130.00 lakhs with LIC of India for the first time.



Financial Ratios:

Particulars	March 31, 2016	March 31, 2015
EBITDA / Total Income (percent)	26.8	24
Profit after Tax / Total Income (percent)	11.8	7.3
Times Interest Earned	10	4
Long Term Debt to Shareholders Funds (ratio)	0.17	0.43
Return on Equity	17%	11%
Earnings Per Share (in ₹)	1.39	0.78

25 years of Ramada Caravela Beach Resort, Goa:

Your Company celebrated 25th Anniversary of the Ramada Caravela Beach Resort, Goa in the month of December through an interesting and engaging party with the prominent well wishers and loyal clients in Mumbai and at the resort in Goa. The event was covered by major newspapers in Goa. A special campaign commemorating this milestone was rolled out.

Internal Control System and Adequacy:

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

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

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

Human Resources:

The Company continues its commitment to retain and promote the deserving employees. Accordingly, systems are formulated to monitor the performance, guest satisfaction and employee recognition. The Company has initiated various welfare initiatives for the staff, which includes assistance in form of short term loans in case of emergency, listening posts, 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 the "Training need analysis" and provide inputs for the team development. The number of total employees were 174. Our hotel receives favourable comments from guests relating to Staff.

Cautionary Statement:

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: July 28, 2016

Sunder G. Advani
Chairman & Managing Director

CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2016.

1. Company's philosophy on Corporate Governance:

The Company subscribes fully to the basic principles of good corporate governance, the objective of which is to increase productivity and competitiveness, thus maximize shareholder value. The Company 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.

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

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

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

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

2. Board of Directors:

- (i) As on March 31, 2016, the Board comprises, three Non-Independent Executive, two Non-Independent Non-Executive and five Independent Non-Executive Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act and represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.
- (ii) None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2016 have been made by the Directors. Mr. Sunder G Advani is the elder brother of Mr. Haresh G. Advani and father of Mr. Prahlad S. Advani. Mrs. Menaka S. Advani is wife of Mr. Sunder G. Advani and Mrs. Nina H. Advani is wife of Mr. Haresh G. Advani.
- (iii) Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.
- (iv) As required by Regulation 25(1) of the SEBI Listing Regulations, Independent Directors are not serving as Independent Directors in more than seven listed companies and none of the Whole Time Directors of the Company serve as an Independent Director in any other listed company.



- (v) The names and categories of the Directors on the Board, their attendance at Board Meetings, AGM held during the year and the number of outside Directorships and Committee Chairmanships/Memberships held by them in other public companies as on March 31, 2016 are given herein below.

Name of Director(s)	Category	No. of Board Meetings attended	Attendance at the last AGM held on 16.09.2015	No. of Outside Directorships#	No. of Committee Chairmanships/ Memberships \$	
					Chairmanship	Membership
Mr. Sunder G. Advani, Chairman & Managing Director	Non-Independent Executive	06	Present	None	None	None
Mr. Haresh G. Advani, Executive Director	Non-Independent Executive	06	Present	None	None	None
Mr. Prahlad S. Advani, Whole-time Director (Operations)	Non-Independent Executive	05	Present	None	None	None
Mr. Prakash V. Mehta	Independent Non-Executive	05	Present	6	2	6
Mrs. Menaka S. Advani	Non-Independent Non-Executive	06	Present	None	None	None
Mr. Vinod Dhall	Independent Non-Executive	04	Present	6	4	3
Adm. Sureesh Mehta	Independent Non-Executive	06	Present	None	None	None
Mr. Adhiraj Harish	Independent Non-Executive	05	Present	2	None	2
Mrs. Nina H. Advani	Non-Independent Non-Executive	04	Present	None	None	None
Dr. S. D. Israni (w.e.f. October 1, 2015) Additional Director	Independent Non-Executive	03	N.A	4	None	3

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

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

- (vi) During the financial year 2015-16, 6 (Six) Board Meetings were held on May 13, 2015, August 3, 2015, September 16, 2015, October 1, 2015, November 14, 2015 and February 10, 2016. The gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings.
- (vii) During the year 2015-16, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- (viii) The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.
- (ix) During the year, one meeting of the Independent Directors was held on February 10, 2016. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.
- (x) The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the concerned Senior Managers.
- (xi) The details of the familiarization programme of the Independent Directors are available on the website of the Company (<http://www.ramadacaravela.com/investor-relations>)

3. Shares held by Non-Executive Directors:

Sr. No.	Non-Executive Directors	No. of Shares held as on 31.03.2016
1.	Mr. Prakash V. Mehta	500
2.	Mr. Vinod Dhall	Nil
3.	Adm. Sureesh Mehta	Nil
4.	Mr. Adhiraj Harish	Nil
5.	Mrs. Menaka S. Advani	13,10,880
6.	Mrs. Nina H. Advani	21,36,350

4. Selection criteria of Board Members:

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

5. Familiarization Program of Independent Directors:

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

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

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

6. Prevention of Insider Trading:

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

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

7. Board Training and Induction:

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



8. Committees of the Board:

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

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

A. Audit Committee:

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

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

(iii) Review of information by Audit Committee:

The Audit Committee 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 internal auditor shall be subject to review by the Audit Committee.

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

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

- (v) Five audit committee meetings were held during the year under review and the gap between two meetings did not exceed one hundred twenty days. The Audit Committee meetings were held on May 13, 2015, August 03, 2015, September 16, 2015, November 14, 2015 and February 10, 2016. The necessary quorum was present for all the meetings.
- (vi) The previous Annual General Meeting (AGM) was held on September 16, 2015 and was attended by Mr Prakash V. Mehta, Chairman of the Audit Committee.

B. Nomination and Remuneration Committee:

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



- (3) devising a policy on diversity of Board of Directors;
 - (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
 - (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (iii) The composition of the Nomination and Remuneration Committee and particulars of meetings attended by the Members of the Remuneration Committee are as under. During the financial year 2015-16 under review two meetings of the Committee were held on May 13, 2015 and October 1, 2015.

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

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

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

- (vi) Remuneration Policy:

1. Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The total amount of sitting fees paid to Non-Executive Directors during the Financial Year 2015-16 was ₹ 18.40 Lakhs. The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company.

2. Remuneration to Executive Directors

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

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

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

C. Stakeholders Relationship Committee:

- (i) The stakeholders relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of the SEBI Listing Regulations read with Section 178 of the Act.
- (ii) The broad terms of reference of the stakeholders' relationship Committee are as under:
1. Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend/notice/annual reports, etc. and all other securities-holders related matters.
 2. Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
- (iii) During the year under review, all requests/queries received from shareholders were resolved and as on March 31, 2016 there were no pending complaints.
- (iv) During the year under review, no meeting of the Stakeholders Relationship Committee was held.
- (v) The composition of the Committee comprises of the following two Non-Executive Directors and two Executive Directors:

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

- (vi) Name, designation and address of Compliance Officer:

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

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

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

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

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

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



During the financial year under review one meeting of the CSR Committee was held on November 14, 2015.

The composition of the CSR Committee is under:

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

E. Share Transfer Committee:

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

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

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

9. Board performance evaluation:

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

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

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

A separate meeting of the Independent Directors ("Annual ID meeting") was convened on 10th February, 2016, which reviewed the performance of the Board (as a whole), the Non-Independent Directors and the Chairman.

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

Performance evaluation of Directors:

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

Performance evaluation of Board and Committees:

- a. Effectiveness of Board processes, information and processing
- b. Board structure and composition

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

10. Performance evaluation of Independent Directors:

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

11. Subsidiary Companies: None

12. Related Party Transactions:

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

13. General Body Meetings and Postal Ballot:

(i) Annual General Meetings

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

Financial year	Day, Date and Time	Venue	Special Resolutions
2014-2015	28 th AGM held on Wednesday, September 16, 2015 at 3.00 PM	'Rangaswar', 4 th Floor, Chavan Centre, Gen. Jagannath Bhosale Marg, Nariman Point, Mumbai – 400021	No Special Resolutions passed
2013-2014	27 th AGM held on Wednesday, September 24, 2014 at 11.00 AM		(a) Ratification of holding an office or place of profit by Mr. Prahlad S. Advani, Vice President (b) Appointment of Mr. Prahlad S. Advani as Whole-time Director
2012-2013	26 th AGM held on Tuesday, July 30, 2013 at 11.00 AM		No Special Resolutions passed

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

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



14. Disclosures:

a. **Strictures and Penalties:**

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

b. **Compliance with Accounting Standards:**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

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

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

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

Mr. Sunder G. Advani, Chairman & Managing Director and Mr. Shankar Kulkarni, Chief Financial Officer has furnished the requisite certificate to the Board of Directors pursuant to SEBI Listing Regulations and it was placed before the Board along with Audited Annual Accounts for the year ended March 31, 2016.

15. Code of Conduct:

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

16. Vigil Mechanism/Whistle Blower Policy:

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

17. Means of communication:

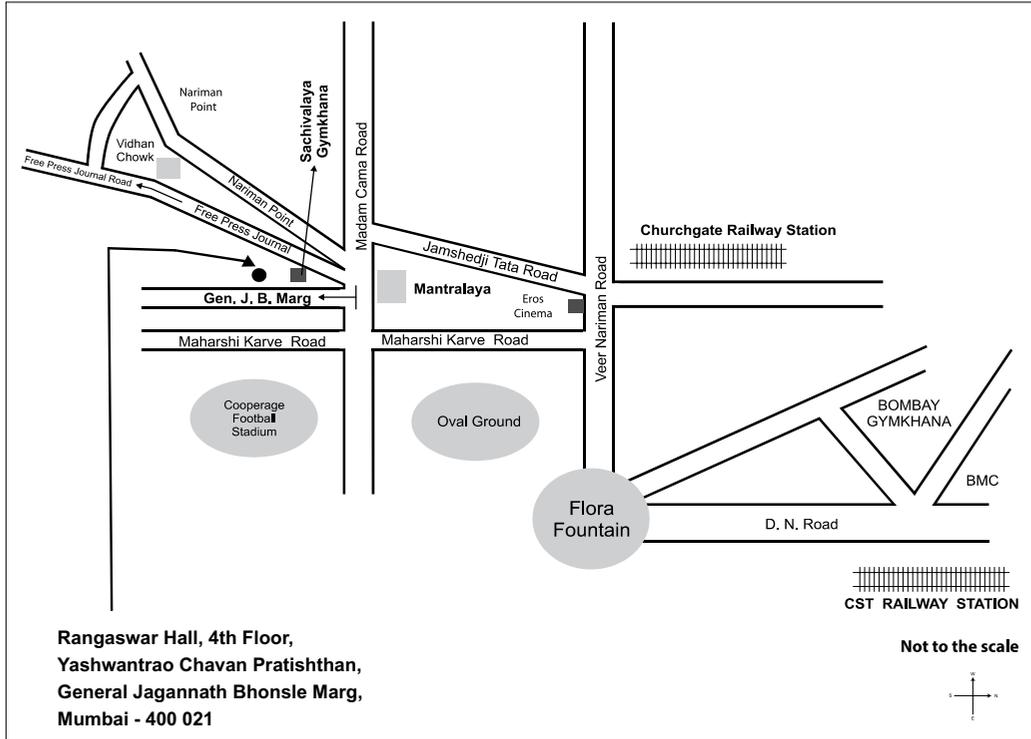
The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India which include The Economic Times, Business Standard and Mumbai Lakshadweep (Marathi). The results are also displayed on the Company's website "www.ramadacaravela.com". Press Releases made by the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

18. General Shareholder Information:

29th Annual General Meeting

Day & Date : Monday, September 26, 2016

Time : 3.30 p.m.



19. Tentative Calendar for financial year ending March 31, 2017:

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending March 31, 2017 are as follows:

First Quarter Results	Last week of July 2016
Second Quarter and half yearly Results	Second week of November 2016
Third Quarter Results	Second week of February 2017
Fourth Quarter and Annual Results	Second week of May 2017

20. Date of Book Closure/Record Date:

September 20, 2016 to September 26, 2016 (both days inclusive).

21. Listing on Stock Exchange:

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

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

Delhi Stock Exchange Association Limited (Scrip Code – 5924)

The Listing Fees for the financial year 2016-17 has been paid to National Stock Exchange of India Ltd, and the BSE Ltd. **The Central Government has withdrawn the recognition granted to the Delhi Stock Exchange vide its Notification dated March 15, 2016**

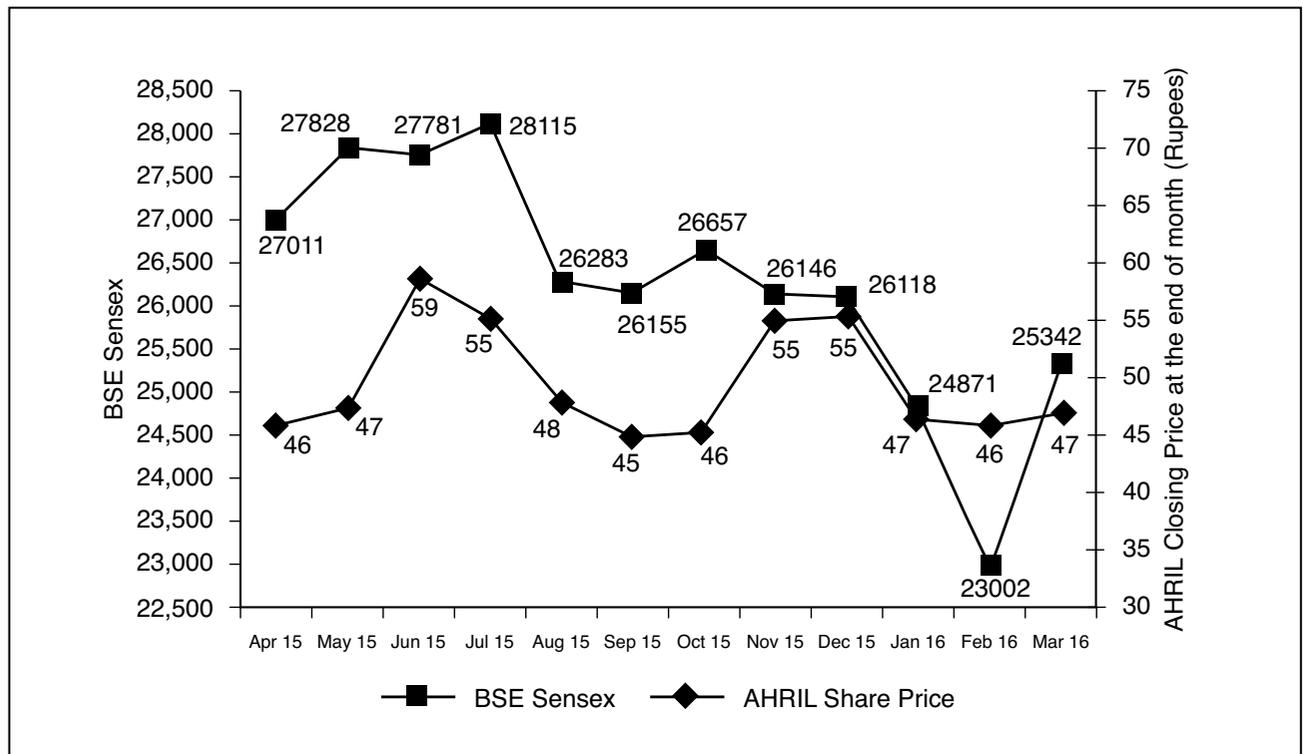


22. Market Price Data:

The high and low Market Price of the Company's shares traded on the BSE Limited and National Stock Exchange (NSE), during each month in the financial year 2015-16 are given below:

Month	High (₹)	Low (₹)	Close (₹)	Month	High (₹)	Low (₹)	Close (₹)
	BSE				NSE		
April'15	52.85	43.00	45.95	April'15	51.00	43.00	45.00
May'15	48.50	40.25	47.30	May'15	49.45	40.25	46.05
June'15	60.80	44.00	58.80	June'15	61.35	40.25	55.95
July'15	63.80	50.10	55.25	July'15	66.00	49.65	52.70
August'15	55.00	41.40	48.00	August'15	57.50	47.00	49.70
September'15	52.00	45.00	45.00	September'15	49.90	42.00	45.05
October'15	53.75	45.15	45.50	October'15	54.00	45.00	47.70
November'15	59.00	44.10	55.00	November'15	61.85	44.05	52.20
December'15	60.00	46.40	55.45	December'15	58.95	45.60	54.95
January'16	62.00	44.00	46.55	January'16	61.40	42.45	46.15
February'16	51.90	43.40	46.00	February'16	50.00	44.50	45.90
March'16	51.75	45.10	47.20	March'16	50.25	45.10	47.50

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



24. Registrar and Share Transfer Agent:

Datamatics Financial Services Limited

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

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

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

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

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

25. Share Transfer System:

Out of the total Equity Share Capital, 95.68% is held in dematerialized form as on March 31, 2016. Transfer of these shares are done through the depositories with no involvement of the Company. The Share Transfer Committee constituted by the Board considers and approves all shares related issues like transfer, transmission, issue of duplicate shares, dematerialization, etc. The Share transfer formalities are complying with by the Company within the time prescribed by the Company Law. All the Share Certificates are returned within 15 days from the date of lodgment for Share transfer provided the transfer instruments are valid and complete in all respects.

26. Distribution of Shareholding as on March 31, 2016:

Range (No. of Shares)	No. of Shareholders	% to Total	No. of Shares	% To Total
1 to 500	3443	71.22	1,096,576	2.37
501 to 1000	735	15.20	685,283	1.48
1001 to 2000	292	6.04	464,553	1.01
2001 to 3000	174	3.60	444,834	0.96
3001 to 4000	33	0.68	121,212	0.26
4001 to 5000	48	0.99	233,212	0.51
5001 to 10000	49	1.01	379,555	0.82
10001 & above	61	1.26	42,794,025	92.59
Total	4835	100.00	46,219,250	100.00

27. Category of Shareholding as on March 31, 2016:

Category	No. of Shares	% to Total
Promoters & Promoter Group	23,187,102	50.17
Mutual Funds	56,000	0.12
Bank/FIs/Insurance Companies	2,500	0.01
Foreign Institutional Investors	0	0
Bodies Corporate	16,719,839	36.17
General Public	5,499,624	11.90
NRIs/Foreign Bodies	754,185	1.63
Total	46,219,250	100.00

28. Demat of shares and liquidity:

The Company's shares are compulsory traded in the dematerialized form on BSE & NSE under the ISIN INE199C01026. Out of the total Equity Share Capital, 95.68% is held in dematerialized form as on March 31, 2016.

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence as on March 31, 2016, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.



29. Location of Hotel:

Ramada Caravela Beach Resort

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

Telephone No: (0832) 6695000

30. Other Information:

(a) Electronic Clearing Service (ECS):

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

(b) Nomination Facility:

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

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

Pursuant to Sections 205A and 205C of the Companies Act, 1956 and other applicable provisions, if any, of the Act, all unclaimed/unpaid dividend, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company, have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred prior to March 31, 2016, nor shall any payment be made in respect of such claims. Members who have not yet en-cashed their dividend warrant(s) pertaining to the final dividend for the financial year 2009-10 and onwards are requested to make their claims without any delay to M/s Datamatics Financial Services Limited.

The following are the details of the dividends paid by the Company and respective due dates for claim by the Shareholders:

Financial Year	Date of Declaration of Dividend	Last Date for claim
2009 – 10 (Final)	15-12-2010	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
2013 – 14 (Interim)	19-05-2014	23-06-2021
2014 –15 (Interim)	10-02-2015	17-03-2022
2014 –15 (Final)	16-09-2015	21-10-2022
2015 – 16 (Interim)	10-02-2016	17-03-2023

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, 2016 and based on our knowledge and belief, we state that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
- (i) significant changes, if any, in the internal control over financial reporting during the year;
 - (ii) significant changes, if any, in the accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date: May 16, 2016

SUNDER G. ADVANI
Chairman & Managing Director

SHANKAR KULKARNI
Chief Financial Officer

CODE OF CONDUCT:

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 16, 2016

SUNDER G. ADVANI
Chairman & Managing Director

SHANKAR KULKARNI
Chief Financial Officer



AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN REGULATION 34 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015 READ WITH SCHEDULE VI THERETO BY THE COMPANY FOR YEAR ENDED 31ST MARCH, 2016

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

We have examined the compliance of conditions of Corporate Governance by Advani Hotels & Resorts (India) Limited, for the year ended 31st March, 2016 as stipulated in Regulation 34 (3) of the SEBI (Listing Obligations And Disclosures Requirements) Regulations, 2015 read with Schedule VI thereto by the Company for year ended 31st March, 2016

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of corporate governance as stipulated in the above-mentioned Regulations except that the Board of Directors of the Company was not duly constituted as per the Listing Regulations as it was short of one Independent Director for the first two quarters of the financial year under review.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company and presented to the Shareholders 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

Place: Mumbai
Mumbai: May 16, 2016

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

Report on the Financial Statements

We have audited the accompanying financial statements of ADVANI HOTELS & RESORTS (INDIA) LIMITED, ("the Company") which comprise of Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under the Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the Annexure – "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report, are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
 - (e) On the basis of written representations received from the Directors as on 31st March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016 from being appointed as a Director in terms of Section 164(2) of the Act.
 - (f) Our report on adequacy of internal financial controls system over financial reporting of the Company and the operating effectiveness of such controls is given in Annexure "B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25 (m) on Contingent Liabilities of the financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Place: Mumbai
Mumbai: May 16, 2016

J.G.VERMA
Partner
Membership No. 5005

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

The Annexure referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ in our report of even date to the members of ADVANI HOTELS & RESORTS (INDIA) LIMITED for the year ended 31st March, 2016. We report that:

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

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Central Sales tax	12.16	Asst. Year 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. Year 2010-11	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax on completion of regular assessment	79.78	Asst. Year 2011-12	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax on completion of regular assessment	89.13	Asst. Year 2012-13	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax on assessment of TDS	15.13	Asst. Years 2005-06 to 2008-09	Commissioner of Income-tax (Appeals)
Customs Act, 1962	Differential duty on equipment imported under EPCG Scheme and Penalty	42.60 49.60 Plus Interest	2000	Customs, Excise and Service Tax Appellate Tribunal



8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to banks during the year. The Company has not taken any loan from any financial institution or from government and by way of issue of debentures.
9. In our opinion on an overall basis and according to the information and explanations given to us, the term loans were applied for the purpose for which the same were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
10. During the course of our examination of the books of account and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company or any fraud on the Company by its officers and employees was noticed or reported during the year, nor have we been informed of any such instance by the management.
11. According to the records of the Company examined by us and the information and explanations given to us, managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act except that (i) in respect of part of the remuneration of ₹ 5.24 lakhs payable / paid to the Chairman & Managing Director (CMD) for the month of March, 2016, which is approved by the shareholders of the Company, an application has been made to the Central Government during the year, which is pending; and (ii) in respect of part of the remuneration of ₹ 2.24 lakhs payable / paid to the Executive Director (ED) for the month of March, 2016, which is approved by the shareholders of the Company, the Company is in the process of making an application to the Central Government. We are informed that the CMD and ED are holding the above remuneration in trust for the Company.
12. The Company is not a Nidhi Company hence our comments as required under clause 3 (xii) of the Order is not applicable to the Company.
13. In our opinion and according to the records of the Company examined by us and the information and explanations given to us, the transactions entered into by the Company during the year with related parties are in compliance with the provisions of Section 177 and 188 of the Act, where applicable and the details thereof have been disclosed in the Financial Statements, etc. as required by the accounting standards.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
Therefore, clause 3 (xiv) of the Order is not applicable to the Company.
15. According to the records of the Company examined by us and the information and explanations given to us, the Company has not entered into any non-cash transactions referred to in section 192 of the Act with Directors of the Company or persons connected with them during the year.
16. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Place: Mumbai
Mumbai: May 16, 2016

J.G.VERMA
Partner
Membership No. 5005

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

The Annexure referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ in our report of even date to the members of ADVANI HOTELS & RESORTS (INDIA) LIMITED for the year ended 31st March, 2016. We report that:

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

We have audited the internal financial controls over financial reporting of Advani Hotels & Resorts (India) Limited (“the Company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Mumbai
Mumbai: May 16, 2016

J.G.VERMA
Partner
Membership No. 5005

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note	31st March 2016 ₹	31st March 2015 ₹
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	92,438,500	92,438,500
Reserves and Surplus	4	284,853,493	247,523,591
		377,291,993	339,962,091
NON-CURRENT LIABILITIES			
Long Term Borrowings	5	33,616,724	122,294,398
Deferred Tax Liabilities (Net)	6	59,477,304	58,797,527
Long Term Provisions	7	5,108,472	12,259,145
		98,202,500	193,351,070
CURRENT LIABILITIES			
Short Term Borrowings	8	12,857,726	1,026,409
Trade Payables	9	22,989,289	23,730,850
Other Current Liabilities	10	110,193,339	66,639,206
Short Term Provisions	11	3,856,331	16,454,686
		149,896,685	107,851,151
Total		625,391,178	641,164,312
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets:	12		
Tangible Assets		529,285,192	558,153,656
Intangible Assets		950,617	324,530
Capital Work-In-Progress		6,065,816	8,025,879
		536,301,625	566,504,065
Long Term Loans and Advances	13	12,169,093	13,780,900
		548,470,718	580,284,965
CURRENT ASSETS			
Inventories	14	13,914,296	19,160,088
Trade Receivables	15	42,030,710	20,708,318
Cash and Bank Balances	16	9,214,827	9,547,626
Short Term Loans and Advances	17	11,760,627	11,463,315
		76,920,460	60,879,347
Total		625,391,178	641,164,312
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 to 39		

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 of Directors

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

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

Haresh G. Advani
Executive Director
(DIN 00001358)

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

Nilesh Jain
Company Secretary

Shankar Kulkarni
General Manager - Finance (CFO)

Mumbai: May 16, 2016



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note	31st March 2016 ₹	31st March 2015 ₹
REVENUE			
Revenue from Operations	18	531,029,181	484,780,101
Other Income	19	9,164,368	5,473,785
Total Revenue		540,193,549	490,253,886
EXPENSES			
Cost of Food, Wine and Liquor Consumed	20	42,107,645	40,838,866
Employee Benefits Expense	21	167,373,235	140,242,458
Finance Costs	22	10,370,095	16,913,876
Depreciation and Amortisation Expense	12	40,542,682	45,026,256
Other Expenses	23	186,022,008	192,010,852
Total Expenses		446,415,665	435,032,308
Profit before Tax		93,777,884	55,221,578
Tax Expense:			
(1) Current Tax		(29,400,000)	(17,300,000)
(2) Deferred Tax		(679,777)	(2,272,563)
(3) Tax for earlier years (net)		333,414	364,310
		(29,746,363)	(19,208,253)
Profit after tax for the year		64,031,521	36,013,325
Earnings per Equity Share of face value of ₹ 2 each	34		
(1) Basic		1.39	0.78
(2) Diluted		1.39	0.78
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 to 39		

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 of Directors

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

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

Haresh G. Advani
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J. G. Verma
Partner
(Membership No. 5005)

Nilesh Jain
Company Secretary

Shankar Kulkarni
General Manager - Finance (CFO)

Mumbai: May 16, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31st March 2016 ₹	31st March 2015 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and adjustments	93,777,884	55,221,578
Adjustments for:-		
Depreciation	40,542,682	45,026,256
Loss on sale of assets (net)	367,444	1,770,939
Provision for doubtful debts/(written back) (net)	(68,982)	(173,234)
Provision for employee benefits	4,506,340	1,915,869
Interest/Dividend Income	(764,557)	(373,608)
Interest expenditure	10,370,095	16,913,876
Operating profit before working capital changes:	148,730,906	120,301,676
Adjustments for:-		
Trade and other receivable	(21,253,410)	7,640,205
Inventories	5,245,792	(1,360,778)
Decrease/(Increase) in Loans, Advances and Deposits	1,801,360	2,270,423
Trade payable & Others	24,024,614	(17,281,452)
Cash generated from operations:	158,549,262	111,570,074
Direct Taxes paid (Net of refund received)	(34,133,219)	(13,863,561)
Net cash from Operating Activities:	124,416,043	97,706,513
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (including Capital Work-in-progress)	(10,887,646)	(23,306,317)
Sale of Fixed Assets	4,445	128,571
Investment in Mutual Fund	(148,500,000)	(7,000,000)
Redemption of Investment in Mutual Fund	148,500,000	7,000,000
Interest Income and Dividend	764,557	374,308
Net Cash from/(used in) Investing Activities	(10,118,644)	(22,803,438)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Borrowings:		
Long Term Borrowings	27,270,453	21,023,696
Short Term Borrowings	11,831,317	0
Repayment of :		
Long Term Borrowings	(109,777,261)	(46,993,471)
Short Term Borrowings	0	(4,819,878)
Interest Paid	(10,537,486)	(17,299,944)
Dividends paid including Dividend Tax and payment to Investors Protection Fund	(33,417,221)	(29,610,035)
Net Cash (used in)/from Financing Activities	(114,630,198)	(77,699,632)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(332,799)	(2,796,557)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	9,547,626	(12,344,183)
CASH & CASH EQUIVALENTS AT THE CLOSING OF THE YEAR	9,214,827	9,547,626

Note: The Closing Balance of Cash & Cash Equivalent includes margin deposits of ₹ 2,497,487/- (Previous Year ₹ 2,316,834/-)

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 of Directors

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

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

Haresh G. Advani
Executive Director
(DIN 00001358)

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

Nilesh Jain
Company Secretary

Shankar Kulkarni
General Manager - Finance (CFO)

Mumbai: May 16, 2016

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014.

2.2 Use of Estimates:

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

2.3 Revenue Recognition:

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

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

2.4 Fixed Assets:

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

2.5 Depreciation:

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

2.6 Impairment:

In accordance with Accounting Standard 28 – Impairment of Assets, the carrying amount of the Company's assets including intangible assets are reviewed at each balance sheet date to determine whether there is any indication

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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.

2.8 Inventories:

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

2.9 Employee Benefits:

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

2.10 Foreign Currency Transactions:

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

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

Prior period adjustments, 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 recognised as an expense in the Statement of Profit and Loss with reference to the lease terms and other consideration.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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 recognised 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.

2.15 Taxes on Income:

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

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 (Accounting Standards) Rules, 2006, 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:

	31st March 2016 ₹	31st March 2015 ₹
Authorized:		
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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

3.3. Reconciliation of the number of shares outstanding:

Particulars	31st March 2016	31st March 2015
	₹	₹
Number of Equity Shares at the beginning	46,219,250	46,219,250
Add/Less: Movement during the year	0	0
Number of Equity Shares at the end	Total 46,219,250	46,219,250

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:	31st March 2016		31st March 2015	
	Number of shares	% held	Number of shares	% held
Advani Sunder Gurdas	9,425,893	20.39%	9,425,893	20.39%
Advani Haresh Gurdas	5,330,139	11.53%	5,330,139	11.53%
Delta Corp Limited (formerly Delta Hospitality and Leisure Private Limited)	16,441,432	35.57%	16,453,783	35.60%

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:

	31st March 2016	31st March 2015
	₹	₹
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	25,600,000	22,600,000
Add: Transfer from Surplus in Statement of Profit and Loss	4,000,000	3,000,000
	29,600,000	25,600,000
Surplus in the Statement of Profit and Loss:		
As per Last Accounts	79,978,408	75,193,786
Add: Net Profit after Tax transferred from Statement of Profit and Loss	64,031,521	36,013,325
	144,009,929	111,207,111
Less: Adjustment of carrying amount of assets in terms of transitional provisions of Schedule II (Refer Note 6.1) (net of deferred tax)	0	(4,914,998)
Amount available for appropriation:	144,009,929	106,292,113
Appropriations:		
Interim Dividend @ 24% (Previous year 15%)	(22,185,240)	(13,865,775)
Tax on Interim Dividend	(4,516,379)	(2,772,330)
Proposed Dividend - Nil (Previous year 6%)	0	(5,546,310)
Tax on Proposed Dividend	0	(1,129,290)
Transfer to General Reserve	(4,000,000)	(3,000,000)
	113,308,310	79,978,408
Total	284,853,493	247,523,591



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

5 LONG TERM BORROWINGS

Particulars	31st March 2016 ₹	31st March 2015 ₹	31st March 2016 ₹	31st March 2015 ₹
	Non-current	portion	Current	maturities
Secured: From Banks				
Term Loans (Note 5.1)	27,742,815	112,752,461	27,500,000	21,500,000
Unsecured From Banks and Others				
Vehicle Loans (Note 5.5)	5,873,909	9,541,937	3,516,025	3,520,674
Total	33,616,724	122,294,398	31,016,025	25,020,674

5.1. Nature of Securities:

Term Loans are secured by a mortgage by deposit of title deeds of immovable properties of the Company situated at Varca Village, 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:

Particulars	31st March 2016 ₹	31st March 2015 ₹
(i) By Directors	32,181,666	67,956,724
(ii) By Others	-	-
Total	32,181,666	67,956,724

5.3. Particulars of terms of repayment of loans:

Particulars	Rate of Interest (Year end, Per annum)	Repayable in	Amount outstanding as at	
			31st March 2016 ₹	31st March 2015 ₹
Bank of Baroda (Limit ₹ 5.50 Crores)	12.15%	6 half yearly installments	23,061,149	46,295,737
Bank of Baroda (Limit ₹ 1.50 Crores)	12.40%	Repaid	-	9,000,000
Bank of India (Limit ₹ 2.99 Crores)	13.25%	Repaid	-	7,500,000
Bank of India (Limit ₹ 3.76 Crores) FCNR(B) Loan (Refer Note 5.4)	600 bps over LIBOR	3 half yearly installments	32,181,666	51,456,724
Bank of India (Limit ₹ 2.00 Crores)	12.50%	Repaid	-	20,000,000
Total			55,242,815	134,252,461

5.4. During the year, at our request Bank of India has converted a part of the Rupee Loan amounting to ₹ Nil (Previous year ₹ 15,800,000/-) into Foreign Currency Loan.

5.5. Vehicle loans are secured by hypothecation of respective vehicles.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

6 DEFERRED TAX LIABILITY (NET):

	31st March 2016 ₹	31st March 2015 ₹
Deferred Tax Liability:		
Difference between the written down value of assets under the Companies Act, 1956 and the Income Tax Act, 1961	63,684,561	64,495,974
	63,684,561	64,495,974
Deferred Tax Assets:		
Expenses allowable for tax purpose on payment basis	4,207,257	5,676,066
Provision for doubtful debt/loans and advances	0	22,381
	4,207,257	5,698,447
Deferred Tax Liability-net	59,477,304	58,797,527
Deferred tax Charge/(Credit) for the year (Refer Note 6.1 below)	6,79,777	(88,527)

6.1 Out of the above, in the previous year, an amount of ₹ 2361,092/- being Deferred tax liability, in respect of depreciation adjustment in accordance with transitional provisions of Schedule II to the Companies Act, 2013 was adjusted against the opening retained earnings in Note 4 above.

7 LONG TERM PROVISIONS:

	31st March 2016 ₹	31st March 2015 ₹
Provision for employee benefits (Refer Note 31)	5,108,472	12,259,145
Total	5,108,472	12,259,145

8 SHORT TERM BORROWINGS:

	31st March 2016 ₹	31st March 2015 ₹
Secured:		
Cash Credits (Refer Note 8.1)	12,857,726	1,026,409
Total	12,857,726	1,026,409

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:

	31st March 2016 ₹	31st March 2015 ₹
Due to Micro and small enterprises (Refer Note 9.1)	48,923	0
Due to Trade Payables other than above	22,940,366	23,730,850
Total	22,989,289	23,730,850



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

Particulars	31st March 2016 ₹	31st March 2015 ₹
Principal amount due and remaining unpaid at the year end	48,923	-
Interest due on above and the unpaid interest at the year end	-	-
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:

	31st March 2016 ₹	31st March 2015 ₹
Current maturities of long term borrowings (Refer Note 5)	31,016,025	25,020,674
Interest accrued and due	302,581	469,972
Security deposits	2,186,000	2,186,000
Unpaid dividend	1,515,690	1,555,692
Staff related dues	19,258,042	12,279,352
Statutory dues	7,330,280	2,591,262
Advances received from customers	39,848,171	13,020,411
Creditors for Capital Expenditure	885,242	3,379,255
Other payables	7,851,308	6,136,588
Total	110,193,339	66,639,206

11 SHORT TERM PROVISIONS:

	31st March 2016 ₹	31st March 2015 ₹
Provision for employee benefits (Refer Note 31)	1,808,572	3,151,559
Proposed Dividend	0	5,546,310
Tax on Proposed Dividend	0	1,129,290
Provision for Income tax for the current year net of taxes paid	2,047,759	6,627,527
Total	3,856,331	16,454,686

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

76 12 FIXED ASSETS:

	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK		
	As at 1.4.2015 ₹	Additions (Note12.2) ₹	Deductions ₹	As at 31.3.2016 ₹	Upto 31.3.2015 ₹	For the year (Note12.3) ₹	Less: Sales/ (Adjustments) ₹	As at 31.3.2016 ₹	As at 31.3.2015 ₹
I Tangible:									
Land (Freehold) (including landscaping)	25,567,576	1,940,650	-	27,508,226	-	-	-	27,508,226	25,567,576
Buildings	525,560,658	3,022,683.00	2,962,000	525,621,341	158,660,791	13,941,232	2,664,425	169,937,598	366,899,867
Plant and Equipment	179,398,962	3,765,813.00	92,383	183,072,392	84,005,331	9,627,126	59,851	93,572,606	95,393,631
Furniture and Fixtures	139,481,924	1,279,787.00	-	140,761,711	93,970,132	11,304,804	-	105,274,936	45,511,792
Office Equipment and Computers	13,574,283	1,693,945.00	1,982,788	13,285,440	11,655,152	890,501	1,963,853	10,581,800	1,919,131
Vehicles and Motor Boats	32,491,477	164,013.00	77,782	32,577,708	9,629,818	4,599,803	54,935	14,174,686	22,861,659
	916,074,880	11,866,891	5,114,953	922,826,818	357,921,224	40,363,466	4,743,064	393,541,626	558,153,656
II Intangible:									
Computer Software	2,268,823	805,303	-	3,074,126	2,080,904	160,236	-	2,241,140	187,919
Web-site Development Charges	261,411	-	-	261,411	124,800	18,980	-	143,780	136,611
	2,530,234	805,303	-	3,335,537	2,205,704	179,216	-	2,384,920	324,530
TOTAL	918,605,114	12,672,194	5,114,953	926,162,355	360,126,928	40,542,682	4,743,064	395,926,546	558,478,186
PREVIOUS YEAR TOTAL	897,561,375	24,542,311	3,598,572	918,505,114	309,523,644	52,302,346	1,699,062	360,126,928	558,378,186
III Capital Work in Progress [See Note (12.1) below]								6,065,816	8,025,879

NOTES:

- 12.1. Capital Work in Progress includes expenses of ₹ 6,065,816/- (Previous year ₹ 6,110,229/-) incurred on renovation/refurbishing of the hotel, pending completion of the work (pending allocation).
- 12.2. Additions to Fixed Assets include ₹ 3,329,526/- (Previous Year ₹ 1,911,541/-) being loss due to fluctuation in foreign currency rates (in relation to foreign currency loans) capitalised in accordance with Accounting Standard-11 Notification.
- 12.3. Depreciation for the year includes ₹ Nil (Previous Year ₹ 7,276,090/-) in respect of carrying amount of assets whose useful life is over as on 1st April, 2014, adjusted against the opening retained earnings in Note 4 in terms of transitional provisions of Schedule II to the Companies Act, 2013.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

	31st March 2016 ₹	31st March 2015 ₹
Capital Advances	393,008	1,478,004
Security Deposits including for telephones and electricity	1,984,926	2,361,376
Other Loans and Advances:		
Prepaid Expenses	1,935,500	2,570,726
Payment of income tax (net of provision for taxation)	7,855,659	7,368,794
Others	0	2,000
Total	12,169,093	13,780,900

**14 INVENTORIES:
(Valued at lower of cost and net realizable value)**

	31st March 2016 ₹	31st March 2015 ₹
Operating supplies and stores	9,812,929	15,107,912
Food and beverages	4,101,367	4,052,176
Total	13,914,296	19,160,088

**15 TRADE RECEIVABLES:
(Unsecured, considered good unless otherwise stated)**

	31st March 2016 ₹	31st March 2015 ₹
A. Outstanding for six months from the date they are due for payment ₹ Nil (Previous Year ₹ 68,982/-) considered doubtful	-	138,588
Less: Provision for doubtful debts	-	68,982
	-	69,606
B. Other receivables	42,030,710	20,638,712
Total (A + B)	42,030,710	20,708,318

16 CASH AND BANK BALANCES:

	31st March 2016 ₹	31st March 2015 ₹
Cash and cash equivalents:		
Balances with banks on current accounts	2,031,141	4,540,728
Cash on hand (including cheques on hand)	925,099	1,134,372
	2,956,240	5,675,100
Other bank balances:		
On unpaid dividend account	1,515,690	1,555,692
Short Term Deposit (for a period not exceeding 12 months)	2,245,410	-
Margin money deposit	2,497,487	2,316,834
	6,258,587	3,872,526
Total	9,214,827	9,547,626

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

	31st March 2016 ₹	31st March 2015 ₹
Security and other deposits	2,273,408	1,993,612
Advances recoverable in cash or kind	1,673,468	1,863,619
Other Loans and Advances:		
Prepaid Expenses	5,758,602	6,001,768
Loans to Employees	412,798	248,917
Cenvat Credit available	1,630,363	1,271,955
Other receivables	11,988	83,444
Total	11,760,627	11,463,315

18 REVENUE FROM OPERATIONS:

	2015-2016 ₹	2014-2015 ₹
Room	338,530,327	291,112,417
Food	136,469,008	133,317,809
Wine, Liquor & Other Beverages (including sale of cigarettes ₹ 661,845/- (Previous Year ₹ 513,391/-))	26,246,192	23,066,712
	501,245,527	447,496,938
OTHER OPERATING REVENUES:		
Income from Electronic amusements and Gaming	-	6,711,425
Guest sight seeing and transportation	7,993,526	10,440,382
Health Club, SPA, Beauty Parlour and Swimming Pool	9,856,955	10,252,513
Others	11,933,173	9,878,843
	29,783,654	37,283,163
Total	531,029,181	484,780,101

19 OTHER INCOME:

	2015-2016 ₹	2014-2015 ₹
Interest earned on bank deposits and others	201,183	369,095
Dividend on current investments in mutual fund (tax-free) (Refer Note 19.1)	563,374	4,513
Foreign Exchange Fluctuation Gain (net)	1,378,484	3,523,085
Excess provision and liabilities not payable, written back	6,698,381	1,098,117
Other non-operating income (net of direct expenses)	322,946	478,975
Total	9,164,368	5,473,785

19.1 The Company had made an investment of ₹ 143,000,000/- (Previous Year ₹ 7,000,000/-) in 142,537 units (Previous Year 6977.324 units) of SBI Premier Liquid Fund (Daily Dividend) and of ₹ 5,500,000/- (Previous Year ₹ Nil) in 5472 units (Previous Year Nil units) of SBI Short Term Ultra Debt Fund (Daily Dividend) as current investment during the year, which was fully redeemed during the year itself.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

20 COST OF FOOD, WINE, LIQUOR & OTHER BEVERAGES CONSUMED:

	2015-2016 ₹	2014-2015 ₹
Opening Stock	4,052,176	3,121,096
Add: Purchases	42,156,836	41,769,946
	46,209,012	44,891,042
Less: Closing Stock	4,101,367	4,052,176
Total	42,107,645	40,838,866

21 EMPLOYEE BENEFITS EXPENSE:

	2015-2016 ₹	2014-2015 ₹
Salaries, Wages and Bonus	141,567,159	121,756,021
Contribution to Provident and other Funds	5,437,491	5,099,411
Provision for employee benefits	4,506,340	1,932,873
Workmen and Staff Welfare Expenses	15,862,245	11,454,153
Total	167,373,235	140,242,458

22 FINANCE COSTS:

	2015-2016 ₹	2014-2015 ₹
Interest to banks on Long Term borrowings	10,005,430	16,309,003
Interest to banks on Short Term borrowings	68,104	238,854
Other borrowing costs	296,561	366,019
Total	10,370,095	16,913,876

23 OTHER EXPENSES:

	2015-2016 ₹	2014-2015 ₹
Power and Fuel	39,347,627	43,576,655
Rent	5,398,318	5,050,312
Licence, Rates and Taxes	1,733,344	1,743,762
Repairs to Buildings	12,550,343	16,730,536
Repairs to Machinery	9,535,116	11,406,669
Repairs to other fixed assets	8,290,357	6,607,557
Linen and Room Supplies	10,492,837	7,199,385
Other Supplies and expenses (Refer Note 23.1)	11,350,348	8,617,503
Guest Transportation	9,340,622	11,900,295
Water Charges	3,379,380	4,016,341
Printing and Stationery	1,813,061	1,558,228
carried forward	113,231,353	118,407,243

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-2016 ₹	2014-2015 ₹
brought forward	113,231,353	118,407,243
Expenses on Communication	3,846,588	3,382,077
Travelling and Conveyance	10,495,277	13,703,181
Insurance	3,123,222	2,937,564
Advertisement, publicity and sales promotion	7,958,090	8,959,888
Royalty	9,975,057	8,738,556
Service Charges - Marketing and collections	10,951,275	7,909,094
Band and music	5,265,159	6,427,314
Directors Fees	1,853,439	1,426,367
Consultancy, Legal and professional charges (Refer Note 23.1)	11,670,577	12,072,741
Donations	524,501	2,009,802
(Include ₹ Nil (Previous year ₹ 1000,000) paid to Bhartiya Janta Party)		
Bad debts and irrecoverable amounts written off	2,832,494	18,221
Provision for Doubtful debts	0	42,978
Loss on sale/discard of fixed assets (net)	367,444	1,770,939
Luxury tax, Sales Tax etc. (including assessment dues)	34,736	3,000
Expenditure on Corporate Social Responsibility	499,290	0
Miscellaneous Expenses	3,393,506	4,201,887
Total	186,022,008	192,010,852

23.1 Other Supplies and Expenses of ₹ 11,350,348/- (Previous Year ₹ 8,617,503/-) includes ₹ 1,065,619/- (Previous Year ₹ 880,981/-) and Consultancy, Legal and Professional charges of ₹ 11,670,577/- (Previous Year ₹ 12,072,741/-) includes ₹ 975,629/- (Previous Year ₹ 986,623/-) in respect of expenses incurred on Spa and Ayurveda Operating charges respectively.

24 COMMITMENTS:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 1,536,472/- (Previous Year ₹ 1,440,452/-) 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

25 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

- a) Claims against the Company not acknowledged as debts ₹ 8,445,679/- (Previous Year ₹ 6,216,374/-).
- b) Pending Bank Guarantees:

	2015-2016 ₹	2014-2015 ₹
Note: The bank guarantees includes bank guarantee of ₹ 2,922,000/- given to Govt. of Goa as mentioned in item (c) below.	8,807,484	8,807,484

- c) Demand of ₹ 3,652,000/- (Previous Year ₹ 3,652,000/-) for the period from 2008 to 2012 and interest thereon of ₹ 851,040/- (Previous Year ₹ 851,040/-) raised by the Goa Government vide letter dated April 4, 2012 for renewal of Amusement and Slot Machine Licence in respect of casino in the Company's hotel at Goa has been disputed by the Company as unreasonable, irrational, discriminatory and unfair. The Company has taken a legal opinion and an appeal has been filed for cancellation of the demand. Pending disposal of appeal by the court, no provision has been made for the said demand. The Company has provided a bank guarantee of ₹ 2,922,000/- (Previous year ₹ 2,922,000/-) to the Government against the above liability.
- d) The Department of Home, Goa issued demand letter dated July 10, 2014 and September 8, 2014 requiring the Company to pay ₹ 22,380,246/- (Previous year ₹ 22,380,246/-) towards annual recurring fee in respect of Goa Nugget based on High Court order in the case of another hotel. The Company has not accepted the same and filed suitable replies to the said notices denying the liability. The Department of Home, Goa has issued a show notice dated November 19, 2015 for recovery of the said amount, which has been disputed by the Company and a suitable reply has been filed with the Department of Home, Goa on March 8, 2016.
- e) The Company has been importing certain items of F&B and equipment under SFIS (Served from India Scheme). The DGFT Department has issued 3 Show Cause Notices dated October 14, 2014 and October 29, 2014 and informed the Company that in view of its using a foreign brand, it is not entitled to any benefit of concessional duty under SFIS and accordingly required the Company to pay back the duty concession of ₹ 16,189,700/- (Previous year ₹ 16,189,700/-), ₹ 18,923,016/- (Previous year ₹ 18,923,016/-) and ₹ 10,960,269/- (Previous year ₹ 10,960,269/-) respectively availed by the Company. The Company has disputed the same. The Company has also filed a representation with the Ministry of Commerce, New Delhi on March 22, 2016 and no further communication has been received in response thereto.
- f) Demand raised by Income Tax authorities on completion of regular assessments and TDS assessment disputed by the Company in appeals and rectification proceedings for assessment years 2005-06, 2007-08 to 2012-13 which are pending at various stages – ₹ 24,916,456/- (Previous Year ₹ 24,916,456/-).
- g) Demand raised by Sales Tax authorities for the year 2005-06 and 2006-07 disputed by the Company in appeal, which are pending amounting to ₹ 1,215,646/- (Previous Year ₹ 1,215,646/-).
- h) Demand raised by Entertainment Tax Authorities, disputed by the Company in appeal, which is pending amounting to ₹ 43,180/- (Previous Year ₹ 43,180/-).
- i) Demand raised by the Provident Fund Commissioner, Goa by imposing damages of ₹ 4,72,598/- (Previous year ₹ 4,72,598/-) under section 14B of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 and interest of ₹ 2,30,840/- (Previous Year ₹ 2,30,840/-) under Section 7-Q of the aforesaid Act as the same are disputed and appeal has been filed, which is pending before the Employees Provident Fund Appellate Tribunal.
- j) The Commissioner of Customs, Mumbai vide consolidated order dated November 29, 2014, passed against the Company, its erstwhile 51% subsidiary, viz. Advani Pleasure Cruise Company Private Limited (APCCPL) and its Executive Director, Mr. Hareesh G. Advani alleged violation of "actual user" condition prescribed in the EPCG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

License in respect of certain casino equipments imported in the year 2000, which were installed on the ship for the casino business being operated and managed by APCCPL at the relevant time and directed the Company to pay the differential duty of ₹ 4,259,549/- (Previous year ₹ 4,259,549/-) being the duty forgone on the aforesaid imports alongwith interest under the provisions of Section 28 & 28AB of the Customs Act,1962 (The Act) confiscated the casino equipment so imported and installed and also imposed a penalty of ₹ 4,959,549/- (Previous year ₹ 4,959,549/-) plus applicable interest under Section 114A of the Act. The Commissioner also imposed penalty of ₹ 5 lakhs each on APCCPL and the Executive Director under Section 112 (ii) of the Act by the same consolidated order. The Company and others have not accepted the above consolidated order and appeals have been filed against the same by all the three parties, which are pending before the Customs, Excise and Service Tax Appellate Tribunal. Pending disposal of the appeal, no provision has been made for the aforesaid demand for differential duty, penalty imposed and applicable interest thereon.

- k) 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. Likewise, certain employees of the Company's hotel have also claimed certain benefits and filed complaints before labour commissioner/court at Goa, which are pending at various stages. The aggregate claims have been estimated by the Company at ₹ 8,635,000/- (Previous Year ₹ 8,635,000/-). Pending disposal of these matters, no provision has been made for these additional benefits/claims.
- l) The Company has received show cause cum demand notice dated February 1, 2016 for FY 2011-12, 2012-13 and 2013-14 from Service Tax Department demanding total amount of ₹ 3,673,342/- plus interest and penalty (Previous Year ₹ Nil). The Company has not accepted this demand and has filed a suitable reply, which is pending.
- m) The Company is hopeful that on disposal of litigations as referred to in item (a) to (l) above, the disputed demands will not survive. In the event any of the said litigation is held against the company, it will be liable to pay the demand raised and/or to be further raised alongwith applicable interest thereon, which is presently unascertainable.
- 26** 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, 2016. This 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 (Refer Note 9.1)

27 DETAILS OF AUDITORS' REMUNERATION:

	2015-2016 ₹	2014-2015 ₹
Audit Fees	500,000	500,000
For taxation matters	0	20,000
For other services	130,000	115,000
For Expenses	80,657	105,433
Service Tax (Net of Credit availed)	6,212	519
Total	716,869	740,952

- 27.1** The Company has paid ₹ 1,50,000/- (Previous Year ₹ 1,50,000/-) and ₹ 30,000/- (Previous year is ₹ 30,000/-) and service tax of ₹ 25,200/- (Previous Year ₹ 22,248/-) thereon to a partner of the auditors for tax audit fee and for attending to taxation matter respectively.
- 28** The Unclaimed dividend for the year 2009-10, 2010-11, 2011-12, 2012-13, 2013 -14, 2014-15 and 2015-16 aggregating to ₹ 1,515,690/- (Previous Year ₹ 1,555,692/-) will be deposited at the appropriate time as and when applicable.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

29 MOVEMENT IN PROVISION FOR DOUBTFUL DEBTS/LOANS AND ADVANCES:

Particulars	2015-2016 ₹	2014-2015 ₹
Opening balance	68,982	242,216
Addition during the year	-	42,978
Deduction during the year	(68,982)	(216,212)
Closing balance	-	68,982

30 SEGMENT REPORTING UNDER ACCOUNTING STANDARD 17:

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

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

31.1 Defined Contribution Plan

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

Particulars	2015-2016 ₹	2014-2015 ₹
Employer's Contribution to Provident Fund and Pension Scheme	54,37,491	50,99,411

31.2 Defined Benefit Plan

In respect of Employees' Retiring Gratuity, the present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. During the year under reference, the Company funded its gratuity liability through a Group Gratuity Fund administered by Life Insurance Corporation of India and paid ₹ 13,000,000/- (Previous Year Nil) as initial contribution including for past services. The obligation for leave encashment is recognized on actuarial valuation basis.

Particulars	2015-2016 ₹	2014-2015 ₹
	(Funded)	(Unfunded)
A Gratuity:		
I. Assumptions:		
Discount rate – Current	7.65%	7.95%
Salary Escalation – Current	6.00%	4.00%
Expected return on planned assets	7.65%	N.A.
Attrition rate	7.50%	2.00%
II. Funded status of the plan:		
Present value of unfunded obligations	-	13,308,308
Present value of funded obligations	16,657,336	-
Fair value of plan assets	13,003,032	-
Net Liability (Assets) as per Balance Sheet	3,654,304	13,308,308

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	2015-2016	2014-2015
	₹ (Funded)	₹ (Unfunded)
III. Statement of Profit and Loss for the current period:		
Current Service Cost	1,003,489	809,579
Interest Cost	944,333	1,061,328
Expected return on plan assets (net)	(8,434)	0
Actuarial Gain or (Loss)	2,928,336	1,510,776
Total included in "Employee Benefit Expense"	4,867,724	3,381,683
IV. Reconciliation of Defined Benefit Obligation:		
Opening Defined Benefit Obligation	13,308,308	11,375,435
Current Service Cost	1,003,489	809,579
Interest cost	944,333	1,061,328
Actuarial (Gain)/Loss on obligations	2,922,934	1,510,776
Benefit Paid	(1,521,728)	(1,448,810)
Closing Defined Benefit Obligation	16,657,336	13,308,308
V. Reconciliation of plan assets:		
Expenses deducted from the fund	(5,724)	-
Expected return	14158	-
Actuarial gain/(loss)	(5,402)	-
Contribution by Employer	13,000,000	-
Closing value of plan assets	1,30,03,032	-
VI. Reconciliation of net defined benefit liability:		
Net Opening provision in books of accounts	13,308,308	11,375,435
Expenses as above	4,867,724	3,381,683
Gratuity paid by the Company	(1,521,728)	(1,448,810)
Employer's Contribution to plan assets	(13,000,000)	-
Closing Net Liability	36,54,304	13,308,308
VII. Composition of the Plan assets:		
Policy of Insurance issued by L.I.C.	100%	-
VIII. Table of experience adjustments:		
Defined Benefit Obligation	16,657,336	13,308,308
Plan Assets	13,003,032	-
Surplus/(Deficit)	3,654,304	13,308,308
Experience adjustments on plan liabilities	(231,450)	354,517
Actuarial loss/(gain) due to change in demographic assumption	1,446,551	-
Actuarial loss/(gain) due to change in financial assumption	1,707,833	1,156,259
Experience adjustments on plan assets	5,402	-
Net actuarial loss/(gain) for the year	2,928,336	1,510,776

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-16 ₹	2014-15 ₹
	(Unfunded)	(Unfunded)
B Leave Encashment:		
Summary of Assumption:		
Retirement age	58 years	58 years
Attrition rate	7.50%	2.00%
Future Salary Rise	6.00%	4.00%
Rate of Discounting	7.95%	7.95%
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Actuarial Value of leave encashment liability	32,12,740	20,52,396

31.3 Other details:

- (i) Gratuity is payable @ 15 days salary for each year of service subject to a maximum of ₹ 1,000,000/- (Previous Year ₹ 1,000,000/-).
- (ii) Leave is encashable on retirement/while in service/maximum leave accumulation is as per Company's scheme from time to time.
- (iii) The above information is as certified by the Actuary.
- (iv) Salary Escalation is considered as advised by the Company which is in line with the industry practice considering promotion and demand and supply of the employee.
- (v) Number of employees (average) 172 (Previous year 172).
- (vi) Salary per month – ₹ 3,711,107/- (Previous year ₹ 3,620,030/-).
- (vii) Contribution for next year – ₹ Nil (Previous year ₹ Nil).
- (viii) In addition to the provision made for gratuity as per actuarial valuation, the Company has made further provision of ₹ 50,000/- (Previous year ₹ 50,000/-) under the relevant provisions of the Goa Shop and Establishment Act, 1973.

32 RELATED PARTY DISCLOSURES

- (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 : Director Operations
- (d) **Other parties being relatives of Key Management Personnel with whom transactions have taken place during the year:**
 - Mrs. Menaka S. Advani : Director and relative
 - Mrs. Nina H. Advani : Director and relative

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

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

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

Nature of transactions	Key Management Personnel ₹	Associates and other related parties ₹
(i) Sitting Fees/Remuneration	21,653,277	503,453
	19,984,475	421,816
(ii) Professional Fees	--	2,405,476
	--	1,010,560
(iii) Expenses recovered	414,111	--
	787,376	--
(iv) Balance outstanding at the year end:		
Creditors/Payables	93,280	99,045
	0	99,045

(g) Disclosure of Material Transactions with Related Parties:

Particulars	2015-2016 ₹	2014-2015 ₹
(i) Remuneration to Key Managerial personnel and sitting fees:		
Mr. Sunder G. Advani	9,472,279	8,918,699
Mr. Haresh G. Advani	6,445,164	5,975,281
Mr. Prahlad S Advani	5,735,834	5,090,495
Mrs. Menaka S Advani	342,395	241,088
Mrs. Nina Advani	161,058	180,728
(ii) Professional Fees:		
Malvi Ranchoddas & Co.	1,755,476	510,560
D. M. Harish & Co.	600,000	500,000
S. D. Israni Law Chambers	50,000	-
(iii) Expenses recovered:		
Mr. Sunder G. Advani	187,568	275,772
Mr. Haresh G. Advani	226,543	358,334
Mr. Prahlad S Advani	-	153,270



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-2016 ₹	2014-2015 ₹
(iv) Year end balances:		
Sundry Creditors/payables:		
Mr. Sunder G. Advani	56,000	-
Mr. Haresh G. Advani	37,280	-
Malvi Ranchoddas & Co.	99,045	99,045

- h** Mr Sunder G. Advani and Mr Haresh G Advani were reappointed as the Managing Director (CMD) and Executive Director (ED) of the Company respectively for five years i.e. March 1, 2013 to February 28, 2018 by the Special resolutions passed by the Shareholders of the Company at the 25th Annual General Meeting held on September 17, 2012. The Ministry of Corporate Affairs (MCA) has approved their re-appointment for five years up to February 28, 2018 and payment of remuneration to them for three years up to February 29, 2016. The Company has made an application to the Central Government on December 30, 2015 for approval for payment of remuneration to CMD for the balance period from March 1, 2016 under section 196 and other applicable provisions of the Companies Act, 2013, which is pending. Similar application is being made for ED. The managerial remuneration to the extent of ₹ 5.24 lakhs to CMD and ₹ 2.24 lakhs to ED is in excess of the specified limits for the period upto 31st March 2016. The CMD and the ED will respectively hold the aforesaid monies in trust pending refund thereof to the Company.

33 LEASE:

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

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

Particulars	2015-2016 ₹	2014-2015 ₹
Payable within one year	4,989,214	4,859,164
Payable later than one year but not later than five years	474,225	4,933,836
Payable after five years	47,170,270	47,280,670

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

Particulars	2015-2016 ₹	2014-2015 ₹
Profit after current tax as per Accounts (In ₹)	64,031,521	36,013,325
No. of Shares outstanding	46,219,250	46,219,250
Nominal face value of share (In ₹)	2	2
Basic & Diluted E.P.S. (In ₹)	1.39	0.78

35 EARNINGS IN FOREIGN EXCHANGE:

Particulars	2015-2016 ₹	2014-2015 ₹
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.	160,768,405	157,048,574

35.1 Note: The above foreign exchange earnings include an amount of ₹ 14,404,563/-, for which declaratory certificates are awaited from Travel Agents.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

Particulars	2015-2016 ₹	2014-2015 ₹
Royalty	9,926,294	8,686,819
Other matters	7,636,046	7,032,292

37 NON-RESIDENT SHAREHOLDERS ETC.:

Particulars	2015-2016 ₹	2014-2015 ₹
Number of Non-Resident Shareholders	9	9
Year to which the dividend related	2014-15	2013-14
Number of equity shares held	322,225	331,675
Amount of Dividend (₹)	96,668	79,602

38 C.I.F. VALUE OF IMPORTS:

Particulars	2015-2016 ₹	2014-2015 ₹
Capital goods	0	5,670,899
Stores, Spares and Supplies	15,695	692,682
Provision, Wines, etc.	0	2,756,885

39 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 of Directors

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

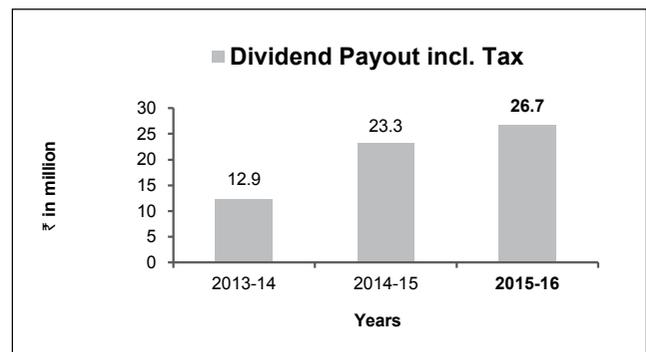
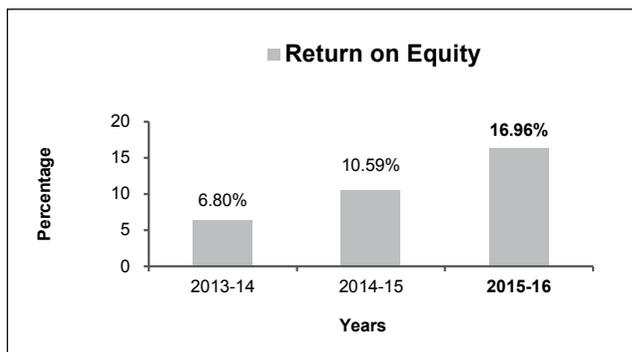
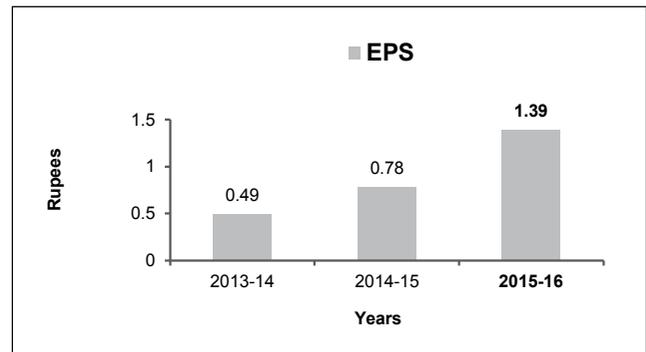
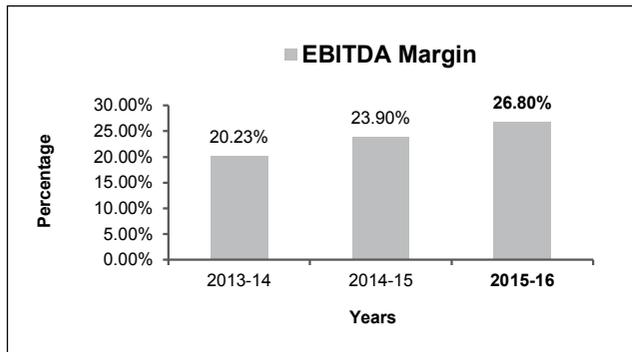
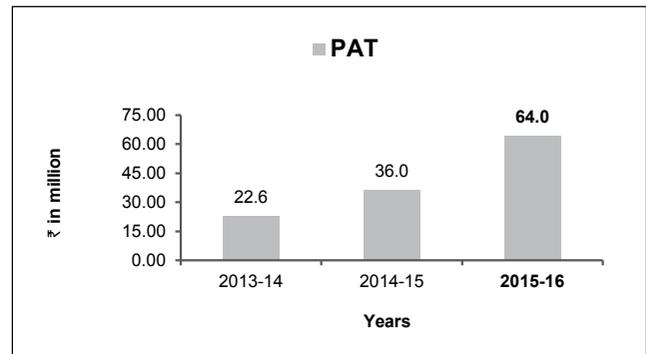
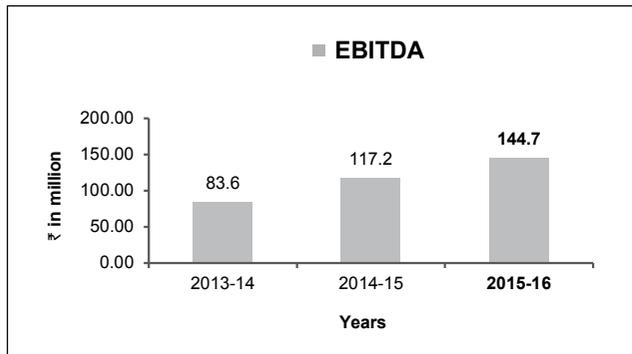
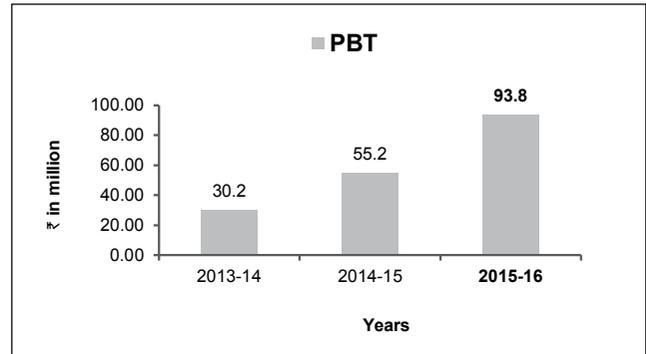
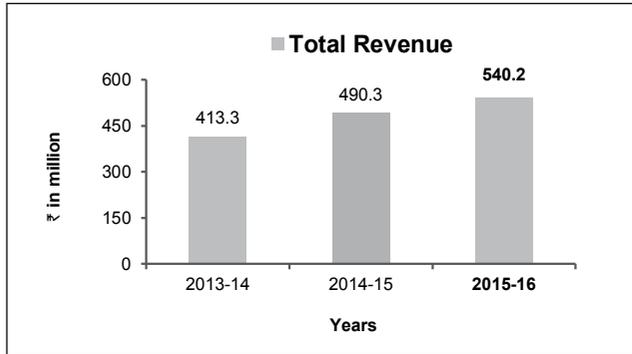
Haresh G. Advani
Executive Director
(DIN 00001358)

Nilesh Jain
Company Secretary

Shankar Kulkarni
General Manager - Finance (CFO)

Mumbai: May 16, 2016

Key Performance Indicators



FINANCIAL SUMMARY

₹ in Lakhs

Particulars	2015 - 16	2014 - 15	2013 - 14	2012 - 13	2011 - 12	2010 - 11	2009 - 10
Total Revenue	5402	4903	4133	3979	3739	3522	3240
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)	1447	1172	836	910	794	471	371
EBITDA Margin (%)	27%	24%	20%	23%	21%	13%	11%
Depreciation and Amortization	405	451	317	292	271	248	249
EBIT (Earnings Before Interest and Taxes)	1042	721	519	618	523	223	122
EBIT Margin (%)	19%	15%	13%	16%	14%	6%	4%
Interest (Finance Costs)	104	169	217	163	184	126	123
Prior Period / Other Adjustments	-	-	-	18	-	(78)	(147)
PBT (Profit Before Tax)	938	552	302	437	339	175	146
PBT Margin (%)	17%	11%	7%	11%	9%	5%	5%
Times Interest Earned	10	4	2	4	3	2	2
Tax (Including Deferred Tax)	298	192	76	174	115	34	69
PAT (Profit After Tax)	640	360	226	263	224	140	77
PAT Margin (%)	12%	7%	5%	7%	6%	4%	2%
Earnings Per Share (₹)	1.39	0.78	0.49	0.57	0.49	0.30	0.17
Dividend Per Share (₹)	0.48	0.42	0.24	0.26	0.24	0.20	0.10
Dividend Percentage (Total)	24%	21%	12%	13%	12%	10%	5%
Dividend Payout (including dividend tax)	267	233	129	140	129	108	54
Equity Capital (A)	924	924	924	924	924	924	924
Reserves & Surplus (B)	2849	2475	2397	2300	2177	2082	2004
Shareholders Funds (A + B)	3773	3399	3322	3224	3101	3006	2928
Long Term Debt	646	1473	1741	1116	778	431	734
Long Term Debt to Shareholders Funds (Ratio)	0.17	0.43	0.52	0.35	0.25	0.14	0.25
Return on Equity (Shareholders Funds)	17%	11%	7%	8%	7%	5%	3%

Note: The CRISIL rating of the Company for the current year improved to BBB/stable (previous year BBB-/stable).

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 29th ANNUAL GENERAL MEETING to be convened at 'Rangaswar', 4th Floor, Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai-400 021 on Monday, September 26, 2016 at 3.30 p.m.

Member's/Proxy's Full Name

Member's/Proxy's Signature

TEAR HERE

ADVANI HOTELS & RESORTS (INDIA) LIMITED

CIN : L99999MH1987PLC042891

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

PROXY FORM

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

Name of the Member(s): Registered Address:	E-mail Id: Folio No./Client Id: DP ID:
---	--

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th 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 Monday, September 26, 2016 at 3.30 p.m. and at any adjournment thereof in respect of such Resolutions as are indicated below:

- Adoption of Audited Balance Sheet as at March 31, 2016, 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 @24% (₹ 0.48 per equity share) already paid during the year, for the financial year ended March 31, 2016.
- Appointment of a Director in place of Mrs. Nina H. Advani, who retires by rotation and being eligible, seeks re-appointment.
- Ratification of the appointment of Statutory Auditors.
- Appointment of a Dr. S. D. Israni as an Independent Director.
- To fix the remuneration of Mr. Sunder G. Advani, Managing Director (DIN:00001365) for the remaining period of his appointment.
- To fix the remuneration of Mr. Haresh G. Advani, Executive Director (DIN:00001358) for the remaining period of his appointment.

Signed this day of, 2016

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

NOTES

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Flag Hoisting Ceremony with Senior Executives of the Resort on Republic Day




RAMADA[®]
GOA CARAVELA BEACH
RESORT

Registered Office:

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

Tel.: (91-22) 2285 0101 | Fax: (91-22) 2204 0744

Website: www.ramadacaravela.com