



ADVANI HOTELS & RESORTS (INDIA) LIMITED
formerly RAMADA HOTELS (INDIA) LIMITED

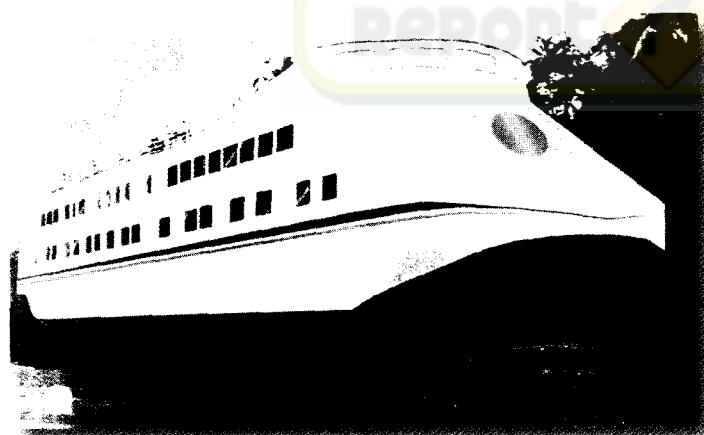
Annual Report 1999-2000



202 Rooms 5 Star Deluxe Hotel



Airport Plaza Flight Kitchen



Cruise Ship



Live Offshore Casino



RENAISSANCE
GOA RESORT

Advani Hotels & Resorts (India) Limited

BOARD OF DIRECTORS	Mr. Sunder G. Advani	Chairman & Managing Director
	Mr. Prakash V. Mehta	
	Mr. Anil Harish	
	Mr. Suresh Talwar	
	Mrs. Menaka S. Advani	
	Mr. Haresh G. Advani	Executive Director
COMPANY SECRETARY	Mr. Nalin N. Shah	
AUDITORS	Messrs J. G. Verma & Co.	Chartered Accountants
SOLICITORS	Messrs Malvi Ranchhoddas & Co.	
	Messrs Crawford Bayley & Co.	
BANKERS	Bank of Baroda	
	Bank of India	
REGISTERED OFFICE	145, Maker Chambers VI, Nariman Point, Mumbai - 400 021.	
REGISTRARS AND SHARE TRANSFER AGENTS	Datamatics Financial Software & Services Ltd. Plot No. A/16 & 17, MIDC, Part B, Cross Lane, Marol, Andheri (East), Mumbai - 400 093.	
FOREIGN COLLABORATORS	Marriott International (H P I England Ltd.)	
LOCATION OF RESORT	Renaissance Goa Resort, Varca Beach, Varca Village, Salcette, Goa - 403 721.	

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Notice

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of **ADVANI HOTELS & RESORTS (INDIA) LTD.** will be held on Monday, 25th September, 2000 at 4.00 p.m. at the Kamalnayan Bajaj Hall, Bajaj Bhavan, 226, Nariman Point, Mumbai - 400 021 to transact the following business :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2000 and the Balance Sheet as at that date and the Directors' Report and the Auditors' Report thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Anil Harish, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Suresh Talwar, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.

6. To consider and if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:

"RESOLVED THAT the consent of the Company be and is hereby granted pursuant to Section 314 (1B) and any other applicable provisions of the Companies Act, 1956, and subject to the approval of the Central Government to the holding of office of profit under the Company by Mr. Prahlad S. Advani, a relative of a Director with effect from 1st May, 2000 as a General Manager — Asset Management on a salary of Rs. 60,000/- p.m. in the special grade of Rs. 50,000 – Rs. 2,00,000 p.m. (Increments to be decided by the Board of Directors from time to time) plus perquisites as per the draft Appointment Letter placed before the meeting duly initialled by a Director."

7. To consider and if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 372A of Companies Act, 1956 and subject to the approval of the financial institutions, if required, consent of the Company be and is hereby accorded to the Board of Directors to invest in the Equity Shares of Joint Venture Company i.e. Advani Pleasure Cruise Co. Pvt. Ltd. and/or to make loans or provide guarantee to the said Joint Venture Company on such terms and conditions as the Board may deem fit subject to the condition that aggregate of the amount invested or loans/guarantee made/provided at any time shall not exceed Rs. 500 lakhs."

By Order of the Board

SUNDER G. ADVANI
Chairman & Managing Director

Dated : 25th July, 2000

Place : Mumbai

Registered Office :

145, Maker Chambers VI,
Nariman Point,
Mumbai – 400 021.

@ Advani Hotels & Resorts (India) Limited

NOTES :

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A Proxy form duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
- b. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed hereto.
- c. The documents referred in the Notice and the explanatory statement are available for inspection by the members at the Registered Office of the Company between 10.00 a.m. to 12.00 noon on any working day.
- d. The Register of Members and Share Transfer Books of the Company will be closed from 16th September, 2000 to 25th September, 2000 (both days inclusive).
- e. The Dividend as recommended by the Board if sanctioned at the meeting shall be paid to those members whose names appear on the Register of Members of the Company as on 25th September, 2000.
- f. Members are hereby informed that pursuant to Section 205A of the Companies Act, 1956 Dividends which remained unclaimed/Unencashed for a period of 7 years in the unpaid Dividend Account maintained by the Company (i.e. 7 years from the date of transfer of unclaimed Dividends to such unpaid Dividend Account) have to be transferred by the Company to the Investor Education & Protection Fund established by the Central Government under Section 205C of the Companies Act, 1956. It may please be noted that no claim shall be made by the shareholders for the unclaimed Dividends which have been transferred to the credit of the Investor Education & Protection Fund. In view of the aforesaid the shareholders are advised to send all the unencashed Dividend Warrants to the Registrar & Share Transfer Agents of the Company for revalidation and for encashing them before the due date for transfer to the Central Government.
- g. Members/Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
- h. Members are requested to bring their copy of the Annual Reports to the Annual General Meeting.
- i. Members seeking any clarifications/explanations on any point pertaining to this Annual Report are kindly requested to submit their queries at the Registered Office of the Company at least 7 days in advance.
- j. Members are requested to notify the Company's Registrar and Transfer Agents of any changes in their address (in full) with the postal area pin code number, quoting their folio numbers.
- k. Shareholders holding shares in identical names in more than one folio are requested to write to the Company's Registrar and Transfer Agents enclosing their share certificates, to enable the Company to consolidate their holdings in one folio.
- l. The Registrar and Transfer Agents of the Company are :

Datamatics Financial Software & Services Ltd.

Plot No. A/16 & 17,
MIDC, Part B, Cross Lane, Marol,
Andheri (East)
Mumbai - 400 093.
Contact Person : Mr. C. R. Rao
Tel. No. 824 2516

Members are requested to contact them for any matter relating to the Shares and Transfer.

Explanatory Statement

(Pursuant to Section 173 (2) of the Companies Act, 1956)

Item No. 6

Mr. Prahlad Sunder Advani, son of Mr. Sunder G. Advani, Chairman & Managing Director and Mrs. Menaka S. Advani, Director and nephew of Mr. Haresh G. Advani, Executive Director of the Company is appointed as the General Manager - Asset Management on the following terms and conditions with effect from 1st May, 2000 :

Salary

Salary of Rs. 60,000/- in the Company's special grade of Rs. 50,000 - Rs. 2,00,000 (an increment to be decided by the Board from time to time).

Perquisites

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

CATEGORY 'A'

I. Housing

- The expenditure incurred by the Company on the hiring of unfurnished accommodation for him shall be subject to the ceiling, namely 60% of the salary.
- In case the accommodation is owned by the Company, 10% of the salary shall be deducted by the Company, or
- In case no accommodation is provided by the Company, a house rent allowance subject to a ceiling laid down in para (a) as above shall be paid.

II. Medical Reimbursement

For self and family subject to a ceiling of one month's salary or three months' salary over a period of three years.

III. Leave Travel Concession

For self and family once in a year incurred in accordance with the Rules specified by the Company.

IV. Personal Accident Insurance

Of an amount, the annual premium of which not to exceed Rs. 4,000/-.

- Other Allowances such as Uniforms, Books and Periodicals and Computer in accordance with the rules specified by the Company.

For the purpose of this category, "family" means the spouse, dependent children and dependent parents.

CATEGORY 'B'

I. Provident Fund

Contribution to provident fund/superannuation/annuity fund shall be in accordance with the scheme of the Company.

II. Gratuity

As per the Rules of the Company, it shall be payable in accordance with the approved fund at the rate of half a month's salary for each completed year of service.

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CATEGORY 'C'

I. Car

Provision of car and driver and petrol allowance for use of Company's business. Use of car for private purpose shall be billed by the Company.

II. Telephone

Telephone at residence, all personal long distance calls shall be billed by the Company.

Mr. Prahlad S. Advani has been awarded a Bachelor of Science degree from Cornell University's School of Hotel Administration with a concentration in Financial Management.

During his 4 years at Cornell University, he was selected as Assistant to the Dean of the School of Hotel Administration, and was awarded distinction in all subjects. Furthermore, he was one of the top ten students in the entire graduating class.

Mr. Prahlad S. Advani was formerly employed at Deutsche Banc Alex Brown in U.S.A., where he served as a Financial Analyst within the Investment Banking Division. His annual compensation was valued at \$75,000 excluding the benefits package of \$10,000.

The Asset Manager in the hotel/lodging industry, is a relatively new position. Mr. Prahlad Advani is appointed as General Manager – Asset Management of your Company. As such General Manager, Mr. Prahlad Advani is incharge of managing of hotel investments and accomplishing stated financial objectives.

The terms of remuneration is fair and reasonable. Under Section 314 (1B) of the Companies Act, 1956 the appointment of Mr. Prahlad S. Advani requires approval of members by Special Resolution and approval of the Central Government. The Directors recommend your approval to the Special Resolution.

Mr. Sunder Advani, Mr. Haresh G. Advani and Mrs. Menaka Advani are concerned and interested in this resolution.

Item No. 7

The Company has entered into a Technical & Financial Joint Venture Agreement with M/s. CAI Casinoinvest International GMBH Austria in March, 2000 to undertake business of a Cruise Ship including Casino sight seeing Restaurant Cafe Boarding and Lodging at Goa. The Company has received necessary FIPB approval. The Company has to invest 51% of the Equity Capital and 50% of Redeemable Preference Capital or make loan in the alternative aggregating to Rs. 500 lakhs. This concept is new in India and it has vast revenue potentials. It is in the interest of the Company to invest in share capital and make loans for this venture. No consent of Members by Special Resolution is required as the proposed investment/loan is within the prescribed limits of Section 372A of the Companies Act, 1956. The Special Resolution proposed is as and by way of abundant caution.

Mr. Sunder G. Advani and Mr. Haresh G. Advani, Directors are concerned or interested in the Special Resolution being also Directors of Joint Venture Company. The Directors recommend your approval to the Resolution.

By Order of the Board

SUNDER G. ADVANI

Chairman & Managing Director

Dated : 25th July, 2000

Place : Mumbai.

Registered Office :

145, Maker Chambers VI,
Nariman Point,
Mumbai - 400 021.

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Thirteenth Annual Report of the Company along with Audited Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS

	Year Ended <u>31.3.2000</u>	(Rupees in Lakhs) Year Ended <u>31.3.1999</u>
TOTAL INCOME	2568.94	2167.99
Operating Expenditure	1783.13	1535.23
OPERATING PROFIT	785.81	632.76
Less : Interest	364.32	325.99
PROFIT BEFORE DEPRECIATION	421.49	306.77
Less : Depreciation	264.25	258.69
Less : Technical Know-how fees written-off	1.64	1.49
PROFIT BEFORE TAX	155.60	46.59
Less : Provision for Taxation	19.07	6.08
Less : Prior periods Adjustment (Net)	7.23	4.59
NET PROFIT	129.30	35.92
Add : Balance brought forward from last year	6.75	22.13
Excess tax provision written back	2.11	—
Transfer from Investment allowance Reserve	28.58	—
PROFIT AVAILABLE FOR APPROPRIATION	166.74	58.05
Dividend & Tax thereon	56.39	51.30
Transfer to Debenture Redemption Reserve	40.00	—
Transfer to General Reserve	50.00	—
Balance in Profit & Loss Account	20.35	6.75
	166.74	58.05

PERFORMANCE

The current year's performance is better compared to last year. Total income increased from Rs. 2168 lakhs to Rs. 2569 lakhs, an increase of 19%. Profit before tax has more than tripled from Rs. 47 lakhs to Rs. 156 lakhs. Net profit has increased dramatically from Rs. 36 lakhs to Rs. 129 lakhs. These results have been achieved in a year when most hotels reported little or no growth.

During the year the Company has raised Rs. 300 lakhs by way of privately placed Debentures with UTI.

Barring unforeseen circumstances the Company hopes to improve its performance in the current year.

JOINT VENTURE PROJECT

The Company has formed a Joint Venture Company, i.e. Advani Pleasure Cruise Co. Pvt. Ltd. in collaboration with CIA Casinoinvest International GMBH Austria to carry on the business of Casino on Board a Pleasure Cruise in and around Goa. All State and Central Government approvals have been obtained for the 300 passenger Cruise Ship. It is proposed to invest upto Rs. 500 lakhs in the Joint Venture. The floating casino concept is new and has good business potential. You are requested to accord your approval to the Special Resolution proposed.

DIVIDEND

In order to conserve resources the Directors recommended a Dividend of 5% for the year (Previous year 5%).

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ADDITIONAL INFORMATION

In terms of Section 217(1)(e) of the Companies Act, (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the additional information is given below :

a. Conservation of Energy

Due consideration has been given to the very important aspect of energy conservation. The plant generating air-conditioning is fitted with a HEAT RECOVERY UNIT. This pre-heats the hot water required for the entire hotel. This in turn reduces the input heat of hot water and decreases the electrical load.

A micro processor is incorporated in the laundry and dish washing units to closely monitor various inputs of heat and power to these equipments.

Micro processor controlled units are provided in majority of the rooms in the original wing. This unit raises the room temperature when the guest is out, derives the light intensities of various fittings as well as fan speed, controls the A.C. fan coil unit's speed and temperature. For better efficiency of A.C. air handling units, several units have been replaced totally or in part as required. Insulation of A.C. pipes and ducts has been redone in several areas.

b. Technology Absorption

The Company has no Research and Development activity. The question of technology absorption or adaption or innovation is not applicable to your Company, which is a service Company.

c. Foreign Exchange Earnings and Outgo

The information relating to Foreign Exchange Earnings and Outgo is in Note No. 12 mentioned in Schedule K. The Company has also remitted during the year Rs. 35.93 lakhs towards installments due for repayment of foreign currency loans.

DIRECTORS

In accordance with the Provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Anil Harish and Mr. Suresh N. Talwar will retire by rotation and being eligible offer themselves for re-appointment.

LISTING REQUIREMENTS

Your Company's shares are listed on Mumbai, Ahmedabad and Delhi Stock Exchanges. The Company has paid Listing Fees for the year 2000-01.

Y2K COMPLIANCE

The transition to Y2K was smooth and trouble free due to adequate measures taken by the Company.

AUDITORS

M/s. J. G. Verma & Co., Chartered Accountants, Mumbai, the Auditors of the Company will retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment.

The Auditors in para 5 in their report and in annexure to the said report have made certain comments which are self-explanatory and in the opinion of the Directors do not call for any further explanation.

PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is given in the annexure.

ACKNOWLEDGEMENT

The Directors express their appreciation to the foreign collaborators (M/s. Marriott International), Financial Institutions, Banks, Department of Tourism, Government of India and the Government of Goa. The Directors also place on record their appreciation to the employees at all levels for their high level of dedication and commitment.

For and on behalf of the Board

SUNDER G. ADVANI

Chairman & Managing Director

Dated : 25th July, 2000

Place : Mumbai