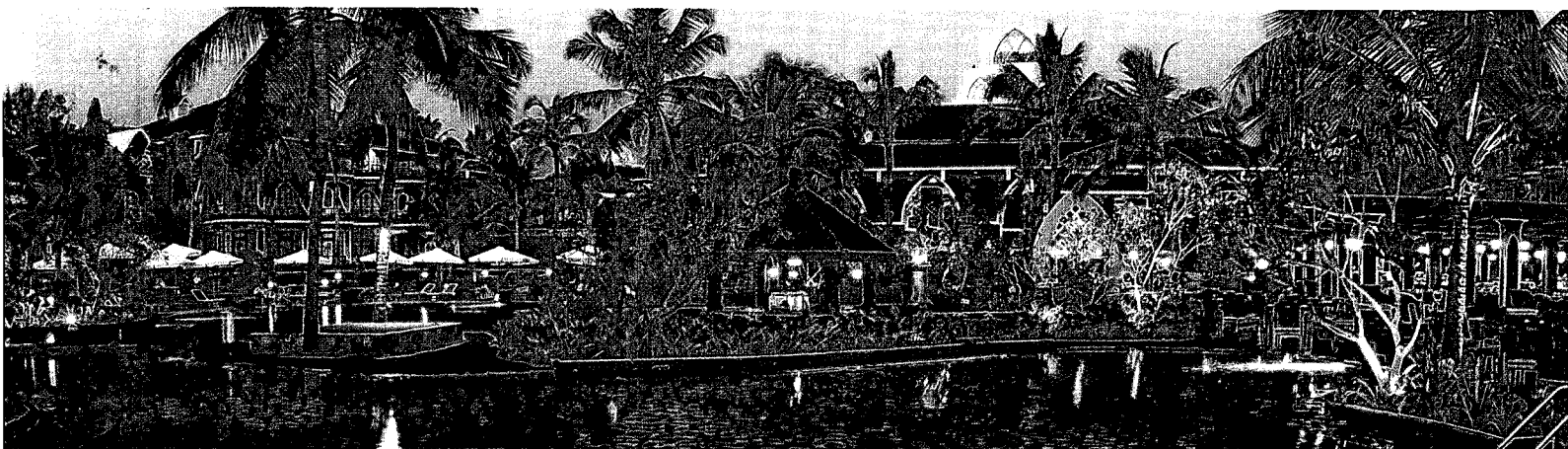
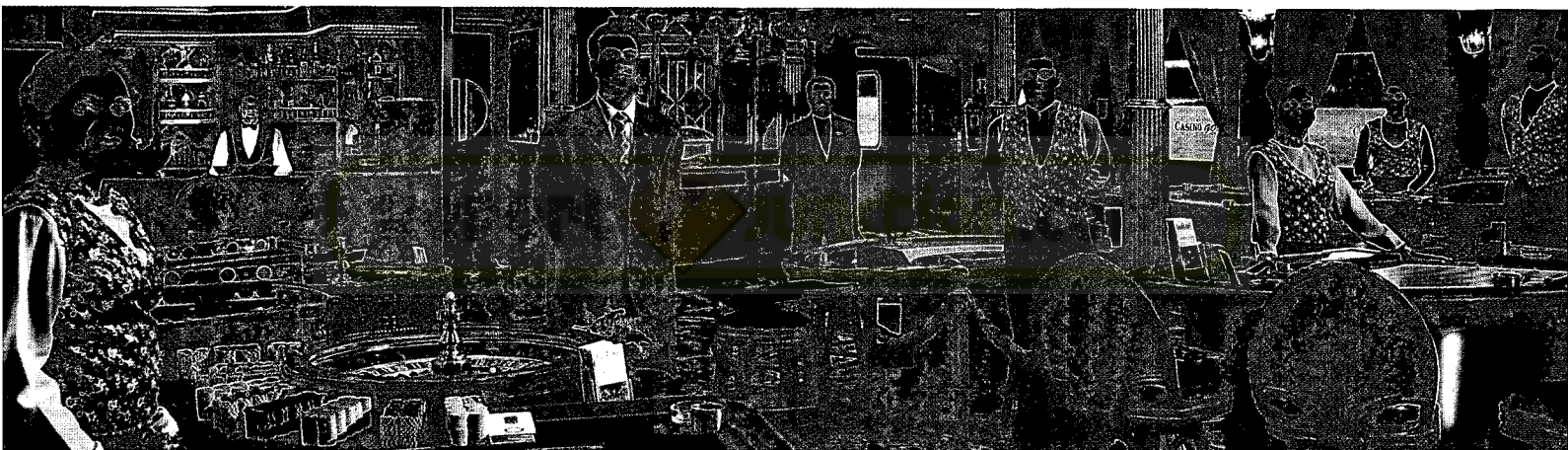
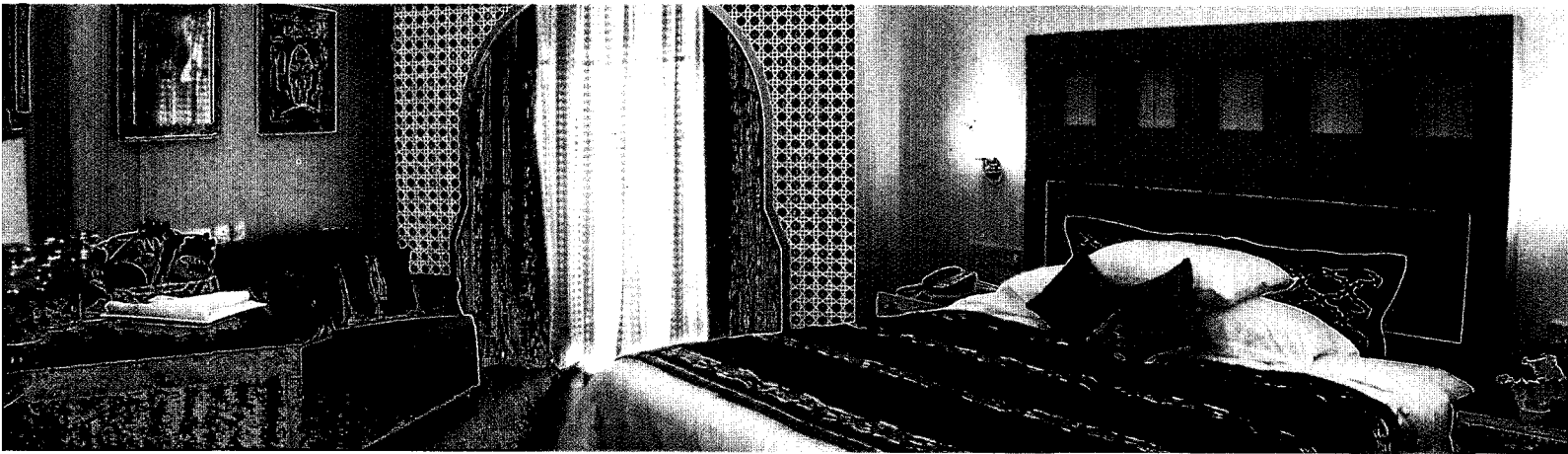




## ADVANI HOTELS & RESORTS (INDIA) LTD.



ANNUAL REPORT  
2006-2007



**Mr. Sunder G. Advani, Chairman & Managing Director (extreme left) at the dinner organized in Vienna by Mr. Paul Herzfeld (third from left), the CEO of Casinos Austria International.**

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*Annual Report 2006 - 2007**Advani Hotels & Resorts (India) Limited***BOARD OF DIRECTORS**

Mr. Sunder G. Advani	Chairman & Managing Director
Mr. K. Kannan	
Mr. Prakash V. Mehta	
Mr. Anil Harish	
Mr. Haresh G. Advani	Executive Director
Mrs. Menaka S. Advani	

**COMPANY SECRETARY**

Mrs. Neena Deshpande

**AUDITORS**Messrs J. G. Verma & Co.  
Chartered Accountants**SOLICITORS**Messrs Talwar Thakore & Associates  
Messrs Malvi Ranchoddas & Co.**BANKERS**Bank of Baroda  
Bank of India**REGISTERED OFFICE**1009/1010, Dalamal Tower,  
211, Nariman Point,  
Mumbai - 400 021.**REGISTRAR AND  
SHARE TRANSFER AGENTS**Datamatics Financial Services Limited  
Plot No. A/16 & 17,  
Part B Cross Lane, MIDC Marol,  
Andheri (East), Mumbai - 400 093.**FOREIGN COLLABORATORS**Wyndham Hotels, U.S.A.  
(Previously Ramada International, Inc., U.S.A.)**LOCATION OF THE RESORT**Ramada Caravela Beach Resort  
Varca Beach, Varca Village,  
Salcette, Goa - 403 721.**LOCATION OF FLIGHT CATERING UNIT**Airport Plaza  
Airport Road, Sancoale,  
Dabolim, Goa - 403 801.

*Advani Hotels & Resorts (India) Limited***NOTICE**

Notice is hereby given that the **Twentieth Annual General Meeting** of the Members of **Advani Hotels & Resorts (India) Limited** will be held on **Wednesday, September 26, 2007 at 3.00 p.m.** at Seminar Hall of K.C. College, Dinshaw Wachha Road, Churchgate, Mumbai - 400 020 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2007, Profit and Loss account for the year ended March 31, 2007 and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anil Harish, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Menaka S. Advani, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint auditors to hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass with or without modification(s) as a Special Resolution the following:  
 "RESOLVED THAT pursuant to the provisions of Clause 6.1 and other applicable provisions of the Securities and Exchange Board of India, (Delisting of Securities) Guidelines, 2003 ("the SEBI Delisting Guidelines"), Listing Agreements and other guidelines, consent of the Company be and it is hereby accorded to the Board of Directors ("the Board", which shall include any Committee thereof) to delist the equity shares of the Company from the Delhi Stock Exchange Association Limited."

6. A. To consider and if thought fit, to pass with or without modification(s) as an Ordinary Resolution the following:

"RESOLVED THAT pursuant to the provisions of Section 94(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the provisions of Article 52 of the Articles of Association of the Company, the consent of the Members be and is hereby accorded to sub-divide each of the equity share of the nominal value of Rs. 10/- (Rupees Ten only) each fully paid in the authorised share capital of the Company into 5 (five) equity shares of Rs. 2/- (Rupees Two only) each fully paid."

"RESOLVED FURTHER THAT existing Clause V of the Memorandum of Association of the Company relating to the equity share capital be and is hereby altered to reflect the aforesaid sub-division."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to issue new share certificates representing the sub-divided shares with new distinctive numbers in the aforesaid proportion and/or to credit the shareholders' accounts maintained with the Depositories subject to the rules as laid down in the Companies (Issue of Share Certificates) Rules, 1960, as amended, with an option either to exchange the new share certificates in lieu of cancellation of the old share certificates or without physically exchanging the share certificates, by treating the old share certificates as deemed to be cancelled and also to inform the Registrar and Share Transfer Agents of the Company and the depositories to take the necessary action to give effect to the above."

- B. To consider if thought fit, to pass with or without modification(s) as a Special Resolution the following:  
 "RESOLVED THAT Article 3 of the Company's Articles of Association be deleted."

7. To consider and if thought fit, to pass with or without modification(s) as an Ordinary Resolution the following:

"RESOLVED THAT in supersession of the Resolution passed at the Extra Ordinary General Meeting of the Company held on February 26, 1994, the Board of Directors, be and it is hereby authorised, in accordance with Section 293 (1) (d) of the Companies Act, 1956 and the Articles of Association of the Company, to

**Annual Report 2006 - 2007****Advani Hotels & Resorts (India) Limited**

borrow any sum or sums of money from time to time at their discretion, for the purpose of the Company, from Banks, Mutual Funds, Financial Institutions and/or Non Banking Finance Companies, by way of secured or unsecured loans, fixed deposits, inter corporate borrowings/issue of debentures whichever required, which together with the monies already borrowed by the Company (apart from temporary loans obtained from Company's Bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purposes) of an amount not exceeding Rs. 100 crores and that the Board of Directors be and it is hereby empowered and authorised to arrange or fix the terms & conditions of all such monies to be borrowed from time to time as to interest, repayment, securities or otherwise as they may think fit."

8. To consider and if thought fit, to pass with or without modification(s) as a Special Resolution the following:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956, the Members of the Company do hereby approve the re-appointment of Mr. Sunder G. Advani as the Managing Director of the Company with effect from March 1, 2008 for a period of five years on such terms and conditions as set out in the agreement proposed to be entered into between the Company and Mr. Sunder G. Advani, a copy of whereof initialed by the Chairman of the Board for the purpose of identification, is placed before the meeting."

"RESOLVED FURTHER THAT where in any financial year, during the tenure of Mr. Sunder G. Advani, the Company incurs losses or its profits are inadequate, the salary and perquisites payable as specified in the draft agreement shall be treated as the minimum remuneration payable."

"RESOLVED FURTHER THAT the Board of Directors be and it is hereby authorised to vary and / or alter the terms and conditions of the Agreement in such manner, from time to time as it may be agreed between the Company and Mr. Sunder G. Advani."

9. To consider and if thought fit, to pass with or without modification(s) as an Ordinary Resolution the following:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956, the Members of the Company do hereby approve the re-appointment of Mr. Haresh G. Advani as the Executive Director of the Company with effect from March 1, 2008 for a period of five years on such terms and conditions as set out in the draft agreement proposed to be entered into between the Company and Mr. Haresh G. Advani, a copy whereof initialed by the Chairman of the Board for the purpose of identification, is placed before the meeting."

"RESOLVED FURTHER THAT where in any financial year, during the tenure of Mr. Haresh G. Advani; the Company incurs losses or its profits are inadequate, the salary and perquisites payable as specified in the draft agreement shall be treated as the minimum remuneration payable."

"RESOLVED FURTHER THAT the Board of Directors be and it is hereby authorised to vary and / or alter the terms and conditions of the Agreement in such manner, from time to time as it may be agreed between the Company and Mr. Haresh G. Advani."

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

**Sunder G. Advani**  
Chairman & Managing Director

Mumbai, August 24, 2007

**Registered Office:**

1009/1010, Dalamal Tower,  
211, Nariman Point, Mumbai - 400 021.

*Advani Hotels & Resorts (India) Limited***NOTES:**

1. 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 be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2. The Register of Members and Share Transfer Books of the Company will remain closed from September 19, 2007 to September 26, 2007 (both days inclusive).
3. Consequent upon the amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, shall be transferred to the Investor Education and Protection Fund set up by the Central Government.

Hence, all unpaid or unclaimed dividend for the financial years 1996-1997, 1997-98 and 1998-99 have been transferred to the Investor Education and Protection Fund. The details of unpaid or unclaimed dividend for the subsequent years are as under:

Year of Declaration	Due Date (For transfer to the Fund)
1999-2000	24-09-2007
2005-2006	25-04-2013
2006-2007	21-03-2014

4. Members who have not claimed dividend in respect of the financial year 1999-2000 and for the subsequent years are requested to approach the Company / the Registrar and Share Transfer Agents of the Company for claiming the same. Members are requested to note that no claim shall lie against the Company or the aforesaid Fund in respect of any amount of dividend remaining unclaimed or unpaid for a period of seven years from the dates they first became due for payment.
5. The Registrar and Share Transfer Agents of the Company are:  
**Datamatics Financial Services Limited**  
 Plot No. A-16 & 17, Part B Cross Lane, MIDC Marol,  
 Andheri (East), Mumbai - 400 093  
 Tel.: 022 66712151 Fax: 022 28213404  
 Members are requested to contact them for any matter relating to Bank details, ECS Mandates, nominations, power of attorney, change in name/address etc.
6. Members are requested to quote their Folio Number or the Client ID on all the correspondence with the Company or with the Share Transfer Agents.
7. In view of the numerous advantages offered by the Depository System, members are requested to avail of the facility of dematerialisation of the Company's shares.
8. To avoid loss of dividend warrants and undue delay in respect of receipt thereof, the Company is providing a facility for remittance of dividend through the Electronic Clearing System ('ECS'). The ECS facility is available at locations identified by the Reserve Bank of India from time to time and covers most of the cities. Members who are desirous of availing of ECS facility and who are holding shares in physical form are requested to contact the Share Transfer Agents and those who are holding the shares in electronic form are requested to contact their respective Depository Participants.

## Annual Report 2006 - 2007

## Advani Hotels &amp; Resorts (India) Limited

9. The particulars of the Directors seeking re-appointment are furnished below as per the provisions of Clause 49 of the Listing Agreement:

Name of Director	(1) Mr. Anil Harish	(2) Mrs. Menaka Advani
Date of Appointment	23.02.1998	30.09.1989
Age	53 years	61 years
Qualification	B.A. LL.B. LL.M. (USA)	M.A. (Economics) Innkeepers Diploma Holiday Inn University (USA)
Expertise	Taxation Law	Administration & Human Resource Development
List of other Directorships #	1. Valecha Engineering Ltd. 2. Hinduja TMT Ltd. 3. Hotel Leelaventure Ltd. 4. Unitech Ltd. 5. Pantaloon Retail (India) Ltd. 6. Mahindra GESCO Developers Ltd. 7. Ador Welding Ltd. 8. Mukta Arts Ltd. 9. Tolani Shipping Co. Ltd. 10. K.C. Maritime (India) Ltd. 11. Prebon Yamane India Ltd. 12. Galaxy Entertainment Corp. Ltd. 13. Mantri Chandak Constructions Ltd. 14. HTMT Technologies Ltd.	NIL
List of Chairmanship/ Membership of other Committees	Chairman of Audit Committee: 1. Hinduja TMT Ltd. 2. Ador Welding Ltd.  Member of Audit Committee: 1. Mukta Arts Ltd. 2. Tolani Shipping Co. Ltd. 3. Unitech Ltd. 4. Valecha Engineering Ltd. 5. Mahindra GESCO Developers Ltd. 6. Hotel Leelaventure Ltd.  Chairman of Investors' Grievance Committee: 1. Hinduja TMT Ltd.	NIL  NIL
Name of Director	(3) Mr. Sunder G. Advani	(4) Mr. Haresh G. Advani
Date of Appointment	13.03.1987	13.03.1987
Age	68 years	57 years
Qualification	Strategic Hospitality Management and Financial Management Courses, Cornell University (USA)  Masters in Business Administration from The Wharton School (USA)  B.S. — Business Administration Temple University (USA)  Innkeepers Diploma Holiday Inn University (USA)	B.S. — School of Hotel Administration Cornell University (USA)
Expertise	Hospitality	Hospitality
List of other Directorships #	1. Advani Pleasure Cruise Company Private Limited 2. Advani Flight Catering Services Private Limited	1. Advani Pleasure Cruise Company Private Limited 2. Advani Flight Catering Services Private Limited
List of Chairmanship/Membership of other Committees	NIL	NIL

# Excludes Directorships in Private Limited Companies, Unlimited Companies, Foreign Companies, Section 25 Companies and alternate Directorships.



*Advani Hotels & Resorts (India) Limited*

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10. Members seeking clarifications/explanations are requested to forward their queries to the Company at its Registered Office at least 7 days prior to the Meeting.
11. Members are requested to bring their copies of the Annual Report to the Annual General Meeting.

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

**Sunder G. Advani**  
*Chairman & Managing Director*

Mumbai, August 24, 2007

**Registered Office:**  
1009/1010, Dalamal Tower,  
211, Nariman Point, Mumbai - 400 021

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*Annual Report 2006 - 2007**Advani Hotels & Resorts (India) Limited***EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:****Item No: 5**

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and Delhi Stock Exchange Association Limited (DSE). It is observed from the data on trading volumes that the Company's shares are not traded in material volumes at DSE. The trading volumes of the Company's shares at the DSE is either nil or insignificant. The BSE and NSE have nationwide trading terminals, which facilitate the investors across the country to trade in the shares of the Company. Further, de-listing of the Company's shares from DSE will also result in saving the cost on account of listing fees. The Company's shares will, however, continue to be listed on the BSE and NSE.

In this backdrop, it is considered desirable to delist the Equity Shares of the Company from the Delhi Stock Exchange Association Limited as per the SEBI (Delisting of Securities) Guidelines, 2003 ("SEBI Delisting Guidelines"). Therefore, Members' approval is being sought by the Special Resolution for enabling voluntary delisting of its equity shares from the DSE. This would be subject to fulfillment of compliance of the SEBI Delisting Guidelines and other formalities as may be required.

The Board of Directors recommends the Special Resolution for the approval of the members.

None of the Directors of the Company is in any way concerned or interested in the said Resolution.

**Item Nos.: 6 A & B**

- A. It is proposed to sub-divide each equity share of the nominal value of Rs. 10/- into 5 equity shares of the nominal value of Rs. 2/- each fully paid. Presently, the Company has a small capital base and the numbers of its floating shares in the market are less as compared to peer companies in the industry. In order to increase the number of shares and to improve the liquidity in the stock market, it is considered desirable to sub-divide the nominal value of the equity shares in the authorised share capital of the Company. This will also facilitate the small investors to purchase the shares of the Company.

In view of the above, the existing Clause V of the Memorandum of Association of the Company relating to the equity share capital also needs relevant alteration to give effect to the sub-division.

The Members, holding Equity Shares in physical form, are requested to dematerialize their shares at the earliest so that the effect of sub division of their shares could be given in their Demat account, quickly and economically.

- B. Article 3 of the Article of Association is superfluous as it is largely a repetition of Clause V of the Memorandum and Articles of Association and serves no additional purpose.

The Board of Directors recommends the acceptance of an Ordinary Resolution as set out in the Item No: 6 of the accompanying Notice.

The Directors of the Company are deemed to be concerned or interested in the resolution only to the extent of share held by them in the Company.

**Item No: 7**

Pursuant to the provisions of Section 293 (1) (d) of the Companies Act, 1956, the Board of Directors of a public company cannot except with the consent of the shareholders in General Meeting, borrow (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of the paid up share capital and free reserves of the Company.

At the Extra Ordinary General Meeting held on February 26, 1994 the Board was authorised to borrow monies in