



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

VARCA, GOA

November 9, 2021

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

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

Dear Sir/Madam,

**Sub.: 34<sup>th</sup> Annual Report 2020-2021**

This is to inform you that 34<sup>th</sup> Annual General Meeting of the members of the company is scheduled to be held on Tuesday, 30<sup>th</sup> November, 2021 at 2.30 PM through Video conferencing (VC) / Other Audio-Visual Means (OAVM).

Pursuant to Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules and regulations, please find enclosed herewith Annual Report for FY 2020-21 which is being dispatched to the members through electronic mode, whose email id are registered with the company/Depository Participants.

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

You are kindly requested to take the same on record.

Thanking you,

Yours faithfully,

  
**Nilesch Jain**  
**Company Secretary**

Encl: As above



Owned and operated by : **ADVANI HOTELS & RESORTS (INDIA) LIMITED**  
(CIN: L99999MH1987PLC042891)

Registered Office : 18A & 18B, Jolly Maker Chambers – II, Nariman Point, Mumbai - 400021  
Tel: (91-22) 22850101 Telefax: (91-22) 22040744 | Website: [www.caravelabeachresortgoa.com](http://www.caravelabeachresortgoa.com)  
EMAIL: [cs.ho@advanihotels.com](mailto:cs.ho@advanihotels.com)

ADVANI HOTELS & RESORTS (INDIA) LIMITED

**ANNUAL REPORT | 2020 - 2021**











Reviews from  
millions of TripAdvisor  
travellers place this  
hotel in the top 10%  
worldwide.

**Tripadvisor  
Travellers'  
Choice  
2021**



# Corporate Information

## BOARD OF DIRECTORS

**CHAIRMAN & MANAGING DIRECTOR**  
Sunder G. Advani

**EXECUTIVE DIRECTOR**  
Haresh G. Advani

**WHOLE TIME DIRECTOR**  
Prahlad S. Advani

**DIRECTORS**  
Prakash V. Mehta  
Vinod Dhall  
S. D. Israni  
Adhiraj Harish  
Admiral Sureesh Mehta (R)  
Menaka S. Advani  
Nina H. Advani  
Ragini Chopra

**COMPANY SECRETARY**  
Nilesh Jain

**BANKERS**  
Saraswat Bank

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

**SOLICITORS**  
Malvi Ranchoddas & Co.

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

**RESORT LOCATION**  
Caravela Beach Resort  
Varca Beach, Salcete  
Goa 403 721

**REGISTRAR AND  
SHARE TRANSFER AGENTS**  
Datamatics Business Solutions  
Limited  
Plot No. B-5, Part B  
Cross Lane, MIDC Marol  
Andheri (East)  
Mumbai 400 093

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& Managing  
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# A MESSAGE FROM OUR CHAIRMAN & MD



Dear Fellow Shareholders,

On behalf of the Board of Directors of your Company, it is a proud privilege for me to address you on the 34th Annual General Meeting of your Company.

In normal years, the growth of GDP of India trickles down to the hotel industry. The past year was nowhere close to normal. Most countries tried to prevent the spread of the highly contagious Covid-19, by imposing severe restrictions on travel and entertainment. Our industry was one of the most adversely affected.

A study conducted on India's Tourism Industry by the World Travel and Tourism Council, the London based think tank, shows that in the calendar year 2019, the travel and tourism industry contributed US 10.4% of the world's GDP. As a result of Covid-19, the contribution of travel and tourism to GDP in the world dropped to 5.5%.

The travel and tourism industry in India contributed 6.9% of GDP in 2019. The contribution of our industry dropped to 4.7% in the year 2020. As per this study, this industry contributed 31.8 million jobs or 7.3% of total jobs in India in 2020.

In a recent article in the Economic Times, our Honourable Prime Minister, Mr. Narendra Modi while noting Goa's contribution to the country's economy, stated "Goa is a key centre of India's tourism and thus in India's economy". I am very grateful for the acknowledgement of the tourism industry as an important economic activity and especially for the recognition awarded to Goa, of being a vital centre of India's tourism; and that such an acknowledgment would come from our Honourable Prime Minister.

I have been consistently fighting for issues to grow the tourism industry in India. Some of the successes achieved including bringing international hotel chains to India and to Goa, promoting Goa as a tourist destination worldwide and starting the Casino industry in Goa. Your Company has made all its investments only in Goa.

**In a recent article in the Economic Times, our Honourable Prime Minister, Mr. Narendra Modi while noting Goa's contribution to the country's economy, stated "Goa is a key centre of India's tourism and thus India's economy".**

The Economic Survey presented to the Parliament in January 2021 by the Chairman of the Council of Economic Advisors stated "We can create 4 crore jobs by 2025 and 8 crore jobs by 2030 by focusing on exports."

Our hotel industry provides the most jobs in travel and tourism as it requires personalised service, (which cannot be delivered by a robot). Moreover hotels in India have a competitive advantage over most countries as labour costs, (which comprise a major expense), are relatively low. Our industry is also an export industry, in that foreign tourists spend a major part of their expenses in hotels. Yet, despite being a valuable earner of foreign exchange for our country, the hotel industry receives very few incentives to encourage hoteliers to actively seek foreign business and earn foreign exchange. The hotel industry makes huge investments, as it is a capital intensive and needs incentives to grow. The Government has recently announced that hotels may qualify as an 'Infrastructure Industry' which will help hotels to obtain loans at a lower interest rate and repayable over a longer period.

Foreign inbound tourism is important as it increases our exports. Our Company has been particularly active in seeking foreign business, as foreign tourists come to Goa because they can stay at a hotel located on one of the best beaches in the world. They find Goa to be tourist-friendly, safe and not overpopulated, (which is even more important in Covid times). With this objective, I met the Minister of Tourism of India on his visit to Goa recently and requested his help in allowing foreign charter flights to resume to Goa. I am glad to report that not only have charter flights to Goa been cleared, but also Visas are available to those foreign Tourists who travel on charter flights with effect from 15th October. Foreign tourists arriving on other flights will be eligible for Visas from 15th November. Our Company normally derives valuable revenue from these tourists, (primarily from the UK and Russia), who stay for a minimum of a week. I have always suggested to the authorities that we need to target few selected countries, with the right message, for attracting foreign tourists.

On a positive note, leisure hotels such as ours are recovering from the massive blow suffered as a result of Covid-19. Research shows that resort hotels are doing extremely well not only in India, but throughout the world. Marriott hotels worldwide recently reported that they are making profits because of the immense contribution made by their resort properties.

We have survived the pandemic period because our operations team in Goa were quick to move and were able to rationalise costs and make sacrifices.



**Our strategy of being debt-free and having internal financial reserves, protected the Company from the costs of financial distress during the closure period.**

The Government of Goa has selected me as a member of the Goa State Committee on Promotion of Tourism. As a result I have had meetings with the Consul Generals of India in New York, Chicago and San Francisco to seek their assistance in promoting tourism from USA. The highest number of foreign tourists coming to India are from the USA and UK.

During the last financial year our Company had to rely solely on domestic business. Fortunately, unlike many other countries, India has a huge and robust domestic market. Much of the business for hotels in Goa was derived from domestic FIT's and some small Weddings. Conferences were postponed or cancelled due to Covid-19.

On a positive note, leisure hotels such as ours are recovering from the massive blow suffered as a result of Covid-19. Research shows that resort hotels are doing extremely well not only in India, but throughout the world. Marriott hotels worldwide recently reported that they are making profits because of the immense contribution made by their resort properties.

The first 6 months of the financial year 2020-21 were a disaster for the hotel industry in India and for our Company, due to the lockdowns and travel restrictions as a result of Covid-19. After being closed for 6 months, we opened in October 2020 and managed to generate approximately INR 281.8 million in revenue from October 1, 2020 to March 31, 2021.

In the current financial year 2021-22, we had to again shut the hotel in May 2021 and re-opened in August 2021, due to second wave of Covid-19. In October 2021, our occupancy went up to 82.4% as compared to 31.6% in October 2020. Further, our total revenues also went up by 222%.

After Covid-19, there is an increased propensity to take the entire family for a holiday. Goa and particularly our hotel is an excellent choice, as our resort is designed to be child friendly. Studies show that Goa had the highest occupancy rates of all major cities in India.

**We have also won several awards and accolades during this period as well!**

Our Financial Results:

Our operations team took immediate and effective steps to reduce fixed costs and also to rationalise labour costs with the cooperation of our employees and the Union. The ratio of total employees per room has decreased from approximately 3:1 to 1.5:1. The energy costs also decreased from INR 51.2 million to INR 32.7 million during the financial year. (The newly installed heat pump in March 2021 will help streamline energy costs in the future). As a result, the losses due to the closure of the hotel were minimized.

The total revenue for the financial year dropped by 60.4% from INR 711.6 million to INR 281.8 million. Despite this huge drop in turnover, we incurred a net loss of only INR 40.8 million for the financial year. We have survived the pandemic period because our operations team in Goa were quick to move and were able to rationalise costs and make sacrifices. In addition, our strategy of being debt-free and having internal financial reserves - protected the Company from the costs of financial distress during the closure period.

For the seven month period between April to October 2021, we have almost reached a breakeven point; (despite being closed for over 3 months due to the tragic second wave of Covid-19).

I am happy that our team at the hotel has done an outstanding job in coping with the extraordinary circumstances which have never occurred before. We have also won several awards and accolades during this period as well!

Leisure hotels will bounce back and surpass pre-Covid levels as there is a strong desire to enjoy a holiday (especially after the number of totally vaccinated persons increase). The number of Covid positive cases in India have declined substantially.

I thank our Board for their immense support and advice to me in these difficult times. Our shareholders, tour operators, travel agents and our repeat guests have been the pillars of our strength over these years. We are grateful to all our guests, employees, bankers, Government officials in the Ministry of Finance, Home, Commerce, External Affairs, Tourism, Civil Aviation, Road Transport and Niti Aayog. We are thankful to the Government of Goa, especially the Chief Minister. The Village Panchayat of Varca have extended their full support.



Sunder G. Advani  
Chairman & Managing Director

## Financial Summary OVER THE LAST EIGHT YEARS

₹ in millions

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Gross Revenue inclusive of taxes	327.8	833.5	858.1	765.8				
Net Revenue	281.8	711.6	717.3	638.2	608.6	540.2	490.3	413.3
Total Room Nights Sold (Numbers)	23,515	57,303	59,815	56,485	57,403	52,234	52,725	43,201
Average Revenue Per Occupied Room per night (RevPOR) (₹)	11,681	12,090	11,749	11,018	10,367	10,110	9,030	9,042
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	(19.9)	180.2	176.4	164.9	183.7	144.7	117.2	83.6
EBITDA Margin (%)	-7.1%	25.3%	24.6%	25.8%	30.2%	26.8%	23.9%	20.2%
Depreciation and Amortization	32.7	37.4	36.5	35.2	36.9	40.5	45.1	31.7
Earnings Before Interest and Taxes (EBIT)	(52.6)	142.8	139.9	129.7	146.8	104.2	72.1	51.9
EBIT Margin (%)	-18.7%	20.1%	19.5%	20.3%	24.1%	19.3%	14.7%	12.6%
Interest / Finance Costs	2.0	2.3	0.6	0.6	3.2	10.4	16.9	21.7
Interest / Finance Income	3.6	7.4	8.4	3.8	1.5	0.8	0.4	0.2
Prior Period / Other Adjustments	-	-	-	-	-	-	-	-
Profit / (Loss) Before Tax (PBT)	(54.5)	140.5	139.3	129.1	143.6	93.8	55.2	30.2
PBT Margin (%)	-19.3%	19.7%	19.4%	20.2%	23.6%	17.4%	11.3%	7.3%
Current Tax	-	36.4	40.5	42.7	50.0	29.4	17.3	9.2
Deferred Tax	(13.8)	-8.2	-16.5	1.0	2.9	0.7	2.3	(2.2)
Tax for earlier years	0.1	-0.3	1.6	(0.9)	1.4	(0.3)	(0.4)	0.6
Total Tax	(13.7)	27.9	25.6	42.8	54.3	29.8	19.2	7.6
Tax Rate (%)	25.2%	25.2%	29.1%	34.6%	34.6%	32.5%	32.5%	32.5%
Profit / (Loss) After Tax (PAT)	(40.8)	112.6	113.7	86.3	89.3	64.0	36.0	22.6
PAT Margin (%)	-0.14	15.8%	15.9%	13.5%	14.7%	11.8%	7.3%	5.5%
Other comprehensive income (as per Ind AS)	0.3	0.2	-0.1	0.9	0.0	-	-	-
Earnings Per Share (₹)	-0.9	2.4	2.5	1.9	1.9	1.4	0.8	0.5
Dividend Per Share (₹) including final dividend	-	1.9	2.0	0.7	0.6	0.5	0.4	0.2
Dividend Percentage (Total)	-	95.0%	100.0%	35.0%	30.0%	24.0%	21.0%	12.0%
Dividend Payout (including dividend tax)	-	105.9	111.4	38.9	33.4	26.7	23.3	12.9
Equity Capital (B)	92.4	92.4	92.4	92.4	92.4	92.4	92.4	92.4
Other Equity / Reserves & Surplus (C)	340.0	380.5	452.4	383.4	324.0	284.9	247.5	239.7
Shareholders Funds (B + C)	432.4	472.9	544.8	475.8	416.4	377.3	339.9	332.1
Long Term Debt and Vehicle Loans	2.1	3.3	4.4	5.1	4.8	64.6	147.3	174.1
Cash and Bank Balances including current investments	140.5	127.6	192.6	126.9	32.1	7.8	9.6	12.3
Long Term Debt to Shareholders Funds (Ratio)	0.0	0.01	0.01	0.01	0.01	0.17	0.43	0.52
After-Tax Return on Equity (Shareholders Funds)	-9.4%	23.8%	20.9%	18.1%	21.4%	17.0%	10.6%	6.8%
Return on Assets	-6.2%	15.7%	15.4%	13.2%	14.5%	10.1%	5.4%	3.5%
Current Ratio	1.17	1.43	1.90	1.36	0.84	0.51	0.56	-
Operating Cash Flow (after tax)	19.1	178.2	150.4	153.9	140.1	124.4	97.7	-
CSR expenditure	3.4	2.8	2.5	2.0	1.3	0.5	-	-

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



We are delighted and humbled to win the Tripadvisor Travellers' Choice Award on May 2021.

Reviews from millions of Tripadvisor travellers place this hotel in the top 10% worldwide.



Reviews from millions of Tripadvisor travellers place this hotel in the top 10% worldwide.

**Tripadvisor  
Travellers'  
Choice  
2021**

**Caravela  
Beach Resort**







### AWARD FROM HOLIDAYCHECK AG

In April 2020, the Caravela Beach Resort Goa was awarded a Certificate from the CEO of HolidayCheck Germany, for consistently high guest satisfaction scores of 5.0 stars out of a maximum of 6.0 stars!



### Booking.com Traveller Review Awards 2021

Booking.com  
Traveller Review Awards 2021

**8.5**  
out of 10

Caravela Beach Resort



### BOOKING.COM TRAVELLER REVIEW AWARDS 2021

In January 2021, Glenn Fogel, the President & Chief Executive Officer of Booking.com awarded our resort with the Booking.com 'Traveller Review Award 2021', for having achieved an overall rating of 8.5 points (out of a maximum of 10 points), across 1100 verified reviews on Booking.com.

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

Dear Partner,

I want to extend my personal congratulations on your Traveller Review Award for 2021.

Along with so many other challenges, 2020 was a year with limited opportunities for travel. That meant that the trips your guests managed to take mattered more to them than ever. And you rose to the occasion. The exceptional review scores you earned consistently over the last year show just how much your guests appreciate everything you do for them.

And we appreciate it too. The entire Booking.com team and I are grateful, as always, for the commitment you show to offering travellers outstanding hospitality.

Your achievement is worth celebrating, so I encourage you to share the news of your Traveller Review Award on social media, at your property and on our platform. Don't forget to use the hashtag **#TravellerReviewAwards2021** and tag us **@bookingcom** so we can join in your celebration.

As we head into 2021, I'm excited about the opportunities ahead. I look forward to strengthening our partnership as we continue to rebuild our industry together.

From everyone at Booking.com, thank you once again for your partnership and for your incredible hospitality.

Kind regards,



**Glenn Fogel**  
President and Chief Executive Officer  
Booking.com





## BUREAU VERITAS CERTIFICATION

In January 2021, the Caravela Beach Resort Goa received a 'Platinum Grade' with a 97.3% rating from Bureau Veritas, under their COV-SAFE Hygiene Management Certification Program. The 'Caravela Cares' hygiene and safety program was audited and verified by Bureau Veritas and has been independently certified for its exceptional hygiene and safety standards.



## COVID-19 SAFETY PROGRAM – CERTIFICATE FROM DIVERSEY

In February 2021, after a detailed audit by Diversey, the Caravela Beach Resort Goa received the 'Covid-19 Safety Program Certificate', with a 97.0% safety rating from Diversey Consulting, for compliance with WHO, CDC and local guidelines and for taking effective steps to protect the health and safety of our employees and guests.





### TIMES FOOD & NIGHTLIFE AWARD

On March 31, 2021, our popular 'Beach Hut' restaurant won the 'Times Food & Nightlife Award', after receiving numerous positive votes from customers all over India!

This prestigious accolade was awarded by the Managing Director of the Times of India newspaper (The Times Group) and reflects the quality of our Food & Beverage experiences and the dedication of our culinary team.



The Caravela engaged Bureau Veritas to conduct a detailed Food Safety Audit in the hotel.

Our team secured 104 points (out of a maximum of 114 points) and obtained an A+ rating in the FSSAI (Food Safety & Standards Authority of India) assessment report.



# Creatives at Caravela



# Creatives at Caravela





# Digital Marketing Creatives



Who can resist a Piña Colada served right in a pineapple?  
 Made with real Pineapple Juice & Coconut Milk, our Piña Coladas are tropic-inspired and taste just like a vacation! Yumm... 🍍🍹  
 #CaravelaBeachResortGoa #CaravelaExperiences #Ilovegoa #Goa #Cocktails #PiñaColada



You're only one swim away from a good mood! 🏊‍♀️😌  
 #CaravelaBeachResortGoa #CaravelaExperiences #Ilovegoa #goa



Wedding season is in full bloom and there's nothing we love more than a beach ceremony!  
 We invite you to say "I Do" at one of the most romantic destinations in the world for a truly unique and memorable wedding.  
 Tell us all about your dream vision, and let us bring it to life. Our experienced staff knows just how important this day is, and has the experience to create the perfect, stunning wedding for you and your guests.  
 #CaravelaExperiences #CaravelaWeddings



To all our little guests,  
 Splish, splash...it's a vacation bash! Come get soaked, swim and play, let's make the most of the Easter holiday! #CaravelaBeachResortGoa is making the Easter holidays special with a slew of fun activities for our little guests!  
 From the Best Magic show in town to 'Bake your own Pizza', Cupcake and Cookie decoration, Balloon art, Sandcastle making, Chess, Table tennis, Dance classes, Painting, and Art classes, Face painting, Towel art, Hula hoop, and many more – the kids will be spoiled for choice!  
 To top it all – our little guests eat FREE!  
 #caravelaforkids #Ilovegoa



# Digital Marketing Creatives



Breathtaking views are always on the menu at #CaravelaBeachResortGoa  
 Tag who is joining you here!  
 #DreamwithCaravela #Ilovegoa



Find your happy place.  
 What's your dream escape?  
 Sun, sand and lounging by the beach? A week of adventure, fun and good food? A quiet villa with a view to settle down into?  
 Have YOUR trip of a lifetime, YOUR WAY.  
 #CaravelaBeachResortGoa #Ilovegoa #beachislife



## CARAVELA KITCHEN DIARIES GOAN VEGETARIAN CALDEEN

**Ingredients**

Small fresh coconut grated	2 drumsticks (optional)
1 tbsp coconut oil	2 carrots diced
8-10 curry leaves (optional)	5 french beans diced
1 medium onion (finely chopped)	1 medium potato diced
2 green chillies (finely chopped)	1 tsp cumin powder
1 tbsp ginger-garlic paste	1 tsp turmeric powder
1 medium sized tomato	Coriander leaves (chopped)
1 cup of cauliflower florets	1 tsp coriander powder (optional)
1 cup of green peas	
Salt to taste	

**Method**

Pour coconut oil in a pot on medium heat. Add curry leaves and let them crackle.  
 Add the green chillies, onions and garlic paste. Sauté till the onions become soft and transparent and the raw smell of the garlic disappears. Then add the tomatoes and cook till they're soft and mushy.  
 Add the vegetables and sauté for a couple of minutes. Add a cup of water and salt, then bring to the boil. Turn down the heat and let the vegetables cook.  
 Remove the lid after 10 mins add the coconut milk, if using. Place on low heat and cover with a lid.  
 Simmer for another 10 to 12 mins Or until vegetables are cooked. Add salt, cumin powder, coriander powder and thick coconut milk. Cook on low flame for 2 mins Garnish with few coriander leaves. Serve Veg Caldeen with red rice.  
 Best served with: Hot with goan bread

★ Covered by Times of India – Goa and HT City Foodie!



# Digital Marketing Creatives



Beach more, worry less!

Caravela Beach Resort Goa brings you a super offer!

Book directly through our official website and get amazing benefits:

- Save up to 20% on our rates
- 15% discount on Food & Beverages including alcohol
- 15% discount on Laundry
- Free Wi-Fi (upto 2 GB per day)
- Unlimited free date changes to provide maximum flexibility.

#CaravelaBeachResortGoa #ilovegoa #beachislife #caravelaoffers



Need vitamin sea?

#CaravelaBeachResortGoa #ilovegoa #dreamwithcaravela #caravelagoa



Destination dining at #CaravelaBeachResortGoa turns a special meal into an unforgettable occasion.

From a candlelit dinner on the beach, to sipping cocktails and watching the sun set from our Sunset Point the possibilities are endless.

#caraveladining #caravelaexperiences #destinationdining #privatedining



Go where the signal is weak and the Gin is strong!

#CaravelaBeachResortGoa #caravelaviews #beachislife #ilovegoa



# Digital Marketing Creatives



The Sunset Bar is open!

Sip, sip, hooray!

#CaravelaBeachResortGoa #beachbar #caraveladining #caravelaexperiences



Small but mighty – 'Micro-greens'!

These tiny little plants pack a nutritional punch, often containing higher nutrient levels than their mature vegetable greens.

At the Caravela, we have been planting our own micro-greens and many organic vegetables and fruits to spruce-up our menu with power-packed organic farm-to-table recipes!

#CaravelaBeachResortGoa #caraveladining #caravelawellness #caravelakitchen #organic #healthy



★ Covered by Times of India – Goa and HT City Foodie!



We're thinking of everyone who shares our deep love of travel.

Praying for the happy, free and laughter-filled days to return.

Until then, stay safe, stay inspired

#CaravelaBeachResortGoa #ilovegoa



Ready for the beach!!

Are you?

#CaravelaBeachResortGoa #DreamwithCaravela #ilovegoa







## CARAVELA + CARES +

Commitment to Hygiene and Safety

OUR HYGIENE AND SAFETY PARTNERS



BUREAU  
VERITAS



A WELL-BEING INITIATIVE

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

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

## NOTICE

NOTICE is hereby given that the 34<sup>th</sup> Annual General Meeting ("AGM") of the members of **ADVANI HOTELS & RESORTS (INDIA) LIMITED** will be held on Tuesday, November 30, 2021 at 2.30 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at 18 A & 18 B, Jolly Maker Chambers II, Nariman Point, Mumbai - 400 021, to transact the following business:

### ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Balance Sheet as at 31st March, 2021, Statement of Profit and Loss for the year ended on that date together with Reports of the Directors and Auditors thereon;
2. To appoint a director in place of Mrs. Menaka S. Advani (DIN00001375) who retires by rotation, and being eligible, seeks re-appointment;  
To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and qualification of Directors) Rules, 2014, as amended from time to time and pursuant to Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment, modification, variation or re-enactment thereof for the time being in force, Mrs. Menaka S. Advani (DIN: 00001375), who retires by rotation at this Annual General Meeting ('AGM') and being eligible for re-appointment, be and is hereby re-appointed as a non-executive non-independent Director of the company, liable to retire by rotation, up to the conclusion of the 36<sup>th</sup> AGM of the company, to be held in the Calendar year 2023.

RESOLVED FURTHER THAT Board of Directors or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution."

### SPECIAL BUSINESS:

3. To fix and approve the managerial remuneration of Mr. Sunder G. Advani, Chairman & Managing Director, (DIN:00001365) for the remaining 2 year period of his term;

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

"RESOLVED THAT pursuant to the recommendations of the Nomination & Remuneration Committee and approval of the Board of Directors and subject to the provisions of Sections 196, 197, 198, 203 and part II section II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable Rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force and hereinafter referred to as the "Act"), approval of the members of the Company be and is hereby accorded for accepting and finalizing the managerial remuneration payable to Mr. Sunder G Advani (DIN - 00001365) as Chairman and Managing Director of the Company for a period of two years i.e. from March 1, 2021 to February 28, 2023 (being the remaining term of his reappointment as a Managing Director) on such terms and conditions including amount of remuneration, as detailed in the explanatory statement attached hereto, with liberty to the Directors / Nomination and Remuneration Committee to alter and vary the terms and conditions of the said remuneration in such manner as may be agreed between the Directors and Mr. Sunder G. Advani to the extent specified in the Explanatory Statement;

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

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



4. To fix and approve the managerial remuneration of Mr. Haresh G. Advani, Executive Director, (DIN:00001358) for the remaining 2 year period of his term;

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

“RESOLVED THAT pursuant to the recommendations of the Nomination & Remuneration Committee and approval of the Board of Directors and subject to the provisions of Sections 196, 197, 198, 203 and part II section II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable Rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force and hereinafter referred to as the “Act”), approval of the members of the Company be and is hereby accorded for accepting and finalising the managerial remuneration payable to Mr. Haresh G Advani (DIN - 00001358) as Executive Director of the Company for a period of two years i.e. from March 1, 2021 to February 28, 2023 (being the remaining term of his reappointment as Executive Director) on such terms and conditions including the amount of remuneration, as detailed in the explanatory statement attached hereto, with liberty to the Directors / Nomination and Remuneration Committee to alter and vary the terms and conditions of the said remuneration in such manner as may be agreed between the Directors and Mr. Haresh G. Advani to the extent specified in the Explanatory Statement;

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

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

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

Nilesh Jain  
Company Secretary  
(ACS 18320)

Place: Mumbai  
Date: June 26, 2021

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

#### NOTES:

1. The profile of the Director seeking re-appointment, as required in terms of Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (“Listing Regulations, 2015) and Secretarial Standard 2, is annexed.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its Circular No. 20 dated 05 May 2020 read with Circular No. 14 dated 08 April 2020 and Circular No. 17 dated 13 April 2020 read with Circular No. 20 dated May 05, 2020 (hereinafter collectively referred to as “MCA Circulars”) and the Securities and Exchange Board of India (“SEBI”) vide its circular dated May 12, 2020 in relation to ‘Additional relaxation in relation to compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – COVID-19 pandemic’ (“SEBI Circular”) permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM Mode instead of physical presence of the Members at a common venue.
3. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM Mode, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form, Route Map and Attendance Slip are not annexed to the Notice.
4. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend the Annual General Meeting through VC/OAVM Mode on its behalf and authorization for voting through remote e-voting/electronic voting at AGM. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to bhattvirendra1945@yahoo.co.in with copy marked to the Company at cs.ho@advanihotels.com.
5. In terms of the provisions of Section 152 of the Act, Mrs. Menaka S. Advani, Director, retires by rotation at the Meeting. The Board of Directors of the Company commends her re-appointment.
6. In case of joint holder/s, attending the meeting, only such joint holder, who is higher in the order of names, will be entitled to attend and vote at the Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from November 21, 2021 to November 30, 2021 (both days inclusive).
8. Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to M/s. Datamatics Business Solutions Limited/Investor Service Department of the Company immediately.
9. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2020-21 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated 12 May 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2020-21 will also be available on the Company’s website www.caravelabeachresortgoa.com and websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at www.nseindia.com and www.bseindia.com respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
10. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
11. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2013 - 2014, 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 December 22, 2020 (date of last Annual General Meeting) on the website of the Company (www.caravelabeachresortgoa.com) as also on the website of the Ministry of Corporate Affairs.



**12. INSTRUCTIONS FOR REMOTE E-VOTING & JOINING ANNUAL GENERAL MEETING (AGM) ARE AS FOLLOWS:**

The remote e-voting period begins on Saturday, November 27, 2021 at 9:00 A.M. and ends on Monday, November 29, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. November 23, 2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the aforesaid cut-off date.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDEAS Portal" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p> </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
- Your User ID details are given below :



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

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

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [bhattivirendra1945@yahoo.co.in](mailto:bhattivirendra1945@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms Pallavi Mhatre at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cs.ho@advanihotels.com](mailto:cs.ho@advanihotels.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [cs.ho@advanihotels.com](mailto:cs.ho@advanihotels.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.



5. Shareholders who would like to express their views/have questions during the AGM may register themselves as speaker by sending request from their registered email-ID, if any, mentioning their names, DP ID and Client ID/Folio No., PAN and mobile number at [cs.ho@advanihotels.com](mailto:cs.ho@advanihotels.com) between 9.00 AM (IST) on Wednesday, November 24, 2021 to 5.00 PM (IST) on Friday, November 26, 2021. Members who have registered themselves as a speaker as aforesaid, will only be allowed to express their views/ask questions during the AGM. The company reserves the right to restrict the number of speakers depending upon the availability of time for the AGM.
6. Shareholders who do not wish to speak during the AGM but have queries, may send the same latest by November 26, 2021 mentioning their names DP ID and Client ID/Folio No., PAN and mobile number at [cs.ho@advanihotels.com](mailto:cs.ho@advanihotels.com). The same will be replied suitably at the AGM or by e-mail.

13. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the Cut-off date i.e. November 23, 2021.

14. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. November 23, 2021, may obtain the login Id and password by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com).

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

15. 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.

16. 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.

17. Mr. Virendra G. Bhatt, Practicing Company Secretary (Membership No. ACS 1157) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

18. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

19. The voting results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.caravelabeachresortgoa.com](http://www.caravelabeachresortgoa.com) and on the website of NSDL [www.nsdl.com](http://www.nsdl.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai, National Stock Exchange of India Limited (NSE), where the shares of the Company are listed.

20. 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.

21. Members are requested to note that as per Section 124 of the Companies Act, 2013, dividends not encashed /claimed within seven years from the date of declaration shall be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.

22. Members are requested to contact the Company for en-cashing the unclaimed dividends standing to the credit of their account. The detailed dividend history and due dates for transfer to IEPF are available on the website of the Company [www.caravelabeachresortgoa.com](http://www.caravelabeachresortgoa.com).

23. 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.

24. Members desiring any information relating to the accounts are requested to write to the Company at [cs.ho@advanihotels.com](mailto:cs.ho@advanihotels.com) or [finance.ho@advanihotels.com](mailto:finance.ho@advanihotels.com) well in advance so as to enable the management to keep the information ready.

## Explanatory Statement

As required under Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to business mentioned under Item Nos. 3 to 5 of the accompanying Notice:

### Item No 2:

Mrs. Menaka S. Advani is a Non-Executive Non –Independent Director of the Company liable to retire by rotation. Mrs. Menaka S. Advani has been a Director of the Company since September 30, 1989. Mrs. Menaka S. Advani will be attaining the age of 75 years on August 12, 2021

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), with effect from April 1, 2019, no listed company shall appoint or continue the directorship of a Non-Executive Director who has attained the age of 75 (Seventy Five) years, unless a Special Resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

Pursuant to the foregoing, the shareholders of the Company had, vide postal ballot dated May 12, 2021, approved of the continuation of Mrs. Menaka S. Advani as a Non-Executive Non-Independent Director of the Company, from the time she attains 75 years of age, until this AGM.

The Board of Directors of the Company in its meeting held on June 26, 2021 considered and approved the appointment of Mrs. Menaka S. Advani as a Non-Executive Non-Independent Director of the Company liable to retire by rotation in terms of provisions of Section 152 of the Companies Act, 2013 up to the conclusion of the 36<sup>th</sup> AGM of the Company in the Calendar year 2023, subject to the approval of members by way of Special Resolution as mandated under Regulation 17 (1A) of the Regulations.

Appointment of Mrs. Menaka S. Advani, who will be more than seventy five years at the commencement of the new tenure, has to be approved by a special resolution of the shareholders.

During the financial year 2020-21, 5 (Five) meetings of the Board of Directors had been held out of which 5 (Five) meetings were attended by Mrs. Menaka S. Advani. As on 31 March, 2021, she holds 13,10,880 (Thirteen Lakh Ten Thousand Eight Hundred and Eighty) equity shares in the Company, constituting 2.836% of the issued and paid-up equity share capital of the Company.

Mrs. Menaka S. Advani has held the position of Chairman of the Corporate Social Responsibility ("CSR") Committee and the Stakeholders' Relationship Committee of Board of the Company. She is also a member of the Audit Committee of the Board of the Company.

Mrs. Menaka S. Advani is a Director and Chairman/Member of Committees of Board of the following other Companies:

Sr. No.	Name of the Company/Entity in which interested	Committees Chairmanship/ Membership
1	Sunder Advani Consultants LLP	Chairman – Nil and Member - Nil

Apart from being associated with the Company as a Non-Executive Non-Independent Director, Mrs. Menaka S. Advani is wife of Mr. Sunder G. Advani, Chairman & Managing Director of the Company and mother of Mr. Prahlad S. Advani, Whole Time Director of the Company.

Mrs. Menaka S. Advani effectively and appropriately leads and facilitates the meetings of the Board. She is qualified in MA (Economics) from the prestigious Delhi School of Economics. She has obtained an Innkeepers Diploma from the prestigious Holiday Inn University (USA). Her diverse expertise and knowledge of administration and human resource development and hospitality management in general, is immensely useful to the Company. With the continuation of Mrs. Menaka S. Advani, the Company can continue to take advantage of her valuable guidance and achieve further growth and success in the subsequent period.

In view of her enriched experience and appreciable contribution, the approval of members by way of Special Resolution is being sought for the appointment of Mrs. Menaka S. Advani as a Non-Executive Non-Independent Director of the Company liable to retire by rotation upon the conclusion of the 36<sup>th</sup> Annual General Meeting (AGM) of the Company to be held in the Calendar year 2023, in terms of the provisions of Section 152 of the Companies Act, 2013.

Accordingly, the Board recommends the Resolution as set out at Item No. 2 of the Notice in relation to re-appointment of Mrs. Menaka S. Advani as a Non-Executive Non-Independent Director, for the approval by the members of the Company.



Mrs. Menaka Advani is interested and concerned in the Resolution set out at Item No. 2 of the Notice as it relates to her own appointment. The relatives of Mrs. Menaka Advani may be deemed to be interested in the Resolution set out at Item No. 2, 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. 2 of this Notice.

The Members are, therefore, requested to grant their approval by way of passing a Special Resolution for the continuation of directorship of Mrs. Menaka S. Advani [Director Identification Number (DIN): 00001375] as a 'Non-Executive Director' of the Company, liable to retire by rotation.

### Item No 3:

At the last Extra Ordinary General Meeting (EGM) of the Company held on March 19, 2018, the Members of the Company had approved the re-appointment of Mr. Sunder G. Advani as the Managing Director of the Company for a period of five years i.e. from 1st March 2018 to 28th February 2023 and payment of remuneration for a period of 3 years from 1st March, 2018 to February 28, 2021.

Section 196 (3) of the Act (as amended) read with Part-1 of Schedule V provides that no Company shall appoint or continue the employment of any person as Managing Director, Whole-time Director or Manager who has attained the age of 70 years unless it is approved by the Shareholders as a Special Resolution. Mr. Sunder G. Advani is of 82 years age on the date of this Resolution.

Keeping in view that Mr. Sunder G. Advani is a well-known "Hotelier", has rich and varied experience in the International and Indian Hotel Industry, it would be in the interest of the Company to continue the employment of Mr. Sunder G Advani as Chairman & Managing Director of the Company.

The Board of Directors have, pursuant to the recommendations of the Nomination and Remuneration Committee at their meeting held on February 11, 2021, approved the remuneration payable to Mr. Sunder G. Advani, Chairman and Managing Director for the remaining period of two years i.e. from 1st March, 2021 to 28th February, 2023, subject to the approvals of the Shareholders of the Company.

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 "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 52 years' experience in building and managing hotels. He has worked for 10 years as an Economist / Consultant and held 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. and was co-promoter and Executive Director of the Holiday Inn at Juhu beach in Bombay. Between 1972 and 1977, Mr. Sunder Advani received an Inkeepers diploma from Holiday Inn University (USA) and received on the job training at various Holiday Inn hotels in USA. He then helped in building and marketing of hotels in Agra, Chennai and Colombo on behalf of Holiday Inns (USA). In 1983 he was appointed by Ramada International Hotels (USA) as the sole Representative for South Asia. He provided technical know-how to build and assist in the sales efforts of hotels in Mumbai, Chennai, Hyderabad & Colombo under the Ramada and Renaissance brands.

From 1970 till 1989 Mr. Sunder G. Advani was initially a Director and from 1979 Joint 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 was selected by his peers for the Lifetime Achievement Award received from the Director General of Tourism, Government of India in January 2020.

Mr. Sunder G. Advani is the recipient of the Hall of Fame Award at ITB Berlin in March 2000.

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

In addition to being Chairman & Managing Director of Advani Hotels & Resorts (India) Limited, Sunder Advani is also involved in policy making institutions for growth of the Tourism and Hotel Industry in India.

Mr. Advani is a member (and Past Chairman) of the World Travel & Tourism Council (IT) which is a global authority on economic and social contribution for Travel & Tourism. WTTC promotes sustainable growth for the Travel & Tourism sector, working with governments and international institutions to create jobs, drive exports and generate prosperity. Council Members are the Chairs, Presidents and Chief Executives of the world's leading private sector Travel & Tourism businesses.

Since Mr. Advani is an active member of WTTC, he frequently travels to Delhi to attend meetings organized by WTTC and also meet with Government Officials pertaining to tourism and hospitality issues.

Mr. Advani is also an active member of the USIBC (US India Business Council) which is a Washington DC based organization whose goal is to make business between the United States and India easier, more efficient, and more profitable. He frequently attends meetings and seminars organized by USIBC in India and USA as a voice for the hospitality industry.

Mr. Sunder Advani was also a Member, Regional President (Western India) and Executive Vice President of the Indo-American Chamber of Commerce (IACC). IACC is the apex bi-lateral Chamber synergizing India-US Economic Engagement. Today IACC has PAN India presence with around 1700 members, representing cross section of US and Indian Industry.

Mr. Sunder Advani is one of the Founding Members of Hotel Association of India (HAI), which plays a key role in securing the hotel industry its due place in India's economy, project its role as a contributor to employment generation and to build an image for this industry both within and outside the country.

Recently, Mr. Advani has been appointed by the Government of Goa for a 3-year term on the Goa State Level Marketing and Promotion Committee.

Taking into consideration the qualification, experience and performance of the Company, the time and efforts invested by Mr. Sunder G. Advani in the overall growth of the company, it will be in the interest of the Company to make payment of remuneration to Mr. Sunder G. Advani as the Chairman & Managing Director on the below mentioned terms for the remaining period of two years i.e. from 1st March 2021 to 28th February 2023. The Company considers the proposed salary to be just and equitable. A person of similar standing in the hotel industry would command a much higher remuneration in a similarly placed position.

Mr. Sunder G Advani holds 94,25,893 Equity Shares of the Company representing 20.39% of the paid up share capital of the Company as on the date of this notice.

Members are requested to approve the remuneration payable to Mr. Sunder G. Advani, Managing Director, for the remaining period of two years from 1st March 2021 to 28th February 2023 by passing a Special resolution.

The remuneration payable to Mr. Sunder G. Advani for the remainder of his term shall be computed as under and shall be recorded in a Supplementary Agreement to be entered between the Company and Mr. Sunder G. Advani.

### Remuneration Period and Terms

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

Remuneration Period: Two years from March 1, 2021 to February 28, 2023.

Mr. Sunder G. Advani will receive a basic salary of ₹ 6,18,000/- p.m. effective from March 1, 2021 as the Managing Director of the Company.

### Perquisites:

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, reimbursement of gas and electricity expenses at actuals.



**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. Personal Accident Insurance:**

Premium not to exceed ₹ 9000/- per annum.

The Nomination and Remuneration Committee comprising of three independent Directors, constituted as per explanation IV (i) of Schedule V of the Companies Act, 2013 has recommended the aforesaid remuneration.

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.

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

None of the Directors of the Company except Mr. Sunder G. Advani, himself, Mr. Prahlad S. Advani, Mr. Haresh G. Advani, Mrs. Nina H. Advani and Mrs. Menaka S. Advani (being his relatives) are 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. 3 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 and operates the "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.

Sr. No.	Particulars	FY 31.03.2019 (₹)	F Y 31.03.2020 (₹)	F Y 31.03.2021 (₹)
1	Total Income	717,253,722	711,551,681	281,775,863
2	Profit After Tax (PAT)	113,705,976	112,616,304	(40,812,469)
3	EPS (Basic & diluted earnings per share)	2.46	2.44	(0.88)

**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, 2021 is 0.58% 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. Ramada Renaissance Hotel commenced operations in 1990 as a Joint Venture with 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 hotel now renamed as "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 52 years' experience in India in setting up overseeing Hotels in Agra, Chennai, Hyderabad, Mumbai & Colombo. He has been Managing Director of hotels in Mumbai and Goa for 32 years.

**b. Past Remuneration :**

Period	Amount (₹)	Period	Amount (₹)	Period	Amount (₹)
01 / 03/ 2018 to 28/02/2019	1,23,96,823	01/03/2019 to 28/02/2020	1,34,55,797	01/03/2020 to 28/02/2021	1,29,45,140

**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 headed by Mr. Sunder G. Advani and managerial personnel and other staff members.

Mr. Sunder G. Advani was selected by his peers for the Lifetime Achievement Award received from the Director General of Tourism, Government of India in January 2020.

Mr. Sunder G. Advani was conferred with the Hall of Fame Award at ITB Berlin in March 2000.

**d. Job Profile and his suitability :**

Mr. Sunder G. Advani, Promoter-cum-Founder Chairman & Managing Director of the Company since 1987, in the hospitality industry, is a management consultant turned hotelier and has over 52 years in the hospitality industry of experience. Mr. Sunder G. Advani has a deep understanding of International and 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 March 1, 2021 to February 28, 2022 and also from March 1, 2022 to February 28, 2023 is ₹ 1,24,92,600.

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 Nomination and Remuneration Committee.

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

The remuneration proposed to be paid to Mr. 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 in the range of ₹ 1.50 Crores to ₹ 1.75 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) Reason for inadequate Profits:**

The performance of the Company has been severely impacted due to the outbreak of Covid-19 in the early part of the year 2020. The prolonged lockdown and consequent travel restrictions to avoid spread of Covid-19 pandemic imposed by the Government of India as well other countries globally; almost all business segments i.e. corporate, leisure, MICE and direct business were severely impacted. The hospitality industry, in general has been severely impacted in terms of occupancy, ARR, RevPAR, turnover and profitability. The Company has incurred a loss after tax of ₹ 408.12 Lakhs in the year ended March 31, 2021. Due to travel ban by several countries and Government of India not issuing visa for foreign tourists, foreign travelers coming to India has become almost negligible. This has severely impacted the hotel industry in the Financial Year 2020- 21. With the resurgence of Covid-19 in several countries, the hotel and tourism industry is expected to remain under pressure. Mr. Sunder G. Advani voluntarily gave-up his calendar year 2019 increment with effect from May 1, 2020 thereby voluntarily restricting his monthly remuneration and benefits to what was approved for calendar year 2018. He also voluntarily gave up calendar year 2020 increments which were effective from March 1, 2020.



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

The Company and its hotel have taken various initiatives to protect the health and safety of guests and employees. All precautions based on World Health Organization guidelines and directions of the Central and State Governments have been implemented and are being strictly adhered to. The exhaustive measures that have been introduced have been published on the website of the Hotel. Considering the above steps and the forecast that tourism is expected to grow, the Company's performance is expected to improve in the near future.

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

The Company is focused on implementing various strategic initiatives aimed at stimulating revenue growth, re-enforcing operational excellence and continuing the optimization in fixed costs in order to emerge stronger post COVID-19. Though the hospitality industry has been one of the most adversely impacted industries globally, in anticipation of revival of the global economy in general and the Indian economy in particular, the aforesaid steps taken / to be taken by the Company as mentioned in point no. b) of 'Other Information' is expected to significantly improve the Company's performance and profitability in the coming years.

The Board recommends the Special Resolution at Item No. 3 of this Notice for approval of the Members.

**Item No 4:**

At the last Extra Ordinary General Meeting (EGM) of the Company held on March 19, 2018, the Members of the Company had approved the re-appointment of Mr. Haresh G. Advani as Executive Director of the Company for a period of five years i.e. from 1st March 2018 to 28th February 2023 and payment of remuneration for a period of 3 years from 1<sup>st</sup> March, 2018 to February 28, 2021.

Section 196 (3) of the Act (as amended) read with Part-1 of Schedule V provides that no Company shall appoint or continue the employment of any person as Managing Director, Whole-time Director or Manager who has attained the age of 70 years unless it is approved by the Shareholders as a Special Resolution. Mr. Haresh G. Advani is over 70 years of age on the date of this resolution.

The Board of Directors have, pursuant to the recommendations of the Nomination and Remuneration Committee at their meeting held on February 11, 2021, approved the remuneration payable to Mr. Haresh G. Advani, Executive Director for the remaining period of two years i.e. from 1st March, 2021 to 28th February, 2023, subject to the approvals of the Shareholders of the Company.

Mr. Haresh G. Advani joined Mr. Sunder G. Advani and Ramada U.K in Ramada Hotels (India) Limited in 1987. The Company is now known as Advani Hotels & Resorts (India) Limited, which commenced operations in 1990, as a Joint Venture with the renowned Ramada International Chain of Hotels (Now known as Wyndham Hotels, USA). Advani Hotels & Resorts (India) Limited owns and operates the 200 room 5 Star Deluxe, 'Caravela Beach Resort Goa', on 23.11 acres of land in Varca Beach, South Goa.

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

Mr. Haresh G. Advani was the Promoter of a marketing and advertising agency in Dubai in the year 1978. After moving on from that company, Mr. Haresh G. Advani returned to India. Mr. Sunder G. Advani had already built and developed Plaza Hotels (P) Ltd in 1969, which owned and operated the 80 room Airport Plaza hotel and Flight Kitchen at Bombay airport, now known as Hotel Orchid, a part of Kamat Hotels. Mr. Sunder G Advani offered to replace Mrs. Menaka S. Advani (who was a director of the fully operational Plaza Hotels (P) Limited) with Mr. Haresh G. Advani.

Taking into consideration the qualification, experience and performance of the Company, the Company is proposing, to make payment of remuneration to Mr. Haresh G. Advani as the Executive Director on the below mentioned terms for the remaining period of two years i.e. from 1st March 2021 to 28th February 2023.

Mr. Haresh G Advani holds 47,91,139 Equity Shares of the Company representing 10.37% of the paid up share capital of the Company as on the date of this notice.

Members are requested to approve the remuneration payable to Mr. Haresh G. Advani, Executive Director, for the remaining period of two years from 1st March 2021 to 28th February 2023 by passing a Special resolution.

The remuneration payable to Mr. Haresh G. Advani for the remainder of his term shall be computed as under and shall be recorded in a Supplementary Agreement to be entered between the Company and Mr. Haresh G. Advani, that will be signed by Mr. Prakash V. Mehta, Independent Director on behalf of the Company.

**Remuneration Period and Terms**

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

Remuneration Period: Two years from March 1, 2021 to February 28, 2023.

Mr. Haresh G. Advani will receive a basic salary of ₹ 4,12,000/- p.m. effective from March 1, 2021 as the Executive Director of the Company.

**Perquisites:**

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, reimbursement of gas and electricity expenses at actuals.

**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. Personal Accident Insurance:

Premium not to exceed ₹. 6000/- per annum.

The Nomination and Remuneration Committee comprising of three independent directors, constituted as per explanation IV (i) of Schedule V of the Companies Act, 2013 has recommended the aforesaid remuneration.

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.

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

None of the Directors of the Company except Mr. Haresh G. Advani, himself, Mr. Prahlad S. Advani, Mr. Sunder G. Advani, Mrs. Nina H. Advani and Mrs. Menaka S. Advani (being his relatives) are 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. 4 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 and operates the "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.

Sr. No.	Particulars	FY 31.03.2019 (₹)	F Y 31.03.2020 (₹)	F Y 31.03.2021 (₹)
1	Total Income	717,253,722	711,551,681	281,775,863
2	Profit After Tax (PAT)	113,705,976	112,616,304	(40,812,469)
3	EPS (Basic & diluted earnings per share)	2.46	2.44	(0.88)



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, 2021 is 0.58% of the Paid-up Equity Share Capital of the Company.

2. Information about the appointee:

a. Background details

Mr. Haresh G. Advani joined Mr. Sunder G Advani and Ramada U.K. in Ramada Hotels (India) Limited in 1987 now known as Advani Hotels & Resorts (India) Limited

Mr. Haresh G. Advani has completed his Bachelors in Hotel Administration in USA. Mr. Haresh G. Advani has a total experience of around 38 years in the hospitality business.

b. Past Remuneration paid :

Period	Amount (₹)	Period	Amount (₹)	Period	Amount (₹)
01/03/2018 to 28/02/2019	83,30,645	01/03/2019 to 28/02/2020	91,02,600	01/03/2020 to 28/02/2021	88,18,370

c. Recognition or Awards:  
Not applicable.

d. Job Profile and his suitability :

Mr. Haresh G. Advani, Executive Director of the Company since 1987, and has around 38 years of experience in the hotel industry.

e. Remuneration Proposed:

The remuneration proposed to be paid to Mr. Haresh G Advani from March 1, 2021 to February 28, 2022 and also from March 1, 2022 to February 29, 2023 is ₹ 83,28,400 p.a..

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 Nomination and Remuneration Committee.

f. Comparative remuneration Profile with respect to the Industry, size of the Company, profile of the position and the person.  
The remuneration proposed to be paid to Mr. Haresh G Advani is broadly comparable to the norms prevailing in the hospitality industry prior to COVID-19. Prior to COVID-19, the remuneration payable to an Executive Director in the hotel industry might be ₹ 1 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) Reason for Loss / inadequate Profits:

The performance of the Company has been severely impacted due to the outbreak of Covid-19 in the early part of admin year 2020. The prolonged lockdown and consequent travel restrictions to avoid spread of Covid-19 pandemic imposed by the Government of India as well other countries globally; almost all business segments i.e. corporate, leisure, MICE and direct business were severely impacted. The hospitality industry, in general has been severely impacted in terms of occupancy, ARR, RevPAR, turnover and profitability. The Company has incurred a loss after tax of ₹ 408.12 Lakhs in the year ended March 31, 2021. Due to travel ban by several countries and the Government of India not issuing visa to foreign tourists, foreign travelers coming to India has become almost negligible. This has severely impacted the hotel industry in the Financial Year 2020- 21. With the resurgence of Covid-19 in several countries, the hotel and tourism industry is expected to remain under pressure.

Mr. Haresh G. Advani gave-up his calendar year 2019 increment with effect from October 1, 2020 thereby voluntarily restricting his monthly remuneration and benefits to what was approved for calendar year 2018. He also voluntarily give up calendar year 2020 increments which was effective from March 1, 2020. For the financial year 2020-2021, he gave up approximately 5.6% of his annual cost to the Company.

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

The Company and its hotel have taken various initiatives to protect the health and safety of guests and employees. All precautions based on World Health Organization Guidelines and directions of the Central and State Governments have been implemented and are being strictly adhered to. The exhaustive measures that have been introduced have been published on the website of the Hotel. Considering the above steps and the forecast that tourism is expected to grow, the Company's performance is expected to improve in the near future.

c) Expected increase in productivity and profits in measurable terms

The Company is focused on implementing various strategic initiatives aimed at stimulating revenue growth, re-enforcing operational excellence and continuing the optimization in fixed costs in order to emerge stronger post COVID-19. Though the hospitality industry has been one of the most adversely impacted industries globally, in anticipation of revival of the global economy in general and the Indian economy in particular and the aforesaid steps taken / to be taken by the Company (as mentioned in point no. b of other information) the Company's performance and profitability is expected to improve significantly.

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

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

Name of Director	Mrs. Menaka S. Advani	Mr. Sunder G. Advani	Mr. Haresh G. Advani
Director Identification Number (DIN)	00001375	00001365	00001358
Date of Appointment / Re-appointment	September 17, 2019	March 1, 2018	March 1, 2018
Age	74.8 Years	82.5 years	70 Years
Date of Birth	August 12, 1946	December 28, 1938	January 24, 1951
Qualification	MA (Economics) from Delhi School of Economics and Innkeepers Diploma from the prestigious Holiday Inn University (USA)	Strategic Hospitality Management Financial Management Courses Cornell University (USA) Master's in Business Administration from the Wharton School (USA) B.S. – Business Administration, Temple University (USA)	Graduate from the Cornell School of Hotel Administration USA
Expertise	Business Administration, Human Resource Development and Hospitality Management	Setting up and Managing Hotels	Domestic Sales and print media, Real Estate matters
List of other Directorships	Nil	Nil	Regency Hotels Private Limited
Chairmanship / Membership of other Committees of other Companies	I. Chairman: Nil II. Member: Nil	I. Chairman: Nil II. Member: Nil	I. Chairman: Nil II. Member: Nil
No. of Equity Shares held in the Company	13,10,880 (2.836% of Paid up Share Capital)	94,25,893 (20.394% of Paid up Share Capital)	47,91,139 (10.366% of Paid up Share Capital)



Name of Director	Mrs. Menaka S. Advani	Mr. Sunder G. Advani	Mr. Haresh G. Advani
Inter-se relationship between the Board Members	Wife of Mr. Sunder G. Advani, Chairman & Managing Director of the Company and mother of Mr. Prahlad S. Advani, Whole Time Director	Brother-Mr. Haresh G. Advani, Executive Director Wife- Mrs. Menaka S. Advani, Non-Executive Director Son- Prahlad S Advani, Whole Time Director	Brother-Mr. Sunder G. Advani, Chairman & Managing Director Wife- Mrs. Nina H. Advani, Non-Executive Director
No. of Board meetings attended during the financial year 2020-21	5 out of 5	5 out of 5	5 out of 5
Remuneration last drawn (including sitting fees, if any)	₹ 5,00,000 as sitting fees for attending Board & other committee meetings	₹ 1,29,45,140	₹ 88,18,370

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

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

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

Place: Mumbai  
Date: June 26, 2021  
**Registered Office:**  
18A & 18B, Jolly Maker Chambers-II,  
Nariman Point, Mumbai - 400 021  
CIN: L99999MH1987PLC042891

## DIRECTORS' REPORT

### Directors' Report to the Members

The Directors take pleasure in presenting the 34<sup>th</sup> Annual Report of your Company together with the audited financial accounts for the year ended March 31, 2021.

#### 1. FINANCIAL RESULTS:

Your Company's financial performance for the year ended March 31, 2021 is set out below:

Particulars	March 31, 2021	March 31, 2020
<b>Total Income</b>	<b>281.78</b>	<b>711.55</b>
<b>Profit/(Loss) before Depreciation, Finance Costs and Tax</b>	<b>(19.88)</b>	<b>180.21</b>
Less: Depreciation	32.68	37.44
<b>Profit/(Loss) before Finance Costs and Tax</b>	<b>(52.56)</b>	<b>142.77</b>
Less: Finance Costs	1.95	2.25
<b>Profit/(Loss) before Tax</b>	<b>(54.51)</b>	<b>140.52</b>
Less: Provision for Taxation:		
Current Tax	0.00	36.40
Deferred Tax Liability/(Asset)	(13.78)	(8.20)
Tax for earlier years	0.08	(0.30)
<b>Profit/(Loss) for the year after Tax</b>	<b>(40.81)</b>	<b>112.62</b>
<b>Other comprehensive Income (OCI) Net of tax</b>	<b>0.30</b>	<b>0.17</b>
<b>Total Comprehensive Income/(Loss) for the year</b>	<b>(40.51)</b>	<b>112.79</b>
Profit brought forward from last year	191.60	273.00
<b>Adjustment on initial adoption of Ind AS 116</b>	<b>0.00</b>	<b>(0.81)</b>
<b>Profit available for appropriation</b>	<b>151.09</b>	<b>384.98</b>
Transfer to General Reserve	0.00	9.50
Interim Dividends for the Year	0.00	152.53
Dividend Distribution Tax	0.00	31.35
Balance Profit carried to Balance Sheet	151.09	191.60
Basic and Diluted Earnings per Equity Share of ₹ 2/- each	(0.88)	2.44

#### INCOME:

Our resort was closed up to September 30, 2020 due to the COVID-19 pandemic and the operations were restarted w.e.f. October 1, 2020 with strict precautions to safeguard hotel guests and employees from COVID-19 infection

As a result your Company achieved total income of ₹ 281.78 Million as compared to ₹ 711.55 Million in the previous year, which represents a decline of 60.40% on a year to year basis.

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

The Gross Profit before Depreciation, Finance Costs and Tax decreased from ₹ 180.21 Million to loss of ₹ 19.88 Million. In view of the prolonged lockdown and consequent travel restrictions to avoid spread of COVID-19 pandemic imposed by the Government of India as well as other countries globally almost all business segments i.e. Corporate, Leisure, MICE and Direct business were severally impacted.



**FINANCE COSTS:**

Interest Costs for the year decreased by 13.5% from ₹ 2.25 Million to ₹ 1.95 Million. Finance costs are provided mainly due to the change in definition of finance costs as per Ind AS 116. The Company still continues to be debt-free and maintains sufficient cash to meet our strategic and operational requirements.

**PROFIT BEFORE TAX:**

Profit before Tax has decreased from ₹ 140.52 Million to a loss of ₹ 54.51 Million.

**PROFIT AFTER TAX:**

Profit for the year after Tax has decreased from ₹ 112.62 Million to a Loss of ₹ 40.81 Million.

**2. COVID-19:**

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

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

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

**3. DIVIDEND:**

Due to a loss incurred during the year, no dividend was recommended.

**4. TRANSFER TO RESERVES:**

Due to losses in FY 2020-21, no amount has been transferred to Reserves.

**5. UPGRADATION AND ADDITIONS:**

During the year 2020-21, the Company has installed energy efficient Heat Pump which was recommended by the engineering specialist, Mr. Robert Allender.

In the month of April itself (when the hotel was operational), the Heat Pump reduced our daily consumption of diesel by around 250 to 290 litres. On Annual basis (assuming no hotel closure and a reduction of 250 litres of diesel per day), it will save us approximately 91,000 litres of diesel per year. At the present cost of Rs. 85 per litre of diesel, that amounts to a saving in diesel cost of approximately Rs. 77,00,000 per year.

In addition, the heat pump also provides a side benefit to the air-conditioning system of the hotel that is worth approximately Rs. 8,00,000 to 10,00,000 per annum. This makes the estimated HLP savings to the Company approximately Rs. 85,00,000 to 87,00,000 per year (assuming no hotel closure).

Lastly, there will be further cost reductions, as the repair and maintenance expenses on the hot water boilers / hot water generators will reduce as they will not be used as much.

These savings are over and above the Rs. 85,00,000 to 87,00,000 per year mentioned above.

Even after taking into account the electricity consumption of the Heat Pump, the guaranteed cost saving to the Company per year is approximately Rs. 50,00,000 to 55,00,000 (assuming there is no closure of hotel).

Since we expected that more families and groups would travel together in the future and would pay more for privacy, we converted 6 of our garden rooms into 3 two-bedroom Villas by opening the connecting doors. We changed all the soft furnishings, the bathroom fittings, the TV's and placed upgraded outdoor chairs in their balconies and loungers in their private garden. These garden Villas are highly priced and much in demand.

Since we wanted to protect our employees from Covid at the reception counter, we installed elegant glass shields. Provisions were made so that the photo and temperature was taken of all before they entered our lobby. We installed barriers and signages to maintain social distancing in all indoor public areas. We provided masks to all who did not carry a mask.

In order to reduce costs and to maintain safety of our employees, we closed the 62-room Ocean front wing for guests and housed some of our own employees there.

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

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

**7. SUSTAINABLE DEVELOPMENT:**

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

**8. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:**

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

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

**9. HUMAN RESOURCES DEVELOPMENT:**

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

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

**10. BUSINESS RISK MANAGEMENT:**

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

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

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

**12. VIGIL MECHANISM:**

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



**13. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):**

- (a) Appointment / Reappointment: During the year under review, the shareholders of the company have approved, by passing special resolution, the reappointment of Dr. S D Israni as an Independent Director of the Company for a second term of five years.

During the year under review, the shareholders of the company have approved, by passing an ordinary resolution, the payment of remuneration to Mr. Prahlad S. Advani, Whole Time Director of the company for the remaining period of his tenure of two years w.e.f. August 1, 2020 to July 31, 2022.

During the year under review, the shareholders of the company have approved, by passing an ordinary resolution, for the appointment of Mrs. Ragini Chopra as an Independent Director of the Company for a period of five years.

Mrs Menaka S. Advani was attaining the age of 75 years on August 12, 2021 and it was necessary to approve continuation of her directorship on the Board of Directors of the Company.

The Board of Directors of the Company at its meeting held on May 12, 2021 have recommended the continuation of directorship of Mrs. Menaka S. Advani as a “Non-Executive Non-Independent Director” of the Company, considering her rich experience, expertise and immense contribution in the growth of the company. The same was proposed via postal ballot, for the approval of the Members by way of a special resolution.

The shareholders of the Company have approved the same by passing a special resolution via postal ballot for the continuation of directorship, beyond 75 years, under regulation 17 (1A) of SEBI LODR Regulations, of Mrs. Menaka S. Advani as a Non-Independent non-executive Director of the company liable to retire by rotation.

Mr. Sunder G. Advani was re-appointed as Chairman & Managing Director of the Company at the EGM of the company held on March 19, 2018, for a period of five years i.e. from March 1, 2018 to February 28, 2023 and payment of remuneration for a period of 3 years from March 1, 2018 to February 28, 2021. Based on the recommendations of the Nomination and Remuneration Committee, his payment of remuneration for the remaining period of two years w.e.f. March 1, 2021 to February 28, 2023 is proposed at the ensuing AGM for the approval of the Members by way of a special resolution.

Mr. Haresh G. Advani was re-appointed as an Executive Director of the Company at the EGM of the company held on March 19, 2018, for a period of five years i.e. from March 1, 2018 to February 28, 2023 and payment of remuneration for a period of 3 years from March 1, 2018 to February 28, 2021. Based on the recommendations of the Nomination and Remuneration Committee, his payment of remuneration for the remaining period of two years w.e.f. March 1, 2021 to February 28, 2023 is proposed at the ensuing AGM for the approval of the Members by way of a special resolution.

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

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

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

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

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

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

The Company follows a Policy on Remuneration of Directors, KMP and Senior Management Employees. The policy is

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

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

The policy on company’s familiarization programme for Independent Directors and the details of familiarization programmes imparted to Independent Directors including the number of hours spent by each Independent Director in such programmes is posted on the company’s website at [www.caravelabeachresortgoa.com/investorrelations](http://www.caravelabeachresortgoa.com/investorrelations)

- (g) Key Managerial Personnel: Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2021 are: Mr. Sunder G. Advani, Chairman & Managing Director and Mr. Nilesh Jain, Company Secretary.

During the year under review Mr. Sachin Jain, G.M Finance, designated as CFO of the company, has resigned.

Mr. Sachin Jain, the former Chief Financial Officer submitted his resignation letter in February 2021. During the Notice Period of 30 days, financial irregularities were noted in the accounting of cash receipts initially by the Internal Auditors of the Company this finding is also supported by the subsequent scrutiny of records, documents and transactions undertaken by the Company and the auditors. It appears that Mr. Sachin Jain has committed certain illegal acts that may be regarded as being fraudulent. He also misused his position in the Company as the Head of the Finance Department of the Company’s hotel in Goa.

This was informed to the Stock Exchanges in March 2021 and relevant extract of the same is given below for information of the Shareholders. The nature of financial irregularities / frauds suspected and uncovered so far are as under:

Nature of Fraud	Particulars
Act with the intent to injure the interest of the company	1 Misappropriation of money collected from sale of scrap / miscellaneous items. Embezzlement of Company’s funds officially collected by him on behalf of the Company and deliberately not recorded by him in the books of accounts and not deposited by him into Company’s bank account. Issue of cheques and payments from the Company’s bank account to unknown entities having no business dealings with the Company. 2 Unauthorised reversal / Write-Off of certain Accounts Receivables of the Company’s Revenue in respect of valid Tax Invoices issued by the Company (several days post check-out of the guests who stayed in the Company’s hotel in Goa). Theft of Company assets for personal use.
Abuse of position to gain undue advantage	1 Unauthorised purchase of and payment towards Fixed Assets for his personal use. Manipulating information in the details of the Fixed Asset Additions report given to the Directors for the Board Meeting, by deleting certain assets bought by him, for himself, without any authority.



<p>Concealment and falsification of facts with intent to deceive</p>	<ol style="list-style-type: none"> <li>1 Manipulation of the attendance and leave records in the system by impersonation of HR executives by misuse of their login, to alter and falsify his personal attendance records on several occasions.</li> <li>2 Manipulation of the attendance and leave records in the system by directly falsifying his attendance and leave records through misuse of his own login access. Misappropriation of the Company provided reimbursement of accommodation allowance beyond the authorised period, and misrepresenting components of his Cost to the Company (CTC) in the reports given to the Directors for the Board Meetings, while simultaneously unauthorised accommodation reimbursements / rent payments were surreptitiously being released by him for his own accommodation from April 1, 2020 onwards.</li> <li>4 Manipulating and misrepresenting information on asset procurement placed before the Board of Directors by deleting assets purchased by him without authority.</li> </ol>
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Estimated impact on the listed entity; The extent of the loss is not quantifiable as on today, as the investigation is presently in progress. Till date the Auditors have been able to identify financial irregularities to the tune of approximately Rs. 13.00 lakhs. Estimated amount involved (if any); The estimated amount involved is presently not quantifiable as the investigation is still in progress. As stated above, we have been able to identify financial irregularities to the tune of approximately Rs. 13.00 lakhs till date. Whether such fraud / default / arrest has been reported to appropriate authorities: The Company has filed a police complaint in Goa with a request to file a FIR after conducting an investigation. As and when any additional financial irregularities are unearthed, additional complaints will be filed in the appropriate forums with the appropriate authorities.

**14. BUSINESS RESPONSIBILITY REPORT:**

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

**15. CORPORATE GOVERNANCE:**

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

**16. MANAGEMENT DISCUSSION AND ANALYSIS:**

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

**17. SECRETARIAL STANDARDS:**

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

**18. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

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

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

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

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

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

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

For the year ended March 31, 2021, the Board is of the opinion that the Company has sound IFC, commensurate with the nature and size of the business operations, wherein controls are in place and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the existing controls and identify gaps, if any. It can implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company’s operations.

During the year ended March 31, 2021, the Statutory Auditors of the company had reported the following incident of fraud involving an amount less than ₹ One crore under section 143 (12) of the Act to the Audit Committee:

An ex-employee of the Company was found to have committed certain financial irregularities in the nature of fraud inter alia by misappropriation of money collected from sale of scrap / miscellaneous items, unauthorized issue of cheques from Company’s bank accounts to an entity not having any business relationship with the Company, unauthorized reversal / write off of outstanding accounts receivables, unauthorized purchase and theft of an item of fixed asset, unauthorized payment of rent for self, manipulation of attendance records and purchase of laptop exceeding the sanctioned limit. The aggregate amount of such irregularities is ₹ 12.40 Lakhs. The ex-employee has committed forgery, falsification of documents and other criminal acts for which required action has been initiated by the Company as advised. After the close of the financial year, the Company has recovered an amount of ₹ 6.90 Lakhs out of the aggregate amount mentioned above and the investigation by the police is in progress. The above financial irregularities were quickly detected by the Company due to robust internal control mechanism and vigilant staff of the Company. The Company has initiated further steps to prevent occurrence of such incidents in future inter alia by enlarging the scope of internal audit in the current year.

Except the above, there were no reportable incidents of fraud within the meaning of Section 143 (12) read with Section 134 (3) of the Act.

**19. DIRECTORS’ RESPONSIBILITY STATEMENT:**

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

- (i) In the preparation of the accounts for the financial year ended March 31, 2021, the applicable Accounting Standards have been followed and there are no material departures;
- (ii) They have selected such accounting policies and applied them consistently and made judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit and loss of the Company for the year ended March 31, 2021;
- (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, 2021 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 2020-21.

#### 20. STATUTORY AUDITORS:

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

At the 33<sup>rd</sup> AGM held on December 22, 2020 the Members approved the appointment of M/s. JMT & Associates, Chartered Accountants (ICAI Firm Registration No. 104167W) as Statutory Auditors of your Company in place of M/s Amar Bafna & Associates which got merged with JMT & Associates with effect from September 16, 2020.

During the year the Statutory Auditors have confirmed that they satisfy the independence criteria required under the Companies Act, Code of ethics issued by the Institute of Chartered Accountants of India.

#### 21. STATUTORY AUDITOR'S REPORT:

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

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

#### 22. SECRETARIAL AUDITOR'S REPORT:

Pursuant to the requirements of the Companies Act, 2013, the company has appointed Mr. Virendra G. Bhatt, Practicing Company Secretary, to undertake the Secretarial Audit of the Company. His report dated June 26, 2021, is attached separately to this report as "Annexure C".

Further, Pursuant to SEBI circular CIR/CFD/CMD1/27/2019 dated February 08, 2019, the Annual Secretarial Compliance Report dated April 12, 2021 submitted by Mr Virendra G. Bhatt, Practicing Company Secretary is also attached separately to this report as "Annexure D".

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

#### 23. FIXED DEPOSITS:

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

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

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

#### 25. CODE OF BUSINESS CONDUCT:

As per the Listing Agreement, the Board has a 'Code of Conduct' in place whereby all Board Members and Senior Management have declared and complied with the said Code. A declaration to this effect signed by the Chairman & Managing Director has been obtained.

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

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

#### 27. TRANSFER OF UNCLAIMED DIVIDEND:

During the year, the company has transferred 29,100 Equity shares pertaining to financial year 2012-2013, on which dividend has not been paid or claimed by shareholders for a period of seven consecutive years or more, to the Investor Education and Protection Fund, established by the Ministry of Corporate Affairs.

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

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

As per the requirements of Section 92(3) read with Section 134(3)(a) of the Act and Rules framed there under, the Annual Return for FY 2021 is available on the website of the company at [www.caravelabeachresortgoa.com/investorrelations](http://www.caravelabeachresortgoa.com/investorrelations)

##### (ii) MEETINGS:

The Board of Directors met 5 (Five) times in the financial year 2020-21. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report. The gap between the Board Meetings was within the period prescribed under the Companies Act, 2013.

##### (iii) AUDIT COMMITTEE:

Details pertaining to the Audit Committee are included in the Corporate Governance Report, which forms part of the Annual Report.

##### (iv) RELATED PARTY TRANSACTIONS:

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

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

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

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

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

#### 29. PARTICULARS OF EMPLOYEES:

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

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



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

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

**31. ACKNOWLEDGEMENTS:**

Your Directors appreciate the assistance provided by the bankers, the Ministry of Finance, Tourism and the Goa Government. We thank the Shareholders, our valued clients and the tour operators for their continued support. Your Directors also appreciate the contributions made by all employees to improve the operations of the Company.

For and on behalf of the Board of Directors

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

Place: Mumbai  
Date: June 26, 2021

**ANNEXURE “A” TO THE DIRECTOR’S REPORT  
ANNUAL REPORT ON CSR ACTIVITIES**

1. Brief outline on CSR Policy of the Company.

The Company has adopted the CSR policy on 14<sup>th</sup> November, 2015 in compliance with the provisions of the Companies Act, 2013

2. Composition of CSR Committee:

SI.NO	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Menaka S. Advani	Chairperson		
2	Nina H. Advani	Member	Not applicable (see note below)	
3	Adhiraj Harish	Member		

Note: As per section 135(9) of the Companies Act, 2013, where the amount to be spent by a company under CSR does not exceed fifty lakh rupees, the requirement for constitution of the CSR Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Details are available on the website at [www.caravelabeachresortgoa.com](http://www.caravelabeachresortgoa.com)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Impact assessment is Not Applicable since average CSR obligation is less than ten crore rupees.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

SI.NO	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
	NIL	NIL	NIL
	Total		

6. Average net profit of the Company as per section 135(5). – ₹ 13,89,37,558

7. (a) Two percent of average net profit of the Company as per section 135(5) - ₹ 27,78,751

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Nil

(c) Amount required to be set off for the financial year, if any - Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c). – ₹ 27,78,751

8. (a) CSR amount spent or unspent for the financial year:



Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
34,13,467	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year: Not applicable

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No).	Location of the project.	Project duration	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes / No).	Mode of Implementation - Through Implementing Agency
	Not Applicable				Not Applicable					

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.		Name.	CSR Registration number.
1.			Yes	Goa	15,00,000	No	Goa CSR Authority	
2	Eye Program-Cataract Surgeries	Promoting Health care including preventive health care	Yes	Maharashtra	6,50,000	No	Prasad Chikitsa	CSR00006132
3	Asha Sadan" – a rescue home for abandoned babies and court committed girls 0 to 18 years	Women empowerment	Yes	Maharashtra	2,50,000	No	Maharashtra State Women's Council	CSR00004977
4	"Asha Kiran" - a center for street children, it's also a sheltered home for 25 street girls	setting up homes and hostels for women and orphans	Yes	Maharashtra	2,70,000	No	Maharashtra State Women's Council	CSR00004977
5	"Savera" – a workshop training center for "Special Needs children".	employment enhancing vocation skills especially among children, women, elderly and the differently abled	Yes	Maharashtra	1,00,000	No	Maharashtra State Women's Council	CSR00004977
6	PPE Kits-COVID-19	Preventive health care	Yes	Goa	3,15,000	No	Vibrant Goa Foundation	
7	Caravela Stray Animal Welfare Project - Karuna	Animal welfare	Yes	Goa	3,28,467	Yes	NA	Not applicable
	<b>Total</b>				34,13,467			

(d) Amount spent in Administrative Overheads - Nil

(e) Amount spent on Impact Assessment, if applicable - Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 34,13,467

(g) Excess amount for set off, if any: ₹/-

Sl. No.	Particular	Amount (in ₹.)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 27,78,751
(ii)	Total amount spent for the Financial Year	₹ 34,13,467
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 6,34,716
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 6,34,716

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹).	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹).
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1.	Not Applicable						
	<b>Total</b>						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹).	Status of the project - Completed / Ongoing.
1			Not Applicable					
	<b>Total</b>							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details): Not Applicable**

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Sunder G. Advani  
(Chairman & Managing Director)

Menaka S Advani  
(Chairperson CSR Committee)



**ANNEXURE “B” TO THE DIRECTORS REPORT  
BUSINESS RESPONSIBILITY REPORT**

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

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

1.	Corporate Identity Number (CIN) of the Company	L99999MH1987PLC042891
2.	Name of the Company	Advani Hotels & Resorts (India) Limited
3.	Registered address	18A & 18B, Jolly Maker Chambers II, Nariman Point, Mumbai - 400 021
4.	Website	<a href="http://www.caravelabeachresortgoa.com">www.caravelabeachresortgoa.com</a>
5.	E-mail id	<a href="mailto:Cs.ho@advanihotels.com">Cs.ho@advanihotels.com</a>
6.	Financial Year reported	2020-2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	551 Short Term Accommodation activities 561 Restaurants and mobile food service activities
8.	List three key products /services that the Company manufactures / provides (as in balance sheet)	a) Hotel Services b) Food and beverage services
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations(Provide details of major5)	N.A
	(b) Number of National Locations	Only Goa
10.	Markets served by the Company–Local / State / National /International	The Company caters to both national and international markets

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

1.	Paid up Capital	₹ 9,24,38,500
2.	Total Turnover	₹ 27,46,83,012
3.	Total profit (Loss) after taxes	(₹ 4,08,12,469)
4.	Total Spending on Corporate Social Responsibility (CSR)	₹ 34,13,467
5.	List of activities in which expenditure in 4 above has been incurred	(1) Promoting healthcare including Preventive Healthcare (2) Setting up homes and hostels for women and orphans (3) Animal Welfare (4) women’s Empowerment (5) Employment enhancing vocational skills

**SECTION C: OTHER DETAILS**

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

**SECTION D: BR INFORMATION**

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

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

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

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

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

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



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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	There have been consultations with stakeholders wherever required and possible and accordingly the relevant policies continue to evolve over time.								
3	Does the policy conform to any national / international standards ? If yes, specify?	The policies which have been laid out as above are in accordance with applicable laws and conform to industry benchmarks.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner / CEO/ appropriate Board Director?	Policies mandated under the Companies Act, 2013 ('The Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') are approved by the Board and circulated amongst relevant stakeholders. Other policies are approved by the Managing Director/functional heads of the Company as deemed appropriate from time to time.								
5	Does the company have a specified committee of the Board /Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	The Policies mandated to be displayed on the website of the Company as per the Act and Listing Regulations are available online on <a href="http://www.caravelabeachresortgoa.com/investor-relations">www.caravelabeachresortgoa.com/investor-relations</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Will be done in due course as applicable								

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

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

3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:	Annually
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report?	The BR Report for 2020-2021 can be accessed through the link <a href="http://www.caravelabeachresortgoa.com/investor-relations">www.caravelabeachresortgoa.com/investor-relations</a>
	How frequently it is published?	This is the second annual business responsibility report being published annually by the company.

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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



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

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	<p>As a hospitality company, the rooms and F&amp;B experience provided to the guests is our product and service.</p> <p>The Company ensures environmental sustainability by (a) Quarterly ambient quality monitoring including water, air and noise pollution checking done by authorised agency (b) Maintaining swimming pool and cooling tower water quality (c) checks the stack emissions of boiler and Diesel generator stack (d) CBBR (circular bed bio-reactor) technology STP to treat sewage water and use for gardening purpose (e) Undertake environment cleaning drive during different occasions like earth day</p> <p>It is the Company's endeavor to incorporate measures for energy and water conservation, waste treatment, in its operations.</p>
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)	
	(a) Reduction during sourcing / production /distribution achieved since the previous year throughout the value chain?	<p>As a Company, we are committed to energy conservation by taking following steps :</p> <p>(a) All CFL fixtures replaced with LED's</p> <p>(b) Installed VFD's for AHU's speed control of motor thereby reducing frequent ON/OFF which in turn saves power consumption</p> <p>(c) Undertake General awareness training on energy conservation</p> <p>(d) All the banquet and conference hall lighting has dimmer based control</p> <p>(e) Maintain ON/OFF schedule for various Equipments TFA's, etc</p> <p>We are also planning to install solar power generation and timer based control system for the external and public area lighting</p> <p>As a Company, we are committed to water conservation by taking following steps :</p> <p>(a) Have installed orifice and aerators for taps and also replaced conventional taps with sensor taps for water saving</p> <p>(b) Auto level sensor installed for various tank</p> <p>(c)Use STP treated water for gardening purpose</p> <p>(d) Rain water harvesting system for ground water regeneration</p> <p>(e) Installed condensate recovery system for steam boiler to condense the unused steam and re-use for steam generation</p> <p>(f) Installed Heat pump in place of Hot water generators.</p> <p>The Company has replaced the hot water generator (working on high speed diesel) with electrical heat-pumps for supplying hot water, which also generates chilled water as a byproduct, resulting in reduction in consumption of high speed diesel.</p> <p>The Company's property is designed to treat 100% wastewater through STP, where sewage water is treated not only through the Sewage Water Treatment Plant but also through Ultra-Filtration system, resulting in water that is odor free and pleasant to utilize, though recycled. Parameters have been set and the quality of the treated water is being monitored online.</p>

	(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	<p>Yes, as result of the energy conservation initiatives undertaken by installing heat pump there was a reduction in electricity consumption during the financial year 2020-21. Also, water resources are being conserved.</p> <p>The Company is also installing Electrolytic Control (EC) Motors for most of the Air Handling Units (AHU) &amp; Variable Frequency Drives (VFD) for the Ventilation System which allows adjustment of use according to requirement. The Company's property is designed to treat 100% wastewater through STP, where sewage water is treated not only through the Sewage Water Treatment Plant but also through additional filtration systems such as Ultra-Filtration, resulting in water that is odor free and pleasant to utilize, though recycled. The recycled water is getting utilized in the chiller plant cooling tower, flushing and gardening.</p>
3	Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	<p>The Company has crafted strategies to ensure sustainable consumption of energy, water and other resources at its Hotel. Another important initiative includes recycling of water through use of sewage treatment plants, rainwater harvesting, installation of water saving taps/fixtures, pressure reducing valves at its Hotel. The Company has been focusing on energy conservation and water conservation and recycling, and reusing waste generated.</p>
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?  (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	<p>Company gives equal preference to all competent local and small vendors for procuring goods and services.</p>
5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so	<p>We have installed Organic Waste Converter (OWC) to convert kitchen waste into compost manure. We are also doing segregation of Dry and Wet Waste and disposing the same as per standard procedures. The used kitchen is being sent to authorised agency for biodiesel generation.</p>

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

1	Total number of employees	308
2	Total number of employees hired on temporary/contractual/casual basis	179
3	Number of permanent women employees	25
4	Number of permanent employees with disabilities	0
5	Do you have an employee association that is recognized by management?	AITUC
6	What percentage of your permanent employees is members of this recognized employee association?	18%
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	See table below



No.	Category	No of complaints filed during the financial year	No of complaints pending as on the end of the financial year
	Child labour / forced labour/ involuntary labour	Nil	Nil
	Sexual harassment	Nil	Nil
	Discriminatory employment	Nil	Nil

8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	(a)Permanent Employees	3 %
		(b)Permanent Women Employees	3 %
		(c)Casual /Temporary/Contractual Employees	12 %
		(d)Employees with Disabilities	N.A

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

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

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

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

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

1	Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors/ NGOs /others.	We understand that It is our responsibility as good corporate citizen to also be a good steward of our air, land and water. More details in Annexure E to the Director's Report
2	Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Annexure E to our Director's Report contains details of our energy conservation measures which forms part of this Annual Report
3	Does the company identify and assess potential environmental Risks? Y/N	Yes – the Company is compliant with local/national laws concerning environment.
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No the company does not have any project related to Clean Development Mechanism.
5	Has the company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink or webpage etc.	The Company has replaced the hot water generator (working on high speed diesel) with electrical heat-pumps for supplying hot water, which also generates chilled water as a byproduct, resulting in reduction in consumption of high speed diesel. Other similar initiatives undertaken have been detailed hereinabove.
6	Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes
7	Number of show cause/legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as at the end of Financial Year.	We have not received any kind of show cause notice, as we obtain all the statutory certificates from Goa state pollution control board and fire dept and renew the same on time.

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

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

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

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

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

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Customer Satisfaction is of utmost important for the Company. The Company receives customer complaints which are appropriately redressed. At the end of the financial year under review, 1 consumer cases/litigations are pending (including 1 filed during the year)
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)	Since the company is in the hospitality business and not manufacturing, the requirement of display product info on the product label is not applicable to the company
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	None
4	Did your company carry out any consumer survey/consumer satisfaction trends?	Customer engagement processes have been aligned across the value chain to monitor the customer satisfaction and feedback. Consumers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc.  The company received the following awards during the year in this area:  • 'COVID-19 SAFETY PROGRAM 2020' certificate with a 97% safety audit rating from Diversey Consulting for compliance with WHO, CDC guidance's and local regulations – to enhance the health and safety of our employees and guests.  • Times Food and Nightlife Award 2021 for our Beach Hut from Times of India

**ANNEXURE "C" TO THE DIRECTORS' REPORT  
SECRETARIAL AUDIT REPORT**

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

To,  
The Members,  
Advani Hotels and Resorts (India) Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 has prima facie complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes' books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable during the audit period);
- (v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended 31<sup>st</sup> March, 2021:-

- (a) The Securities And Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009;
- (b) The Securities and Exchange Board of India(Share Based Employee Benefits) Regulations, 2014;
- (c) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations,2008;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations,2018;

(vi) I further report that, based on the Compliance Report of various Laws submitted by Department Heads of the Company, the Company has proper system to comply with the applicable laws.

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

- (a) The Listing Agreements entered into by the Company with the Stock Exchanges read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Secretarial Standards Issued by the Institute of Company Secretaries of India.



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

I further report that I have not examined the Financial Statements, Financial books and related financial Act like Income Tax, Sales Tax, Value Added Tax, Goods and Services Tax, ESIC, Provident Fund, Professional Tax, Foreign Currency Transactions, Related Party Transactions etc., For these matters, I rely on the report of statutory auditors for Financial Statement for the financial year ended 31<sup>st</sup> March, 2021.

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

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

I further report that as per the information provided and as per minutes of the meetings, majority decisions of the Board were unanimous and no dissenting views were found as part of the minutes.

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

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

I further report that, during the period under review, as per the information provided by the Company, prima facie there were no instances of transaction in the securities of the Company during the closure of window.

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

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

I further report that:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. Where ever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of Company.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. Due to COVID - 19 and continuous Lockdown, we were able to partially verify the information physically, therefore we rely on the information provided by the Company in electronic mode.

Place: Mumbai  
 Date: 26<sup>th</sup> June, 2021  
 UDIN: A001157B000400644

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

## ANNEXURE "D" TO THE DIRECTORS REPORT SECRETARIAL COMPLIANCE REPORT

### SECRETARIAL COMPLIANCE REPORT OF THE ADVANI HOTELS AND RESORTS (INDIA) LIMITED FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021

#### 1. I, Virendra G. Bhatt, Practicing Company Secretary, have examined:

- (a) all the documents and records made available to me and explanation provided by the **Advani Hotels and Resorts (India) Limited** having CIN: **L99999MH1987PLC042891** ("the listed entity") arising from the compliances of specific Regulations listed under Clause 2 of this report;
- (b) the filings / submissions made by the Listed Entity to the Stock Exchanges in connection with the above;
- (c) website of the Listed Entity; and
- (d) all other documents, filings or submission on the basis of which this certification is given,

#### For the financial year ended 31<sup>st</sup> March, 2021 ("Review Period") in respect of compliance with the provisions of:

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

#### 2. The specific Regulations, whose provisions and the Circulars / Guidelines issued thereunder, have been examined, include:-

- (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – (Not Applicable during the review period);
- (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018– (Not Applicable during the review period);
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – (Not Applicable during the review period);
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – (Not Applicable during the review period);
- (g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 – (Not Applicable during the review period);
- (h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (j) 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 - (Not applicable during the review period);

#### And based on the above examination, I hereby report that, during the Review Period:

- (a) The Listed Entity has prima facie complied with the applicable provisions of the above Regulations and Circulars / Guidelines issued thereunder except in respect of matters specified below:



Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Appointment of the Woman Independent Director under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Delayed compliance	The National Stock Exchange of India Limited ("NSE") has brought to the notice to the Company for non-appointment of the Woman Independent Director and the NSE has dropped the action on request of the Company due to prevailing conditions owing to COVID-19 as the Company has appointed the same with effect from 30 <sup>th</sup> August, 2020.

(b) The listed entity has prima facie maintained proper records under the provisions of the above Regulations and Circulars / Guidelines issued thereunder insofar as it appears from my examination of those records.

(c) The following are the details of actions taken against the Listed Entity/ its Promoters/ Directors either by the SEBI or by the Stock Exchanges (including under the Standard Operating Procedures Issued by the SEBI through various Circulars) under the aforesaid Acts / Regulations and Circulars/ Guidelines issued thereunder:

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

(d) The National Stock Exchange of India Limited ("NSE") has brought to the notice to the Company for non-appointment of the Woman Independent Director and the NSE has dropped the action on request of the Company due to prevailing conditions owing to COVID-19.

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

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31 <sup>st</sup> March, 2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	N.A.	N.A.	N.A.	N.A.

(f) I further report that during the review period, as per the information provided by the Company, prima facie there were no instances of transaction by the designated persons in the securities of the Company during the closure of window.

(g) As per the disclosure made to the Stock Exchanges, Mr. Sachin Jain, Chief Financial Officer and Key Managerial Personnel of the Company has resigned and ceased to be the Chief Financial Officer of the Company with effect from 13<sup>th</sup> March, 2021 and the Company has filed a police complaint against him for suspected fraudulent, unlawful and illegal acts with a request that a FIR be registered in the matter. As on 31<sup>st</sup> March, 2021, the case is under investigation.

(h) Due to prevailing conditions owing to the COVID-19, I am unable to verify the partial information physically, therefore I rely on the information provided by the Company in electronic mode.

Place: Mumbai  
Date: April 12, 2021

UDIN: A001157C000032892

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

## ANNEXURE "E" TO THE DIRECTORS' REPORT ADDITIONAL INFORMATION

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 forming part of Directors' Report for the year ended March 31, 2021:

### A. CONSERVATION OF ENERGY IN 2020-2021:

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

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

During the year 2020-21, the Company has installed energy efficient Heat Pump which was recommended by the engineering specialist, Mr. Robert Allender.

In the month of April itself (when the hotel was operational), the Heat Pump reduced our daily consumption of diesel by around 250 to 290 litres. On Annual basis (assuming no hotel closure and a reduction of 250 litres of diesel per day), it will save us approximately 91,000 litres of diesel per year. At the present cost of Rs. 85 per litre of diesel, that amounts to a saving in diesel cost of approximately Rs. 77,00,000 per year.

In addition, the heat pump also provides a side benefit to the air-conditioning system of the hotel that is worth approximately Rs. 8,00,000 to 10,00,000 per annum. This makes the estimated HLP savings to the Company approximately Rs. 85,00,000 to 87,00,000 per year (assuming no hotel closure).

Lastly, there will be further cost reductions, as the repair and maintenance expenses on the hot water boilers / hot water generators will reduce as they will not be used as much.

These savings are over and above the Rs. 85,00,000 to 87,00,000 per year mentioned above.

Even after taking into account the electricity consumption of the Heat Pump, the guaranteed cost saving to the Company per year is approximately Rs. 50,00,000 to 55,00,000 (assuming there is no closure of hotel).

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

In 2020-21, the company has taken following steps for utilizing alternative sources of energy:

- The Company spent considerable amount on LED light bulbs and have replaced the existing light bulbs to conserve energy. This will also reduce energy bills in the forthcoming months.
- 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.
- The company has procured and installed Heat Pump in the financial year 2020-21 and we have replaced them in place of Hot Water Generator.
- We were using diesel to run our Hot Water Generator (HWG) but Heat pumps do not require Diesel and hence we are able to save on the consumption of diesel and also reduce the impact on the environment caused by the emissions of the existing HWG.
- Secondly, the by-product of the heat pump, which is chilled water, is further boosting the existing chilled water system, thereby reducing the load on the Chiller.

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

The Company spent a reasonable amount on LED light bulbs. This will reduce energy bills in the forthcoming months.

### B. TECHNOLOGY ABSORPTION:

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

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company's foreign exchange earnings for the current year were ₹. 5.92 million (previous year ₹ 103.97 million). The total outgo in foreign exchange for the current year was ₹. 5.39 million (previous year ₹ 14.27 million).



**ANNEXURE “F” TO THE DIRECTOR’S REPORT  
DISCLOSURES - REMUNERATION TO MANAGERIAL PERSONNEL**

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

Sr. No.	Requirements	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Name of the Director	Ratio
		Mr. Sunder G Advani, CMD	34
		Mr. Haresh G Advani, ED	24
		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	-9.2%
		**Mr. Haresh G Advani, ED	-5.6%
		***Mr. Prahlad S Advani, WTD	-9.6%
		Mr. Nilesh Jain, CS	-7%
3	The percentage increase in the median remuneration of employees in the financial year:	During FY 2021, the percentage increase in the median remuneration of employees as compared to previous year was approximately 0 %.	
4	The number of permanent employees on the rolls of company	There were 153 Employees (Executives 100 and confirmed workman 53) as on March 31, 2021	
5	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Due to Covid-19 Pandemic and lockdown announced by the Central Government and State Government of Goa, hotel was shut for around 6 months. Due to closure of business for around 6 months, no increments were given in the current year. In fact, there were voluntary reductions in salaries by the managerial and Staff personnel during the year.	
6	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed.	

Note: The Mumbai Office employees have foregone the Calendar Year increment of 2019 with effect from April 1, 2020.

\*Mr. Sunder G. Advani, Chairman & Managing Director has foregone the Calendar Year increment of 2019 with effect from May 1, 2020.

\*\*Mr. Haresh G. Advani, Executive Director has foregone the Calendar Year increment of 2019 subsequently, with effect from October 1, 2020.

\*\* Mr. Prahlad S Advani, Whole Time Director of Operations, has also foregone the Calendar Year increment of 2019 with effect from April 1, 2020.

II. Information under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appt. and Rem. of Managerial Personnel) Rule, 2014

a. Top 10 Employees in terms of Remuneration Drawn during the Year

Sr. No.	Emp. Name	Designation	Educational Qualification	Total Experience	Remuneration drawn in F. Y. 2020-21 (₹)	Age	Previous Employment & Designation
1	Mr. Sunder G. Advani	Chairman & Managing Director	Strategic Hospitality Management / Financial Management Courses Cornell University (USA) Masters in Business Administration from the Wharton School (USA) B.S. – Business Administration Temple University (USA)	60 years	1,25,36,423	82 years	CMD, Hotel Airport Plaza, Mumbai
2	Mr. Haresh G. Advani	Executive Director	Graduate from the Cornell School of Hotel Administration USA	49 Years	86,92,067	69 years	Director, Hotel Airport Plaza, Mumbai
3	Mr. Prahlad S. Advani	Whole Time Director	Mr. Prahlad obtained a Bachelor of Science degree from the prestigious Cornell University School of Hotel Administration in the year 1999 with a focus in Financial Management. He received ‘Academic Excellence Award’ with Distinction in all subjects. The Dean of the College appointed him in a leadership role at a young age and conferred him with the title of ‘Dean’s Assistant’. Mr. Prahlad is also an alumnus of Harvard Business School and a member of the Young Presidents Organisation (YPO)	21 Years	84,60,225	44 years	Deutsche Bank Alex Brown in U.S.A. as a Financial Analyst in the Investment Banking Division
4	Mr. Ajay Vichare	General Manager - Corporate Finance	B. Com, CA (Inter)	27 Years	26,76,464	50 Years	United Phosphorus Limited
5	Mr. Prasad Kanoth	Hotel Manager	Bachelor of Commerce	39 Years	22,88,316	62 Years	Room Division Manager, Club Mahindra, Varca



6	Mr. Nilesh Jain	Company Secretary	B.Com, LLB, ACS, ACMA	19 Years	18,57,015	43 Years	CS, Rishiroop Limited
7	Mr. Ranit Chakrabarti	Room Division Manager, Ex Housekeeper	B. Tech, OCLD – Oberoi Graduate	18 Years	12,20,411	42 years	General Manager, Antilia- House of Mr. Mukesh Ambani
8	Mr Sundeep Kumar Shenava	Director- Human Resources	B. A., LLB, DPMIR, DIP (T& D)	29 Years	11,64,281	55 years	HR Consultant (Proprietor)
9	Mr. Amitava Paul	Executive Chef	B. HM	18 years	10,58,426	39 years	Chef in charge, Carlson Rezidor Hotel
10	Mr. Luis R D'costa	Director Security & Surveillance	11 <sup>th</sup> Standard	36 years	10,24,140	62 years	Security Manager, Jumeriah Group of Hotels

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

Sr. No.	Emp. Name	Designation	Educational Qualification	Total Experience	Remuneration drawn in F. Y. 2020-21 (₹)	Age	Previous Employment & Designation
1	Mr. Sunder G. Advani	Chairman & Managing Director	Strategic Hospitality Management Financial Management Courses Cornell University (USA) Masters in Business Administration from the Wharton School (USA) B.S. – Business Administration Temple University (USA)	60 years	1,25,36,423	82 years	CMD, Hotel Airport Plaza, Mumbai

**MANAGEMENT DISCUSSION AND ANALYSIS**

The discussion relates to the period between 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021. We must point out that our hotel was only operational during the period from 1<sup>st</sup> October 2020 to 31<sup>st</sup> March 2021.

The tourism and hospitality industry continues to be impacted by the Covid19 virus and the variants discovered thereafter. Much of the recovery will depend on when foreign and our own citizens feel it is safe to travel, when they have received full vaccination, when airlines both domestic and international will be allowed to operate as per their pre-Covid schedules and when the numbers of active cases in India reduce. It also depends on our Government's policies on when foreign tourists will be allowed to come to India and in particular when foreign charters will be allowed to operate to Goa.

**India's Travel and Tourism Industry:**

Travel and Tourism has been a major contributor to GDP in the world. In the calendar year 2019, this industry contributed US\$ 9170 billion or 10.4% of the total GDP. However, as a result of Covid19, this contribution in 2020 has declined to 5.5%. (Source: World Travel and Tourism Council India Economic Impact Report 2021).

This Report shows that India ranks 7<sup>th</sup> out of the G20 countries in contribution to GDP. Travel and Tourism in India declined from US \$191.3 billion to US\$ 121.9 billion and now is 4.7% of the total GDP. However, Travel and Tourism contributed 31.8 million jobs or 7.3% of total employment in 2020 as compared to 8.8% in 2019. India earned only INR 891 billion or 2.5% of its Exports from this industry as compared to 5.8% in the previous year. Spending on Travel and Tourism by international visitors declined by 61% while spending by domestic travellers declined by 31% between 2019 and 2020. The major spend is on hotel accommodation which is the reason our hospitality industry has suffered.

The three countries providing the largest number of tourists to India in 2020 were from Bangladesh, USA and UK. The three countries most visited by Indian citizens were UAE, Saudi Arabia and USA. There is a huge drop in air travel as flights, both international and domestic are either not operating or operating below capacity.

**Developments in Goa and future outlook:**

As a total lockdown throughout India had come into effect from 25 March, 2020, our hotel in Goa like other hotels had to face an unprecedented crisis. Not only India but the entire world was severely impacted by this Covid19 virus which could easily be contracted by just being in close contact with another person. As of April 1, there were many foreign tourists in Goa who were stranded as they could not find flights to go back to their country. Those who could get to the airport and missed a flight could not find a taxi to bring them back.

On 4<sup>th</sup> April, Russia announced that they were stopping all repatriation flights to bring their citizens back. Similar steps were taken by other countries including India which stopped all international flights from March 23, 2020. Flights were arranged to bring back those Indian nationals who were stranded abroad. There was a total curfew ordered in Goa except for those going to a grocery store or for medical aid. The lockdown in India and in Goa continued to be extended from time to time. An order was released by the Central Government that all persons over 65 years and pregnant women must stay at home except for essential services and health reasons. On eruption of Covid19, most of the casual / temporary workers from other states resigned and left for their home town. Almost all of our senior/management employees voluntarily took salary cut during this Covid 19 period. Since there was no relief given to our industry by the local or Central Government, we had to take measures to rationalise our labour costs. As such the staff strength and payroll were reduced substantially, which enabled our Company to face this unprecedented crisis. We applied to the Goa Government to reduce the sanctioned load to reduce the minimum monthly charges for Electricity and introduced other cost saving measures.

During the period of closure, we guided the local Government on how to maintain social distancing of 6 feet at grocery stores and other essential services. Hotels in Goa were allowed to open gradually at a lower capacity to handle those who had to be quarantined on arrival in Goa. Since swimming pools in Goa were to remain closed, we requested the Government to allow them to reopen to attract some leisure business.



We requested the Central Government to gradually open the economy and also create demand for travel by giving some incentives by way of Income tax relief to those who travel within India. This was suggested by me to Mr. K. Subramaniam, ex-Chief Economic Advisor, Government of India at a Webinar arranged by USIBC. The Government has decided to create demand by giving incentives to those who buy durable consumer goods but not for travel within India.

As per a study conducted by a leading firm of hotel consultants, the occupancy of all hotels in India for the calendar year 2020 was 34.5%. For the same period, Goa was one of the top 3 destinations with an occupancy of 40.4%. The Average Daily Rate in India for the year was INR 4858 but Goa led the major markets with an average rate of INR 7243.

There is a huge potential for domestic tourism as the 26 million outbound travellers from India are not allowed to travel overseas to most countries. There is a good potential for resort hotels as both domestic and foreign tourists want to avoid crowded places to avoid catching Covid19. The number of domestic flights to Goa is slowly increasing. Many tourists from Mumbai, Bangalore and Pune are driving to Goa. Foreign tourist arrivals, which will help in increasing Exports, are dependent on when travel restrictions are removed by our Government and by the countries from which India receives a majority of its tourists.

The total revenues reached INR 281.78 million which is a decline of 60.4% as compared to the previous financial year. As a result, we suffered a loss before tax of INR 54.51 million.

**Strengths and Weaknesses:**

**Strengths:**

- Our strengths are that we operate only one hotel which is in Goa
- Resorts are in great demand – Goa has the highest occupancy of any city in India
- Our Resort is designed for Covid conditions - huge ocean cooled lobby with no doors, no elevators.
- Our private beach is easily accessible to all guests
- Guests have a view of the Ocean from majority of the rooms. Each room has a large balcony
- We have ample parking within the property for those who prefer to drive
- Our large swimming pool has a SwimUp bar
- The design of the resort is child friendly
- As we have almost 200 rooms, we can accommodate larger groups
- We are almost debt free
- The Working Directors have vast experience in operating and marketing hotels.

**Weaknesses:**

- We no longer have a tie-up with an international or local hotel chain
- A single property has limited referrals for business from other cities
- We cannot offer a loyalty programme
- Staff cannot be transferred to the hotel from other locations in busy periods

**Renovations and Changes due to Covid:**

Since we expected that more families and groups would travel together in the future and would pay more for privacy, we converted 6 of our garden rooms into 3 two-bedroom Villas by opening the connecting doors. We changed all the soft furnishings, the bathroom fittings, the TV's and placed upgraded outdoor chairs in their balconies and loungers in their private garden. These garden Villas are highly priced and much in demand.

The designer tiles used as flooring of the huge lobby and all day dining restaurant had faded and were brought back to their original form.

Since we wanted to protect our employees from Covid at the reception counter, we installed elegant glass shields. Provisions were made so that the photo and temperature was taken of all before they entered our lobby. We installed barriers and signages to maintain social distancing in all indoor public areas. We provided masks to all who did not carry a mask.

In order to reduce costs and to maintain safety of our employees, we closed the 62-room Ocean front wing for guests and housed our own employees there.

**Future Outlook:**

The occupancy and the rates we achieve will be substantially higher in the near future as people who have been forced to stay at home would wish to travel to Goa.

**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, 2021.

(₹ in millions)

Particulars	March 31,2021	March 31,2020
Income		
Sales & Other Operating Income	274.68	701.27
Other Income	7.09	10.28
Total Income	281.78	711.55
Expenditure		
Cost of material consumed	21.63	55.38
Employee Benefits expense	148.43	241.61
Power & Fuel	32.73	51.18
Depreciation	32.68	37.44
Repairs & Maintenance	20.71	32.18
Finance Costs	1.95	2.25
Other expenses	78.16	150.99
Total Expenditure	336.29	571.03
Profit Before Tax	(54.51)	140.52
Tax Expense	13.70	27.90
Net Profit After tax	(40.81)	112.62

The total income decreased by 60.40 % to ₹ 281.78 million from ₹ 711.55 million in the previous year due to impact on the business due to COVID-19 related cancellations and nationwide lockdown.

The average occupancy decreased from 80.0% to 66.3%.

The RevPAR (Revenue Per Available Room) decreased from ₹ 5,614 to ₹ 4,940.

The RevPOR (Revenue Per Occupied Room) decreased from ₹ 12,090 to ₹ 11,462.

**Expenditure:**

Cost of material consumed has gone down from ₹ 55.38 million to ₹ 21.63 million due to the closure of resort for around 6 months due to COVID-19.

The total expenditure was decreased by 41.11% from ₹ 571.03 million to ₹ 336.29 million in the previous year.

Payroll costs were decreased by 38.57% from ₹ 241.61 million to ₹ 148.43 million over the previous year.

Power and Fuel costs have decreased by 36.04 % from ₹ 51.18 Million to ₹ 32.73 Million due to lesser occupancy and closure of hotel in the month from April 2020 to September 2020 on account of COVID-19.

Finance costs decreased from ₹ 2.25 Million to ₹ 1.95 Million.

**Profit before Tax (PBT):**

The PBT has decreased from ₹ 140.52 million to loss of ₹ 54.51 million.



**Profit after Tax (PAT):**

The PAT has decreased from ₹ 112.62 million to loss of ₹ 40.81 million.

**Liabilities:**

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

**Financial Ratios:**

Particulars	March 31,2021	March 31,2020
EBITDA / Total Income (percent)	-7.2%	25.3
Profit after Tax / Total Income (percent)	-14.9%	15.8
Long Term Debt to Shareholders Funds (ratio)	0.00	0.01
Return on Equity (After Tax) (percent)	9.4%	23.8
Earnings Per Share (in ₹)	0.88	2.44

**Internal Control System and Adequacy:**

Adequate internal control systems exist in terms of financial reporting, efficiency of operations and compliances with various rules, regulations etc, covering all operational departments and SOP's are being strengthened to ensure greater efficiency.

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

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

**Human Resources:**

The Company tries to retain and promote deserving employees. Accordingly, systems are formulated to monitor the performance, guest satisfaction of the employee recognition. The Company has initiated various welfare initiatives for the staff, which includes assistance in form of short term loans in case of emergency, improvement in back of the house areas and improved employee safety and security relating in particular to the female workforce. The industrial relations have been cordial during the year. The Company continues to have a structured learning and development program to carry out the "Training need analysis" and to provide inputs for the development of the team. The number of total employees is 183. Our hotel receives very favorable comments from guests relating to Staff Service and attitude.

**Cautionary Statement:**

Comments made in this analysis describing the Company's performance, estimates may be "forward looking statements" within the meaning of applicable securities law. We have used assumptions over which the Company has no control. The Company does not guarantee that the results will occur. Significant factors that can affect the Company's operations include domestic and international economic conditions, when a reliable COVID-19 vaccine is freely available in India and major source markets, supply and demand of rooms, the travel patterns of domestic and foreign tourists, law and order problems in India and terrorist activities abroad, change in tax and other Government regulations, etc.

For and on behalf of the Board of Directors

Sunder G Advani

Chairman & Managing Director

Place: Mumbai

Date: June 26, 2021

**CORPORATE GOVERNANCE**

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2021.

**1. Company's philosophy on Corporate Governance:**

The Company subscribes fully to the basic principles of good corporate governance, the objective of which is to increase productivity and competitiveness, thus maximize shareholder value. The Company believes in values of transparency, professionalism, accountability and is also committed to continually evolving and adopting appropriate Corporate Governance best practices.

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

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

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

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

**2. Board of Directors:**

- (i) As on March 31, 2021, the Board comprises, three Non-Independent Executives, two Non-Independent Non-Executives and Six 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 Companies Act, 2013 ("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) During the year Mrs. Ragini Chopra was appointed as an Independent Director in the category of Non executive Independent Woman Director on August 30, 2020.
- (iii) None of the Directors on the Board holds directorships in more than ten public companies. Further none of them is a member of more than ten committees or Chairman of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2021 have been made by the Directors. Mr. Sunder G. Advani is the elder brother of Mr. Haresh G. Advani and father of Mr. Prahlad S. Advani. Mrs. Menaka S. Advani is wife of Mr. Sunder G. Advani and mother of Mr. Prahlad S. Advani. Mrs. Nina H. Advani is wife of Mr. Haresh G. Advani.
- (iv) Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.
- (v) As required by Regulation 25(1) of the SEBI Listing Regulations, Independent Directors are not serving as Independent Directors in more than seven listed companies and none of the Whole Time Directors of the Company serve as an Independent Director in any other listed company.



(vi) The names and categories of the Directors on the Board, their attendance at Board Meetings, AGM held during the year and the number of outside Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2021 are given herein below.

Name of Director	Category	No. of Board Meetings attended	Attendance at the last AGM held on December 22, 2020	No. of Outside Directorships #	No. of Committee Chairmanships / Memberships \$	
					Chairmanship	Membership
Mr. Sunder G. Advani, Chairman & Managing Director	Non-Independent Executive	05	Present	None	None	None
Mr. Haresh G. Advani, Executive Director	Non-Independent Executive	05	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	7
Mrs. Menaka S. Advani	Non-Independent Non-Executive	05	Present	None	None	None
Mr. Vinod Dhall	Independent Non-Executive	05	Present	3	1	1
Adm. Sureesh Mehta (Retired)	Independent Non-Executive	05	Present	None	None	None
Mr. Adhiraj Harish	Independent Non-Executive	05	Present	2	None	3
Mrs. Nina H. Advani	Non-Independent Non-Executive	04	Present	None	None	None
Dr. S. D. Israni	Independent Non-Executive	05	Present	2	None	2
Mrs Ragini Chopra*	Independent Non-Executive	03	Present	1	None	None

# 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.

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

(vii) During the financial year 2020-21, 5 (Five) Board Meetings were held on May 14, 2020, June 30, 2020, September 14, 2020, November 10, 2020, and February 11, 2021. The gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings.

(viii) During the year 2020-21, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

(ix) The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

(x) During the year, one meeting of the Independent Directors was held on March 24, 2021. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

(xi) The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.

(xii) The details of the familiarization programme of the Independent Directors are available on the website of the Company (<http://www.caravelabeachresortgoa.com/investor-relations>)

### 3. Shares held by Non-Executive Directors:

Sr. No	Non-Executive Directors	No. of Shares held as on March 31, 2021
1	Mr. Prakash V. Mehta	Nil
2	Mr. Vinod Dhall	Nil
3	Adm. Sureesh Mehta (Retired)	Nil
4	Mr. Adhiraj Harish	Nil
5	Dr. S D Israni	Nil
6	Mrs. Menaka S Advani	13,10,880
7	Mrs Nina H Advani	21,36,350
8	Mrs Ragini Chopra	Nil

### 4. Selection criteria of Board Members:

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

### 5. Familiarization Program of Independent Directors:

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

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

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



## 6. Prevention of Insider Trading

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

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

## 7. Board Training and Induction:

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

## 8. Committees of the Board:

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

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

### A. Audit Committee:

(i) The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the SEBI Listing Regulations read with Section 177 of the Act.

#### (ii) The role of the Audit Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
3. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report
  - (b) Changes, if any, in accounting policies and practices and reasons for the same
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management

(d) Significant adjustments made in the financial statements arising out of audit findings

(e) Compliance with listing and other legal requirements relating to financial statements

(f) Disclosure of any related party transactions

(g) Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Review and monitor the auditor's independence and performance and effectiveness of audit process.

8. Approval or any subsequent modification of transactions of the Company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Examination of the financial statement and the Auditors' report thereon;

11. Valuation of undertakings or assets of the Company, wherever it is necessary;

12. Evaluation of internal financial controls and risk management systems;

13. Establish a vigil mechanism / Whistle Blower mechanism for Directors and employees to report genuine concerns in such manner as may be prescribed;

14. The Audit Committee may call for the comments of the Auditors about internal control systems, the scope of audit, including the observations of the Auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the Internal and Statutory Auditors and the management of the Company;

15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### (iii) Review of information by Audit Committee

The Audit Committee mandatorily reviews the following information:

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



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

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

(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 June 30, 2020, September 14, 2020, November 10, 2020, February 11, 2021 and March 12, 2021. The necessary quorum was present for all the meetings.

(vi) The last Annual General Meeting (AGM) was held on December 22, 2020 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:

- 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;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of Board of Directors;
- 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.
- 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.
- Recommend to the Board, all remuneration, in whatever from, payable to senior management.

(iii) During the financial year 2020-21 under review three meetings of the Committee were held on June 30, 2020, September 14, 2020 and February 11, 2021. The composition of the Nomination and Remuneration Committee and particulars of meetings attended by the Members of the Remuneration Committee are as under.

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

(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 2020-21 was ₹ 35.80 Lakhs. The Non- Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company.

#### 2. Remuneration to Executive Directors

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

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

#### 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:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
  - Review of measures taken for effective exercise of voting rights by shareholders.
  - Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
  - Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
  - Approval of share transfers, transmissions, issue of duplicate share certificates etc
- (iii) During the year under review, all requests/queries received from shareholders were resolved. As on March 31, 2021 there were no pending complaints.

(iv) During the year under review 4 meetings of the Stakeholders Relationship Committee were held on December 31, 2020, January 15, 2021, January 29, 2021 and March 8, 2021.

(v) The composition of the Committee comprises of the following two Non-Executive Directors, two Executive Directors and one independent Director:



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

(vi) Name designation and address of Compliance Officer

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

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

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

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

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

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

During the financial year under review no meeting of the CSR Committee was held.

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

#### 9. Board performance evaluation:

The performance evaluation of the Board, its Committees and individual Directors was conducted and the same was based on a 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 March 24, 2021, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman.

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

#### Performance evaluation of Directors:

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

#### Performance evaluation of Board and Committees:

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

#### 10. Performance evaluation of Independent Directors:

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

#### 11. Subsidiary Companies:

The Company does not have any subsidiary company.

#### 12. Related Party Transactions:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI Listing Regulations during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section



188 of the Act. There were no materially significant transactions with related parties during the financial year which were in conflict with the interests of the Company. Suitable disclosures as required by the Ind AS 24 "Related Party Disclosures" have been made in the note no. 39 to the Financial Statements.

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

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

Particulars	No. of Shareholders	No. of Equity Shares
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on April 1, 2020	58	37,625
Shareholders who approached the company for transfer of shares from suspense account during the year	0	0
Shareholders to whom shares were transferred from suspense account during the year	0	0
Shareholders whose shares are transferred to the demat Account of the IEPF Authority as per Section 124 of the Act	14	8,250
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on March 31, 2021	44	29,375

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

### 14. General Body Meetings and Postal Ballot:

#### (i) Annual General Meetings

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

Financial year	Day, Date and Time	Venue	Special Resolutions
2019-2020	33rd AGM held on Tuesday, December 22, 2020 at 10.30 AM	Video conferencing	Reappointment of Dr. S. D. Israni Independent Director for second term of 5 years
2018-2019	32nd AGM held on Monday, September 17, 2019 at 3.30 PM	'Rangaswar', 4th Floor, Chavan Centre, Gen. Jagannath Bhosale Marg, Nariman Point, Mumbai – 400021	Reappointment of following Independent Directors for second term of 5 years (1) Mr. Prakash V. Mehta (2) Mr. Vinod Dhall (3) Adm. Sureesh Mehta (4) Mr. Adhiraj Harish
2017-2018	31st AGM held on Monday, August 9, 2018 at 3.30 PM	'Rangaswar', 4th Floor, Chavan Centre, Gen. Jagannath Bhosale Marg, Nariman Point, Mumbai – 400021	No Special Resolutions passed

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

No Extra-Ordinary General Meeting of the members was held during FY 2020 -2021.

#### (iii) Postal Ballot

No event of postal ballot was held during FY 2020-2021 but the Board of Directors at their meeting held on 12th May, 2021 approved one postal ballot notice to obtain the consent from the Shareholders by way of Special Resolutions through postal ballot/e-voting for: -

Resolution (1): Approval for continuation of Directorship of Mrs. Menaka S. Advani as a non-executive non-independent director, liable to retire by rotation,

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

After due scrutiny of all the remote e-voting received up to the close of the working hours on 21st June 2021 (being the last date fixed for remote e-voting) the Scrutinizer submitted his final report on 21st June 2021. The date of declaration of the results of postal ballot / e-voting i.e. 21st June, 2021 has been taken as the date of passing of the Resolutions.

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

Sr. No.	Particulars	Resolution No.1
A	Total Number of remote e-voting by shareholders	2,94,99,782
B	Votes in favour of the Resolution	2,94,96,957
C	Votes against the Resolution	2825
D	Number of invalid Postal Ballot Forms received	Nil

The votes cast assenting to all the above mentioned Special Resolutions are 99.99 % of the total votes polled and consequently the Resolutions as mentioned in the Notice of Postal Ballot dated May 12, 2021 were passed by the shareholders by overwhelming majority.

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

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

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

16. J.M.T & Associates, Chartered Accountants (Firm Registration No. 104167W) have been appointed as Statutory Auditors of the Company as approved by the shareholders of the company in the 33rd Annual General Meeting held on December 22, 2020. The particulars of payment to Statutory Auditors during the financial year 2020 - 2021 are as given below:

Particulars	Amount (₹.)
Statutory Audit Fees	5,00,000
For Limited Review	50,000
Reimbursement of out of pocket expenses	16,326
Total	5,66,326



**17. Disclosures:****a. Strictures and Penalties:**

The National Stock Exchange of India (NSE) has brought to the notice to the Company for non-appointment of the Woman Independent Director and the NSE has dropped the action on request of the Company due to prevailing conditions owing to COVID-19 as the Company has appointed the same with effect from 30<sup>th</sup> August, 2020.

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

**b. Compliance with Accounting Standards:**

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards (IND AS) notified under Section 133 of the Act read with the Companies (Accounts) Rules, 2014. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

**c. Reconciliation of Share Capital Audit**

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

**d. CEO & MD Certification**

Mr. Sunder G. Advani, Chairman & Managing Director 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, 2021. The chief financial officer Mr. Sachin Jain resigned during the year. The Company will appoint a new CFO in due course of time.

**18. 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.

**19. 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.

**20. Means of Communication:**

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

**21. General Shareholder Information:****34<sup>th</sup> Annual General Meeting**

Day & Date : Tuesday, November 30, 2021  
 Time : 2.30 p.m.

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

**22. Tentative Calendar for financial year ending March 31, 2022:**

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending March 31, 2022 are as follows:

First Quarter Results	Second week of August 2021
Second Quarter and half yearly Results	Second week of November 2021
Third Quarter Results	Second week of February 2022
Fourth Quarter and Annual Results	Last week of May 2022

**23. Date of Book Closure/Record Date:**

November 21, 2021 to November 30, 2021 (both days inclusive)

**24. Listing on Stock Exchange:**

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

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

The Listing Fees for the financial year 2021-22 has been paid to National Stock Exchange of India Ltd, and the BSE Ltd.

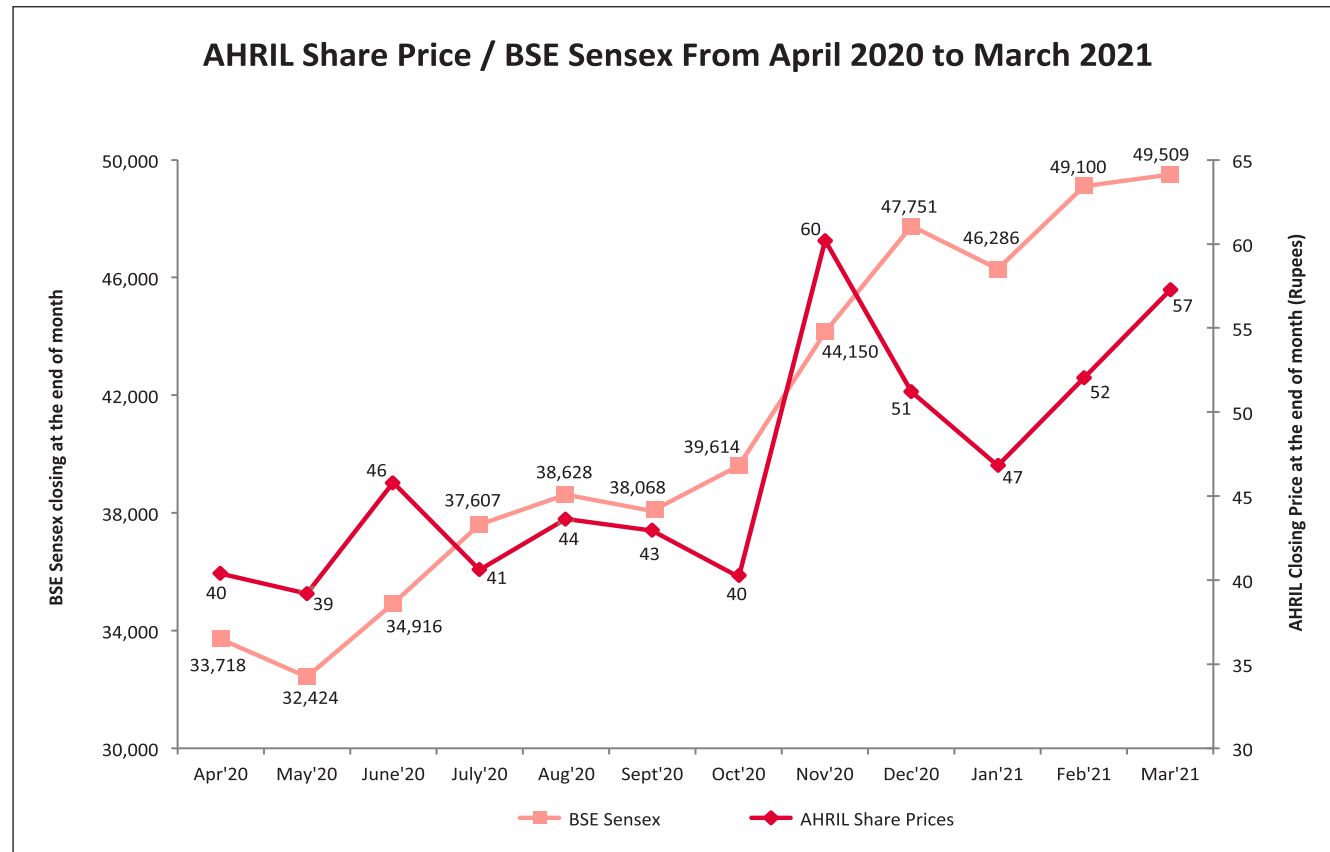
**25. Corporate Identity Number (CIN) of the Company: L99999MH1987PLC042891****26. Market Price Data:**

The high and low Market Price of the Company's shares traded on the BSE Limited and National Stock Exchange, during each month in the financial year 2020 - 2021 are given below:

BSE				NSE			
Month	High	Low	Close	Month	High	Low	Close
April'20	45.50	28.60	40.40	April'20	44.75	29.50	40.10
May'20	40.90	36.00	39.20	May'20	41.80	36.10	39.35
June'20	58.75	40.25	45.80	June'20	58.70	40.00	45.50
July'20	48.65	38.40	40.60	July'20	49.90	39.00	40.40
August'20	49.70	38.50	43.65	August'20	49.75	39.20	43.80
Sept'20	48.90	38.30	42.95	Sept'20	49.90	38.25	42.95
October'20	44.50	39.10	40.20	October'20	45.45	37.95	40.45
Novem'20	62.65	39.00	60.20	Novem'20	63.80	38.10	59.90
Decem'20	60.90	47.60	51.20	Decem'20	59.95	48.10	51.40
January'21	52.80	44.30	46.80	January'21	52.50	44.50	46.20
Feb'21	55.95	45.15	52.05	Feb'21	55.60	45.05	52.05
March'21	69.55	50.00	57.25	March'21	70.00	50.30	56.85



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



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

Datamatics Business Solutions Limited  
 [Unit: Advani Hotels & Resorts (India) Limited]  
 Plot No. B-5, Part B, Cross Lane,  
 MIDC Marol, Andheri (East), Mumbai-400 093  
 Telephone No.: (022) 6671 2237, Fax No.: (022) 6671 2230  
 Contact Person: Mr. Anand Bhilare / Mr. Rajendra Jadhav

**29. Share Transfer System**

Out of the total Equity Share Capital, 98.29% is held in dematerialized form as on March 31, 2021. Transfers of these shares are done through the depositories with no involvement of the Company. The Stake Holders Relationship 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.

**30. Distribution of Shareholding as on March 31, 2021:**

Range (No. of Shares)	No. of Shareholders	% to Total	No. of Shares	% To Total
1 to 500	5335	80.67	966,990	2.09
501 to 1000	689	10.42	591,785	1.33
1001 to 2000	263	3.98	441,773	0.90
2001 to 3000	126	1.91	339,070	0.70
3001 to 4000	32	0.48	184,130	0.25
4001 to 5000	50	0.76	253,034	0.53
5001 to 10000	55	0.83	535,349	0.95
10001 & above	63	0.95	42,958,566	93.25
<b>Total</b>	<b>6613</b>	<b>100.00</b>	<b>46,219,250</b>	<b>100.00</b>

**31. Category of Shareholding as on March 31, 2021:**

Category	No. of Shares	% to Total
Promoters & Promoter Group	23,190,102	50.17
Mutual Funds	47,000	0.10
Bank / FIs / Insurance Companies	2,500	0.01
Foreign Institutional Investors	0	0.00
Bodies Corporate	15,825,271	34.24
General Public	6,341,536	13.72
NRIs / Foreign Bodies	267,439	0.58
Unclaimed Suspense A/c	29,375	0.06
IEPF Authority	516,027	1.12
<b>Total</b>	<b>46,219,250</b>	<b>100.00</b>

**32. Demat of shares and liquidity:**

The Company's shares are compulsorily traded in the dematerialized form on BSE & NSE under the ISIN INE199C01026. Out of the total Equity Share Capital, 98.29% is held in dematerialized form as on March 31, 2021.

The Company has not issued any GD₹ / AD₹ / Warrants or any convertible instruments in the past and hence as on March 31, 2021, the Company does not have any outstanding GD₹ / AD₹ / Warrants or any convertible instruments.

**33. Location of Hotel:**

**Caravela Beach Resort**

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

Telephone No: (0832) 6695000

**34. 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 Act are requested to submit to the Company in the prescribed Form 2B for this purpose.

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

Pursuant to Section 124(6) of the Act and other applicable provisions, if any, of the Act, all unclaimed / unpaid dividend, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, in relation to the Company, have been transferred to the IEPF established by the Central Government. In respect of the transfers made after coming into effect of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shareholders will be entitled to claim the dividend transferred from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.

Members who have not yet en-cashed their dividend warrant(s) pertaining to the interim dividend for the financial year 2013-14 and onwards are requested to make their claims without any delay to M/s Datamatics Business Solutions Limited.

The following are the details of the unclaimed dividends as on March 31, 2021 and respective due dates for claim by the Shareholders:

Financial Year	Date of Declaration of Dividend	Last Date for claim
2013 – 14 (Interim)	19-05-2014	23-06-2021
2014 --15 (Interim)	10-02-2015	17-03-2022
2014 --15 (Final)	16-09-2015	21-10-2022
2015 -- 16 (Interim)	10-02-2016	18-03-2023
2016-17 (1 <sup>st</sup> Interim)	28-07-2016	02-09-2023
2016-17 (2 <sup>nd</sup> Interim)	27-01-2017	03-03-2024
2017-18 (1 <sup>st</sup> Interim)	30-11-2017	04-01-2025
2017-18 (Final)	09-08-2018	13-09-2025
2018-19 (1 <sup>st</sup> Interim)	14-02-2019	21-03-2026
2018-19 (2 <sup>nd</sup> Interim)	10-05-2019	14-06-2026
2019-20 (1 <sup>st</sup> Interim)	17-09-2019	22-10-2026
2019-20 (2 <sup>nd</sup> Interim)	11-02-2020	18-03-2027

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

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

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

During the year under review, the company has transferred 29,100 Equity shares (including 8,250 Equity Shares referred to in Note 13 above) after completing all formalities to the Demat Account of the Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred.



To,  
 The Board of Directors

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

We, the undersigned, in our capacities as Chairman and Managing Director and General Manager (Corporate Finance) 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, 2021 and based on our knowledge and belief, we state that:
- these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
  - 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:
- significant changes, if any, in the internal control over financial reporting during the year;
  - significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Mumbai  
 Date: June 26, 2021

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

**AJAY VICHARE**  
 General Manager - Corporate Finance

## CODE OF CONDUCT:

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

For and on behalf of the Board of Directors

Place: Mumbai  
 Date: June 26, 2021

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

## INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, (AS AMENDED)

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

- The Corporate Governance Report prepared by **Advani Hotels & Resorts (India) Limited** ("the Company"), contains details as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2021. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

### Management's Responsibility

- The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
- The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

- Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulations.
- We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
- The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
- The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### Opinion

- Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 1 above.

### Other Matters and Restriction on use

- This report 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.
- This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**For JMT & Associates**  
 Chartered Accountants  
 (Registration No. 104167W)

Amar Bafna  
 Partner

Membership No. 048639  
 UDIN: 21048639AAAAFP6215

Mumbai: 26<sup>th</sup> June 2021

## ANNEXURE 1 TO THE CORPORATE GOVERNANCE REPORT

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**Advani Hotels and Resorts (India) Limited**  
18A & 18B, Jolly Maker Chambers – II,  
Nariman Point, Mumbai – 400021

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Advani Hotels and Resorts (India) Limited having CIN:- L99999MH1987PLC042891 and having registered office at 18A & 18B, Jolly Maker Chambers – II, Nariman Point, Mumbai – 400021 (Hereinafter referred to as “the Company”), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2021 have been disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs.

Sr. No.	Name of the Director	DIN	Date of Appointment at current Designation	Original Date of Appointment
1.	Mr. Sunder Gurdas Advani	00001365	13/03/1987	13/03/1987
2.	Mr. Haresh Gurdasmal Advani	00001358	13/03/1987	13/03/1987
3.	Mr. Prakash Vasantlal Mehta	00001366	30/06/1989	30/06/1989
4.	Mrs. Menaka Sunder Advani	00001375	30/09/1989	30/09/1989
5.	Mrs. Nina Haresh Advani	00017274	24/09/2014	01/08/2014
6.	Dr. Shivkumar Dhalumal Israni	00125532	26/09/2016	01/10/2015
7.	Mr. Vinod Kumar Dhall	02591373	24/09/2014	24/09/2014
8.	Mr. Adhiraj Anil Harish	03380459	22/12/2014	10/11/2014
9.	Mr. Prahlad Advani	06943762	01/08/2014	01/08/2014
10.	Mr. Sureesh Chander Mehta	06992229	22/12/2014	24/09/2014
11.	Ms. Ragini Chopra	07654254	30/08/2020	22/12/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 20<sup>th</sup> April, 2021

Place: Mumbai

UDIN: A001157C000134488

Note:

- The National Stock Exchange of India Limited (“NSE”) has brought to the notice to the Company for non-appointment of the Woman Independent Director and the NSE has dropped the action on request of the Company due to prevailing conditions owing to COVID-19 as the Company has appointed the same with effect from 30<sup>th</sup> August, 2020.
- Due to prevailing conditions owing to the COVID-19, I am unable to verify the partial information physically, therefore I rely on the information provided by the Company in electronic mode.

## INDEPENDENT AUDITORS’ REPORT

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

## Report on the Audit of the Financial Statements

## Opinion

We have audited the financial statements of **Advani Hotels & Resorts (India) Limited** (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2021, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

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

## Key Audit Matters

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

S.No.	Key Audit Matter	Response to Key Audit Matter
1	Refer Note 32 of the financial statements.  The Company has significant tax and other litigations against it. There is a high level of judgement required in estimating the level of provisioning required and appropriateness of disclosure of those litigations as contingent liabilities.	For legal, regulatory and tax matters our procedures included examining external legal opinions obtained by management, meeting and discussions with the management and examining relevant correspondence; discussing litigations with the Company’s legal and tax consultants assessing management’s conclusions through understanding precedents set in similar cases.  We also involved our internal tax specialists to gain an understanding and to determine the level of exposure for direct and indirect tax litigations of the Company.  Considering the above, we examined the level of provisions recorded and assessed the adequacy of disclosures in financial statements.



### Emphasis of Matter

We draw attention to:

- (a) Note 35 to the financial statements, regarding the management's impairment assessment of property, plant and equipment, right-of-use assets, intangible assets, investments, trade receivables, inventories and other current assets appearing in the financial statements of the Company as at 31 March 2021 being considered unimpaired/recoverable based on its internal and external sources of information and estimates, and its judgments on implication expected to arise from COVID-19 pandemic. This being an unprecedented event which is difficult to estimate, the actual implications could vary. The economic/social consequences of this event are impacting the very operation of the hotel and consumer demand.
- (b) Note 27.3 to the financial results, regarding remuneration of ₹ 9,92,123/- and ₹ 6,59,200/- paid to the Chairman & Managing Director and Executive Director of the Company respectively for the month of March 2021 which is approved by the Nomination and Remuneration Committee and is subject to approval of the members of the Company in the ensuing Annual General Meeting of the Company.

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

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial

statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

We also:

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter

should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act except that remuneration of ₹ 9.92 lakhs and ₹ 6.59 lakhs paid to the Chairman & Managing Director and Executive Director of the Company respectively for the month of March 2021 which is approved by the Nomination and Remuneration Committee in its meeting held on 11<sup>th</sup> February 2021 and is subject to the approval of the shareholders of the Company in the ensuing annual general meeting of the Company. Reference is invited to Note 27.3 to the financial statements. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act, which are required to be commented upon by us.

3. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32(f) to the financial statements.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For JMT & Associates**  
Chartered Accountants  
(Firm Registration No. 104167W)

Amar Bafna  
**Partner**  
Membership No. 048639  
UDIN: 21048639AAAAFO6993

Mumbai: 26<sup>th</sup> June 2021

### ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

**The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our report of even date to the members of ADVANI HOTELS & RESORTS (INDIA) LIMITED for the year ended 31<sup>st</sup> March 2021. We report that:**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) Some of the fixed assets were physically verified after the close of the financial year by the management in accordance with a phased programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. No material discrepancies between the books records and physical inventory have been noticed.
  - (c) According to the records of the Company examined by us and the information and explanations given to us the title deeds of immovable properties are held in the name of the company.
- 2 In our opinion, physical verification of inventories has been conducted by the management at reasonable intervals. The discrepancies noticed on such verification by the management have been properly dealt with in the books of account.
- 3 The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register maintained under section 189 of the Act, hence clause 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable to the Company.
- 4 In respect of investment made by the Company in acquisition of units of certain mutual funds, it has complied with the provisions of Section 186 of the Act. The Company has not given any loans or issued any guarantee or provided any security covered under section 185 and 186 of the Act during the year.
- 5 The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and the rules framed there under. We are informed that the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court has not passed any Order.
- 6 The maintenance of cost records has not been prescribed for any of the products of the of the Company under sub-section (1) of section 148 of the Act.
- 7 (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employees' state insurance, income-tax, customs duty, value added tax, goods and service tax, cess and other material statutory dues applicable to it though there have been slight delays in few cases mainly due to Covid-19. According to the information and explanations given to us, there are no arrears of undisputed amounts payable in respect of above statutory dues which were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no cases of non-deposit with appropriate authorities of disputed dues of income-tax, customs duty, goods and service tax, value added tax or cess except the following:

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Tax on regular assessment under Section 143 (1)(a)	22.52	AY 2017-18	Commissioner (Appeals)
Income-tax Act, 1961	Tax on regular assessment under Section 143 (1)(a)	60.31	AY 2018-19	Commissioner (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 loans or borrowings dues to banks. The Company has not taken any loan from any financial institution or from government and by way of issue of debentures.
9. In our opinion on an overall basis and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
10. During the course of our examination of the books of account and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have come across an instance of fraud on the Company committed by an employee Mr. Sachin Jain, the Ex-Chief Financial Officer (ex-CFO) during the year involving an amount of ₹ 12.40 lakhs by indulging in certain financial irregularities of not recording certain receipts, allowing unauthorized discounts to customers, unauthorized purchase of fixed asset for personal use, manipulation of payroll records, etc. The Company has initiated appropriate action against the ex-CFO and a sum of ₹ 3.61 lakhs has been recovered till 31<sup>st</sup> March 2021 and further sum of ₹ 3.30 lakhs after the close of the financial year. Except the above, we have not neither come across any other 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 remuneration of ₹ 9,92,123/- and ₹ 6,59,200/- paid to the Chairman & Managing Director and Executive Director of the Company respectively for the month of March 2021 is approved by the Nomination and Remuneration Committee in its meeting held on 11<sup>th</sup> February 2021 and is subject to the approval of the shareholders of the Company in the ensuing annual general meeting of the Company. Refer Note 27.3 to the financial statements.
12. The Company is not a Nidhi Company hence our comments as required under clause 3 (xii) of the Order are not given.
13. In our opinion and according to the records of the Company examined by us and the information and explanations given to us, the transactions entered into by the Company during the year with related parties are in compliance with the provisions of Section 177 and 188 of the Act, where applicable and the details thereof have been disclosed in the Financial Statements, etc. as required by the accounting standards.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3 (xiv) of the Order is not applicable to the Company.
15. According to the records of the Company examined by us and the information and explanations given to us, the Company has not entered into any non-cash transactions referred to in section 192 of the Act with directors of the Company or persons connected with them during the year.
16. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For JMT & Associates**  
 Chartered Accountants  
 (Firm Registration No. 104167W)

Amar Bafna  
**Partner**  
 Membership No. 048639

UDIN: 21048639AAAAFO6993

Mumbai: 26<sup>th</sup> June 2021

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

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

The Annexure referred to in paragraph 2 (f) under “Report on Other Legal and Regulatory Requirements” in our report of even date to the members of **ADVANI HOTELS & RESORTS (INDIA) LIMITED** for the year ended 31<sup>st</sup> March 2021. We report that:

We have audited the internal financial controls over financial statements of **Advani Hotels & Resorts (India) Limited** (“the Company”) as of 31<sup>st</sup> March 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

#### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

#### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls were operating effectively as at 31<sup>st</sup> March, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For JMT & Associates**  
Chartered Accountants  
(Registration No. 104167W)

Amar Bafna  
**Partner**  
Membership No. 048639

UDIN: 21048639AAAAFO6993

Mumbai: 26<sup>th</sup> June 2021

**BALANCE SHEET AS AT MARCH 31, 2021**

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>I</b>	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	3	438,290,113	461,028,600
	(b) Right of Use Assets	4	3,592,628	7,899,998
	(c) Investment Property	5	1,941,030	1,941,030
	(d) Other Intangible assets	6	327,344	628,844
	(e) Financial Assets			
	(i) Loans	7	1,005,000	2,381,450
	(ii) Other Financial Assets	8	9,522,064	8,898,387
	(f) Other tax assets (net)	9	-	98,780
	(g) Other non-current assets	10	2,737,630	2,949,178
	<b>Total non-current assets</b>		<b>457,415,809</b>	<b>485,826,267</b>
2	<b>Current assets</b>			
	(a) Inventories	11	12,742,346	16,651,095
	(b) Financial Assets			
	(i) Investments	12	120,368,446	112,249,492
	(ii) Trade receivables	13	3,810,445	26,020,914
	(iii) Cash and cash equivalents	14	20,128,468	15,397,306
	(iv) Bank balances other than (iii) above	15	7,431,567	6,849,433
	(v) Loans	7	2,156,677	1,297,921
	(vi) Other financial assets	8	11,200	11,200
	(c) Other current assets	10	19,033,257	11,738,747
	(d) Other tax assets (net)	10	822,763	454,951
	<b>Total current assets</b>		<b>186,505,169</b>	<b>190,671,059</b>
	<b>Total Assets</b>		<b>643,920,978</b>	<b>676,497,326</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
1	<b>EQUITY</b>			
	(a) Equity Share capital	16	92,438,500	92,438,500
	(b) Other equity	17	340,037,161	380,546,430
	<b>Equity attributable to the owners of the Company</b>		<b>432,475,661</b>	<b>472,984,930</b>
2	<b>LIABILITIES</b>			
2a	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	18	2,138,372	3,319,567
	(ii) Lease Liabilities	19	1,517,888	4,697,966
	(b) Provisions	21	6,386,220	6,624,706
	(c) Deferred tax liabilities (Net)	9	41,849,671	55,526,434
	<b>Total non-current liabilities</b>		<b>51,892,151</b>	<b>70,168,673</b>
2b	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	18	2,832,000	-
	(ii) Trade payables			
	Dues to Micro, Small and Medium Enterprises creditors	22	2,849,436	2,056,371
	Due to creditors other than above creditors	22	31,659,856	32,514,341
	(iii) Lease Liabilities	19	3,107,022	4,651,920
	(iv) Other financial liabilities	20	58,214,316	45,884,748
	(b) Other current liabilities	23	59,202,791	46,025,085
	(c) Provisions	21	1,687,745	2,119,995
	(d) Current tax liabilities (Net)	9	-	91,263
	<b>Total current liabilities</b>		<b>159,553,166</b>	<b>133,343,723</b>
	<b>Total Equity and Liabilities</b>		<b>643,920,978</b>	<b>676,497,326</b>
<b>III</b>	<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		
<b>IV</b>	<b>The notes are an integral part of these financial statements</b>	2 to 42		

As per our report of even date  
**For M/s. JMT & Associates**  
Chartered Accountants  
(Firm Registration No. 104167W)

**Amar Bafna**  
Partner  
(Membership No. 048639)  
Mumbai, June 26, 2021

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

**Nilesh Jain**  
Company Secretary

For and on behalf of the Board of Directors

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



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(₹)

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
<b>I Revenue from Operations</b>	<b>24</b>	274,683,012	701,265,454
<b>II Other Income</b>	<b>25</b>	7,092,851	10,286,227
<b>III Total Income (I + II)</b>		<b>281,775,863</b>	<b>711,551,681</b>
<b>IV Expenses</b>			
(a) Food and beverages consumed	<b>26</b>	21,629,678	55,383,143
(b) Employee benefits expense	<b>27</b>	148,430,554	241,611,840
(c) Finance costs	<b>28</b>	1,950,210	2,253,673
(d) Depreciation and amortization expense	<b>29</b>	32,676,542	37,442,648
(e) Other expenses	<b>30</b>	131,600,153	234,342,972
<b>Total expenses (IV)</b>		<b>336,287,137</b>	<b>571,034,276</b>
<b>V Profit / (Loss) before exceptional items and tax (III-IV)</b>		<b>(54,511,274)</b>	<b>140,517,405</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit / (Loss) before tax</b>		<b>(54,511,274)</b>	<b>140,517,405</b>
<b>VIII Tax expense</b>	<b>9</b>		
(a) Current tax		-	36,400,000
(b) Current tax - earlier years (net)		78,495	(300,000)
(c) Deferred tax (credit) / charge		(13,777,300)	(8,198,899)
<b>Total tax expenses</b>		<b>(13,698,805)</b>	<b>27,901,101</b>
<b>IX Profit / (Loss) after tax (VII - VIII)</b>		<b>(40,812,469)</b>	<b>112,616,304</b>
<b>X Other Comprehensive Income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(a) Remeasurements of the defined benefit plans : Actuarial gain/(loss)		403,737	235,048
(b) Income-tax effect on it		(100,537)	(60,232)
<b>Other Comprehensive Income for the year (X)</b>		<b>303,200</b>	<b>174,816</b>
<b>XI Total Comprehensive Income for the year (IX + X)</b>		<b>(40,509,269)</b>	<b>112,791,120</b>
<b>XII Earnings per equity share of ₹ 2/- each</b>			
Basic / Diluted	<b>31</b>	(0.88)	2.44
<b>XIII SIGNIFICANT ACCOUNTING POLICIES</b>	<b>1</b>		
<b>XIV The notes are an integral part of these financial statements</b>	<b>2 to 42</b>		

As per our report of even date  
**For M/s. JMT & Associates**  
 Chartered Accountants  
 (Firm Registration No. 104167W)

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

Mumbai, June 26, 2021  
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**Sunder G. Advani**  
 Chairman & Managing Director  
 (DIN 00001365)

**Nilesh Jain**  
 Company Secretary

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

For and on behalf of the Board of Directors

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(₹)

Particulars	Reserves and Surplus					Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
<b>A Equity share capital</b>						
Balance at the beginning of the reporting year						As at March 31, 2021
Changes in Equity Share Capital during the year						As at March 31, 2020
Balance at the end of the reporting year						
<b>B Other equity</b>						
Balance as at April 1, 2019	82,355,283	10,000,000	47,089,900	40,000,000	272,999,410	452,444,593
<b>Add:</b>						
Addition during the year	-	-	-	9,500,000	-	9,500,000
Adjustment - Lease (Ind-As-116) on initial adoption	-	-	-	-	(814,161)	(814,161)
Profit for the year					112,616,304	112,616,304
Other comprehensive income for the year (net of tax)					174,816	174,816
Total Comprehensive Income for the year					111,976,959	111,976,959
	82,355,283	10,000,000	47,089,900	49,500,000	384,976,369	573,921,552
<b>Less:</b>						
Second Interim Dividend - FY 2018-19					(64,706,950)	(64,706,950)
Dividend Distribution Tax on the above					(13,300,659)	(13,300,659)
First Interim Dividend - FY 2019-20					(36,975,400)	(36,975,400)
Dividend Distribution Tax on the above					(7,600,385)	(7,600,385)
Second Interim Dividend - FY 2019-20					(50,841,175)	(50,841,175)
Dividend Distribution Tax on the above					(10,450,553)	(10,450,553)
Transfer to General Reserve					(9,500,000)	(9,500,000)
	-	-	-	-	(193,375,122)	(193,375,122)
Balance as at March 31, 2020	82,355,283	10,000,000	47,089,900	49,500,000	191,601,247	380,546,430
<b>Add:</b>						
Profit / (Loss) for the year					(40,812,469)	(40,812,469)
Other comprehensive income for the year (net of tax)					303,200	303,200
Total Comprehensive Income for the year					(40,509,269)	(40,509,269)
	82,355,283	10,000,000	47,089,900	49,500,000	151,091,978	340,037,161
Balance as at March 31, 2021	82,355,283	10,000,000	47,089,900	49,500,000	151,091,978	340,037,161
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	Note 1					
The notes are an integral part of these financial statements	Note 2 to 42					

As per our report of even date  
**For M/s. JMT & Associates**  
 Chartered Accountants  
 (Firm Registration No. 104167W)

**Amar Bafna**  
 Partner  
 (Membership No. 048639)  
 Mumbai, June 26, 2021

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

**Nilesh Jain**  
 Company Secretary

For and on behalf of the Board of Directors

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

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>I Cash flows from operating activities</b>		
<b>Profit / (Loss) for the year (before tax)</b>	<b>(54,511,274)</b>	<b>140,517,405</b>
Adjustments for:		
Depreciation and amortization	32,676,542	37,442,648
(Profit) / Loss on sale of assets (net)	36,994	(106,659)
Provision for doubtful debts / (written back) net	671,900	(43,195)
Provision for employee benefits	(266,999)	408,497
Interest income	(820,308)	(720,801)
Interest income due to fair valuation of security deposits	(126,484)	(133,336)
Dividend income	(128,782)	(4,335,374)
Gain on Mutual Fund investments	(862,465)	(715,661)
Fair Value of Mutual Fund Investments under Ind AS	(1,775,472)	(1,636,181)
Gain on termination of Ind AS 116 Lease / waiver of lease rent	(465,285)	-
Finance costs recognized in profit and loss	1,950,210	2,253,673
Notional rent expense on Fair value of Security deposit	117,111	125,332
Operating profit before working capital changes	<b>(23,504,312)</b>	<b>173,056,348</b>
<b>Movements in working capital:</b>		
(Increase) / Decrease in trade receivables	21,538,569	8,181,778
(Increase) / Decrease in inventories	3,908,748	(2,787,552)
(Increase) / Decrease in other assets	(7,737,217)	(1,132,077)
Increase / (Decrease) in trade payables and other liabilities	24,931,683	905,569
<b>Cash generated from operations</b>	<b>19,137,471</b>	<b>178,224,066</b>
Less: Income taxes paid (net of refunds)	(438,788)	(39,123,471)
<b>Net cash generated from operating activities (A)</b>	<b>18,698,683</b>	<b>139,100,595</b>
<b>II. Cash flows from investing activities</b>		
(Purchase) / (reinvestment) of current investments	(130,114,383)	(366,006,271)
Proceeds on sale / maturity of current investments	124,633,366	446,760,282
Interest received	820,308	720,801
Dividend received	128,782	4,335,374
Payments for property, plant and equipment and intangible assets	(6,928,271)	(11,266,494)
Proceeds from disposal of property, plant and equipment	-	490,727
<b>Net cash generated / (used in) from investing activities (B)</b>	<b>(11,460,198)</b>	<b>75,034,419</b>
<b>III. Cash flows from financing activities</b>		
Proceeds from borrowings:		
Short Term	2,924,178	-
Repayment of borrowings:		
Long Term	(1,181,195)	(1,089,016)
Short Term	-	(11,418,834)
Payment of lease liabilities	(3,403,692)	(4,275,680)
Dividends including unclaimed dividend paid (including tax)	421,992	(182,819,927)
Interest paid	(1,268,606)	(1,128,624)
<b>Net cash used in financing activities (C)</b>	<b>(2,507,323)</b>	<b>(200,732,081)</b>
<b>IV. Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>4,731,162</b>	<b>13,402,933</b>
V. Cash and cash equivalents at the beginning of the year	15,397,306	1,994,373
<b>VI. Cash and cash equivalents at the end of the year</b>	<b>20,128,468</b>	<b>15,397,306</b>
<b>Notes:</b>		

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021 - CONTD.....  
DETAILS OF CASH AND CASH EQUIVALENT

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balances with banks		
In Current Accounts	19,714,697	14,327,897
Cash on hand	413,771	1,069,409
<b>Total</b>	<b>20,128,468</b>	<b>15,397,306</b>
<b>VII. SIGNIFICANT ACCOUNTING POLICIES</b>	<b>1</b>	
<b>VIII. The notes are an integral part of these financial statements</b>	<b>2 to 42</b>	

As per our report of even date  
**For M/s. JMT & Associates**  
 Chartered Accountants  
 (Firm Registration No. 104167W)

For and on behalf of the Board of Directors

**Amar Bafna**  
 Partner  
 (Membership No. 048639)  
 Mumbai, June 26, 2021

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

**Nilesh Jain**  
 Company Secretary

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



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

### Company Overview and Significant Accounting Policies

#### 1.1 Company overview

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

The financial statements were approved by the Board of Directors and authorized for issue on June 26, 2021

#### 1.2. Basis of preparation of financial statements

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

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

#### 1.3 Functional & Presentation Currency

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

#### 1.4 Use of estimates

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

#### 1.5 Significant Accounting Policies

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

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

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

Depreciation on fixed assets is calculated on a straight-line basis using the rates based on the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013. Where the historical cost of a depreciable asset undergoes a change due to increase or decrease on account of price adjustments, changes in duties or similar factors, depreciation on the revised amount is provided prospectively over the residual useful life of the asset.

##### b. Investment Property

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

and accumulated impairment losses, if any.

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

#### c. Inventories

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

#### d. Financial Instruments

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

#### Financial Assets

##### Initial recognition and measurement

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

##### Subsequent measurement

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

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

##### Financial Asset at amortized cost

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

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss.

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

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

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

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

##### Financial Asset at Fair Value Through Profit or Loss (FVTPL)

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

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

### Equity Instruments

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

### De-recognition of Financial asset

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

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

### Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost, e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial assets that are debt instruments and are measured as at FVTOCI.
- c) Lease receivables under Ind AS 116.
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables')
- e) Loan commitments which are not measured as at FVTPL
- f) Financial guarantee contracts which are not measured as at FVTPL

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

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

### Financial Liabilities

#### Initial recognition and measurement

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

### Subsequent Measurement

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

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

#### Financial Liabilities at amortized cost

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

#### e. Dividend

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

#### f. Cash and Cash Equivalents

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

#### g. Provisions, Contingent liabilities

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

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

A contingent liability is disclosed in case of;

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

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

#### h. Revenue recognition

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

Income from operations from revenue from Rooms, Food and Beverage & Banquets is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

Contract balances

### a) Contract assets

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

### b) Contract liabilities

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

### i. Other Income

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

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

### j. Borrowing Costs

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

### k. Income taxes

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

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

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

### l. Earnings per share

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

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

### m. Leases

On inception of a contract, the Company assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognised in the Company's statement of financial position as a right-of-use asset and a lease liability.

The right-of-use asset recognised at lease commencement includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated over the shorter of the asset's estimated useful life and the lease term. Right-of-use assets are also adjusted for any re-measurement of lease liabilities and are subject to impairment testing. Residual value is reassessed annually. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is reasonably certain that it will not exercise the option. Minimum lease payments include the cost of a purchase option if the Company is reasonably certain it will purchase the underlying asset after the lease term. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate.

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs.

Short-term Leases and Leases of Low-Value Assets The Company has opted not to apply the lease accounting model to intangible assets, leases of low-value assets or leases which have a lease term of 12 months or less and don't contain purchase option. Costs associated with such leases are recognised as an expense on a straight-line basis over the lease term.

Lease payments are presented as follows in the Company's statement of cash flows:

- Short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;
- Payments for the interest element of recognized lease liabilities are included in 'interest paid' within cash flows from financing activities; and
- Payments for the principal element of recognized lease liabilities are presented within cash flows from financing activities.

In the current year, the Company has applied the amendments to Ind AS 116 that are effective for an annual period that begins on or after April 1, 2020. Under these amendments, the Company has recognized gain of ₹ 4.65 lakhs in respect of Covid-19 related rent concessions given, which is shown in Other Income in Note 25.

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

## n. Fair Value Measurement

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

## o. Employee benefits

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

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

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

## p. Foreign Currencies

Transactions and balances

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

Exchange differences arising on settlement of long term monetary items recognized in the financial statements for the period ending immediately before the beginning of the first Ind AS financial period, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the assets and depreciated over the balance useful life of the asset, and in other cases Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

## 1. Recent accounting pronouncements: Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 3. PROPERTY, PLANT AND EQUIPMENT

(₹)

Particulars	Gross Carrying Value				Depreciation / Amortisation				Net Carrying Value
	As at April 1, 2020	Additions	Deductions / Adjustments	As at March 31, 2021	As at April 1, 2020	For the year	Deductions / Adjustments	As at March 31, 2021	As at March 31, 2021
Land - Freehold (including landscaping)	25,567,196	-	-	25,567,196	-	-	-	-	25,567,196
Buildings	375,524,365	30,070	-	375,554,435	47,374,988	11,780,916	-	59,155,904	316,398,531
Plant and Equipment	111,946,491	6,390,195	479,712	117,856,974	37,752,648	9,962,018	418,229	47,296,437	70,560,537
Furniture and Fixtures	46,861,497	106,300	-	46,967,797	27,210,921	4,437,577	-	31,648,498	15,319,299
Office Equipment and Computers	8,602,367	332,498	-	8,934,865	6,230,849	951,104	-	7,181,953	1,752,912
Vehicles	26,939,510	21,708	-	26,961,218	15,843,420	2,426,160	-	18,269,580	8,691,638
<b>Total</b>	<b>595,441,426</b>	<b>6,880,771</b>	<b>479,712</b>	<b>601,842,485</b>	<b>134,412,826</b>	<b>29,557,775</b>	<b>418,229</b>	<b>163,552,372</b>	<b>438,290,113</b>
<b>March 31, 2020</b>									
Particulars	Gross Carrying Value				Depreciation / Amortisation				Net Carrying Value
	As at April 1, 2019	Additions	Deductions / Adjustments	As at March 31, 2020	As at April 1, 2019	For the year	Deductions / Adjustments	As at March 31, 2020	As at March 31, 2020
Land - Freehold (including landscaping)	25,567,196	-	-	25,567,196	-	-	-	-	25,567,196
Buildings	374,848,414	675,951	-	375,524,365	35,497,527	11,877,461	-	47,374,988	328,149,377
Plant and Equipment	110,446,379	3,423,482	1,923,370	111,946,491	29,159,628	10,313,407	1,720,387	37,752,648	74,193,843
Furniture and Fixtures	43,974,088	2,887,409	-	46,861,497	21,506,560	5,704,361	-	27,210,921	19,650,576
Office Equipment and Computers	7,521,292	1,081,075	-	8,602,367	4,669,333	1,561,516	-	6,230,849	2,371,518
Vehicles	27,400,807	3,053,577	3,514,874	26,939,510	15,143,872	4,033,339	3,333,791	15,843,420	11,096,090
<b>Total</b>	<b>589,758,176</b>	<b>11,121,494</b>	<b>5,438,244</b>	<b>595,441,426</b>	<b>105,976,920</b>	<b>33,490,084</b>	<b>5,054,178</b>	<b>134,412,826</b>	<b>461,028,600</b>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021  
4. RIGHT OF USE ASSETS

March 31, 2021	Gross Carrying Value			Depreciation / Amortisation			Net Carrying Value As at March 31, 2021	
	As at April 1, 2020	Additions	Deductions / Adjustments	As at March 31, 2021	As at April 1, 2020	For the year		Deductions / Adjustments
Leasehold Land	1,333,111	-	-	1,333,111	67,359	13,456	80,815	1,252,296
Office Premises	15,564,218	-	2,769,450	12,794,768	8,929,972	2,756,311	10,454,436	2,340,332
<b>Total</b>	<b>16,897,329</b>	<b>-</b>	<b>2,769,450</b>	<b>14,127,879</b>	<b>8,997,331</b>	<b>2,769,767</b>	<b>10,535,251</b>	<b>3,592,628</b>
<b>March 31, 2020</b>								
Particulars	Gross Carrying Value			Depreciation / Amortisation			Net Carrying Value As at March 31, 2020	
	As at April 1, 2019	Additions	Deductions / Adjustments	As at March 31, 2020	As at April 1, 2019	For the year (Note ii)		Deductions / Adjustments
Leasehold Land	-	1,333,111	-	1,333,111	-	67,359	67,359	1,265,752
Office Premises	-	15,564,218	-	15,564,218	-	8,929,972	8,929,972	6,634,246
<b>Total</b>	<b>-</b>	<b>16,897,329</b>	<b>-</b>	<b>16,897,329</b>	<b>-</b>	<b>8,997,331</b>	<b>8,997,331</b>	<b>7,899,998</b>

Notes :

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

4.2 The Company has implemented Ind AS 116 related to lease assets w.e.f. April 1, 2019. The depreciation on the leased assets has been provided retrospectively. Depreciation of ₹ 89,97,331/- includes ₹ 53,865/- and ₹ 54,91,594/- for Leasehold Land and Office Premises respectively for earlier years which was adjusted in retained earnings in the previous year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

4. RIGHT OF USE ASSETS CONTD...

4.3 Amounts recognised in the Statements of Profit and Loss :

The following amounts were recognised as expenses and (income)

Particulars	As at March 31, 2021	As at March 31, 2020
Depreciation of Right-of use Assets (ROU)	2,769,767	3,451,867
Interest on lease liabilities	681,604	1,125,049
Gain on termination of Ind AS 116 Lease / waiver of lease rent [(Refer Note 1.5)(m)]	(465,285)	-
Expenses relating to short term leases	1,298,688	3,825,999
<b>Total</b>	<b>4,284,774</b>	<b>8,402,915</b>

4.4 Amounts recognised in the Cash Flow Statement:

Particulars	As at March 31, 2021	As at March 31, 2020
Repayment of lease liabilities	3,403,692	4,275,680

4.5 Maturity analysis of lease liabilities - contractual undiscounted cash flows

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	3,407,210	3,797,280
One to five years	465,060	3,745,310
More than five years	46,611,370	46,721,770
<b>Total</b>	<b>50,483,640</b>	<b>54,264,360</b>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

5. INVESTMENT PROPERTY

Particulars	As at March 31, 2021	As at March 31, 2020
Opening gross carrying amount / Deemed cost	1,941,030	1,941,030
Additions	-	-
Disposals	-	-
Closing gross carrying amount	1,941,030	1,941,030
Accumulated depreciation		
Opening accumulated depreciation	-	-
Depreciation charge	-	-
Disposals	-	-
Closing accumulated depreciation	-	-
Net carrying amount	1,941,030	1,941,030
Fair value of investment property		
Fair value of investment property done by independent valuer	Not done	Not done
Fair value of investment property not done by an independent valuer - estimated by the Company	29,445,000	29,445,000

Amounts recognised in profit or loss for investment properties

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rental income	Nil	Nil
Direct operating expenses (including repairs and maintenance) from property that generated rental income	Nil	Nil
Profit from investment properties before depreciation	Nil	Nil
Depreciation	Nil	Nil
Profit from investment properties	Nil	Nil

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021  
6. OTHER INTANGIBLE ASSETS (ACQUIRED SEPARATELY)

March 31, 2021	Particulars	Gross Carrying Value			Depreciation / Amortisation			Net Carrying Value As at March 31, 2021
		As at April 1, 2020	Additions	Deductions / Adjustments	As at April 1, 2020	For the year	As at March 31, 2021	
	Computer Software	2,369,746	47,500	-	1,782,613	330,020	-	304,613
	Web-site Development	117,631	-	-	75,920	18,980	-	22,731
	<b>Total</b>	<b>2,487,377</b>	<b>47,500</b>	<b>-</b>	<b>1,858,533</b>	<b>349,000</b>	<b>-</b>	<b>327,344</b>
March 31, 2020	Particulars	Gross Carrying Value			Depreciation / Amortisation			Net Carrying Value As at March 31, 2020
		As at April 1, 2019	Additions	Deductions / Adjustments	As at April 1, 2019	For the year	As at March 31, 2020	
	Computer Software	2,224,746	145,000	-	1,300,901	481,712	-	587,133
	Web-site Development	117,631	-	-	56,940	18,980	-	41,711
	<b>Total</b>	<b>2,342,377</b>	<b>145,000</b>	<b>-</b>	<b>1,357,841</b>	<b>500,692</b>	<b>-</b>	<b>628,844</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 7. LOANS

(₹)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>7A Non-current</b>		
(Unsecured, considered good)		
Security Deposits	1,005,000	2,381,450
<b>Non-current total</b>	<b>1,005,000</b>	<b>2,381,450</b>
<b>7B Current</b>		
(Unsecured, considered good)		
Security Deposits	1,678,397	797,740
Amounts due from employees	478,280	500,181
<b>Current total</b>	<b>2,156,677</b>	<b>1,297,921</b>
<b>Total</b>	<b>3,161,677</b>	<b>3,679,371</b>

## 8. OTHER FINANCIAL ASSETS

(₹)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>8A Non-current</b>		
(Unsecured, considered good)		
Bank Balance in Fixed Deposit Account with maturity more than 12 months	9,497,064	8,898,387
[Includes i. Fixed Deposit Receipt of ₹ 5,626,358/- (Previous Year ₹ 5,264,347/-) pledged with a bank as a collateral security for cash credit facility availed by the Company (Refer Note 18.1) and ii. Margin Deposit Receipts of ₹ 3,870,706/- (Previous Year ₹ 3,634,042/-) as a security for various bank guarantees issued by a Bank]		
Amount paid for equity shares of a Co-Op. Bank pursuant to a loan agreement (pending allotment) (Refer Note 18.1)	25,000	-
<b>Non-current total</b>	<b>9,522,064</b>	<b>8,898,387</b>
<b>8B Current</b>		
(Unsecured, considered good)		
Other assets	11,200	11,200
<b>Current total</b>	<b>11,200</b>	<b>11,200</b>
<b>Total</b>	<b>9,533,264</b>	<b>8,909,587</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 9. INCOME TAX

(₹)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
a) Major Components of Income Tax Expense consist of the following:		
(i) Income tax recognised in statement of profit and loss		
Current tax in respect of current year (*)	-	36,400,000
Current tax adjustments in respect of previous years	78,495	(300,000)
Deferred tax in respect of current year (*)	(13,777,300)	(8,198,899)
<b>Income tax expense recognised in Statement of Profit and Loss</b>	<b>(13,698,805)</b>	<b>27,901,101</b>
(*) The Company has elected to exercise the option for lower rate of income tax of 22% prescribed under Sections 115BAA of the Income Tax Act, 1961 from the financial year 2019-20.		
(ii) Income tax recognised in Other Comprehensive Income		
Deferred tax on remeasurements of defined benefit plans	(100,537)	(60,232)
<b>Income tax expense recognised in Other Comprehensive Income</b>	<b>(100,537)</b>	<b>(60,232)</b>

(₹)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
b) Reconciliation of tax expense and accounting profit for the year is as follows:		
1) Profit / (Loss) for the year before tax	(54,511,274)	140,517,405
2) Income tax expense (*)	(13,627,819)	36,008,428
3) Tax effect of income exempted from tax (Dividend)	-	(1,110,966)
4) Tax effect of fair value of gain not taxable	(563,999)	(419,281)
5) Tax effect on non - deductible expense	1,175,572	529,870
6) Effect on deferred tax balances due to change in current tax rate	-	(7,571,788)
7) Others	(761,054)	560,985
8) Interest on delayed payment of tax	-	203,853
<b>Total</b>	<b>(13,777,300)</b>	<b>28,201,101</b>
9) Adjustment in respect of previous year	78,495	(300,000)
<b>Tax expense as per Statement of Profit and Loss</b>	<b>(13,698,805)</b>	<b>27,901,101</b>

(₹)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
1) Profit / (Loss) for the year before tax	(54,511,274)	140,517,405
2) Income tax expense (*)	(13,627,819)	36,008,428
3) Tax effect of income exempted from tax (Dividend)	-	(1,110,966)
4) Tax effect of fair value of gain not taxable	(563,999)	(419,281)
5) Tax effect on non - deductible expense	1,175,572	529,870
6) Effect on deferred tax balances due to change in current tax rate	-	(7,571,788)
7) Others	(761,054)	560,985
8) Interest on delayed payment of tax	-	203,853
<b>Total</b>	<b>(13,777,300)</b>	<b>28,201,101</b>
9) Adjustment in respect of previous year	78,495	(300,000)
<b>Tax expense as per Statement of Profit and Loss</b>	<b>(13,698,805)</b>	<b>27,901,101</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 9. INCOME TAX CONTD...

c) Tax assets				(₹)
Particulars		As at March 31, 2021	As at March 31, 2020	
Non Current tax assets (net)		-	98,780	
Current tax assets (net)		822,763	454,951	
<b>Total</b>		<b>822,763</b>	<b>553,731</b>	

d) Tax liabilities				(₹)
Particulars		As at March 31, 2021	As at March 31, 2020	
Current tax liabilities (net)		-	91,263	
<b>Total</b>		<b>-</b>	<b>91,263</b>	

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

As at March 31, 2021					(₹)
Particulars	Balance sheet As at April 1, 2020	Profit & Loss 2020-21	OCI 2020-21 (#)	Balance sheet as at March 31, 2021	
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961	5,80,05,494	(17,16,835)	-	5,62,88,659	
Fair Valuation Gain	-	4,46,851	-	4,46,851	
Adjustment for Lease Expenses under Ind AS 116	(3,34,486)	1,11,076	-	(2,23,410)	
Provision for doubtful debts	-	(1,69,104)	-	(1,69,104)	
Unabsorbed Depreciation / Business Loss (Refer Note (iii) below)	-	(1,18,67,655)	-	(1,18,67,655)	
Provision for expenses allowed for tax purpose on payment basis	(21,44,574)	(5,81,633)	1,00,537	(26,25,670)	
<b>Net Deferred tax liabilities</b>	<b>5,55,26,434</b>	<b>(1,37,77,300)</b>	<b>1,00,537</b>	<b>4,18,49,671</b>	

As at March 31, 2020					(₹)
Particulars	Balance sheet As at April 1, 2019	Profit & Loss 2019-20	OCI 2019-20 (#)	Balance sheet as at March 31, 2020	
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961	6,67,40,180	(87,34,686)	-	5,80,05,494	
Adjustment for Lease Expenses under Ind AS 116	-	(3,34,486)	-	(3,34,486)	
Provision for expenses allowed for tax purpose on payment basis	(27,40,593)	5,35,787	60,232	(21,44,574)	
<b>Net Deferred tax liabilities</b>	<b>6,39,99,587</b>	<b>(85,33,385)</b>	<b>60,232</b>	<b>5,55,26,434</b>	

(#) OCI - Other Comprehensive Income.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 9. INCOME TAX CONTD...

Notes to Deferred Tax:			
i) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.			
ii) Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.			
iii) During the current the Company has recognised Deferred tax assets on unabsorbed business losses and unabsorbed Depreciation as it is confident that it will be able to generate sufficient taxable profits (post recovery from Covid 19 pandemic) against which these unabsorbed business losses and depreciation can be utilised.			
f) Unrecognised deferred tax liability			None (Previous year - None)
g) Unrecognised deferred tax assets			None (Previous year - None)



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 10. OTHER ASSETS

(₹)			
	Particulars	As at March 31, 2021	As at March 31, 2020
<b>10A</b>	<b>Non-current</b>		
	Capital advances	673,019	2,231,410
	Prepaid expenses	1,474,555	127,712
	Deposits with Government authorities and others (pending appeals)	590,056	590,056
	<b>Non-current total</b>	<b>2,737,630</b>	<b>2,949,178</b>
<b>10B</b>	<b>Current</b>		
	Advances to Suppliers	5,143,975	4,644,949
	Prepaid expenses	4,109,799	1,974,039
	Others including GST Input credit (Refer Note 41)	9,779,483	5,119,759
	<b>Current total</b>	<b>19,033,257</b>	<b>11,738,747</b>
	<b>Total</b>	<b>21,770,887</b>	<b>14,687,925</b>

## 11. INVENTORIES

(₹)			
	Particulars	As at March 31, 2021	As at March 31, 2020
	<b>Inventories</b>		
	<b>(Valued at lower of cost and net realizable value)</b>		
i)	Food and Beverages	3,481,806	5,035,603
ii)	Stores and Operating Supplies	9,260,540	11,615,492
	<b>Total</b>	<b>12,742,346</b>	<b>16,651,095</b>

## 12. INVESTMENTS

(₹)			
	Particulars	As at March 31, 2021	As at March 31, 2020
	<b>Current</b>		
	Other Investments (unquoted)		
	Investments carried at fair value through profit or loss		
	Investments in Mutual Funds		
i)	HDFC Liquid Fund-Direct Plan-Daily Dividend Reinvest Plan	-	20,016,783
	Units held Nil (Previous year: 19,627.761)		
	(NAV as at March 31, 2021 ₹ Nil (Previous Year ₹1,019.82))		
ii)	HDFC Liquid Fund-Direct Plan-Growth Option	38,225,804	92,232,709
	Units held 9,448.918 (Previous year: 23,609.3911)		
	(NAV as at March 31, 2021 ₹ 4,045.5218 (Previous Year ₹ 3,906.61))		
iii)	SBI Liquid Fund-Direct Plan-Growth Option	82,142,642	-
	Units held 25,497.315 (Previous year: Nil)		
	(NAV as at March 31, 2021 ₹ 3,221.6193 (Previous Year ₹ Nil))		
	<b>Total</b>	<b>120,368,446</b>	<b>112,249,492</b>

**Note:** The Company had made an investment of ₹ Nil (Previous Year ₹ 25,00,000/-) in Nil units (Previous Year 2500 units) of Baroda Money Market Fund - Regular Plan Growth as current investment during the year, which was fully redeemed during the year itself.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 13. TRADE RECEIVABLES

(₹)			
	Particulars	As at March 31, 2021	As at March 31, 2020
	<b>Unsecured</b>		
	Considered good	3,810,445	26,020,914
	Considered doubtful	671,900	-
		<b>4,482,345</b>	<b>26,020,914</b>
	Less: Allowance for doubtful debts (expected credit loss allowance)	671,900	-
	<b>Total</b>	<b>3,810,445</b>	<b>26,020,914</b>

## 13.1 The movement in Allowance for bad and doubtful debts is as follows: (₹)

	Particulars	As at March 31, 2021	As at March 31, 2020
	Balance as at the beginning of the year	-	43,195
	Allowance for bad and doubtful debts during the year/ (written back)	671,900	(43,195)
	Balance as at the end of the year	671,900	-

## 14. CASH AND BANK BALANCES

(₹)			
	Particulars	As at March 31, 2021	As at March 31, 2020
	<b>Cash and cash equivalents</b>		
	Cash on hand (including collection on hand)	413,771	1,069,409
	Balances with Banks		
	In current accounts	19,714,697	14,327,897
	<b>Total</b>	<b>20,128,468</b>	<b>15,397,306</b>

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

(₹)			
	Particulars	As at March 31, 2021	As at March 31, 2020
	Term deposits with maturity exceeding 3 months but less than 12 months *	3,032,927	2,872,785
	Unpaid dividend Accounts	4,398,640	3,976,648
	<b>Total</b>	<b>7,431,567</b>	<b>6,849,433</b>

\* Refer Note 8A for bank balance in Fixed Deposit Accounts with maturity more than 12 months.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

16. SHARE CAPITAL

Particulars	As at March 31, 2021		As at March 31, 2020	
	Numbers	Amount	Numbers	Amount
<b>A Authorised</b>				
<b>Equity share capital</b>				
Equity shares of ₹ 2/- each	99,750,000	199,500,000	99,750,000	199,500,000
<b>Preference share capital</b>				
Preference shares of ₹ 10/- each	5,050,000	50,500,000	5,050,000	50,500,000
<b>Total</b>		<b>250,000,000</b>		<b>250,000,000</b>
<b>B Issued, subscribed and fully paid up</b>				
<b>Equity share capital</b>				
Equity shares of ₹ 2/- each	46,219,250	92,438,500	46,219,250	92,438,500
<b>Total</b>		<b>92,438,500</b>		<b>92,438,500</b>

(₹)

NOTES:

16.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:

Particulars	As at March 31, 2021		As at March 31, 2020		
	No. of shares	Rupees	No. of shares	Rupees	
<b>Equity shares:</b>					
At the beginning of the period	46,219,250	92,438,500	46,219,250	92,438,500	
Add: Bonus issue of shares	-	-	-	-	
Less: Shares extinguished on buyback	-	-	-	-	
At the end of the period	46,219,250	92,438,500	46,219,250	92,438,500	
<b>Shares bought back</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
(during 5 financial years immediately preceding March 31, 2021)					
<b>Equity Shares bought back</b>	-	-	-	-	-

(₹)

16.2 Rights and terms attached to equity shares

- (i) 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.
- (ii) 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.
- (iii) In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

16. SHARE CAPITAL CONTD...

16.3	Details of shareholders holding more than 5% shares in the Company	As at March 31, 2021		As at March 31, 2020	
		No. of shares	% holding in the class	No. of shares	% holding in the class
	<b>Name of the shareholders</b>				
	<b>Equity shares of ₹ 2/- each fully paid up</b>				
	Advani Sunder Gurdas	9,425,893	20.39%	9,425,893	20.39%
	Advani Haresh Gurdas	4,791,139	10.37%	4,790,139	10.36%
	Delta Corp Limited	15,610,232	33.77%	15,610,232	33.77%
16.4	The Company has not issued any security which is convertible into equity / preference shares.				
16.5	No shares of the Company have been reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.				

(₹)

17. OTHER EQUITY

Particulars	As at March 31, 2021	As at March 31, 2020
	<b>RESERVES AND SURPLUS:</b>	
<b>a) Capital Reserve:</b>		
Opening and Closing balance	82,355,283	82,355,283
<b>b) Securities Premium Account:</b>		
Opening and Closing balance	47,089,900	47,089,900
<b>c) Capital Redemption Reserve:</b>		
Opening and Closing balance	10,000,000	10,000,000
<b>d) General Reserve:</b>		
Opening balance	49,500,000	40,000,000
Add: Transfer from Surplus in Statement of Profit and Loss	-	9,500,000
	49,500,000	49,500,000
<b>e) Retained Earnings</b>		
Opening balance	191,601,247	272,999,410
Less: Adjustment - Lease (Ind-As-116) on initial adoption (net of tax)	-	(814,161)
Add: Profit / (Loss) for the year	(40,812,469)	112,616,304
Other Comprehensive Income for the year (net of tax)	303,200	174,816
<b>Less:</b>		
Second Interim Dividend for FY 2018-19 @ 70%	-	(64,706,950)
Tax on Second Interim Dividend for FY 2018-19	-	(13,300,659)
First Interim Dividend for FY 2019-20 @ 40%	-	(36,975,400)
Tax on first Interim Dividend for FY 2019-20	-	(7,600,385)
Second Interim Dividend for FY 2019-20 @ 55%	-	(50,841,175)
Tax on second Interim Dividend for FY 2019-20	-	(10,450,553)
Transfer to General Reserve	-	(9,500,000)
	151,091,978	191,601,247
<b>Total</b>	<b>340,037,161</b>	<b>380,546,430</b>

(₹)



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 18. FINANCIAL LIABILITIES

		(₹)	
	Particulars	As at March 31, 2021	As at March 31, 2020
<b>A</b>	<b>Non-Current Borrowings</b>		
	<b>Secured:</b>		
	<b>From Banks</b>		
	Term Loan (Refer Note 18.1)	-	-
	Vehicle loans [Refer Note 18.2 (i)]	2,133,567	3,222,583
	<b>Unsecured</b>		
	Other Loans	1,186,000	1,186,000
			-
	<b>Total Non-Current Borrowings</b>	3,319,567	4,408,583
	Less: Current maturities disclosed under the head "Other financial liabilities"		
	Vehicle loans [Refer Note 18.2 (i)]	1,181,195	1,089,016
		1,181,195	1,089,016
	<b>Non-Current Borrowings</b>	<b>2,138,372</b>	<b>3,319,567</b>
<b>B</b>	<b>Current Borrowings</b>		
	<b>Secured</b>		
	Cash credit from a bank [Refer Note 18.2 (ii)]	-	-
	<b>Unsecured</b>		
	From a KMP	2,832,000	-
			-
	<b>Total Current Borrowings</b>	<b>2,832,000</b>	<b>-</b>
<b>18.1</b>	i) The Saraswat Co-op. Bank Ltd. has sanctioned credit facilities comprising of term loan of ₹ 300.00 lakhs, overdraft facility of ₹ 15.00 lakhs and non-funded Bank Guarantee provided of ₹ 100.00 lakhs during the year which are secured by a mortgage charge by deposit of title deeds of Company's immovable property being Caravela Beach Resort Goa. The Company has not availed the above facilities during the year ended March 31, 2021		
	ii) <b>Particulars of terms of repayment of loans/ rate of interest</b>		
	A) Rate of Interest : PLR Less 5.75 bps, i.e. 8.25% p.a.		
	B) Repayment :		
	<b>Term Loan : Repayable in 7 years after the expiry of 2 years for moratorium period in monthly instalments as follows:</b>		
	First 24 months ₹. Nil, next 24 months ₹.2.50 lakhs, next 12 month ₹.5.00 lakh and last 24 month ₹.7.50 lakh p.m.		
	Overdraft : Repayable in 7 years or on demand with a moratorium of 2 years with reduction of ₹ 150.00 lakhs in each of the financial years. next financial year.		
<b>18.2</b>	<b>Nature of Securities: Other Loans:</b>		
	i) Vehicle loans are secured by hypothecation of respective vehicles.		
	ii) Working Capital facilities including Cash Credit limit from Axis Bank are secured by exclusive first hypothecation charge on the current assets, present and future and further secured by a collateral security by pledge of Fixed Deposit Receipt of ₹ 56.26 lakhs. (Limit ₹ 50.00 lakhs (Previous Year ₹ 50.00 lakhs) (Refer Note 8A)		

## 18.3 Particulars of Term Loans from Banks-Secured-Guaranteed:

		(₹)	
	Particulars	March 31, 2021	March 31, 2020
(i)	By Directors	-	-
(ii)	By Others	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 19. LEASE LIABILITIES

		(₹)	
	Particulars	As at March 31, 2021	As at March 31, 2020
<b>19A</b>	<b>Non-current</b>		
	Lease Liabilities (Refer Note 4)	1,517,888	4,697,966
	<b>Non-current total</b>	<b>1,517,888</b>	<b>4,697,966</b>
<b>19B</b>	<b>Current</b>		
	Lease Liabilities (Refer Note 4)	3,107,022	4,651,920
	<b>Current total</b>	<b>3,107,022</b>	<b>4,651,920</b>
	<b>Total</b>	<b>4,624,910</b>	<b>9,349,886</b>

## 20. OTHER FINANCIAL LIABILITIES

		₹	
	Particulars	As at March 31, 2021	As at March 31, 2020
	<b>Current</b>		
	Current maturities of long-term borrowings	1,181,195	1,089,016
	Employee payables	42,185,493	33,269,463
	Accrual for Expenses	86,487	57,329
	Others payables - capital creditors	1,281,620	617,684
	Unclaimed dividend (Refer Note 20.1)	4,398,640	3,976,648
	Others payables	9,080,881	6,874,608
	<b>Current total</b>	<b>58,214,316</b>	<b>45,884,748</b>
	<b>20.1</b> The Company has paid ₹ Nil (Previous Year ₹ 214,410/-) and ₹ Nil (Previous Year ₹ 238,244/-) to the Investor Education and Protection Fund (IE&PF) under Section 125 of the Companies Act, 2013 in respect of the unclaimed dividends for FY - 2011-12 and FY - 2012-13 respectively. There are no amounts due for payment to the IE&PF as at the year end.		

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 21. PROVISIONS

		(₹)	
	Particulars	As at March 31, 2021	As at March 31, 2020
<b>21A</b>	<b>Non-current</b>		
	Provision for employee benefits		
	Compensated absences	772,621	2,308,987
	Gratuity	5,563,599	4,265,719
	Gratuity Under State Act	50,000	50,000
	<b>Non-current total</b>	<b>6,386,220</b>	<b>6,624,706</b>
<b>21B</b>	<b>Current</b>		
	Provision for employee benefits		
	Compensated absences	213,995	687,990
	Gratuity	1,473,750	1,432,005
	<b>Current total</b>	<b>1,687,745</b>	<b>2,119,995</b>
	<b>Total</b>	<b>8,073,965</b>	<b>8,744,701</b>

## 22. TRADE PAYABLES

		(₹)	
	Particulars	As at March 31, 2021	As at March 31, 2020
	<b>Trade payables</b>		
	i) Due to Micro, Small and Medium Enterprises (Refer Note 22.1)	2,849,436	2,056,371
	ii) Due to other than Micro, Small and Medium Enterprises	31,659,856	32,514,341
	<b>Total</b>	<b>34,509,292</b>	<b>34,570,712</b>

## 22.1 Note: Dues to micro and small enterprises

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

		(₹)	
	Particulars	As at March 31, 2021	As at March 31, 2020
	i) Principal amount and interest due:		
	Principal amount	2,849,436	2,056,371
	Interest due	-	-
	ii) Interest paid by Buyer in terms of section 16 of MSMED Act	-	-
	iii) Amount paid beyond the appointed day	-	-
	iv) Interest due and payable to supplier, for payment already made under MSMED Act	-	-
	v) Amount of Interest accrued and remaining unpaid at the end of accounting year	-	-
	vi) Amount of further interest remaining due and payable even in succeeding years	-	-

## 23. OTHER LIABILITIES

		(₹)	
	Particulars	As at March 31, 2021	As at March 31, 2020
	<b>Current</b>		
	Advances from customers	48,484,261	37,050,131
	Statutory Dues	10,718,530	8,974,954
	<b>Current total</b>	<b>59,202,791</b>	<b>46,025,085</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 24. REVENUE FROM OPERATIONS

		(₹)	
	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	<b>Hotel Operations:</b>		
	<b>i) Sale of services and products</b>		
	Rooms, Restaurants, Bar, Banquets, etc.:		
	Room Sale	175,322,733	401,310,060
	Food Sale	78,069,893	207,071,729
	Wine, Liquor and Other beverages	10,925,791	41,888,040
		<b>264,318,417</b>	<b>650,269,829</b>
	<b>ii) Other operating revenue</b>		
	Guest sight seeing and transportation	3,696,111	22,105,335
	Health Club, SPA, Beauty Parlour and Swimming Pool	1,522,388	12,780,710
	Others	5,146,096	16,109,580
		<b>10,364,595</b>	<b>50,995,625</b>
	<b>Total</b>	<b>274,683,012</b>	<b>701,265,454</b>

24.1 The operations of the Company's hotel at Goa were temporarily closed effective from March 25, 2020 in view of nation-wide lockdown imposed by the Central and State Government due to COVID-19 pandemic attack and were restarted from October 1, 2020. Hence, the figures of the current year are not comparable with the figures of the previous year, which were for almost full year. Refer Note 35.

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

i) Revenue from contracts with customers is recognised by the Company, net of indirect taxes.

ii) The Company derived its revenue from the transfer of goods and services over time in its major service lines.

iii) Contract balances: Advance collection is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from customers towards hotel services. Revenue is recognised once performance obligation is met, i.e. on room stay, sale of food and beverages, provision of banquet & weddings and conference services. The particulars of contract balances outstanding are given in Note 23.

## 25. OTHER INCOME

		(₹)	
	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	i) Interest earned	820,308	720,801
	ii) Dividend on current investments in mutual fund (Prev. year - Tax free)	128,782	4,335,374
	iii) Gain on mutual funds investments	862,465	715,661
	iv) Fair value gain of mutual funds investments under Ind AS	1,775,472	1,636,181
	v) Gain on termination of Ind AS 116 Lease / waiver of lease rent	465,285	-
	vi) Other non-operating income:		
	(a) Excess provision and liabilities not payable, written back	1,912,481	2,155,255
	(b) Provision for doubtful debts no longer required, written back	-	43,195
	(c) Excess provision for employee benefits written back	971,224	307,224
	(d) Fair Valuation of security deposits	126,484	133,336
	(e) Other non-operating income (net of direct expenses)	30,350	132,541
	(f) Profit on Sale / disposal of Fixed Assets (Net)	-	106,659
	<b>Total</b>	<b>7,092,851</b>	<b>10,286,227</b>

## 26. FOOD AND BEVERAGES CONSUMED

		(₹)	
	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	Opening Stock	5,035,603	4,147,720
	Purchases	20,075,881	56,271,026
		<b>25,111,484</b>	<b>60,418,746</b>
	Less : Closing Stock	3,481,806	5,035,603
	<b>Total</b>	<b>21,629,678</b>	<b>55,383,143</b>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

27. EMPLOYEE BENEFITS EXPENSE

Particulars			Year ended March 31, 2021	Year ended March 31, 2020
	Salaries, wages and bonus (Refer Note 27.3)			133,271,498
Contribution to provident funds and other funds			4,618,898	7,838,223
Provision for employee benefits			1,743,362	1,728,965
Employees' welfare expenses			8,796,796	18,704,965
		<b>Total</b>	<b>148,430,554</b>	<b>241,611,840</b>
<b>27.1 Gratuity and other post employment benefit plans</b>				
The Company has classified various benefits provided to employees as under:				
<b>a) Defined Contribution Plans (DCP)</b>				
Particulars				(₹)
i) Provident Fund: Contribution to DCP recognized as expense for the year as under:				
Employer's contribution to Provident Fund			2,298,396	3,957,954
Employer's contribution to Employees Pension Scheme			2,048,052	3,372,142
Employer's contribution to National Pension Scheme			272,450	508,127
		<b>Total</b>	<b>4,618,898</b>	<b>7,838,223</b>
<b>b) Defined Benefit Plans: (DBP)</b>				
i) Contribution to Gratuity fund				
ii) Compensated absences Earned Leave				
In accordance with the Indian Accounting Standard 19 - Employee Benefits, actuarial valuation was done in respect of aforesaid defined benefit plans based on the following assumptions:				
<b>I. Assumptions</b>				(₹)
	<b>Gratuity (Funded)</b>		<b>Compensated absences - Earned Leave (Unfunded)</b>	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount rate	6.05%	6.25%	6.05%	6.25%
Salary growth rate for next 1 year	6.00%	0.00%	6.00%	0.00%
Salary growth rate after 1 year	6.00%	6.00%	6.00%	6.00%
Withdrawal rate	7.50%	7.50%	7.50%	7.50%
Sample rates per annum of Indian Assured Lives Mortality:				
Age 20 Years	0.09%	0.09%	0.09%	0.09%
Age 30 Years	0.10%	0.11%	0.10%	0.10%
Age 40 Years	0.17%	0.18%	0.17%	0.17%
Age 50 Years	0.44%	0.49%	0.44%	0.44%
Age 60 Years	1.12%	1.15%	1.12%	1.12%
Demographic assumptions:				
Retirement Age	58 years	58 years	58 years	58 years
Leave availment rate	NA	NA	1% p.a.	1% p.a.
Leave Encashment rate	NA	NA	0.00%	0.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

27. EMPLOYEE BENEFITS EXPENSE CONTD...

Particulars	IALM		IALM	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Mortality Rate: Published rate under Indian Assured Lives Mortality - Ultimate table (IALM)				
<b>II. Funded status of the plan:</b>				
	<b>Gratuity (Funded)</b>		<b>Compensated absences - Earned Leave (Unfunded)</b>	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Present value of funded / unfunded obligations	25,988,364	25,009,862	986,616	2,996,977
Less: Fair value of plan assets	18,951,015	19,312,138	-	-
Net Liability (Assets) as per Balance Sheet	7,037,349	5,697,724	986,616	2,996,977
(₹)				
<b>III. Statement of Profit and Loss for the current period:</b>				
	<b>Gratuity (Funded)</b>		<b>Compensated absences - Earned Leave (Unfunded)</b>	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Current Service Cost	1,432,005	1,489,777	663,226	900,009
Past service cost and loss/(gain) on curtailments and settlements	-	-	-	-
Net interest cost	311,357	239,188	177,311	289,014
Net value of remeasurement on the obligation and plan assets	-	-	(1,775,402)	(1,496,247)
Total included in 'Employee Benefit Expense'	1,743,362	1,728,965	(934,865)	(307,224)
(₹)				
<b>IV. Other comprehensive income</b>				
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Components of actuarial gain / losses on obligations:				
Due to change in financial assumptions	228,108	408,704	-	-
Due to change in demographic assumptions	-	(4,189)	-	-
Due to experience adjustments	(538,356)	(579,336)	-	-
Return on plan assets excluding amounts included in interest income	(93,489)	(60,227)	-	-
Amount recognized in Other Comprehensive Income	(403,737)	(235,048)	-	-
(₹)				
<b>V. Reconciliation of Defined Benefit Obligation:</b>				
	<b>Gratuity (Funded)</b>		<b>Compensated absences - Earned Leave (Unfunded)</b>	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Opening Defined Benefit Obligation	25,009,862	23,808,468	4,493,224	4,317,445
Current Service Cost	1,432,005	1,489,777	663,226	900,009
Interest cost	1,363,401	1,457,076	177,311	289,014
Components of actuarial gain / losses on obligations:				
Due to change in financial assumptions	228,108	408,704	-	-
Due to change in demographic assumptions	-	(4,189)	-	-
Due to experience adjustments	(538,356)	(579,336)	-	-
Past service cost	-	-	-	-
Benefits Paid	(1,506,656)	(1,570,638)	(1,075,496)	(1,013,244)
Closing Defined Benefit Obligation	25,988,364	25,009,862	4,258,265	4,493,224

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

27. EMPLOYEE BENEFITS EXPENSE CONTD...

**Note:** The closing Defined Benefit Obligations includes a) Gratuity of ₹ 4,61,244/- (Previous Year ₹ 14,73,463/-) and b) Leave Encashment Benefits of ₹ 44,222/- (Previous Year ₹ 3,67,993/-) in respect of employees resigned including after the close of the financial year.

		Gratuity (Funded)		Compensated absences - Earned Leave (Unfunded)	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(₹)					
<b>VI. Reconciliation of plan assets:</b>					
Opening value of plan of assets		19,312,138	19,604,661	-	-
Interest income		1,052,044	1,217,888	-	-
Return on plan assets excluding amounts included in interest income		93,489	60,227	-	-
Contribution by Employer		-	-	-	-
Benefits Paid		(1,506,656)	(1,570,638)	-	-
Closing value of plan assets		18,951,015	19,312,138	-	-
(₹)					
<b>VII. Reconciliation of net defined benefit liability:</b>					
Net Opening provision in books of accounts		5,697,724	4,203,807	2,996,977	4,317,445
Expenses as above		1,743,362	1,728,965	(934,865)	(307,224)
Amount recognized as Other Comprehensive Income		(403,737)	(235,048)	-	-
Benefits Paid		-	-	(1,075,496)	(1,013,244)
Employer's Contribution to plan assets		-	-	-	-
Closing Net Liability		7,037,349	5,697,724	986,616	2,996,977
(₹)					
<b>VIII. Composition of the Plan assets:</b>					
Policy of Insurance issued by L.I.C.		100%	100%	NA	NA

		Gratuity (Funded)		Compensated absences - Earned Leave (Unfunded)	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(₹)					
<b>IX. Bifurcation of liability:</b>					
Current liability		1,473,750	1,432,005	213,995	687,990
Non-Current liability		5,563,599	4,265,719	772,621	2,308,987
Net Liability		7,037,349	5,697,724	986,616	2,996,977

		Gratuity (Funded)		Compensated absences - Earned Leave (Unfunded)	
		March 31, 2021	Distribution	March 31, 2021	Distribution
Year 1		6,862,599	19.8%	169,773	12.10%
Year 2		2,150,704	6.2%	117,325	8.30%
Year 3		2,930,188	8.4%	101,497	7.20%
Year 4		2,120,305	6.1%	72,467	5.20%
Year 5		2,166,455	6.2%	86,193	6.10%
Year 6 to Year 10		12,517,599	36.1%	453,250	32.20%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

27. EMPLOYEE BENEFITS EXPENSE CONTD...

XI. Sensitivity to key assumptions:	Gratuity (Funded)		Compensated absences - Earned Leave (Unfunded)	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(₹)				
<b>Discount rate Sensitivity</b>				
Increase by 0.5%	25,425,937	24,462,511	960,980	2,910,747
(% change)	-2.16%	-2.19%	-2.60%	-2.88%
Decrease by 0.5%	26,577,638	25,584,350	1,013,736	3,088,344
(% change)	2.27%	2.30%	2.75%	3.05%
<b>Salary growth rate Sensitivity</b>				
Increase by 0.5%	26,536,007	25,543,183	1,013,615	3,088,129
(% change)	2.11%	2.13%	2.74%	3.04%
Decrease by 0.5%	25,493,405	24,528,100	960,853	2,910,147
(% change)	-1.90%	-1.93%	-2.61%	-2.90%
<b>Withdrawal rate (W.R.) Sensitivity</b>				
W.R. x 110%	26,034,249	25,061,097	983,661	2,988,258
(% change)	0.18%	0.20%	-0.30%	0.29%
W.R. x 90%	25,937,771	24,953,435	989,900	3,006,115
(% change)	-0.19%	-0.23%	0.32%	0.30%

NOTES:

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

**27.2** An ex-employee of the Company, after termination of her services from the employment, made defamatory allegations against the Company and its Directors. The complaints filed by the said employee have been closed. The Company has appointed legal advisors and the matter is being handled with their advise. The claims of the ex-employee according to the legal advisers are not maintainable as they find no merits in the false case made out by the ex-employee against the company and its directors. Several such complaints filed by the ex-employee have been closed by the concerned authorities.

**27.3** Remuneration of ₹ 9,92,123/- and ₹ 6,59,200/- to the Chairman & Managing Director and Executive Director of the Company respectively for the month of March 2021 is approved by the Nomination and Remuneration Committee during the year which is subject to approval of the members in the ensuing Annual General Meeting of the Company. The above remuneration is held in trust by these directors pending approval in the ensuing Annual General Meeting.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 28. FINANCE COSTS

(₹)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest expenses on long term borrowings	223,604	318,624
Interest expenses on short term borrowings	33,713	-
Interest on lease liabilities (Refer Note 4)	681,604	1,125,049
Processing fees for credit facilities	722,783	24,732
Other borrowing costs (on delayed statutory dues)	288,506	785,268
<b>Total</b>	<b>1,950,210</b>	<b>2,253,673</b>

## 29. DEPRECIATION AND AMORTISATION EXPENSE

(₹)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of Property, plant and equipment (Refer Note 3)	29,557,775	33,490,084
Depreciation on Right of Use assets (Refer Note 4)	2,769,767	3,451,872
Amortisation of Intangible assets (Refer Note 6)	349,000	500,692
<b>Total</b>	<b>32,676,542</b>	<b>37,442,648</b>

## 30. OTHER EXPENSES

(₹)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Power and Fuel	32,731,272	51,179,388
Rent (Refer Note 4)	158,820	158,820
Licence, Rates and Taxes	1,867,492	2,586,550
Repairs to Buildings	7,943,915	14,650,289
Repairs to Machinery	6,562,119	10,847,003
Repairs to other fixed assets	6,201,079	6,678,695
Linen and Room Supplies	8,963,393	10,460,956
Other Supplies and expenses (Refer Note 30.1)	6,675,182	12,879,199
Guest Transportation	2,466,428	9,156,554
Water Charges	3,544,525	3,429,720
Printing and Stationery	1,073,003	2,552,843
Expenses on Communication	2,354,618	3,241,844
Travelling and Conveyance	6,927,235	16,966,814
Insurance	3,913,561	3,684,545
Advertisement, publicity and sales promotion	4,282,857	14,391,965
Service Charges - Marketing and collections	13,024,369	28,664,723
Band and music	2,709,591	7,304,209
Directors Fees	3,580,000	2,820,000
Carried forward	114,979,459	201,653,117

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 30. OTHER EXPENSES

Brought forward	114,979,459	201,653,117
Consultancy, Legal and professional charges (Refer Note 30.2)	8,751,352	21,263,844
Auditors' remuneration (Refer Note 30.3)	566,326	572,195
Bad debts and irrecoverable amounts written off	75,614	69,242
Provision for Doubtful debts	671,900	-
Fair valuation of security deposits	117,111	125,332
Loss on sale / discard of fixed assets (net)	36,994	-
GST, Luxury tax, Sales Tax, etc. (including assessment dues)	780,987	4,192,146
Expenditure on Corporate Social Responsibility (Refer Note 30.4)	3,413,467	2,795,007
Miscellaneous Expenses	2,206,943	3,671,089
<b>Total</b>	<b>131,600,153</b>	<b>234,342,972</b>

## NOTES - OTHER EXPENSES

(₹)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>30.1 Other Supplies and expenses include:</b>		
Expenses incurred on Ayurveda Operating supplies	93,913	992,298
<b>30.2 Consultancy, legal and professional expenses include:</b>		
Expenses incurred on Ayurveda Operating charges	856,409	1,711,753
<b>30.3 Auditors' remuneration and expenses:</b>		
Statutory Audit fees	500,000	500,000
For limited review	50,000	50,000
Reimbursement of out-of-pocket expenses	16,326	22,195
	566,326	572,195
<b>30.4 Expenditure incurred on Corporate Social Responsibility activities:</b>		
<b>(1) Gross amount required to be spent by the company during the year</b>	2,778,751	2,794,000
<b>(2) Amount spent during the year on</b>		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	3,413,467	2,795,007
(Include ₹ Nil (Previous Year ₹ 1,085,088/-) incurred during the FY 2019-20 but paid ₹ 8,07,730/- in FY 2020-21 due to lockdown because of Covid-19 and balance unspent amount of ₹ 2,77,358/- written back in FY 2020-21)		
(iii) Excess amount spent during the year	634,716	-
iv) The Company is eligible for set off of amount spent on CSR activity during the year in excess of the gross amount required to be spent during the year as per amended Section 135 of the Companies Act, 2013 amended rules there under.		

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 31. EARNINGS PER SHARE

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Basic / Diluted earnings per share</b>		
From continuing operations attributable to the owners of the company	(0.88)	2.44
From discontinued operation	-	-
<b>Total basic earnings per share attributable to the owners of the company</b>	<b>(0.88)</b>	<b>2.44</b>
<b>Basic / Diluted earnings per share</b>		
The earnings and weighted average number of equity share used in the calculations of basic earnings per share are as follows:		

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Earnings used in the calculation of basic earning per share</b>		
Profits / (Loss) from continuing operations attributable to the owners of the company	(40,812,469)	112,616,304
Profit / Loss from discontinued operation	-	-
<b>Earnings used in the calculation of basic earnings per share</b>	<b>(40,812,469)</b>	<b>112,616,304</b>
<b>Particulars</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
Weighted average number of equity shares for the purpose of basic / diluted earnings per share	46,219,250	46,219,250

## 32. CONTINGENT LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
a) Claims against the Company not acknowledged as debts	6,951,320	4,790,571
b) Pending bank guarantees	3,185,633	3,185,633
c) Other Contingent liabilities:		
A. In respect of claims against the Company pending appellate / judicial decisions, not acknowledged as debts:		
i) Provident fund dues and charges	703,438	703,438
ii) Customs duty	10,219,098	10,219,098
iii) License Fees for renewal of casino licence - State Government	3,652,000	3,652,000
iv) Annual recurring fees for casino - State Government	22,380,246	22,380,246
v) Income-tax	8,282,480	8,094,420
B. By Employees	9,092,300	12,598,844

Notes: i) A demand of ₹ 7,962,070/- (Previous Year ₹ 7,962,070/-) was raised by the Income Tax Department on completion of AY 2011-12 by disallowing certain claims made by the Company. The Commissioner (Appeals) has deleted the disallowances made by the Income Tax Department and accordingly the above demand does not exist presently. The Income Tax Department had carried the matter further before the Income Tax Appellate Tribunal (ITAT) against the order of the Commissioner (Appeals). The appeal filed by the Income Tax Department has been dismissed by the ITAT vide Appellate Order dated June 3, 2019. Accordingly, the above demand does not survive now.

ii) The Income Tax Authorities have filed appeals against the orders passed by the ITAT for AY 2010-11, 2011-12 and 2012-13 with the High Court, which are pending. The ITAT has allowed these appeals in favour of the Company. The Company has not been served with the appeal memo yet and it is not known against which relief appeals have been filed. Further, the tax effect in each of these appeals is less than the prescribed limits for not filing the appeals by the Income Tax Authorities. Hence, these appeals are liable to be withdrawn by the Income Tax Authorities for which an application has been made by the Company. In view of the above, no further provision is required to be made for any tax liability for the above 3 years.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 32. CONTINGENT LIABILITIES - CONTD..

Particulars	As at March 31, 2021	As at March 31, 2020
d) The Company has been importing certain items of F&B and equipment under SFIS (Served from India Scheme). The DGFT Department has issued 3 Show Cause Notices dated October 14, 2014 and October 29, 2014 and informed the Company that in view of its using a foreign brand, it is not entitled to any benefit of concessional duty under SFIS and accordingly required the Company to pay back the duty concession availed by the Company. The Company has disputed the same. The Company has also filed a representation with the Ministry of Commerce, New Delhi on March 22, 2016 and February 22, 2017. No further communication has been received in response. Since from various State High Courts matters on similar issue are moving to the Supreme Court of India, the Company filed a petition before the Supreme Court of India for seeking the relief in the matter. The Company's petition has been admitted and matter has been tagged to the other similar matters pending before the Court. The matter is pending disposal before the Supreme Court. As a consequence, the authorities have denied the export benefits available to the Company under Service Export Incentive Scheme (SEIS) for the year 2015-16 and 2016-17 aggregating to ₹ 4,123,884/- for which necessary applications have been made by the Company. Since no approvals have been received so far and in view of denial referred to above, the value of benefits for the above years will be recognised in the books of accounts on getting the necessary approval from the Authorities.	46,072,985	46,072,985
e) The Company expects a reimbursement of ₹ 1,000,000/- (Previous year ₹ 1,000,000) in respect of the above contingent liabilities		
f) The Company is hopeful that on disposal of litigations as referred to in item (a) to (d) above, the disputed demands will not survive. In the event any of the said litigation is held against the company, it will be liable to pay the demand raised and / or to be further raised along with applicable interest thereon, which is presently unascertainable.		

## 33. COMMITMENTS

Particulars	As at March 31, 2021	As at March 31, 2020
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	301,825	1,834,286

## 34. SEGMENT INFORMATION

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

## 35. IMPACT OF COVID-19

Covid-19 pandemic has impacted and continues to impact business operations were closed from March 25, 2020 till September 30, 2020 due to lockdown and restrictions imposed by the Government. The resort was operational from October 1, 2020 till April 30, 2021 and again its operations were suspended effective from May 4, 2021 in view of second wave of COVID-19, which spread over the entire country.
In evaluating the impact of Covid-19 on its ability to continue as a going concern and its possible impact on its financial position, the management has assessed the impact of macro-economic conditions on its business and the carrying values of its major assets comprising of Property, Plant & Equipment, trade receivables, investments and other assets as at the balance sheet date. The management has carefully considered the circumstances and risk exposures arising from Covid-19 situation for developing estimates based on all available information in its assessment of impact thereof on its financial reporting.
As on the reporting date, the Company has liquid funds in mutual fund investment of ₹ 1203.68 lakhs besides undrawn sanctioned loan if needed of ₹ 1800.00 lakhs from a bank which is estimated as sufficient to meet. The estimated cash requirement during the next twelve months. Currently there are no debts.
Based on aforesaid assessment and the fact that the Company has no loan debts and enough liquid funds, the management believes that the Company will continue as a going concern and will be able to meet all its obligations as well as recover the carrying amount of its assets as on the balance sheet date.
Management believes that it has considered all the possible impact of known events arising from Covid-19 pandemic in the preparation of these financial statements. The associated economic impact is highly dependent on variables that are difficult to predict. The impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Company will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognised in the financial statements as and when these material changes to economic conditions arise.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 36. FINANCIAL RISK MANAGEMENT

<b>36.1</b>	<p><b>Risk Management Framework</b></p> <p>The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Audit Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities.</p> <p>The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by the internal audit team. The internal audit team undertakes both regular and adhoc reviews of risk management controls and procedures and the results of which are reported to the audit committee.</p> <p>The Company has exposure to the following risks arising from financial instruments:</p> <ul style="list-style-type: none"> <li>• Credit Risk</li> <li>• Liquidity Risk</li> <li>• Market Risk</li> </ul>
	<p><b>a) Credit Risk</b></p> <p>Credit risk arises from the possibility that customers, or counterparty to financial instruments may not be able to meet their obligations. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arise from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables.</p> <p>The Company's policy is to place cash, cash equivalents and short term deposits with reputable banks and financial institutions.</p> <p>The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before entering into a contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the company.</p>
	<p><b>b) Liquidity Risk</b></p> <p>Liquidity risk is the risk that the Company may encounter in meeting the obligations associated with its financial liabilities which are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions. This needs to be done without incurring unacceptable losses or risking damage to Company's reputation.</p> <p>Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times. Management also ensures that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and taking into consideration the internal statement of financial position ratio targets.</p>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 36. FINANCIAL RISK MANAGEMENT - CONTD..

<b>Maturities of financial liabilities</b>					
<b>March 31, 2021</b>					
	<b>Due in 1st year</b>	<b>Due in 2nd year</b>	<b>Due in 3rd - 5th year</b>	<b>Due after 5th year</b>	<b>Total</b>
<b>Non-derivative financial liabilities</b>					
Vehicle loans	1,181,195	809,099	143,273	-	2,133,567
Unsecured Loan	2,832,000				2,832,000
Trade payables	34,509,292	-	-	-	34,509,292
Other financial liabilities	58,214,316	-	-	-	58,214,316
<b>Total</b>	<b>96,736,803</b>	<b>809,099</b>	<b>143,273</b>	<b>-</b>	<b>97,689,175</b>
<b>March 31, 2020</b>					
	<b>Due in 1st year</b>	<b>Due in 2nd year</b>	<b>Due in 3rd - 5th year</b>	<b>Due after 5th year</b>	<b>Total</b>
<b>Non-derivative financial liabilities</b>					
Vehicle loans	1,089,016	1,181,195	952,372	-	3,222,583
Trade payables	34,570,712	-	-	-	34,570,712
Other financial liabilities	54,145,618	-	-	-	54,145,618
<b>Total</b>	<b>89,805,346</b>	<b>1,181,195</b>	<b>952,372</b>	<b>-</b>	<b>91,938,913</b>
<b>Capital Risk Management</b>					
The Company manages its capital to ensure that it will be able to continue as a going concern. The structure is managed to maintain an investment grade credit rating, to provide ongoing returns to shareholders and to service debt obligations, whilst maintaining maximum operational flexibility.					
Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by Equity. Net debt is calculated as total borrowings (including 'current and non-current term loans' as shown in the Balance Sheet) less cash and cash equivalents.					

<b>Particulars</b>	<b>Note</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Vehicle Term Loans and other borrowings	<b>18</b>	<b>3,319,567</b>	4,408,583
Less: Cash and cash equivalents	<b>14</b>	<b>20,128,468</b>	15,397,306
Net debt		<b>(16,808,901)</b>	(10,988,723)
Total equity	<b>16 &amp; 17</b>	<b>432,475,661</b>	472,984,930
Gearing Ratio		<b>-3.89%</b>	-2.32%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

36. FINANCIAL RISK MANAGEMENT

<b>c) Market Risk</b>
Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.
The Company uses derivatives to manage its exposure to foreign currency risk and interest rate risk. All such transactions are carried out within the guidelines set by the risk management committee.

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

The following tables display foreign currency risk from financial instruments as at March 31, 2021 and March 31, 2020:

Particulars	Foreign Currency	(₹)	
		March 31, 2021	March 31, 2020
<b>Trade payables</b>	U. S. Dollars (US\$)	878,600	809,457
	Great Britain Pounds (GBP)	-	72,695
		878,600	809,457
<b>Trade receivables</b>	U. S. Dollars (US\$)	-	-
	Euro (€)	-	-
	Great Britain Pounds (GBP)	-	-
		-	-
<b>Net Receivable / (Payable)</b>		<b>(878,600)</b>	<b>(809,457)</b>

For the year ended March 31, 2021 and March 31, 2020, the effect of every percentage point of depreciation and appreciation in the exchange rate between the Indian Rupee and the corresponding foreign currency, is as under:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

36. FINANCIAL RISK MANAGEMENT - CONTD..

Particulars	% change in US\$ rate	Effect on profit before tax	
		For the year ended March 31, 2021	For the year ended March 31, 2020
Appreciation in exchange rate	1%	(8,786)	(8,095)
Depreciation in exchange rate	-1%	8,786	8,095

Particulars	% change in € rate	Effect on profit before tax	
		For the year ended March 31, 2021	For the year ended March 31, 2020
Appreciation in exchange rate	1%	-	-
Depreciation in exchange rate	-1%	-	-

Particulars	% change in GBP rate	Effect on profit before tax	
		For the year ended 31st March, 2021	For the year ended 31st March, 2020
Appreciation in exchange rate	1%	-	-
Depreciation in exchange rate	-1%	-	-

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 37. FINANCIAL INSTRUMENTS

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

Particulars	Refer Note No.	Non-Current		Current	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>i) Financial Assets measured at Amortised Cost</b>					
Investment in mutual funds	12	-	-	120,368,446	112,249,492
Bank deposit with more than 12 months	8	9,522,064	8,898,387	-	-
Sundry Deposits	7	1,005,000	2,381,450	1,678,397	797,740
Trade and Other Receivables	13	-	-	3,810,445	26,020,914
Cash & Cash Equivalents	14	-	-	20,128,468	15,397,306
Other Bank Balances	15	-	-	7,431,567	6,849,433
Others	7 & 8	25,000.00	-	489,480	511,381
<b>Total</b>		<b>10,552,064</b>	<b>11,279,837</b>	<b>153,906,803</b>	<b>161,826,266</b>
<b>ii) Financial Liabilities measured at Amortised Cost</b>					
Long term borrowings	18	2,138,372	3,319,567	-	-
Short term borrowings	18	-	-	2,832,000	-
Lease Liabilities	19	1,517,888.00	4,697,966.00	3,107,022	4,651,920
Trade & other payables	22	-	-	34,509,292	34,570,712
Other financial liabilities	20	-	-	58,214,316	45,884,748
<b>Total</b>		<b>3,656,260</b>	<b>8,017,533</b>	<b>98,662,630</b>	<b>85,107,380</b>
<b>b) Fair Value Measurements</b>					
The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled. All the fair values as disclosed above have been determined on the basis of Level 3 hierarchy except in respect of investment in mutual funds which are determined on the basis of Level 1 hierarchy.					

## 38. DIVIDEND

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

Dividends paid during the year			
Particulars		FY 2020-21	FY 2019-20
Second Interim Dividend @ 70% for FY 2018-19		-	64,706,950
Tax on Second Interim Dividend for FY 2018-19		-	13,300,659
First Interim Dividend @ 40% for FY 2019-20		-	36,975,400
Dividend Distribution Tax on First Interim Dividend for FY 2019-20		-	7,600,385
Second Interim Dividend @ 55% for FY 2019-20		-	50,841,175
Dividend Distribution Tax on Second Interim Dividend for FY 2019-20		-	10,450,553
<b>Total</b>		<b>-</b>	<b>183,875,122</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 39. RELATED PARTY DISCLOSURES

<b>(a) Related parties</b>	
i) Subsidiary Company:	None
ii) Parties where control exists:	None
<b>iii) Key Management Personnel:</b>	
Mr. Sunder G. Advani	Chairman & Managing Director
Mr. Hareesh G. Advani	Executive Director (Whole-time Director)
Mr. Prahlad S. Advani	Director of Operations (Whole-time Director)
Mr. Nilesh Jain	Company Secretary
Mr. Sachin Jain (Upto March 9, 2021)	Chief Financial Officer
<b>iv) Other parties being relatives of Key Management Personnel with whom transactions have taken place during the year:</b>	
Mrs. Menaka S. Advani	Non-Executive Director and relative
Mrs. Nina H. Advani	Non-Executive Director and relative
Mrs. Shahna Garg Advani (Proprietary Concern M/s. D'Bar Inc)	Relative
<b>v) Other related parties with whom transactions have taken place during the year:</b>	
M/s. D. M. Harish & Co., Advocates	A Partnership firm wherein relative of Mr. Adhiraj 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.
<b>(b) Summary of transactions during the year with Related Parties and status of year-end outstanding balances:</b>	

Nature of transactions	Key Management Personnel	Associates and other related parties	(Figures in italics are for previous year)
Sitting Fees / Remuneration (Refer Note 27.3)	33,433,305	700,000	
Professional Fees	35,754,996	730,000	
Digital Marketing & Other Design Services	-	1,286,425	
Expenses recovered	-	1,731,486	
Unsecured loan taken - short term	67,115	-	
	609,860	-	
	2,832,000	-	
	-	-	
<b>Balance outstanding at the year end:</b>			
Creditors / Payables	2,832,000	267,961	
	-	335,520	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 39. RELATED PARTY DISCLOSURES - CONTD...

<b>(c) Breakup of compensation to Key Management Personnel (KMP)</b>		
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.		

<b>i) Compensation to KMP - Executive Directors</b> (₹)		
Particulars	2020-21	2019-20
Short term employee benefits	28,032,000	29,536,000
Post employment benefits	583,200	588,000
Perquisites	1,073,515	1,414,365
Other long term benefits*	-	-

<b>ii) Compensation to KMP - Other than Executive Directors</b> (₹)		
Particulars	2020-21	2019-20
Short term employee benefits	3,538,175	3,878,513
Post employment benefits	20,836	50,384
Perquisites	185,579	287,734
Other long term benefits*	-	-

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

<b>(d) Disclosure of Material Transactions with Related Parties:</b> (₹)		
Particulars	2020-21	2019-20
<b>Remuneration to Key Managerial personnel and sitting fees to their relatives:</b>		
Mr. Sunder G. Advani - Chairman & Managing Director (Refer Note 27.3)	12,536,423	13,695,600
Mr. Haresh G. Advani - Executive Director (Whole-time director) (Refer Note 27.3)	8,692,067	9,138,404
Mr. Prahlad S Advani - Director of Operations (Whole-time director)	8,460,225	8,704,361
Mrs. Menaka S Advani (Relative and non-executive director)	500,000	420,000
Mrs. Nina H. Advani (Relative and non-executive director)	200,000	310,000
Mr. Nilesh Jain - Company Secretary	1,857,015	2,066,007
Mr. Shankar G. Kulkarni - Vice President Finance - CFO	-	1,262,056
Mr. Sachin Jain - CFO - till March 9, 2021 (Refer Note 41)	1,887,575	888,568
<b>Unsecured Loan taken</b>		
Mr. Sunder G. Advani ( Chairman & Managing Director)	2,832,000	-
<b>Professional Fees:</b>		
Malvi Ranchoddas & Co	436,425	881,486
D. M. Harish & Co.	850,000	850,000
<b>Digital Marketing &amp; Other Design Services:</b>		
D'Bar Inc (Mrs. Shahna Garg Advani)	1,437,240	891,913
<b>Expenses recovered:</b>		
Mr. Sunder G. Advani	-	152,898
Mr. Haresh G. Advani	4,685	184,443
Mr. Prahlad S Advani	62,430	272,519

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 39. RELATED PARTY DISCLOSURES - CONTD...

<b>Year end balances:</b>		2020-21	2019-20
<b>Sundry Creditors / payables:</b>			
Mr. Sunder G. Advani		2,832,000	-
Malvi Ranchoddas & Co.		-	106,920
S. D. Israni Law Chambers		-	45,000
D'Bar Inc (Mrs. Shahna Garg Advani)		267,961	183,600
<b>40 Events occurring after the reporting period:</b>			
There was further spread of COVID-19 in the second wave of infection in the months of March & April 2021. There were fresh restrictions and lockdown imposed by the Government. Consequently the operation of the Company's resort at Goa were suspended temporarily from May 4, 2021 to ensure safety to the guests, employees and their families and to control the spread of corona virus.			

<b>41 Instance of financial irregularities in fraud committed:</b>	An employee of the Company committed certain financial irregularities in the nature of fraud inter alia by misappropriation of money collected from sale of scrap and certain other manipulations and unauthorized acts aggregating to ₹ 1,239,509/- during the year. The Company has initiated required action and filed police complaint and first information report against the said ex-employee for forgery, falsification of documents and other criminal acts as advised. Pending completion of the investigation by the police, the Company has recovered an amount of ₹ 360,859/- and the balance unrecovered amount of ₹ 878,650/- as on March 31, 2021 is due and recoverable from the said ex-employee, which is shown under 'Other Current Assets' in Note 10B. After the close of the financial year, the Company has further recovered ₹ 329,601/- out of the amounts recoverable and police investigation is in progress.
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<b>42</b>	The previous year's figures have been regrouped / reclassified, wherever necessary to conform to the current year's presentation.
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As per our report of even date  
**For M/s. JMT & Associates**  
 Chartered Accountants  
 (Firm Registration No. 104167W)

For and on behalf of the Board of Directors

**Amar Bafna**  
 Partner  
 (Membership No. 048639)  
 Mumbai, June 26, 2021

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

**Nilesh Jain**  
 Company Secretary

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

















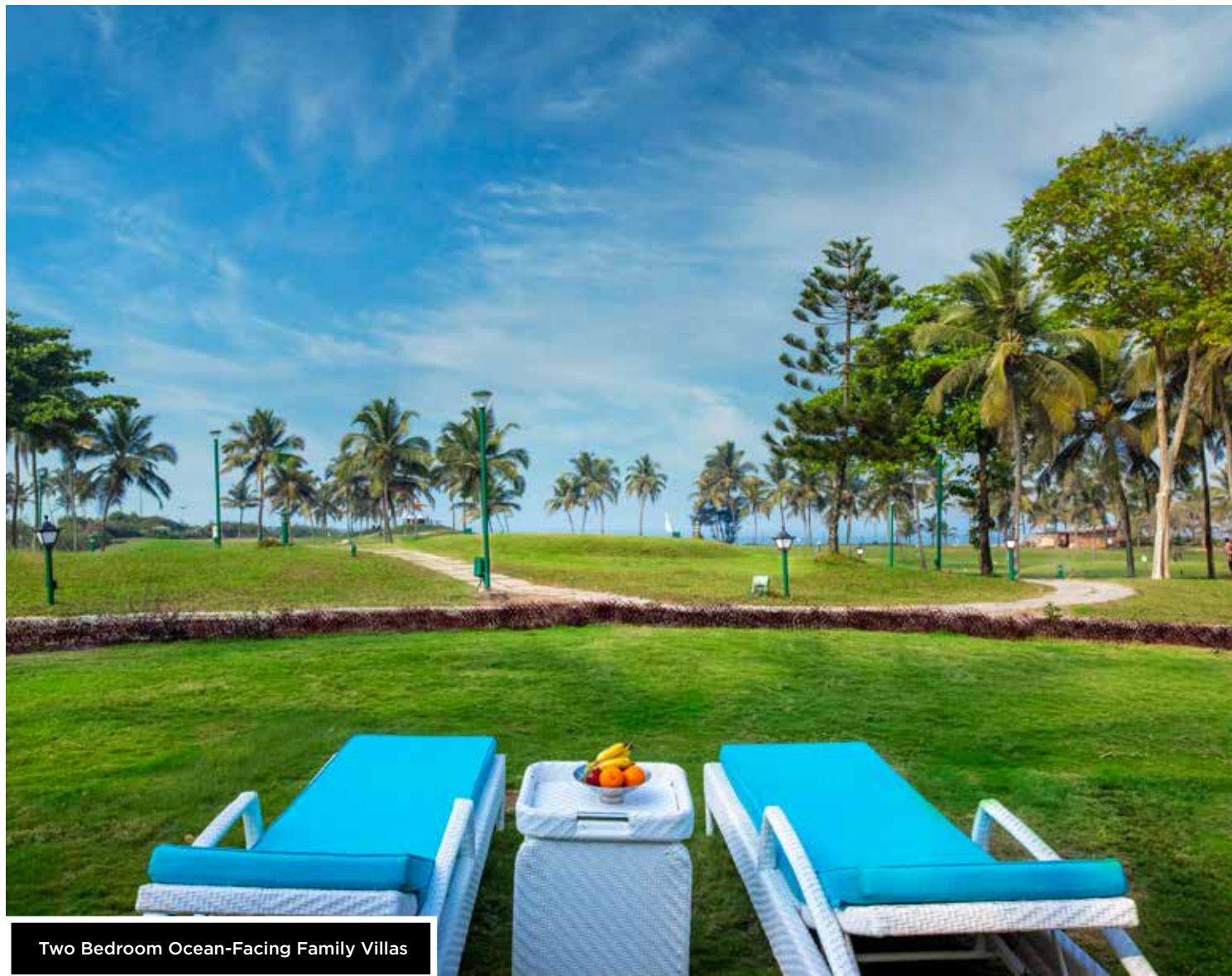




Two Bedroom Presidential Villa







Two Bedroom Ocean-Facing Family Villas







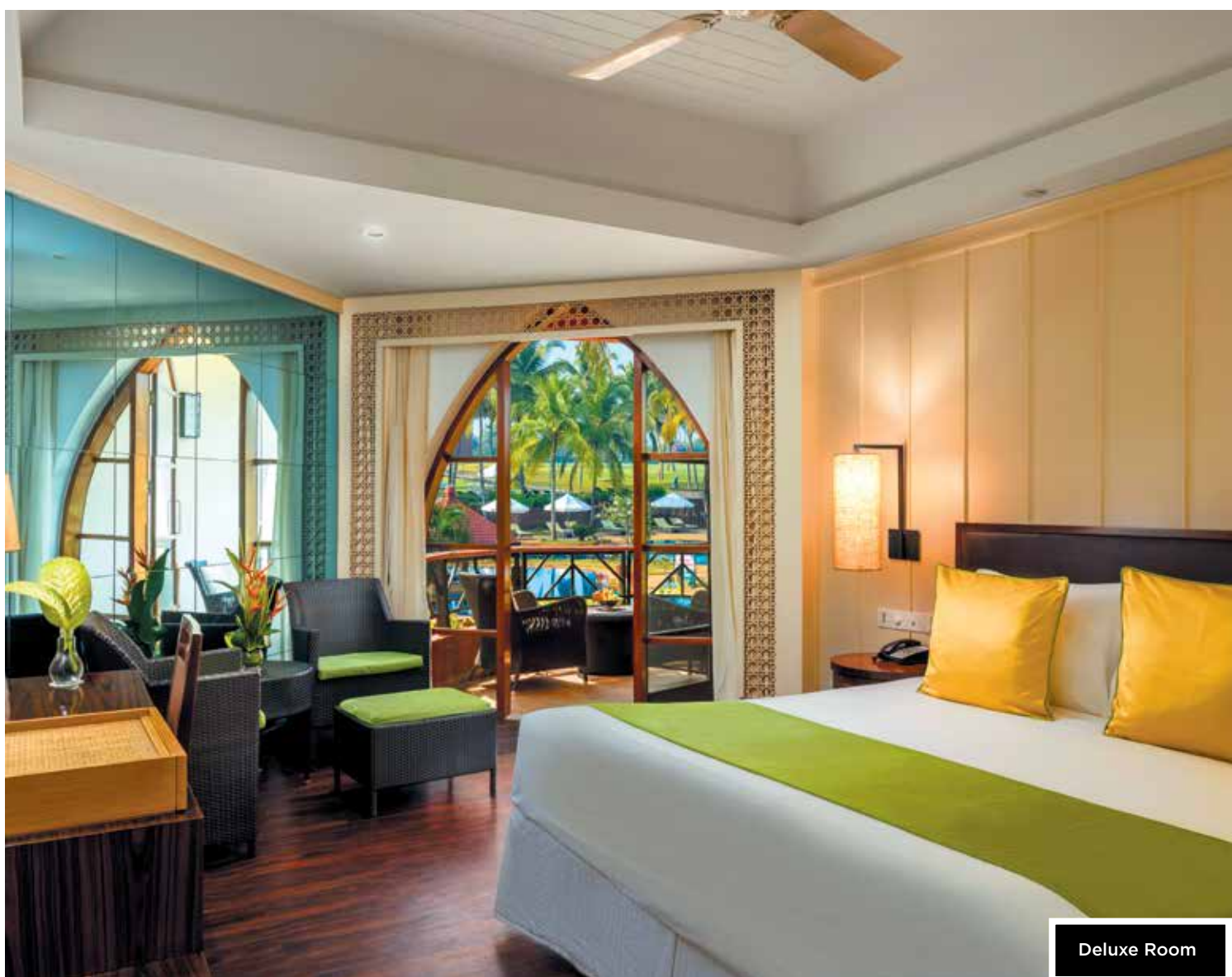
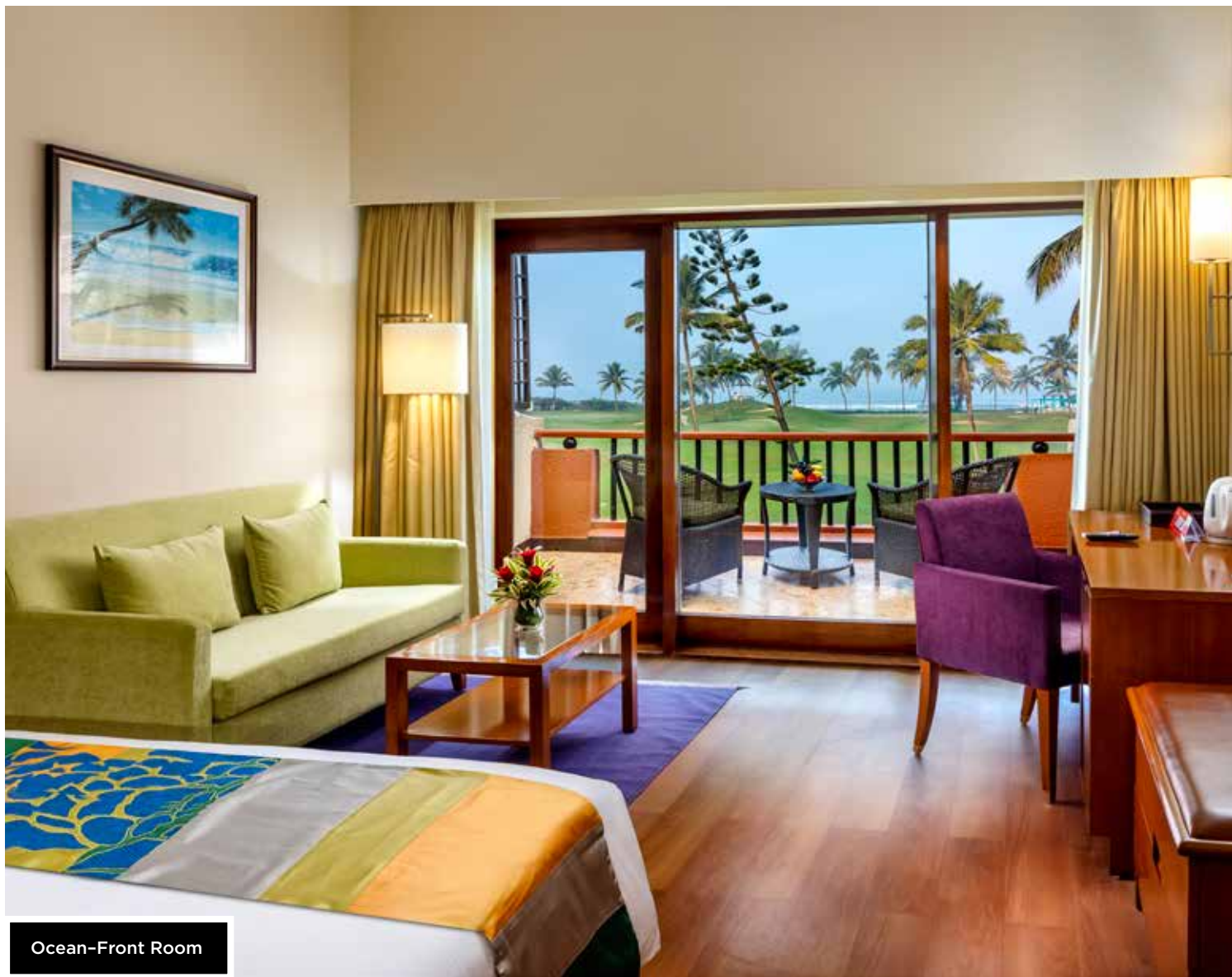
Two Bedroom Garden Villa



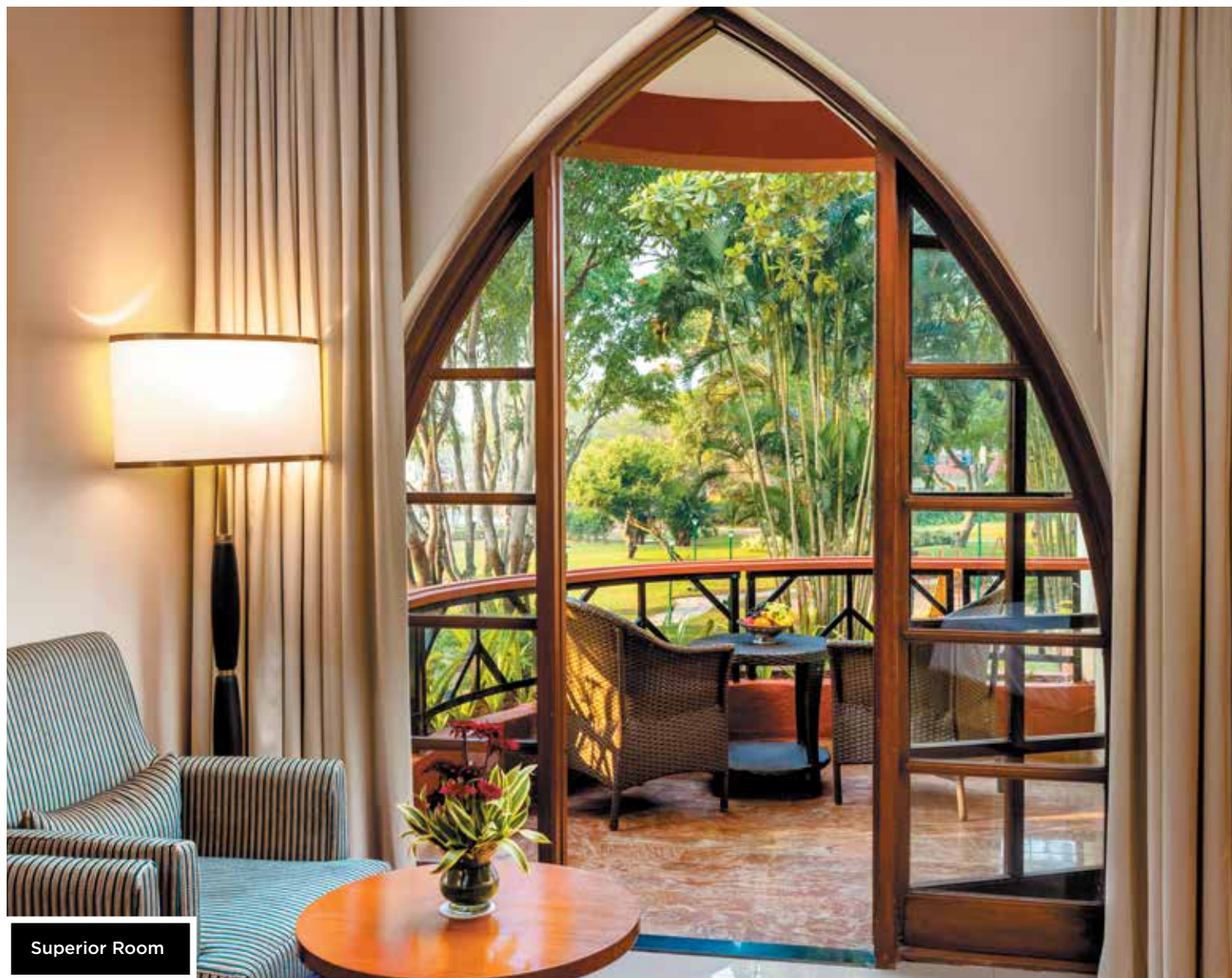




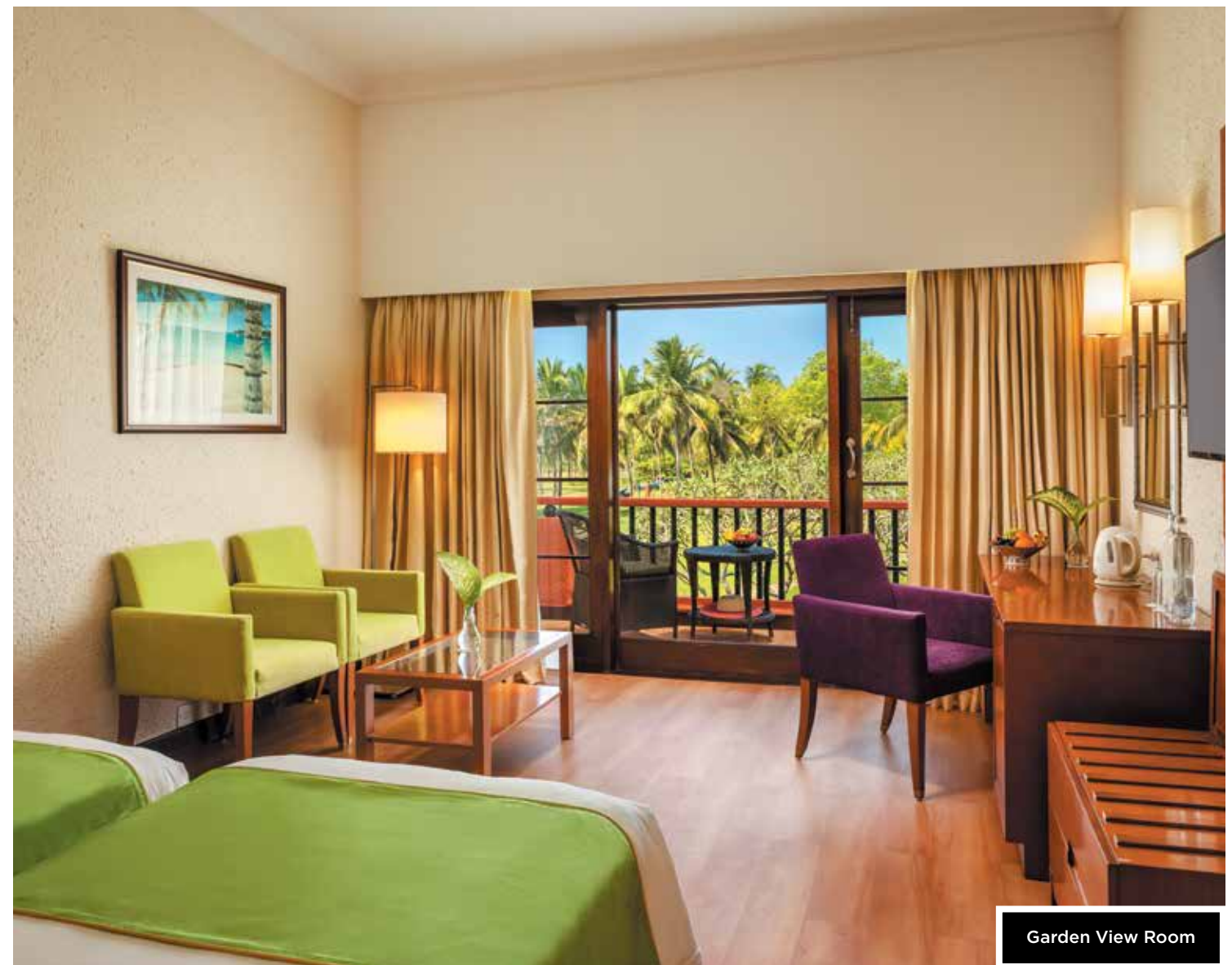








Superior Room



Garden View Room



















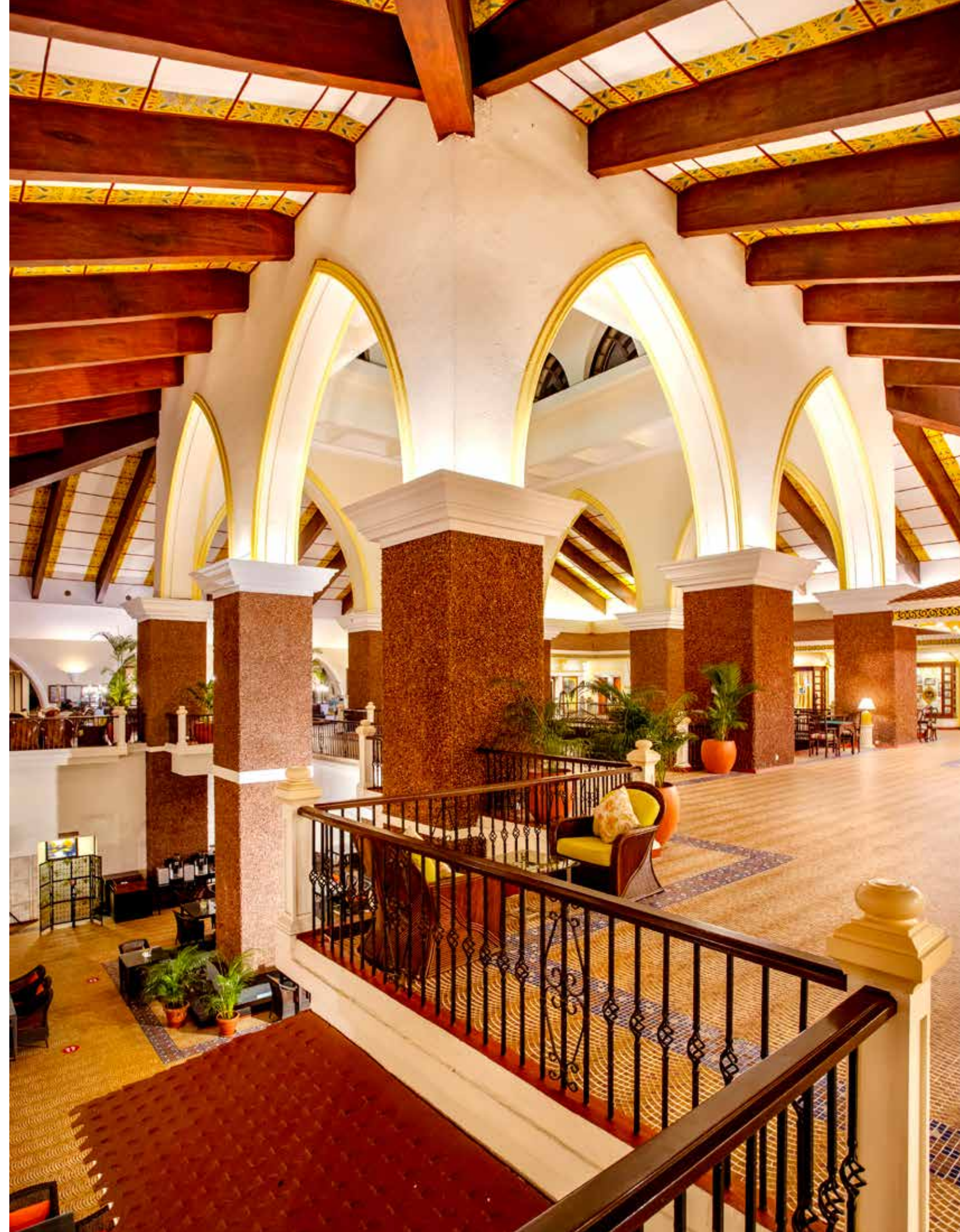
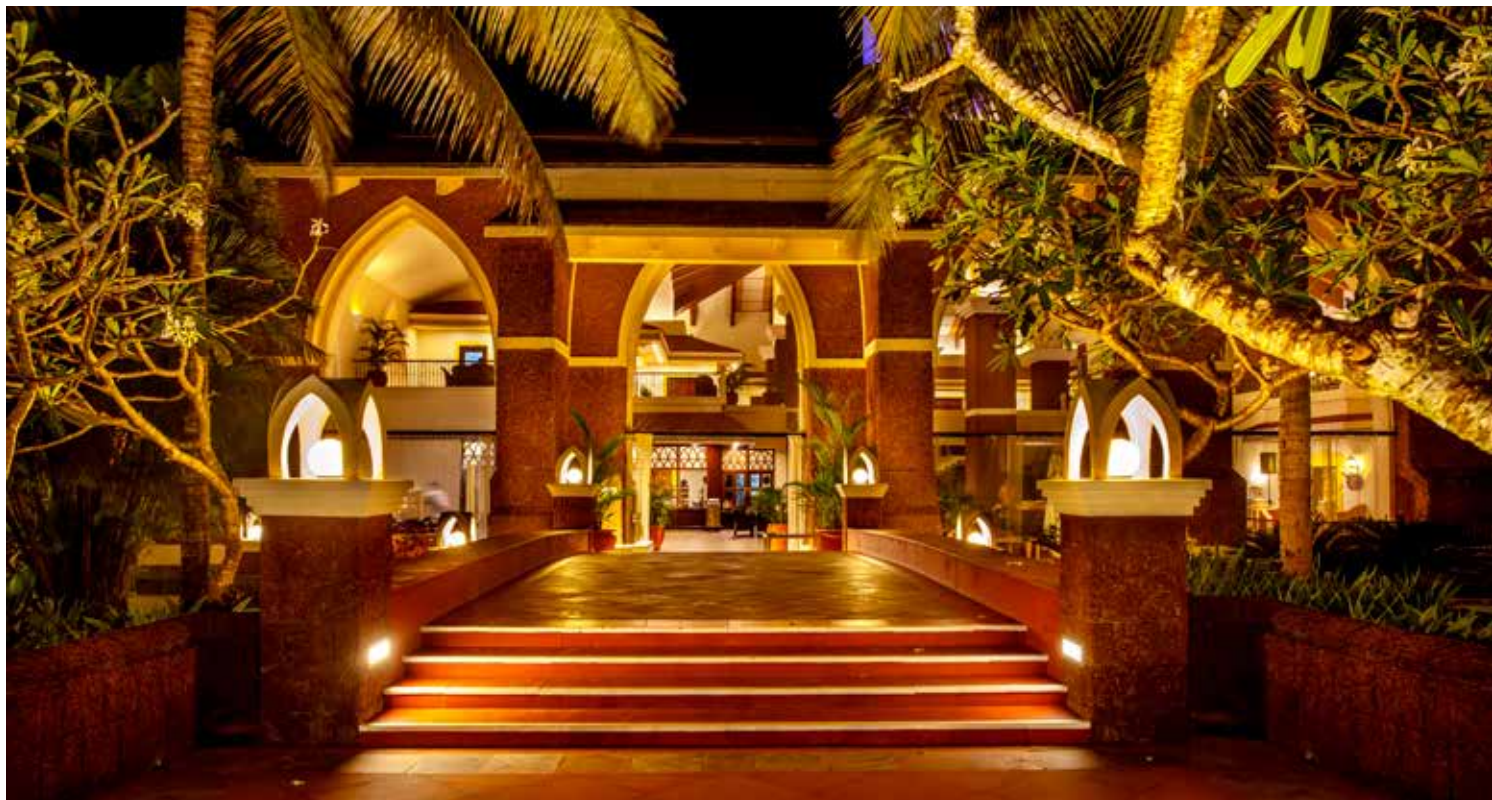




























# CARAVELA<sup>®</sup>

## BEACH RESORT

VARCA, GOA



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

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