# ARUNA HOTELS LIMITED

CIN: L15421TN1960PLC004255

Date: 30.09.2016

To,

**Bombay Stock Exchange,**
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

*Subject: 54th Annual General meeting – Compliance as required under SEBI (Listing Obligations and Disclosure) Regulations, 2015*

Dear Sir,

The 54th Annual general Meeting of the Company was held on 29th September 2016. Please find enclosed the following:

1. Annexure A - Summary of proceedings as required under Regulation 30 Part A of Schedule III of SEBI (Listing Obligations and Disclosure) Regulations, 2015;

2. Annexure B - Annual Report for the FY 2015-16 as required under Regulation 34 of SEBI (Listing Obligations and Disclosure) Regulations, 2015, as duly approved and adopted by the members at the Annual General Meeting as per the provisions of Companies Act, 2013.

This is for your information, records and necessary action. Kindly acknowledge receipt.

Thanking you,

Yours faithfully,
**For ARUNA HOTELS LIMITED,**

**(BALAJI GANDLA)**
**COMPANY SECRETARY**

No. 144.145, Sterling Road, Nungambakkam, Chennai- 600 034.
Ph: 044-3988 4422, Fax: 044-3041 4999. Email: arunahotelmpl@gmail.com.

# ARUNA HOTELS LIMITED

**ANNEXURE - A**

CIN: L15421TN1960PLC004255

**SUMMARY OF PROCEEDINGS OF THE FIFTY FOURTH ANNUAL GENERAL MEETING OF ARUNA HOTELS LIMITED HELD AT YOUTH HOSTEL, 2nd AVENUE, INDIRA NAGAR, CHENNAI - 600020 ON 29th SEPTEMBER, 2016 AT 09:00 AM**

The 54th Annual General Meeting of Members of Aruna Hotels Limited was held at Youth Hostel, 2nd Avenue, Indira Nagar, Chennai – 600020 on 29th September, 2016 at 09:00 AM 107 members were present in person, 3 proxies and 5 were representative of Body Corporates. Mr. Muralidharan Ramasamy, chaired the meeting. He then welcomed the Members to the Fifty Fourth Annual General Meeting. After ensuring the requisite quorum for the meeting was present, he called the meeting to order. The members were informed that the requisite Registers and the documents referred to in the notice of Annual General meeting were available for inspection during the meeting.

Mr. Muralidharan Ramasamy addressed the members by giving an overview of the performance of the Company, followed by an insight on the future outlook. With the permission of the members, the Notice calling AGM, the Auditor's report and the Directors' report were taken as read. The Chairperson informed that the Company had provided the Members the facility to cast their vote electronically, on all resolutions set forth in the Notice. Members who were present at the AGM and who had not cast their votes electronically were provided an opportunity to cast their votes at the end of the meeting through Poll.

The following items of business, as provided in the Notice of AGM, were transacted at the meeting:

**Ordinary Business**

1. Adoption of Financial Statement, reports of Board of Directors and Auditors thereon.

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2. Re – appointment of Mr. Muralidharan Ramasamy as Director of the company, who retires by rotation.
3. Ratification of appointment of Statutory Auditors.

**Special Business**

4. Servicing of documents.

The queries raised by the members were clarified.

M/s. M Damodaran & Associates, Practising Company Secretaries (Membership No. FCS 5837, COP 5081) was appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

The members were informed that the results of the meeting shall be declared within two days and the same shall be placed on the website of the Company, website of NSDL, CDSL and that of Bombay Stock Exchange.

The AGM concluded with a vote of thanks to the Chair.

The Scrutinizer's report was received and all the above resolutions as set out in the notice were passed with requisite majority.

**For ARUNA HOTELS LIMITED,**

**(BALAJI GANDLA)**
**COMPANY SECRETARY**

ARUNA HOTELS LIMITED CHENNAI 600 034

No. 144.145, Sterling Road, Nungambakkam, Chennai- 600 034.
Ph: 044-3988 4422, Fax: 044-3041 4999. Email: arunahotelmpl@gmail.com.

Annexure B

# ARUNA HOTELS LIMITED

54th

Annual Report

2015-2016

# ARUNA HOTELS LIMITED

**(CIN - L15421TN1960PLC004255)**

## Corporate Information

**BOARD OF DIRECTORS**

| | |
|---|---|
| VAITHYALINGAM ANBALAGAN | - MANAGING DIRECTOR |
| R.MURALIDHARAN | - NON EXECUTIVE DIRECTOR |
| K.RAJAKUMAR | - NON EXECUTIVE DIRECTOR |
| V.SUNDARESAN | - INDEPENDENT DIRECTOR |
| FREEDA GNANASELVAM KANAGIAH | - INDEPENDENT WOMEN DIRECTOR |

**MANAGEMENT**

| | |
|---|---|
| BALAJI GANDLA | - COMPANY SECRETARY |
| NAGARAJ .P | - CHIEF FINANCIAL OFFICER |

**AUDITORS**

| | |
|---|---|
| BALA & CO., Chennai. | - STATUTORY AUDITOR |
| V.RAJENDRAN | - SECRETARIAL AUDITOR |

| | |
|---|---|
| **BANKERS** | - HDFC BANK Ltd., |
| REGISTRAR & SHARE TRANSFER AGENTS | - **M/s.MCS SHARE TRANSFER AGENT LTD,**<br>- 002, Ground Floor, Kashiram Jamnadas<br>- Building, No 5 P'.D mello Road,<br>- Masjid (East), Mumbai - 400 009<br>- Ph: 022-40206022 |
| REGISTERED OFFICE | -145,STERLING ROAD,<br>- NUNGAMBAKKAM,<br>- CHENNAI-600 034. |

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# NOTICE TO SHAREHOLDERS

Notice is hereby given that the Fifty Fourth Annual General Meeting of the members of ARUNA HOTELS LIMITED, will be held on Thursday, 29th September 2016 at 09:00 AM at "Youth Hostel" 2nd Avenue, Indira Nagar, Chennai-600 020, to transact the following business:

**ORDINARY BUSINESS:**

**Item No.1 Adoption of Financial Statement:**

To receive, consider and adopt the Audited Financial Statements as at 31st March 2016 together with the report of the Directors and the Auditors thereon.

**Item No.2. Re-Appointment of Director:**

To Consider the appointment of the Director in place of Mr. Muralidharan Ramasamy (DIN: 07092976) who retires by rotation as per Section 152 and being eligible offers himself for re-appointment.

**Item No.3.Ratification of Appointment of Statutory Auditor of the Company:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. Bala & Co. (FRN: 000318S) as Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company to be held in the year 2017 to examine and audit the accounts of the Company for the financial year 2016-17, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and Statutory Auditor and Audit Committee."

**SPECIAL BUSINESS**

**Item no.4. Servicing of documents:**

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

"RESOLVED THAT pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed there under, the consent of the Company be and is hereby accorded to charge from a member in advance, a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode if any request has been made by such member for delivery of such document to him through such mode of service provided such request along with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board

Date:10.08.2016 **(BALAJI GANDLA)**

Place: Chennai **COMPANY SECRETARY**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

   A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. A form of proxy is enclosed to this Notice. No instrument of proxy shall be valid unless:

   (i) it is signed by the member or by his/her attorney duly authorized in writing or, in the case of joint holders, it is signed by the member first named in the register of members or his/her attorney duly authorized in writing or, in the case of body corporate, it is executed under its common seal, if any, or signed by its attorney duly authorized in writing; provided that an instrument of proxy shall be sufficiently signed by any member, who for any reason is unable to write his/her name, if his/her thumb impression is affixed thereto, and attested by a judge, magistrate, registrar or sub-registrar of assurances or other government gazetted officers or any officer of a Nationalized Bank.

   (ii) it is duly stamped and deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting, together with the power of attorney or other authority (if any), under which it is signed or a copy of that power of attorney certified by a notary public or a magistrate unless such a power of attorney or the other authority is previously deposited and registered with the Company / Registrar &Transfer Agent.

3. In case of Joint Holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

4. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

5. The Company's Registrar and Share Transfer Agents for its Share Registry Work (Physical and Electronic) are M/s. MCS Share Transfer Agents Ltd, having their office premises at 002, ground floor, Kashiram Jamnadas Building, 5, P.Demello road, Masjid East Mumbai – 400009

6. The Register of Members and Transfer Books of the Company will be closed from 24th September 2016to 29th September 2016(both days inclusive).

7. Pursuant to Section 205A and Section 205C of the Companies Act, 1956, dividends that are unclaimed for a period of seven years are required to be transferred to the Investors Education and Protection Fund (IEPF) administered by the Central Government. As on date, there are no unclaimed dividends.

8. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 and Rules thereon. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH - 13 duly filled in to M/s. MCS Share Transfer Agents Ltd, at the above mentioned address. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility.

9. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, M/s. MCS Share Transfer Agents Ltd, cannot act on any request received directly from the

members holding shares in electronic form for any change in the bank particular or bank mandates. Such changes are to be advised only to the Depository Participant of the members.

10. In accordance with the provisions of Section 101and 136 of the Companies Act, 2013 read with Rules framed there under, the Annual Report of the Company for the financial year 2015-16 and this Notice inter alia indicating the process and manner of Remote e-voting along with attendance sheet and proxy form are being sent by e-mail to those members who have registered their e-mail address with the Company (in respect of shares held in physical form) or with their DP (in respect of shares held in electronic form) and made available to the Company by the Depositories. In support of the Green Initiative, the members, who desire to receive notice / documents through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to his/her Depository Participant / the Company's Registrar & Share Transfer Agents, M/s. MCS Share Transfer Agents Ltd,, as the case may be.

11. **Re-appointment of Directors:**

In terms of Regulation 36(3) of the of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), a brief profile of directors, who are proposed to be re-appointed / appointed in this AGM, nature of their expertise in specific functional areas, their other directorships and committee memberships, their shareholding and relationship with other directors of the Company are given below.

| **Name of the Director** | **Mr. MURALIDHARAN RAMASAMY** |
|---|---|
| Date of Birth | 19/06/1976 |
| Age | 40 |
| Qualification | Post Graduate |
| List of companies in which directorship is held as on 31st March, 2016 | NIL |
| Shareholding as on 31st March, 2016<br>a) Held individually<br>b) Held jointly with others | NIL |

12. Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI Listing Regulations, the Company is pleased to offer e-voting facility to its members to exercise their right to vote at the 54th Annual General Meeting (AGM) by electronic means in respect of the businesses to be transacted at the AGM, through the remote e-voting platform provided by M/s. MCS Share Transfer Agents Ltd (MCS).

The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting'). Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their rights at the meeting. Facility of voting through ballot shall also be made available at the meeting.

<u>The Procedure and instructions for remote e-voting are as under:</u>

Voting through electronic means will commence on 26th September 2016 at 9:00 AM and will end on 28th September 2016 at 5:00 PM. The members will not be able to cast their vote electronically beyond the date and time mentioned above.

i. The voting rights of the Members holding shares in physical form or in dematerialized form, in respect of remote e-voting shall be reckoned in proportion to their shares of the paid up equity share as on the cut - off date being 22nd September 2016.

ii. Any person who acquires Shares of the Company and become Member of the Company after the dispatch of the AGM Notice and holds shares as on the cut-off date i.e. 22nd September 2016, may obtain the User Id and password in the manner as mentioned below:

(i) The shareholders should log on to the e-voting website www.evotingindia.com.

(ii) Click on "SHAREHOLDERS" Tab

(iii) Select "ARUNA HOTELS LIMITED" from the drop down box and click "SUBMIT"

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

| | **For Members holding shares in Demat Form and Physical Form** |
|---|---|
| | |
| **PAN** | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) |
| • | • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. |
| • | • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field(Sl. No. mentioned in your address label can be used as Sequence No. for this purpose). |
| **DOB#** | Enter the date of birth as recorded in your demat account or in the company records for the said demat account or folio in DD/MM/YYYY format. |
| **Dividend bank details#** | Enter the dividend bank details as recorded in your demat account or in company records for the said demat account or Folio |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Set Password' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for Aruna Hotels Limited.

(xii) On the voting page, you will see Resolution Description and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "CLICK HERE TO PRINT" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

(xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.inand register themselves as Corporates. After receiving the login details they have to link the account (s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power ofAttorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

iii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

iv. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

v. The Scrutinizers hall within a period not exceeding two workingdays fromthe conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

vi. M. Damodaran, Properitor of Mr. M.Damodaran & Associates Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

vii. The Results shall be declared after remote E voting and physical ballot after the AGM of the Company and the resolutions will be deemed to be passed on the date ofAGM of the Company subject to the receipt of requisite number of votes in favour of the resolution. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CSDL and communicated to the Stock Exchanges.

viii. Details of persons to be contacted for issues relating to e-voting:

Mr. UDAY MOGAVEERA
MCS SHARE TRANSFER AGENT LTD
Unit: Aruna Hotels Limited
002, Ground Floor, Kashiram Jamnadas Building,,
5 P D mello Road, Ghadiyal Godi,
Mumbai - 400 009
Tel. No.: +91 022 23726252 / 6253 / 6254 / 6255;
Fax No.: +91 022 23626256;
E-mail: uday_mcs@yahoo.in

ix. Details of Scrutinizer: Mr. M.Damodaran, Practicing Company Secretary

a) The Scrutinizer's decision on the validity of the vote shall be final.

b) Once the vote on a resolution stated in this notice is cast by shareholder through remote e-voting, the shareholder shall not be allowed to change it subsequently and such e-vote shall be treated as final.The Members who have cast their vote by remote e-voting may also attend the Meeting, however such member shall not be allowed to vote again.

c) The Scrutinizer after scrutinising the votes cast at the Meeting by Poll and through remote e-voting, will not later than two (2) days of conclusion of the Meeting, make a consolidated Scrutinizer's Report and submit the same forthwith to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.

d) The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company (www.arunahotels.com). The Results shall simultaneously be communicated to BSE Limited.

e) The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 29.09.2016.

## EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT 2013

### ITEM NO.4.

**A) Meaning, Scope & Implication of the items of the business:**

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or residence address or by such electronic or other mode as may be prescribed. Further, proviso to sub-section (2) of Section 20 states that a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the company in its Annual General Meeting. Accordingly, the Board of Directors in their meeting held on 10th August 2016 has proposed that a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode, if any request has been made by any member for delivery of such documents to him through such mode of service, be taken to cover the cost of such delivery.

**B) Interest of Director, Key Managerial Personnel and their relatives:**

None of the

i. Directors
ii. Key Managerial Personnel (CEO, CFO ) if any
iii. Relatives of the persons mentioned in i & ii

are interested in the above said resolution.

**C) Relevance of Resolution in any other Company:**

The above resolution does not affect any other company.

**D) Inspection of Documents:**

There are no documents available for inspection pertaining to the resolution.

# DIRECTORS' REPORT

To the Members,
The Directors have pleased to present before you the 54th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2016.

## FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

| Particulars | Financial year ended Mar 31,2016 | Financial year ended Mar 31,2015 |
|---|---|---|
| | Rs in lakhs | Rs in lakhs |
| **Balance carried to balance sheet** | **-** | **2.75** |
| **Less: Operating Expenditure** | 30.14 | 448.41 |
| Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA) | **(30.14)** | **(445.66)** |
| **Add: Other income (net)** | 345.89 | 1428.40 |
| **Less: Finance costs** | 92.65 | 671.29 |
| **Less: Depreciation & amortization expense** | 147.95 | 221.58 |
| **Less: Other expenses (net)** | 90.70 | 92.05 |
| Profit/ (Loss) before exceptional and Extraordinary items and tax | **(6.54)** | **(2.19)** |
| **Exceptional Items** | - | - |
| Profit/ (Loss) before Extraordinary items and tax | **(6.54)** | **(2.19)** |
| **Extraordinary Items** | - | - |
| Profit/ (Loss) before tax | **(6.54)** | **(2.19)** |
| Tax expenses | - | - |
| Profit/ (Loss) after tax | **(6.54)** | **(2.19)** |
| **Balance brought from previous year** | **-** | **-** |
| **Amount available for appropriation** | **-** | **-** |
| **Amount transferred to General reserve** | **-** | **-** |
| **Dividend** | **-** | **-** |
| **Balance carried to balance sheet** | **-** | **-** |

## OPERATIONS & PERFORMANCE

As the Company's operations have been suspended, the Company was unable to generate any revenue for the year under review. The Board of directiors of the Company is taking all steps to revive the Company's operations. The Board of Directoris in the process of devising an elaborate business plan to restart the operation and seek the members support and co-operation in order to successfully implement the business revival plan.

## DIVIDEND

As the Company has incurred loss in the year under review the Directors do not recommend dividend to its shareholders.

**TRANSFER TO RESERVES||**

Due to Loss, the company does not propose to be transfered to the general Reserve.

**LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2016-17 to BSE limited where the Company's Shares are listed.However, the trading in the shares has been suspended. Necessary steps are being taken to get the suspension revoked.Company already filed revocation application with BSE.

**DEMATERIALISATION OF SHARES:**

**49.8%** of the Company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2016 and balance **50.2%** isin physical form.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

a) in the preparation of the annual accounts for the year ended 31st March, 2016, the applicable accounting standards have been followed and there are no material departures;

b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the Company for the same period ;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared the annual accounts on a going concern basis;

e) they have laid down internal financial controls that are adequate and were operating effectively.

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY|**

Based on the internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and reviews performed by the management, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

As on 31.03.2016 the composition of the Board of Directors and Key Managerial Personnels of your Company is as under

| Name | Designation | Category |
|---|---|---|
| **Vaithyalingam Anbalagan** | Managing Director | Executive |
| **Muralidharan Ramasamy** | Director | Non-Independent,Non-Executive |
| **Rajakumar Kumaru velayathanadar** | Director | Non – Independent, Non – Executive |
| **Sundaresan Vairakan** | Director | Independent, Non – Executive |
| **Freeda Gnanaselvam Kanagiah** | Director | Independent Women , Non – Executive |
| **Balaji Gandla** | Company Secretary | - |
| **Nagaraj P** | Chief Financial Officer | - |

**NUMBER OF BOARD MEETINGS HELD**

The Board of Directors duly met 9 (Nine) times during the financial year from 1st April, 2015 to 31st March, 2016 .

**CORPORATE SOCIAL RESPONSIBILITES**

with the enactment of the compannies Act 2013, and the companies ( Corporate Social Responsibility) Rules 2014 read with various clarifications issues by MCA , every company having networth of Rs 500 crores or more or turnover of Rs 1000 crores or more or net profit of Rs 5 Crore or more during any financial Year have to spend at least 2% of the average net profit of the company made during the three immdiately preceding financial years .
Accordingly the provision of CSR activites under companies Act 2013, do not apply to your company.

**SUBSIDIARY**

company has no subsidiary as on date of this balance sheet..

**CORPORATE GOVERNANCE**

As per SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the Corporate Governance Report with Auditors' Certificate thereon and Management Discussion and Analysis Report are attached, which form part of this report.

**FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

All new independent Directors inducted into the Board attend an orientation program. The details of training and familiarization programme of the independent Directors are available on the website of the Company (www.arunahotels.com).

**POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of the Directors' report.

**WHISTLEBLOWER POLICY (POLICY ON VIGIL MECHANISM)**

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including Directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and the Regulation 22 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (www.arunahotels.com).

**OTHER POLICIES**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates the formulation of certain policies for all listed companies. All our corporate governance policies are available on our website (www.arunahotels.com). The policies are reviewed periodically by the Board and updated based on need and any compliance requirement.

In addition to its Code of Conduct and Ethics, key policies that have been adopted by the Company are as follows:

| Name of the policy | Description |
|---|---|
| Policy for determining material subsidiaries of the Company | The policy is used to determine the material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide the governance framework for them. |
| Related Party Transaction Policy | The policy regulates all transactions between the Company and itsrelated parties |
| Non Executive Directors Policies | The policy determines the criteria for payments made to Non executive Directors |
| Preservation of Documents | The policy determines the criteria and time period for preservation of records and archives. |

**DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from every independent Director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**COMMITTEES OF THE BOARD**

Currently, the Board has three committees: the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders' Relationship Committee. The composition of all committees consists of independent Directors in majority. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report section of this Annual Report.

**COMPOSITION OF THE AUDIT COMMITTEE**

The Board has constituted a Audit commitee . A detailed note on the composition of committee is provided in the corporate goverance Report section of this Annual Report,

**AUDITORS:**

**i) Statutory Auditors:**

The Auditors, M/s. Bala & Co., (Firm registration No. 000318S), Chartered Accountants, were appointed as statutory auditors of the Company in place of M/s U. C. Bhandari & Co. for a period of five consecutive years at the Annual General Meeting held on 30thDecember, 2015, who shall hold office until the conclusion of the annual general meeting to be held for the financial year 2019-20. As per section 139 of the Companies Act, 2013, the appointment needs to be ratified at every annual general meeting by the members. Directors recommend for ratification of the appointment of M/s. Bala & Co, auditors made on 30th December, 2015.

**ii) Internal Auditors**

In accordance with the provisions of Section 138 of the Companies Act, 2013 and Rules made there under M/s. Venkat & Rangaa, (FRN:004597) Chartered Accountants were appointed as the Internal Auditors of the Company for the financial year 2015 – 2016.

**iii) Secretarial Auditors:**

M/s. V.Rajendran, Practicing CompanySecretaries were appointed to conduct the secretarial audit of the Company for the year 2015 – 16, as required under Section 204 of the Companies Act, 2013 and Rules there under. The Report submitted by Secretarial auditorshas been annexed to this report.

**MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY**

No material changes and commitments affecting the financial position of the Company occurred from the end of the financial year 2015-16 till the date of this report. Further there was no change in the nature of the business of the Company.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**CONTRACTS AND ARRANGEMENT WITH RELATED PARTIES**

All related party transaction that were entered into by the company during the financial year were at arm's length basis and in the ordinary course of business. In view of this disclosure in form AOC-2 has not been provided.
During the transactions entered into with related parties are not considered to be materially significant. The details of transaction with related parties are provided in the accompanied financial statements

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith.

**REMUNERATION OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP)**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:

| S. No | Name | Designation | Remuneration paid FY 2015-16 Rs. in lakhs | Remuneration paid FY 2014-15 Rs. in lakhs |
|---|---|---|---|---|
| 1. | Mr. Vaithyalingam Anbalagan | Managing Director | 1.5 | - |
| 2. | Balaji Gandla | Company Secretary | 0.35 | - |
| 3. | Nagaraj P | CFO | 0.96 | - |

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

1. **Conservation of Energy**

   The operations of Company are not energy intensive. The company values the significance of conservation of enegy and hence continuous efforts are made for Judicious use of energy at all levels of operations by utlising enery efficient systems and process.

2. **Technology Absorption, Adaptation and Innovation**

   The efforts made towards technology absorption: The Company has not carried out any Technology Absorption.

   The benefits derived like product improvement, cost reduction, product development or import substitution: Not

Incase of Imported Technology (imported during the last three years reconed from the begining of the financial year )Not Applicable

The expenditure incurred on Research and Development: Not applicable

**3. Foreign Exchange Earning and Outgo**

There were no foreign exchange inflows or outflows.

**DEPOSITS**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an anti-sexual harassment policy in line with the requirements of the sexual harassment of women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees, permanent and contractual, are covered under this policy. The Company includes awareness training regarding prevention of sexual harassment in its employee's induction program and has placed the policy on the Company's intranet. Further, the Company has circulated this policy to all its employees. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. No complaints regarding sexual harassment were received during the year.

**ACKNOWLEDGEMENT**

Directors take this opportunity to express their thanks to various departments of the Central and State Government,Bankers, Material Suppliers, Customers and Shareholders for their continued support and guidance.

The Directors wish to place on record their appreciation for the dedicated efforts put in by the Employees of the Company at all levels.

**For Aruna Hotels Limited**

| | | |
|---|---|---|
| | **(Vaithyalingam Anbalagan)** | **(Muralidharan Ramasamy)** |
| Date : 30.05.2016 | **DIN: 00059007** | **DIN: 07092976** |
| Place: Chennai | **Managing Director** | **Director** |

# Director's Reply to Auditor's Observation

With respect to the Auditor's Qualifications, the Board would like to inform you as follows:

1. The Board of Directors is trying its best to meet all the compliances required to re-list the company in the stock exchange at earliest, as soon as the Company will be re-listed we will issue the shares to all the parties whose sum is shown under advance towards share capital. This serves as our response to point no. (i) in the Auditor's Report.

2. The Board of Directors is taking all steps to revive the operations of the Company. The Board of Directors has been successful in getting additional funds as Share Capital which are very much required to settle the old and long pending dues of the Company. As such, The Board of Directors is in the process of working out an elaborate Business Plan to restart the operations at the earliest and to ensure that the operations remain profitable. The Board of Directors requests the support and patronage of all the shareholders in this regard to accomplish this mission. This serves as our response to point no. (vi) in the Auditors Report.

3. Point Nos (ii) to (v) and (vii) The Board of Directors is taking immediate steps to rectify / sort out or close the issues identified in the Auditors Report and is hopeful of doing the same before the next AGM. The Board of Directors has already taken steps to correct the statutory lapses. Old pending Statutory Dues, to the extent ascertainable, are in the process of settlement with the authorities and already Sales Tax, Luxury Tax and Service Tax Outstanding's having been paid. The pending litigations are being responded to with the help of legal team. The dues of the employees have been finalized and settled. All these actions have been initiated by The Board of Directors and we are very much hopeful of closing all the points on or before the next AGM.

## Reply to Secretarial Auditor's Observation

1. Observations of Point (a) to (c) and (d) in the secretarial Audit report is self Explantory and hence no need to Provide seperate explanation
2. AGM of the Financial Year 2013 and 2014 belately held due to restructuring the operations of the Company
3. Board of director is taking all steps to revoke the Suspension on securities listed at BSE

**Form No. MR-3**

# SECRETARIAL AUDIT REPORT

(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,
**ARUNA HOTELS LIMITED**
CIN: L15421TN1960PLC004255
Aruna Centre, 145, Sterling Road,
Nungambakkam,
Chennai -600 034.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. ARUNA HOTELS LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion there on.

Based on my verification of the **M/s. ARUNA HOTELS LIMITED'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 **31.03.2016** 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 here in after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. ARUNA HOTELS LIMITED** ("the Company") for the financial year ended on **31.03.2016** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the 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, 1992 and 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(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;

I have also examined compliance with the applicable clauses/Regulations of the following:

(i) The Listing Agreement entered into by the Company with the BSE Limited;

(ii) The Listing Agreement entered into by the Company with the BSE Limited under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

(iii) The Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

a. The Board of directors did not have the requisite number of independent directors during the period. However the same was complied as on 27.11.2015, by appointment of required number of independent directors.

b. The Company has not complied the provisions of section 177 of the Companies Act 2013 for forming an Audit Committee during the year under review. However, it has since been constituted.

c. The Company has not complied the provisions of section 178 of the Companies Act 2013 for forming Nomination and Remuneration Committee during the year under review. However, it has since been constituted.

d. The Annual General Meeting of the Company has been conducted on 09.09.2015 for the Financial Year ended 2013 and 2014.

e. The Company's Equity Shares has been continuously suspended from Trading by the Bombay Stock Exchange during the period under review.

f. Due to suspension of trading of securities of the Company, the company has not complied the applicable clauses/regulations as per listing agreement and SEBI (LODR) Regulations, 2015 in time. However, as on date of this certificate, the company has complied the same

**I further report that**

The Board of Directors of the Company is constituted with Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Notice is given to all directors in respect the Board Meetings and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are 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** during the audit period the company has following events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

1. The Company has made an application to the Bombay Stock Exchange for revocation of suspension of trading of securities.
2. The Company has passed Special Resolution under section 62(1)(c) and all other applicable provisions of the Companies Act, 2013 vide AGM dated 30.12.2015 to consider issue of Equity shares on preferential basis;
3. The Company has passed Special Resolution under section 180(1)(c) and all other applicable provisions of the Companies Act, 2013 vide AGM dated 30.12.2015 to borrow money from Banks, Financial Institutions and other body corporate not exceeding Rs.100 Crores (Rupees One hundred Crores);
4. The Company has passed Special Resolution under section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 vide AGM dated 30.12.2015 to create mortgage, hypothecation and /or create charge on all or any of the movable or immovable properties or such other assets of the Company

Place : Trivandrum
Date : 28.05.2016

Name of Company Secretary in practice : V.Rajendran,
FCS No. 6062
C P No. :13941

# CORPORATE GOVERNANCE REPORT

## COMPANY'S PHILOSOPHY

The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company has adopted a code of conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a code of conduct for its Non-executive Directors and Independent Directors. These codes are available on the Company's website (www.arunahotels.com). The Company has in place an information security policy that ensures proper utilization of IT resources.

The Company is in compliance with the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

1. BOARD COMPOSITION, SIZE AND COMPOSITION OF THE BOARD

We believe that our Board needs to have an appropriate mix of Executive and Independent Directors to maintain its independence, and separate its functions of governance and management. Listing regulations mandate that for a Company with a Non-executive Chairperson, at least one-third of the Board should be Independent Directors. As on March 31, 2016, the Company has five Directors, out of which two (40%) are Non – Executive Independent Directors, two (40%) are Non – Executive Non – Independent Directors and One (20%) is Managing Director. One of the Independent Directors is a Woman Director. The Composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations, 2015.

The names and categories of the Directors on the Board, their attendance at Board meetings held during the year and the number of Directorships and committee Chairpersonships / memberships held by them in other public companies as on March 31, 2016 are given herein below.

| Name of the Director | Category | Number of Board Meetings During the year | | Whether Attended last AGM held on (Y/N) | Number of Directorships in other public companies |
|---|---|---|---|---|---|
| | | Held | Attended | | |
| Mr. Muralidharan Ramasamy (Chairperson) DIN: 07092976 | Non-Executive Non-Independent | 9 | 9 | Y | - |
| Mr. Vaithyalingam Anbalagan* (Managing Director) DIN: 00059007 | Executive Non – Independent | 9 | 5 | Y | 1 |
| Mr. Rajakumar Kumaruvelayathanadar (Director) DIN: 05187894 | Non-Executive Non-Independent | 9 | 9 | Y | - |
| Mr. Sundaresan Vairakan* (Director) DIN: 07328033 | Non-Executive Independent | 9 | 5 | Y | - |
| Mrs. Freeda Gnanaselvam Kanagiah** (Director) DIN: 07350172 | Non-Executive Independent women | 9 | 3 | Y | - |

*Mr. Vaithyalingam Anbalagan and Mr. Sundaresan Vairakan were appointed on 10.10.2015.
**Freeda Gnanaselvam Kanagiah was appointed on 27.11.2015.

Nine Board meetings were held during the year and the gap between two meetings did not exceed one hundred twenty days. The dates on which the said meetings were held are as follows:

| S. No. | Meeting Date | No. of Directors | No. of Directors Present |
|---|---|---|---|
| 1. | 08.04.2015 | 4 | 4 |
| 2. | 30.05.2015 | 4 | 4 |
| 3. | 01.09.2015 | 4 | 4 |
| 4. | 01.10.2015 | 3 | 3 |
| 5. | 10.10.2015 | 4 | 4 |
| 6. | 07.11.2015 | 4 | 4 |
| 7. | 27.11.2015 | 5 | 5 |
| 8. | 31.12.2015 | 5 | 5 |
| 9. | 13.02.2016 | 5 | 5 |

The necessary quorum was present for all the meetings.

**INDEPENDENT DIRECTORS MEETING**

Schedule IV of the Companies Act, 2013, and the Rules under it mandate that the independent Directors of the Company hold at least one meeting in a year, without the attendance of non-independent Directors and members of the Management. These meetings are held to review the performance of the non-independent Directors and the Board as a whole, as well as the performance of the Chairperson of the Board, taking into account the views of the executive Directors and non-executive Directors; assess the quality, quantity and timeliness of the flow of information between the Management and the Board that is necessary for it to effectively and reasonably perform its duties.

**MEMBERSHIP TERM**

The Board constantly evaluates the contribution of the members and periodically shares updates with the shareholders about re-appointments consistent with applicable statutes. The current law in India mandates the retirement of two-third of the non-independent Directors (who are liable to retire by rotation) every year, and qualifies the retiring members for re-appointment. Executive Directors are appointed by the shareholders for a maximum period of five years, but are eligible for re-appointment upon completion of their term. An independent Director shall hold office for a term of up to five consecutive years on the Board of the Company and will be eligible for re-appointment on the passing of a resolution by the Company.

**2. BOARD COMMITTEES**

Currently, the Board has three committees: audit committee, nomination and remuneration committee and stakeholders' relationship committee. All committees consist majority of independent Directors.

The non-executive Chairperson of the Board, in consultation with the Company Secretary and the committee chairperson, determines the frequency and duration of the committee meetings. Recommendations of the committees are submitted to the entire Board for approval. The quorum for meetings is either two members or one-third of the total number of members of the committee, whichever is higher.

**AUDIT COMMITTEE**

The audit committee of the Company is constituted in line with the provisions of Regulation 18 of the SEBI Listing Regulations, 2015 read with Section 177 of the Companies Act, 2013. The terms of reference of the audit committee are broadly as under:

- 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;
- Recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
    - Changes, if any, in accounting policies and practices and reasons for the same.
    - Major accounting entries involving estimates based on the exercise of judgment by management.
    - Significant adjustments made in the financial statements arising out of audit findings.
    - Compliance with listing and other legal requirements relating to financial statements.
    - Disclosure of any related party transactions.
    - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Establish a vigil mechanism for Directors and employees to report genuine concerns in such manner as may be prescribed;
- To review the functioning of whistle blower mechanism.
- Approval of appointment of CFO;
- 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;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- Oversee financial reporting controls and process for material subsidiaries;
- Oversee compliance with legal and regulatory requirements
- To mandatorily review the following information:
    - Management discussion and analysis of financial condition and results of operations;
    - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
    - Management letters / letters of internal control weaknesses issued by the statutory auditors;
    - Internal audit reports relating to internal control weaknesses; and
    - The appointment, removal and terms of remuneration of the internal auditor.

The audit committee invites executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the secretary to the audit committee.

The composition of the audit committee as on 31.03.2016 and the details of meetings attended by its members are given below:

| Name | Category | Number of meetings during the financial year 2015 – 16 | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Sundaresan Vairakan (Chairperson) | Independent Non – Executive | 2 | 2 |
| Mrs. Freeda Gnanaselvam Kanagiah | Independent Non – Executive | 2 | 2 |
| Mr. Muralidharan Ramasamy | Non - Independent Non – Executive | 2 | 2 |

Two audit committee meetings were held during the year and the gap between two meetings did not exceed 120 days. The dates on which the said meetings were held are as follows:

1. 30.11.2015
2. 12.02.2016

The necessary quorum was present for all the meetings.

**NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of the SEBI Listing Regulations, 2015, read with Section 178(1) of the Companies Act, 2013. The terms of reference of the nomination and Remuneration Committee are broadly as under:

- Recommend to the Board the set up and composition of the Board and its committees, including the "formulation of the criteria for determining qualifications, positive attributes and independence of a Director". The committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the Board the appointment or reappointment of Directors.
- Devise a policy on Board diversity.
- Recommend to the Board appointment of key managerial personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this committee).
- Carry out evaluation of every Director's performance and support the Board and independent Directors in evaluation of the performance of the Board, its committees and individual Directors. This shall include "formulation of criteria for evaluation of independent Directors and the Board".
- Recommend to the Board the remuneration policy for Directors, executive team or key managerial personnel as well as the rest of the employees.
- On an annual basis, recommend to the Board the remuneration payable to the Directors and oversee the remuneration to executive team or key managerial personnel of the Company.
- Oversee familiarization programmes for Directors.
- Oversee the human resource philosophy, human resource and people strategy and human resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the Board, key managerial personnel and executive team).
- Provide guidelines for remuneration of Directors on material subsidiaries.
- Recommend to the Board on voting pattern for appointment and remuneration of Directors on the Boards of its

material subsidiary companies.

- Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

The composition of the nomination and remuneration committee and the details of meetings attended by its members are given below:

| Name | Category | Number of meetings during the financial year 2015 – 16 | |
|---|---|---|---|
| | | Held | Attended |
| Mrs. Freeda Gnanaselvam Kanagiah (Chairperson) | Independent Non – Executive | 1 | 1 |
| Mr. Sundaresan Vairakan* | Independent Non – Executive | 1 | 1 |
| Mr. Rajakumar Kumaruvelayathanadar | Non - Independent Non – Executive | 1 | 1 |
| Mr. Muralidharan Ramasamy** | Non - Independent Non – Executive | 0 | 0 |

* Mr. Sundaresan Vairakan stepped down as Chairperson effective from 12.02.2016.

**Mr. Muralidharan Ramasamy ceased to be a member of the committee effective from 12.02.2016.

One meeting of the committee was held during the year on 12.02.2016. The necessary quorum was present for the meetings.

**Remuneration Policy**

Remuneration policy of the Company is designed to create a high performance culture. The Company believes that the remuneration should be sufficient to attract, motivate and retain non –executive talent. The Remuneration policy of the Company has been displayed on the website of the Company.

The details of remuneration paid to Directors are given below: Rs in Lakhs

| Name of the Director | Salary | Sitting fee | Commission | ESOPs | Others |
|---|---|---|---|---|---|
| Mr. Muralidharan Ramasamy (Director) | - | - | - | - | - |
| Mr. Vaithyalingam Anbalagan (Managing Director) | **1.5** | - | - | - | - |
| Mr. Rajakumar Kumaruvelayathanadar (Director) | - | - | - | - | - |
| Mr. Sundaresan Vairakan (Director) | - | - | - | - | - |
| Mrs. Freeda Gnanaselvam Kanagiah (Director) | - | - | - | - | - |

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The stakeholders' relationship committee has the mandate to review and redress shareholder grievances. The Company has always valued its customer relationships. This philosophy has been extended to investor relationship. The Committee focuses on servicing the needs of various stakeholders viz. investors, analysts, brokers and the general public. The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

| Name | Category | Number of meetings during the financial year 2015-16 | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Rajakumar Kumaruvelayathanadar (Chairperson) | Non – Independent Non – Executive | 1 | 1 |
| Mrs. Freeda Gnanaselvam Kanagiah | Independent Non – Executive | 1 | 1 |
| Mr. Sundaresan Vairakan* | Independent Non – Executive | 1 | 1 |
| Mr. Muralidharan Ramasamy** | Non – Independent Non – Executive | 0 | 0 |

* Mr. Sundaresan Vairakan stepped down as Chairperson effective from 12.02.2016.

**Mr. Muralidharan Ramasamy ceased to be a member of the committee effective from 12.02.2016.

One meeting of the committee was held during the year on 12.02.2016. The necessary quorum was present for the meetings.

The following are the details of investor complaints received and redressed during the year

| Opening balance | Complaints received | Complaints redressed | Closing Balance |
|---|---|---|---|
| 8 | 11 | 16 | 3 |

## 3. SHAREHOLDERS

### DISCLOSURES REGARDING THE APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS

As per the provisions of the Companies Act, 2013, Mr. Muralidharan Ramasamy will retire in the ensuing AGM and being eligible, seek re-appointment. The Board recommends his re-appointment.

The Companies Act, 2013, provides for the appointment of independent Directors. Sub-section (10) of Section 149 of the Companies Act, 2013 (effective April 1, 2014) provides that independent Directors shall hold office for a term of up to five consecutive years on the Board of a Company; and shall be eligible for re-appointment on the passing of a special resolution by the shareholders of the Company. Accordingly, all independent Directors were appointed by the shareholders either at the general meeting or through postal ballot as required under Section 149(10).

Further, Section 149(11) states that no independent Director shall be eligible to serve on the Board for more than two consecutive terms of five years. Section 149(13) states that the provisions of retirement by rotation as defined in sub-sections (6) and (7) of Section 152 of the Act shall not apply to such independent Directors. None of the independent Directors will retire at the ensuing AGM.

### COMMUNICATION TO THE SHAREHOLDERS

The quarterly report, along with additional information and official news releases, are posted on our website (www.arunahotels.com). The reports contain select financial data extracted from the audited financial statements. Moreover, the quarterly / annual results and official news releases are generally published in Makkal Kural and Trinity Mirror newspapers. Quarterly and annual financial statements are also posted on our website(www.arunahotels.com).

### DETAILS OF NON-COMPLIANCE

The details of Non – compliance have been stated in the Auditors' report and Secretarial Auditors' Report attached herein.

### COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the' certificate on corporate governance is annexed to the Board's report.

## CEO AND CFO CERTIFICATION

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the CEO and CFO certification is provided in this Annual Report.

## CODE OF CONDUCT

In compliance with Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct and Ethics ('the Code'). The Code is applicable to the members of the Board, the executive officers and all employees of the Company and its subsidiaries. The Code is available on our website, (www.arunahotels.com). All members of the Board, the executive officers and senior financial officers have affirmed compliance to the Code as on March 31, 2016. A declaration to this effect, signed by the MD and the CFO, forms part of the CEO and CFO certification.

## WHISTLE BLOWER POLICY

The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and Directors to report concerns about unethical behaviour. No person has been denied access to the Chairperson of the audit committee. The said policy has been also put up on the website of the Company (www.arunahotels.com)

## GENERAL BODY MEETINGS

The details of the last three Annual and / or Extraordinary General Meetings are as follows:

| Year Ended | Date & Time | Venue | Special resolutions passed |
|---|---|---|---|
| **Mar 2013** | 09.09.2015, 09:00 a.m. | Youth Hostel, 2nd Avenue, Indira Nagar, Chennai – 600020 | -- |
| **Mar 2014** | 09.09.2015, 09:45 am | Youth Hostel, 2nd Avenue, Indira Nagar, Chennai – 600020 | -- |
| **Mar 2015** | 30.12.2015 09: 00 am | Youth Hostel, 2nd Avenue, Indira Nagar, Chennai – 600020 | 1. Appointment of M/s. Bala & Co in place of M/s. U. C. Bhandari & Co as statutory auditors<br>2. Appointment of Mr. Vaithyalingam Anbalagan as Managing Director<br>3. Authorization to the Board under section 180(1)(a)<br>4. Authorization to the Board under section 180(1)(c)<br>5. Approval for maintenance of Statutory registers at a place other than registered office of the Company.<br>6. Issue of Equity shares on preferential basis |

## REMOTE E-VOTING AND BALLOT VOTING AT THE AGM

To allow the shareholders to vote on the resolutions proposed at the AGM, the Company has arranged for a remote e-voting facility. The Company has engaged CDSL to provide e – voting facility to all the members. Members whose names appear on the register of members as on 22nd September 2016 shall be eligible to participate in the e-voting. The facility for voting through ballot will also be made available at the AGM, and the members who have not already cast their vote by remote e-voting can exercise their vote at the AGM.

**INVESTOR GRIEVANCE AND SHARE TRANSFER**

We have a Board – level stakeholders' relationship committee to examine and redress complaints by shareholders and investors. The status of complaints and share transfers is reported to the entire Board. For shares transferred in physical form, the Company provides adequate notice to the seller before registering the transfer of shares. The stakeholders' relationship committee will meet as often as required to approve share transfers. For matters regarding shares transferred in physical form, share certificates, dividends, and change of address, shareholders should communicate with, MCS Share Transfer Agent Limited our Registrar and Share Transfer Agent.

Share transactions are simpler and faster in electronic form. After a confirmation of a sale / purchase transaction from the broker, shareholders should approach the depository participant with a request to debit or credit the account for the transaction. The depository participant will immediately arrange to complete the transaction by updating the account. There is no need for a separate communication to the Company to register the transfer.

## DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2016

| Range | Shares | Folio | Percentage of Shares | Percentage of Holders |
|---|---|---|---|---|
| 1 - 500 | 2919102 | 24046 | 32.4345 | 96.2572 |
| 501 - 1000 | 534433 | 734 | 5.9381 | 2.938 |
| 1001 - 2000 | 121542 | 88 | 1.3505 | .3523 |
| 2001 -3000 | 61316 | 26 | .6813 | .1041 |
| 3001 -4000 | 45657 | 13 | .5073 | .0520 |
| 4001- 5000 | 59045 | 13 | .6561 | .0520 |
| 5001 - 10000 | 123195 | 17 | 1.3688 | .0681 |
| 10001 -50000 | 568415 | 29 | 6.3157 | .1161 |
| 50001 -100000 | 486924 | 7 | 5.4103 | .0280 |
| And Above | 4080371 | 8 | 45.3375 | .0320 |
| *** Total** | **9000000** | **24981** | **100.0000** | **100.0000** |

## CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Aruna Hotels Limited

We have examined all relevant records of Aruna Hotels Limited ("company") for the purpose of certifying compliances of the conditions of Corporate Governance under Clause 49 of the Listing Agreement and Regulation 72 of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchange for the Financial year ended 31st March, 2016.

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

In our opinion and to the best of our information provided and explanations given to me, we certify that the company has generally confirmed to the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement and Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, subject to the following non-compliance of certain requirements of the Listing Agreement and Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

1. The trading of equity shares of the Company has been suspended bythe Bombay Stock Exchange.
2. The Board of directors did not have the requisite number of independent directors during the period. However the same was complied as on 27.11.2015, by appointment of required number of independent directors.
3. The Company has not complied with the Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements for forming an Audit Committee during the year under review. However, it has since been constituted.
4. The Company has not complied the provisions of section 178 of the Companies Act 2013 for forming Nomination and Remuneration Committee during the year under review. However, it has since been constituted.
5. The Annual General Meeting of the Company has been conducted on 09.09.2015 for the Financial Year ended 2013 and 2014.
6. Due to suspension of trading of securities of the Company, the company has not complied the applicable clauses/regulations as per listing agreement and SEBI (LODR) Regulations, 2015 in time. However, as on date of this certificate, the company has complied the same

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has over the affairs of the Company.

Date: 28.05.2016
Place: Trivandrum

Name of Company Secretary in practice :V. Rajendran
FCS No.: 6062
C P No. : 13941

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

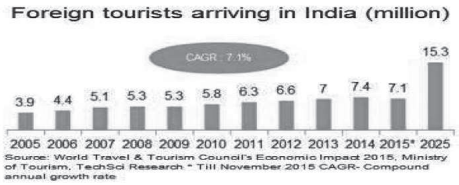
## ECONOMIC OVERVIEW OF THE INDUSTRY

In the last few years, the structure of the Hotels and Tourism industry has been changing and the development have been phenomenal especially on the mid size segment.. India is a large market for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural and religious tourism. India has been recognized as a destination for spiritual tourism for domestic and international tourists.

Total contribution by travel and tourism sector to India's GDP is expected to increase from US$ 136.3 billion in 2015 to US$ 275.2 billion in 2025. Travel and tourism is the third largest foreign exchange earner for India. In 2014, the country managed foreign exchange earnings of USD 19.7 billion from tourism.

The launch of several branding and marketing initiatives by the Government of India such as Incredible India! and Athiti Devo Bhava have provided a focused impetus to growth. The Indian government has also released a fresh category of visa - the medical visa or M visa, to encourage medical tourism in the country.

Foreign tourist arrival in India has been on a steady increase. Over 7.1 million foreign tourists have arrived in 2015 (January to November). Foreign tourist arrivals increased at a CAGR of 7.1 per cent during 2005–15. By 2025, foreign tourist arrivals in India is expected to reach 15.3 million, according to the World Tourism Organisation. Below is a graph showing the increase in Foreign Tourist Arrivals:




The tourism and hospitality sector is among the top 15 sectors in India to attract the highest Foreign Direct Investment (FDI). During the period April 2000-September 2015, the hotel and tourism sector attracted around US$ 8.48 billion of FDI, according to the data released by Department of Industrial Policy and Promotion (DIPP). With the rise in the number of global tourists and realizing India's potential, many companies have invested in the tourism and hospitality sector.

India's travel and tourism industry has huge growth potential. Inflow of medical tourists was expected to cross 320 million by 2015 compared with 85 million in 2012. The tourism industry is also looking forward to the expansion of E-visa scheme which is expected to double the tourist inflow to India. Rating agency ICRA Ltd., estimates the revenue growth of Indian hotel industry strengthening to 9-11 per cent in 2015-16. India is projected to be the fastest growing nation in the wellness tourism sector in the next five years, clocking over 20 per cent gains annually through 2017, according to a study conducted by SRI International.

## MARKET OVERVIEW

**Y**our Company has been going through tough weather since the suspension of operations and Company's Business in the year 2014. The Board of directors has been on the move to revive the Company's business operation. They have implemented many significant business plans to revive the Company's business.

Your Company faces a significant task of pending statutory compliances with various authorities which acts as one of the hindrances in the revival of its business and the new management has been taking necessary steps to solve the issues relating to pending compliances.

On the whole, the Company's business is slowly picking up under the new management and it shall be able to be at par with its market competitors in the near future.

## FINANCIALS

**Revenues:**

Your Company couldn't generate revenue due to suspension of its operations. However, the new management has been implementing business plans to revive its business.

**Expenditure:**

The total expenditure of the Company has had a significant fall by 75% as compared to the previous year. The employee costs

have fallen sharply by 93% and the finance costs have reduced by 86%. Other expenses have reduced by 1% in comparison with the previous year.

**EBIDTA:**

The Earnings before Interest, Depreciation, Tax and Amortization faced a sharp decline of 73% due to nil revenue in the year 2015-16.

**Profit / Loss before tax:**

Your Company has incurred a loss before tax of Rs. 6.54 lacs during the year for the year 2015 – 16 as compared to loss before tax of Rs. 2.19 lacs in the previous year.

**Profit / Loss after tax:**

Your Company has incurred a loss after tax of Rs. 6.54 lacs during the year for the year 2015 – 16 as compared to loss after tax of Rs. 2.19 lacs in the previous year. There were no tax expenses for the year 2015 – 16.

**RISK MANAGEMENT**

**Risks and Concerns**

***Economic Risks:*** Hotel business in general is sensitive to fluctuations in the economy. The hotel sector may be unfavorably affected by changes in global and domestic economies, changes in local market conditions, excess room supply, reduced international or local demand for hotel rooms and associates services, competition in the industry, government policies and regulations, fluctuations in interest rates and foreign exchange rates and other natural and social factors. Since demand for hotels is affected by world economic growth, a global recession could lead to a downturn in the hotel industry.

***Socio-Political Risks:*** The Hotel industry faces risk from volatile socio-political environment, internationally as well as within the country. India, being one of the fastest growing economies of the world in the recent past, continues to attract investments. However, any adverse events such as political instability, conflict between nations, terrorist attacks or spread of any epidemic or security threats to any countries may affect the level of travel and business activity.

***Security Risks:*** The Hotel industry demands peace at all times to flourish. The biggest villain in South East Asia has been terrorism supplemented by political instability. Subsequent to the Mumbai terror attacks in November 2008, the hotel industry has invested substantially on security and intelligence. The security concerns have been duly addressed instilling confidence in the customer by providing international standards of safety.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company's Internal Auditors carryout audit of the transactions of the Company periodically, in order to ensure that recording and reporting are adequate and proper. The Internal Audit also verifies whether internal controls and checks & balances in the systems are adequate, proper and up to date. Corrective actions for any weaknesses in the system that may be disclosed by the Audits are taken.

The Audit Committee of the Board reviews the important observations of the Internal Audit and suggests corrective actions for the management to implement. The Internal Audit team also assesses the risks facing the Company, steps taken to mitigate the risks and holds discussions with the management on the subject in order to create awareness of the risks and to take appropriate actions for reducing the impact and frequency of occurrence of the risks.

The Audit Committee of the Company meets periodically to review and recommend quarterly, half – yearly and annual financial statements of the Company. The Committee also holds discussions with the internal auditors, statutory auditors and the management on the matters relating to internal controls, auditing and financial reporting. The Committee also reviews with the statutory auditors, the scope and results of the audits.

**HUMAN CAPITAL**

The term human capital formation means, "The process of acquiring and increasing the number of persons who have the skills, education and experience which are critical for the development of the Company." Modern technology is becoming more and more complex. With the growth of science, machinery and equipment are becoming more sophisticated. Their efficient operation requires skill and technical knowledge. Therefore capital development is very significant. Therefore, your Company endeavors to take a more strategic and supportive approach to recruiting and retention to find and retain the new breed of evolving talent.

**CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis Report with regard to projections, estimates and expectations have been made in good faith. The achievement of result is subject to risks, uncertainties and even less than accurate assumptions. Market data and information are gathered from various published and unpublished reports; their accuracy, reliability and completeness cannot be assured.

## GENERAL SHAREHOLDER INFORMATION:

| | | |
|---|---|---|
| A | 54th Annual General Meeting | |
| | Date and Time | 29/09/2016 09.00AM |
| | Venue | Youth Hostel , 2nd Avenue Indira Nagar chennnai -600 020 |
| B | Financial Calendar for the year 2016-17(Tentative) | |
| | 55th Annual General Meeting | Sep 2017 |
| | Board Meetings - | |
| | Results of the quarter ended 30th June 2016 | Second week of August 2016 |
| | Results of the quarter ended 30th September 2016 | Second week of November 2016 |
| | Results of the quarter ended 31st December 2016 | Second week of February 2016 |
| | Results of the year ended 31st March 2017 | Second week of May 2017 |
| C | Date of Book Closure | 24/09/2016 to 29/09/2016 |
| D | Dividend Payment Date | Not applicable as the Company has not declared any dividend. |
| E | The Company's Equity shares are listed on Stock Exchange at | The Company's shares are listed on the Bombay Stock Exchange, |
| F | Stock Code | Trading Symbol at BSE - 500016 Demat ISIN Numbers in NSDL and CDSL - INE 957C01019 |
| G | Market Price Date | Trading of company's shares remains suspended. Hence these details could not be given. |
| H | Performance in comparison with BSE Sensex | Trading of company's shares remained suspended during the year under review. Hence these details could not be given. |
| I | Registrars | M/s. MCS Share Transfer Agents Ltd,<br>002, GR Floor ,Kashiram Jamnadas blds<br>P.D'Mello Road , , Masjid (East ),<br>Mumbai -400009<br>Ph:022-40206022,23726255,67439092 |
| J. | Share Transfer System | The Physical share transfers are processed a unless the transfer documents are found invalid, the transfers are effected and the share certificates are returned to the transferees within a maximum period of 30 days. Those shareholders who want to demat their shares may hand over their share certificate(s) to the Depository Participant with whom they have demat account, and the DP will forward it to the RTA for confirmation. All demat requests are processed and if found correct, requisite confirmation given within 21 days of receipt. |

**CHIEF EXECUTIVE OFFICER (CEO) / CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

We V.ANBALAGAN MANAGING DIRECTOR and NAGARAJ P, CFO of ARUNA HOTELS LIMITED, to the best of our knowledge and belief hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of my knowledge and belief, 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 accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we am aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) we have indicated to the auditors and the Audit Committee:

(i) Significant changes in internal control over financial reporting during the year;

(ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

| | | |
|---|---|---|
| Date:10.08.2016 | Vaithyalingam Anbalagan<br>DIN:00059007 | P.Nagaraj |
| Place:Chennai | Managing Director | Chief Financial Officer |

## DECLARATION

As provided under SEBI(LODR)Regulation 2015, the members of board of directors and senior management personnel have affirmed compliance with companies code of conduct and ethics for the board of directors and senior mangement for the year ended 31st March 2016.

Vaithyalingam Anbalagan
DIN:00059007
Managing director

Place:10.08.2016
Place:Chennai

# FORM NO. MGT 9
# EXTRACT OF ANNUAL RETURN

**As on financial year ended on 31.03.2016**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

## I. REGISTRATION & OTHER DETAILS:

| | | |
|---|---|---|
| 1. | CIN | L15421TN1960PLC004255 |
| 2. | Registration Date | 09/09/1960 |
| 3. | Name of the Company | ARUNA HOTELS LIMITED |
| 4. | Category/Sub-category of the Company | COMPANY LIMITED BY SHARES / INDIAN NON GOVERNMENT COMPANY |
| 5. | Address of the Registered office & contact details | ARUNA CENTRE, 145,STERLING ROAD, NUNGAMBAKKAM, CHENNAI, Tamil Nadu-600034 |
| 6. | Whether listed company | YES |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | M/s. MCS Share Transfer Agents Ltd, 002, ground floor, Kashiram Jamnadas Building 5, P.Demello Road, Masjid East, Mumbai-400009 Ph: 022-40206022/23/24 Fax: 022-40206021 |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|---|---|---|---|
| 1. | Hotels and Motels, inns, resorts providing short term lodging facilities; includes accommodation in house boats | 55101 | -- |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

| S. NO. | NAME AND ADRESS OF THE COMPANY | CIN/GLN | HOLDING/SUBSIDIARY/ASSOCIATE | %OF SHARES HELD | APPLICABLE SECTION |
|---|---|---|---|---|---|
| 1 | NIL | NIL | NIL | NIL | NIL |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year[As on 31-March-2015] | | | | No. of Shares held at the end of the year[As on 31-March-2016] | | | | % Change Duaring the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoter s** | | | | | | | | | |
| (1) **Indian** | | | | | | | | | |
| a) Individual/ **HUF** | 552893 | 2000240 | 2553133 | 28.3681 | 1231358 | 800240 | 2031598 | 22.5733 | **(5.7948)** |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 1111078 | 651438 | 1762516 | 19.5835 | 2063294 | 651438 | 2714732 | 30.1637 | 10.5802 |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| **Total shareholding of Promoter (A)** | 1663971 | 2651678 | 4315649 | 47.9516 | 3294652 | 1451678 | 4746330 | 52.737 | 4.7854 |
| **B. Public Shareholding** | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | 66739 | 66739 | 0.7415 | - | 66739 | 66739 | 0.7415 | - |
| b) Banks / FI | 1756 | 250 | 2006 | 0.0223 | 1756 | 250 | 2006 | 0.0223 | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | 94049 | 38140 | 132189 | 1.4688 | 94049 | 38140 | 132189 | 1.4688 | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| **Sub-total (B)(1):-** | 95805 | 105129 | 200934 | 2.2326 | 95805 | 105129 | 200934 | 2.2326 | - |
| **2. Non-Institutions** | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 451925 | 123578 | 575503 | 6.3945 | 21659 | 123578 | 145237 | 1.6137 | (4.7808) |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 2 lakh | 901963 | 2819211 | 3721174 | 41.3464 | 902098 | 2819211 | 3721309 | 41.3479 | 0.0015 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | - | - | - | - | - | - | - | - | - |
| c) Others (specify) | - | - | - | - | - | - | - | - | - |
| Non Resident Indians | 56920 | 18770 | 75690 | 0.8410 | 56370 | 18770 | 75140 | 0.8349 | (0.0061) |
| Overseas Corporate Bodies | 111050 | - | 111050 | 1.2339 | 111050 | - | 111050 | 1.2339 | - |
| Foreign Nationals | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Clearing Members | - | - | - | - | - | - | - | - | - |
| Trusts | - | - | - | - | - | - | - | - | - |
| Foreign Bodies - D R | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(2):- | 1521858 | 2961559 | 4483417 | 49.8158 | 1091177 | 2961559 | 4052736 | 45.6493 | (6.3991) |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 1617663 | 3066688 | 4684351 | 52.04 | 1186982 | 3066688 | 4253670 | 47.263 | (4.78) |
| **C. Shares held by Custodian for GDRs & ADRs** | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 3281634 | 5718366 | 9000000 | 100 | 4481634 | 4518366 | 9000000 | 100 | - |

## B) Shareholding of Promoter -

| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | |
| 1. | KAMAL KUMAR BABBAR | 1216500 | 13.5167 | - | 1216500 | 13.5167 | - | - |
| 2. | SIVARAM.M | 521535 | 5.7948 | - | - | - | - | (5.7948) |
| 3. | BALASUBRAMANI AN SIVANTHI ADITYAN | 240112 | 2.667 | - | 240112 | 2.6679 | - | - |
| 4. | KARTHIK PERUMAL | 76231 | 0.847 | - | 76231 | 0.847 | - | - |
| 5. | ADITYAN. B .S. | 69776 | 0.7753 | - | 69776 | 0.7753 | - | - |
| 6. | RAGHAVAN SIVARAM | 68558 | 0.7618 | - | 68558 | 0.7618 | - | - |
| 7. | SATHYA SIVARAM | 61769 | 0.6863 | - | 61769 | 0.6863 | - | - |
| 8. | SUBBIAH T N | 31300 | 0.3478 | - | 31300 | 0.3478 | - | - |
| 9. | MARUTHAI PILLAI P | 30390 | 0.3377 | - | 30390 | 0.3377 | - | - |
| 10. | RUKMANI SIVARAM | 25624 | 0.2847 | - | 25624 | 0.2847 | - | - |
| 11. | AUGUSTIN D | 19200 | 0.2133 | - | 19200 | 0.2133 | - | - |
| 12. | CHANDRAMOHAN R | 19200 | 0.2133 | - | 19200 | 0.2133 | - | - |
| 13. | GEETHA PERIASAMY | 17180 | 0.1909 | - | 17180 | 0.1909 | - | - |
| 14. | ANITA KUMARAN | 15000 | 0.1667 | - | 15000 | 0.1667 | - | - |
| 15. | MALA JAYARAM | 14940 | 0.166 | - | 14940 | 0.166 | - | - |
| 16. | S SWARNA | 14858 | 0.1651 | - | 14858 | 0.1651 | - | - |
| 17. | ARUN PILLAI M | 11844 | 0.1316 | - | 11844 | 0.1316 | - | - |
| 18. | CHANDRAKANT | 11683 | 0.1298 | - | 11683 | 0.1298 | - | - |
| 19. | SUBBABIAH T N | 11000 | 0.122 | - | 11000 | 0.1222 | - | - |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 20. | CHITHAN V | 10050 | 0.1117 | - | 10050 | 0.1117 | - | - |
| 21. | SIVAKAMI SUBBIAH | 10000 | 0.1111 | - | 10000 | 0.1111 | - | - |
| 22. | JAYANTHI NATARAJAN | 8000 | 0.0889 | - | 8000 | 0.0889 | - | - |
| 23. | VIJAYALAKSHMI CHANDRAMOHAN | 7770 | 0.0863 | - | 7770 | 0.0863 | - | - |
| 24. | JAYANTHI S | 6514 | 0.0724 | - | 6514 | 0.0724 | - | - |
| 25. | YAMINI SUBBIAH | 6000 | 0.0667 | - | 6000 | 0.0667 | - | - |
| 26. | SENTHILNATHAN M | 5530 | 0.0614 | - | 5530 | 0.0614 | - | - |
| 27. | SIVARAM M | 4828 | 0.536 | - | 4828 | 0.0536 | - | - |
| 28. | JAYANTHI NATARAJAN | 4200 | 0.0467 | - | 4200 | 0.0467 | - | - |
| 29. | SIVABAGYAM M | 3700 | 0.0411 | - | 3700 | 0.0411 | - | - |
| 30. | CHANDRAMOHAN P | 3200 | 0.0356 | - | 3200 | 0.0356 | - | - |
| 31. | KARTHIK PERUMAL SIVARAM | 2662 | 0.0296 | - | 2662 | 0.0296 | - | - |
| 32. | GANESAN M | 1700 | 0.0189 | - | 1700 | 0.0189 | - | - |
| 33. | SIVARAM.M | 1277 | 0.0142 | - | 1277 | 0.0142 | - | - |
| 34. | RAVICHANDRAN C L | 802 | 0.0089 | - | 802 | 0.0089 | - | - |
| 35. | GANESAN M | 200 | 0.0022 | - | 200 | 0.0022 | - | - |
| 36. | SUBASRI REALITY PRIVATE LIMITED | 490000 | 5.4444 | - | 1064123 | 11.8236 | - | 6.3792 |
| 37. | SUBASRI REALITY PRIVATE LIMITED | 400000 | 4.4444 | - | 400000 | 4.444 | - | - |
| 38. | YESSIR HOLDING & INVESTMENT PRIVATE LIMITED | 372412 | 4.1379 | - | 372412 | 4.1379 | - | - |
| 39. | GAY TRAVELS PRIVATE LIMITED | 205558 | 2.284 | - | 205558 | 2.284 | - | - |
| 40. | SOVERIEGN MEDIA MARKETING PRIVATE LIMITED | 195718 | 2.1746 | - | 195718 | 2.1746 | - | - |
| 41. | SRI DEVI AGENCIES PRIVATE LIMITED | 29880 | 0.332 | - | 29880 | 0.332 | - | - |
| 42. | RANI PRINTERS PRIVATE LIMITED | 16000 | 0.1778 | - | 16000 | 0.1778 | - | - |
| 43. | GAY TRAVELS PRIVATE LIMITED | 52948 | 0.583 | - | 385948 | 4.2883 | - | 3.7053 |
| 44. | RANI PRINTERS PRIVATE LIMITED | - | - | - | 45093 | 0.501 | - | 0.501 |

## C) Change in Promoters' Shareholding (please specify, if there is no change)

| SN | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | SUBASRI REALTY PRIVATE LIMITED | | | | |
| | At the beginning of the year | 890000 | 9.8888 | 890000 | 9.8888 |
| | Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease e.g. allotment /transfer / bonus/ sweat equity etc.: | 574123 | 1.9348 | 574123 | 1.9348 |
| | At the end of the year | 1464123 | 11.8236 | 1464123 | 11.8236 |
| 2 | GAY TRAVELS PRIVATE LIMITED | | | | |
| | At the beginning of the year | 258506 | 2.867 | 258506 | 2.867 |
| | Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease e.g. allotment /transfer / bonus/ sweat equity etc.: | 333000 | 3.7053 | 333000 | 3.7053 |
| | At the end of the year | 591506 | 6.5723 | 977454 | 6.5723 |
| 3. | RANI PRINTERS PRIVATE LIMITED | | | | |
| | At the beginning of the year | 16000 | 0.1778 | 16000 | 0.1778 |
| | Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease e.g. allotment /transfer / bonus/ sweat equity etc.: | 45093 | 0.501 | 45093 | 0.501 |
| | At the end of the year | 61093 | 0.6788 | 61093 | 0.6788 |
| 4. | SIVARAM.M | | | | |
| | At the beginning of the year | 527640 | 5.7948 | 527640 | 5.7948 |
| | Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease e.g. allotment /transfer / bonus/ sweat equity etc.: | (521535) | (5.7948) | (521535) | (5.7948) |
| | At the end of the year | 6105 | 0.5502 | 6105 | 0.5502 |

## D) Shareholding Pattern of top ten Shareholders:
**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

| SN | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the Year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | EURO AMERICAN HOLDINGS LTD | | | | |
| | At the beginning of the year | 96050 | 1.0672 | 96050 | 1.0672 |
| | Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease e.g. allotment / transfer / bonus/ sweat equity etc.: | - | - | - | - |
| | At the end of the year | 96050 | 1.0672 | 96050 | 1.0672 |
| 2 | **UNITED INDIA INSURANCE COMPANY LIMITED** | | | | |
| | At the beginning of the year | 64100 | 0.7122 | 64100 | 0.7122 |
| | Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease e.g. allotment / transfer / bonus/ sweat equity etc.: | - | - | - | - |
| | At the end of the year | 64100 | 0.7122 | 64100 | 0.7122 |
| 3 | **MANI AND MONEY LIMITED** | | | | |
| | At the beginning of the year | 50440 | 0.5604 | 50440 | 0.5604 |
| | Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease e.g. allotment /transfer / bonus/ sweat equity etc.: | - | - | - | - |
| | At the end of the year | 50440 | 0.5604 | 50440 | 0.5604 |
| 4 | **UNIT TRUST OF INDIA** | | | | |
| | At the beginning of the year | 49305 | 0.5478 | 49305 | 0.5478 |
| | Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease e.g. allotment /transfer / bonus/ sweat equity etc.: | - | - | - | - |
| | At the end of the year | 49305 | 0.5478 | 49305 | 0.5478 |
| 5 | **GENERAL INSURANCE CORPORATION OF INDIA** | | | | |
| | At the beginning of the year | 27900 | 0.31 | 27900 | 0.31 |

| | | | | | |
|---|---|---|---|---|---|
| | Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease e.g. allotment /transfer / bonus/ sweat equity etc.: | - | - | - | - |
| | At the end of the year | 27900 | 0.31 | 27900 | 0.31 |
| 6 | **THE ORIENTAL INSURANCE COMPANY LIMITED** | | | | |
| | At the beginning of the year | 19629 | 0.2181 | 19629 | 0.2181 |
| | Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease e.g. allotment /transfer / bonus/ sweat equity etc.: | - | - | - | - |
| | At the end of the year | 19629 | 0.2181 | 19629 | 0.2181 |
| 7 | **THOR INVESTMENTS LIMITED** | | | | |
| | At the beginning of the year | 15000 | 0.1667 | 15000 | 0.1667 |
| | Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease e.g. allotment /transfer / bonus/ sweat equity etc.: | - | - | - | - |
| | At the end of the year | 15000 | 0.1667 | 15000 | 0.1667 |
| 8 | **SHIVALIKA LEASING & FINANCE LTD** | | | | |
| | At the beginning of the year | 14950 | 0.1661 | 14950 | 0.1661 |
| | Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease e.g. allotment /transfer / bonus/ sweat equity etc.: | - | - | - | - |
| | At the end of the year | 14950 | 0.1661 | 14950 | 0.1661 |
| 9 | **NATIONAL INSURANCE COMPANY LTD** | | | | |
| | At the beginning of the year | 10320 | 0.1147 | 10320 | 0.1147 |
| | Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease e.g. allotment /transfer / bonus/ sweat equity etc.: | - | - | - | - |
| | At the end of the year | 10320 | 0.1147 | 10320 | 0.1147 |
| 10 | **MEGA MARKET SHARE RESOURCES LTD** | | | | |
| | At the beginning of the year | 10000 | 0.1111 | 10000 | 0.1111 |
| | Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease e.g. allotment /transfer / bonus/ sweat equity etc.: | - | - | - | - |
| | At the end of the year | 10000 | 0.1111 | 10000 | 0.1111 |

**E) Shareholding of Directors and Key Managerial Personnel:**

| SN | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the Year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | | | | | |
| | At the beginning of the year | - | - | - | - |
| | Date wise Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease e.g. allotment /transfer / bonus/ sweat equity etc.: | - | - | - | - |
| | At the end of the year | - | - | - | - |

**V) INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

| | Secured Loans excluding deposits(Rs in lakh) | Unsecured Loans (Rs in lakh) | Deposits (Rs in lakh) | Total Indebtedness (Rs in lakh) |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | | 328.98 | 187.05 | 516.03 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | | | | |
| **Change in Indebtedness during the financial year** | | | | |
| * Addition | | 1062.32 | | 1062.32 |
| * Reduction | | | 13.64 | 13.64 |
| **Net Change** | | | | |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | | 1391.30 | 173.41 | 1564.71 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| **Total (i+ii+iii)** | | | | |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Rs. in Lakhs

| SN. | Particulars of Remuneration | Name of Managing Director | Total Amount |
|---|---|---|---|
| | | VAITHYALINGAM ANBALAGAN | |
| 1 | Gross salary | 1.50 | 1.50 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - |
| 2 | Stock Option- | - | |
| 3 | Sweat Equity | - | - |
| 4 | Commission<br>- as% of profit<br>- others, specify… | - | - |
| 5 | Others, please specify | - | - |
| | Total (A) | 1.50 | 1.50 |
| | Ceiling as per the Act | Upto 30.00 | Upto 30.00 |

### B. Remuneration to other directors

| SN. | Particulars of Remuneration | Amount | |
|---|---|---|---|
| | | | Total |
| 1 | Independent Directors | - | - |
| | Fee for attending board committee meetings | - | - |
| | Commission | - | - |
| | Others, please specify | - | - |
| | Total (1) | - | - |
| 2 | **Other Non-Executive Directors** | - | - |
| | Fee for attending board committee meetings | - | - |
| | Commission | - | - |
| | Others, please specify<br>(salary with other allowance & Consultant Fees) | - | - |
| | Total (2) | - | - |
| | Total (B)=(1+2) | - | - |
| | Total Managerial Remuneration | - | - |
| | Overall Ceiling as per the Act | - | - |

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

| SN | Particulars of Remuneration | Key Managerial Personnel Rs. in Lakhs | | | |
|---|---|---|---|---|---|
| | | CEO | CS | CFO | Total |
| 1 | Gross salary | - | 0.35 | 0.96 | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | | | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | | | |
| 2 | Stock Option | - | | | |
| 3 | Sweat Equity | - | | | |
| 4 | Commission | - | | | |
| | - as % of profit | - | | | |
| | others, specify… | - | | | |
| 5 | Others, please specify | - | | | |
| | Total | - | 0.35 | 0.96 | |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| **B. DIRECTORS** | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |

**(VAITHYALINGAM ANBALAGAN)**
DIN: 00059007
Managing Director

**(MURALIDHARAN RAMASAMY)**
DIN: 07092976
Director

Date : 30.05.2016
Place: Chennai

## INDEPENDENT AUDITOR'S REPORT
## TO THE MEMBERS OF ARUNA HOTELS LIMITED

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Aruna Hotels Limited, which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

**Management's Responsibility for the Standalone Financial Statements**

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

**Auditor's Responsibility**

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

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

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

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

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

***Basis for Qualified Opinion**

i) Company has received advances towards share capital but shares were not issued since it is under listing process and will issue shares after listing at stock exchange. The same is not in conformity with the provisions of the Companies Act, 2013.

ii) The closing balances of parties from whom loan was taken and from creditors and debtors are subject to confirmation and reconciliation.

iii) The company is in the process of updating the details of various litigations filed by the third parties; hence we cannot ascertain the liability arising on those litigations.

iv) During our audit, we have come across several notices / demand notes issued by various statutory authorities **Following are the notices and demand issued to the company during the financial year 2015-16:**

a. IncomeTax notice received for AY 2009-10&2012-13. Outstanding dues being -Rs 4,51,445 for AY 09-10 and Rs 2,73,32,590 for AY 12-13 against which appeal has been filed and outcome is pending.

b. The company has received a Show Cause Notice from the Service Tax Department for FY 2008-09 to FY 2013-14. The company has received a demand of Service Tax amounting to Rs 2,59,53,777/-. Following points may be noted in this regard:

i. Payment of an amount of Rs 1,81,60,816/- has already been made by the assessee.

ii. The company plans to approach the Service Tax Settlement Commission to get waiver of the penalties & pending dues upto FY 2013-14imposed by the Service Tax authorities

c. Sales Tax notice was issued for FY 2006-07 to FY 2011-12on account on non-payment of outstanding Sales tax & Luxury Tax. The company has appealed against the order with the Hon'ble High Court of Madras which has set aside the Assessment Order and has instructed the Sales Tax Department to conduct a fresh assessment of the outstanding Sales tax & Luxury taxes payable. The company has then received a provisional assessment notice from the Sales tax department mentioned as under.Contingent liability arises of Rs 78.33 Lakhs under TNLTH Act 1981 (Luxury Tax) andRs 1.24 Crores under TNVAT Act 2006 (VAT):

| | **TNLTH Act 1981** | **TNVAT Act 2006** |
|---|---|---|
| Year | Balance yet to be paid | Balance yet to be paid |
| 2006-07 | 50,005 | 9,36,638 |
| 2007-08 | 16,34,704 | 17,60,205 |
| 2008-09 | 11,08,621 | 14,60,448 |
| 2009-10 | 77,037 | 19,35,867 |
| 2010-11 | 7,54,051 | 9,10,601 |
| 2011-12 | 56,655 | 37,77,943 |
| 2012-13 | 41,52,735 | 16,94,491 |
| Total | 78,33,808 | 1,24,76,184 |

The Company has not disclosed any contingent liability likely to arise on account of various claims/ litigations to be raised by the third parties which is uncertain and cannot be reasonably valued. In the absence of sufficient details, we cannot quantify the same.

v) The contingent liability of the company towards the pending cases is not ascertainable as on date, but if the decision is unfavorable it would materially impact the cash flow of the company.

vi) Based on our verification, information and documents provided for our verification,the company has recorded a loss during the year. Further, its total current liabilities exceed total current assets as on balance sheet date. The company is currently not operating and hence no income has been recorded. The validity of the going concern assumption on which the financial statements are prepared depends on the continuance of the ability of the company to generate sufficient cash flows from their operations. We do not have sufficient evidence to access whether the company's plans/projection would materialize.

vii) The company has shown an amount of inventory as Rs 28.63 lacs which is the same as compared to FY 2014-15. However, based on our opinion the net realizable value of the inventory as on 31.3.2016 is negligible and needs to be written off.

***Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
(b) In the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
(c) In the case of the Cash Flow Statement of the cash flows for the year ended on that date

## Report on Other Legal and Regulatory Requirements

**As required by Section 143 (3) of the Act, we report that:**

a) As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013, we enclose in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.

b) 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.

c) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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

d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

e) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

f) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

g) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

i) 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".

j) 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:

   a. The Company has not disclosed the impact of pending litigations on its financial position in its financial statements hence we are unable to comment on this.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c. There has been no transfer of amounts to the Investor Education and Protection Fund by the Company.

For Bala & Co.,
Chartered Accountants
FRN No: 000318S

P.S. Devasenapathy
Partner
M.No:024740
Place: Chennai
Date: 30/05/2016

# "Annexure A" to the Independent Auditor's Report

The annexure referred to in our report to the members of **Aruna Hotels Limited** for the year ended on **31st March 2016**. We report that:

i.

a. The company has not maintained proper records of the quantitative details and situation of fixed assets. The new management is in the process of updating the Fixed Assets Register.

b. The fixed assets have been physically verified by the management during the year and some discrepancies have been noted.

c. The management has confirmed that the tittle deeds of immovable properties are held in the name of the company

ii. Physical Verification of inventory was conducted by the Management during the period. In our opinion, the frequency was reasonable. However, given the fact that most of the stock of inventories have a negligible realizable value, we are unable to comment on the procedures of physical verification of stocks followed by theManagement.The Company is not maintaining proper records of Inventory. The new management is in the process of updating the Inventory Register.

iii. In our opinion and according to the information and explanations given to us, the Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clauses (iii) of the Order are not applicable.

iv. In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Act, with respect to the loans and investments made, are not applicable to the company.

v. The company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act 2013.

vi. To the best of our knowledge and belief, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 in respect of services carried out by the Company. Accordingly, the provisions of clause (vi) are not applicable.

vii.

a. Undisputed statutory dues including provident fund; investors education and protection fund, employees state insurance, income-tax, sales-tax, wealth-tax. Service-tax, Customs duty, Excise Duty, cess have not been regularly deposited with the appropriate authority and there have been delays in large number of cases. The management is in the process of identifying, quantifying and settling the pending undisputed statutory dues. The exact amount cannot be quantified due to lack of information.

b. There are dues of income tax, sales tax and service tax on accounts of various disputes which have been enlisted in Point iv) of our auditor's report above.

viii. Based on the audit procedures and on the information and explanations given by the Management, we

are of the opinion that there has been no defaultin repayment of dues to Financial Institutions or Banks.

ix. Based on the audit procedures and on the information and explanations given by the Management, themoneys raised by way of initial public offer or further public offer (including debt instruments) and term loans, where ever applicable, were applied for the purposes for which those are raised.In our opinion and according to information and explanations given to us, no term loans taken by the company during the period under audit.

x. No fraud on or by the company or by its Officers or Employees has been noticed or reported during the year covered by our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence this clause is not applicable.

For Bala& Co.,
Chartered Accountants
FRN No: 000318S

P.S. Devasenapathy
Partner
M.No:024740
Place: Chennai
Date: 30/05/2016

# "Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Aruna Hotels Limited

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

We have audited the internal financial controls over financial reporting of Aruna Hotels Limited as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, we believe that the

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures 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 Over Financial Reporting**

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

**Opinion**

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

For Bala & Co.,
Chartered Accountants
FRN No: 000318S

P.S.DEVASENAPATHY
Partner
M. No: - 024740
FRN : 000318S
Place : Chennai
Date : 30/05/2016

# Cash Flow Statement for the year ended 31/03/2016

| Particulars | | As at 31/03/2016 (Rs. In Lakhs) | | As at 31/03/2015 (Rs. In Lakhs) |
|---|---|---|---|---|
| **Cash Flows from Operating Activities** | | | | |
| Net Loss before tax and extraordinary items | | (6.54) | | (2.19) |
| Adjustments for non-cash and non-operating transactions | | | | |
| IT Refund interest adjusted against earlier demand | 2.81 | | | |
| Finance Costs | 92.65 | | 671.29 | |
| Depreciation and Amortisation | 147.95 | | 221.58 | |
| Funds from Operations | | 237.79 | | 892.87 |
| Increase in Inventories | (0.00) | | 0.21 | |
| Decrease in Trade Receivables | 0.00 | | (78.06) | |
| Decrease in other Current Assets | (4.80) | | (10.65) | |
| Increase in Trade Payables | 0.44 | | 0.91 | |
| Decrease in Long-term Provisions | (21.76) | | (11.69) | |
| Decrease in Short-term Provisions | (133.50) | | 112.92 | |
| Decrease in short-term borrowings | (22.54) | | (20.23) | |
| Decrease in Short term loans and advances | 0.00 | | 0.00 | |
| Decrease in Other Current Liabilities | (1130.66) | | 255.08 | |
| Non Operating Reserves Income | (0.72) | | | |
| | | (1313.53) | | 248.50 |
| Cash flows from Operating Activities before tax | | (1082.28) | | 1139.18 |
| Less: Tax Paid | | - | - | |
| Cash generated/(lost) from Operating Activities | | (1082.28) | | 1139.18 |
| **Cash flows from Investing Activities** | | | | |
| Purchase of Fixed Assets | (0.29) | | (13.75) | |
| Sale of Fixed Assets | 0 | | 0.00 | |
| Cash generated/(lost) from Investing Activities | | (0.29) | | (13.75) |
| **Cash flows from Financing Activities** | | | | |
| Finance Costs | (92.65) | | (671.29) | |
| Term Loans from Banks | - | | (943.13) | |
| Loans from Related Parties | 511.49 | | (282.54) | |
| Loans from others & Security Deposits | 537.19 | | (213.14) | |
| Long term loans and advances | (0.25) | | 4.61 | |
| Share Application Money | 186.04 | | 1032.87 | |
| Cash generated/(lost) from Financing Activities | | 1,141.82 | | (1072.62) |
| Net Cash and Cash Equivalents generated during the year | | 59.24 | | 52.81 |
| Add:Opening balance of Cash and Cash Equivalents | | 73.71 | | 20.90 |
| **Closing balance of Cash and Cash Equivalents** | | **132.95** | | **73.71** |
| Cash and Cash Equivqlents | | 3/31/2016 | | 31/03/2015 |
| Cash and Bank Balance | | 132.95 | | 73.71 |
| | | 132.95 | | 73.71 |

For Bala & Co.,
Chartered Accountants

For and on behalf of the Board of Directors
Aruna Hotels Limited

**P.S.DEVASENAPATHY**
Partner
M.No.024740
FRN 000318S
Place: Chennai
Date : 30/05/2016

**NAGARAJ P**
CFO

**BALAJI GANDLA**
Company Secretary

**VAITHYALINGAM ANBALAGAN**
Managing Director
DIN 00059007

**MURALIDHARAN RAMASAMY**
Director
DIN ; 07092976

# Balance Sheet as at 31st March, 2016

| Particulars | Note No. | As at 31 March, 2016 Rs. In Lakhs | As at 31 March, 2015 Rs. In Lakhs |
|---|---|---|---|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 2.01 | 1,207.87 | 1,207.87 |
| Reserves and surplus | 2.02 | 5,373.92 | 5,583.56 |
| | | 6,581.79 | 6,791.43 |
| Share application money pending allotment | 2.03 | 3,387.67 | 3,201.64 |
| **Non-current liabilities** | | | |
| Long-term borrowings | 2.04 | 1,564.71 | 516.03 |
| Long-term provisions | 2.05 | 3.65 | 25.40 |
| | | 1,568.36 | 541.43 |
| **Current liabilities** | | | |
| Short-term borrowings | 2.06 | 305.90 | 328.44 |
| Trade payables | 2.07 | 41.93 | 41.49 |
| Other current liabilities | 2.08 | 858.00 | 1,988.65 |
| Short-term provisions | 2.09 | 100.38 | 233.88 |
| | | 1,306.20 | 2,592.46 |
| | | 12,844.02 | 13,126.96 |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| **Fixed assets** | 2.10 | | |
| Tangible assets | | 11,387.03 | 11,701.91 |
| Intangible assets | | - | - |
| Capital work-in-progress | | 82.44 | 82.44 |
| Non-current investments | 2.11 | 1.95 | 1.95 |
| Deferred Tax Asset(Net) | 2.12 | - | 774.28 |
| Other non Current Assets | 2.13 | 774.28 | - |
| Long-term loans and advances | 2.14 | 260.45 | 260.20 |
| | | 12,506.16 | 12,820.78 |
| **Current assets** | | | |
| Inventories | 2.15 | 28.63 | 28.63 |
| Trade receivables | 2.16 | 123.70 | 123.70 |
| Cash and bank balance | 2.17 | 132.95 | 73.71 |
| Short-term loans and advances | 2.18 | 17.01 | 17.01 |
| Other current assets | 2.19 | 35.58 | 63.13 |
| | | 337.87 | 306.18 |
| | | 12,844.02 | 13,126.96 |
| Significant accounting policies | 1 | - | - |
| The notes referred to above form an integral part of the financial statements | | | |

As per our report on even date annexed

**For Bala & Co**
**Chartered Accountants**

**P.S.DEVASENAPATHY**
Partner
M.No.024740
FRN 000318S
Place: Chennai
Date : 30/05/2016

**NAGARAJ P**
CFO

**BALAJI GANDLA**
Company Secretary

**For and on behalf of the Board of Directors**
**Aruna Hotels Limited**

**VAITHYALINGAM ANBALAGAN**
Managing Director
DIN 00059007

**MURALIDHARAN RAMASAMY**
Director
DIN ; 07092976

## Statement of Profit and Loss for the year ended 31st March, 2016

| Particulars | Note No. | Amount Rs. In Lakhs For the year ended 31 March, 2016 | For the year ended 31 March, 2015 |
|---|---|---|---|
| Revenue from operations | 2.20 | - | 2.75 |
| Less: Excise duty | | - | - |
| | | - | 2.75 |
| Other income | 2.21 | 354.89 | 1,428.40 |
| | | 354.89 | 1,431.15 |
| Cost of materials consumed | 2.22 | - | 0.57 |
| Employee benefits expenses | 2.23 | 30.14 | 447.84 |
| Finance costs | 2.24 | 92.65 | 671.29 |
| Depreciation and amortisation expense | | 147.95 | 221.58 |
| Other expenses | 2.25 | 90.70 | 92.05 |
| | | 361.43 | 1,433.33 |
| **Profit / (Loss) before exceptional and extraordinary items and tax** | | -6.54 | -2.19 |
| Exceptional Items | | | |
| **Profit/Loss before extraordinary item and tax** | | -6.54 | -2.19 |
| Extraordinary Items | | | |
| **Profit/Loss before Tax** | | -6.54 | -2.19 |
| **Tax expense:** | | | |
| Current tax expense | | | - |
| Deferred tax | | - | - |
| | | - | - |
| **Profit / (Loss) for the period from Continuing Operations** | | -6.54 | -2.19 |
| **Profit / (Loss) from Discontinuing Operations** | | - | - |
| Tax expenses of Discontinuing Operations | | | |
| **Profit / (Loss) from Discontinuing Operations after tax** | | - | - |
| Profit / (Loss) for the period | | - | - |
| Basic Earnings per Equity share | | -6.54 | -2.19 |
| Diluted Earnings per Equity share | | -0.07 | -0.02 |
| **Significant accounting policies** | 1 | | |
| The notes referred to above form an integral part of the financial statements As per our report on even date annexed | | | |

**For Bala & Co**
**Chartered Accountants**

**For and on behalf of the Board of Directors**
**Aruna Hotels Limited**

**P.S.DEVASENAPATHY**
Partner
M.No.024740
FRN 000318S
Place: Chennai
Date : 30/05/2016

**NAGARAJ P**
CFO

**BALAJI GANDLA**
Company Secretary

**VAITHYALINGAM ANBALAGAN**
Managing Director
DIN 00059007

**MURALIDHARAN RAMASAMY**
Director
DIN ; 07092976

**SIGNIFICANT ACCOUNTING POLICIES**

1. The financial statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards), Rules 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

**2.1Basis for preparation of accounts**

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3c) of the Companies Act, 1956 and the relevant provisions thereof. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

**2.2 Revenue Recognition**

Income from services rendered is recognized as the service is performed and is booked based on agreements/ arrangements with the concerned parties. Interest on investments is booked on a time proportion basis taking into account the amounts invested and the Rate of interest.

**2.3. Expenditure**

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

**2.4. Preliminary Expenses**

Preliminary Expenses are amortized over a period of 5 years.

**2.5. Investments**

Investments are classified into current and long-term investments. Current investments are stated at the lower of cost and fair value. Long-term investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long-term investments. Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as non current investments.

**2.6. Inventories**

Raw materials and stores and spares have been valued at weighted average price. Cost includes taxes and duties, freight and other direct expenses.

**2.7. Trade Receivables and Loans and Advances**

Trade Receivables and Loans and Advances are stated after making adequate provisions for doubtful balances.

**2.8. Provisions and Contingent Liabilities**

A provision is recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the year end date. These are reviewed at each year end date and adjusted to reflect the best current estimate. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**2.9. Retirement / Post Retirement Benefits**

Short term Employee benefits, in respect of leave salary and reimbursement of medical expenses, the liability has been fully provided on undiscounted basis, in accordance with the schemes in force. The contribution to Provident Fund (defined contribution plan), as per the provisions of the Employee's Provident Fund and Miscellaneous Provi-

sions Act, 1952, is recognized as expense and remitted to the Provident Fund Commissioner. Expense and income of this year include amounts below Rs.1000/- in relation to earlier years, which are accounted on cash basis.

**2.10. Current and Deferred Tax**

There is no need to make provision for income tax, since the company has incurred a Loss during the current financial year. In our opinion the deferred (Asset) appearing in the Balance sheet is adequate. As such no further provision has been made towards deferred tax.

**2.11. Foreign Currency Translations**

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

**2.12. Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

**2.13. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit 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.

**2.14 Dues To Micro and Small Scale Business Enterprises**

The new management is in the process of identifying the creditors as per the MSMED Act 2006. In the absence of full details the amount due to them could not be determine.

**2.15 Previous Year Figures**

Previous year figures are regrouped and re arranged as per the schedules of Companies Act 2013.

**2.16 Current Liabilities, Loans and Loans and Advances**

Unsecured loans, current Liabilities and other loans and advances are subject to confirmation and reconciliation.

**2.17 Related Party Disclosuresunder AS 18**

There were no related party transactions during the year and hence disclosure requirement as per AS 18 not applicable.

**2.18: Fixed Assets and Depreciation**

Fixed Assets are stated at cost (Net of Cenvat, wherever applicable) less depreciation. Cost includes freight, duties and taxes and other expenses related to acquisitions and installation. Depreciation on Fixed Assets has been provided on the Straight Line Method and at the rates and in the manner specified in the Companies Act, 2013. Intangible Asset constitutes Brand Name acquired for valuable consideration. It is being amortized over a period of 10 years.

**2.19: Borrowing Cost**

Borrowing Costs are 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 or sale are Capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**2.20:** Confirmation of balances has not been received from creditors and debtors.

**Notes forming part of the financial statements**

**Note 2.01 Share capital**

| Particulars | As at 31 March, 2016 | | As at 31March, 2015 | |
|---|---|---|---|---|
| | No of shares | Rs. In Lakhs | No of shares | Rs. In Lakhs |
| **Authorised** | | | | |
| Equity shares of Rs.10 each with voting rights | 2,40,00,000 | 2,400.00 | 2,40,00,000 | 2,400.00 |
| Cumulative Redeemable Preference Shares of Rs.100 each | 800,000 | 800.00 | 800,000 | 800.00 |
| | | **3,200** | | **3,200** |
| Issued, Subscribed and fully paid up Equity shares of Rs. 10 each, fully paid up with voting rights, including 6,90,000 shares of Rs. 10/- each allotted as Bonus Share Above Shares includes 6,90,000 shares of Rs. 10/- each allotted as Bonus shares issued for consideration other than cash | 9,000,000 | 900.00 | 9,000,000 | 900.00 |
| Less: - Calls in arrears | | 2.13 | | 2.13 |
| **Total Paid up Equity Shares** | | **897.87** | | **897.87** |
| 14% Redeemable Cumulative Taxable Preference Share of Rs. 100/- each | 60,000 | 60.00 | 60,000 | 60.00 |
| 17.5% Redeemable Cumulative Preference Taxable Preference Shares of Rs. 100/- each | 50,000 | 50.00 | 50,000 | 50.00 |
| 16.5% Redeemable Cumulative Taxable Preference Shares of Rs. 100/- each | 200,000 | 200.00 | 200,000 | 200.00 |
| Total Paid up Preference Share | | 310.00 | | 310.00 |
| **Total Paid up Share Capital** | | **1,207.87** | | **1,207.87** |

**Note:** Preference shares, which have fallen due for redemption long ago could not be redeemed due to inadequate profits and non issuance of additional shares and not created preference share redemption reserve due to inadequate profits

The 17.5% Redeemable cumulative taxable preference shares are redeemable at par any time after the date of issue but before the expiry of ten years from the date of issue. Earliest redemption month is july 2003.

The 16.5% Redeemable cumulative taxable preference shares are redeemable at par any time after the date of issue but before the expiry of 15months from the date of issue. Earliest redemption month is march 97.

(d) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

| Particulars | Opening Balance | Fresh Issue | Bonus Issue | Closing Balance |
|---|---|---|---|---|
| Equity shares with voting rights | | | | |
| Year ended 31 March, 2016 | | | | |
| - Number of shares | 9,000,000 | | | 9,000,000 |
| - Amount (Rs.In Lakhs) | 897.87 | - | - | 897.87 |
| | | | | |
| Year ended 31 March, 2015 | | | | |
| - Number of shares | 9,000,000 | | - | 9,000,000 |
| - Amount (Rs.In Lakhs) | 897.87 | - | - | 897.87 |

(e) There are no special rights or preferences and restrictions attached to any class of shares, and also there are no restrictions including restriction on dividend and repayment of capital if any.

(f) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: Nil

(g) Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of shareholder | As at 31 March, 2016 | | As at 31 March, 2015 | |
|---|---|---|---|---|
| | No of shares held | % holding | No of shares held | % holding |
| Equity shares with voting rights | | | | |
| Subasri Reality pvt Ltd | 1,464,123 | 16.27 | | |
| Mr. Kamal Babbar | 1,216,500 | 13.52 | 1,200,000 | 13.33 |
| | | | | - |
| | | 29.78 | | 13.33 |

(h) As at 31 March, 2016 Nil shares (as at 31 March, 2015 Nil shares) were reserved for issuance towards outstanding employee stock options granted / available for grant, towards outstanding share warrants and towards convertible securities.

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date as at 31 March 2016 is Nil (as at 31 March 2015 is Nil)

(j) Calls unpaid as at 31 March 2016 is Rs. 2,13,000 ( as at 31 March 2015 is Rs. 2,13,000)

(k) Forfeited shares as at 31 March 2016 is Nil ( as at 31 March 2015 is Nil)

# Notes forming part of the financial statements

| Particulars | Amount Rs. In Lakhs | |
|---|---|---|
| | As at 31 March 2016 | As at 31 March 2015 |
| **Note 2.02 Reserves and surplus** | | |
| **Capital Reserve** | | |
| Opening balance | - | 0.72 |
| Add : Securities premium received on shares issued during the year Closing balance | - | 0.72 |
| **Capital Redemption Reserve** | | |
| Opening balance | 4.00 | 4.00 |
| Add : Securities premium received on shares issued during the year Closing balance | 4.00 | 4.00 |
| **Securities Premium Reserve** | | |
| Opening balance | 1,652.16 | 1,652.16 |
| Add : Securities premium received on shares issued during the year Closing balance | 1,652.16 | 1,652.16 |
| **Preference Share Redemption Reserve** | | |
| Opening balance | 30.25 | 30.25 |
| Add : Securities premium received on shares issued during the year Closing balance | 30.25 | 30.25 |
| **Revaluation Reserve** | | |
| Revaluation Reserve on Land and Building | 8,709.48 | 8,709.48 |
| Less: Depreciation on Revaluation Reserve | 94.20 | - |
| Balance Revaluation Reserve carried forward to next year | 8,615.28 | 8,709.48 |
| **Surplus / (Deficit) in Statement of Profit and Loss** | | |
| Opening balance | -4,813.05 | -4,810.86 |
| Depreciation Accumulated | -73.03 | |
| Profit for the year | -6.54 | -2.19 |
| IT Refund AY 2013-14 | -35.16 | - |
| Closing balance | -4,927.78 | -4,813.05 |
| | 5,373.92 | 5,583.56 |
| **Note 2.03 Share application money pending allotment** | | |
| a. Share application money received pending allotment | 3,387.67 | 3,201.64 |
| b. Number of shares proposed to be issued | | |
| c. Amount of premium at which there proposed shares allotment | | |
| d. The shares are proposed to be allotted in financial year end | | |

**Note : -**

1. In the current year application moneys for allotment were received from the following companies/ Individual:

| Name of the company | Amount Recevied in Lakhs |
|---|---|
| India Cabs Private Limited | 145.00 |
| Gay Travels Private Limited | 297.00 |
| Rani Printers Private Limited | 134.00 |
| Sivels Holdings Private Limtied | 665.00 |
| Malar Publications Private Limited | 750.00 |
| S Balasubramanian Adityan | 80.00 |
| Sivanthi Farms Private Limited | 59.99 |

2. Amount received from Mr. Kamal Babbar in the year 2014-15 has reclassified as Long Term Loans as per Settlement Agreement
3. Amount received from Chandini Babbar has been repaid in the current year.
4. Money received from Geetha Marutha Pillai and Geetha Periyasamy is also reclassified as Long Term Loans as no shares shall be allotted
5. In financial year 2014-15, the company received Rs 816.68 lakhs from Subasri Reality Private Limited, Rs 100 lakhs from Gay Travels Private Limited and Rs 340 lakhs from Rani Printers Private Limited, which is still outstanding and shares yet to be allotted

**Note: 2.04 Long-term borrowings**

| | | |
|---|---|---|
| Loans from Related Parties - Unsecured | 715.47 | 203.98 |
| Loans from others - Unsecured | 675.83 | 125.00 |
| Security Deposits | 173.41 | 187.05 |
| | 1,564.71 | 516.03 |

**Note: -** Since the Share application money pending allotment to Mr. Kamal Babbar amounting to Rs 1243.72 lacs has been reclassified as long term borrowing there is an increase in the loan amount to related parties. Further an amount of Rs 715.08 lacs has been repaid to Kamal Babbar together with a repayment of Rs 9.72 lacs made to Mr. Sivaram.

**Note 2.05 Long-term provisions**

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|---|---|---|
| Provision for Employee Benefits | 3.65 | 25.40 |
| | 3.65 | 25.40 |

a. Provision for Gratuity and Leave Encashment is arrived based on actuarial valuation (done in prior years) and entire liability is considered as long term provision by the management. It is non-funded.

| Particulars | Amount Rs. Lakhs | |
|---|---|---|
| | As at 31 March, 2016 | As at 31 March, 2015 |
| **Note 2.06 Short-term borrowings** | | |
| Short Term Borrowings from others ( Unsecured) | 305.90 | 328.44 |
| | 305.90 | 328.44 |
| **Note 2.07 Trade payables** | | |
| Other Suppliers | 41.93 | 41.49 |
| | 41.93 | 41.49 |
| **Note 2.08 Other current liabilities** | | |
| Statutory Liabilities | 481.00 | 626.78 |
| Other Payables | 377.00 | 1,361.88 |
| (Consist mainly of Wages, Salaries, Audit Fees and Other Expenses) | | |
| | 858.00 | 1,988.65 |
| **Note 2.09 Short-term provisions** | | |
| Provision for Employee Benefits | 100.38 | 233.88 |
| Provision for tax - Net | 100.38 | 233.88 |
| **Note 2.11 Non Current Investments** | | |
| **Non - Trade Investments** | | |
| **Equity Instruments - Fully Paid up** | | |
| Unquoted | | |
| 1510 Equity Shares of Aruna Foods Ltd of Rs. 10/- each fully paid up | 0.15 | 0.15 |
| 7 year National Savings Certificates | 1.80 | 1.80 |
| | 1.95 | 1.95 |
| | | |
| **Note: -** 7 Year National Savings Certificate 1995 has been lodged with the Sales Tax Authorities - Kerala as Sales Tax Deposit | | |
| **Note 2.12 Deferred Tax** | | |
| Deferred Tax (transferred to Deferred Expense during the year to depicit correct accounting) | - | 774.28 |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | | |
| Gross deferred tax asset | - | 774.28 |
| Net deferred tax asset | - | 774.28 |
| Note: - The Company has no virtual certainty supported by convincing evidence that there will be future sufficient taxable income against which such DTA can be realised and hence the calculation of Defered Tax Asset is not done. | | |
| **Note 2.13 Other Non Current Asset** | | |
| Deferred Revenue Expenditure (transfer from Deferred Tax) | 774.28 | - |
| | 774.28 | - |

| Particulars | Amount Rs. in Lakhs | |
|---|---|---|
| | As at 31 March, 2016 | As at 31 March, 2015 |
| **Note 2.14 Long Term Loans and Advances** | 214.56 | 214.56 |
| Capital Advances - Unsecured - Considered Good | | |
| Secutity Deposits - Unsecured - Considered Good | 42.75 | 42.75 |
| Other Loans and Advances : Advances to employees and others | 3.14 | 2.89 |
| | 260.45 | 260.20 |
| **Note 2.15 Inventories** | | |
| (At lower of cost and net realisable value) | | |
| Raw materials | - | (0.22) |
| Stores, Spares, Chemicals, and others | 28.63 | 28.84 |
| Finished goods | | |
| Stock-in-trade | 28.63 | 28.63 |
| **Note 2.16 Trade receivables** | | |
| **(unsecured, considered good)** | | |
| Trade receivables outstanding for a period exceeding six months | 123.70 | 123.70 |
| Less: Provision for doubtful trade receivables | - | - |
| | 123.70 | 123.70 |
| Other Trade receivables | - | - |
| | 123.70 | 123.70 |
| **Note 2.17 Cash and bank balance** | | |
| a. Cash and cash equivalents | | |
| Balance with banks: | | |
| in current accounts | 124.60 | 65.32 |
| Cash on hand | 0.05 | 0.09 |
| | 124.65 | 65.41 |
| b. Other bank balances | | |
| - In Deposit Account | 8.29 | 8.29 |
| - original maturity exceeding 3 months and less than 12 months | 8.29 | 8.29 |
| | 132.95 | 73.71 |
| **Note 2.18 Short-term loans and advances** | | |
| Unsecured, considered good | 17.01 | 17.01 |
| (Advance to Landlord, Suppliers, Tax Advance and Security Deposit) | | |
| | 17.01 | 17.01 |
| **Note 2.19 Other current assets** | | |
| Other Current Assets | 35.58 | 63.13 |
| | 35.58 | 63.13 |

| Particulars | Amount Rs. in Lakhs | |
|---|---|---|
| | As at 31 March, 2016 | As at 31 March, 2015 |
| **Note 2.20 Revenue from operations** | - | 2 .75 |
| Sale of services | | |
| | - | 2.75 |
| **Note 2.21 Other income** | | |
| Rental Income | 24.69 | - |
| Other Non Operating Income | 3.91 | 1,428.40 |
| Other Miscelleneous Income | 326.29 | - |
| | 354.89 | 1,428.40 |
| **Note 2.22 Cost of materials consumed** | | |
| Opening stock | | |
| Cost of material Consumed | - | 0.57 |
| | - | 0.57 |
| Less: Closing stock | | |
| Cost of material consumed | - | 0.57 |
| **Note 2.23 Employee benefits expenses** | | |
| Salaries, Wages, and Bonus (excluding Directors) | 17.18 | 311.16 |
| Salaries and Perquisites to Directors | 1.50 | 52.35 |
| Contributions to provident and other funds | 11.45 | 84.33 |
| | 30.14 | 447.84 |
| **Note 2.24 Finance costs** | | |
| Interest on term loan | - | 77.45 |
| Interest on Others | 91.63 | 591.06 |
| Bank charges (including bank charges on BG and LC) | 1.02 | 2.78 |
| | 92.65 | 671.29 |
| **Note 2.25 Other expenses** | | |
| Power and Fuel Expenses | | |
| - Electricity Charges | - | 14.72 |
| - Diesel Charges | 0.29 | 0.39 |
| - Kitchen Fuel | - | 0.17 |
| Repairs and Maintenance | | |
| - Building | - | 0.90 |
| - Others | 0.77 | 1.03 |
| Rates and Taxes | 11.51 | 19.81 |
| Insurance | - | 2.15 |
| Selling and Distribution Expenses | - | 0.37 |
| Directors Sitting Fees | - | 0.07 |
| Directors Travelling Expenses | - | - |
| Office and Miscellaneous expenses | 31.20 | 43.03 |
| Freight and Transport, Hire Charges | 1.10 | 2.77 |
| advancess and Receivable Written Off | - | - |
| Professional Charges | 40.29 | |
| **Payments to the Auditors** | | |
| - As Auditor | 5.53 | 6.63 |
| - Tax Audit and Certification Fees | - | - |
| - Service tax | - | - |
| | 90.70 | 92.05 |

Notes forming part of the financial statements

**Note 2.10 Fixed assets - Tangible, Intangible and Capital work-in-progress**

Amount Rs. In Lakhs

| | Gross block | | | | | Accumulated depreciation | | | | | Net block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April, 2015 " | Additions | Deleted | Revaluation | As at 31 March, 2016 " | As at 1 April, 2015 " | Depreciation for the year | Adjustment to reserves | Depreciation on Revaluation | As at 31 March, 2016 | As at 31 March, 2016 | As at 31 March, 2015 |
| **Tangible assets** | | | | | | | | | | | | |
| Land | 8,348.00 | | | | 8,348.00 | - | | | | - | 8,348.00 | 8,348.00 |
| Building | 3,460.80 | | | | 3,460.80 | 934.13 | 76.79 | - | 94.20 | 1,105.11 | 2,355.69 | 2,526.67 |
| Plant & Machinery | 1,791.06 | 0.01 | - | | 1,791.07 | 1,029.80 | 62.86 | 42.24 | - | 1,134.90 | 656.18 | 761.27 |
| Office Equipments | 128.65 | | | | 128.65 | 84.07 | 4.75 | 30.79 | - | 119.61 | 9.05 | 44.57 |
| Vehicles | 24.16 | | | | 24.16 | 4.43 | 2.94 | | | 7.37 | 16.79 | 19.73 |
| Computers | 2.45 | | | | 2.45 | 0.78 | 0.53 | | | 1.31 | 1.14 | 1.67 |
| Laptop | | 0.28 | | | 0.28 | - | 0.09 | | | 0.09 | 0.19 | - |
| | 13,755.12 | 0.29 | - | - | 13,755.42 | 2,053.21 | 147.95 | 73.03 | 94.20 | 2,368.38 | 11,387.03 | 11,701.91 |
| **Intangible assets** Capital work-in-progress | 82.44 | | | | 82.44 | - | | | | - | 82.44 | 82.44 |

* Information regarding assets under lease (taken or given), where applicable, may also be given as a separate note for each class of asset. Asset disposals through demergers and amounts written off on reduction of capital should be disclosed separately for each class of assets. Also give details such as gross book value of revalued assets, method adopted to compute revalued amounts, nature of indices used, year of appraisal, involvement of external valuer as long as the concerned assets are held by the Company. Effect of foreign currency exchange differences

**Details of Additions to Fixed Assets for the year 2015-16**

| Asset | Additions | Financial Year Ended | Date of Capitalisation | No. of Days Asset put to use | Depreciation |
|---|---|---|---|---|---|
| Laptop | 0.28 | 31/03/2016 | 03/01/2016 | 31 | 0.00 |

**Form No. MGT-11**
**Proxy form**
**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

CIN : L15421TN1960PLC004255
Name of the Company : Aruna Hotels Limited
Registered office : 145,sterling road nungambakkam
Chennai – 600034
Name of the member(s) :
Registered Address :
E-mail Id :
Folio No/Client Id :
DP ID
I/We, being the member (s) holding _____ shares of the above named company, hereby appoint
1. Name: _____
Address:
E-mail Id:
Signature: _____, or failing him
2. Name : _____
Address:
E-mail Id:
Signature: _____

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the on Thursday 29 at 9:AM at Youth Hostel, 2nd Avenue, Adayar, Chennai-600 020 and at any adjournment thereof in respect of such resolutions as are indicated below

| Resolution No | Resolution | Vote (please mentioned No. of shares | | |
|---|---|---|---|---|
| | | For | Against | Abstain |
| 1 | Adoption of Annual financial statements of the Company as on March 31, 2016 | | | |
| 2. | Appointment of a Director in place of Mr. Muralidharan Ramasamy (DIN: 07092976) | | | |
| 3. | Appointment of Auditors | | | |
| 4. | Servicing of Documents | | | |

Signed this _____ day of _____ 2016

Signature of Proxy holder(s)

Signature of shareholder

Affix
Revenue
Stamp Rs.0.15

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

# ARUNA HOTELS LIMITED
## (CIN - L15421TN1960PLC004255)
## REGD. OFF: 145, STERLING ROAD, CHENNAI – 600034

## ATTENDANCE SLIP

| | |
|---|---|
| DP ID. | |
| CLIENT ID | |

| | |
|---|---|
| FOLIO NO | |
| NO OF SHARES | |

**Name & Address of Shareholder / Proxy holder**

_____

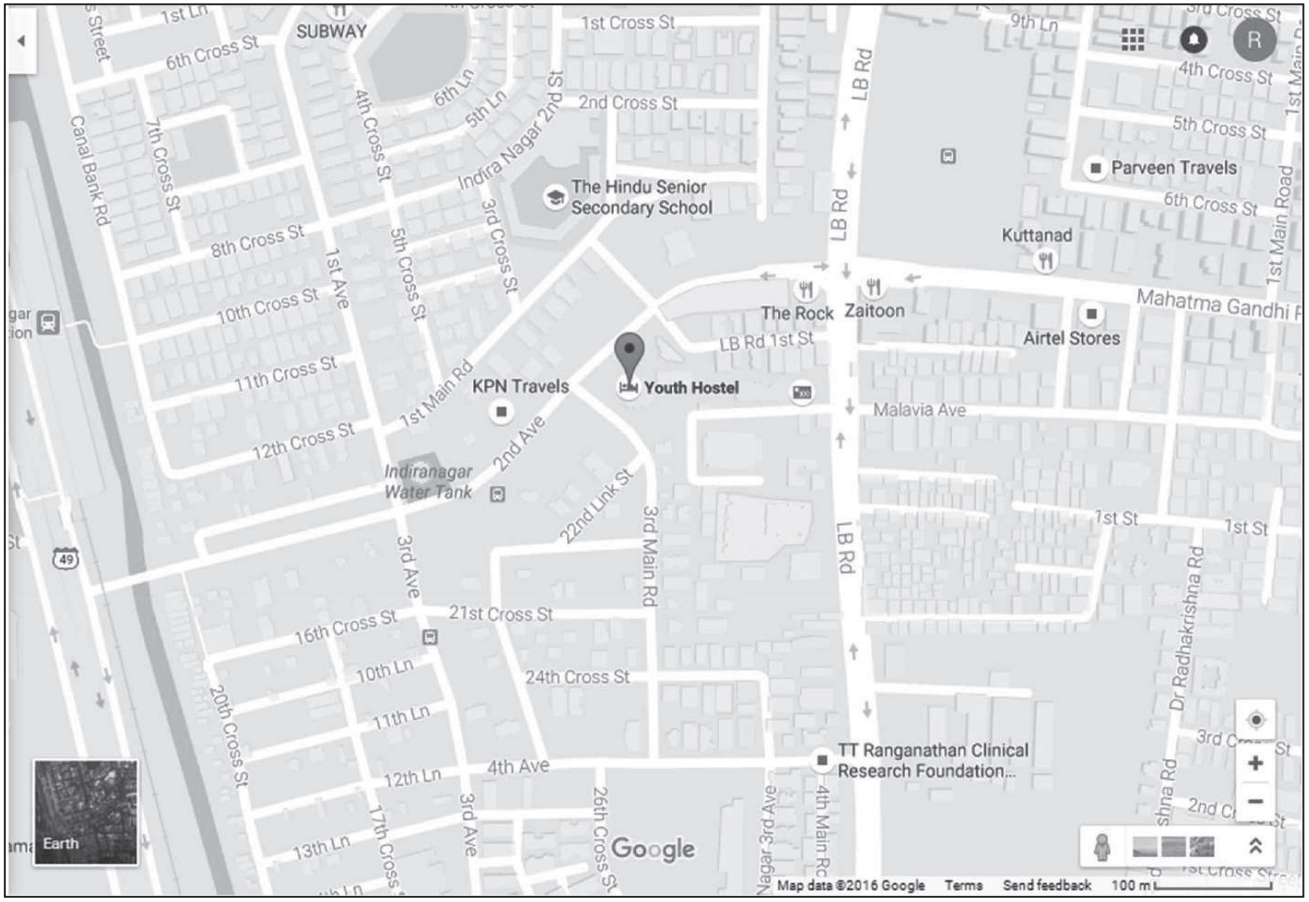
_____

_____

I certify that I am a registered Shareholder / Proxy for the registered Shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company held on 29th , the September 2016 at Youth Hostel, 2nd Avenue, Indira Nagar, Adyar, Chennai-20.

Member's / Proxy's Signature

(Shareholder attending the meeting in person or by proxy is requested to complete the attendance slip and handover at the entrance of the Meeting Hall)

## Route Map for AGM Venue

Venue: youth Hostel 2nd Avenue, Indira Nagar, Chennai-600 020