



ARUNA HOTELS LIMITED

CIN: L15421TN1960PLC004255

October 28, 2021
Chennai

To,
The Listing Department,
BSE Limited,
P.J. Towers,
Dalal Street,
Mumbai 400001

Dear Sir / Madam,

Sub: Submission of copy of Annual Report for the financial year 2020-2021 including Notice of the Annual General Meeting of the Company

The Annual Report for the financial year 2020-2021, including the Notice convening the Annual General Meeting, being sent to the members through electronic mode, is enclosed. The Annual Report including Notice is also uploaded on the Company's website.

You are requested to kindly take note of above and bring the same to the notice of investors and members.

The above is for your information and record. Kindly acknowledge receipt.

Thank you,

Yours faithfully,

for **ARUNA HOTELS LIMITED**


K LAKSHMI
COMPANY SECRETARY & COMPLIANCE OFFICER



Encl: a/a



ARUNA HOTELS LIMITED

59th

**Annual Report
2020-2021**

BOARD OF DIRECTORS

- R MURALIDHARAN (DIN: 07092976) - CHAIRMAN AND NON-EXECUTIVE DIRECTOR
M S DAVID (DIN: 08539011) - MANAGING DIRECTOR
(Appointed on 29.08. 2019)
V.ANBALAGAN (DIN:00059007) - MANAGING DIRECTOR
(Resigned on 23.09.2019)
K RAJAKUMAR (DIN: 05187894) - NON-EXECUTIVE DIRECTOR
N SUYAMBU (DIN: 07718798) - INDEPENDENT DIRECTOR
FREEDA GNANASELVAM - INDEPENDENT WOMAN DIRECTOR
KANAGIAH (DIN: 07350175)

KEY MANAGERIAL PERSONNEL

- K LAKSHMI - COMPANY SECRETARY AND
(Appointed on 30.06.2020) COMPLIANCE OFFICER
NAGARAJ.P - CHIEF FINANCIAL OFFICER

AUDITORS

**M/s. BALA&CO,
CHARTERED ACCOUNTANTS,
CHENNAI**

- STATUTORY AUDITOR,
- "SRI GURU NIVAS", F2, NO.21, SRINIVASA NAGAR,
- KANDANCHAVADI, OFF OMR, CHENNAI 600096,
- TAMIL NADU, INDIA
- MOB: 98415 97680 / 95660 13657
- EMAIL: CONTACT@BALACOCA.NET

**M/s J.JOTHI & ASSOCIATES,
CHENNAI**

- SECRETARIAL AUDITOR
- PRACTISING COMPANY SECRETARIES,
- 132A, 2ND FLOOR, SIVARAM STERLING
- TOWERS,4TH STREET, STERLING ROAD,
- NUNGAMBAKKAM,CHENNAI 600034, TAMIL NADU, INDIA

INTERNAL AUDITORS

- M/s VENKAT & RANGAA

STOCK EXCHANGE

- BSE LIMITED, MUMBAI

BANKERS

- HDFC BANK LTD, R K SALAI,
- MYLAPORE, CHENNAI 600004

**REGISTRAR &
SHARE TRANSFER AGENTS**

- M/s MCS SHARE TRANSFER AGENT LTD,
- 201, D WING, 2ND FLOOR,
- GOKUL INDUSTRIAL ESTATE BUILDING,
- SAGBAUG, MAROL CO-OP INDUSTRIAL AREA
- B/H TIMES SQUARE
- ANSHERI EASTMUMBAI 400059,
- MAHARASHTRA, INDIA
- PH: 022-28516020/6021/6022/6023, MOB: 9969569190

REGISTERED OFFICE

- 144-145, STERLING ROAD, NUNGAMBAKKAM,
- CHENNAI-600034, TAMIL NADU, INDIA

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ARUNA HOTELS LIMITED

NOTICE TO MEMBERS

Notice is hereby given that the Fifty Ninth Annual General Meeting ('AGM') of the Members of ARUNA HOTELS LIMITED, (the "Company") will be held on Friday, the 19th day of November, 2021 at 10.00 A.M. (IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Mr. Rajakumar Kumaravelayatha Nadar (DIN: 05187894), who retires by rotation and, being eligible offers himself for re-appointment.

Place: Chennai

Date: 25.10.2021

By Order of the Board

for ARUNA HOTELS LIMITED

Sd/-

M.S.DAVID
MANAGING DIRECTOR

DIN: 08539011

NOTES:

1. In view of the global outbreak of the COVID-19 pandemic which is still in continuation during the current year, the Ministry of Corporate Affairs ('MCA') has vide its Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular no. 02/2021 dated January 13, 2021 and the General Extension of time for holding of Annual General Meeting (AGM) for the Financial year ended on 31.03.2021 given by Registrar of Companies, Chennai vide Ref.no. ROC-CHN/96-AGM/2021 (collectively referred to as 'MCA Circulars') and SEBI vide its circular No SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with SEBI Circular No: SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to 'Relaxation from compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – due to Covid-19 pandemic' (SEBI Circulars) permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM on Friday, the 19th day of November, 2021 at 10.00 a.m.(IST).
2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/ herself and the proxy need not be a member of the company. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, the requirement of physical attendance of the members has been dispensed with. Accordingly, in terms of MCA circulars and the SEBI circular, the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map of AGM are not annexed to this notice.
3. Institutional Investors and Corporate Shareholders, who are Members of the Company, are encouraged to attend and vote at the 59th AGM through VC/OAVM facility. Corporate Members intending to appoint their authorised representatives pursuant to Section 112 and 113 of the Act, as the case may be, to attend the AGM through VC/OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution/ authorization letter together with attested specimen signature of the duly authorised representative(s) to the Scrutinizer by email at kjr@mdassociates.co.in with a copy marked to helpdesk.evoting@cdslindia.com.
4. M/s Bala & Co, Chartered Accountants (ICAI Firm Registration Number: 000318S) were re-appointed as Statutory Auditors of the Company at the AGM held on September 21, 2020 to hold office for the second term of 5 (five) consecutive years until conclusion of the AGM that will be held during 2024-2025. In terms of Section 139 of the Act, as amended by the Companies (Amendment) Act, 2017 notified on May 07, 2018, appointment of Auditors need not be ratified at every AGM. Accordingly, this Notice does not carry resolution for ratification of appointment of Statutory Auditors.

ARUNA HOTELS LIMITED

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Act.
6. In line with the MCA Circular dated May 5, 2020 and SEBI Circular dated May 12, 2020, the Notice of the AGM along with the Annual Report 2020-2021 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. The Notice convening the 59th AGM has been uploaded on the website of the Company at www.arunahotels.com and may also be accessed from the relevant section of the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also available on the website of CDSL at www.evotingindia.com.
7. The Company's Registrar and Share Transfer Agents (RTA) for its Share Registry Work (Physical and Electronic) are M/s. MCS Share Transfer Agents Limited, having their office premises at 201, D Wing, 2nd Floor, Gokul Industrial Estate Building, Sagbaug, Marol Co-op Industrial Area, B/H Times Square, Andheri (E), Mumbai – 400 059. The Register of Members and Transfer Books of the Company will be closed from November 13, 2021 to November 19, 2021 (both days inclusive).
8. Members holding shares in physical mode, who have not registered / updated their email addresses with the Company, are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card to Company's Registrar and Share Transfer Agents for its Share Registry Work (Physical and Electronic), M/s. MCS Share Transfer Agents Limited, having their office premises at 201, D Wing, 2nd Floor, Gokul Industrial Estate Building, Sagbaug, Marol Co-op Industrial Area, B/H Times Square, Andheri (E), Mumbai – 400 059.
9. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact Company's Registrars and Transfer Agent, MCS Share Transfer Agents Limited ('RTA') at helpdesknum@mcsregistrars.com for assistance in this regard.
10. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto ('IEPF Rules'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investors Education and Protection Fund (IEPF) administered by the Central Government. The Shares in respect of such unclaimed dividend are also liable to be transferred to the Demat account of the IEPF Authority. As on date, there are no unclaimed dividends.
11. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank details such as name of the Bank, and branch details, Bank Account number, MICR Code, IFSC Code, to their DPs in case the shares are held in electronic form and to the RTA at helpdesknum@mcsregistrars.com in case the shares are held in physical form, quoting your folio number.
12. SEBI has mandated the submission of PAN by every Participant in the securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.
13. Members can avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act 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 Limited (RTA), at their mail address at helpdesknum@mcsregistrars.com. If a member desires to cancel the earlier nomination, he/she may submit the same in form SH-14. Members holding shares in electronic form may contact their respective Depository Participant (DP)/RTA for availing this facility.
14. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company / RTA in case the shares are held by them in physical form.
15. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such members after making requisite changes.

16. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
17. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Documents for inspection will be available electronically, without any fee, from the date of circulation of the Notice of AGM up to the date of AGM. Members seeking to inspect such documents can send an e-mail to cs@ahlhennai.com stating their DP ID / Client ID / or Folio No.
18. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Saturday, November 13, 2021 through email on cs@ahlhennai.com. The same will be replied by the Company suitably.
19. Profile of Directors forms part of Corporate Governance Report. Details of Directors are also attached to this Notice, as required under the Listing Regulations.
20. Recorded transcript of the AGM will be made available on the website of the Company at www.arunahotels.com

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

CDSL e-Voting System – for e-Voting and joining virtual meetings

- (i) As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audiovisual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
- (ii) Pursuant to the provisions of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- (iii) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- (iv) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- (v) Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- (vi) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.arunahotels.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The

AGMNotice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

- (vii) The AGM will be convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020, Circular no. 02/2021 dated January 13, 2021 and the General Extension of time for holding of Annual General Meeting (AGM) for the Financial year ended on 31.03.2021 given by Registrar of Companies, Chennai vide Ref.no. ROC-CHN/96-AGM/2021.
- (viii) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- (ix) Mr. M. Damodaran, Managing Partner of M. Damodaran & Associates LLP, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The voting period begins on Tuesday, 16th day of November, 2021 at 9.00 a.m. and ends on Thursday, 18th day of November, 2021 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 12th November, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting at the AGM. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

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

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1. The shareholders should log on to the e-voting website <https://www.evotingindia.com>
2. Click on “Shareholders” module.
3. Now Enter your User ID:
 - (i) For CDSL: 16 digits Beneficiary ID,
 - (ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (iii) Members holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to <https://www.evotingindia.com> and voted on an earlier voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

PAN	(a) Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). (b) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number. Please send a request to RTA’s email id at helpdesknum@mcsregistrars.com get sequence number.
Dividend Bank details or Date of Birth	(a) Enter the Dividend Bank details or Date of Birth in (dd/mm/yyyy) as recorded in your demat account or in the Company records in order to login. (b) If both the details are not recorded with the depository or Company, please enter the Member ID/Folio number in the Dividend Bank details as mentioned in instruction.

- (vi) After entering these details appropriately, click on “**SUBMIT**” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ 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. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the **EVS**Nfor the relevant **Aruna Hotels Limited** (Company Name) on which you choose to vote.
- (x) **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.

- (xi) Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on “**CLICK HERE TO PRINT**” option on the Voting page.
- (xv) If Demat account holder has forgotten the changed/login password, then enter the User ID and Image Verification code and click on Forgot Password by entering the details as prompted by the system.
- (xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to **www.evotingindia.com** and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer by email **tokjr@mdassociates.co.in** and to the Company at the email address **cs@ahlichennai.com**, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING AGM THROUGH VC/OAVM & E-VOTING DURING THE MEETING ARE AS UNDER:

1. The procedure attending meeting and e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance of atleast 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at **cs@ahlichennai.com**. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance of atleast 5 days prior to meeting mentioning their name demat account number/folio number, email id, mobile number at **cs@ahlichennai.com**. These queries will be replied to by the company suitably by email.
8. Only those shareholders who have registered themselves as a speaker will be allowed to express their views / ask questions during the meeting.

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
10. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders - please provide necessary details like Folio No., Name of the Shareholder, scanned copy of the Share Certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to **Company/RTA email ID**.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to **helpdesk.evoting@cdslindia.com** or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr.Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East) Mumbai – 400013 or send an email to **helpdesk.evoting@cdslindia.com** or call on 022-23058542 / 43.

ARUNA HOTELS LIMITED**ADDITIONAL INFORMATION ON DIRECTOR RECOMMENDED FOR APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015****DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT**

PARTICULARS	MR. RAJAKUMAR KUMARAVELAYATHA NADAR
Educational Qualification	Post Graduate
Experience	More than 15 to 20 years
Expertise in specific functional area	Has a rich experience in the field of Media and Construction Industry.
Director Identification Number (DIN)	05187894
Date of appointment	02.03.2015
Date of Birth/ Age	15.05.1962 / 59 years
Directorships held in other listed Companies in India	NIL
Membership in Committees	a. Chairman in Stakeholders Relationship Committee b. Member in Nomination and Remuneration Committee c. Member in Rights issue committee
Listed entities from which the person has resigned in the past three years	NIL
Shareholding held in Aruna Hotels Limited, if any	NIL
Number of Board Meetings attended during the year	8 (Eight)
Sitting fees / Commission	Entitled to receive sitting fees and commission, at the discretion of the Board as applicable to non-executive Directors
Relation inter se with the directors	NIL

Brief profile of the above Directors also forms part of Corporate Governance Report. The above Director is not related to any of the Directors or Key Managerial Personnel of the Company.

ARUNA HOTELS LIMITED

BOARD'S REPORT

To the Members,

Your Company's Directors have pleasure in presenting before you the 59th Annual Report on the business and operations of the Company together with the Audited Financial Statements of Accounts for the Financial Year (FY) ended 31st March, 2021.

FINANCIAL SUMMARY

Standalone Financial Performance for the year ended March 31, 2021 is summarized below:

<i>Particulars</i>	<i>Rs. in lakhs</i>	
	<i>Financial year ended March 31, 2021</i>	<i>Financial year ended March 31, 2020</i>
Revenue from Operations	30.84	-
Other Income (net)	1.93	10.50
Total Income	32.77	10.50
Less: Operating Expenditure (Employee benefit expenses)	(172.27)	(37.23)
Less: Finance costs	(520.40)	(403.06)
Less: Depreciation & amortization expense	(78.47)	(79.60)
Less: Other expenses (net)	(135.94)	(137.03)
Profit/ (Loss) before exceptional and Extraordinary items and tax	(874.30)	(646.42)
Exceptional Items	-	-
Profit/ (Loss) before Extraordinary items and tax	(874.30)	(646.42)
Extraordinary Items	-	-
Profit / (Loss) before tax	(874.30)	(646.42)
Tax expenses	(133.67)	(142.17)
Profit / (Loss) after tax	(1007.96)	(788.59)
Total Comprehensive Income for the period (comprising profit/loss from ordinary activities after tax and other comprehensive income for the period)	(1007.96)	(788.59)

COMPANY'S PERFORMANCE

Our Hotel is not operational since FY 2014-15 as it was under renovation process. As of date, we have completed the renovation of the main structure of our hotel, however we are yet to complete the construction of a multi-level car parking area and setting up of a transformer in the premises of our hotel. The renovation process is expected to be completed in the financial year 2021-22. For this purpose, our Company has appointed M/s. Transform, a proprietorship concern, to act as the Architect cum Project Management Consultant for the renovation and development of the Hotel building. Post completion of the renovation process, our Hotel shall comprise of around 80 well designed rooms which are expected to be equipped with modern amenities/facilities. Further, our Company has executed a lease deed and a license agreement with M/s. Culinary Ocean Hospitality LLP, wherein we have leased a part of our property situated at 144, Sterling Road, Nungambakkam, Chennai 600 034, Tamil Nadu, India and granted license to run "Hard Rock Café" including Rock Shop in the said property.

Therefore, Net Revenue from operations which is also through lease rental income for the Fiscal 2021 was Rs. 30.84 Lacs.

Prior to undergoing renovation work, our Company used to derive revenue primarily from rendering services related to hotel, restaurant, banquets etc. by providing accommodation and food to the guests.

Since the beginning of 2020 until now, the global widespread of COVID-19 is a fluid and challenging situation facing all the Industries. The Company has taken all possible effective measures to limit and keep the impact of COVID-19 under control in order to ensure business continuity with minimal disruption. Your Company will continue to pay close attention to the development of COVID-19 and will further evaluate and actively respond to such impact on the financial position and financial performance of the Company.

Consequent to the severe impact of COVID-19 in the hospitality sector, on a standalone basis, the company reported a loss after tax for financial year 2020-2021 of ₹1007.96.

DIVIDEND

As the Company has incurred loss in the year under review, after considering holistically the relevant circumstances, the Board of Directors has decided that it would be prudent, not to recommend Dividend to its shareholders.

TRANSFER TO RESERVES

Due to Loss, the Board of Directors of your Company, has decided not to transfer any amount to the Reserves for the year under review.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY, HAVING OCCURRED SINCE THE END OF THE YEAR AND TILL THE DATE OF THE REPORT

The following are the material changes affecting the financial position of the Company, being engaged in a Hotel business, having occurred since the end of the year and till the date of the Report:

- a. The novel corona virus (Covid-19) pandemic outbreak and steps taken to control the same have significantly impacted our business, results of operations financial condition and cash flows, especially the Hospitality industry.
- b. The coronavirus outbreak and containment measures announced by the Government have led to a steep drop in foreign and domestic travel, across both business and leisure segments.
- c. Moreover, your Company has stopped its hotel operations and presently in the process of renovating the Hotel premises. For this purpose, our Company has appointed M/s. Transform, a Proprietorship concern, to act as the Architect cum Project Management Consultant for the renovation and development of the Hotel building. As of date, we have completed the renovation of the main structure of our Hotel; however, we are yet to complete the construction of a multi-level car parking area and setting up of a transformer in the premises of our Hotel.
- d. Other material changes and commitments that may affect the financial position of the Company, occurred since the end of the year and till the date of the report are given under 'Insolvency and Bankruptcy Code, 2015 (IBC)'.

INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

During the financial year under review, a Corporate Insolvency Resolution Process (CIRP) Application in terms of IBBI CIRP Regulation, 2016 has been made against the Company and Consequently, the application was closed vide NCLT order dated 04.06.2021.

A civil appeal was filed on 23.07.2021 by an Ex-employee of the Company, challenging the abovementioned NCLT order before the Hon'ble Supreme Court. The Hon'ble Supreme Court has disposed the case vide its Order dated September 15, 2021. Based on the order passed by the Hon'ble Supreme Court, the Chennai NCLT has closed all its pending applications vide its Order dated September 28, 2021.

DETAILS OF REVISION OF FINANCIAL STATEMENT OR THE REPORT

Your Company has not revised its financial statement or the Report in respect of any of the three preceding financial years either voluntarily or pursuant to the order of a judicial authority.

CAPITAL STRUCTURE

The paid up Equity Share Capital as at March 31, 2021 stood at Rs.900 Lakhs. The Company during the relevant financial year did not issue any shares or shares with differential voting rights nor has granted any stock options or sweat equity or debentures or bonds or warrants or any convertible instruments. There have been no instances of buyback or reduction of share capital. There has been no change in the authorized share capital of the Company or reclassification or sub-division of the authorised share capital during the relevant financial year.

RIGHTS ISSUE:

As on the date of this Report, your Company has gone into Rights Issue of upto 2,49,00,000 Equity Shares of face value of Rs.10/- each (Rights Equity shares) of our company for cash at a price of Rs.10/- per equity share ("the Issue price") for an amount aggregating upto Rs.2,490 lakhs on a Rights basis to the existing equity shareholders of our company in the ratio of 83 (Eighty Three) Rights Equity shares for every 30 (Thirty) fully paid up equity shares held by the existing equity shareholders on the record date i.e. 23rd day of July, 2021 (the "Issue"). Our Company has received 'in principle' approval from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide its letter dated 27th October, 2020 and for the purpose of this Issue, the designated Stock Exchange is BSE.

RIGHTS ISSUE COMMITTEE:

The Rights Issue Committee was re-constituted at the Board Meeting held on August 26, 2020 and revised its terms of reference. Earlier on August 17, 2018 the Rights Issue Committee was constituted for the purpose of Rights Issue and related matters. As the erstwhile Rights Issue was withdrawn due to uncertainty of time for recovery of Indian economy resulting from the impact of Covid-19 pandemic. The Committee has four (4) members as follows:

1. Mr. Muralidharan Ramasamy, Director, as Chairman of the Committee
2. Mr. David Susainadar, Managing Director – Member of the Committee
3. Mr. Rajakumar Kumaravelayatha Nadar, Non-Executive Director – Member of the Committee
4. Mr. Suyambu Narayanan Independent Director- Member of the Committee

CREDIT RATING

The Company has not availed any credit rating for the financial year 2020-2021

INVESTOR EDUCATION AND PROTECTION FUND (“IEPF”)

There was no amount liable to be transferred to Investor Education and Protection Fund during the financial year 2020-2021.

LISTING REQUIREMENTS:

Your Company’s Equity shares are listed on the BSE Limited, Mumbai. Listing fees have been paid to this Stock Exchange for the financial year 2020-2021.

DEMATERIALISATION OF SHARES:

The Company’s shares are compulsorily traded in dematerialised form on the BSE Stock Exchange. Equity Shares of the Company representing 67.27% of the Company’s equity share capital are dematerialized as on March 31, 2021. Under the Depository system, the International Securities Identification Number (ISIN) allotted to the Company’s shares is INE957C01019.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Board of Directors of your Company hereby confirm and report that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2021, the applicable accounting standards have been followed and there are no material departures;
- b) the Directors 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 profit 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) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and ensured that such Internal financial controls are adequate and were operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and ensured that such systems are adequate and are operating effectively.

INTERNAL CONTROL SYSTEM 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 2020-2021.

DIRECTORS

The Board of Directors of Aruna Hotels Limited currently comprises of five Directors with a balanced combination of 1 Executive, 2 Non-Executive (Non-Independent) and 2 Independent Directors.

During the year under review, Mrs. Freeda Gnanaselvam Kanagiah (DIN: 07350172) was re-appointed as Independent Woman Director of the Company for a second term of five (5) consecutive years commencing from the date of 58th Annual General Meeting of the Company i.e., 21st day of September, 2020. In the opinion of the Board, Mrs. Freeda Gnanaselvam Kanagiah possess the integrity, expertise and experience (including the proficiency) for appointment as the Independent director of the company.

In accordance with provisions of Section 152 (6) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. RajakumarKumaravelayethanadar, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-election.

KEY MANAGERIAL PERSONNEL:

Pursuant to the provisions of Section 203 of the Companies Act, the Key Managerial Personnel of the Company as on March 31, 2021 are:

- a. Mr. Nagaraj P, Chief Financial Officer (CFO)
- b. Ms. K. Lakshmi

Ms. K. Lakshmi has been appointed as Company Secretary and Compliance Officer with effect from June 30, 2020.

MEETINGS OF THE BOARD:

Eight (8) Board Meetings were held during the financial year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on 05.05.2020, 30.06.2020, 05.08.2020, 26.08.2020, 14.09.2020, 16.10.2020, 05.11.2020 and 06.02.2021. The necessary quorum was present for all the meetings. Other details including the composition of the Board and the Committee Meetings thereof held during the year under review (FY 2020-2021) are given in the Corporate Governance Report forming part of this Report.

MEETING OF THE INDEPENDENT DIRECTORS:

During the year, one Meeting of Independent Directors was held on February 10, 2021.

BOARD EVALUATION:

The Board of Directors has carried out an annual evaluation of its own performance, board committees, Individual Directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors based on the criteria such as Composition of Board and structure, effectiveness of board processes, information and functioning, etc.,

The Independent Directors at their Meeting held on 10th February 2021 evaluated the performance of Non-Independent Directors, Board as a whole, Chairperson and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The evaluation criteria were based on the participation, contribution and guidance offered and understanding of the areas etc., which are relevant to the Directors in their capacity as Members of the Board/Committees.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The provisions of Section 135 of the Companies Act, 2013 pertaining to the Corporate Social Responsibility does not apply to the Company.

SUBSIDIARY

Your Company has no subsidiary as on date of this balance sheet and during the year under review. Hence, a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is not applicable.

ASSOCIATES AND JOINT VENTURES

Your Company has no Associates or Joint Ventures as on date of this balance sheet and during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

As the Company is engaged in the business of providing 'Infrastructural facilities', the provisions of Section 186 pertaining to provision of Loans, Guarantees or Investments shall not be applicable to the Company.

CORPORATE GOVERNANCE

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS.

The Company's policy on Directors' appointment is available on <https://www.arunahotels.com>.

The policy on 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 Board's Report and the same are also available on <https://www.arunahotels.com>.

POLICY ON VIGIL MECHANISM (WHISTLEBLOWER POLICY)

The Company has formulated and established the necessary Vigil Mechanism (Whistleblower Policy) for employees including Directors of the Company in confirmation with Section 177(9) of the Act and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to report genuine concerns about unethical behaviour. The details of the policy have been disclosed in the Corporate Governance Report, which is a part of this report and is also available on www.arunahotels.com.

AUDIT COMMITTEE:

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report, which is a part of this report.

AUDITORS:

(i) Statutory Auditors:

At the 58th AGM held on 21st day of September, 2020, the members approved appointment of M/s Bala & Co., Chartered Accountants, Chennai (Firm Registration No.: 000318S) as Statutory Auditors of the Company to hold office for a term of five years from the conclusion of 58th AGM till the conclusion of 63rd AGM (AGM 2025). M/s Bala & Co., Chartered Accountants, Chennai have also confirmed that their appointment is within the limits as specified under the Companies Act, 2013.

(ii) Internal Auditors:

In accordance with the provisions of Section 138 of the Companies Act, 2013 M/s. GSPU & Associates, chartered Accountants (FRN :011266S), were appointed as the Internal Auditors of the company for the FY 2020-21.

(iii) Secretarial Auditors:

M/s J. Jothi & Associates, Practicing Company Secretaries, Chennai, were appointed to conduct the secretarial audit of the Company for the financial year 2020-2021, as required under Section 204 of the Companies Act, 2013. The Secretarial Audit Report in form no. MR-3 issued by the Secretarial Auditor for the financial year 2020-2021 is annexed hereunder.

COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has devised proper systems to ensure compliance with the provisions of all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and that such systems are adequate and operating effectively.

TRANSACTIONS WITH RELATED PARTIES:

The related party transactions entered into with related parties during the year under review were in the ordinary course of business and at arm's length basis and in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There were no materially significant related party transactions made by the company which may have potential conflict with the interest of the company at large. During the year under review, the Company has not entered into any transactions with related parties that are not in arms' length basis and material in nature.

ANNUAL RETURN:

As per Section 92(3) of the Companies act, 2013, Annual Return of the Company is placed on Company's website under the web-link www.arunahotels.com

AUDITORS REPORT AND SECRETARIAL AUDIT REPORT:

The Auditors' Report for the financial year 2020- 21 does not contain any qualification, reservation or adverse remark. The Report is enclosed with the financial statements in this Annual Report.

As required by the Listing Regulations, the Practicing Company Secretary's certificate on corporate governance for the financial year 2020-21 is enclosed as Annexure to this Annual report. The certificate does not contain any qualification, reservation or adverse remark.

The Secretarial Auditors' Report for the financial year 2020-21 does not contain any qualification, reservation or adverse remark. The Secretarial Auditors' Report is enclosed as Annexure to this Annual report.

MAINTENANCE OF COST RECORDS:

Maintenance of cost records as specified by the Central Government under Section 148 (1) of the Act is not applicable to the Company.

DEPOSITS

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

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES.

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:

- (i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; - Rs. 3.86 Lakhs per annum to Rs. 2.7 Lakhs per annum; Ratio of Remuneration is 1.43:1.
- (ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;
 - Percentage increase in remuneration of Director: Mr. M S David – Nil
 - Percentage increase in remuneration of Company Secretary: Ms. K Lakshmi – Nil
 - Percentage increase in remuneration of Chief Financial Officer : Mr. P Nagaraj – Nil
- (iii.) the percentage increase in the median remuneration of employees in the financial year; Nil
- (iv) the number of permanent employees on the rolls of company; - 9 employees
- (v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; Nil
- (vi.) It is affirmed that the Remuneration is as per the Remuneration policy for the Directors, Key Managerial Personnel and other employees adopted by the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:

During the year under review, there were no significant material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company’s operations except as specified under the head ‘Insolvency and Bankruptcy code’ in this report.

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

The Company ensures safe and harassment – free workplace for every individual working in the Company. The Company has complied with the applicable provisions of the aforesaid Act, and Rules framed thereunder.

The Company has in place an Anti-Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees, permanent and contractual, are covered under this policy.

During the Financial Year 2020-2021, the Company which is under Renovation Process and currently working Employees, either regular or contractual were below 10 in numbers.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 mandates all the workplace to constitute Internal Complaints Committee (ICC) for receiving complaints of sexual harassment of women in all Ministries/Departments of Union as well as State Governments and in the private sector too. As, the Company has less than ten employees, the Company is not required to constitute **Internal Complaints Committee** (ICC) as per the requirement of prevention of sexual harassment Policy. Further, the Company management also has not received any complaints regarding sexual harassment during the year under review.

Status of Complaints as on March 31, 2021,		
S. No	Particulars	Number of Complaints
1	Number of complaints filed during the financial year	Nil
2.	Number of complaints disposed of during the financial year	Nil
3.	Number of Complaints pending at the end of the financial year	Nil

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

1. Conservation of Energy

Conservation of energy is of utmost significance for the company. Although the operations of Company are not energy intensive, however, every effort is made to ensure optimum use of energy by using energy- efficient processes and other equipment.

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 in case of imported technology (imported during the last three years reckoned from the beginning 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.

REPORTING OF FRAUDS BY AUDITORS:

During the year under review, the Statutory Auditors have not reported any frauds under Section 143(12) of the Act.

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 except Rights issue committee: 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 which forms part of this Annual Report.

RISK MANAGEMENT POLICY

Internal compliance and control policies and procedures of the Company and policies for the monitoring and evaluation of risk management systems to assess the effectiveness of those systems in minimizing risks that may impact adversely on the business objectives of the Company were established.

ACKNOWLEDGEMENT

The Directors thank the Company's employees, customers, vendors, investors and academic partners for their continuous support. The Directors also thank the Government of India, Governments of various States in India, Governments of various countries and concerned Government departments and agencies for their co-operation.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

The Directors appreciate and value the contribution made by every member of the AHL Family.

Date: 25.10.2021

Place: Chennai

On behalf of the Board of Directors

Sd/-

Sd/-

M S David

Muralidharan Ramasamy

Managing Director

Director

DIN: 08539011

DIN: 07092976

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**OVERVIEW OF THE INDUSTRY**

The Indian Tourism and hospitality industry have emerged as one of the key drivers of growth among the service sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. The hospitality sector in India primarily thrives on tourism, which is an important source of foreign exchange and employment. The Government has taken several initiatives which play a major role in the growth of the Hotel Industry.

The Hotels and hospitality sector in India have declined sharply in the first quarter of 2020, as the COVID-19 outbreaks impact various segments of the sector. The Impact of Covid-19 has been such that all other segments of tourism – inbound, outbound, corporate, MICE (Meetings, Incentives, Conferences and Exhibitions), adventure and leisure continued to underperform the next two quarters (March 2021 and June 2021 quarters).

According to the Federation of Hotel & Restaurant Associations of India (FHRAI), the Indian hotel industry has taken a hit of over Rs.1.30 lakh crore in revenue for the fiscal year 2020-2021 due to the impact of the Covid-19 pandemic. The Federation also has requested for several fiscal measures and immediate support from the Government. It has said in a statement that the Indian hotel industry's total revenue in FY 2019-2020 stood at Rs.1.82 lakh crore. As per our estimates, in FY 2020-2021, approximately 75 percent of the Industry's revenues got wiped off. That is more than Rs.1.30 lakh crore revenue hit. It also added that businesses are steadily closing and non-performing assets (NPAs) are rising.

The hospitality and tourism industry has been witnessing a healthy growth number and accounted for 7.5% of the GDP. India is a part of the top 100 clubs on Ease of Doing Business (EoDB) and ranks 1st in the greenfield FDI ranking globally and to strengthen the cruise tourism sector, the Government of India (GoI) has selected Chennai, Goa, Kochi, Mangalore, and Mumbai ports to develop them as cruise tourism hubs. These terminals will have facilities like hospitality, retail, shopping, and restaurants.

Less than three million foreign tourists visited India in 2020, a dip of around 75 per cent as compared to the previous year, due to travel restrictions imposed to control the coronavirus pandemic. "To incentivize stakeholders in the tourism industry, the guidelines for the scheme of Market Development Assistance (MDA) for providing financial support to stakeholders for the promotion of domestic tourism have been modified to enhance the scope and reach of the scheme, to provide maximum benefits to the stakeholders. In addition, promotional activities have been incorporated including online promotions and the extent of financial assistance permissible has been enhanced.

Due to the COVID-19 pandemic, India's hotel sector is one of the worst-hit segments of the economy, contracted by 47% in April-June 2020, as per data released by the National Statistical Office (NSO) on August 31, 2020. The hotel industry, in May 2020, experienced an occupancy decline of 77% over the same time last year. The domestic hospitality industry, which has been severely affected by the COVID-19 related disruptions, is likely to witness a decline of over 65% in 2021.

Market Size

India is the most digitally advanced traveller nation in terms of digital tools being used for planning, booking and experiencing a journey. India's rising middle class and increasing disposable income has supported the growth of domestic and outbound tourism.

During 2019, foreign tourist arrivals (FTAs) in India stood at 10.93 million, achieving a growth rate of 3.5% year over year (y-o-y). During 2019, FEEs (Foreign Exchange Earnings) from tourism increased 4.8% y-o-y to Rs. 1,94,884 crores. In 2019, arrivals through e-Tourist visa increased by 23.6% y-o-y to 2.9 million. In 2020, FTAs decreased by 75.5% y-o-y to 2.68 million and arrivals through e-Tourist visa (Jan-Nov) decreased by 67.2% y-o-y to 0.84 million. As of March 2021, the e-Tourist Visa facility was extended to citizens of 171 countries. However, domestic tourists are expected to drive the growth, post pandemic.

International hotel chains are increasing their presence in the country, and it will account for around 47% share in the tourism and hospitality sector in India by 2020 and 50% by 2022. As already pointed out in the earlier paragraphs, as per the Federation of Hotel and Restaurant Associations of India (FHRAI), in FY 2021, the Indian Hotel Industry has taken a hit of Rs. 1.30 lakh crore in revenue due to impact of the Covid-19 pandemic.

(b) OPPORTUNITIES & THREATS

Hospitality Sector hit hard by second wave of Covid-19

The hospitality sector in the country is staring at an uncertain future that is expected prevail over the next couple of quarters. The sector, which was witnessing a revival of sorts in the first three months of this year, has been severally hit by the second wave of the pandemic.

According to global real estate service firm JLL, across India, in April 2021, occupancy levels dropped by about 17% and room rates declined by about 9% when compared to March 2021. Currently hotels, in India are back to October 2020 levels, both in terms of occupancy and room rates.

During the Q1 (January to March 2021) of calendar year 2021, India's hospitality industry had witnessed a decline of 38.7% in Revenue per Available Room (RevPAR), compared to Q1 2020 as per JLL's Hotel Momentum India (HMI) Q1 2021, a quarterly hospitality sector monitor. The report observed that the RevPAR in top six cities of the country had decreased by 48% in Q1 of 2021 as compared to Q1 2020.

The recovery of the sector in Q1 had been primarily driven by the leisure segment performing notably well. Total number of signings in Q1 2021 stood at 28 hotels comprising 2,064 keys, recording a decline of 53 per cent compared to the same period last year. International operators dominated signings over domestic operators with the ratio of 54:46 in terms of inventory volume.

The hotel segment in Goa during the Q1 of CY 21 had grown in RevPAR in absolute terms, despite the single digit decline of RevPAR by 1.1 per cent in Q1 2021, compared to Q1 2020. This was due to a 6.4 per cent increase in occupancy levels. Demand for domestic leisure travel amidst international travel restrictions continued to make Goa the fastest recovering market in absolute terms. However, Bengaluru had seen the sharpest decline in RevPAR in Q1 2021, with a 60.6 per cent decline compared to the same period of the previous year.

However, the second wave of COVID-19 dealt a severe blow to all the gains. "Goa was the first one to recover after the first wave but is among the worst hit in the second wave. Hotel occupancies in Goa have dropped by 30 per cent in April 2021 as compared to March 2021. The future remains uncertain. The leisure segment will again lead the recovery. Albeit, this time the revenge travel will not kick start immediately with unlocking. In our opinion, low density areas, off the beaten track hill and beach destinations, and smaller boutique resorts will find traction earlier than big box hotels.

The Executive Directors and CEO of Brigade Hospitality pointed out that given the situation, many of the hospitality chains are trying to keep costs under control and are going all out to survive in the present situation. "The hospitality sector is undoubtedly the worst hit industry by the pandemic, more so with the onset of the second wave. We have been affected to a great extent, and we are now viewing the situation from a larger microscope, so to speak, to see how best we can sustain our businesses. Currently, business planning and strategizing, having become completely pandemic dependent, is in a completely volatile state and can be done only on a day-to-day or maximum a week-to-week basis. No one is in a position to predict what could happen one year from now. People are not willing to undertake any form of leisure travel across the country. In fact, this is the current state of the industry as a whole"

For Hospitality and Tourism Sector, 2021 is all about Survival, Recovery

As the uninvited guest corona virus pandemic checked in, India's hospitality and tourism sector suffered three quarters of economic wipeout estimated to be up to Rs.15 lakh crore and the Industry is desperately looking forward to government support to survive and recover in 2021.

With business coming almost to a standstill, the travel and tourism industry players want the government to provide targeted support to the sector till vaccine –based confidence comes, to help them meet their operating costs and retain jobs.

Federation of Hotel and Restaurant Associations of India (FHRAI) Vice President says that for the industry, 2021 will be all about survival and recovery and everything else will revolve around this and he further asserted that Hospitality and tourism are a very important component of the economy and we need to ensure that it bounces back and thrives.

MakeMyTrip Founder & Executive Chairman said, "Travelling is innate to humans and having spent time indoors people are yearning to connect, explore and travel more than ever before. While COVID-19 had a crippling impact on the entire travel & tourism industry -- the promise of effective vaccine rollout is good news as the year comes to a close". He further said that this crisis will help galvanize efforts to grow domestic tourism. With International travel remaining largely inaccessible to leisure travelers, domestic travel will continue to grow strong as more and more

Indians look inwards to explore their own homeland. He added that the government as well as the industry will need to rise to the challenge of transforming top Indian destinations as world class tourist attractions. For which he said that “this requires an integrated, inter-sectoral approach and investment from the government to build supporting infrastructure while the industry should focus on innovation, stellar service and customer experience that will propel domestic tourism in India like never before.”

Gradual Return Of Confidence

Overall, development activity had stalled for most parts of the year in 2020 but the gradual return of activity is anticipated each passing quarter in 2021. The healthy improvement in occupancies of key markets in the first two months of the first quarter is the most trustworthy indicator of return of demand and confidence in the hospitality sector in India.

The deferred opening of hotels earlier planned to have opened in 2020, may result in staggered opening of hotels with partial inventory keys and F&B facilities over the next couple of quarters in 2021 to keep costs under control and benefit from the shoulder and peak seasons of room nights and social MICE (Meetings, Incentives, Conferences, and Exhibitions) demand.

Hotels in leisure and religious destinations will remain in more demand than the destinations that are purely driven by the business segments alone. It may happen that the number of already stalled projects may get delayed further, with the need of change of ownership or debt restructuring. Looking ahead, demand fundamentals across leisure and religious destinations chart a positive momentum for hotels and we expect developers will take an optimistic approach towards new development in such destinations.

Government Initiatives:

The Indian Government has realized the country’s potential in the tourism industry and has taken several steps to make India a global tourism hub.

Some of the major initiatives planned by the Government of India to boost the tourism and hospitality sector of India are as follows:

- a. In May 2021, the Union Minister of State for Tourism & Culture Mr. Prahlad Singh Patel participated in the G20 tourism ministers’ meeting to collaborate with member countries in protecting tourism businesses, jobs and taking initiatives to frame policy guidelines to support the sustainable and resilient recovery of travel and tourism.
- b. Government is planning to boost the tourism in India by leveraging on the lighthouses in the country. 71 lighthouses have been identified for development of tourist spots.
- c. The Ministry of Road Transport and Highways has introduced a new scheme called ‘All India Tourist Vehicles Authorisation and Permit Rules, 2021’, in which a tourist vehicle operator can register online for All India Tourist Authorisation/Permit. This permit will be issued within 30 days of submitting the application.
- d. In February 2021, the Ministry of Tourism under the Government of India’s Regional Office (East) in Kolkata collaborated with Eastern Himalayas Travel & Tour Operator Association (resource partner) and the IIAS School of Management as (knowledge partner) to organise an ‘Incredible India Mega Homestay Development & Training’ workshop. 725 homestay owners from Darjeeling, Kalimpong and the foothills of Dooars were trained in marketing, sales and behavioural skills.
- e. On January 25, 2021, Union Tourism and Culture Minister Mr. Prahlad Singh Patel announced plan to develop an international-level infrastructure in Kargil (Ladakh) to promote adventure tourism and winter sports.
- f. The Indian Railway Catering and Tourism Corporation (IRCTC) runs a series of Bharat Darshan tourist trains aimed at taking people to various pilgrimages across the country.
- g. On November 4, 2020, the Union Minister of State (IC) for Tourism & Culture Mr. Prahlad Singh Patel inaugurated the “Tourist Facilitation Centre” facility constructed under the project “Development of Guruvayur, Kerala” (under the PRASHAD Scheme of the Ministry of Tourism).
- h. The Ministry of Tourism’s ‘DekhoApnaDesh’ webinar series titled ‘12 Months of Adventure Travel’ on November 28, 2020, is likely to promote India as an adventure tourism destination.
- i. On January 26, 2021, Maharashtra Chief Minister Mr. Uddhav Thackeray inaugurated Balasaheb Thackeray Gorewada International Zoological Park in Nagpur. It is India’s largest zoological park spread over 564 hectares and expected to attract ~2.5 million tourists a year.

- j. The Ministry of Tourism developed an initiative called SAATHI (System for Assessment, Awareness & Training for Hospitality Industry) by partnering with the Quality Council of India (QCI) in October 2020. The initiative will effectively implement guidelines/SOPs issued with reference to COVID-19 for safe operations of hotels, restaurants, B&Bs and other units.
- k. Ministry of Tourism launched DekhoApnaDesh webinar series to provide information on many destinations and sheer depth and expanse on the culture and heritage of India.
- l. Statue of Sardar Vallabhbhai Patel, also known as ‘Statue of Unity’, was inaugurated in October 2018. It is the highest standing statue in the world at a height of 182 metre. It is expected to boost the tourism sector in the country and put it on the world tourism map.
- m. Under Budget 2020-21, the Government of India has allotted Rs. 1,200 crore (US\$ 171.70 million) for development of tourist circuits under Swadesh Darshan for eight Northeast states.
- n. Under Budget 2020-21, the Government of India has allotted Rs. 207.55 crore (US\$ 29.70 million) for development of tourist circuits under PRASHAD scheme.

c) SEGMENT-WISE PERFORMANCE

Our Hotel is not operational since FY 2014-15 as it was under renovation process. As of date, we have completed the renovation of the main structure of our hotel, however we are yet to complete the construction of a multi-level car parking area and setting up of a transformer in the premises of our hotel. The renovation process is expected to be completed in the financial year 2021-22. For this purpose, our Company has appointed M/s. Transform, a proprietorship concern, to act as the Architect cum Project Management Consultant for the renovation and development of the Hotel building. Post completion of the renovation process, our Hotel shall comprise of around 80 well designed rooms which are expected to be equipped with modern amenities/facilities. Further, our Company has executed a lease deed and a license agreement with M/s. Culinary Ocean Hospitality LLP, wherein we have leased a part of our property situated at 144, Sterling Road, Nungambakkam, Chennai 600 034, Tamil Nadu, India and granted license to run “Hard Rock Café” including Rock Shop in the said property.

Therefore, Net Revenue from operations which is also through lease rental income for the Fiscal 2021 was Rs. 30.84 Lacs.

Prior to undergoing renovation work, our Company used to derive revenue primarily from rendering services related to hotel, restaurant, banquets etc. by providing accommodation and food to the guests.

Since the beginning of 2020 until now, the global widespread of COVID-19 is a fluid and challenging situation facing all the Industries. The Company has taken all possible effective measures to limit and keep the impact of COVID-19 under control in order to ensure business continuity with minimal disruption. Your Company will continue to pay close attention to the development of COVID-19 and will further evaluate and actively respond to such impact on the financial position and financial performance of the Company.

Consequent to the severe impact of COVID-19 in the hospitality sector, on a standalone basis, the company reported a loss after tax for financial year 2020-2021 of ₹1007.96.

d) OUTLOOK OF THE HOTEL/HOSPITALITY INDUSTRY

The hospitality sector also noticed growth in domestic air passenger traffic by +21% since June 2020.

The negative effects of covid 19 affected the hospitality industry before disturbing other industries. It made 2020 the most distressing year for the industries around the globe as they suffered massive losses due to the sudden lockdown imposed to control the spread of coronavirus.

Since the first unlocking in June the struggling hospitality industry showed some signs of recovery as the industry found some footing as it saw a revival in demand since August. Post the record decline in Q1 (first quarter) of FY 2020-21 of 23.9%, the Q2 of the FY witnessed an alleviation in GDP contraction to 7.5% which was first estimated to range between 9% and 11%. And since October 2020 there was witnessed to be more improvement in the numbers as everything began to ease out. The RBI also disclosed that the Q3 and Q4 of the FY 2020-21 could witness a positive growth in the GDP. The industry has also been experiencing an upward curve of the GDP for FY 2020-21 and is projected for the FY 2021-22 from the estimations made before.

The demand for leisure travel added up to the growth of the hospitality industry as disposable income increased with visiting destinations in close proximity. Goa, the most preferred destination for leisure travel witnessed an increase in occupancy levels and almost touched 55% in November 2020. There was also witnessed to a revival in F&B industry as the restaurant bookings increased 9 folds in between June to November 2020 across the country. The hospitality sector also noticed growth in domestic air passenger traffic by +21% since June 2020.

The hospitality industry suffered greatly in the year 2020 and had low occupancies the same year, however, the hospitality industry saw a ray of light since last October. The industry was again impacted by the second wave of the pandemic causing a loss of the momentum gained and the booking of the hospitality sector started to decline.

To recover from this downfall the hospitality industry has enabled the Survive-Revive and Thrive approach to see the experiences and flow of the industry before the pandemic broke out. The restrictions imposed on the international travel has caused a negative downturn on the hospitality industry, however, the industry has seen a bridge between revival and survival.

The industry saw signs of positivity in the month of November as leisure demand had escalated the growth, as people began to travel to drivable destination that is close proximity within the cities the weekend getaway was in demand. Goa being one of the greatest destinations point also witnessed a rise in room night demand and crossed the market occupancy level by 55%.

Many Indian tourist visit global tourism hotspots in India, this creates an opportunity for the hospitality industry mainly the hotels sector to provide exclusive quality experience to the domestic travellers. As the vaccine procedure has already begun in India, the traveller's confidence to travel again will boost up soon opening many more opportunities for the industry to grow in.

Since the investors have already firmed up to their investment decisions, the performance cycle would see a rise. And as many investors don't wish to miss out the good deals, they have begun to re-evaluate the good quality assets in the hospitality market. Also, as the demand for travel increases through revenge travels and outings the hospitality sector is expected to drive the recovery.

(e) RISK & CONCERN

Looking at 2021 not only with caution, but also optimism

Tourism is a robust and powerful engine driving a country's economic, social and cultural functions. Having contributed 9.2% to the GDP in 2018, tourism has been an important earner for the Indian economy, which was down to 6.8% in 2019. Across the globe, the tourism industry appears to have taken the hardest hit due to the COVID-19 pandemic. The impact has been felt across various associated sectors as well, such as travel agencies, tour operators and transportation services to name a few.

According to the World Travel and Tourism Council (WTCC), the COVID-19 pandemic is likely to cost the tourism industry almost \$22 billion and a loss of almost 50 million jobs worldwide. Destinations across the world welcomed 900 million fewer international tourists between January and October 2020 when compared with the same period of 2019 as per the latest tourism data from the World Tourism Organization (UNWTO).

The tourism industry incurred a loss of \$935 billion in export revenues from international tourism translating to more than 10 times the loss witnessed in 2009 under the impact of the global financial crisis. The Confederation of Indian Industry (CII) has estimated the Indian tourism industry to lose around INR 5 billion during this period, with job losses estimated at 40-50 million. As per official government statistics, less than three million foreign tourists visited India in 2020, a dip of around 75% as compared to 2019 owing to the coronavirus pandemic.

The Tourism Ministry launched SAATHI (System for Assessment, Awareness and Training for Hospitality industry) in October 2020, an initiative to assist hospitality industry to continue to operate safely and instill confidence about safety of the hotel/unit in view of COVID-19 induced disruptions. It also launched the National Integrated Database of Hospitality Industry (NIDHI) as a joint initiative of the central and state governments in partnership with the hospitality industry. This is a digital platform for stakeholders in the Hospitality Industry to ideate and share best practices as well as act as a tool to connect with government agencies on matters such as ease of doing business. With international travel expected to remain challenging, domestic travel will continue to grow strong.

The current crisis may provide more focus and structured investment to further promote domestic tourism. The informal sector is likely to see a boost with a growing preference for small boutique properties. This may be the best time to focus on key issues of hygiene, service, safety and supporting infrastructure. The next couple of years may help bring a dramatic and much needed change to the domestic travel market. Home to over 200 beaches, 38 UNESCO World Heritage sites and 668 protected areas, India has immense potential.

2020 Hotel Brand Signings

The industry was drastically hit by the pandemic towards the end of the first quarter of the year, leading to Q2, which recorded the least number of signings for the year. In line with previous year's trends, Q4 2020 saw a significant increase in the signings over the dismal Q2 and slightly improved Q3. But, overall Q1 recorded the highest number of signings for the year 2020.

In 2019, JLL had tracked 208 hotel brand signings amounting to 19,400 keys, which was the highest in the past 5 years. However, in 2020, we witnessed a 38% decline in branded hotel signings with 125 hotels comprising of 12,050 keys, against the compound annual growth rate (CAGR) of 7% witnessed between 2016-2019.

One in almost every five Hotels signed in 2020 was a converted Hotel

Hotel conversions had seen a consistent increase, nearly doubling from 33 conversions in 2016 to 65 in 2019. However, the conversions plummeted to just 29 hotels in 2020 under the impact of the COVID-19 pandemic. Greenfield hotel signings formed the majority of the signings, re-iterating the belief in line with the key industry stakeholders that the investments in the greenfield stage would be least impacted, given the predictions that Revenue per Available Rooms (RevPARs) are likely to return to pre-COVID levels by the time the current greenfield projects would reach the operations stage. International hotel chains came at par with domestic chains in terms of converted hotel rooms, stacking at 50:50, showing increased flexibility to sign smaller sized hotels.

Traction Spreads to Tier 2 and Tier 3 Cities

In line with a growing trend over the previous years, tier 3 cities have seen the maximum number of brand signings. The average keys signed per hotel are 137, 97 and 79 in tier 1, 2 and 3 cities respectively. In terms of the geographical preference in the 2020 signings among the domestic and the international operators, the ratio is 48:52, 43:57, 61:39 inventory volume-wise.

Domestic chains dominated tier 3 cities, while international chains lead the way in tier 2 and marginally in tier 1 cities too. International chains have further become more flexible in their product offerings to focus on gaining larger penetration in the Indian hospitality market. Other than the various soft brands launched in 2019, 2020 witnessed the launch of more curated brands to appeal to the wider owners as well as the guests' spectrum such as Radisson Individuals by Radisson Hotels Group, Novotel Living by Accor Group, Zone Connect by Zone by The Park of ApeejaySurrendra Park Hotels.

Hotel management agreements maintained the lead as the most preferred route of operation, by accounting for 70% of the hotel brand signings in 2020, followed by franchises by 26%. While leases comprised only 4% of signings, we are now seeing certain operators restructuring their models and exploring various formats such as revenue shares, rather than just the traditional fixed lease model.

Leisure destinations saw significant traction in 2020

Commercial destinations dominated hotel brand signings constituting approximately 51% of the total signings inventory-wise, recording a downfall of 48%. Leisure destinations comprised 37% of the total signings in 2020, with just a 22% decrease in comparison to the previous year.

The interesting finding is that the signings in the religious destinations increased by 25% in comparison to a year ago. Religious destinations contributed 11% of the total signings. Developers are increasingly looking at emerging leisure and religious destinations- Haridwar, Rishikesh, Jaisalmer, Bodhgaya, Katra, Amritsar, Udaipur, Shimla, Dharamshala, Ayodhya, Dwarka, Mussoorie, etc. Even national parks such as Jawai, TadobaAndhari, witnessed increased traction over the previous years.

(f) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has institutionalized an adequate system of internal controls, with documented procedures covering all corporate functions of units. Internal controls provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations. The internal audit provides a positive assurance, based on the audits of operating units and corporate functions. It converges process framework, risk and control of covering all critical and important functions inter-alia revenue management, purchase, finance, human resources and safety.

A framework for each functional area is identified based on risk assessment and control, allowing the unit to identify and mitigate high-risk areas. These policies and procedures are updated periodically and monitored by Internal Auditor.

The Board's and Audit Committee oversee the adequacy of the internal control environment through periodic reviews of audit findings and monitoring implementations of internal audit recommendations through Compliance reports. The Statutory Auditors have opined in their report that there are adequate internal controls over financial reporting at the Company.

(g) HUMAN CAPITAL/ HUMAN RESOURCES

The Human Resource Policies and Practices of your company’s employees are its most valuable asset who enables the Company to deliver a level of service that is among the highest in the hospitality industry. A combination of talent management strategy combined with a robust and transparent performance management system which leads to an attractive long-term compensation philosophy is employed to attract and retain the best available talent.

(h) DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Particulars	Current year (2020-2021)	Previous year (2019-2020)	% Change
Debtors’ turnover	1.69	-	-
Inventory turnover	-	-	-
Interest coverage ratio	-0.68	-0.6	13%
Current ratio	0.19	0.24	-18%
Debt Equity ratio *	23.22	6.95	234%
Operating Profit margin	-11.48	-	-
Net profit margin**	-30.76	-75.1	-59%
Details of any change in Return on Networth as compared to the immediately previous financial year**	-1.65	-0.46	258%

*Due to the increase in borrowings during the year under review

**Company suffered losses due to non-operative status of the Company and increased interest expenses.

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.

ARUNA HOTELS LIMITED

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021 [Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

ARUNA HOTELS LIMITED

CIN: L15421TN1960PLC004255

Aruna Centre, 145, Sterling Road,

Nungambakkam,

Chennai -600 034

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ARUNA HOTELS LIMITED (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year starting from April 01, 2020 to March 31, 2021(hereinafter referred to as “Audit period”), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under ;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to 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, as amended from time to time;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time;
 - d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
 - e. 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, as amended from time to time;

We have also examined compliance with the applicable clauses of the following:

- I. The Listing Agreement entered into by the Company with the BSE Limited under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- II. 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 except the following:

1. The Company has delayed in intimating to Stock Exchange under Regulation 23(9) of SEBI (LODR) and penalty for the same has been paid during the reporting period.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period the company has;

1. The Board of Directors of the Company vide their resolution passed on its meeting dated 05.05.2020, has decided not to proceed with the rising of funds through Rights Issue to an extent of Rs. 60 Crores, which the Board has approved on its meeting dated 17.08.2018.
2. During the financial year, there was a Corporate Insolvency Resolution Process in terms of IBBI CIRP Regulation, 2016 against the Company, however as on our report date the case has been disposed in favour of the Company by the Hon'ble Supreme Court vide its Order dated September 15, 2021.

Place: Chennai

Date: 29.09.2021

**for J. Jothi & Associates
Practicing Company Secretaries**

UDIN:A047563C001040381

**Karthik
Partner
M. No. A47563
CP No. 17899**

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

ARUNA HOTELS LIMITED

ANNEXURE-A

To,
The Members,
ARUNA HOTELS LIMITED
CIN: L15421TN1960PLC004255
Aruna Centre, 145, Sterling Road,
Nungambakkam,
Chennai -600 034

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial and other records is the responsibility of the management of the Company. Our responsibility is to express an opinion on the relevant records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the relevant records and compliances. The verification was done on test basis to verify that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial and tax records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai
Date: 29.09.2021

for J.Jothi& Associates
Practicing Company Secretaries

Karthik
Partner
M. No. A47563
CP No. 17899

CORPORATE GOVERNANCE REPORT**I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company is committed to adopt the best Corporate Governance practices to manage the affairs of the Company in an ethical, accountable, transparent and fair way, with the blend of both legal and management practices, to imbed the same in the decision making process of the Company, and to communicate the same accurately and timely, in such a way that both stakeholders' expectations and legal standards are not only met, but the Company surpasses them.

The Company has complied and is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations), as applicable, with regard to Corporate Governance as detailed below for the year ending March 31, 2021:

II. BOARD OF DIRECTORS

The Company is managed and controlled through a professional Board of Directors. The Board comprises of a balanced combination of Non-Executive and Independent Directors in addition to the Managing Director (MD).

The Board as on March 31, 2021 comprises of 5 (five) Directors, out of which two (40%) are Non-Executive Independent Directors (including an Independent Woman Director), two (40%) are Non – Executive Non – Independent Directors and One (20%) is Managing Director.

The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

The Directors do not have any relationships inter-se with each other. The Company has obtained Certificate from Company Secretary in Practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by SEBI, Ministry of Corporate Affairs or any such statutory authority.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

None of the Directors on the Board holds directorships in more than ten public companies. Further, none of the Independent Directors of the company serve as Independent Directors in more than seven listed companies. None of the Directors serving as a Managing Director in any listed entity serves as an Independent Director of more than three listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2021 have been made by the Directors. None of the Directors are related to each other.

III. BOARD MEETING

Eight meetings of the Board of Directors were held during the financial year 2020-2021. The said meetings were held on 05.05.2020, 30.06.2020, 05.08.2020, 26.08.2020, 14.09.2020, 16.10.2020, 05.11.2020 and 06.02.2021. The time gap between any two Board Meetings did not exceed one hundred and twenty days (120 days).

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ('AGM'), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairpersonships / Memberships held by them in other public limited companies as on March 31, 2021 are given herein below.

Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than 10(ten) committees or chairperson of more than 5(five) committees across all the public companies in which he/she is a Director. For determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the SEBI Listing Regulations.

Name of the Director	Category	No. of Board Meetings attended during FY	Whether attended LastAGM held on 21.09. 2021	Number of Directorships in other public Companies		Number of Committee positions held in other Public Companies		Directorship in other listed entity (category of Directorship)
				Chairman	Member	Chairman	Member	
		2021						
Mr. David Susainadar	Executive, Managing Director	8	Yes	-	-	-	-	-
Mr.Muralidharan Ramasamy	Non- Executive, Non- Independent Director	8	Yes	-	-	-	-	-
Mr. Rajakumara velayatha Nadar	Non- Executive, Non- Independent Director	8	Yes	-	-	-	-	-
Mr. Suyambu Narayanan	Non- Executive, Independent Director	8	Yes	-	-	-	-	-
Mrs. Freeda Gnanaselvam Kanagiah	Non- Executive, Independent Director	8	Yes	-	-	-	-	-

Code of Conduct

The Board of Directors of the Company has laid down a Code of Conduct for all members of the Board of Directors and Senior Management of the Company which also incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. The Code of Conduct is available on the Company's website. All members of the Board of Directors and Senior Management have affirmed compliance with the Code of Conduct as on March 31, 2021.

Directors' Shareholding

The Directors of the Company do not hold any shares in the Company. No stock options as on date have been granted to the Directors of the Company. The Company has not issued any convertible instruments.

Key skills and Competencies of the Board

The Board comprises qualified members who bring in the required skills, competence, and expertise that allow them to make effective contribution to the Board and its committees. The core competencies identified by the Board of Directors to be possessed by the Directors for the effective functioning of the business are broad understanding of Hospitality business, sufficient knowledge on the regulatory environment applicable to the Company and its business, strategy and governance. All the Directors of the Company possess the core competencies identified by the Board.

Board Process

The Board Agenda items inter-alia include review of financial results, audit reports, minutes of meetings, appointment of key managerial personnel, regulatory and statutory reports, compliance reports pertaining to all laws applicable to the Company. The Board has accepted all the recommendations of the Committees of the Board made during the year under review.

CEO / CFO Certification

Mr. M S David, Managing Director, and Mr. Nagaraj P, Chief Financial Officer of the Company, have certified to the Board on the requirements of the SEBI Listing Regulations with regard to financial statements for the year ended March 31, 2021 and the Certificate forms part of this Report.

Independent Directors Meeting

Independent Directors of the Company met once during the financial year on February 10, 2021 in line with the requirements under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25(3) of the Listing Regulations. None of the Non-Independent Directors and members of the Management were present at the meeting.

Independent Directors at their meeting transacted the following:-

- a) Reviewed the performance of Non-Independent Directors and the Board as a whole;
- b) Reviewed the performance of the Chairman of the Company, taking into consideration, the views of Managing Director and Non-Executive Directors; and
- c) Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its Duties.

The terms and conditions of appointment of Independent Directors and details of familiarization programmes imparted to Independent Directors of the Company are available on the Company's website: www.arunahotels.com.

The Independent Directors have submitted declarations that they meet the criteria of independence as provided in Regulation 16(1)(b) of the SEBI Listing Regulations and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

The evaluation of Independent Directors was done by the entire Board of Directors which included performance of the directors and fulfillment of the independence criteria as specified in Listing Regulations and their independence from the management. The Board of Directors has confirmed that, in their opinion, the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of the management.

Remuneration

No sitting fees or remuneration is paid to the Non-Executive Directors and Independent Directors of the Company for attending the meetings of the Board and Committees, during financial year 2020-2021.

IV. BOARD COMMITTEES

Currently, the Board has three committees except Rights issue committee: Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. All committees consist majority of independent Directors. The Board committees are set up by the Board and are governed by its terms of reference which exhibit the scope, composition, tenure, functioning and reporting parameters. The Board Committees play a crucial role in the governance structure of the Company. The Committees operate under the direct supervision of the Board and Chairperson of the respective committees' report to the Board about the deliberations and decisions taken by the Committees.

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. The recommendations of the Committees are submitted to the Board for their approval. During the year under review, all recommendations of the Committees were approved by the Board. The quorum for meetings is either two members or one-third of the total number of members of the committee, whichever is higher.

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Name of the Committee	Extract of terms of reference	Category and Composition			
		SN	Name	Nature of the Directorship	Designation
Audit Committee	Committee is constituted in line with the provisions of Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013. <ul style="list-style-type: none"> • Examining financial statement and Auditors Report thereon. • Reviewing, with the management, performance of statutory and internal auditor, adequacy of the internal control systems. • Providing recommendation for appointment, remuneration and terms of appointment of Auditors of the Company • Reviewing and Monitoring Auditor's independence and performance and effectiveness of Audit process 	1.	Mr. Suyambu Narayanan (DIN: 07718798)	Non-Executive, Independent Director	Chairman
		2.	Mrs. Freeda Gnanaselvam Kanagiah (DIN: 07350172)	Non-Executive, Independent Director	Member
		3.	Mr. Muralidharan Ramasamy (DIN: 07092976)	Non-Executive, Non-Independent Director	Member
		Six (6) meetings of the Audit Committees were held during the year under review and the gap between two meetings did not exceed 120 days. The dates of the said meetings are as: 30.06.2020, 05.08.2020, 26.08.2020, 14.09.2020, 05.11.2020 and 06.02.2021 All the committee members attended all the meetings of the Committee.			

The Chief Financial Officer, Statutory Auditors are present at the meetings. Respective functional executives, as it considers appropriate (particularly the head of the finance function) heads are also invited to attend the Audit Committee meeting to respond to queries and observations pertaining to their functions, arising out of the audit reports.

b. NOMINATION AND REMUNERATION COMMITTEE (NRC)

Name of the Committee	Extract of terms of reference	Category and Composition			
		S#	Name	Nature of the Directorship	Designation
Nomination and Remuneration Committee	Committee is constituted in line with the provisions of Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. <ul style="list-style-type: none"> •Formulation of criteria for evaluation of performance of the Independent Directors and the Board of Directors •Recommend to the Board all remuneration, in whatever form, payable to the senior management •To formulate criteria for performance evaluation of independent directors and the Board and to carry out evaluation of every director's performance 	1.	Mrs. Freeda Gnanaselvam Kanagiah (DIN: 07350172)	Non-Executive, Independent Director	Chairman
		2.	Mr. Suyambu Narayanan (DIN: 07718798)	Non-Executive, Independent Director	Member
		3.	Mr. Rajakumar Kumaravellyatha Nadar (DIN: 05187894)	Non-Executive, Non-Independent Director	Member
		Two (2) meetings of the Nomination and Remuneration Committee were held during the year under review. The dates of the said meetings are as: 30.06.2020 and 26.08.2020 All the committee members attended all the meetings of the committee.			

Performance evaluation criteria for independent directors:

The criteria for evaluation of the performance of Independent Directors, include their qualification, experience, competency, knowledge, understanding of respective roles (as Independent Director and as a member of the Committee of which they are Members/Chairpersons), adherence to Codes and ethics, conduct, attendance and participation in the meetings etc.,

During the year under review, the Company had no pecuniary relationship or transactions with the Non executive Directors, other than reimbursement of expenses, if any incurred by them for the purpose of attending meetings of the Board / Committee of the Company.

c. STAKEHOLDERS’ RELATIONSHIP COMMITTEE (SRC)

The Stakeholders’ Relationship Committee comprises of three Directors which includes two Independent Directors and one Non-Executive Non-Independent Director.

Name of the Committee	Extract of terms of reference	Category and Composition			
		SN	Name	Nature of the Directorship	Designation
Stakeholders’ Relationship Committee	Committee is constituted in line with the provisions of Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. • Consider and resolve the grievances of security holders; • Consider and approve issue of share certificates, transfer and transmission of securities, etc. • Approve and monitor dematerialization of shares all related matters;	1.	Mr. Rajakumar Kumaravelyatha Nadar (DIN: 05187894)	Non-Executive, Non-Independent Director	Chairman
		2.	Mr. Suyambu Narayanan (DIN: 07718798)	Non-Executive, Independent Director	Member
		3.	Mrs. Freeda Gnanaselvam Kanagiah (DIN: 07350172)	Non-Executive, Independent Director	Member
		Three (3) meetings of the Stakeholders Relationship Committee were held during the year under review. The dates of the said meetings are as: 30.06.2020, 26.08.2020 and 06.02.2021 All the committee members attended all the meetings of the committee.			

Mrs. K Lakshmi, Company Secretary of the company acts as the Compliance Officer.

The following are the details of investor complaints received and redressed during the financial year 2020-2021

Pending at the opening of the financial year	Complaints received during the year	Complaints redressed during the year	Pending at the end of the financial year
NIL	NIL	NIL	NIL

RISK MANAGEMENT COMMITTEE:

The requirement of constitution of Risk management committee is not applicable to the Company.

REMUNERATION OF DIRECTORS:

- a.) None of the non-executive directors had any pecuniary relationship with the Company.
- b.) Nomination and 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. Criteria of making payments to non-executive directors and the Remuneration of Policy for Executive and Non-Executive directors is displayed on the website of the company at www.arunahotels.com.

The details of remuneration paid to Directors are given below:

Name of the Director	Salary	Sitting fee	Commission	ESOPs	Oth-ers
Mr. David Susainadar (Managing Director) *	Rs.33,000/- p.m.	-	-	-	-
Mr. Muralidharan Ramasamy(Director)	-	-	-	-	-
Mr. Rajakumar Kumaravelayathanadar (Director)	-	-	-	-	-
Mr. Suyambu Narayanan (Director)	-	-	-	-	-
Mrs. FreedaGnanaselvamKanagiah (Director)	-	-	-	-	-

* Appointed as Managing Director of the Company with effect from 29.08.2019 (BM), approved at the AGM dt: 30.09.2019 as per the terms and conditions approved by the NRC at its meeting held on 29.08.2019 as given below:

- a. Salary of Rs.33,000/- p.m.
- b. Reimbursement of expenses incurred by him on account of business of the Company in accordance with the Company policy
- c. Reimbursement of any other expenses properly incurred by him in accordance with the rules and policies of the Company and the Managing Director shall be entitled to such increment from time to time as the Board may by its discretion determine.

V.POLICIES – AFFIRMATIONS

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.

Key policies that have been adopted by the Company are as follows:

Particulars	Regulations	Details	Website link for details/policy
Related Party Transaction Policy	Regulation 23 of the SEBI Listing Regulations and as defined under the Act	The policy regulates all transactions between the Company and its related parties. All transactions entered into were at Arms’ length basis. During the year under review, all transactions entered into were approved by the Audit Committee	www.arunahotels.com
Non-Executive Directors Policies and code for Independent Directors	Regulation 46 (2) (f) of SEBI Listing Regulations, 2015	The policy determines the criteria for payments made to Non-executive Directors	www.arunahotels.com
Code of Conduct	Regulation 17 of SEBI Listing Regulations, 2015	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2020. The Annual Report of the Company contains a certificate by the Managing Director and Chief Executive Officer, on the compliance declarations received from the Members of the Board and Senior Management.	www.arunahotels.com

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Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons	Regulation 8(1) of SEBI Prohibition of Insider Trading Regulations, 2015	AHL's code to regulate, monitor and report trading by Designated Persons. A policy and Procedure for inquiry in case of leak or suspected leak of unpublished price sensitive information	www.arunahotels.com
Preservation of Documents	Regulation 9 of SEBI Listing Regulations, 2015	The policy determines the criteria and time period for preservation of records and archives.	www.arunahotels.com
Preservation of Documents and Website Archival Policy	Regulations 9 and 30 of SEBI Listing Regulations, 2015	The policy deals with the retention and archival of corporate records from the website of the Company.	www.arunahotels.com
Familiarization Programmes for Directors	Regulation 46 of SEBI Listing Regulations, 2015	Details of familiarization programme imparted to the Directors	www.arunahotels.com
KMP determining Materiality of Events	Regulation 30(5) of SEBI Listing Regulations, 2015	Details as to authorization of KMP for the purpose of determining materiality of event or information and contact details of such KMP	www.arunahotels.com
Whistle Blower / Vigil Mechanism Policy	Regulations 22 and 46 of SEBI Listing Regulations, 2015	The Company has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior.	www.arunahotels.com
Policy on determining material subsidiary	Regulation 16 (1) (c) of SEBI Listing Regulations, 2015	The Board of Directors has adopted the policy with regard to determination of Material Subsidiaries.	www.arunahotels.com

VI. OTHER DISCLOSURES:

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance and also complied with Clauses (b) to (i) of Regulation 46 (2) relating to the dissemination of information on the website of the Company. As regard the status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations, the financial statements of the Company are with unmodified audit opinion. The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director and the Internal Auditor reports to the Audit Committee.

Means of Communication: Quarterly, Half-yearly and Annual results of the Company were published in leading English and vernacular newspapers viz. Trinity Mirror, Business line and MakkalKural. Additionally, the results and other important information are also periodically updated on the Company's website.

Corporate Filing and Dissemination System: All disclosures and communications to the BSE Limited are filed electronically to the designated portal.

SEBI Complaints Redress System (SCORES): A centralized web-based complaints redressal system which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports (ARTs) by the concerned companies and the investors can view the actions taken on the complaint and its current status.

Disclosure of accounting treatment in preparation of financial statements: The Company follows Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs in the preparation of its Financial Statements.

All the requirements of corporate governance report specified in Sub-paras (2) to (10) of Para C of Schedule V to the Regulations have been complied with.

The details of adoption of discretionary requirements as stipulated in Part E of Schedule II are as follows:

- i. The Company has appointed a third party firm as the internal Auditors which carries out the audit and the report is presented directly to the Audit Committee for review and further directions
- ii. the financial statements of the Company are with unmodified audit opinion

The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46 (2) (b) to (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

VII. DETAILS OF NON-COMPLIANCE BY THE LISTED ENTITY, PENALTIES, STRICTURES IMPOSED ON THE LISTED ENTITY BY STOCK EXCHANGE(S) OR THE BOARD OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS;

There are penalties imposed on the Company by BSE for the following non-compliance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on the date of this report;

- i. We had failed to disclose the related party transactions of our Company on a consolidated basis with the Stock Exchange under Regulation 23(9) of the SEBI Listing Regulations for the six months period ended September 30, 2020. BSE vide its email dated January 18, 2021 had imposed a fine of ₹ 2.48 lakhs, respectively on our Company on account of the non-compliance with the said provision. Our Company has paid the fine on January 19, 2021 in accordance with the email received from BSE.
- ii. We had failed to submit the financial results of our Company for the quarter ended June 30, 2021 with the Stock Exchange as required under Regulation 33 of the SEBI Listing Regulations. BSE vide its email dated September 14, 2021 had imposed a fine of ₹ 1.71 lakhs on our Company on account of the non-compliance with the said provision. Our Company has paid the fine on September 16, 2021 in accordance with the email received from BSE.

Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations: The Company did not raise any funds through preferential allotment or qualified institutions placement during the year under review.

Disclosures of commodity price risks or foreign exchange risks and commodity hedging activities specified under Schedule V (C) 10(g) to the SEBI Listing Regulations: The Company does not deal in commodities and hence the disclosure pursuant to the same is not required to be given.

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

There were no payments to the Statutory Auditor or other entities in the network firm/network entity of which the statutory auditor is a part by the Company or its subsidiaries, other than the audit fee and other payments as disclosed in the financial statements.

VIII. WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has adopted Whistle Blower policy establishing vigil mechanism, which was amended vide Board meeting dated 30.06.2020. It provides a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy and the Insider Trading Code. The policy provides for direct access to the Chairman of the Audit Committee pursuant to which employees can raise their concerns relating to fraud, malpractice or any other activity or event which is against the Company's interest besides adequate safeguards against victimization of employees who avail of vigil mechanism. It is affirmed that no employee or any personnel of the Company has been denied access to the Audit Committee in this regard.

IX. DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTERESTS OF LISTED ENTITY AT LARGE;

There are no materially significant related party transactions that may have potential conflict with the interests of the Company.

X. SUBSIDIARY

The Company does not have any material unlisted subsidiaries as defined under regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence, the Company has not devised or adopted any Policy on ‘Material Subsidiary’ in line with the requirements of the SEBI Listing Regulations.

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

The Company ensures safe and harassment – free workplace for every individual working in the Company. The Company has complied with the applicable provisions of the aforesaid Act, and Rules framed thereunder. The Company has in place an Anti-Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees, permanent and contractual, are covered under this policy.

During the Financial Year 2020-2021, and currently working Employees, either regular or contractual were below 10 in numbers.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 mandates all the workplace to constitute Internal Complaints Committee (ICC) for receiving complaints of sexual harassment of women in all Ministries/Departments of Union as well as State Governments and in the private sector too. As, the Company has less than ten employees, the Company is not required to Constitute Internal Complaints Committee (ICC) as per the requirement of prevention of sexual harassment Policy. Further, the Company management also has not received any complaints regarding sexual harassment during the year under review.

Status of Complaints as on March 31, 2021

S. No	Particulars	Number of Complaints
1	Number of complaints filed during the financial year	Nil
2.	Number of complaints disposed of during the financial year	Nil
3.	Number of Complaints pending at the end of the financial year	Nil

XII. CERTIFICATIONS

In terms of Regulation 17(8) of the Listing Regulations, the CEO and CFO have issued a certificate to the Board with regard to the propriety of the Financial Statements and other matters stated in the said regulation, for the Financial Year 2020-2021.

A certificate from the Company Secretary in Practice has been received stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this section as **Annexure IV**.

The Company regularly submits to the Stock Exchange (the BSE Limited) within the prescribed period, quarterly reports on Corporate Governance electronically through the online portal of the BSE. A certificate from the Company Secretary in Practice on Corporate Governance also obtained and is attached as an Annexure V to this Report.

XIII. GENERAL BODY MEETINGS

1. General Meetings:

a. The details of the last three Annual General Meetings are as follows:

Financial Year	Date and Time	Venue
March 2018 (2017-18)	AGM on September 20, 2018 at 9.00 a.m.	Youth Hostel, 2nd Avenue, Indira Nagar, Chennai – 600020
March 2019 (2018-19)	AGM on September 30, 2019 at 9.00 a.m.	Youth Hostel, 2nd Avenue, Indira Nagar, Chennai – 600020
March 2020 (2019-2020)	AGM on September 21, 2020 at 11.00 a.m. (IST)	AGM held through Video Conferencing (‘VC’)/Other Audio Visual Means (‘OAVM’)

Details of Resolutions passed at the AGM held, as tabled above:

At the AGM held on September 20, 2018: Special Resolution to Raise funds by the Company through Unsecured loans

At the AGM held on September 30, 2019: Special Resolution to appoint Mr. M S David as Managing Director of the Company

At the AGM held on September 21, 2020 through Video Conferencing / Other Audio Visual Means: Special Resolution are as follows:

- Adoption of Articles of Association as per the provision of the Companies Act, 2013
- Re-appointment of Mrs. FreedaGnanaselvamKanagiah (DIN: 07350172) as an Independent Woman Director of the Company
- Revision in overall Borrowing Powers of the Company
- Ratification of Material Related Party transactions entered with Gay Travels Private Limited, Promoter Group Company.
- Ratification of Material Related Party transactions entered with Malar Publications Private Limited, Promoter Group Company.
- Ratification of Material Related Party Transactions entered with Rani Printers Private Limited, Promoter Group Company.
- Ratification of Material Related Party Transactions entered with the Subasri Realty Private Limited, Promoter Group Company
- Ratification of Material Related Party Transactions entered with Sivels Holdings Private Limited, Promoter Group Company.
- Consent of Omnibus approval for Related Party Transactions (RPT) with Subasri Realty Private Limited, Promoter Group Company
- Consent of Omnibus approval for Related Party Transactions (RPT) with Gay Travels Private Limited, Promoter Group Company
- Consent of Omnibus approval for Related Party Transactions (RPT) with India Cabs Private Limited, Promoter Group Company

b. Extraordinary General Meetings:

No Extraordinary general meeting of the members was held during Financial Year 2020-2021.

2. Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot: No postal ballot was conducted during the Financial Year 2020-2021.

3. Details of special resolution proposed to be conducted through postal ballot: None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

XIV. SHARE TRANSFER SYSTEM

We have a Board – level Shareholders Relationship Committee to examine and redress complaints by shareholders and investors. Transfers of equity shares in electronic form are done through the depositories with no involvement of the Company. The Shareholders' relationship committee will meet as often as required to approve share transfers. For matters regarding shares transfers in physical form, transpositions, share certificates, dividends, and change of address and redressal of queries, shareholders are processed within the mandated time the date of receipt, if the documents are complete in all respects by our Share Transfer and Registrar Agents (RTA), M/s MCS Share Transfer Agent Limited. 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.

GENERAL SHAREHOLDER INFORMATION

SN	Particulars	Information for Shareholders
a.	Corporate Identification Number	L15421TN1960PLC004255
b.	Registered Office	“Aruna Centre”, 145, Sterling Road, Nungambakkam, Chennai 600034, Tamil Nadu, India Ph: 044 -2530 3404
c.	Registrar and Share Transfer Agent	M/s MCS Share Transfer Agent Limited 201, D Wing, 2nd Floor, Gokul Industrial Estate Building, Sagbaug, Marol Co-op Industrial Area, B/H Times Square, Andheri East, Mumbai 400059, Maharashtra, India Telephone Nos: 022-28516020 / 6021/6022/6023
d.	Date, Time and Venue of the Annual General Meeting (AGM) for the financial year 2020-2021	Date & Time: November 19, 2021 at 10.00 a.m. (IST) Venue: The Company is conducting meeting through Video Conferencing (VC) and Other Audio-Visual Means (OAVM) pursuant to the MCA Circular dated May 05, 2020 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM
e.	Financial Calendar	Financial year 1st April to 31st March
f.	Cut-off for e-Voting	November 12, 2021
g.	Date of Book Closure	November 13, 2021 to November 19, 2021 (both days inclusive)
h.	E-Voting dates	November 16, 2021 (Tuesday) from 9.00 A.M. to November 18, 2021 (Thursday) to 5.00 P.M.
i.	Dividend payment date	Not applicable as the Company has not declared any Dividend
j.	Stock Exchange	Equity Shares listed on “The BSE Limited”
k.	International Security Identification Number (ISIN)- Equity shares	INE957C01019
l.	BSE Scrip Code	500016
m.	Credit ratings	NA
n.	Suspension of shares	NA
o.	plant locations	company owns a Hotel located at Chennai.
p.	commodity price risk or foreign exchange risk and hedging activities	NA
q.	Demat of shares:	The Company’s shares are compulsorily traded in dematerialised form on the BSE Stock Exchange. Equity Shares of the Company representing 67.26% of the Company’s equity share capital are dematerialized as on March 31, 2021. Under the Depository system, the International Securities Identification Number (ISIN) allotted to the Company’s shares is INE957C01019.
r.	Convertibles/warrants	Nil

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Stock Market Data:

The Market Price data and Share price performance during the financial year 01.04.2020 to 31.03.2021 are given below:

(Prices in Rupees)

Months	AHL Share Price		BSE SENSEX	
	High	Low	High	Low
April-2020	6.42	5.56	33887.25	27500.79
May-2020	7.05	6.41	32845.48	29968.45
June-2020	7.35	5.43	35706.55	32348.1
July-2020	5.97	5.20	38617.03	34927.2
August-2020	6.79	4.77	40010.17	36911.23
September-2020	7.12	6.75	39359.51	36495.98
October-2020	6.42	4.98	41048.05	38410.2
November-2020	6.98	4.98	44825.37	39334.92
December-2020	8.90	6.42	47896.97	44118.1
January-2021	8.34	6.00	50184.01	46160.46
February-2021	6.61	5.70	52516.76	46433.65
March-2021	6.60	4.85	51821.84	48236.35

Distribution of Equity Shareholding as on 31st March 2021:

No. of shares	No. of Shareholders	Folio	% of Shares	% of Holdings
Upto 500	27,81,048	23173	30.9005	96.4296
501-1000	4,70,969	657	5.2330	2.7340
1001-2000	1,15,860	81	1.2873	0.3371
2001-3000	71,546	30	0.7950	0.1248
3001-4000	52,733	15	0.5859	0.0624
4001-5000	64,593	14	0.7177	0.0583
5001-10000	1,23,208	19	1.3690	0.0791
10001 – 50000	6,42,607	30	7.1401	0.1248
50001-100000	2,75,933	4	3.0659	0.0166
And above 100000	44,01,503	8	48.9056	0.0333
Total	90,00,000	24,031	100.00	100.00

Shareholders holding more than 1% of the Equity Share Capital:

SN	Name	Shares	% of shares held
1	Subasri Realty Private Limited	1685539	18.7282
2	Kamal Babbar	1216500	13.5167
3	Gay Travels Private Limited	591506	6.5723
4	Yessir Holdings and Investments Private Limited	372412	4.1379
5	Sovereign Media Marketing Private Limited	195718	2.1746
6	Anita Kumaran	118296	1.3144
7	KaavyaSharathJagannathan	118236	1.3137
8	S Balasubramanian	103296	1.1477
9	Euro American Holdings Limited	96050	1.0672

ARUNA HOTELS LIMITED

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Aruna Hotels Limited
Aruna Centre,145 Sterling Road
Nungambakkam Chennai-600034

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Aruna Hotels Limited having CIN L15421TN1960PLC004255 and having registered office at Aruna Centre, 145, Sterling Road, Nungambakkam, Chennai -600034 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority .

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	DAVID SUSAINADAR	08539011	29-08-2019
2	RAMASAMY MURALIDHARAN	07092976	02-03-2015
3	KUMARAVELAYATHA NADAR RAJAKUMAR	05187894	02-03-2015
4	SUYAMBU NARAYANAN	07718798	10-02-2017
5	FREEDA GNANASELVAM KANAGIAH	07350172	27-11-2015

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

Place: Chennai
Date: 29.09.2021

for J.Jothi& Associates
Practicing Company Secretaries

UDIN:A047563C001040445

Karthik
Partner
M No:47563
C.P. No:17899

ARUNA HOTELS LIMITED

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members, Aruna Hotels Limited

We have examined the compliance of conditions of Corporate Governance by Aruna Hotels Limited ("the Company") for the year ended March 31, 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations – 2015").

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 stipulated in the SEBI Listing Regulations – 2015.

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the 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 complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations – 2015, as applicable, during the year ended March 31, 2021.

We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Chennai

Date: 29.09.2021

for J.Jothi & Associates

Practicing Company Secretaries

UDIN: A047563C001040412

Karthik

Sd/-

Partner

Karthik

M. No. A47563

CP No. 17899

**INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS OF ARUNA HOTELS LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of ARUNA HOTELS LIMITED (“the Company”), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information [hereinafter referred to as the “financial statements”].

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No	Key Audit Matters	Auditor’s Response
1.	Going Concern Assumption	<ul style="list-style-type: none"> • We have verified the infusion of funds from Bank Loans and Loans from Related parties during the year. • We have discussed with the management on the future plans, the funding requirements, the source of probable funding as well as reviewed the various projections prepared by the management in this regard.
2.	Impact of COVID-19	<ul style="list-style-type: none"> • Due to COVID-19, we were unable to carry out physical verification of closing cash. • Also, the impact of COVID-19 on the hotel industry was analysed. The COVID-19 pandemic and the related travel restrictions are having an unprecedented impact on the hotel industry as well. There are increased chances that the Hotel may not achieve its revenue projections done during the pre-Covid-19 situation once it re-opens for business. However, things may change once the situation returns to normalcy. As of the Balance sheet date, there are no material impact on the Company on account of Covid-19 except for the delay in completion of the renovation. Our audit procedures included the following: <ul style="list-style-type: none"> • Obtained as understanding of controls and assumptions made relating to preparation of estimates. • Compared the forecasted statement with the management plans.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the financial statements

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

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

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

Auditor's Responsibilities for the Audit of the financial statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and

related disclosures made by management.

- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) Planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as on 31 March 2021 on its financial position in its standalone financial statements.
 - ii. The Company did not have any longterm contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified banknotes have not been made in these standalone financial statements since there are no such transactions during financial year ended 31 March 2021.

(h) With respect to the matter to be included in the Auditors’ Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For M/s Bala & Co.,
Chartered Accountants
FRN : 000318S**

**Sriram V
Partner
Membership No. 216203**

**Place: Chennai
Date:17/06/2021**

UDIN: 21216203AAAAEN5063

“Annexure A” to the Independent Auditor’s Report

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Aruna Hotels Limited of even date)

i. In respect of the Company’s fixed assets:

- a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a regular program of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

As a part of the ongoing renovation process of the Hotel, during the year, the company has shown the additions to fixed assets under Capital Work in Process. The details have been shown under the Fixed Assets schedule in the financial statements.

- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- ii. During the Financial Year 2020-21, the company does not have any inventories. Accordingly, reporting under clause 3(ii) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- 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 within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- vi. The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the services rendered by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-tax, Goods and Services tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Goods and Services tax and other material statutory dues were in arrears as at 31 March 2021, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax which have not been deposited by the Company on account of disputes, except for the following:

Name of the Statute	Nature of the Dues	Amount (in Crores)	Period	Forum where dispute is Pending
The Income Tax Act 1961	Income Tax	NIL (Loss adjusted)	FY 2012 – 13	Remanded back to CIT Appeals
The Income Tax Act 1961	Income Tax	NIL (Loss adjusted)	FY 2011 – 12	Remanded back to ITO

ARUNA HOTELS LIMITED

Income Tax - There are TDS defaults of short payment and short deduction to the tune of Rs.4,08,109.49/-. Also, for the above, interest of Rs.53,320/- under section 201 of the Income Tax Act,1961 and interest under section 220(2) of the said Act amounting to Rs.240/- are due. Late filing fees under section 234E is Rs.39,000/-. The reason for the above demands raised are yet to be crystallized by the Department. The Company has filed a request with the Department asking for the reasons for the Demands raised as well as the nature of the default. As certain TDS defaults arise due to errors in the TDS filing and not due to deduction and are rectifiable, the same demands are shown as contingent liability till the time of their actual crystallization.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions other than bank or Government during the year.
- ix. Based on the audit procedures and on the information and explanations given by the Management, the moneys raised by way of term loans, wherever applicable, were applied for the purposes for which those are raised. The company has not raised any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to information and explanations given to us, term loans taken by the company during the period under audit were used for the purposes for which they were taken.
- x. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all 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 standalone financial statements as required by the applicable Indian 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. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- 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 to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Bala & Co.,
Chartered Accountants
(FRN.: 000318S)

Sriram Visvanathan
Partner
M.No: 216203

Place: Chennai
Date: 17/06/2021

Udin: 21216203AAAAEN5063

“Annexure B” to the Independent Auditor’s Report

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements section of our report to the Members of Aruna Hotels Limited of even date)

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

Opinion

We have audited the internal financial controls over financial reporting of Aruna Hotels Limited (“the Company”) as of March 31, 2021, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

Management’s Responsibility for Internal Financial Controls

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 (hereinafter referred to as “the Act”)

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone fi-

ARUNA HOTELS LIMITED

financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

**For Bala & Co.,
Chartered Accountants
(FRN.: 000318S)**

**Sriram Visvanathan
Partner
M.No: 216203**

**Place: Chennai
Date: 17/06/2021**

UDIN:21216203AAAAEN5063

ARUNA HOTELS LIMITED

Balance Sheet
(All amounts are in Indian Rupees except share data or as stated)

Particulars	Note	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
		As at March 31,2021	As at March 31,2020
I. Assets			
Non-Current Assets			
(a) Property, Plant and Equipment	1	9,851.53	10,024.21
(b) Capital Work-In-Progress		4,093.49	2,847.39
(c) Financial Assets			
(i) Deposits	2	33.10	27.08
(d) Other non-current assets	3	360.69	360.69
		14,338.81	13,259.37
Current Assets			
(a) Financial Assets			
(i) Trade Receivables	4	36.39	-
(ii) Cash and cash equivalents	5	26.20	21.39
(b) Other current assets	6	405.13	343.79
		467.72	365.18
Total Assets		14,806.53	13,624.55
II. Equity and Liabilities			
Equity			
(a) Equity Share Capital	7	1,210.00	1,210.00
(b) Other Equity		-598.62	503.51
		611.38	1,713.51
Liabilities			
Non- Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	8	10,478.62	9,228.85
(b) Deferred Tax Liabilities (Net)	9	1,254.66	1,120.99
(c) Other Non-current liabilities	10	33.84	15.42
		11,767.12	10,365.26
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables		57.57	68.11
(ii) Other financial liabilities		2,349.47	1,391.08
(b) Other Current liabilities	12	20.99	86.57
		2,428.03	1,545.76
Total Equity and Liabilities		14,806.53	13,624.55

The accompanying notes form an integral part of the Financial Statements
As per our report of even date attached

For Bala & Co

Chartered Accountants
Firm Registration No.: 000318S

Sriram Visvanathan
Partner
M.No: 216203
Membership No: 216203
UDIN:21216203AAAAEN5063

Place: Chennai
Date: 17.06.2021

MS David
Managing Director
DIN : 08539011

R Muralidharan
Director
DIN: 07092976

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

Nagaraj P.
Chief Financial Officer

K Lakshmi
Company Secretary

ARUNA HOTELS LIMITED

STATEMENT OF PROFIT AND LOSS
(All amounts are in Indian Rupees except share data or as stated)

Particulars	Note	Amount(Rs. In Lakhs) For the Period Ended March 31, 2021	Amount(Rs. In Lakhs) For the Period Ended March 31, 2020
Income			
Revenue from Operations	13	30.84	-
Other Income	14	1.93	10.49
Total		32.77	10.49
Expenses			
Employee Benefit Expense	15	172.27	37.23
Finance Costs	16	520.40	403.06
Depreciation and amortization expenses	17	78.47	79.59
Other expenses	18	135.94	137.01
Total		907.07	656.89
Profit/ (Loss) before Exceptional Items and tax		-874.30	-646.40
Exceptional Items			
Profit/ (Loss) before tax		-874.30	-646.40
Tax expense			
Current Tax			
Deferred Tax		133.67	142.17
Profit/(Loss) for the period from continuing operations		-1,007.96	-788.57
Profit/(Loss) from discontinued operations			
Tax expense of discontinued operations			
Profit/(Loss) from discontinued operations (after tax)			-
Profit/(Loss) for the period		-1,007.96	-788.57
Other Comprehensive Income			
Total Comprehensive Income for the period comprising profit/(loss) and other comprehensive income for the period		-1,007.96	-788.57
Earnings per equity share			
Basic		-11.20	-8.76
Diluted		-11.20	-8.76

The accompanying notes form an integral part of the Financial Statements
As per our report of even date attached

For Bala & Co

Chartered Accountants

Firm Registration No.: 000318S

Sriram Visvanathan

Partner

M.No: 216203

Membership No: 216203

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For and on behalf of the Board of Directors
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Nagaraj P.
Chief Financial Officer

K.Lakshmi
Company Secretary

ARUNA HOTELS LIMITED

STATEMENT OF CASH FLOWS
(All amounts are in Indian Rupees except share data or as stated)

(Rs in Lakhs)

Particulars	For the period ended on	For the year ended on
	31-Mar-21	31-Mar-20
Profit before taxation	(874.30)	(646.40)
Adjustments for:		
Depreciation	78.47	79.60
Interest received	(0.85)	(3.44)
Interest expense	520.40	403.06
Operating cash flow before changes in working capital	(276.28)	(167.18)
Adjustments for changes in:		
Other current assets	(61.34)	(189.85)
Trade Receivables	(36.39)	
Other current liabilities	(65.58)	(266.01)
Other Non current liabilities	18.42	
Trade payables	(10.54)	36.73
Non Current Financial Assets	(6.02)	(12.94)
Cash generated from operations	(437.73)	(599.25)
Income taxes paid	-	-
Net cash from operating activities-A	(437.73)	(599.25)
Cash flows from investing activities		
Change in Capital work in progress	(1,246.10)	(1,653.43)
Interest received	0.85	3.44
Net cash used in investing activities-B	(1,245.24)	(1,649.99)
Cash flows from financing activities		
Increase/(Decrease) in other current financial liability	958.41	967.54
Proceeds/(Repayment) from long term borrowings	1,249.77	1,475.00
Interest paid	(520.40)	(403.06)
Net cash used in financing activities-C	1,687.78	2,039.48
Net increase in cash and cash equivalents - (A+B+C)	4.81	(209.76)
Cash and cash equivalents at the beginning of year	21.39	231.15
Cash and cash equivalents at the end of year	26.20	21.39
Cash and cash equivalents consists of:		
Cash in hand	0.07	0.31
Balances with banks		
in current deposits	26.13	21.08
in fixed deposits		
	26.20	21.39

The accompanying notes form an integral part of the financial statement
As per our report of even date attached

For Bala & Co

Chartered Accountants

Firm Registration No.: 000318S

Sriram Visvanathan

Partner

M.No: 216203

Membership No: 216203

UDIN:21216203AAAAEN5063

Place: Chennai

Date: 17.06.2021

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

Nagaraj P.
Chief Financial Officer

K Lakshmi
Company Secretary

Notes to the Financial Statements**1. Overview****1.1 Corporate information**

The Company was incorporated on 09th September 1960. The registered office of the company is located at 145, Sterling Road, Chennai, Tamil Nadu- 600034. The principal activities of the company are to carry out business of developing, owning, acquiring, renovating, operating, managing and promoting hotels, restaurants etc.

The Company is a public limited company incorporated and domiciled in India. The Company has its primarily listing on the BSE Ltd.

The Board of Directors approved the standalone financial statements for the year ended March 31, 2021 and authorised for issue on June 17, 2021.

1.2 Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards [referred to as Ind AS] as prescribed under section 133 of the Companies Act, 2013 [‘the Act’] read with Rule 3 of the Companies [Indian Accounting Standards] Rules, 2015 as amended from time to time.

1.3 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis, the provisions of Companies Act 2013 (‘the Act’) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. All the assets and liabilities have been classified as current and non-current as per the Company’s normal operating cycle. The company has considered an operating cycle of 12 months.

The statement of cash flows has been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing, and financing activities of the Company are segregated.

These standalone financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company. As the quarter and year figures are taken from the source and rounded to the nearest digits (Rs. in Lakhs), the figures reported for the previous quarter might not always added up to the year figures reported in this statement.

The significant accounting policies used in the preparation of the standalone financial statements have been discussed in the respective notes.

1.4 Use of estimates and judgements

The preparation of the standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the standalone financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its standalone financial statements.

Critical accounting estimates and judgements

Information about significant judgements and key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets:**

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

- **Useful lives of depreciable/ amortizable assets (tangible and intangible):**

The Company reviews the useful life of property, plant, and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

- **Provisions and Contingencies:**

The Company estimates the provisions that have present obligations as a result of past events, and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to disclose contingent liabilities. 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 the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the standalone financial statements.

- **Borrowing Costs**

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. An entity shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. An entity shall recognise other borrowing costs as an expense in the period in which it incurs them. Specific borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset have been capitalised. General borrowing costs that are attributable to the construction of a qualifying asset have been capitalized using proportionate method which is subject to management judgment.

1.5 Going Concern Assumption

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

The company has a vision and is working to start its hotel operations soon. Funds have been infused at regular intervals to ensure that the hotel operations commence as soon as possible. As a result, the going concern assumption of the Company in the near future is satisfactory.

1.6 Functional currency & presentation currency

The financial statements are presented in Indian Rupees (INR) which is the functional and presentation currency of the Company, and all values are rounded off to the lakhs with two decimals, except where otherwise indicated.

1.7 Current vs. Non-current classification of Assets and Liability

The Company present assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period; or
- There are no unconditional rights to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

1.8 Recent accounting pronouncements:

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to existing standards. There is no such notification which would have been applicable from April 1, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

2.1 Cash and cash equivalent

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

2.2 Income Tax

Income Tax comprises current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in Other Comprehensive Income.

Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized, or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base).

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in Other Comprehensive Income (OCI) or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.3 Property, Plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs

directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management. On transition to IND AS, the Company has elected to continue with the carrying value of all of its property plant and equipment recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property plant and equipment. For the purpose of Proforma Ind AS financial information for the financial year ended March 31, 2016 the Company has provided the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

Capital work in progress is stated at cost less impairment. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Freehold land is not depreciated.

Depreciation on Plant, Property and Equipment

The depreciable amount of PP&E (being the gross carrying value less the estimated residual value) is depreciated on a systematic basis over its useful life.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Fixed Assets	Useful life considered March, 2021	Useful life considered March, 2020
Plant & Machinery	15 Years	15 Years
Building	30 Years	30 Years
Office Equipment	NA	NA
Vehicles	NA	NA
Computers	6 Years	6 Years
Laptop	3 Years	3 Years

The Company, based on management estimates, depreciates certain items of building, plant and equipment overestimated useful lives which are lower than the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Further the Company has considered the change in useful life as change in estimates.

Cost of the assets not ready for use before such date are disclosed under Capital work in progress and is stated at cost less impairment. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Freehold land is not depreciated. As the Company is undergoing renovation, based on management estimates and valuation certificates provided to us, there were no impairment in the value of Land and Building when compared to their value in the books. Thus no provision for impairment has been provided.

Advances paid towards acquisition of the property, plant and equipment outstanding at the Balance Sheet Date is classified as capital advances under non-current assets.

Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred.

De-recognition

An item of PPE is de-recognised at the time of its disposal or when it is assessed that no future economic benefit would accrue from it. The gain/ loss arising out of such disposal/retirement is taken to statement of profit or loss.

2.4 Revenue recognition

The Company derives revenue primarily from rendering services related to hotel, restaurant, banquets etc. by providing accommodation and food to the guests.

To determine whether to recognize revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied.

Other income

Other income majorly comprises of rental income, scrap revenue which is recognized when the right to receive the income is established as per the terms of contract, interest income, dividend income, gain / loss on investments, write back of creditors and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities.

Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

2.5 Employee Benefits**Short-term employee benefits**

A liability is recognized for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits and other short-term benefits in the period, related to the services rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined Benefit Plans and Defined Contribution Plans

As informed by the management, the number of employees is less than 10, hence no adjustment has been done with respect to defined benefit plans and defined contribution plans as per the provisions of AS-15 in the financial statements.

2.6 Financial assets, financial liabilities

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Trade receivables

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost net of any expected credit losses. Loss allowance on trade receivables is measured at an amount equal to lifetime expected losses i.e., expected cash shortfall based on the management decision.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

De-recognition of financial assets

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

Financial liabilities and equity instruments**Classification as debt or equity**

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as a part of cost of an asset is included in the "Finance Costs".

The interest method used to capitalize the interest expense charged on the loans from related parties is based on the proportion of capital expenditure done during the quarter along with the incremental loan increased during the year. The management has referred the para 11 to 14 of Ind AS 23. The effective rate of method provided in para 14 of Ind AS 23 was not feasible in the case of Aruna Hotels Limited as the repayment of interest and loan instalment would start as and when the operations would start. Hence, based on the best judgement by the management proportionate method is used.

This Secured Borrowings consists of Secondary Mortgage on Building owned by the Company. The Primary Mortgage is held by HDFC Bank Ltd.

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.7 Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

2.8 Provisions, Contingent Assets and Contingent Liabilities**Provisions:**

The company recognizes a provision when there is a present obligation to transfer economic benefits as a result of past events, it is probable (more likely than not) that such a transfer will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is certain that reimbursements will be received, and the amount of the receivable can be measured reliably.

Contingent Assets:

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

Contingent Liabilities:

Contingent liability is a possible obligation arising from past events and 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 but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses contingent liabilities in note no. 17 of Notes to Accounts.

2.9 Earning per Share.

Basic earnings per share are calculated by ping the net profit or loss 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 is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

Ordinary Shares

Ordinary Shares are classified as equity share capital. Incremental costs directly attributable to the issuance of the new ordinary shares, share options and buyback are recognized as a deduction from equity, net of any tax effects.

Description of reserves

Retained earnings.

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

Securities Premium

The amount received in excess of the par value of the equity shares has been classified as securities premium.

Capital redemption reserve.

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

Revaluation Reserve

Revaluation Reserve is the upward or downward adjustment of the value of the asset, done depending on the material changes in the value of the asset. This reserve will not be available for distribution of dividend to shareholders.

For Bala & Co

Chartered Accountants

ICAI Firm Registration No.: 000318S

V. Sriram

Partner (Membership No.: 216203)

Place: Chennai

Date: 17/06/2021

UDIN:21216203AAAAEN5063

Statement of Changes in Equity
(All amounts are in Indian Rupees except share data or as stated)

Particulars	Equity Share Capital	Preference Share Capital	Other Equity						Other Comprehensive Income	Total Equity attributable to equity holders of the company
			Securities Premium	Retained Earnings	Capital Redemption reserve	Preference Share Redemption Reserve	Revaluation Reserve	Total		
Balance as on 01.04.2020	900.00	310.00	1,652.16	-9,421.39	4.00	30.25	8,238.50	-	1,713.51	
Profit/(Loss) for the period				-1,007.96				-	-1,007.96	
Adjustment for Depreciation								-94.20	-94.20	
Balance as on 31.03.2021	900.00	310.00	1,652.16	-10,429.35	4.00	30.25	8,144.31	-598.62	611.38	

Notes to Financial Statements as at March 31,2021

(All amounts are in Indian Rupees except share data or as stated)

Note 1

Asset Category	Freehold Land	Building	Vehicles	Computers/ Laptops	Total	Capital Work-in-Progress
	Amount (Rs. In Lakhs)	Amount (Rs. In Lakhs)	Amount (Rs. In Lakhs)	Amount (Rs. In Lakhs)	Amount (Rs. In Lakhs)	Amount (Rs. In Lakhs)
Gross Block						
At 31 March, 2019	8,348.00	3,460.80	24.16	2.73	11,835.69	1,193.96
Additions	-	-	-	-	-	1,653.43
Disposals	-	-	-	-	-	-
Reserve	-	-	-	-	-	-
At 31 March, 2020	8,348.00	3,460.80	24.16	2.73	11,835.69	2,847.39
Additions	-	-	-	-	-	1,246.10
Disposals	-	-	-	-	-	-
Reserve	-	-	-	-	-	-
At 31 March, 2021	8,348.00	3,460.80	24.16	2.73	11,835.69	4,093.49
Accumulated Depreciation						
At 31 March, 2019	-	1,618.20	16.76	2.73	1,637.69	-
Additions	-	76.78	2.81	-	79.60	-
Disposals	-	-	-	-	-	-
Reserve	-	94.20	-	-	94.20	-
At 31 March, 2020	-	1,789.18	19.57	2.73	1,811.49	-
Additions	-	76.78	1.69	-	78.47	-
Disposals	-	-	-	-	-	-
Reserve	-	94.20	-	-	94.20	-
At 31 March, 2021	-	1,960.16	21.26	2.73	1,984.16	-
Net Block						
At 31 March, 2020	8,348.00	1,671.62	4.59	-	10,024.21	2,847.39
At 31 March, 2021	8,348.00	1,500.64	2.90	0.00	9,851.53	4,093.49

Year Ended Depreciation under Companies Act-Useful Life Method

Total Depreciation charged for FY 2020-21	78.47
WDV as on 31.03.2021	1,503.53
Total amount charged to Revaluation reserve in FY 2020-21	94.20

ARUNA HOTELS LIMITED

Buildings									
Gross Block as on 01/04/2020	Accumulated Depreciation as on 01/04/2020	WDV as on 01/04/2020	Residual Value	Useful Life	Already Used as on 01/04/2020	Re-maining Useful Life	Depreciation for Year Ended of FY 2020-21	Net Value as on 31/03/2021	Re marks
1,276.44	953.94	322.50	63.82	30	24	6	43.11	279.39	
969.64	274.95	694.69	48.48	30	10	20	32.31	662.38	
41.54	10.95	30.59	2.08	30	9	21	1.36	29.23	
1,173.18	549.35	623.83	58.66	30	24	6	94.20	529.64	Revaluation of assets
3,460.80	1,789.19	1,671.61	173.04				170.98	1,500.63	

Vehicles									
Gross Block as on 01/04/2020	Accu-mulated Depreciation as on 01/04/2020	WDV as on 01/04/2020	Residual Value	Use ful Life	Already Used as on 01/04/2020	Re-maining Useful Life	Depreciation for Year Ended of FY 2020-21	Net Value as on 31/03/2021	Remarks
3.75	3.56	0.19	0.19	8	8	0	-	0.19	WDV=Residual Value
6.66	6.33	0.33	0.33	8	8	0	-	0.33	WDV=Residual Value
13.75	9.68	4.07	0.69	8	6	2	1.69	2.38	
24.16	19.57	4.59	1.21				1.69	2.90	

Year Ended Depreciation under Income Tax Act

Computation of depreciation and written down value of assets as per Income Tax Act, 1961

Description of Asset	Rate	WDV as on 01.04.2020	Additions during the year		Deletions	Total	Deprecia-tion	WDV as on 31.03.2021
			More than 180 days	Less than 180 days				
Plant and Machinery	0.15	-	-	-	-	-	-	-
Computer	0.4	2,578.00	-	-	-	2,578.00	1,031.20	1,546.80
Buildings	0.1	44,447,999.00	-	-	-	44,447,999.00	4,444,799.90	40,003,199.10
Total		44,450,577.00	-	-	-	44,450,577.00	4,445,831.10	40,004,745.90

Year Ended - Deferred Tax

For Year Ended									
FY	P&M-15%	P&M-40%	Building	Furni-ture	WDV as per IT	WDV as per CA	Difference	Rate	DTL
2014-15	52,093,744.00	25,346.00	75,273,077.00	-	127,392,167.00	221,991,799.00	94,599,632.00	25%	23,649,908.00
2015-16	44,279,683.00	29,836.00	67,745,769.00	-	112,055,288.00	199,923,141.00	87,867,853.00	25%	21,966,963.25

ARUNA HOTELS LIMITED

2016-17	37,637,730.00	11,935.00	60,971,192.00	-	98,620,857.00	185,380,454.00	86,759,597.00	25%	21,689,899.25
2017-18	-	7,161.00	54,874,073.00	-	54,881,234.00	117,289,075.00	62,407,841.00	25%	15,601,960.25
2018-19	-	4,297.00	49,386,666.00	-	49,390,963.00	109,282,386.00	59,891,423.00	25%	14,972,855.75
2019-20	-	2,577.96	44,447,999.00	-	44,450,576.96	101,318,927.00	56,868,350.04	25%	14,217,087.51
2020-21	-	1,546.80	40,003,199.10	-	40,004,745.90	93,471,120.76	53,466,374.86	25%	13,366,593.72

Building	
Particulars	Amount
Revaluation in FY 13-14	117,318,000.00
Depreciation	3,918,421.00
Net value in FY 14-15	113,399,579.00
Depreciation	0
Net value in FY 15-16	113,399,579.00
Depreciation	9,419,569.00
Net value in FY 16-17	103,980,010.00
Depreciation	9,419,569.00
Net value in FY 17-18	94,560,441.00
Depreciation	9,419,569.00
Net value in FY 18-19	85,140,872.00
Depreciation	9,419,569.00
Net value in FY 19-20	75,721,303.00
Depreciation	9,419,569.00
WDV as on 31.03.2020	66,301,734.00
Depreciation for FY 20-21	9,419,500.00
WDV as on 31.03.2021	56,882,234.00

ARUNA HOTELS LIMITED

Notes to Financial Statements as at March 31,2021

(All amounts are in Indian Rupees except share data or as stated)

Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31,2021	As at March 31,2020
Note 2		
Financial Assets		
Other Financial Assets		
Security Deposits		
Deposit-Bsnl	0.01	0.01
MES Deposits	19.31	14.14
Other Deposits		
Deposits*	13.79	12.94
Total	33.10	27.09
*Deposits in PNB A/c amounting to Rs 13.79 Lakhs are Lien Marked against Court Case		
Note 3		
Other Non-Current Assets		
Other Receivables		
Yessir Holdings and Investment Limited	360.69	360.69
Total	360.69	360.69

*A petition was filed for a matter of Arbitration Award dated 28.04.2014 by M/s Southern Agrifurane Industries Private Limited (Petitioner) against M/s Yessir Holdings and Investments Private Limited (1st Respondent), M/s Aruna Hotels Limited (2nd Respondent) and Hon`ble Mr Justice K.P. Sivasubramanian(3rd Respondent) in the High Court of Madras (O.P No. 387 of 2014). The Petitioner and 2nd Respondent have agreed to a memorandum of compromise as on 23rd January 2019. As per the memorandum of compromise, M/s Aruna Hotels Limited will pay Rs 4,44,76,575/- in eight equal installment of Rs 55,59,572/- to M/s Southern Agrifurane Industries Limited (Installment payment commenced from 21.01.2019 till 21.08.2019). Out of the total amount paid, Rs 3,60,69,041/- is paid by M/s Aruna Hotels Limited on behalf of M/s Yessir Holdings Investments Private Limited, which will be later recovered from M/s Yessir Holdings and Investments Private Limited together with interest in accordance with law.

Current Assets

Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31,2021	As at March 31,2020
Note 4		
Financial Assets		
Trade receivables	36.39	-
Total	36.39	-
Note 5		
Cash and cash equivalents		
Balance with Banks		
In Current Accounts	26.13	21.08
Cash on Hand	0.07	0.31
Total	26.20	21.39
Note 6		
Other Current Assets		
Capital Advances	387.02	294.56
EMI refundable due to moratorium	-	28.04
Statutory Dues from the Government		
: TDS Receivable	0.09	2.39
: GST	17.64	17.76
Rent Receivable	-	0.68
Other current assets	0.38	0.36
Total	405.13	343.79

ARUNA HOTELS LIMITED

Notes to Financial Statements as at March 31,2021 (All amounts are in Indian Rupees except share data or as stated)

Note 7

Equity Share Capital

Particulars	Amount(Rs. In Lakhs)	
	As at March 31,2021	As at March 31,2020
Authorized		
Equity Shares, Rs. 10/- Par Value (6,70,00,000 Equity Shares)	6,700.00	6,700.00
Issued, Subscribed and Paid Up		
Equity Shares, Rs. 10/- Par Value (90,00,000 Equity Shares, of Rs. 10/- each)	900.00	900.00
	900.00	900.00

The company has only one class of shares referred to as Equity Shares having a par value of Rs. 10/-.

Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

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

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2021, is set out below:

Particulars	Amount(Rs. In Lakhs)		Amount(Rs. In Lakhs)	
	As at March 31,2021		As at March 31,2020	
As at the beginning of the period	9,000,000	900	9,000,000	900
Add: Shares issued during the period	-	-	-	-
Less: Shares Bought back	-	-	-	-
As at the end of the period	9,000,000	900	9,000,000	900

Details of equity shareholders holding more than 5% shares in the company

Name of the equity shareholder	As at March 31,2021		As at March 31,2020	
	No of shares held	% of the holding	No of shares held	% of the holding
Kamal Babbar	1,216,500	13.52%	1,216,500	13.52%
Subasri Realty Private Limited	1,685,539	18.73%	1,685,539	18.73%
Gay Travels Private Limited	591,506	6.57%	591,506	6.57%

For the Year Ended immediately preceding the balance sheet date:

i. Nil shares were reserved for issuance towards outstanding employee stock options granted / available for grant, towards outstanding share warrants and towards convertible securities.

ii. 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 year ended immediately preceding the Balance Sheet date is Nil.

iii. Forfeited share is Nil.

Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31,2021	As at March 31,2020
Preference Share Capital	310.00	310.00
Total	310.00	310.00

NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31,2021

(All amounts are in Indian Rupees except share data or as stated)

Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31,2021	As at March 31,2020
Note 8		
Financial Liabilities - Long Term Borrowings		
Term Loan from Banks		
Secured (Net of Loan Processing Fee of Rs 2065000/-)	2,881.57	2,604.35
Loans from related parties		
Secured*	5,003.44	5,003.44
Unsecured	2,593.61	1,621.06
Total	10,478.62	9,228.85

*This secured borrowings consists of secondary mortgage on building owned by the company.The primary mortgage is held by HDFC Bank Ltd.

Loan 1:	
Type of Loan	Term Loan
Amount Sanctioned	350,000,000
Amount Disbursed	350,000,000
Tenure of Repayment	“7 Years including a moratorium of 1 year repayable in 24 equal quarterly installments Principal amount will be paid quarterly amounting to Rs 12500000/- , commencing from November’2019.”
Rate of Interest	10.75% linked to 1 year MCLR with Annual reset
Interest Payment Frequency	Interest shall be payable monthly on the first day of subsequent month.
Interest calculation method	Interest will be calculated on 365 days in respect of rupee loans/ credit facilities.
Security	1. Commercial Property (Primary Security) 2. Personal Guarantee of Mr S Balasubramanian Adityan (Secondary Collateral) 3. Exclusive charge on FD of Rs 250 Lakhs from Gay Travels Pvt Limited towards debt reserve.

Loan 2:	
Type of Loan	Working Capital Term Loan under ECGLS
Amount Sanctioned	64,000,000.00
Amount Disbursed	64,000,000.00
Tenure of Repayment	48
Rate of Interest	8.25% p.a
Interest Payment Frequency	Monthly service
Interest calculation method	Floating Rate
Security	Extension of second ranking charge over existing primary and collateral securities including mortgage created in favour of the bank.

ARUNA HOTELS LIMITED

Details of related parties loan

Sr. No.	Name of the Lender	Relationship with Company	Relationship with Company	Amount Sanctioned		Amount Outstanding as on March 31, 2021(excluding interest)		Remarks
				Secured(in Rs Lakhs)	Unsecured(in Rs Lakhs)	Secured(in Rs Lakhs)	Unsecured(in Rs Lakhs)	
1	Gay Travels Private Limited	Shareholder of the company	Promoter	2,380.44	2,119.56	2,380.44	1,660.72	The company is liable to pay interest @ 12% p.a. till the date of settlement of the loan amount.
2	Rani Printers Private Limited	Shareholder of the company	Promoter	500.00	-	500.00	-	
3	Malar Publication Private Limited	Common Promoter	Promoter	853.00	1,147.00	853.00	491.89	
4	Subasri Realty Private Limited	Shareholder of the company	Promoter	1,270.00	730.00	1,270.00	351.00	
5	Sivels Holdings Private Limited	Shareholder of the company	Promoter	-	200.00	-	90.00	
	Sub-Total			5,003.44	4,196.56	5,003.44	2,593.61	
	Total unsecured loan			9,200.00		7,597.05		

Particulars	Amount(Rs. In Lakhs)	
	As at March 31,2021	As at March 31,2020
Note 9		
Deferred Tax Liabilities		
Opening Balance	1,120.99	978.82
Current Period Addition/Deletion	133.67	142.17
Closing Balance	1,254.66	1,120.99
Note 10		
Other Non-Current Liabilities		
Security Deposit*	33.84	15.42
Total	33.84	15.42
* Security Deposit consists of Rental advance received from Bharathi Kurunthachallam & A Sunil Reddy and Culinary ocean hospitality LLP		

ARUNA HOTELS LIMITED

Current Liabilities

Particulars	Amount(Rs. In Lakhs)	
	As at March 31,2021	As at March 31,2020
Note 11		
Financial Liabilities		
Trade Payables		
Due to MSME	29.44	34.36
Due to Others	28.13	33.75
Total	57.57	68.11
Other Financial Liabilities		
Current Maturities of Long Term Debt	654.44	583.33
Interest Accrued	1,695.02	807.75
Total	2,349.47	1,391.08
Note 12		
Other Current Liabilities		
Others		
Statutory Liabilities	0.61	1.26
Audit Fee Payable	2.50	2.50
Electricity Charges Payable	3.47	4.97
Speciality Restaurants	-	75.20
Salary Payable	3.71	2.64
Expenses Payable	10.70	-
Total	20.99	86.57

Particulars	OB	CY	CB
Gay Travels Private Limited-Old Loan	114.23	58.96	173.19
Malar Publications Private Limited	210.75	146.36	357.11
Gay Travels Private Limited-New Loan	239.38	389.46	628.84
Rani Printers Private Limited	60.16	60	120.16
Subasri Realty Private Limited	170.67	178.76	349.43
Sivels Holdings Private Limited	-	10.8	10.8
HDFC Term Loan	12.55	42.94	55.49
Total	807.74	887.28	1,695.02

Particulars	Amount(Rs. In Lakhs)	
	As at March 31,2021	As at March 31,2020
Note 13		
Revenue From Operations		
Operating Revenue	-	-
Other Operating Revenues	30.84	-
Total	30.84	-
Note 14		
Other Income		
Rental Income	-	5.79
Interest Income	1.35	3.44
Creditors Written Back	0.24	1.27
Other Income	0.35	-
Total	1.93	10.50

ARUNA HOTELS LIMITED

Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31,2021	As at March 31,2020
Note 15		
Employee Benefit Expenses		
Salaries and Allowances	33.17	34.75
Director remuneration	4.09	2.48
Payment of disputed arrears of employee due	135.00	-
Total	172.27	37.23
Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31,2021	As at March 31,2020
Note 16		
Finance Cost		
Bank Charges	0.01	-
Interest on Term Loan	-	0.17
Interest paid to others	520.39	402.89
Total	520.40	403.06
Note 17		
Depreciation and Amortization Expenses		
Depreciation on property, plant and equipment	78.47	79.60
Total	78.47	79.60
Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31,2021	As at March 31,2020
Note 18		
Other expenses		
Advertisement	0.69	2.73
AGM expenses	-	6.65
Annual Conectivity Charges	1.31	0.82
Annual Custody Fees	0.90	-
Annual Listing Fees	2.94	-
Annual Maintenance Charges	0.11	0.23
Bad Debts	0.68	
Conveyance	0.11	1.04
Electricity Charges	39.59	50.79
Fees and Taxes	22.10	21.16
House Keeping Items	0.22	-
Insurance	1.16	1.21
Interest and Penalties	-	6.77
Office and Miscellaneous Expenses	0.50	1.08
Payment to Auditors(Statutory Audit Fees)*	2.50	2.50
Postage	0.05	0.68
Printing and Stationery	0.37	0.24
Professional Charges	40.96	20.64
Repairs and Maintenance-Others	0.01	2.83
Reversal of Liabilities written off	15.89	10.00
Share E-voting charges	0.69	0.64
Security Expenses	5.06	7.02
Water Charges	0.09	-
Total	135.94	137.03
*(Excluding GST)		

Note 19

Related Party Disclosures

List of related parties:

Promoter Group

- Sivanthi Balasubramanian Adityan - Promoter
- Sivanthi Adityan Balasubramanian – Relative of Promoter
- Aadhavan Adityan Balasubramanian – Relative of Promoter
- Malathi Adityan Balasubramanian – Relative of Promoter
- Anitha Kumaran – Relative of Promoter
- Kaviya Sharath – Relative of Promoter
- Daily Thanthi Private Limited – Promoter holding 10% or more of the equity share capital.
- Gay Travels Private Limited – Promoter holding 10% or more of the equity share capital.
- India Cabs Private Limited – Promoter holding 10% or more of the equity share capital.
- Malar Publications Private Limited – Promoter holding 10% or more of the equity share capital.
- Rani Printers Private Limited – Promoter holding 10% or more of the equity share capital.
- Rani Syndicate Private Limited – Promoter holding 10% or more of the equity share capital.
- Rukmani Publications Private Limited – Promoter holding 10% or more of the equity share capital.
- Sivanthi Farms Private Limited – Promoter holding 10% or more of the equity share capital.
- Sivals Holdings Private Limited – Promoter holding 10% or more of the equity share capital.
- Subasri Realty Private Limited – Promoter holding 10% or more of the equity share capital.

List of Key Managerial Personnel (KMP):

Whole Time Directors

- M S David – Managing Director

Non – Whole Time Directors

- R Muralidharan – Chairman and Non – executive director
- K Rajakumar – Non – executive director
- N Suyambu – Independent director
- Freeda Gnanaselvam Kanagiah – Independent Woman Director

Executive Officers

- P Nagaraj – Chief Financial Officer

Company Secretary

- K Lakshmi – Company Secretary and Compliance Officer (appointed as Company Secretary with effect from 30.06.2020)

Transactions during the Period

Long Term Borrowings

Name of the Party	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	For the Period Ended March 31, 2021	For the Period Ended March 31, 2020
Gay Travels Private Limited	640.00	910.00
Malar Publications Private Limited	197.55	147.34
Rani Printers Private Limited	-	-
Subasri Realty Private Limited	135.00	-
Sivals Holdings Private Limited	-	-
Total	972.55	1,057.34

Interest Accrued But not Paid

Name of the Party	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	For the Period Ended March 31, 2021	For the Period Ended March 31, 2020
Gay Travels Private Limited	448.42	298.48
Malar Publications Private Limited	146.36	106.03
Rani Printers Private Limited	60.00	60.16
Subasri Realty Private Limited	178.76	170.67
Sivels Holdings Private Limited	10.80	-
Total	844.34	635.3

* All the interest calculated for FY 2020-21 is for 365 days while it is 366 days for FY 2019-20

Key Managerial Personnel

The related party transactions with above listed KMP which comprises of directors and executive officers are as follows:

Nature of transaction	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	For the Period Ended March 31, 2021	For the Period Ended March 31, 2020
Salary and Other Employee Benefits	12.59	12.40

Balances During The Period

Long Term Borrowings

Name of the Party	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	For the Period Ended March 31, 2021	As at March 31,2020
Gay Travels Private Limited	4,041.17	3,401.17
Malar Publications Private Limited	1,344.89	1,147.34
Rani Printers Private Limited	500.00	500.00
Subasri Realty Private Limited	1,621.00	1,486.00
Sivels Holdings Private Limited	90.00	90.00
Total	7,597.05	6,624.50

Interest Accrued But not Paid

Name of the Party	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	For the Period Ended March 31, 2021	As at March 31,2020
Gay Travels Private Limited	802.03	353.61
Malar Publications Private Limited	357.11	210.75
Rani Printers Private Limited	120.16	60.16
Subasri Realty Private Limited	349.43	170.67
Sivels Holdings Private Limited	10.80	-
Total	1,639.54	795.20

Trade Payables

Name of the Party	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31,2021	As at March 31,2020
Gay Travels Private Limited	6.05	6.05
Key Managerial Personnel		
The related party transactions with above listed KMP which comprises of directors and executive officers are as follows:		
Nature of transaction	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	For the Period Ended March 31, 2021	As at March 31,2020
Salary Payable	1.52	0.63

Note 20

Contingent Liabilities

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 arise from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. As on 31 March 2021, there were following contingent liabilities of the company.

Division	Sub-division	Particulars
Taxation	Direct Tax	There are TDS defaults for Aruna Hotels Limited. There is a short payment and short deduction of Rs.4,08,109.49/-. Also for the above, there are interest of Rs.53,320/- under section 201 of the Income Tax Act,1961 and interest under section 220(2) of the said Act amounting to Rs.240/-. Along with the above there is also a late filing fees under section 234E of Rs.39,000/-. The reason for the above demands are yet to be crystallized and hence showing the above amount as contingent liability.
		Income Tax notice received for AY 2012-13 & AY 2013-14. Outstanding dues being Rs 2,73,32,590/- for AY 2012-13 and Rs 2,38,31,782/- for AY 2013-14 against which appeal has been filed to the ITAT Chennai and outcome is pending. Since the losses available for set off are more than the income proposed to be added by the Department, even if the company loses the appeal there would be no tax liability.
Civil		A labour dispute (ID No. 261 of 2007) is pending against the Company before the Labour Court, Chennai which has been filed by one Mr. N. Babu under the Industrial Disputes Act, 1947, who was working as a house keeper from 1998 to May 2004 in the Hotel. In the said labour dispute, Mr. Babu has prayed inter alia that he be reinstated in the Hotel with previous salary, work continuity and all other allowances as may be applicable to the Hotel. The matter is currently pending before the Labour Court, Chennai.

Note 21

Preference Shares Disclosures and Dividend Provisions

The company had issued preference share in earlier years and were not redeemed in the year in which it has to been redeemed, because the Company had no profits, nor could it make any fresh issue of shares. The financial statement of the company still shows preference shares as part of equity.

Since 2014, the Company is not operational and facing certain financial difficulties, the management has decided that the Company will not repay the dividend on preference shares and will repay only the share capital amount to its preference shareholders. The Company has sent letters to preference shareholders in December '2018 to redeem the share at a par value of Rs 100/-.None of the Preference shareholders have responded till the date of the Financials.

ARUNA HOTELS LIMITED

Note 22

Related Parties Loan Principal and Interest

Particulars	Amount(Rs. In Lakhs)
Amount Outstanding as on 31/03/2021	7,555.89
Interest accrued for Q4 of FY 2020-21	217.64

Interest working on Gay and Malar old

Quarter Of FY 2020-21	Total Amount of Accrued Interest	Gay Travels	MPPL
4	52.90	14.53	38.37

Quarter Of FY 2020-21	Outstanding amount	Gay Travels	MPPL
4	1,836.05	491.17	1,344.89

S. no	Name of the party	Particulars	Principal	No.of days	Total days	ROI	Interest accrued remarks
1	Gay travels cum AMN						
		Opening Balance as on 01.04.2018	32,072,200.00	183	365	12%	1,929,604.14
		3/4/2018	2,986,100.00	180	365	12%	176,711.67
		4/5/2018	2,986,100.00	149	365	12%	146,277.99
		8/5/2018	600,000.00	145	365	12%	28,602.74
		4/6/2018	2,986,100.00	118	365	12%	115,844.32
		3/7/2018	2,986,100.00	89	365	12%	87,374.10
		7/26/2018	1,000,000.00	66	365	12%	21,698.63
		2/8/2018	3,500,000.00	59	365	12%	67,890.41
		Total Outstanding as on 30/9/2018	49,116,600.00				
		Opening Balance as on 01.10.2018	49,116,600.00	92	365	12%	1,485,608.94
		Opening Balance as on 01/01/2019	49,116,600.00	90	365	12%	1,453,313.10
		Opening Balance as on 01/04/2019	49,116,600.00				
		Closing Balance as on 30/6/2019	49,116,600.00	91	365	12%	1,469,461.02
		Closing Balance as on 30/9/2019	49,116,600.00	92	365	12%	1,485,608.94
		Closing Balance as on 31/12/2019	49,116,600.00	92	365	12%	1,485,608.94
		Closing Balance as on 31/03/2020	49,116,600.00	91	365	12%	1,469,461.02
		FY 2020-21					
		Opening Balance as on 01/04/2020	49,116,600.00	91	365	12%	1,469,461.02
		Balance as on 30.09.2020	49,116,600.00	92	365	12%	1,485,608.94
		Balance as on 31.12.2020	49,116,600.00	92	365	12%	1,485,608.94
		Balance as on 31.03.2021	49,116,600.00	90	365	12%	1,453,313.10
			400,000,000.00				

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S.no	Name of the party	Particulars	Principal	No.of days	Total days	ROI	Interest accrued remarks
2	Malar Publications Private Limited						
		Opening Balance as on 01.04.2018	85,357,518.00	183	365	12%	5,135,482.45
		7/4/2018	700,000.00	176	365	12%	40,504.11
		4/19/2018	74,247.00	164	365	12%	4,003.24
		4/27/2018	270,000.00	156	365	12%	13,847.67
		5/14/2018	24,300.00	139	365	12%	1,110.48
		5/22/2018	22,360.00	131	365	12%	963.01
		11/6/2018	270,000.00	111	365	12%	9,853.15
		6/14/2018	500,000.00	108	365	12%	17,753.42
		6/30/2018	538,575.24	61	365	12%	10,801.02
		Total Outstanding as on 30/9/2018	87,757,000.24				
		Opening Balance as on 01.10.2018	87,757,000.24	25	365	12%	721,290.41
		Balance as on 26/10/2018	87,737,000.24	12	365	12%	346,140.49
		Balance as on 7/11/2018	87,717,000.24	51	365	12%	1,470,761.76
		Balance as on 28/12/2018	87,711,839.24	4	365	12%	115,347.08
		Total Outstanding as on 31/12/2018	87,711,839.24				
		Opening Balance as on 01/01/2019	87,711,839.24	86	365	12%	2,479,962.14
		Balance as on 27/3/2019	79,711,839.24	4	365	12%	104,826.53
		Balance as on 31/3/2019	79,733,544.24				
		Closing Balance as on 31/3/2019	79,733,544.24				
		Opening Balance as on 1/4/2019	79,733,544.24				
		Closing Balance as on 30/6/2019	79,733,544.24	91	365	12%	2,385,452.89
		Opening Balance as on 1/7/2019	79,733,544.24				
		Closing Balance as on 30/9/2019	79,733,544.24	92	365	12%	2,411,666.65
		Opening Balance as on 1/10/2019	79,733,544.24	92	365	12%	2,411,666.65
		10/21/2019	10,000,000.00	71	365	12%	233,424.66
		11/11/2019	10,266,455.76	50	365	12%	168,763.66
		Closing balance as on 31/12/2019	100,000,000.00				
		Opening Balance as on 01/01/2020					
		Closing Balance as on 31/03/2020	100,000,000.00	91	365	12%	2,991,780.82
		new additional loan is here for malar	14,733,544.24	141	365	12%	
		FY 2020-21					

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	Opening Balance as on 01/04/2020	114,733,544.24	91	365	12%	3,432,576.17
	6/4/2020	1,500,000.00	26	365	12%	12,821.92
	Opening Balance as on 01.07.2020	116,233,544.24	92	365	12%	3,515,666.65
	7/3/2020	1,000,000.00	89	365	12%	29,260.27
	Opening Balance as on 01.10.2020	117,233,544.24	92	365	12%	3,545,913.23
	10/12/2020	10,000,000.00	80	365	12%	263,013.70
	Opening Balance as on 01.01.2021	127,233,544.24	90	365	12%	3,764,718.57
	2/12/2021	4,000,000.00	47	365	12%	61,808.22
	3/10/2021	344,467.00	21	365	12%	2,378.24
	3/22/2021	13,200.00	9	365	12%	39.06
	3/23/2021	2,897,446.00	8	365	12%	7,620.68

Interest workings for other loans

Quarter Of FY 2020-21	Total Amount of Accrued Interest	Gay Travels	Rani Printers	Subasri	Sivels	
	4	164.74	102.87	14.79	44.41	2.66

Quarter Of FY 2020-21	Outstanding Amount	Gay Travels	Rani Printers	Subasri	Sivels	
	4	5,719.83	3,508.83	500.00	1,621.00	90.00

S. no	Name of the party	Particulars	Principal	No.of days	Total days	ROI	Interest accrued remarks
3	Gay Travels						
		Opening Balance as on 01.04.2019	195,500,000.00	91	365	12%	5,848,931.51
		5/17/2019	2,500,000.00	44	365	12%	36,164.38
		Closing Balance as on 30/6/2019	198,000,000.00				
		Opening Balance as on 01.07.2019	198,000,000.00	92	365	12%	5,988,821.92
		8/14/2019	2,000,000.00	47	365	12%	30,904.11
		Closing Balance as on 30/9/2019	200,000,000.00				
		Opening Balance as on 01.10.2019	200,000,000.00				
		Closing Balance as on 31.12.2019	200,000,000.00	92	365	12%	6,049,315.07
		Opneing Balance as on 01/01/2020					
		Closing Balance as on 31/03/2020	200,000,000.00	91	365	12%	5,983,561.64

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			33,000,000.00	230	365		
			2,000,000.00	179	365		
			20,000,000.00	130	365		
			10,000,000.00	70	365		
			16,000,000.00	54	365		
			10,000,000.00	45	365		
		FY 2020-21					
		Opening Balance as on 01/04/2020	291,000,000.00	91	365	12%	8,706,082.19
		Opening balance as on 01.07.2020	291,000,000.00	92	365	12%	8,801,753.42
		7/10/2020	10,000,000.00	82	365	12%	269,589.04
		7/17/2020	5,000,000.00	74	365	12%	121,643.84
		8/27/2020	15,000,000.00	34	365	12%	167,671.23
		8/31/2020	15,000,000.00	30	365	12%	147,945.21
		9/9/2020	4,000,000.00	21	365	12%	27,616.44
		9/21/2020	4,000,000.00	9	365	12%	11,835.62
		Closing Balance as on 31.12.2020	344,000,000.00	92	365	12%	10,404,821.92
		Opening Balance as on 01.01.2021	344,000,000.00	90	365	12%	10,178,630.14
		2/11/2021	6,883,400.00	48	365	12%	108,625.71
		3/2/2021	-	29	365	12%	-

S. no	Name of the party	Particulars	Principal	No.of days	Total days	ROI	Interest accrued remarks
4	Rani Printers						
		Opening Balance as on 01.04.2019	50,000,000.00				
		Closing Balance as on 30/6/2019	50,000,000.00	91	365	12%	1,495,890.41
		Closing Balance as on 30/9/2019	50,000,000.00	92	365	12%	1,512,328.77
		Closing Balance as on 31/12/2019	50,000,000.00	92	365	12%	1,512,328.77
		Closing Balance as on 31/03/2020	50,000,000.00	91	365	12%	1,495,890.41
		FY 2020-21					
		Opening Balance as on 01/04/2020	50,000,000.00	91	365	12%	1,495,890.41
		Closing Balance as on 30.09.2020	50,000,000.00	92	365	12%	1,512,328.77
		Closing Balance as on 31.12.2020	50,000,000.00	92	365	12%	1,512,328.77
		Closing Balance as on 31.03.2021	50,000,000.00	90	365	12%	1,479,452.05

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S. no	Name of the party	Particulars	Principal	No.of days	Total days	ROI	Interest accrued remarks
5	Subasri Realty Private Limited						
		Opening Balance as on 01.04.2019	128,100,000.00	91	365	12%	3,832,471.23
		5/29/2019	13,000,000.00	32	365	12%	136,767.12
		Closing Balance as on 30/6/2019	141,100,000.00				
		Closing Balance as on 30/9/2019	141,100,000.00	92	365	12%	4,267,791.78
		Opening Balance as on 01.10.2019	141,100,000.00	92	365	12%	4,267,791.78
		11.10.2019	2,500,000.00	81	365	12%	66,575.34
		19.11.2019	2,500,000.00	42	365	12%	34,520.55
		11.12.2019	2,500,000.00	19	365	12%	15,616.44
		Closing balance as on 31.12.2019	148,600,000.00				
		Closing Balance as on 31/03/2020	148,600,000.00	91	365	12%	4,445,786.30
		FY 2020-21					
		Opening Balance as on 01/04/2020	148,600,000.00	91	365	12%	4,445,786.30
		Closing Balance as on 30.09.2020	148,600,000.00	92	365	12%	4,494,641.10
		Closing Balance as on 31.12.2020	148,600,000.00	92	365	12%	4,494,641.10
		Closing Balance as on 31.03.2021	48,600,000.00	90	365	12%	,396,931.51
		N.subramaniam	13,500,000.00	10	365	12%	44,383.56

S. no	Name of the party	Particulars	Principal	No.of days	Total days	ROI	Interest accrued remarks
6	Sivels Holdings Private Limited						
		FY 2020-21					
		Opening Balance as on 01/04/2020	9,000,000.00	91	365	12%	269,260.27
		Closing Balance as on 30.09.2020	9,000,000.00	92	365	12%	272,219.18
		Closing Balance as on 31.12.2020	9,000,000.00	92	365	12%	272,219.18
		Closing Balance as on 31.03.2021	9,000,000.00	90	365	12%	266,301.37

Note 23

Term Loan Principal and Interest

Interest workings Term Loan

Quarter	Total amount of Interest	Term Loan 1	Term Loan 2	Term Loan 3	Term Loan 4
4	86.11	51.83	10.37	10.97	12.95

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Term loan I -interest				
FY 2020-21				
Quarter 4				
Date	Interest amount	Days	Total days	Interest accrued
1/15/2021	1,836,848.06	15	31	888,797.45
2/15/2021	1,836,848.06	31	31	1,836,848.06
3/15/2021	1,581,577.16	28	28	1,581,577.16
4/15/2021	1,751,031.85	15	30	875,515.93
Total				5,182,738.59

Term loan II -interest				
FY 2020-21				
Quarter 4				
Date	Interest amount	Days	Total days	Interest accrued
1/15/2021	367,369.62	15	31	177,759.49
2/15/2021	367,369.62	31	31	367,369.62
3/15/2021	316,315.44	28	28	316,315.44
4/15/2021	350,206.38	15	30	175,103.19
				1,036,547.74

Term loan III -interest				
FY 2020-21				
Quarter 4				
Date	Interest amount	Days	Total days	Interest accrued
1/1/2021	380,691.20	31	31	380,691.20
2/1/2021	380,691.20	28	28	380,691.20
3/1/2021	335,819.30	31	31	335,819.30
				1,097,201.70

Term loan IV -interest				
FY 2020-21				
Quarter 4				
Date	Interest amount	Days	Total days	Interest accrued
1/15/2021	448,438.36	15	31	216,986.30
2/15/2021	448,438.36	31	31	448,438.36
3/15/2021	405,041.10	28	28	405,041.10
4/15/2021	448,438.36	15	30	224,219.18
				1,294,684.94

Interest	
Opening Interest Accrued	1,515,718.55
Difference in OB - repayment schedule	-146,605.76
Accrued during the Quarter	8,611,172.98
Paid during the Quarter	5,686,003.88
Accrued but not paid	4,294,281.90
Changes in Interest Accrual	2,778,563.34

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Term loan 1	
Interest - accrued as per Q3 financials	1,070,222.08
Interest - accrual to be -based on new rep sch	948,050.61
Difference in accrual	122,171.47
Term loan 2	
Interest - accrued as per Q3 financials	214,044.42
Interest - accrual to be -based on new rep sch	189,610.13
Difference in accrual	24,434.29
Total	146,605.76

Repayment of Principal workings-Quarter 4					
Particulars	Balance as on 31.12.2020	Paid during this Quarter	Balance as on 31.03.2021	Current Liability	Non-current Liability
Term Loan 1	2,170.00	104.17	2,065.84	416.67	1,649.17
Term Loan 2	434.35	20.83	413.51	83.33	330.18
Term Loan 3	437.50	20.83	416.66	83.33	333.33
Term Loan 4	640.00	-	640.00	71.11	568.89
Total	3,681.85	145.83	3,536.01	654.44	2,881.57

Term Loan I	
FY 2020-21	
Principal Repayment	
Due date	Principal
5/15/2021	10,416,666.00
8/15/2021	10,416,666.00
11/15/2021	10,416,666.00
2/15/2022	10,416,666.00
Total	41,666,664.00

Term Loan II	
FY 2020-21	
Principal Repayment	
Due date	Principal
5/15/2021	2,083,333.00
8/15/2021	2,083,333.00
11/15/2021	2,083,333.00
2/15/2022	2,083,333.00
Total	8,333,332.00

Term Loan III	
FY 2020-21	
Principal Repayment	
Due date	Principal
5/15/2021	2,083,333.00
8/15/2021	2,083,333.00
11/15/2021	2,083,333.00

2/15/2022	2,083,333.00
Total	8,333,332.00

Term Loan IV	
FY 2020-21	
Principal Repayment	
Due date	Principal
11/15/2021	1,777,777.78
12/15/2021	1,777,777.78
1/15/2021	1,777,777.78
2/15/2021	1,777,777.78
Total	7,111,111.12

Note 24
Interest Breakup Consolidated

Particulars	Q1	Q2	Q3	Q4	FY 20-21
Interest					
Interest on loan from Related Parties	198.32	208.58	219.79	217.64	844.33
Interest on Term Loan	114.46	99.56	91.94	93.21	399.17
Total interest	312.78	308.14	311.73	310.85	1,243.50
Loan received					-
From Related Parties	15.00	540.00	100.00	182.50	837.50
From Banks			640.00		640.00
Total loan received	15.00	540.00	740.00	182.50	1,477.50
CWIP creation:					-
CWIP created					-
Through funds from Term Loans			342.67		342.67
Through funds from Related Parties	12.79	222.56		58.55	293.90
Interest expense on Term loan:					-
To be capitalized*	-	99.56	91.94	93.21	284.71
To be charged to Profit and Loss a/c					-
Interest expense on Loan from Related Parties:					-
To be capitalized	169.04	85.96		69.82	324.82
To be charged to Profit and Loss a/c	29.28	123.50	219.79	147.82	520.39
Total interest to be capitalized	169.04	185.52	91.94	163.03	609.53
Total interest to be taken to Profit and Loss a/c	29.28	123.50	219.79	147.82	520.39

*This refers to Interest Portion of Term Loans which have already been capitalised during Quarter 1 and Reversed subsequently in Quarter 2 from working Progress due to extension of Bank Moratorium

This Portion of Interest has now been changed to Principal

Note 25

Capital Work In Progress - Party Wise Details

Name of the Party	Amount till Mar'21
Altech	11.30
Code	1,325.17
Bureau Veritas	11.21
Disha Interiors P Ltd	14.80
Drapes & Dreams	0.65
Ecolandscapers	0.20
Exelan Networking Tchn P Ltd	20.10
Forma Electrical P Ltd	0.30
Gladiance Automation P Ltd	26.78
IDS Next Business solutions P Ltd	4.94
JEPL Projects and altech	23.79
Johnson Lifts Pvt Ltd	40.27
J.S. Traders	15.00
K. Thangaiya Bore Wells	5.09
Kaiyaan	0.25
Karthikeyan Associate	0.89
Kiruthika Enterprises	86.46
Klen Laundroworks	33.51
Light Scape	0.13
Mantac Engineers	36.76
Ode Furnishings	1.86
Parklayer P Ltd	10.80
POM Engineers	169.74
RK Plumbing	0.69
Sans Key Technologies I Pvt Ltd	13.22
Satco Traders	1.35
Season Control Private Ltd	241.96
Show Lights	0.40
Siddharth Enterprises	12.75
Sree Ram Engineers	423.55
Task Master Construction & Consultancy Service P Ltd	155.86
Transform	98.11
Unimech Systems India P Ltd	105.05
Voltamp Transformers Limited	20.53
Mustafa M	2.48
Interest related to CWIP	1,177.54
Total	4,093.49

Advance Given to Suppliers - Party Wise Details

Name of the Party	Amount till Mar'21
Altech	25.64
Chandran Steels	54.00
Ecolandscapers	50.00
Exelan Networking Tehn P Ltd	30.90
Gladiance Automation P Ltd	0.91
IDS Next Business solutions P Ltd	1.41
Mahavir electricals	19.75
Naga Electrical Service	8.07
NS Enviro Products	26.10
Parklayer P Ltd	133.19
Radical Illumination	37.06
Total	387.02

Salary Payable

Name of the Party	Amount till Mar'21
"Anbumani Akash"	0.12
Dhinesh Jeba	0.56
GOPINATH.G	0.23
GUNASEKARAN.U	0.19
Jayanthi.N	0.13
Lakshmi K	0.63
"Lyndon Antonia dsilva"	0.96
MS David	0.56
Nagarajan.P	0.33
Total	3.71

Revathi.D - Shown under Other Payable 0.70

