



# ARUNA HOTELS LIMITED

CIN: L15421TN1960PLC004255

August 22, 2023  
Chennai

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

BSE Scrip Code: 500016  
ISIN: INE957C01019

Dear Sir / Madam,

**Sub: Notice of the 61<sup>st</sup> Annual General Meeting (AGM) and the Annual Report of the Company for the financial year 2022-2023**

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This is further to our letter dated August 11, 2023 intimating that the 61<sup>st</sup> Annual General Meeting (AGM) of the Company will be held on Friday, the 15<sup>th</sup> day of September, 2023 at 10.00 a.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) in compliance with the applicable Circulars issued by the Ministry of Corporate Affairs (MCA) and Securities Exchange Board of India (SEBI).

Pursuant to the provisions of Regulation 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of Notice of the 61<sup>st</sup> Annual General Meeting (AGM) along with the Annual Report of the Company for the financial year 2022-2023.

In compliance with the applicable Circulars issued by the MCA and SEBI, the Notice of the 61<sup>st</sup> AGM along with the Annual Report for the financial year 2022-2023 are being sent only through electronic mode to those eligible Members whose email addresses are registered with the Company/ Depositories/ Registrar and Share Transfer Agents.

The copy of the Notice along with the Annual Report is also available on the website of the Company at [www.arunahotels.com](http://www.arunahotels.com).

Kindly take the above on record.

Thank you,

Yours faithfully,

for **ARUNA HOTELS LIMITED**

**K Lakshmi** Digitally signed by K Lakshmi  
Date: 2023.08.22 14:34:44  
+05'30'

**K LAKSHMI**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**  
**M.No.: A46692**

Encl: a/a



# **ARUNA HOTELS LIMITED**

**61<sup>st</sup>**

**Annual Report**

**2022-2023**

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# ARUNA HOTELS LIMITED

## COMPANY INFORMATION

Radhaswamy Venkateswaran (DIN: 09532159)	Managing Director
Suyambu Narayanan (DIN: 07718798)	Non-Executive Independent Director
Freeda Gnanaselvam Kanagiah (DIN: 07350175)	Non-Executive Independent Director
Muralidharan Ramasamy (DIN: 07092976)	Non-Executive Non-Independent Director
Rajakumar Kumaravelayetha Nadar (DIN: 05187894)	Non-Executive Non-Independent Director upto 12.08.2022
R. Rajkumar (DIN: 09702403)	Non-Executive Non-Independent Director w.e.f. 12.08.2022

### Chief Financial Officer

P. Nagaraj

### Company Secretary

K. Lakshmi

### Statutory Auditors

M/s Bala & Co.,  
Chartered Accountants,  
New.No.4, Old No.10,  
7<sup>th</sup> Cross Street,  
Karpagam Gardens,  
Adyar, Chennai 600020

### Secretarial Auditors

M/s J.Jothi & Associates  
Practising Company Secretaries  
132A, 2<sup>nd</sup> Floor, Sivaram Sterling Towers,  
4th Street, Sterling Road,  
Nungambakkam,  
Chennai 600034

### Internal Auditors

M/s G S P U Associates,  
Chartered Accountants  
TC 12-1443(2) First Floor,  
Syamscion PMG-Law College Road,  
Vikas Bhavan Post  
Thiruvananthapuram 695033

### Bankers

HDFC Bank Limited  
R K Salai Branch,  
Mylapore, Chennai 600004

### Registered Office

145, Sterling Road,  
Nungambakkam,  
Chennai 600034

### Registrars & Share Transfer Agents

M/s MCS Share Transfer Agent Limited  
3B3, 3rd Floor, Gundecha Onclave  
Kherani Road, Saki Naka,  
Andheri East, Mumbai  
Maharashtra 400072

## COMPANY INFORMATION

**Incorporation** ----->1960

**Listing** -----> The BSE Limited (BSE)

**Scrip Code** -----> 500016

**Demat ISIN** -----> INE957C01019

**CIN** -----> L15421TN1960PLC004255

## ARUNA HOTELS LIMITED

### NOTICE TO MEMBERS

Notice is hereby given that the 61<sup>st</sup> (Sixty-First) Annual General Meeting ('AGM') of the Members of ARUNA HOTELS LIMITED, (the "Company") will be held on Friday, the 15th day of September, 2023 at 10.00 a.m. (IST) through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') to transact the following businesses:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Mr. Ramasamy Muralidharan (DIN: 07092976), who retires by rotation and, being eligible offers himself for re-appointment.

Place: Chennai

Date: 11.08.2023

By Order of the Board

for ARUNA HOTELS LIMITED

Sd/-

RADHASWAMY VENKATESWARAN

MANAGING DIRECTOR

DIN: 09532159

#### NOTES:

1. The Ministry of Corporate Affairs ('MCA') vide its General Circular No.10/2022 dated December 28, 2022 read with General Circulars No. 14/2020 dated April 8, 2020, No.17/2020 dated April 13, 2020, No.20/2020 dated May 5, 2020, No.02/2021 January 13, 2021, No.19/2021 dated December 8, 2021, No.21/2021 dated December 14, 2021, No. 02/2022 dated May 5, 2022 ("MCA Circulars") and SEBI vide its Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 have permitted Companies to hold Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") and extended relaxation in respect of sending physical copies of annual report to Shareholders till September 30, 2023.
2. In compliance with the applicable provisions of the Companies Act, 2013 (the "Companies Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), MCA Circulars, SEBI Circulars, Secretarial Standard – II on General Meetings ("SS-II") issued by the Institute of the Company Secretaries of India and other applicable laws, if any, the 61st AGM of the Company will be held on Friday, the 15th day of September, 2023 at 10.00 a.m. (IST), through VC/OAVM which does not require the physical presence of members at a common venue.
3. Since this AGM is being held 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.
4. The Company has engaged Central Depository Services (India) Limited (CDSL) to provide the VC facility for conducting the AGM and for voting through remote e-voting and e-voting at the AGM. The procedure for participating in the meeting through VC/OAVM, forms part of this Notice.
5. Institutional Investors and Corporate Shareholders, who are Members of the Company, are encouraged to attend and vote at the 61st AGM through VC/OAVM facility. Corporate Members intending to appoint their authorized 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 authorized representative(s) to the Scrutinizer by email at [kjr@mdassociates.co.in](mailto:kjr@mdassociates.co.in) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
6. 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.
7. **Manner for Registration of e-mail addresses is as follows:**

**For Physical Shareholders:** Members who have not registered their e-mail address with the Company, can register their e-mail address for receipt of Notice of 61st AGM, Annual Report and login details for joining the 61st AGM through VC/OAVM facility including e-voting by sending a request to MCS Share Transfer Agent Limited (MCS), Registrar and Share Transfer Agent (RTA) at [helpdesknum@mcsregistrars.com](mailto:helpdesknum@mcsregistrars.com) providing their

name, folio number, scanned copy of the share certificate (front and back), self-attested scanned copy of the PAN card and self-attested scanned copy of Aadhaar card) in support for registering e-mail address.

**For Demat Shareholders:** Members holding shares in demat form whose e-mail address are not registered, are requested to register their e-mail address for receipt of Notice of 61st AGM, Annual Report and login details for joining the 61st AGM through VC/OAVM facility including e-voting by providing Demat account details (CDSL -16 digit beneficiary ID or NSDL – 16 digit DPID+CLID), Name, Client Master or copy of Consolidated Account Statement, PAN (self-attested scanned copy of the PAN card), AADHAAR (self-attested scanned copy of the AADHAAR card) to their DP only, as per the process advised by their DP. The registered email address will also be used for sending future communications.

8. Pursuant to the MCA and SEBI Circulars, the Annual Report including the Notice of the AGM for the FY 2022-2023 is being sent by electronic mode to all members whose email addresses are registered with the Company/ Depository Participants (DPs). The Company shall send a physical copy of the Annual Report to those Members who specifically request for the same at [cs@ahlichennai.com](mailto:cs@ahlichennai.com); [directorsaruna@gmail.com](mailto:directorsaruna@gmail.com); mentioning their Folio No./ DP ID and Client ID. The Notice convening the 61st AGM has been uploaded on the website of the Company at [www.arunahotels.com](http://www.arunahotels.com) and may also be accessed on the website of the stock exchange BSE Limited at [www.bseindia.com](http://www.bseindia.com) and in the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
9. The Notice of AGM along with the Annual Report will be sent to those members/beneficial owners whose name appear in the register of members/list of beneficiaries received from the depositories as on Friday, 18th August, 2023.
10. 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 3B3, 3rd Floor, Gundecha Onclave, Kherani Road, Sakinaka, Andheri (E), Mumbai 400072. The Register of Members and Transfer Books of the Company will be closed from September 09, 2023, Saturday to September 15, 2023, Friday (both days inclusive).
11. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of the listed companies can be transferred/ transmitted only in dematerialized form with effect from April 01, 2019. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to convert their holdings in dematerialized form. Members can contact the Company or Company's Registrar and Share Transfer Agent (RTA) for assistance in this regard.

SEBI vide its Circular dated November 03, 2021 and March 16, 2023, mandated furnishing of PAN, KYC details (postal address with Pin code, mobile number, bank account details) and Nomination by holders of physical securities through Form ISR-1, Form ISR-2, Form ISR-3, Form SH-13 and Form SH-14 (as applicable). The format of the said forms is also available in the website of the Company at [www.arunahotels.com](http://www.arunahotels.com) --->Investor Relations --->SEBI KYC Forms. In terms of above Circular, folios of physical shareholders wherein any one of the said details such as PAN, KYC details and nomination are not available, shall be frozen with effect from October 1, 2023 and such physical shareholders will not be eligible to lodge grievances or avail service requests from the RTA of the Company and will not be eligible for receipt of dividend in physical mode until the said details are furnished. The securities once frozen will revert to normal status only upon receipt of requisite KYC documents or upon dematerialization of the said securities. Therefore, Members holding share(s) in physical form are requested to immediately update their KYC details / dematerialise their shareholding in the Company. Demat Holders may update with the concerned Depository Participant (DP) where the demat account is maintained.

Further, Shareholders holding shares in physical mode are requested to ensure that their PAN is linked to Aadhaar by June 30, 2023 or any other date as specified by the Central Board of Direct Taxes to avoid freezing of folio.

Further, as per the above SEBI circular, the frozen folios shall be referred by RTA/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and Prevention of Money Laundering Act, 2002, after December 31, 2025.

12. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14, as applicable. The said forms can be downloaded from the Company's website at [www.arunahotels.com](http://www.arunahotels.com) and from the website of the RTA at [www.mcsregistrars.com](http://www.mcsregistrars.com). Members are requested to submit the said form to their DP in case the shares are held by them in electronic form and to the RTA at [helpdesknum@mcsregistrars.com](mailto:helpdesknum@mcsregistrars.com) in case the shares are held in physical form, quoting their folio no.

13. 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.
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. 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.
16. All documents referred to in the Notice will be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of the AGM i.e., Friday, the 15th day of September, 2023. Members seeking to inspect such documents can send an email to [es@ahlechennai.com](mailto:es@ahlechennai.com)
17. The Register of Directors & Key Managerial Personnel and their Shareholding, Register of Contracts or Arrangements in which Director are interested will be available for electronic inspection by the members during the AGM.
18. Disclosure / Information regarding particulars of Directors seeking re-appointment at this AGM, in terms of the applicable provisions of Secretarial Standards-2 and SEBI Listing Regulations are annexed hereto.
19. Recorded transcript of the AGM will be made available on the website of the Company at [www.arunahotels.com](http://www.arunahotels.com)
20. 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.
21. Members are requested to carefully read the below instructions in connection with remote e-Voting and procedure for joining the AGM.

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

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

1. 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 will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & 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.
3. 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 at least 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.
4. 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.

5. 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.
6. 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](http://www.arunahotels.com). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice 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](http://www.evotingindia.com).
7. The AGM has been 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.
8. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January 13,2021.

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

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Tuesday, the 12th September, 2023 and ends on Thursday, the 14th September 2023. 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 Thursday, the 7th September, 2023 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.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (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.



## ARUNA HOTELS LIMITED

Pursuant to above-said 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
<p>Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b></p>	<p>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 users to login to Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System My easi Tab.</p> <p>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 &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System My easi Tab and then click on registration option.</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b></p>	<p>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: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> 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 &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or 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 &amp; voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b></p>	<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 &amp; voting during the meeting.</p>

## ARUNA HOTELS LIMITED

**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 <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(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 [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders 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 [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-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:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (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 EVSN for the relevant ARUNA HOTELS LIMITED on which you choose to vote.

## ARUNA HOTELS LIMITED

- (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 a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **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](http://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](mailto: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 will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, 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 mandatorily 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 and to the Company at the email address viz; [cs@ahlchennai.com](mailto:cs@ahlchennai.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 THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for 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 on or before 5.00 p.m. (IST) on Monday, 11th September, 2023 mentioning their name, demat account number/folio number, email id, mobile number at [cs@ahlchennai.com](mailto:cs@ahlchennai.com). The same will be answered during the meeting. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance on or before 5.00 p.m. (IST) on Monday, 11th September, 2023 mentioning their name, demat account number/folio number, email id, mobile number at [cs@ahlchennai.com](mailto:cs@ahlchennai.com). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only 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 may 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 NUMBER ARE NOT REGISTERED WITH THE COMPANY / DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of 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](mailto:helpdesk.evoting@cdslindia.com) or contact attoll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager (CDSL), Central Depository Services (India) Limited, 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](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

## ARUNA HOTELS LIMITED

**ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ON GENERAL MEETING (SS-2)**

### DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

PARTICULARS	MR. MURALIDHARAN RAMASAMY	
Educational Qualification	Graduate in MBA (Finance)	
Experience	More than a decade	
Expertise in specific functional area	Has a rich experience more than a decade in the field of field of accounts and finance and has a great contribution in Media Industry.	
Director Identification Number (DIN)	07092976	
Terms and conditions of re-appointment	Retirement by Rotation	
Date of appointment	02.03.2015	
Date of Birth/ Age	19.06.1976 / 47 years	
*Directorships held in other Listed Companies	Nil	
No. of Board Meetings attended during the year	Financial year 2022-23	Financial year 2021-2022
	6 (Six)	13 (Thirteen)
Membership in the Company's Board Committees	Member in Audit Committee	
**Membership of Committees of other Public Companies	Nil	
Listed Entities from which the person has resigned in the past 3 (three) years	Nil	
Number of shares held in the Company including shareholding as a beneficial ownership	Nil	
Relation inter se with the directors/ Key Managerial Personnel of the Company	NIL	
Details of remuneration	Not Applicable	

Brief profile of the above Director 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.

\* Includes names of Listed Companies in which the Director holds the Directorship. (Other than Aruna Hotels Limited)

\*\* Includes names of other Public Companies in which the person holds the membership of Audit Committee and Stakeholders Relationship Committees of the Board of Directors. (Other than Aruna Hotels Limited)

## ARUNA HOTELS LIMITED

### BOARD'S REPORT

#### To the Members,

Your Company's Directors have pleasure in presenting before you the 61st Annual Report of the Company together with the Audited Financial Statements for the Financial Year (FY) ended 31st March, 2023.

#### FINANCIAL SUMMARY

Standalone Financial Performance for the year ended March 31, 2023 is summarized below:

Particulars	Rs. in lakhs	Rs. in lakhs
	Financial year ended March 31, 2023	Financial year ended March 31, 2022
Revenue from Operations	196.46	--
Other Income (net)	2410.33	370.87
<b>Total Income</b>	<b>2606.79</b>	<b>370.87</b>
Less: Operating Expenditure (Employee benefit expenses)	(97.89)	(50.37)
Less: Finance costs	(1239.38)	(352.59)
Less: Depreciation & amortization expense	(281.82)	(78.47)
Less: Other expenses (net)	(2070.67)	(148.68)
<b>Profit/ (Loss) before exceptional and Extraordinary items and tax</b>	<b>(1082.97)</b>	<b>(259.24)</b>
Exceptional Items	--	-
<b>Profit/ (Loss) before Extraordinary items and tax</b>	<b>(1082.97)</b>	<b>(259.24)</b>
Extraordinary Items	--	-
<b>Profit / (Loss) before tax</b>	<b>(1082.91)</b>	<b>(259.24)</b>
Tax expenses	(274.56)	9.98
<b>Profit / (Loss) after tax</b>	<b>(808.35)</b>	<b>(249.26)</b>
<b>Total Comprehensive Income for the period (Comprising profit/loss from ordinary activities after tax and other comprehensive income for the period)</b>	<b>1481.26</b>	<b>(249.26)</b>

#### DISCLOSURE UNDER COMPANIES ACT 2013:

Pursuant to the Section 134 of Companies Act, 2013 read with Companies (Accounts Rules), 2014, the Company has complied with requirements and the details of which are as disclosed here under:

##### (i) Annual Return

As provided under Section 92(3) and 134(3)(a) of Companies Act, 2013, the Annual Return in form MGT-7 for the financial year 2022-2023 is available on the website of the Company at [www.arunahotels.com](http://www.arunahotels.com)

##### (ii) Number of meetings of the Board

The Board of Directors met 6 (six) times during the financial year 2022-2023. The details of the Board meetings and the attendance of the Directors are given in the Corporate Governance Report, which forms part of this Annual Report.

##### (iii) Directors Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, Board of Directors confirms that:

- in the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable accounting standards have been followed and that no material departures have been made from the same;

- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and ensured that such Internal financial controls are adequate and were operating effectively; and

***(iv) Details in respect of frauds reported by the auditors:***

During the year under review, the Auditors have not reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

***(v) A statement on declaration given by Independent Directors:***

The Company has received necessary declarations 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.

***(vi) Company's policy on Director's appointment and Remuneration:***

Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes and independence of a director and other matters as per Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of the Board's Report and also is disclosed on Company's website [www.arunahotels.com](http://www.arunahotels.com)

***(vii) Explanation of Board on qualification of Statutory Auditors and Secretarial Auditors, if any***

The Auditors' Report for the financial year 2022-2023 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 2022-2023 is enclosed as Annexure to this Annual report. The certificate does not contain any qualification, reservation or adverse remark, except that of few observations.

The Secretarial Auditors' Report for the financial year 2022-2023 does not contain any qualification, reservation or adverse remarks, except that of few observations. The Secretarial Auditors' Report is enclosed as Annexure to this Annual report.

***(viii) Particulars of loans, guarantees or investments given or made by the Company***

During the year under review, Company has not given any loan, guarantee or provided any security and made any investments pursuant to section 186 of the Companies Act, 2013. Also, the Company is engaged in the business of providing 'Infrastructural facilities'(under Schedule VI of Companies Act, 2013), the provisions of Section 186 of the Companies Act, 2013 pertaining to provision of Loans, Guarantees or Investments shall not be applicable to the Company.

***(ix) Related Party Transactions***

In line with the requirements of the Act and the SEBI Listing Regulations, as amended, the Company has formulated a policy on Related Party Transactions for identifying, reviewing, approving and monitoring of Related Party Transactions and the same can be accessed on the Company's website at [www.arunahotels.com](http://www.arunahotels.com).

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. All transactions entered into with the related parties were approved by the Audit Committee.

None of the transactions with related parties are material in nature or fall under the scope of Section 188 (1) of the Companies Act, 2013. The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, as amended, in Form AOC-2 is not applicable to the Company for the financial year 2022-2023 and hence the same is not provided.

***(x) State of Affairs***

During the year under review, Profit before tax was Rs. (1082.97) lakhs as against Rs. (259.24) lakhs in the previous year. Also, during the year under review, the Company has started its hotel operations under the name of “Pharos Hotels” which is a unit of Aruna Hotels Limited with effect from November 30, 2022. The Company is in the process of stabilizing its operations which might take a few quarters to post healthier numbers.

***(xi) Transfer to Reserves***

Due to Loss, the Company has not transferred or proposed to transfer any amount to the Reserves for the year under review.

***(xii) Dividend***

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

***(xiii) Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report***

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year i.e., 31st March, 2023 and the date of this report.

***(xiv) Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo*****1. Conservation of Energy**

Considering the nature of activities in which the Company operates, energy consumption is in accordance to the normal business practices and does not require any specific installations. In its regular course of business, the Company is always vigilant to conserve the resources and continuously implements measures required to save energy.

**2. Technology Absorption**

The business activities of the Company are not specific to any technology requirements. Hence disclosures pertaining to conservation of energy and technology absorption are not applicable to your Company during the year under review.

**3. Foreign Exchange Earning and Outgo**

There were no foreign exchange inflows or outflows during the year under review.

***(xv) Risk Management Policy***

Internal compliance and control policies and procedures of the Company and policies for 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. At present, the Company has not identified any element of risk which may threaten the existence of the Company. However, the Constitution of a Risk Management Committee as per Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not applicable to the Company.

***(xvi) Corporate Social Responsibility (CSR):***

During the year under review, the provisions of Section 135 of the Companies Act, 2013 pertaining to the Corporate Social Responsibility are not applicable to the Company.

***(xvii) Board Evaluation***

Your Company has a structured framework for evaluation of the Individual Directors, Chairperson and Board as a whole and its Committees. The Independent Directors at their Meeting held on 13.02.2023 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 Board of Directors at their Meeting held on 12.08.2022 evaluated the performance of all Independent Directors and the Board as a whole and its Committees and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board through circulation of questionnaires, to assess the performance on select parameters relating to roles, responsibilities and obligations of the Board and functioning of the Committees.

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.



***(xvii) Change in the nature of Business:***

There is no change in the nature of Business during the year under review.

***(xix) Directors and Key Managerial Personnel:******Directors:***

The Board of Directors of Aruna Hotels Limited currently comprises of 5 (five) Directors with a balanced combination of a. Executive, b. Non-Executive (Non-Independent) and c. Independent Directors.

All the Independent Directors have furnished necessary declaration under Section 149(7) of the Act and under Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As per the said declarations, they meet the criteria of Independence as provided in Section 149 (6) of the Act and the SEBI Listing Regulations. All of them have confirmed that they have registered themselves with the Indian Institute of Corporate Affairs under Rule 6 of Companies (Appointment and Qualification of Directors ) Rules, 2014 as amended.

(i) During the financial year 2021-2022, Mr. Suyambu Narayanan (DIN: 07718798) was re-appointed as Independent Director of the Company (not liable to retire by rotation) to hold office for a second term of five (5) consecutive years commencing from 10.02.2022 to 09.02.2027. The approval of shareholders was obtained through Postal ballot by means of remote e-voting facility on 15.04.2022.

(iii) During the financial year 2021-2022, Mr. Radhaswamy Venkateswaran (DIN: 09532159) was appointed as Managing Director of the Company for a period of 5 (five) consecutive years commencing from 10.03.2022 to 09.03.2027 and the Shareholders of the Company have given their approval through Postal Ballot by means of remote e-voting facility on 15.04.2022

(iv) During the year under review, Mr. R Rajkumar (DIN: 09702043) was appointed as an Additional Director (Non-executive & Non-Independent) by the Board of Directors at their meeting held on 12.08.2022 on recommendation of Nomination and Remuneration Committee and the regularization of his appointment as Director (Non-Executive, Non-Independent) of the Company was approved in the shareholders meeting (AGM 2022) held on 23.09.2022.

(v) During the year under review, Mr. Rajakumar Kumaravelayetha Nadar (DIN: 05187894) resigned from the post of Director (Non-Executive Non-Independent) with effect from 12.08.2022.

(vi) In accordance with provisions of Section 152 (6) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. R Muralidharan, Director (DIN: 07092976) 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, 2023 are:

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

***(xx) Statement regarding opinion of the Board with regard to integrity, expertise and experience of the Independent Directors appointed during the year*** During the year under review, no Independent Directors were appointed

***(xxi) Subsidiary, Associates and Joint Ventures***

Your Company has no subsidiary during the year or at any time after the closure of the year and till the date of this report. 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 during the year or at any time after the closure of the year and till the date of this report.

***(xxii) Deposits***

The Company has not invited or accepted any deposits during the year under review and there are no deposits covered under Chapter V of the Companies Act, 2013 during the year 2022-2023, the details of which are required to be furnished.

***(xxiii) Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:***

During the year under review and as on date of the Report, the following are/were the material orders passed by the Regulators and fine(s) that was/were imposed on the Company: No impact on the going concern status and company's operations in future.

- *During the year under review, Securities Appellate Tribunal (SAT) Review Application No.86 of 2022 and Miscellaneous Application No.1758 of 2022, Mumbai had been dismissed vide order dated February 14, 2023*
- *As on the date of this report, the following shareholders of the Company were alleged to have violated provisions of Regulation 3(2) read with Regulation 13 (1), Regulation 29 (2) read with 29(3) and Regulation 10(5), 10(6) and 10(7) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 (SAST Regulations).*
  1. *Balasubramanian Sivanthi Adityan*
  2. *Sri Devi Agencies Private Limited*
  3. *Chandramohan R*
  4. *Anita Kumaran*
  5. *Jayanthi Natarajan*
  6. *Gay Travels Private Limited*
  7. *Subasri Realty Private Limited*
  8. *Rani Printers Private Limited*
  9. *Sovereign Media Marketing Private Limited*
  10. *Chithan V*

*The Said shareholders had availed the benefit of settlement process with SEBI in respect of the Show Cause Notice issued dated 20.09.2022 under Rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 in the matter of Aruna Hotels Limited by the Chief and General Manager & Adjudicating Officer, SEBI.*

*In relation thereto, the Company had submitted disclosures under Regulations 10(5), 10(6), 29(1) and 29(2) of SEBI SAST Regulations for the inter se transfer as per Memorandum of Compromise among the Promoters pertaining to the financial year 2015-2016.*

*Referring to the Application for availing settlement in terms of SEBI (Settlement Proceedings) Regulations, 2018, SEBI on 23.05.2023 accepted the settlement proposal which was filed by the said shareholders. The said application along with the Revised Settlement Terms proposed by the said shareholders were examined by the Independent High Powered Advisory Committee (HPAC) and recommended the specified proceedings be settled upon payment of Rs.2,32,05,000/-. Upon consideration of the recommendation of the HPAC, SEBI has in principle agreed to accept the terms of settlement recommended by the HPAC.*

*In acceptance thereof by SEBI, the shareholder M/s Subasri Realty Private Limited on its behalf and on behalf of the other shareholders has accordingly paid amount of Rs.2,32,05,000/- (Rupees Two Crores Thirty Two Lakhs and Five Thousand only) towards Settlement fees.*

*In this regard, SEBI vide its Settlement order dated June 07, 2023 passed an Order such that, in view of acceptance of the settlement terms and receipt of the Settlement amount as above by SEBI, an instant adjudication proceedings initiated against the Applicants (as above mentioned) vide SCN dated September 20, 2022 is disposed off in terms of Section 15JB of the SEBI Act read with Regulation 23(1) of the Settlement Regulations on the basis of the settlement terms.*

**(xxiv) Internal Financial Control**

The Company has a proper and adequate internal control system to ensure that all the assets of the Company are safeguarded, to prevent and detect frauds and any other irregularities, proper application of appropriate accounting policies and procedures to ensure completeness of the accounting records, compliance with policies, rules and regulations, timely preparation of reliable financial information and prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have material effect on the financial statements

The Company has engaged a firm of external consultants for the internal audit function to continuously monitor the effectiveness of internal controls.

**(xxv) Maintenance of Cost Records**

Maintenance of cost records and the requirement of Cost Audit under the provisions of Section 148 (1) of the Companies Act, 2013 are not applicable to the Company.

***(xxvi) Internal Complaints Committee***

The Company has constituted an Internal Complaints Committee to prevent and prohibit any form of sexual harassment at workplace and provide redressal for woman employees as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, there was no event affecting any of the women employees on account of any sexual harassment at the work place.

***(xxvii) Proceedings under Insolvency and Bankruptcy Code, 2016***

As on date of this report, Appeal vide Comp App (AT) (CH) (Ins) No. 68/2023 under Insolvency and Bankruptcy Code 2016 is pending before the National Company Law Appellate Tribunal (NCLAT)

***(xxviii)*** the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.] – Not applicable

***(xxix) Capital Structure***

During the financial year 2022-2023, there was no change in the Authorised Share Capital of the Company and stood at Rs. 75 Crores divided into 6,70,00,000 (Six crores seventy lakhs) equity shares of face value of Rs.10/- each and 8,00,000 (Eight lakhs) Preference shares of Rs.100/- each constituting Redeemable Preference share capital of the Company.

***Paid Up Share Capital***

During the financial year under review 2022-2023, the paid-up share capital of the Company is Rs. 36,94,00,000 (Rupees Thirty Six Crores Ninety Four Lakhs Only) comprising of 3,39,00,000 equity shares of Rs.10/- each and 3,04,000 Redeemable Preference Shares of Rs.100/- each.

During the year under review, the Company has transferred a sum of Rs. 6,00,000/- (Rupees Six Lakhs), being redemption amount of preference shares that remained unclaimed to the Investor Education and Protection Fund (IEPF) Account. The Company has sent out confirmations to preference shareholders and has received responses from few parties. Preferably, the Company will be redeeming the share capital to the persons from whom it had received confirmation. The Redemption amount of preference shares remaining unpaid or unclaimed from parties will be transferred to Investor Education and Protection Fund under section 205 of Companies Act, 2013.

During the year under review, the Company has neither issued any shares with differential voting rights nor issued any sweat equity shares.

***(xxx) Meetings of the Board***

During the financial year under review, 6 (Six) Board Meetings were held and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on 27.05.2022, 11.08.2022, 12.08.2022, 26.08.2022, 12.11.2022 and 13.02.2023. 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 2022-2023) 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 13.02.2023. All the Independent Directors were present.

***Committees of the Board***

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.

***(xxxi) Familiarization Programs for Independent Directors***

In accordance with the requirements of Listing Regulations, 2015 and Schedule IV of the Act, as amended, the Company has a programme to familiarize the Independent Directors of the Company including in relation to the nature of industry in which the Company operates and the roles, rights and responsibilities of the Independent Directors.

The Programme aim at enabling the Independent Directors to understand and keep them updated on an ongoing basis about the significant changes which occur in the industry. Due to this familiarization programs, it was concluded that the Board is able to take active participation in the decision-making process and is equally involved in the affairs of the Company.

**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:

S.No.	Particulars	Ratio
1.	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year (i) Mr. Radhaswamy Venkateswaran	0.52:1
2.	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any, in the financial year	10%
3.	the percentage increase in the median remuneration of employees in the financial year	Nil
4.	the number of permanent employees on the rolls of the company	15 employees
5.	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

\*The ratio of the remuneration of Mr. Radhaswamy Venkateswaran, Managing Director to the median remuneration of the employees calculated for a period of 12 months during the FY 2022-2023

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.

***(xxxii) 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 the website at [www.arunahotels.com](http://www.arunahotels.com)

***(xxxiii) Auditors:***

**(a) Statutory Auditors:**

At the 58<sup>th</sup>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 58thAGM till the conclusion of 63rd AGM (AGM 2025). The Statutory Auditors Report for the financial year 2022-2023 on the financial statement of the Company, forms part of this Annual Report.

The Statutory Auditors' Report on the financial statements of the Company for the financial year 2022-2023 does not contain any qualifications, reservations or adverse remarks or disclaimer.

During the year under review, the Statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013

**(b) 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 financial year 2022-2023.

**(c) Secretarial Auditors:**

M/s J.Jothi & Associates, Practicing Company Secretaries (CP.No.17899), Chennai, were appointed as secretarial auditors of the Company for the financial year 2022-2023, as required under Section 204 of the Companies Act, 2013 to conduct the Secretarial Audit of records and documents of the Company for financial year 2022-2023. The Secretarial Audit Report in form no. MR-3 issued by the Secretarial Auditor for the financial year 2022-2023 is annexed hereunder.

For the financial year 2022-2023, the Company does not have any material unlisted Indian subsidiaries. As such the requirement to attach secretarial audit reports of material unlisted Indian subsidiaries pursuant to Regulation 24A (1) of SEBI Listing Regulations is not applicable to the Company.

**(xxxiv) 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.

**(xxxv) 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 2022-2023.

**(xxxvi) Dematerialization of Shares**

The Company's shares are compulsorily traded in dematerialized form on the BSE Stock Exchange. Equity Shares of the Company representing 91.44% of the Company's equity share capital are dematerialized as on March 31, 2023. Under the Depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE957C01019.

**(xxxvii) 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.

**(xxxviii) Management Discussion & Analysis Report**

Management Discussion & Analysis Report for the year under review, as stipulated under Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is annexed as annexure to this report.

***Acknowledgement***

Your Directors take this opportunity to express their gratitude to Company's Bankers, Suppliers, Government Departments and other business associates for their unstinted support extended to the Company. Your Directors wish to place on record, their appreciation of the efficient and dedicated services rendered by the employees at all levels across the Company. We are sincerely grateful to all the shareholders for their confidence, faith and support in the endeavours of the Company.

Date: 11.08.2023

Place: Chennai

**On behalf of the Board of Directors**

**Sd/-**

**R Venkateswaran  
Managing Director**

**DIN: 09532159**

**Sd/-**

**Suyambu Narayanan  
Director**

**DIN: 07718798**

**FORM NO. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023**

**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 2 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 01-04-2022 to 31-03-2023 (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 31st March 2023 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 (Share Based Employee Benefits and Sweat Equity) Regulations, 2021(was not applicable to the company during the period under review);
  - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
  - f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (was not applicable to the company during the period under review)

- g. 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; (was not applicable to the Company during the period under review)
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (was not applicable to the Company during the period under review);
- i. The Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018 (was not applicable to the company during the period under review);

VI. The Following Industry Specific Laws:

- a) The Tamil Nadu Catering Establishments Act, 1958.
- b) The Chennai City Municipal Corporation Act, 1919.
- c) Food Safety and Standards Act, 2006.
- d) Legal Metrology Act, 2009.
- e) Tamil Nadu Public Health Act, 1939.
- f) Tamil Nadu Value Added Tax, 2006
- g) Tamil Nadu Public Building (Licensing) Act, 1965.

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.
- III. Investor Education and protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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;

The Company had not intimated the changes in the Director to the depositories on an immediate basis and not later than 2 working days as per the circular dated SEBI/HO/CFD/DCR1/CIR/P/2018/85 and the same is filed as on the date of the report.

**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;

- 1. During the year, Mr. KUMARAVELAYATHA NADAR RAJAKUMAR (DIN: 05187894) resigned from the position of Director of the Company with effect from 12-08-2022 and Mr. RAJKUMAR (DIN: 09702403) was appointed as non-executive non-Independent Director of the Company with effect from 12-08-2022 by the Board and the same is approved by the shareholders passing a special resolution at the 60th Annual General Meeting (AGM) held on 23rd September 2022.

2. The Memorandum of Association (MOA) of the company was amended and the existing MOA had been substituted with new set of MOA as per the provisions of the Companies Act, 2013 by passing a special resolution at the 60th AGM held on 23rd September 2022.
3. During the reporting period Rs.6,00,000 has been transferred to the Investor Education and Protection Fund (IEPF) – Unpaid redemption amount of preference shares of the company for the financial year 1998-1999.
4. The company had received an order dated 11-03-2022 in compliance with directions of the Hon`ble Bombay high court vide order dated 01-11-2021 in the matter of writ petition No.24095 for violation of SAST Regulations and action against AHL for violation of regulation 30(12) of LODR regulation for various matters for the year 2015. As informed, the Company is awaiting the final order for appropriate course of action in this matter as on date of this report.
5. During the year under review, the Company had submitted disclosures under Regulations 29(1), 29(2) and Regulation 10(5), 10(6) for the inter se transfer among the promoters pertaining to the financial year 2015-2016 as per the directions of the Internal Committee (IC) meeting of the SEBI held on 18th January 2023 for processing the Settlement Application filed with SEBI.

**for J.JOTHI & ASSOCIATES  
PRACTICING COMPANY SECRETARIES**

**KARTHIK  
PARTNER**

**FCS No. 11703, CP No. 17899**

**FRN: P2015TN070400**

**Peer Review Cer. No. 2260/2022**

**UDIN: F011703E000415359**

Place: Chennai

Date: 29.05.2023

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, we 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.

**for J. JOTHI & ASSOCIATES  
PRACTICING COMPANY SECRETARIES**

**KARTHIK  
PARTNER**

**FCS No. 11703, CP No. 17899**

**FRN: P2015TN070400**

**Peer Review Cer. No. 2260/2022**

**UDIN: F011703E000415359**

Place: Chennai  
Date: 29.05.2023

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT*****(a) Industry Structure and Developments***

India, being one of the most popular travel destinations across the globe has resulted in the Indian tourism and hospitality industry to emerge as one of the key drivers of growth among the services sector in India. Tourism industry in India has significant potential considering the Tourism is an important source of foreign exchange in India similar to many other countries. It is widely acknowledged that the tourist and hospitality sector, which encompasses travel and hospitality services like hotels and restaurants, is a development agent, a catalyst for socioeconomic growth and a significant source of foreign exchange gains in many countries. India's rich and exquisite history, culture and diversity is showcased through tourism while also providing significant economic benefits. The consistent efforts of the central and the state governments have helped the tourism industry to recover from the covid-19 pandemic shock and operate at the pre-pandemic level.

With its culture and diversity, India attracts many tourists worldwide, particularly as a destination for spiritual tourism. As a result, India's position in the World Economic Forum's (WEF) travel and tourism competitiveness index has improved from 65th in 2013 to 54th in 2021, reflecting its growth prominence in global tourism. India's robust economic growth has resulted in a thriving middle class with higher disposable income fuelling domestic travel and heightened demand for high quality hotel accommodations.

India's robust economic growth has resulted in a thriving middle class with higher disposable income fuelling domestic travel and heightened demand for high quality hotel accommodations. Occupancy in Indian hotels is expected to improve to 66 percent in 2023, according to hospitality research firm. India's hospitality sector ended 2022 with occupancy in the 59-61 percent range, up 15-17% points from the previous year. Average room rates recovered fully in 2022, crossing 2021 levels by 37-39 % and revenue per available room in 2022 increased by 89-91% over the previous year. Some 166 new hotels with 14,885 rooms were signed in 2022, indicating a 33 percent increase in brand signings by keys over the previous year.

During the year under review, the Company has started its hotel operations under the name of "Pharos Hotels" which is a unit of Aruna Hotels Limited with effect from November 30, 2022. The Company is in the process of stabilizing its operations which might take a few quarters to post healthier numbers.

***(b) Opportunities and Threats***

India is geographically diverse and offers a variety of cultures that come with its own experiences, making it one of the leading countries in terms of international tourism expenditure. Travel and tourism are two of the largest industries in India, with a total contribution of about US\$ 178 billion to the country's GDP. The country's big coastline is dotted with attractive beaches. Indian hospitality sector sees strong growth in Q1 2023, YoY (Year on Year) RevPAR up 101%. US\$ 2.1 billion is allocated to Ministry of Tourism in budget 2023-2024 as the sector holds huge opportunities for jobs and entrepreneurship for youth. Under the Union budget 2023-24 an outlay of around INR 15 crores has been allocated for Swadesh Darshan Scheme.

Domestic travel, especially the leisure segment, gave wind to the industry this year and is expected to continue into the next. Industry players believe that as international arrivals are also likely to pick up even further, the outlook for 2023 is buoyant.

As per industry estimates, recovering from the impact of COVID-19 by the third quarter of 2022-23, the hospitality industry had touched the occupancy of 70% while the average daily rates had moved up to Rs.7,260 as compared to Rs.6,540 in the same period in FY 2020. Also the revenue per available room had increased to Rs. 5,085 against Rs.4,499 in Q3 FY 20.

The Indian hospitality sector continued to witness strong Year-on-Year (Y-o-Y) growth in performance in Q1, 2023, primarily driven by corporate travel, weddings and MICE demand witnessed prior to the end of the financial year.

The performance in Q1 2022 was impacted by the third wave pandemic which resulted in a slowdown in travel in January last year. As a result, RevPAR growth of 100.8 percent Y-o-Y in Q1, 2023 over Q1 2022 is significant. Furthermore, the sector witnessed a RevPAR growth of 9.1% q-o-q in Q1 2023, as compared to Q4 2022.

This is due to corporate travel in Q1 2023 in comparison to Q4 2022 which witnessed a decline in corporate travel during the year-end holidays.

The Hotel room demand across both business and leisure destinations remained strong during the primarily driven by Meetings Incentives, Conferences and Exhibitions (MICE), weddings and fiscal year end and related travel and meetings. Most business cities performed well with occupancy levels at 70% and witnessed strong growth in Average Daily Occupancy (ADR) levels. 10 hotels signed in Q1 2023 were conversions of other hotels, which constituted 19 percent of the inventory signed. Bengaluru witnessed the highest growth in Revenue Per Available Room (RevPAR) in January to March at 183.7 percent over Q1 2022.

2022 was all about getting back on track for the hospitality industry after the covid-19 dark ages (2020-2021). In some ways, the year surpassed expectations and forecasts, but there is still a long road ahead. Some of the biggest challenges and trends for the hospitality sector are:

**Smart rooms are here to stay:** This is one of the trends that gained traction during COVID-19 and its probably here for the long run. Modern smart hotels make routines more convenient and safer. But that's not the reason why they are the future of hospitality. When guests can adjust everything to their liking with ease, it creates a better customer experience.

One of the greatest trends within this is wider trend is voice recognition. Although this technology is still in the early stages of development, voice control has great potential to deliver the ultimate customer experience. Guests will be able to make a restaurant reservation, change the room temperature or ask for directions with a simple voice command.

**RIP 'Staycations', welcome back vacations:** Staycations were all the rage in the last few years. Thankfully the trend is as done and dusted as Prison break and vacations are officially back. The hospitality and travel industries seem to be on a nice, upward trend that will be able to restore the health of the sectors and an all-around positivity is spreading through the professionals in these areas.

**Sustainability as a major decision factor:** Covid made people more aware of environmental issues and the role we play in them. The energy crisis and gen-z now being old enough to travel on their own just reinforced what was already a trend. Three changes we dare to make in 2023:

- ✓ Cut-down on single-use plastics, including miniature shower gel and shampoo bottles. If you insists on using individual packages and not refillable bottles, look for plant based bottles or recycled plastic.
- ✓ Source food from local farms and provide vegetarian options to decrease your carbon footprint.
- ✓ Install a vertical garden to offset emissions and bring nature to your hotel.

**Cyber security:** When was the last time someone phoned your reception, asked if you had a room available and booked a suite? And even if that happened, where did their personal date and payment details go? These days most guest book and pay for hotels online. Even travel agencies work online. Everything is stored somewhere on the computer.

Surprisingly, taking into consideration that hotels deal with quiet sensitive data, cyber security hasn't been tackled in the hospitality industry. Now, lo and behold, according to PwC's hotel outlook report (2018-2022), hospitality has the second highest number of cyber security breaches only behind the retail sector.

Even big hotel chains, like Hilton and Marriot, have experienced extensive credit card data breaches. But better late than never! 2023 sounds like a good year to work on your hotel's cybersecurity. Stop using legacy systems and implement software that's regularly updated, has a strong firewall, and helps customers avoid phishing attacks.

**Predictive Smart System:** Data and facility management is highly crucial in hotel industry. Hotels can tremendously benefit from data to forecast trends and improve their guest's experiences. Collecting data about what guests do or don't do, order or don't order, the services they use or don't use can help the hotel industry understand which experiences they value the most or what they like or dislike in the future and what kind of offers, which tempts them to book again. We can gather data about HVAC equipment to understand what room temperature the guests prefer and how long the equipment must be running before they arrive. That's a specific example of how data can help you provide a better experience and cut costs at the same time.

**Experience:** Experiential holidays are one of the biggest trends in tourism and many people are choosing 'experiences' and 'retreats' often supporting local business over mass tourism. Previously only luxury hotels used to cater to the 'experience niche' presenting themselves as an experience on their own. If the hotel too focused on location, it may be a challenge to adjust to these experiences seeking guests. By joining with local guides and other local businesses to help the guests discover, enjoy and experience their destination to the fullest and help

them to build memories they will treasure for life!. Even for conferences and meetings, the hotel should be able to offer innovative tools to impress the clients and make those corporate experiences memorable with the right event management software.

*Up skilling:* The popularity of remote work due to Covid-19 and the trend of quiet quitting is costing all sorts of companies money in increased wages and salaries, as well as supply chains disruptions. To avoid overpaying and ensure a good fit with new hires, many companies including the ones in the Hospitality sector are choosing to upskill or reskill their current items.

This not only helps employees feel valued and increases their value to the company, but also improves productivity and well-being within the business. Training current staff can be a cost effective way to address the labour shortage and meet the evolving needs of the business.

*Embrace Maintenance:* Maintenance is one of the most challenging tasks in hospitality. Several teams and assets deal with whilst maintaining customer satisfaction rates up and having all those sweet reviews of the business. With 2023 being the year, hotels and other accommodation solutions get back in shape. Few Housekeeper App allows staying informed about everything that is happening in one simple, yet powerful dashboard.

*Challenges in hospitality industry:*

*Staff Shortages and Retention:* Staff shortages have impacted the hospitality industry over the last few and now more than ever present a significant issue for businesses. Shortages are at an all time high, with an increase of 83% more vacancies advertised and a shortfall of 1,70,000 hospitality jobs currently available in UK. A further report noted that 45% of hospitality operators in the UK have been forced to cut capacity or opening hours due to shortages in staff.

To tackle staff retention, investing in team training has never been more important. To further attract staff various lobby groups are campaigning for fair wages, flexible set-ups to working hours and are also asking the Government to review its occupation shortage list in a bid to attract more overseas workers.

*Cost of living crisis:* The exponential rise in prices impacts the hospitality industry two-fold. First from a consumer perspective where the public have less money to spend eating or drinking out, then also for their businesses' own rising costs. After two years of pandemic-impacted trade, recent trends indicate that consumers are returning to hospitality in promising numbers. Hospitality businesses now face the challenge of an increase in 55.2% in operating costs, with industry groups lobbying the government for extra financial support for the industry.

*Increase in Hospitality Tech:* Over the course of the pandemic we saw a huge shift in the use of technology throughout hospitality. This tech helped businesses adapt to changing needs and also to improve customer experience. As we enter into a post-pandemic stage customers have a higher expectation when it comes to experience and technology, with those who fail to address this risking efficiency and customer loyalty. Technology also offers opportunities for hospitality. Tech solutions will help to save time, improve efficiency and cut back on costs. Other back-office tech options can support all areas of the business.

*Environmental considerations:* The climate-crisis is at the forefront of the public's mind and conversation. In 2023, hospitality businesses must not just be conscious of their environmental impact due to the financial implications of rising energy costs, but also of consumer expectations and behaviour too.

In Booking.com's Sustainability Report it was found 83% of global traveller's value sustainability as something vital. This is a growing trend and challenges that hospitality businesses will continue to face for the foreseeable future. Switching to digital is just one way you can save on costs while also being more environmentally-friendly.

### **c) Segment-Wise Performance**

During the year under review, Profit before tax was Rs. (1,082.91) lakhs as against Rs. (259.24) lakhs in the previous year. The company reported a loss after tax for financial year 2022-2023 of Rs.808.35 lakhs. During the year under review, the Company started its business operations under the name of 'Pharos Hotels', which is a unit of Aruna Hotels Limited. The Company is in the process of stabilizing its operations which might take a few quarters to post healthier numbers.

### **d) Outlook**

It is no secret that among the many sectors that took a beating during the Covid-19 pandemic, the hospitality industry was one of the worst hit as travel restrictions and lockdowns severely impacted business. However, after the world

began its return to the normalcy and the hospitality industry started to revive, it is expected that 2023 will take this resurgence to the next level. The Industry's recent performance has been promising, with occupancy of 70% registered in the third quarter of 2022-2023. This was followed by a record 11-13% higher average room rate in the fourth quarter compared to the same period in 2019, indicating a positive trend in recovery.

Despite the headwinds to the global economy in the form of recession, inflation and labour crunch, the Indian hospitality industry's performance in the new financial year is expected to be largely stable, driven by strong domestic demand and a rise in international arrivals.

Some of the factors that are likely to shape the Industry's outlook for 2023 are as:

*Robust Domestic Demand:* In 2022, the hospitality Industry received a significant boost from the domestic leisure segment, which is also expected to continue the recovery in demand this year. Domestic Tourism is touching pre-pandemic levels, with hotels reporting occupancies close to those seen before the Covid-19 outbreak. A study conducted last year revealed that 78% of Indian respondents had plans to travel in 2023, suggesting that the tourism industry is likely to experience a substantial increase in demand this year. The industry is anticipating a surge in business from both domestic and international markets.

*Demand Supply mismatch:* While the hospitality industry is experiencing a rebound, travellers can expect higher room tariffs in the near future d

ue to the current demand-supply mismatch. With the resurgence in the travel and tourism sector, occupancy levels at hotels are approaching pre-pandemic levels and average room rates on the rise. In fact, hotel prices across most destinations have risen by 15-20 percent this year due to the surge in demand from the wedding season and events. The demand for rooms is surpassing the available supply due to lack of hotel developments over the past few years. A situation that may not change for at least the next couple of years.

*Staycations to remain attractive:* In the past couple of years, there has been a growing trend of people opting for staycations to unwind and take a break without burning a hole in their pockets due to travel costs. And staycations are here to stay due to their convenience, affordability and sustainability, as they involve less travel. Promoting sustainable tourism through local experiences can also help build a dedicated customer base for hospitality companies. Hotels must ensure that they have the necessary digital infrastructure, amenities and comforts to attract and retain remote workers as long-term customers, having the potential to help drive their business forward.

*Shift toward sustainable practices:* The hospitality industry has seen a rise in sustainable and environmentally responsible practices, and it is likely to persist in the coming years as travellers become more aware of the environmental impact of their choices. India has set a target of achieving net-zero carbon emissions by 2070 and the hospitality industry is working to contribute to this. To reduce their carbon footprint, organisations are making a shift to use environmentally friendly cleaning products and increasing efficiency in water and energy usage through judicious utilisation. Apart from implementing eco-friendly practices within their own operations, hotels can also ensure that the suppliers of the products and services they source are adhering to environmental, social and governance practices. By sourcing sustainable materials and products in terms of food and beverages or cleaning, hotels can contribute to the reduction of carbon emissions associated with transportation and production.

The hospitality industry is poised to continue its rebound in 2023 after showing signs of recovery in previous year's performance. Business is expected to remain steady for this year and by capitalising on emerging trends such as staycations and sustainability, the industry can attract and retain loyal customers, create a positive impact and achieve long term success in the post pandemic era.

#### ***(e) Risk & Concern***

The Company always ensures that the risk management process is also an integral part of yearly business plan and it involves a systematic approach to identify, assess, manage and monitor risks that can affect the organisation's ability to achieve its objectives.

#### ***(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 the hotel. 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.

The establishment of an effective corporate governance and internal control system is essential for sustainable growth and long-term improvements in corporate value. To ensure that, the Company has created an adequate system of internal controls. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, protecting assets and compliances with regulations and minimising of losses wherever possible.

The Company has appointed a professionally experienced internal audit firm to carry out periodical internal audit. The internal auditors appointed by the Company submit their reports with observations to the Management regularly. All the significant internal audit observations and corrective action plans are presented to the Audit Committee.

***(g) Discussion on financial performance with respect to operational performance.***

During the year under review, the Company started its business operations under the name of 'Pharos Hotels', which is a unit of Aruna Hotels Limited. The company reported a loss after tax for financial year 2022-2023 of Rs.808.35 lakhs.

***(h) Material developments in Human Resources:***

Material development in human resources for hotels is crucial to ensuring the hospitality staff is well-trained, motivated, and equipped with the necessary skills to provide excellent service to guests. Here are some specific areas of material development in human resources for hotels:

**Customer Service Training:** Develop training modules and materials focused on customer service skills, including handling guest inquiries, resolving complaints, and maintaining a positive attitude.

**Standard Operating Procedures (SOPs):** Create comprehensive manuals that outline the hotel's standard operating procedures for various departments, such as the front desk, housekeeping, food and beverage, and maintenance.

**Hospitality Etiquette and Communication:** Provide resources that guide employees on proper etiquette, professional communication, and the use of language to create a warm and welcoming atmosphere.

**Technical Skills Training:** Offer training materials that cover specific technical skills required in different departments, such as food preparation, housekeeping techniques, or event planning.

**Health and Safety Training:** Develop materials on health and safety protocols, including emergency procedures, fire safety, food handling safety, and workplace ergonomics.

**Cultural Sensitivity and Diversity Training:** Create resources to promote cultural awareness and sensitivity, given the diverse backgrounds of both staff and guests in hotels.

**Upselling and Sales Training:** Provide materials to enhance the sales skills of staff, such as techniques for upselling room upgrades, additional services, or special packages.

**On boarding Kits:** Prepare comprehensive on boarding kits for new employees, including welcome materials, company culture information, and an overview of their job responsibilities.

**Language Training:** If the hotel serves an international clientele, offer language training materials to help staff communicate effectively with guests from various regions.

**Leadership Development:** Develop materials to support the growth and development of supervisors and managers, focusing on leadership skills, team management, and performance coaching.

**Technology Training:** Provide resources to help staff become proficient in using hotel management software, reservation systems, and other technology tools used in the hotel industry.

**Guest Experience Enhancement:** Develop materials that guide employees on enhancing the overall guest experience, including personalized service, anticipating guest needs, and exceeding expectations.

**Environmental Sustainability:** Create materials that promote sustainability practices within the hotel, encouraging staff to be environmentally responsible and reduce the hotel's ecological footprint.

**Conflict Resolution and Stress Management:** Offer resources to help employees manage conflicts effectively and cope with stress in high-pressure situations.

Career Development Plans: Provide materials that outline career paths within the hotel, offering guidance on advancement opportunities and skill development.

Regularly updating and refreshing these materials based on employee feedback, industry trends, and guest expectations is essential to ensure the hotel's human resources strategy remains effective and aligned with the organization's goals. Additionally, integrating interactive and engaging elements into the training materials can enhance the learning experience and retention of information.

Total number of people employed was 15 employees during the year under review.

***(i) Details of Significant Changes in Key Financial Ratios***

<b>Particulars</b>	<b>Current year (2022-2023)</b>	<b>Previous year (2021-2022)</b>	<b>% Change</b>
Debtors' turnover*	4.14	-	100%
Inventory turnover	4.61	-	100%
Interest coverage ratio**	-2.17	0.30	-824%
Current ratio***	0.21	0.14	50%
Debt Equity ratio	4.86	5.72	-15%
Operating Profit margin*	0.57	-	100%
Net profit margin	-0.34	-0.67	-49%
Details of any change in Return on Net Worth as compared to the immediately previous financial year	-0.29	0.13	-321%

\*the change in Debtors turnover, operating profit margin are because of revenue from operations

\*\*there is a decrease in the net loss of the Company as the interest from loans borrowed from related parties has been waived off.

\*\*\*Increase in current ratio is due to increase in Cash and Cash equivalents

***(j) details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.***

Since the company has started its operations in the current year and has incurred loss, the change in networth is primarily due to the losses incurred. Further in the previous year there was an impact of Deferred Tax

**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

### CORPORATE GOVERNANCE REPORT

A report on compliance with the Corporate Governance provisions as prescribed under Regulation 34(3) read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) as amended for the year ended March 31, 2023 is detailed below:

#### 1. 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 imbibe 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.

#### 2. BOARD OF DIRECTORS

a. The Board comprises of a balanced and an optimum combination of Non-Executive and Independent Directors in addition to the Managing Director (MD).

The Board as on March 31, 2023 comprises of 5 (five) Directors, out of which two are Non-Executive Independent Directors (including one Independent Woman Director), two are Non – Executive, Non – Independent Directors and One is a Managing Director.

Name of the Director	Category & Designation	No. of Board Meetings attended during FY 2022-2023	Whether attended Last AGM held on 23.09.2022	Number of Directorships in other Companies	Number of Committee positions held in other Public Companies	
					Chairman	Member
**Mr. Radhaswamy Venkateswaran	Executive, Managing Director	6	Yes	Nil	Nil	Nil
Mr. Suyambu Narayanan	Non-Executive, Independent Director	6	Yes	Nil	Nil	Nil
Mrs. Freeda Gnanaselvam Kanagiah	Non-Executive, Independent Director	6	Yes	Nil	Nil	Nil
Mr. Muralidharan Ramasamy	Non-Executive, Non- Independent Director	6	Yes	Nil	Nil	Nil
\$Mr. Rajakumar Kumaravelayatha Nadar	Non-Executive, Non- Independent Director	3	Yes	Nil	Nil	Nil
#Mr. R Rajkumar	Non-Executive, Non-Independent Director	4	Yes	Nil	Nil	Nil

Note:

\*\*Mr. Radhaswamy Venkateswaran was appointed by the Board of Directors at their meeting held on 10.03.2022 on recommendation of Nomination and Remuneration Committee as Additional cum Managing Director of the Company with effect from 10.03.2022 approved by the shareholders meeting held vide Postal Ballot through remote e-voting process.

\$ Mr. Rajakumar Kumaravelayatha Nadar resigned from the Board with effect from 12.08.2022.

#Mr. R Rajkumar was appointed as Additional Director by the Board of Directors at their meeting held on 12.08.2022 on recommendation of Nomination and Remuneration Committee and his regularization as Director of the Company was placed and approved before shareholder meeting held on 23.09.2022 (AGM 2022) .



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

**Board Meetings:**

6 (Six) meetings of the Board of Directors were held during the financial year 2022-2023. The said meetings were held on 27.05.2022, 11.08.2022, 12.08.2022, 26.08.2022, 12.11.2022 and 13.02.2023. The time gap between any two Board Meetings did not exceed one hundred and twenty days (120 days).

The Directors do not have any relationships inter-se with each other. None of the Directors holds any shares or convertible instruments in the Company.

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.

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](http://www.arunahotels.com).

List of core skills/expertise/competencies identified by the Board:

Name of the Director	General Management	Finance	Legal	Marketing
Mr. Radhasawamy Venkateswaran	√			√
Mr. Suyambu Narayanan	√	√		
Mr. Freeda Gnanaselvam Kanagiah	√			
Mr. Muralidharan Ramasamy	√	√	√	
Mr. Rajakumar Kumaravelayetha Nadar	√		√	√
Mr. R Rajkumar	√			√

The Independent Directors have submitted declarations that they meet the criteria of independence as provided in Regulation 16(1)(b). In the opinion of the board, Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are Independent of the Management.

**Resignation of Independent Director:**

During the year under review, none of the Independent Directors of the Company had resigned before the expiry of their respective tenure(s).

**3. AUDIT COMMITTEE:**

*Terms of Reference:*

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;

- (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- (3) reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
  - (4) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - (5) recommendation for appointment, remuneration and terms of appointment of auditors of the Company, including their replacement or removal;
  - (6) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  - (7) reviewing and monitoring with the management, independence and performance, of statutory and internal auditors, adequacy of the internal control systems, and effectiveness of audit process;
  - (8) evaluation of internal financial controls and risk management systems;
  - (9) reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - (10) discussion with internal auditors of any significant findings and follow up there on;
  - (11) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - (12) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - (13) approval or any subsequent modification of transactions of the Company with related parties;
  - (14) reviewing of related party transactions entered into by the Company pursuant to omnibus approval(s), on quarterly basis
  - (15) scrutiny of inter-corporate loans and investments;
  - (16) valuation of undertakings or assets of the Company, wherever it is necessary;
  - (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - (18) Reviewing the financial statements, in particular the investments, if any made by the unlisted subsidiary company(ies)
  - (19) to review the functioning of the whistle blower mechanism/vigil mechanism;
  - (20) approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
  - (21) reviewing mandatorily the following information:
    - (a) The Management Discussion and Analysis of financial condition and results of operations;
    - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
    - (c) Management letters/letters of internal control weaknesses issued by the statutory auditors;
    - (d) Internal audit reports relating to internal control weaknesses;
    - (e) appointment, removal and terms of remuneration of the Chief internal auditor / internal auditor(s); and

(f) Statement of deviation:

- i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
- ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

(22) Carrying out any other function as is mandated by the Board from time to time and/or enforced by any statutory / regulatory requirement, as may be applicable.

(23) Review its Terms of Reference on an annual basis and recommend any changes to the Board;

(24) In terms of the Insider Trading Code adopted by the Company, the Committee shall consider the following matters: –

- (i) To approve policies/framework in relation to the implementation of the Insider Trading Code and to supervise implementation of the Insider Trading Code.
- (ii) To note and take on record the status reports detailing the dealings by Designated Persons in Securities of the Company, as submitted by the Compliance Officer on a quarterly basis.
- (iii) To provide directions on any penal action to be initiated, in case of any violation of the Prohibition of Insider Trading Regulations by any person.

Four (4) 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: 27.05.2022, 12.08.2022, 12.11.2022 and 13.02.2023. All the committee members attended all the meetings of the Committee.

**CATEGORY, COMPOSITION, MEETINGS & ATTENDANCE OF AUDIT COMMITTEE**

S.No.	Name	Nature of the Directorship	Designation in Committee	No of Meetings held during the year	
				Held	Attended
1.	Mr. Suyambu Narayanan	Non-Executive, Independent Director	Chairperson	4	4
2.	Mrs. Freeda Gnanaselvam Kanagiah	Non-Executive, Independent Director	Member	4	4
3.	Mr. Muralidharan Ramasamy	Non-Executive, Non-Independent Director	Member	4	4

**4. NOMINATION AND REMUNERATION COMMITTEE (NRC)**

***Terms of reference:***

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director;
2. To devise a policy on Board diversity;
3. To identify persons who are qualified to become Director in accordance with the criteria laid down and recommend to the Board, their appointment/removal;
4. To identify persons who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board, their appointment /removal;
5. To formulate and recommend to the Board policies relating to the remuneration for:
  - a. Directors;
  - b. Key Managerial Personnel; and
  - c. Other Employees of the Company;

6. To formulate criteria for performance evaluation of independent directors and the Board and to carry out evaluation of every director's performance;
7. To recommend remuneration payable to Managing Directors and Whole-time Directors;
8. To recommend the sitting fees payable, if any to Non-Executive Directors;
9. To review and recommend nature of services rendered by any director in other capacity and requisite qualification thereof;
10. To discharge the roles envisaged under the SEBI (Share Based Employee Benefits) Regulations, 2014;
11. Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
12. Review its Terms of Reference on an annual basis and recommend any changes to the Board;
13. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory / regulatory requirement, as may be applicable."

One (1) meeting of the Nomination and Remuneration Committee was held during the year under review. The date of the said meeting was on: 12.08.2022. All the committee members attended the meeting of the committee and Company Secretary acts as the Secretary to the Committee and is also the Compliance officer of the Company.

**CATEGORY, COMPOSITION, MEETINGS & ATTENDANCE OF NOMINATION & REMUNERATION COMMITTEE**

S.No.	Name	Nature of the Directorship	Designation in Committee	No. of Meetings during the year	
				Held	Attended
1.	Mrs. Freeda Gnanaselvam Kanagiah	Non-Executive, Independent Director	Chairperson	1	1
2.	Mr. Suyambu Narayanan	Non-Executive, Independent Director	Member	1	1
3.	Mr. R Rajkumar	Non-Executive, Non-Independent Director	Member	1	1

***Performance evaluation criteria of Independent Directors:***

The performance evaluation of the Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated. They undertake appropriate induction and regular update and refresh their skills, knowledge and familiarity with the company. They are also evaluated based on their skills, knowledge, professional expertise, attendance and active participation in all Board meetings and committee meetings of the Company, adherence to the code of conduct and ethics of the Company and Independent Directors as applicable, ability to adapt to the changing environment and not disclosing confidential information and protecting legitimate interest of the company, shareholders and employees.

**5. STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)**

***Terms of Reference:***

1. To oversee and review all matters connected with the transfer of the Company's securities and to approve allotment, transfer / transmission of securities;
2. To consider, resolve and monitor redressal of investors' complaints/ grievances like non-transfer of securities, non-receipt of annual report, non-receipt of dividends, etc.;
3. To approve issue of duplicate share certificates and new certificates on split/consolidation/renewal;
4. To oversee the performance of the Company's Registrar and Share Transfer Agent(s);
5. To recommend methods to upgrade the standards of services to investors;

## ARUNA HOTELS LIMITED

6. Review its Terms of Reference on an annual basis and recommend any changes to the Board; and
7. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory / regulatory requirement, as may be applicable.”

Three (3) meetings of the Stakeholders Relationship Committee were held during the year under review. The dates of the said meetings are as: 12.08.2022, 12.11.2022 and 13.02.2023. All the committee members attended all the meetings of the committee and Ms. K Lakshmi, Company Secretary acts as the Secretary to the Committee and is also the Compliance officer of the Company.

### CATEGORY, COMPOSITION, MEETINGS & ATTENDANCE OF STAKEHOLDERS RELATIONSHIP COMMITTEE

S.No.	Name	Nature of the Directorship	Designation in Committee	No. of Meetings during the year	
				Held	Attended
1.	Mr. Rajkumar	Non-Executive, Non-Independent Director	Chairperson	3	3
2.	Mr. Suyambu Narayanan	Non-Executive, Independent Director	Member	3	3
3.	Mrs. Freeda Gnanaselvam Kanagiah	Non-Executive, Independent Director	Member	3	3

The following are details of investor complaints received and redressed during the financial year 2022-2023

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
0	2	2	0

But, as on date of this report there are no pending complaints and the same is resolved.

#### 5A. RISK MANAGEMENT COMMITTEE:

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

#### 5B. SENIOR MANAGEMENT:

Particulars of senior management of the Company as on March 31, 2023:

Name	Designation
Mr. Lyndon Antonio D'Silva	General Manager
Mr. Dhinesh Jeba	HR Manager
Mr. Nagarajan P	Chief Financial Officer
Ms. K Lakshmi	Company Secretary & Compliance Officer

Changes in Senior Management during the financial year 2022-23: There were no changes in the senior Management during the financial year 2022-2023

**6. REMUNERATION OF DIRECTORS:**

- a.) None of the non-executive directors had any pecuniary relationship with the Company.
- b.) Criteria of making payments to non-executive directors is available at [www.arunahotels.com](http://www.arunahotels.com)
- c.) Disclosures with respect to remuneration:

(i) The details of remuneration paid to the Managing Director of the Company for the FY 2022-2023 as follows:

Rs. in lakhs

Name	Consolidated Salary	Benefits Bonus	Stock options	Pension	Sitting fees/ Commission/others	Total
Radhaswamy Venkateswaran	2.52	-	-	-	-	2.52

(ii) Details of fixed component and performance linked incentives, along with the performance criteria – Nil

(iii) Service Contracts, Notice period, severance fees: Mr. Radhaswamy Venkateswaran, Managing Director is under contract employment with the Company which stipulates a notice period of 2 (two) months in writing and which may be terminated by either of the parties.

(iv) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable – Nil.

**Remuneration**

No sitting fees or remuneration were paid to the Non-Executive Directors and Independent Directors of the Company for attending the meetings of the Board and Committees, during financial year 2022-2023.

**7. GENERAL BODY MEETINGS**

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

Financial Year	Date and Time	Venue
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')
March 2021 (2020-2021)	*AGM on November 19, 2021 at 10.00 a.m. (IST)	AGM held through Video Conferencing ('VC')/ Other Audio- Visual Means ('OAVM')
March 2022 (2021-2022)	AGM on September 23, 2022 at 10.00 a.m. (IST)	AGM held through Video Conferencing ('VC')/ Other Audio- Visual Means ('OAVM')

\*AGM 2021 was held on availing the general extension of time for holding AGM for the FY ended 31.03.2021 given by Registrar of Companies (RoC), Chennai vide Ref No: ROC-CHN/96-AGM/2021

**b. Special Resolutions passed in the previous three Annual General Meetings:**

1) 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. Freeda Gnanaselvam Kanagiah (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 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

2) At the AGM held on November 19, 2021 through Video Conferencing/ Other Audio-Visual Means: **No special resolutions was/were passed.**

**Extraordinary General Meetings:**

No Extraordinary general meeting of the members was held during Financial Year 2022-2023.

**POSTAL BALLOT: REMOTE E-VOTING PROCESS:**

During the FY 2021-2022, 2(two) special resolutions were passed through Postal Ballots (by remote e-voting means) were conducted for obtaining the approval of the members of the Company. Date of Postal Ballot Notice was on March 10, 2022 and Date of declaration of Results was on 16.04.2022. The details of the Postal Ballots conducted are as below:

Resolution No.1: Re-appointment of Mr. Suyambu Narayanan (DIN: 07718798) as an Independent Director of the Company

Brief about Resolution No.1:

Appointment of Mr. Suyambu Narayanan as an Independent Director for a second term of 5 (five) consecutive years commencing from 10.02.2022 to 09.02.2027.

**Resolution No.2:** Appointment of Mr. Radhaswamy Venkateswaran (DIN: 09532159) as Director cum Managing Director of the Company

**Brief about Resolution No.2:** The Board of Directors of the Company has appointed Mr. Radhaswamy Venkateswaran, (DIN:09532159) at the Board Meeting held on 10.03.2022 based on the recommendation of Nomination and Remuneration Committee subject to approval of the shareholders as an Additional Director and Managing Director for a period of Five (5) consecutive years commencing from 10.03.2022 to 09.03.2027.

**8. Means of Communication:**

During the year under review, as stipulated under Regulation 33 read with Regulation 47 of SEBI (Listing Regulations, 2015), the quarterly and Annual financial Results are intimated to the BSE Limited (Stock Exchange, where the shares of the Company are listed) and published in one English newspaper (Financial Express – Country wide edition) and one Tamil newspaper (Makkal Kural – Tamil Nadu Edition). The results are also displayed on the website of the Company at [www.arunahotels.com](http://www.arunahotels.com). The information stipulated under Regulation 46 of the Regulations is also available on the website of the Company.

During the year, there were no official news or press release and presentations made to the institutional investors or to the analysts that to be displayed on the website of the Company.

**9. GENERAL SHAREHOLDER INFORMATION**

S.No.	Particulars	Information for Shareholders
a.	Date, Time and Venue of the Annual General Meeting (AGM) for the financial year 2022-2023	Date & Time: September 15, 2023 at 10.00 a.m. (IST) Venue: Through Video Conferencing (VC) and Other Audio-Visual Means (OAVM)
	Cut-off date for e-Voting	Thursday, September 07, 2023
	Date of Book Closure	Saturday, September 09, 2023 to Friday, September 15, 2023 (both days inclusive)
	E-Voting dates	September 12, 2023 (Tuesday) from 9.00 A.M. to September 14, 2023 (Thursday) to 5.00 P.M.
b.	Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
c.	Dividend payment date	Not applicable as the Company has not declared any Dividend
d.	The name and address of each Stock Exchange(s) at which the listed entity's shares are listed and a confirmation about payment of annual listing fees to each of such stock exchange	Name of the Stock Exchange (SE): The BSE Limited Address of the Stock Exchange: Phiroje Jeejeebhoy Towers, Dalal Street, Mumbai 400001 Confirmation on Payment of Annual Listing Fee to the Stock Exchange: Annual listing fees for FY 2022-23 was paid to BSE Limited, the stock exchange where the company shares are listed are
e.	Stock/ Scrip Code (BSE)	500016

**f. Market Price Data – Financial Year 2022-2023:**

Months	Aruna Hotels Limited (AHL) Share Price	
	High	Low
April-2022	13.28	9.65
May-2022	13.10	9.65
June-2022	12.95	10.41
July-2022	15.05	11.02
August-2022	15.90	13.95
September-2022	18.96	14.43
October-2022	17.95	14.30
November-2022	17.95	14.00
December-2022	17.50	12.25
January-2023	15.47	12.25
February-2023	14.49	11.41
March-2023	14.40	12.05



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g. Performance in comparison to broad based indices such as BSE Sensex:

Months	AHL High-Low		BSE High-Low	
	High	Low	High	Low
April-2022	13.28	9.65	60,845.10	56,009.07
May-2022	13.10	9.65	57,184.21	52,632.48
June-2022	12.95	10.41	56,432.65	50,921.22
July-2022	15.05	11.02	57,619.27	52094.25
August-2022	15.90	13.95	60,411.20	57367.47
September-2022	18.96	14.43	60,676.12	56,147.23
October-2022	17.95	14.30	60,786.70	56,683.40
November-2022	17.95	14.00	63,303.01	60,425.47
December-2022	17.50	12.25	63,583.07	59,754.10
January-2023	15.47	12.25	61,343.96	58,699.20
February-2023	14.49	11.41	61,682.25	58,795.97
March-2023	14.40	12.05	60,498.48	57,084.91

h. During the year under review and as on date there is/was no instance(s) as to suspension of trading of securities of the Company.

**i. Registrar and Share Transfer Agents:**

Registrar to an Issue and Share Transfer Agents (RTA)	M/s MCS Share Transfer Agent Limited 3B3, 3rd Floor, Gundecha Onclave, Kherani Road, Sakinaka, Andheri (E), Mumbai 400072 Phone: 022-28516021/22
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**j. Share Transfer System:**

During the financial year 2022-2023, the Company's RTA ensured compliance with all procedural requirements with respect to request for transfer, transmission, transposition, name deletion/ change of name, Demat etc.

The Company has a Stakeholders Relationship Committee at the Board level to redress and examine the Investors' complaint. The status of complaints and share related issues if any are reported periodically to the Committee.

In terms of amended Regulation 40(1) of SEBI Listing Regulations, with effect from April 01, 2019, securities of listed companies can be transferred only in dematerialised form.

Further SEBI, vide its circular dated January 25, 2022, mandated all listed companies to issue securities in dematerialized form only, while processing the service request of issue of duplicate share certificates, claim from unclaimed suspense account, renewal and exchange of securities certificate, endorsement, sub-division, splitting, consolidation of share certificates/ folios, transmission and transposition. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form.

In this regard, shareholders holding shares in physical form are requested to dematerialize their shares in order to avail the better liquidity. Further the members/ claimants are required to make a request for such services by submitting a duly filled Form ISR- 4, the format of which is available in the company's website at [www.arunahotels.com](http://www.arunahotels.com)--> Investor Relations SEBI KYC Forms

Pursuant to Regulation 40(9) of the SEBI Listing Regulations, certificate, on annual basis, has been issued by a Company Secretary in Practice with respect to due compliance of share and security transfer formalities by the Company.

**k. Distribution of shareholding as on March 31, 2023:**

<b>S.No</b>	<b>Category (by No. of shares)</b>	<b>No. of Folios</b>	<b>No. of Shares</b>	<b>% of total paid up equity capital</b>	<b>% of total</b>
1.	1 - 500	23244	2751728	8.1172	95.2424
2.	501-1000	726	536245	1.5818	2.9748
3.	1001-2000	167	252279	0.7442	0.6843
4.	2001-3000	56	137331	0.4051	0.2295
5.	3001-4000	27	96382	0.2843	0.1106
6.	4001-5000	35	165606	0.4885	0.1434
7.	5001-10000	45	346011	1.0207	0.1844
8.	10001-50000	67	1319496	3.8923	0.2745
9.	50001-100000	12	881147	2.5993	0.0492
10.	And above	26	27413775	80.8666	0.1065
<b>Total</b>	<b>24,405</b>	<b>3,39,00,000</b>	<b>100.00</b>	<b>100.00</b>	

**l. Dematerialization of Shares and liquidity**

The Company's shares are traded regularly in dematerialised form on the BSE Stock Exchange and are available for trading with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity Shares of the Company representing 91.44% of the Company's equity share capital are dematerialized as on March 31, 2023.

Under the Depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE957C01019.

**m. Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or Warrants or any convertible instruments, conversion date and likely impact on equity**

No GDRS/ADRS/Warrants or any convertible instruments have been issued by the Company which were pending for conversion as on March 31, 2023.

**n. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:** Not Applicable

**o. Plant Locations:** Company's Hotel building premises located at Nungambakkam, Chennai. It has no Plants.

**p. Address for correspondence:**

Shareholders correspondence should be addressed to the Company's Registrar of Companies, MCS Share Transfer Agent Limited at 3B3, 3rd Floor, Gundecha Onclave, Kherani Road, Sakinaka, Andher (E), Mumbai - 400072 or contact on telephone numbers at: 022 – 28516021 / 22

Shareholders may also write to contact the Company Secretary of the Company at the following address for any assistance:

Company Secretary & Compliance Officer

Aruna Hotels Limited,

145, Sterling Road, Nungambakkam,

Chennai 600034, Tamil Nadu

Contact No.: 044- 4588 4580

Email: cs@ah Chennai.com

**q.** List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.–Nil

**10. OTHER DISCLOSURES:**

*(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:*

There were no materially significant related party transactions that had potential conflict with the interests of the Company at large. Transactions in the ordinary course of business with the related parties are disclosed in the Note No.19.to Standalone Financial Statements for the financial year 2022-2023.

*(b) 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;*

- *During the year under review, Securities Appellate Tribunal (SAT) Review Application No.86 of 2022 and Miscellaneous Application No.1758 of 2022, Mumbai had been dismissed vide order dated February 14, 2023*
- *As on the date of this report, the following shareholders of the Company were alleged to have violated provisions of Regulation 3(2) read with Regulation 13 (1), Regulation 29 (2) read with 29(3) and Regulation 10(5), 10(6) and 10(7) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 (SAST Regulations).*

1. *Balasubramanian Sivanthi Adityan*
2. *Sri Devi Agencies Private Limited*
3. *Chandramohan R*
4. *Anita Kumaran*
5. *Jayanthi Natarajan*
6. *Gay Travels Private Limited*
7. *Subasri Realty Private Limited*
8. *Rani Printers Private Limited*
9. *Sovereign Media Marketing Private Limited*
10. *Chithan V*

*The Said shareholders had availed the benefit of settlement process with SEBI in respect of the Show Cause Notice issued dated 20.09.2022 under Rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 in the matter of Aruna Hotels Limited by the Chief and General Manager & Adjudicating Officer, SEBI.*

*In relation thereto, the Company had submitted disclosures under Regulations 10(5), 10(6), 29(1) and 29(2) of SEBI SAST Regulations for the inter se transfer as per Memorandum of Compromise among the Promoters pertaining to the financial year 2015-2016.*

*Referring to the Application for availing settlement in terms of SEBI (Settlement Proceedings) Regulations, 2018, SEBI on 23.05.2023 accepted the settlement proposal which was filed by the said shareholders. The said application along with the Revised Settlement Terms proposed by the said shareholders were examined by the Independent High Powered Advisory Committee (HPAC) and recommended the specified proceedings be settled upon payment of Rs.2,32,05,000/-. Upon consideration of the recommendation of the HPAC, SEBI has in principle agreed to accept the terms of settlement recommended by the HPAC.*

*In acceptance thereof by SEBI, the shareholder M/s Subasri Realty Private Limited on its behalf and on behalf of the other shareholders has accordingly paid amount of Rs.2,32,05,000/- (Rupees Two Crores Thirty Two Lakhs and Five Thousand only) towards Settlement fees.*

*In this regard, SEBI vide its Settlement order dated June 07, 2023 passed an Order such that, in view of acceptance of the settlement terms and receipt of the Settlement amount as above by SEBI, an instant adjudication proceedings initiated against the Applicants (as above mentioned) vide SCN dated September 20, 2022 is disposed off in terms of Section 15JB of the SEBI Act read with Regulation 23(1) of the Settlement Regulations on the basis of the settlement terms.*

- During the Financial year 2020-2021, the company has delayed in intimating under Regulation 23(9) of SEBI (Listing Regulations), 2015 pertaining to the half-yearly period ending September 2020 to the Stock Exchange, the BSE Limited and fine amount of Rs. 2,47,800/- (Rupees Two Lakhs Forty-Seven thousand and eight hundred only) imposed by BSE Limited. The finewas paid on January 19, 2021 during the year 2020-2021. Thereafter, the BSE, on request of the Company, has also approved waiver of the fine amount paid for the same.
- During the financial year 2020-2021, fine of Rs.1,71,100/- (Rupees One lakh seventy-one thousand and one hundred only) was imposed on the Company for the non-compliance of Regulation 33 of SEBI (LODR) Regulations, 2015 pertaining to submission of standalone un-audited financial results for the quarter ended June 30, 2021 applicable to the Company, as there was a stay of operations imposed by the Hon'ble Supreme Court of India and implementation of the Impugned order dated 23.07.2021. The said order was disposed of by the Hon'ble Supreme Court of India as withdrawn dated 15.09.2021. Thereafter, the withdrawal of the case, as above-mentioned, the Company has made the non-compliance good by submitting the financial results for the quarter ended June 30, 2021 to the BSE Limited on 22.09.2021 and also remitting the above imposed fine amount of Rs.1,71,100/- on 16.09.2021. Pursuant to the same, the BSE Limited, has, on request of the Company, also approved the waiver of the fine amount levied.
- During the financial year 2020-2021, National Company Law Tribunal (NCLT) pronounced order of withdrawal of CIRP in relation to the Company vide its order dated June 06, 2021.
- During the financial year 2020-2021, there was a Corporate Insolvency Resolution Process (CIRP) in terms of IBBI CIRP Regulation, 2016 against the Company. However the case was disposed off in favour of the Company by the Hon'ble Supreme Court vide its order dated September 15, 2021
- As on date of this report, Petition vide number CP/133 (CHE) 2021, (IA/MA) Application numbers IA(CA)/42(CHE)/2023 is pending before National Company Law Tribunal, Chennai

**(c) Whistle Blower Policy/ Vigil Mechanism**

In accordance with Section 177(9) of the Act and Regulation 22 of SEBI Listing Obligations, the Company has established that necessary vigil mechanism that provides a formal channel for all its directors, employees and other stakeholders to report concerns about any unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The details of the policy have been disclosed in the Corporate Governance Report, which forms part of the Annual Report and is also available on the Company's website at [www.arunahotels.com](http://www.arunahotels.com).

**(d) Compliance with mandatory requirements and adoption of non-mandatory requirements**

The Company has complied with the mandatory requirements under various Regulations in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

**(e) Web Link where policy for determining 'material' subsidiaries is disclosed**

Your Company has no subsidiary/ ies

**(f) Weblink where policy on dealing with related party transactions**

The policy for dealing with related party transactions has been displayed on the website of the Company at [www.arunahotels.com](http://www.arunahotels.com) under the weblink [https://www.arunahotels.com/\\_files/ugd/c497c5\\_8dd1944c3e6d46db926d6f0dca3d6f5.pdf](https://www.arunahotels.com/_files/ugd/c497c5_8dd1944c3e6d46db926d6f0dca3d6f5.pdf)

**(g) disclosure of commodity price risks and commodity hedging activities – Not Applicable**

**(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement (QIP) as specified under Regulation 32 (7A).**

No Funds were raised through preferential allotment or QIP as specified under Regulation 32 (7A)

***(i) a certificate from a 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 the Board/ Ministry of Corporate Affairs or any such statutory authority***

A Certificate from Company Secretary in Practise certifying that none of the Directors on the Board of Directors of the Company as on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate Affairs or any such Statutory Authority, is annexed at the end of this Report.

***(j) Disclosure in relation to recommendation made by any committee of the board which has not accepted by the Board***

During the year under review, there were no such recommendations made by any Committee of the Board that were mandatorily required and not accepted by the Board.

***(k) 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.

***(l) disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013***

During the year no complaints were filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

***(m) disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested***

During the Financial Year ended March 31, 2023, there are no loans or advances provided by the Company and its subsidiaries to firms/companies in which directors were interested.

***(n) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.***

*There are no material subsidiaries for the company.*

***11. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof***

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.

12. 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

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

***D.Code of Conduct:***

The Company has formulated a Code of Conduct for the Board members and Senior Management Personnel. All the Board members and Senior Management personnel have affirmed compliance with above code and a declaration to that effect signed by the Managing Director is attached and forms part of this report.

***E.Compliance Certificate on Corporate Governance from Practising Company Secretaries:***

The Company has obtained a certificate from M/s J Jothi & Associates, Practicing Company Secretaries regarding compliance of conditions of Corporate Governance as stipulated under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same has been annexed as part of this Annual Report.

***F.Unclaimed Suspense Account:***

During the year under review, disclosure with respect to demat suspense account/ unclaimed suspense account as follows:

- a. aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year:

***outstanding as on: 01.04.2022:***

aggregate no. of shareholders at the beginning of the year: 3;

outstanding shares in the suspense account lying at the beginning of the year: 4,545

- b. Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: 3 (Three ) number of shareholders who were holding 4,545 shares approached listed entity for transfer of shares from suspense account
- c. Number of shareholders to whom shares were transferred from suspense account during the year: shares were transferred to 2 (Two) number of shareholders holding 3,300 from suspense account
- d. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year:

***Outstanding as on 31.03.2023:***

Aggregate number of shareholders at the end of the year: 1

Outstanding shares in the suspense account lying at the end of the year: 1,245

- e. The voting rights on these shares remain frozen till the rightful owner of such shares claims the shares. As on date of this report, there are no outstanding shares lying in the suspense account of the Company.

***G.Disclosure of certain types of agreements binding listed entities:*** There were no agreements binding on the company

***MD/ CFO Certification***

As required under Regulation 17(8) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a certificate from MD& CFO was submitted to the Board and the same has been annexed herewith.

## ARUNA HOTELS LIMITED

### CEO/ CFO CERTIFICATE

The Board of Directors  
Aruna Hotels Limited  
Chennai

Annual Confirmation pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

As stipulated under Regulation 17(8) of the SEBI Listing Obligations & Disclosure Requirements Regulations (LODR) 2015, we hereby certify

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which were aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
- (1) Significant changes in internal control over financial reporting during the year;
  - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: May 25, 2023

Place: Chennai

Radhaswamy Venkateswaran

Managing Director

DIN: 09532159

Nagaraj P

Chief Financial Officer

### DECLARATION FROM MANAGING DIRECTOR ON CODE OF CONDUCT

Pursuant to Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2023.

Date: May 25, 2023

Place: Chennai

Radhaswamy Venkateswaran

Managing Director

DIN: 09532159

## 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

L15421TN1960PLC004255

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](http://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, 2023 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	RADHASWAMY VENKATESWARAN	09532159	10-03-2022
2	RAMASAMY MURALIDHARAN	07092976	02-03-2015
3	KUMARAVELAYATHA NADAR RAJAKUMAR (resigned w e f 12.08.2022)	05187894	02-03-2015
4	SUYAMBU NARAYANAN	07718798	10-02-2017
5	FREEDA GNANASELVAM KANAGIAH	07350172	27-11-2015
6	RAJKUMAR	09702403	12-08-2022

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.

for J.JOTHI & ASSOCIATES

PRACTICING COMPANY SECRETARIES

KARTHIK

PARTNER

FCS No. 11703, CP No. 17899

FRN: P2015TN070400

Peer Review Cer. No. 2260/2022

UDIN: F011703E000414908

Place: Chennai

Date: 29.05.2023



**CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

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

We have examined the compliance of conditions of Corporate Governance by Aruna Hotels Limited (“the Company”) for the year ended March 31, 2023, 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, 2023.

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.

**for J.JOTHI & ASSOCIATES  
PRACTICING COMPANY SECRETARIES**

**KARTHIK  
PARTNER**

**FCS No. 11703, CP No. 17899**

**FRN: P2015TN070400**

**Peer Review Cer. No. 2260/2022**

**UDIN: F011703E000704527**

Place: Chennai  
Date: 29.07.2023

**ACCOUNTS-STANDALONE  
2022-2023**

# ARUNA HOTELS LIMITED

## 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 financial statements of ARUNA HOTELS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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, 2023, 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 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.	Accuracy of recognition, measurement, presentation and disclosures of revenues.	<ul style="list-style-type: none"> <li>• Assessed the appropriateness of the Company's revenue recognition accounting policies, including those relating to discounts, incentives and rebates as required under the applicable accounting standards.</li> <li>• Tested the effectiveness of controls relating to the (a) identification of distinct performance obligations, (b) Allocating the transaction price to performance obligations (c) Recognition of revenue when/as performance obligation(s) are satisfied.</li> <li>• Examined on a sample basis, all the supporting documentation required for computing the company's obligation towards discounts, incentives and rebates recorded and disbursed during the year including credit notes issued after the year end date to determine whether these were recorded appropriately covering the stated obligations.</li> <li>• Our examination includes procedures to identify any unusual or irregular items.</li> </ul>
2.	Accuracy of recognition, measurement, presentation, and disclosures of capitalization of Assets during FY 22-23.	<ul style="list-style-type: none"> <li>• Evaluated the amount and timing of capitalization and determined if all costs incurred in bringing the asset to its intended location and condition have been capitalized.</li> <li>• Evaluated the judgement in applying the recognition criteria to individually insignificant items and aggregation of such items.</li> <li>• Assessed the management estimate of useful life and residual value.</li> <li>• Assessed and validated the appropriateness of the disclosures made in the financial statements.</li> </ul>

4.	Accuracy of recognition, measurement, presentation and disclosures of Impairment of Building.	<ul style="list-style-type: none"> <li>• Obtained and assessed the valuation working prepared by the management for its impairment assessment.</li> <li>• Verified the valuation report obtained from registered valuer and assessed the assumptions applied in valuation.</li> <li>• Evaluated key assumptions applied in valuation models used to determine recoverable amount including assumptions of projected EBITDA, growth rate, room occupancy, room rate, projected capital expenditure, discount rates.</li> <li>• Assessed the sensitivity of the outcome of impairment assessment.</li> <li>• Assessed and validated the appropriateness of the disclosures made in the financial statements.</li> </ul>
5.	Accuracy of recognition, measurement, presentation and disclosures of Interest waived off on related party borrowings.	<ul style="list-style-type: none"> <li>• Obtained written representation from management regarding the interest waived off.</li> <li>• Verified the agreements between the companies and evaluated the terms of such transaction.</li> <li>• Assessed and validated the appropriateness of the disclosures made in the financial statements.</li> </ul>

**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 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 financial 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, 2020 ("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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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, as amended, 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 2023 in its financial statements.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. The company had issued redeemable preference shares in earlier years. During the current year, the Company undertook an exercise to repay the preference shareholders for which confirmations were sent. Responses were received from a few parties. The Company has transferred a sum of Rs.6 Lakhs to IEPF account during the FY 22-23 out of the preference share capital of Rs.3.10 crores.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
(c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub- clause (a) and (b) above contain any material misstatement.
  - v. The company has not declared or paid any dividend during the year in contravention of the in provisions of section 123 of the Companies Act, 2013.
  - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. 1st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023
- (h) With respect to the matter to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the 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.

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

**Sriram V  
Partner  
Membership No. 216203  
Place: Chennai  
Date: May 25, 2023  
UDIN: 23216203BGUXZE3266**

**“Annexure A” to the Independent Auditor’s Report**

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

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company’s Property, Plant and Equipment:
  - a. (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The company does not have any intangible assets as at 31.03.2023 and hence, reporting under this clause is not applicable.
  - b. The Company has a regular program of physical verification of Property, Plant and Equipment, so all 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.
  - 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 disclosed in financial statements included under property, plant and equipment are held in the name of the Company as at the balance sheet date.
  - d. The Company has revalued its Property, Plant and Equipment and it was based on the valuation by a Registered Valuer. The changes in the carrying amount of PPE are as follows:

Class of Assets	Carrying Amount (Before revaluation) (Amount in Rs)	Revaluation Gain/ (Loss) (Amount in Rs)	Carrying Amount (After revaluation) (Amount in Rs)
Land	83,48,00,000	31,64,80,000.00	1,15,12,80,000.00
Building	70,45,89,787.53	(16,49,59,131.53 )	53,96,30,656.00

- e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. According to the information and explanations given to us,
  - a. Physical verification of inventory has been conducted at reasonable intervals by the management and the coverage and procedure of such verification by the management is appropriate. During such verification, no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
  - b. The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. According to the information and explanations given to us, during the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clause (iii) 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 granted, investments made, guarantees and securities provided are not applicable to the company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits, whether the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

## ARUNA HOTELS LIMITED

- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has generally been regular in depositing undisputed statutory dues including Income-tax, Goods and Services tax and any other statutory dues to 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 2023, for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

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 ITO
The Income Tax Act 1961	Income Tax	NIL (Loss adjusted)	FY 2011 – 12	Remanded back to ITO

Income Tax - There are TDS defaults of short payment and short deduction to the tune of Rs.5,00,310/- 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.

The Company had old sales tax arrears from 2001-02 under TNGST Act 1959, TNVAT Act 2006 and CST Act 1956 which were fully paid. Subsequently, the Company received a Show cause notice from the Department regarding payment of interest on the old arrear liability. The Company has responded to the Show Cause notice and is reasonably certain that the demand for interest is time barred and not legally enforceable.

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The company has not defaulted in repayment of loans or other borrowings, or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has applied the term loans for the purpose for which the loans were obtained.
- (d) The Company has not raised any fund on short term basis during the year, hence clause 3(ix)(d) is not applicable to the Company.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) The Company has not raised by way of initial public offer or further public offer (including debt instruments) during the year. Hence, reporting under clause 3 (x) (a) is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable
- xi. (a) 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 has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- (c) No whistle blower complaints have been received by the Company during the year.



## ARUNA HOTELS LIMITED

- 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. (a) The company has an adequate internal audit system commensurate with the size and nature of its business.  
(b) We have considered the reports of the Internal Auditors for the year under audit, issued by the company during the year, in determining the extent of audit procedures.
- 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) (a), (b), (c) and (d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses in the financial year and the immediately preceding financial year.

Financial Year	Cash Loss Incurred (In Rs)
FY 22-23	-5,91,91,038.97
FY 21-22	-1,80,77,074.88

- xviii. There has been no resignation of the Statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. The current liabilities majorly comprises of the principal portion of term loan payable within one year from the date of Balance sheet which the management has confirmed would be serviced through the cash generated from operations. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The provision of section 135 of the Companies Act are not applicable on the company, hence paragraph 3(xx) (a) and (b) of the Order is not applicable to the Company.

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

**Sriram V**  
**Partner**  
**Membership No. 216203**  
Place: Chennai  
Date: May 25, 2023  
UDIN: 23216203BGUXZE3266

## “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”)**

We have audited the internal financial controls over financial reporting of Aruna Hotels Limited (“the Company”) as of March 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **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 controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). 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 over financial reporting of the Company 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over reporting were operating effectively as at 31 March 2023, based on the criteria for internal financial controls over financial reporting 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").

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

**Sriram V  
Partner  
Membership No. 216203  
Place: Chennai  
Date: May 25, 2023  
UDIN: 23216203BGUXZE3266**

**ARUNA HOTELS LIMITED**

**Balance Sheet as at March 31, 2023**

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

Particulars	Note	Amount(Rs. In Lakhs) As at March 31, 2023	Amount(Rs. In Lakhs) As at March 31,2022
<b>I. Assets</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	1	17,834.97	9,678.87
(b) Capital Work-In-Progress			5,963.13
(c) Financial Assets			
(i) Others	2	26.24	33.68
(d) Other non-current assets	3	92.48	539.94
		17,953.68	16,215.62
<b>Current Assets</b>			
(a) Financial Assets			
(i) Trade Receivables	4	47.52	36.39
(ii) Cash and cash equivalents	5	59.65	257.56
(b) Inventory	6	36.42	-
(c) Other current assets	7	91.01	59.65
		234.59	353.60
<b>Total Assets</b>		<b>18,188.27</b>	<b>16,569.22</b>
<b>II. Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity Share Capital	8	3,390.00	3,390.00
(b) Other Equity	8(a)	-286.70	-1,454.84
		3,103.30	1,935.16
<b>Liabilities</b>			
<b>Non- Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	9	11,686.42	10,277.92
(b) Provisions			
(b) Provisions	10	5.20	
(c) Deferred Tax Liabilities (Net)	11	2,195.59	1,757.44
(d) Other Non-current liabilities	12	82.10	38.84
		13,969.30	12,074.19
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	13	173.54	94.32
(ii) Other financial liabilities	14	804.00	2,446.78
(b) Other Current liabilities	15	138.13	18.76
		1,115.67	2,559.87
<b>Total Equity and Liabilities</b>		<b>18,188.27</b>	<b>16,569.22</b>

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

Membership No: 216203

Place: Chennai

Date: 25.05.2023

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

**Radhaswamy Venkateswaran**

Managing Director

DIN: 09532159

**Nagarajan P**  
Chief Financial Officer

**Suyambu Narayanan**

Director

DIN: 07718798

**Lakshmi K**  
Company Secretary  
M.No.: A46692

**ARUNA HOTELS LIMITED**

**Statement of Profit and Loss For The Year Ended March 31, 2023**

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

Particulars	Note	Amount(Rs. In Lakhs)	
		For the Period Ended March 31, 2023	For the Period Ended March 31, 2022
Income			
Revenue from Operations	16	196.574	-
Other Income	17	2,410.33	370.87
Total		2,606.91	370.87
Expenses			
Cost of Materials Consumed	18	83.93	
Employee Benefit Expense	19	97.89	50.37
Finance Costs	20	1,239.38	352.59
Depreciation and amortization expenses	21	281.82	78.47
Other expenses	22	2,070.67	148.68
Total		3,773.70	630.12
Profit/ (Loss) before Exceptional Items and tax		-1,166.79	-259.24
Exceptional Items		-	-
Profit/ (Loss) before tax		-1,166.79	-259.24
Tax expense		-	-
Current Tax		-	-
Deferred Tax		-274.56	-9.98
Profit/(Loss) for the period from continuing operations		-892.23	-249.26
Profit/(Loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit/(Loss) from discontinued operations (after tax)		-	-
Profit/(Loss) for the period		-892.23	-249.26
Other Comprehensive Income		2,373.600	-
Total Comprehensive Income for the period comprising profit/(loss) and other comprehensive income for the period		1,481.37	-249.26
Earnings per equity share			
Basic		-2.63	-1.29
Diluted		-2.63	-1.29

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

**For Bala & Co.,**

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

Chartered Accountants

Firm Registration No: 000318S

**Sriram Visvanathan**

Partner

Membership No: 216203

**Radhaswamy Venkateswaran**

Managing Director

DIN: 09532159

**Suyambu Narayanan**

Director

DIN: 07718798

Place: Chennai

Date: 25.05.2023

Nagarajan P

Chief Financial Officer

Lakshmi K

Company Secretary

M.No.: A46692

**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 31-Mar-23	For the period ended on 31-Mar-22
Profit before taxation	(1,166.79)	(259.24)
Adjustments for:		
Depreciation	281.82	78.47
Interest received	(0.47)	(3.95)
Non Cash Expenses	98.53	352.59
Non Cash Income	(1,642.79)	
Operating cash flow before changes in working capital	-2429.70	167.87
Adjustments for changes in:		
Inventory	(36.42)	
Other current assets	(31.36)	(41.54)
Trade Receivables	(11.12)	-
Other current liabilities	119.38	(2.23)
Other Non current liabilities	43.26	5.00
Trade payables	79.21	36.75
Non Current Financial Assets	94.22	(0.58)
Cash generated from operations	257.16	165.27
Income taxes paid		-
Net cash from operating activities-A	-2172.53	165.27
Cash flows from investing activities		
Change in Property Plant and Equipment	297.56	(1,869.65)
Decrease/(Increase) in non-current assets		207.77
Interest received	0.47	3.95
Net cash used in investing activities-B	298.03	(1,657.93)
Cash flows from financing activities		
Proceeds from Issue of Share Capital		2,490.00
Increase/(Decrease) in other current financial liability		-
Proceeds/(Repayment) from long term borrowings	1408.50	(510.71)
Interest accrued yet to be paid		(44.91)
Interest paid		(352.59)
Increase/(Decrease) in current financial liability		142.22
Net cash used in financing activities-C	1408.50	1,724.02
Net increase in cash and cash equivalents - (A+B+C)	(466.00)	231.36
Cash and cash equivalents at the beginning of year	257.56	26.20
Cash and cash equivalents at the end of year	(208.44)	257.56
Cash and cash equivalents consists of:		
Cash in hand	1.01	0.10
Balances with banks		
in current deposits	58.64	257.46
in fixed deposits		
	<b>59.65</b>	<b>257.56</b>

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

**or Bala & Co.,**

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

Chartered Accountants

Firm Registration No: 000318S

**Sriram Visvanathan**

**Radhaswamy Venkateswaran**

**Suyambu Narayanan**

Partner

Managing Director

Director

Membership No: 216203

DIN: 09532159

DIN: 07718798

Place: Chennai

Nagarajan P

Lakshmi K

Date: 25.05.2023

Chief Financial Officer

Company Secretary

M.No.: A46692

**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 financial statements for the year ended March 31, 2023 and authorised for issue on 25th May, 2023.

**1.2 Basis of preparation of financial statements****Statement of Compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Companies Act, 2013 as amended from time to time.

**Basis of preparation**

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

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.

As the year ended figures are taken from the source and rounded to the nearest digits (Rs. in Lakhs), the figures reported for the previous quarters might not always add up to the year end figures reported in this statement.

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

**1.3 Use of estimates and judgements**

The preparation of the financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make estimates, judgements and assumptions that affect the application of accounting policies and the reported balances of assets and liabilities, the disclosures of contingent liabilities as at the date of the 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 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:

- **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 financial statements.

- **Impairment Testing**

Property, plant and equipment, Right-of-Use assets and intangible assets that are subject to depreciation/amortisation are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- **Income Taxes**

Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit and Loss

- **Defined Benefit Plan**

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date

- **Leases**

**Critical judgements in determining the lease term:**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

**Critical judgements in determining the discount rate:**

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**1.4 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.



**1.5 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.

**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 Revenue recognition**

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

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

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.

Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and other services that have been provided as per the contract with the customer. In relation to laundry income and other allied services, the revenue has been recognised by reference to the time of service rendered.

**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, write back of creditors. It also includes the interest waived off on loans borrowed by the company.

**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).

**2.2 Employee Benefits**

**Short-term employee benefits**

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related service. The accruals for employee entitlements to benefits such as salaries and bonuses represent the amounts which the Company has a present obligation to pay as a result of the employee’s services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

**Post Employment Benefits**

**Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident and family pension fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employee’s eligible salary. The contributions made to the provident fund are charged to the Statement of Profit and Loss as incurred. In respect of contribution to the PF Fund, the Company has no further obligations beyond making the contribution, and hence, such employee benefit plan is classified as Defined Contribution Plan.

**Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company’s net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

The company does not have any earmarked investments as they have not contributed to any gratuity funds. Hence, there is no plan assets as on 31.03.2023.

**2.3 Property, Plant and equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, except for Freehold land. The company follows revaluation model for Land and cost model for other classes of assets. 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.

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:

<b>Asset:</b>	<b>Useful Life:</b>
Building	30 Years
Computers	3 Years
Equipment	5 Years
Furniture	10 Years
Plant & Machinery	15 Years
Servers	6 Years
Vehicles	8Years

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 Investment Property**

The properties that comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the supply of services or for administrative purposes and if such portions cannot be sold separately, then such properties are not classified as investment property under IND AS 40 if only an insignificant portion have been leased out and majority is held as owner occupied property.

**2.5 Leases & Right to Use Assets**

On inception of a contract, the Company assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognised in the Company's statement of financial position as a right-of-use asset and a lease liability.

The company elects not to apply the requirements in paragraphs 22–49 of IND AS 116 to short-term leases and leases for which the underlying asset is of low value. The lease payments associated with those leases are recognized as an expense on a straight-line basis over the lease term.

**2.6 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.

**2.7 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.

**2.8 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.

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.

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 instrumentsClassification 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 carrying amounts of the borrowings that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period. The interest expense recognized in Profit & Loss account will be based on the current market rate.

### 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.

## **2.9 Inventories**

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

## **2.10 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.

**2.11 Borrowing Cost**

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds

**2.12 Statement of Cash Flows**

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

**2.13 Earning per Share.**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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.

**Notes to Financial Statements as at March 31, 2023**  
(All amounts are in Indian Rupees except share data or as stated)

**Note 8 (a)**  
**Statement of Changes in Equity**

Particulars	Equity Share Capital	Equity Component of Preference Shares	Other Equity	Retained Earnings	Capital Redemption reserve	Total	Items of Other Comprehensive Income	Total Equity attributable to equity holders of the company
			Securities Premium				Revaluation Reserve	
Balance as on 01.04.2021	900.00	-	1,652.16	-10,429.35	34.25	-8,742.94	8,144.31	301.36
Rights Issue	2,490.00	-	-	-	-	-	-	2,490.00
Profit/(Loss) for the period	-	-	-	-249.26	-	-249.26	-	-249.26
Adjustment for Depreciation	-	-	-	-	-	-	-94.20	-94.20
Deferred Tax on Revalued Surplus	-	-	-	1,120.99	-	1,120.99	-1,633.75	-512.76
Balance as on 31.03.2022	3,390.00	-	1,652.16	-9,557.62	34.25	-7,871.21	6,416.36	1,935.16
Profit/(Loss) for the period	-	-	-	-892.23	-	-892.23	-	-892.23
Adjustment for Depreciation	-	-	-	36.59	-	36.59	-36.59	-
Other Adjustments	-	-	-	0.83	-	0.83	-	0.83
Revaluation Gain on Land (Net of taxes)	-	-	-	-	-	-	2,373.60	2,373.60
Reversal of Revaluation Gain (Building)	-	-	-	-	-	-	-313.95	-313.95
Balance as on 31.03.2023	3,390.00	-	1,652.16	-10,412.43	34.25	-8,726.02	8,439.41	3,103.41

**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.

## Notes to Financial Statements as at March 31, 2023

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

Property Plant and Equipment

Note 1

Asset Category	Freehold Land	Building	Equipment	Plant & Machinery	Others	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)	Amount(Rs. In Lakhs)
Gross Block							
At 31 March, 2021	8,348.00	3,460.80	-	-	26.89	11,835.69	4,093.49
Additions	-	-	-	-	-	-	1,869.64
Disposals	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-
At 31 March, 2022	8,348.00	3,460.80	-	-	26.89	11,835.69	5,963.13
Additions	-	5,916.66	651.54	285.87	68.64	6,922.71	692.63
Disposals	-	-	-	-	-	-	-
Revaluation Gain	3,164.80	-	-	-	-	3,164.80	-
Capitalized during the year							6,655.76
At 31 March , 2023	11,512.80	9,377.46	651.54	285.87	95.53	21,923.20	-
Accumulated De-preciation							
At 31 March, 2021	-	1,960.16	-	-	23.99	1,984.15	-
Additions	-	76.78	-	-	1.69	78.47	-
Disposals	-	-	-	-	-	-	-
Reserve	-	94.20	-	-	-	94.20	-
At 31 March, 2022	-	2,131.13	-	-	25.68	2,156.81	-
Additions	-	200.43	63.21	10.13	8.06	281.82	-
Disposals	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-
At 31 March , 2023	-	2,331.56	63.21	10.13	33.74	2,438.64	-
Accumulated Im-pairment							-
At 31 March, 2021	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-
At 31 March, 2022	-	-	-	-	-	-	-
Additions	-	1,649.59	-	-	-	1,649.59	-
Disposals	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-
At 31 March , 2023	-	1,649.59	-	-	-	1,649.59	-
Net Block							
At 31 March , 2022	8,348.00	1,329.67	-	-		9,678.88	5,963.13
At 31 March , 2023	11,512.80	5,396.30	588.33	275.74	61.79	17,834.97	-



## ARUNA HOTELS LIMITED

### Capitalization of Borrowing Cost:

The company had acquired Specific Borrowing from HDFC Bank for the purpose of renovating the Hotel Building in the year 2018. The Interest on specific Borrowing have been capitalized. The Total Amount of Borrowing Cost capitalized in accordance with Ind AS 23 during FY 22-23 is Rs.1.12 crores. Capitalization of Interest have ceased during September 2022 as the asset was ready for its intended use. Interest from Sep 22 to Mar 23 have been charged to Statement of Profit & Loss.

The company was under renovation from FY 17-18 to FY 22-23 and the interest on term loan to the extent of Rs.14 Crores (Rounded off) on specific borrowings have been capitalized.

Impairment of Building	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31, 2023	As at March 31,2022
Carrying Amount of Building (Before Impairment)	7,045.90	1,329.67
Fair Value as at 31.03.2023	5,396.31	-
		-
Impairment Loss	1,649.59	-
Charged in Profit & Loss a/c	1,257.15	-
Charged against Revaluation reserve & Deferred tax liability	392.44	-

### CWIP Ageing Schedule-As at 31 March 2022

Particulars :	Amount of CWIP for a period of				Total
	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	1,869.64	1,246.10	1,653.43	1,193.96	5,963.13
Projects Temporarily Suspended					
Total					

Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31, 2023	As at March 31,2022
<b>Note 2</b>		
<b>Financial Assets</b>		
<b>Other Financial Assets</b>		
Security Deposits	10.91	19.31
PNB Deposits	15.33	14.37
<b>Total</b>	<b>26.24</b>	<b>33.68</b>

Deposits in PNB A/c are Lien Marked against Court Case  
Deposits include interest accrued on such deposits amounting to Rs.5.55 Lakhs as at 31.03.2023

<b>Note 3</b>		
<b>Other Non-Current Assets</b>		
Capital Advances - Considered Good-Unsecured	92.48	179.25
<b>Other Receivables</b>		
Yessir Holdings and Investment Limited	360.69	360.69
Less: Allowance for Credit Impaired	-360.69	0.00
	0.00	360.69
<b>Total</b>	<b>92.48</b>	<b>539.94</b>

## ARUNA HOTELS LIMITED

\*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 was to be recovered from M/s Yessir Holdings and Investments Private Limited together with interest in accordance with law.

During the FY 22-23, the company has provided for expected credit loss on the amount receivable from Yessir Holdings using the Life Time ECL Approach due to significant increase in Credit Risk.

### Current Assets

Particulars	Amount(Rs. In Lakhs) As at March 31, 2023	Amount(Rs. In Lakhs) As at March 31,2022
<b>Note 4</b>		
<b>Financial Assets</b>		
Trade receivables-Considered Good	47.52	36.39
Less : Allowance for Doubtful Receivables	-	-
	47.52	36.39

### Trade Receivables Ageing Schedule- As at 31.03.2023

Particulars :	Outstanding for the following periods from due date of Payment					Amount(Rs. In Lakhs) As at March 31, 2023
	Less Than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	11.13	-		36.39	-	47.52
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-		-	-	
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-		-	-	
(vi) Disputed Trade Receivables –credit impaired	-			-	-	
Less: Allowance for Credit Impaired						
(a) Allowance for Undisputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
(b) Allowance for Disputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
<b>Total</b>	<b>11.13</b>	<b>-</b>	<b>-</b>	<b>36.39</b>	<b>-</b>	<b>47.52</b>

**ARUNA HOTELS LIMITED**

**Trade Receivables Ageing Schedule- As at 31.03.2022**

Particulars :	Outstanding for the following periods from due date of Payment					Amount(Rs. In Lakhs)
	Less Than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years	As at March 31,2022
(i) Undisputed Trade receivables – considered good	-	-	36.39		-	36.39
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-		-	-	
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-		-	-	
(vi) Disputed Trade Receivables – credit impaired	-			-	-	
<b>Less: Allowance for Credit Impaired</b>						
(a) Allowance for Undisputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
(b) Allowance for Disputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
<b>Total</b>	-	-	<b>36.39</b>	-	-	<b>36.39</b>

Particulars	Amount(Rs. In Lakhs) As at March 31, 2023	Amount(Rs. In Lakhs) As at March 31,2022
Note 5		
Cash and cash equivalents		
Balance with Banks		
In Current Accounts	58.64	257.46
Cash on Hand	1.01	0.10
<b>Total</b>	<b>59.65</b>	<b>257.56</b>
Note 6		
<b>Inventory</b>		
Food & Beverages	4.63	-
Stores and Operating Supplies	31.79	-
	36.42	-

**ARUNA HOTELS LIMITED**

“(i) During the FY 22-23, inventory amounting to Rs.83.93 was consumed in the supply of room, restaurant and other services to customers.  
(ii) During the FY 22-23, no inventory was written down and there was no reversal of written down inventory. As at 31.03.2023, no Inventory have been pledged as securities.”

<b>Note 7</b>			
<b>Other Current Assets</b>			
Statutory Dues from the Government			
TDS & TCS Receivable	1.09		0.28
GST Input Tax Credit	74.48		31.32
Rights Issue Deposit	-		24.90
Prepaid Expenses	15.01		
Other Current Assets	0.42		3.15
<b>Total</b>	<b>91.01</b>		<b>59.65</b>

**Note 8**

**Equity Share Capital**

Particulars	Amount(Rs. In Lakhs) As at March 31, 2023	Amount(Rs. In Lakhs) As at March 31,2022
<b>Authorized</b>		
Equity Shares, Rs. 10/- Par Value (6,70,00,000 Equity Shares)	670,000,000.00	670,000,000.00
Redeemable Convertible Preference Share Capital	80,000,000.00	80,000,000.00
	<b>750,000,000.00</b>	<b>750,000,000.00</b>
<b>Issued, Subscribed and Paid Up</b>		
Equity Shares, Rs. 10/- Par Value (3,39,00,000 Equity Shares of Rs. 10/- each)	339,000,000.00	339,000,000.00
	<b>339,000,000.00</b>	<b>339,000,000.00</b>

**(a) Rights, preferences and restrictions attached to shares**

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.

**(b) The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2023, is set out below:**

Particulars	No. of Shares	Amount(Rs. In Lakhs)	No. of Shares	Amount(Rs. In Lakhs)
	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022
As at the beginning of the period	33,900,000	3,390	9,000,000	900
Add: Shares issued during the period	-	-	24,900,000	2,490
Less: Shares Bought back	-	-	-	-
As at the end of the period	33,900,000	3,390	33,900,000	3,390

## ARUNA HOTELS LIMITED

### (c) Details of equity shareholders holding more than 5% shares in the company

Name of the equity shareholder	As at March 31, 2023		As at March 31,2022	
	No of shares held	% of the holding	No of shares held	% of the holding
Subasri Realty Private Limited	6,348,863	18.73%	6,348,863	18.73%
Gay Travels Private Limited	8,228,005	24.27%	8,228,005	24.27%

### (d) Disclosure of Shareholding of Promoters and Promoter Group:

Name of the equity shareholder	As at March 31, 2023		As at March 31,2022	
	No of shares held	% of the holding	No of shares held	% of the holding
S Balasubramanian Adityan	389,081	1.15%	389,081	1.15%
Anita Kumaran	118,296	0.349%	118,296	0.349%
Kaavya Sharath Jagannathan	118,236	0.3488%	118,236	0.3488%
Kamal Babbar	1,124,085	3.3159%	1,124,085	3.3159%
Rukmani S	96,517	0.2847%	96,517	0.2847%
V.Chithan	68,350	0.2016%	68,350	0.2016%
Maruthai Pillai P	30,390	0.896%	30,390	0.896%
Augustin D	19,200	0.0566%	19,200	0.0566%
R ChandraMohan	19,200	0.0566%	19,200	0.0566%
Geetha Periasamy	17,180	0.0507%	17,180	0.0507%
Jayanthi Natarajan	12,200	0.0359%	12,200	0.0359%
Arunn Pillai M	11,844	0.0349%	11,844	0.0349%
Chandrakant	11,683	0.0345%	11,683	0.0345%
VijayaLakshmi Chandra Mohan	7,770	0.0229%	7,770	0.0229%
Karthik Perumal Sivaram	10,026	0.029%	10,026	0.029%
Jayanthi S	6,514	0.0192%	6,514	0.0192%
Sivaram M	6,105	0.018%	6,105	0.018%
SenthilNathan M	5,530	0.0163%	5,530	0.0163%
Sivabagyam M	3,700	0.0109%	3,700	0.0109%
Chandra Mohan P	3,200	0.0094%	3,200	0.0094%
Ganesan M	1,900	0.005%	1,900	0.005%
Ravichandran CL	802	0.0024%	802	0.0024%
Gay Travel Private Limited	8,228,005	24.2714%	8,228,005	24.2714%
Subasri Realty Private Limited	6,348,863	18.7282%	6,348,863	18.7282%
Malar Publication Limited	1,514,521	4.4676%	1,514,521	4.4676%
Yessir Holdings and Iverstments Private Limited	3,72,412	1.0986%	3,72,412	1.0986%
Rani Printed Private Limited	230,116	0.6788%	230,116	0.6788%
Sovereign Media Marketing Private Limited	195,718	0.5773%	195,718	0.5773%
Sri Devi Agencies Private Limited	112,548	0.332%	112,548	0.332%

## ARUNA HOTELS LIMITED

### For the year 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 immediately preceding the Balance Sheet date is Nil.
- iii. Forfeited share is Nil.

### Non - Current Liabilities

Particulars	Amount(Rs. In Lakhs) As at March 31, 2023	Amount(Rs. In Lakhs) As at March 31,2022
Note 9		
Financial Liabilities - Long Term Borrowings		
1. Term Loan from Banks		
Secured	1,348.48	2,126.19
2. Loans from related parties		
Secured#	5,003.44	5,003.44
Unsecured	4,972.26	2,780.06
Loan from Banks (Bank Moratorium Interest converted into loan)*	58.23	58.23
3. Debt Component of Preference Shares	304.00	310.00
Total	11,686.42	10,277.92

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

\* The interest portion with respect to the term loan pertaining to March'20 and June'20 i.e. Bank Moratorium during Covid-19 pandemic was converted into loan repayable upto Feb'2026 to HDFC Bank

The company had issued preference shares in earlier years and the shares 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 Company has sent out confirmations to preference shareholders & received responses from a few parties. The Company has transferred a sum of Rs.6 Lakhs to IEPF account during the FY 22-23. In the FY 23-24, the Company will be redeeming the Share capital to the persons from whom it had received confirmation. The Redemption amount of preference shares remaining unpaid or unclaimed from parties will be transferred to Investor Education and Protection Fund under Section 205C of Companies Act.

### Details of Term Loan Taken from HDFC Bank

<b>Loan 1:</b>	
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.

## ARUNA HOTELS LIMITED

<b>Loan No. 2:</b>	
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.

Loans from Related Parties			
Name of the Lender	Relationship with Company	Amount Outstanding as on March 31, 2022 (excluding interest)	
		Secured(in Rs Lakhs)	Unsecured(in Rs Lakhs)
Gay Travels Private Limited	Promoter Group	2,380.44	1,932.88
Rani Printers Private Limited	Promoter Group	500.00	130.00
Malar Publication Private Limited	Promoter Group	853.00	2,321.26
Subasri Realty Private Limited	Promoter Group	1,270.00	423.12
Sivels Holdings Private Limited	Promoter Group	-	90.00
Rani Syndicate Private Limited	Promoter Group	-	75.00
Total unsecured loan		5,003.44	4,972.26

The company is liable to pay interest @ 12% p.a. till the date of settlement of the loan amount. The repayment tenure will begin from FY 26-27 for all the related party loans.

Particulars	Amount(Rs. In Lakhs) As at March 31, 2023	Amount(Rs. In Lakhs) As at March 31,2022
Note 10		
Long Term Provisions		
Provisions for Employee Benefits		
Gratuity	5.20	-
Closing Balance	5.20	-

Particulars	Amount(Rs. In Lakhs) As at March 31, 2023	Amount(Rs. In Lakhs) As at March 31,2022
Note 11		
Deferred Tax Liabilities		
Opening Balance	1,757.44	1254.66
Current Period Addition/Deletion	-274.56	-9.98
Deferred Tax on Revaluation of Land	791.20	512.76
Reversal of DTL on Revaluation of Building	-78.49	
Closing Balance	2,195.59	1,757.44

The Deferred Tax arising on Revaluation of Non Depreciable Assets have been measured on the basis of Tax consequences that would follow from the recovery of carrying amount of the asset through sale. As the Tax rate applicable to the Taxable Amount derived from sale of asset differs from Tax Rate applicable on Taxable amount derived from using the asset, the DTL is measured by applying the rate applicable on sale of the Asset. In the Current Year the Amount of Deferred Tax Liability have been re-estimated.

**ARUNA HOTELS LIMITED**

<b>Note 12</b>		
Other Non-Current Liabilities		
Income received in Advance	67.10	
Rental Advance	15.00	38.84
<b>Total</b>	<b>82.10</b>	<b>38.84</b>
Income received in advance is the difference between fair value of interest free security deposits and the actual amount of deposits. It has been treated as lease rental income received in advance and will be charged to Profit and Loss account on a straight line basis over the lease term. The deposit amount (Rental Advance) shall be payable to lessees at the end of the lease term.		

**Current Liabilities**

Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31, 2023	As at March 31,2022
<b>Note 13</b>		
<b>Financial Liabilities</b>		
<b>Trade Payables</b>		
Due to MSME	33.63	0.00
Due to Others	139.91	94.32
<b>Total</b>	<b>173.54</b>	<b>94.32</b>

**Trade Payables Ageing Schedule- As at 31.03.2023**

Particulars :	Outstanding for the following periods from due date of Payment				Amount(Rs. In Lakhs)
	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	As at March 31, 2023
(i) MSME Parties	33.63	-	-	-	33.63
(ii) Others	132.50			7.41	139.91
(iii) Disputed Dues-MSME Parties					-
(iv) Disputed Dues-Others					-
<b>Total</b>	<b>166.13</b>	<b>-</b>	<b>-</b>	<b>7.41</b>	<b>173.54</b>

**Trade Payables Ageing Schedule- As at 31.03.2022**

Particulars :	Outstanding for the following periods from due date of Payment				Amount(Rs. In Lakhs)
	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	As at March 31, 2022
(i) MSME Parties		-	-	-	-
(ii) Others	86.92		1.37	6.04	94.32
(iii) Disputed Dues-MSME Parties					-
(iv) Disputed Dues-Others					-
<b>Total</b>	<b>86.92</b>	<b>-</b>	<b>1.37</b>	<b>6.04</b>	<b>94.32</b>



## ARUNA HOTELS LIMITED

Particulars	Amount(Rs. In Lakhs) As at March 31, 2023	Amount(Rs. In Lakhs) As at March 31,2022
<b>Note 14</b>		
<b>Other Financial Liabilities</b>		
Current Maturities of Long Term Debt	795.82	796.67
Interest Accrued but not due	8.18	1,650.12
<b>Total</b>	<b>804.00</b>	<b>2,446.78</b>
<b>Note 15</b>		
<b>Other Current Liabilities</b>		
<b>Others</b>		
Statutory Liabilities	20.37	7.82
Statutory Audit Fee Payable	2.90	2.50
Electricity Charges Payable	10.10	3.65
Salary Payable	6.71	4.23
Expenses Payable	2.97	0.56
Retention Payable	92.27	
Advance from Debtors	2.81	
<b>Total</b>	<b>138.13</b>	<b>18.76</b>

### Revenue Recognition Revenue from operations

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

Effective 1 April 2018, the company adopted Ind AS 115 'Revenue from Contracts with customers' using the modified retrospective method. Under the modified retrospective method, an entity applies Ind AS 115 only for contracts that are not completed on or before 30 June 2018.

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

Under Ind AS 115, the Company must evaluate the separability of the promised goods or services based on whether they are 'distinct'. A promised good or service is 'distinct' if both: The customer benefits from item either on its own or together with other readily available resources, and It is 'separately identifiable' (i.e. the Company does not provide a significant service integrating, modifying or customizing it)

3. Determining the transaction price

Under Ind AS 115, the Company shall consider the terms of the contract and its customary business practices to determine the transaction price. The transaction price excludes amounts collected on the behalf of the third parties. The consideration promised include fixed amounts, variable amounts or both. Where the Company has a right to consideration from a customer in an amount that corresponds directly with the value of the customer of the performance completed to date, the Company recognizes revenue in the amount to which it has right to invoice.

4. Allocating the transaction price to performance obligations

The transaction price is allocated to the separately identifiable performance obligations on the basis of their standalone selling price (in case of room rent where the customer pays a fixed rate per room for all the services provided). For services that are not provided separately, the standalone selling price is estimated using the adjusted market assessment approach.

5. Recognizing revenue when/as performance obligation(s) are satisfied

"Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is recognized either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The company presents revenue net of indirect taxes in its statement of profit and loss."

## ARUNA HOTELS LIMITED

### Other Income

Other income is comprised primarily of interest income, dividend income, write back of creditors and interest on loans borrowed by the Company waived off.

Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	For the Period Ended March 31,2023	For the Period Ended March 31,2022
<b>Note 16</b>		
<b>Revenue From Operations</b>		
Operating Revenue		-
Room Revenue	176.04	-
Food & Beverage Revenue	12.48	
Laundry Revenue	1.09	
Other Operating Revenues		
Lease Rental Revenue	6.64	
Other Miscellaneous Revenue	0.33	
<b>Total</b>	<b>196.57</b>	<b>-</b>
<b>Note 17</b>		
<b>Other Income</b>		
Interest Income	0.47	3.95
Interest on Loans waived off	2,401.31	365.93
Other Income	8.55	0.99
<b>Total</b>	<b>2,410.33</b>	<b>370.87</b>

Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	For the Period Ended March 31, 2023	For the Period Ended March 31, 2022
<b>Note 18</b>		
<b>Purchase of Consumables</b>		
Purchase - Beverage	0.78	-
Purchase - Dairy Products	2.06	-
Purchase - Frozen Product	1.18	-
Purchase - Fruits and Vegetable	3.38	-
Purchase - House keeping	19.07	-
Purchase - Poultry, Eggs and Sea Food	3.75	-
Purchase - Provision	17.10	-
Purchase - Bakery	0.46	-
Purchase-Kitchen Equipments	56.78	-
Purchase-Gas Cyliner	2.40	-
Purchase-Others	13.41	
<b>Less:</b>		
Change in Inventory	36.42	
<b>Total</b>	<b>83.93</b>	

**Employee Benefit Expenses**

Particulars	Amount(Rs. In Lakhs) For the Period Ended March 31,2023	Amount(Rs. In Lakhs) For the Period Ended March 31,2022
<b>Note 19</b>		
<b>Employee Benefit Expenses</b>		
Salaries and Allowances	87.19	47.36
Ex Gratia	2.97	2.31
Professional Tax	0.29	0.70
Director remuneration	1.26	-
Staff Welfare Expense	0.72	-
Contribution to PF	0.26	-
Current Service Cost	5.20	-
<b>Total</b>	<b>97.89</b>	<b>50.37</b>

**Finance Cost:**

Particulars	Amount(Rs. In Lakhs) For the Period Ended March 31,2023	Amount(Rs. In Lakhs) For the Period Ended March 31,2022
<b>Note 20</b>		
<b>Finance Cost</b>		
Bank Charges	2.30	0.04
Interest on Term Loan	165.64	352.55
Interest on Related Party Loans	1,071.44	
<b>Total</b>	<b>1,239.38</b>	<b>352.59</b>
<b>Note 21</b>		
<b>Depreciation and Amortization Expenses</b>		
Depreciation on property, plant and equipment	281.82	78.47
<b>Total</b>	<b>281.82</b>	<b>78.47</b>

## ARUNA HOTELS LIMITED

### Other expenses

Particulars	Amount(Rs. In Lakhs) For the Period Ended March 31,2023	Amount(Rs. In Lakhs) For the Period Ended March 31,2022
<b>Note 22</b>		
<b>Other expenses</b>		
Impairment Loss on Building	1,257.149	-
Impairment of Financial Assets	360.690	-
Electricity Charges	124.46	43.16
Catering Supplies & Kitchen Expenses	100.81	
Payment to Contractors	72.74	-
Property Tax	29.68	0.67
Linen and room supplies	43.78	-
Security Expenses	7.79	7.83
Insurance Expenses	6.91	2.35
Legal & Audit	4.72	8.68
Pest Control	4.20	-
Annual Listing Fees	4.02	3.00
Uniform Expenses	4.89	-
Water & Sewerage Tax	3.39	3.15
License Expenses	3.34	6.209
Software Renewal Expenses	3.23	-
Advertisement Expenses	3.10	4.796
Retainer and Annual Connectivity Fee	2.24	1.800
Professional Charges	2.09	17.72
Manpower Fees	1.75	-
Statutory Audit Fee	2.95	2.50
Brokerage fee	-	5.64
Postage	0.57	8.40
Right issue expenses	-	15.21
Travel agents' commission	9.84	
Other General Expenses	16.32	17.58
<b>Total</b>	<b>2,070.67</b>	<b>148.68</b>

### Note 23

#### Related Party Disclosures

##### List of related parties:

##### Promoter Group

· Sivanthi Balasubramanian Adityan	- Promoter
· Gay Travels Private Limited	- Promoter Group
· India Cabs Private Limited	- Promoter Group
· Malar Publications Limited	- Promoter Group
· Rani Printers Private Limited	- Promoter Group
· Rani Syndicate Private Limited	- Promoter Group
· Sivals Holdings Private Limited	- Promoter Group
· Subasri Realty Private Limited	- Promoter Group

## ARUNA HOTELS LIMITED

### List of Directors & Key Managerial Personnel (KMP):

· Radhaswamy Venkateswaran	- Managing Director
· N Suyambu	- Independent director
· R Muralidharan	- Non- Executive Director
· R Rajkumar	- Non- Executive Director
· Freeda Gnanaselvam Kanagiah	- Independent Woman Director
· P Nagaraj	- Chief Financial Officer
· K Lakshmi	- Company Secretary and Compliance Officer

### Transactions during the Period

#### Long Term Borrowings

Name of the Party	Amount(Rs. In Lakhs) For the Period Ended March 31,2023	Amount(Rs. In Lakhs) For the Period Ended March 31, 2022
Gay Travels Private Limited	850.00	185.80
Malar Publications Limited	847.20	1,465.54
Rani Printers Private Limited	130.00	-
Subasri Realty Private Limited	290.00	133.12
Sivels Holdings Private Limited	-	-
Rani Syndicate Private Limited	75.00	
<b>Total</b>	<b>2,192.20</b>	<b>1784.46</b>

#### Interest Accrued During the Period

Name of the Party	Amount(Rs. In Lakhs) For the Period Ended March 31,2023	Amount(Rs. In Lakhs) For the Period Ended March 31, 2022
Gay Travels Private Limited	484.03	355.91
Malar Publications Limited	319.63	182.84
Rani Printers Private Limited	66.33	45.21
Subasri Realty Private Limited	184.94	150.56
Sivels Holdings Private Limited	10.80	8.14
Rani Syndicate Private Limited	5.72	
<b>Total</b>	<b>1,071.44</b>	<b>742.65</b>

## ARUNA HOTELS LIMITED

### Interest waived Off

Name of the Party	Amount(Rs. In Lakhs) For the Period Ended March 31,2023	Amount(Rs. In Lakhs) For the Period Ended March 31, 2022
Gay Travels Private Limited	1,286.06	355.91
Malar Publications Limited	498.03	182.84
Rani Printers Private Limited	66.33	45.21
Subasri Realty Private Limited	534.37	150.56
Sivels Holdings Private Limited	10.80	8.14
Rani Syndicate Private Limited	5.72	
<b>Total</b>	<b>2,401.31</b>	<b>742.65</b>

### Sale of Services

Name of the Party	Amount(Rs. In Lakhs) For the Period Ended March 31,2023	Amount(Rs. In Lakhs) For the Period Ended March 31, 2022
Malar Publications Limited	1.18	-
Metronation Chennai Television Private Limited	0.55	-
Daily Thanthi Private Limited	0.20	-
<b>Total</b>	<b>1.92</b>	<b>-</b>

### Purchase of Services

Name of the Party	Amount(Rs. In Lakhs) For the Period Ended March 31,2023	Amount(Rs. In Lakhs) For the Period Ended March 31, 2022
Malar Publications Limited	0.54	-
India Cabs Private Limited	0.28	-
		-
<b>Total</b>	<b>0.82</b>	<b>-</b>

### Shares Issued to Related Parties

Name of the Party	Amount(Rs. In Lakhs) For the Period Ended March 31,2023	Amount(Rs. In Lakhs) For the Period Ended March 31, 2022
Gay Travels Private Limited	-	763.65
Malar Publications Limited	-	95.41
Rani Printers Private Limited	-	-
Subasri Realty Private Limited	-	351.00
Sivels Holdings Private Limited	-	
<b>Total</b>	<b>-</b>	<b>1,210.06</b>

## ARUNA HOTELS LIMITED

### Repayment of Borrowings

Name of the Party	Amount(Rs. In Lakhs) For the Period Ended March 31,2022	Amount(Rs. In Lakhs) For the Period Ended March 31, 2021
Gay Travels Private Limited	-	-
Malar Publications Limited	-	395.00
Rani Printers Private Limited	-	-
Subasri Realty Private Limited	-	-
Sivels Holdings Private Limited	-	-
<b>Total</b>	-	395.00

### 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) For the Period Ended March 31,2023	Amount(Rs. In Lakhs) For the Period Ended March 31, 2022
Salary and Other Employee Benefits	14.22	13.26
	14.22	13.26

### Balances During The Period

#### Long Term Borrowings

Name of the Party	Amount(Rs. In Lakhs) As at March 31, 2023	Amount(Rs. In Lakhs) As at March 31, 2022
Gay Travels Private Limited	4,313.32	3,463.32
Malar Publications Limited	3,174.26	2,327.05
Rani Printers Private Limited	630.00	500.00
Subasri Realty Private Limited	1,693.12	1,403.12
Sivels Holdings Private Limited	90.00	90.00
Rani Syndicate Private Limited	75.00	
<b>Total</b>	<b>9,975.70</b>	<b>7,783.50</b>

#### Interest Accrued But not Paid

Name of the Party	Amount(Rs. In Lakhs) As at March 31, 2023	Amount(Rs. In Lakhs) As at March 31, 2022
Gay Travels Private Limited	-	802.03
Malar Publications Limited	-	357.11
Rani Printers Private Limited	-	120.16
Subasri Realty Private Limited	-	349.43
Sivels Holdings Private Limited	-	10.80
<b>Total</b>	-	<b>1639.54</b>

**Trade Payables**

Name of the Party	Amount(Rs. In Lakhs) As at March 31, 2023	Amount(Rs. In Lakhs) As at March 31, 2022
Gay Travels Private Limited	6.05	6.05
Malar Publications Limited	0.32	
India Cabs Private Limited	0.28	
	<b>6.65</b>	<b>6.05</b>

**Trade Receivables**

Name of the Party	Amount(Rs. In Lakhs) As at March 31, 2023	Amount(Rs. In Lakhs) As at March 31, 2022
Malar Publications Limited	1.28	-
Metronation Chennai Television Private Limited	0.55	-
Daily Thanthi Private Limited	0.04	-
	<b>1.87</b>	-

**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) As at March 31, 2023	Amount(Rs. In Lakhs) As at March 31, 2022
Salary Payable	1.13	0.90
	<b>1.13</b>	<b>0.90</b>



**Note 24**

**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 2023, 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.5,00,310. The reason for the above demands are yet to be crystallized and hence showing the above amount as contingent liability.
Taxation	Indirect Tax-Sales Tax	The Company had old sales tax arrears from 2001-02 under TNGST Act 1959, TNVAT Act 2006 and CST Act 1956 which were fully paid. Subsequently, the Company received a Show cause notice from the Department regarding payment of interest on the old arrear liability. The Company has responded to the Show Cause notice and is reasonable certain that the demand for interest is time barred and not legally enforceable. Hence, no provision has been recognized in respect of such interest liability to the tune of Rs.1.4 Crores.

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's Management reasonably expects, based on currently available information, that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Company's results of operations or financial condition.

**Note 25**

**(i) Defined Benefit Plans – As per Actuarial Valuation on March 31, 2023**

Particulars:	Amount(Rs. In Lakhs) March 31,2023	Amount(Rs. In Lakhs) March 31, 2022
Current Service Cost	5.20	-
Net Periodic Benefit Cost recognized in PL	5.20	-
Other Comprehensive Income/ (Loss)	-	-
Present Value of Defined Benefit Obligation	5.20	-
Fair Value of Plan Assets	-	-
Discount Rate as per Para 83 of IND AS 19	7.55%	-

**(ii) Expenses Recognized in the Statement of Profit & Loss**

Particulars:	Amount(Rs. In Lakhs) March 31,2023	Amount(Rs. In Lakhs) March 31, 2022
Current Service Cost	5.20	-
Past Service Cost	-	-
Interest Cost	-	-

**(iii) Expenses Recognized in the Statement of Other Comprehensive Income**

Particulars:	Amount(Rs. In Lakhs) March 31,2023	Amount(Rs. In Lakhs) March 31, 2022
Remeasurement due to changes in Actuarial Assumptions	-	-

**(iv) Reconciliation of Defined Benefit Obligation**

Particulars:	Amount(Rs. In Lakhs) March 31,2023	Amount(Rs. In Lakhs) March 31, 2022
Opening Defined Benefit Obligation	-	-
Current Service Cost	5.20	-
Past Service Cost	-	-
Interest Cost	-	-
“Remeasurements due to actuarial loss/ (gain) “	-	-
Closing Defined Benefit obligations	5.20	-

There are no plan assets as at 31.03.2023.

**(v) Actuarial Assumptions**

Discount Rate (p.a) in %	7.55%
Salary Escalation Rate	5%
Attrition Rate	10%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate
Disability	5% of mortality rate rates
Withdrawal	“Graded rates From Age 40 - 8.46%, From Age 45 - 4.62%, From Age 50 -2%, From Age 55 - 1%”
Retirement age	58

**(vi) Sensitivity Analysis**

Particulars:	% Increase in DBO	Liability	Decrease or Increase in DBO
DISCOUNT RATE +100 basis points	-5.23%	492,510	-27,203
DISCOUNT RATE -100 basis points	6.08%	551,305	31,592
SALARY GROWTH +100 basis points	5.90%	550,392	30,679
SALARY GROWTH -100 basis points	-5.15%	492,974	-26,740
ATTRITION RATE +100 basis points	0.09%	520,156	443
ATTRITION RATE-100 basis points	-0.18%	518,789	-924
MORTALITY RATE 10% UP	0.02%	519,834	121
EFFECT OF NO CEILING	0.00%	519,713	0

**Note 26**

**Financial Risk Management Objectives and Policies:**

The Company's activities exposes it to various risk including market risk, liquidity risk and credit risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

**(a) Credit Risk**

"Credit risk arises from the possibility that customers or counterparty to financial instruments may not be able to meet their obligations. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable.

Credit risks arises from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Group."

**(b) Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs and borrowings.

**Term Loans from Banks**

**Amount(Rs. In Lakhs)**

Particulars	Outstanding Balance	Payable within 1 Year	Payable after one year
Term Loan 1	1,272.09	415.82	856.28
Term Loan 2	255.28	83.33	171.94
Term Loan 3	258.50	83.33	175.17
Term Loan 4	337.78	213.33	124.44
<b>Total</b>	<b>2,123.65</b>	<b>795.82</b>	<b>1,327.83</b>

**Loans from Related Parties**

**Amount(Rs. In Lakhs)**

Particulars	Outstanding Balance	Payable within 1 Year	Payable after one year
Related Party Loans	9,975.70	-	9,975.70
<b>Total</b>	<b>9,975.70</b>	<b>-</b>	<b>9,975.70</b>

**The repayment tenure will begin from FY 26-27 for all the related party loans.**

**(c) Market Risk**

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's financial performance. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return

**Fair Value Measurement Hierarchy**

Amount(Rs. In Lakhs)

Particulars	Amortized Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
<b>Financial Assets</b>					
Trade Receivables	47.52	-	-	47.52	47.52
Cash and Bank Balance	59.65	-	-	59.65	59.65
Other Financial Assets	26.24	-	-	26.24	26.24
<b>Financial Liabilities</b>					
Borrowings	12,490.42	-	-	12,490.42	12,490.42
Trade Payables	173.54	-	-	173.54	173.54
Other Financial Liabilities	82.10	-	-	82.10	82.10

(i) The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, deposits etc. because their carrying amounts are a reasonable approximation of fair value.

(ii) The carrying amounts of the borrowings that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

**Note 27 : Earnings per Share (EPS) :**

**Weighted Average Number of Shares**

Particulars :	March 31, 2023	March 31, 2022
Profit / (Loss) after tax (In Lakhs)	-892.23	-249.26
Weighted Average Number of Shares (In Lakhs)	339.00	193.01
Earnings per share		
Basic & Diluted EPS	-2.63	-1.29
Face Value per Equity Share (In Rs.)	10	10

Particulars	No. of Shares	No of Days Outstanding	Weighted Average Number of Days :
<b>Weighted Average Number of Shares</b>			
Total Number of Outstanding Shares	9000000	365	9000000
Opening Balance of Outstanding Equity Shares	24,900,000.00	151	10,301,095.89
Rights Issue - Date : 01/11/2021			
<b>Closing Balance of Weighted Average Number of Equity Shares</b>	<b>33,900,000.00</b>		<b>19,301,095.89</b>

**Note 28 : Ratios**

<b>Ratio</b>	<b>March 31, 2023</b>	<b>March 31,2022</b>
Current Ratio	0.21	0.14
Debt-Equity Ratio	4.02	5.72
Debt Service Coverage Ratio	-0.66	0.10
Return on Equity Ratio	-0.35	-0.13
Trade Receivables Turnover Ratio	4.14	-
Trade Payables Turnover Ratio	1.84	-
Net Capital Turnover Ratio	0.08	-
Net Profit Ratio	-4.54	-0.67
Return on Capital Employed	-0.06	0.01

<b>Ratio</b>	<b>March 31, 2023</b>	<b>March 31,2022</b>
Debt	12,482.23	11,074.58
Equity	3,103.30	1,935.16
Average Equity	2,519.23	1,273.27
Earnings available for debt service / EBIT	-710.87	93.31
Interest Expense	278.22	316.13
Instalment	796.67	654.44

- 1) Increase in Current ratio was due to Interest accrued due -Unpaid on borrowings of previous years written off during CY.
- 2) Decrease in Debt Equity ratio was due to increase in equity due to revaluation of land.
- 3) Change in profitability ratios were due to commencement of operations during the CY & various items like interest waived off, impairment losses recognized etc
- 4) Trade receivables and Trade Payables ratio was nil during the previous year as there were no operations due to renovation. Hence, there is a change during CY.

