

ARUNA HOTELS LIMITED

ARUNA HOTELS LIMITED
(CIN-L15421TN1960PLC004255)

Corporate Information

MANAGING DIRECTOR	V.ANBALAGAN (Appointed on 10.10.2015)
DIRECTOR	R.MURALIDHARAN K.RAJAKUMAR RABU MANOHAR (upto 22.09.2015) V.SUNDARESAN (Appointed on 10.10.2015) FREEDA GNANASELVAM
BANKERS	HDFC Bank Ltd.,
AUDITORS	U.C. Bhandari & Co Bangalore
REGISTRAR & SHARE TRANSFER AGENTS	M/s. MCS Share Transfer Agents Ltd 21/22, GR Floor, Kashiram Jamnadas blds P.D'Mello Road, Ghadiyal Godi, Masjid (East), Mumbai -400009 Ph:022-40206021, 23726255, 67439092
REGISTERED OFFICE	145 Sterling Road, Nungambakkam, Chennai-600 034

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ARUNA HOTELS LIMITED

(CIN- L15421TN1960PLC004255)
REGD. OFF: 145, STERLING ROAD, CHENNAI-600-034

NOTICE TO SHAREHOLDERS

Dear Shareholder(s)

Notice is hereby given that the 53rd Annual General Meeting of the Shareholders of Aruna Hotels Limited will be held on Wednesday the 30th December, 2015 at Youth Hostel, 2nd Avenue, Indira Nagar, Chennai-600020 at 9.00 A.M., to transact the following business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2015, Profit and Loss Account for the year ended 31st March 2015 and together with the Reports of the Board of Directors and the Auditors thereon.

SPECIAL BUSINESS:

2.) **To Consider and if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:**

To appoint auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of fifth consecutive Annual General Meeting and to fix their remuneration, and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT, pursuant to Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Bala & Co, Chartered Accountants, be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors M/s. U.C. Bhandri & Co., Chartered Accountants, who shall hold office from the conclusion of this 53rd Annual General Meeting for term of consecutive five years till conclusion of the 58th Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and that the Board be and is hereby authorized to fix such remuneration in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company.”

“FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to fix the Remuneration of the Auditors”.

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

RESOLVED THAT pursuant to the Provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors), Rules 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force and Clause 49 of the Listing Agreement, Freeda Gnanaselvam kanagiah(DIN 07350172), who was appointed as an additional Director (Independent Women Director) of the Company by the Board of Directors with effect from November 27, 2015 and, who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Act and in respect of whom the Company has received a notice in writing from a Member of the Company under Section 160 (1) of the Companies Act, 2013, proposing her candidature for the office of Director, be and is hereby appointed as an Independent Women Director of the Company, not liable to retire by rotation to hold office for 5 (Five) consecutive years for a term upto the Annual General Meeting for the Financial Year 2019-20 and to receive remuneration by way of fees, reimbursement of expenses for participation in the meetings of the Board and/or committees.”

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

RESOLVED THAT Mr. Muralidharan Ramasamy who was appointed on 1st October 2015 as an Additional Director of the Company and holds office upto the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company.

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

RESOLVED THAT Mr. Rajakumar Kumaruvelayathadar who was appointed on 1st October 2015 as an Additional Director of the Company and holds office upto the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company.

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

RESOLVED THAT Mr. Vaithyalingam Anbalagan who was appointed on 10 October 2015 as an Additional Director of the Company and holds office upto the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company.

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

RESOLVED THAT pursuant to the Provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors), Rules 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force and Clause 49 of the Listing Agreement, SUNDARESAN VAIRAKAN (DIN 07328033), who was appointed as an additional Director (Independent Director) of the Company by the Board of Directors with effect from October 10, 2015 and, who holds office upto the date of this Annual General meeting in terms of Section 161 of the Act, and in respect of whom the company has received a notice in writing from a member of the Company under section 160(1) of the Companies Act 2013, Proposing her candidature for the office of the company, not liable to hereby appointed as Independent director of the company, not liable to retire by rotation to hold office for 5 (five) consecutive years for terms upto the Annual General meeting for the financial year 2019-20 and to receive remuneration by fees, reimbursement of expenses for participation in the meeting of the board and other committees.

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

"RESOLVED THAT in Pursuant to the provisions of Section 196, 197, 203 and read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013("the Act"), the Consent of the shareholders be and is hereby accorded for the appointment of Mr. Vaithyalingam Anbalagan (holding DIN00059007) as a Managing Director of the Company for a period of Three years with effect from 10 October, 2015 upon the terms and conditions including remuneration, perquisites and amenities shall be as below:

Terms of Appointment:

Basic Salary: Rs. 25,000/- (Rupees Twenty Five Thousand only) per month

Reimbursement of expenses incurred by him on account of business of the Company in accordance with the Company Policy.

Reimbursement of any other expenses properly incurred by him in accordance with the rules and policies of the Company.

“RESOLVED FURTHER THAT in the event of the Company incurring a loss or having inadequate profits in any financial year, the remuneration, benefits and perquisites payable or extended to Mr. Vaithyalingam Anbalagan shall be in accordance with the provisions of Section II of Part II of Schedule V to the Act, as may be in force from time to time.”

“RESOLVED FURTHER THAT in the event of any Statutory modification or amendments or relaxation in the provisions relating to the payment of remuneration to the managerial persons or to Schedule V to the Companies Act, 2013 the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites etc., within such prescribed time and to do all acts, deeds, matters and things, as it may, at its absolute discretion consider necessary, expedient or desirable to give effect to the above resolution or otherwise considered by it to be in best interest of the company.”

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

RESOLVED THAT in supersession of the resolution passed by the Company with respect to mortgaging and/or charging by the Board of Directors, consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”), or any statutory modification or re-enactment thereof, to the Board of Directors to mortgage and/or charge (by way of first, second or other subservient charge as may be agreed to between the Company and the lenders and/or Debenture Trustees), all the immovable and movable properties, present and future, pertaining to any one or more of the Company’s Units whose properties are agreed to be mortgaged and/or charged in certain events, to or in favour of any Financial Institutions, Banks and other lending Institutions or Funds, Trustees for Debentures, to secure their respective Rupee and Foreign Currency Loans or other Financial Assistance lent, granted and advances or agreed to be lent, granted and advanced to the Company or the Debentures, Bonds or other financial instruments issued and allotted or as may be issued by the Company and subscribed to or agreed to be subscribed to by such Institutions/Banks/Funds, or any other persons, of such amount or amounts not exceeding Rs. 100 Crores in the aggregate on account of principal, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Trustees, costs, charges and other moneys payable by the Company to the respective Financial Institutions, Banks and other lending institutions and Debenture holders and/or Trustees under the Loan/ Subscription Agreement(s) entered into/to be entered into by the Company in respect of the said term loans, debentures or other financial instruments or assistance.

RESOLVED FURTHER that the Board of Directors of the Company including a Committee thereof, be and is hereby authorized to finalize with the Financial Institutions, Banks and other lending Institutions or Debenture Trustees, the documents for creating mortgage(s) and/or charge(s) as aforesaid and to do all acts, deeds and things in connection therewith and incidental thereto.

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10) To consider and if through fit to pass, with or without modification(s) the following resolution as a Special Resolution:

RESOLVED THAT in supersession of the earlier resolution passed by the Company with respect to the borrowing powers of the Board of Directors, consent of the Company be and is hereby accorded pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act 2013 (hereinafter referred to as the "Act"), or any statutory modification or re-enactment thereof, to the Board of Directors, borrowing moneys (apart from temporary loans from time to time obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, as the Board may, from time to time deem necessary, provided that the sum or sums so borrowed and remaining outstanding at any one time shall not exceed in the aggregate Rs. 100 Crores (Rupees One Hundred crores only).

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

RESOLVED THAT pursuant to the provisions of Section 94, other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or enactment thereof for the time being in force), consent of the Company be and is hereby accorded to keep the Register and Index of Members Register and copies of all Annual Returns under Section 92 of the Companies Act, 2013 together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, at the office of the Registrar and Share Transfer Agent of the Company viz. MCS Share Transfer Agent Ltd. 21/22, Kashiram Jamnadas Building, Ground Floor, Near Ghadiyal Godi, 5 P.D'Mello Road, Masjid (East), Mumbai – 400009 or any other its office or place within the Chennai city, instead of the Registered Office of the Company.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof of the Company be and are hereby authorized to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto.

12) Issue of Equity Shares to Promoters of the Company on preferential basis:

RESOLVED THAT pursuant to the provisions of Section 62 (1) (C) of the Companies Act, 2013 read with Rule 13 of the Companies (Share Capital & Debentures) Rules, 2014 and other applicable provisions, if any, of the enactment thereof and in accordance with the provisions of the Listing Agreements entered into by the Company with the stock exchanges where the equity shares of the Company are listed and any other rules/regulations/guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India, the Securities and Exchange Board of India ("SEBI") including Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("SEBI (ICDR) Regulations"), the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as amended and subject to such approvals, consents, permissions and sanctions as may be necessary or required from regulatory or other appropriate authorities, including but not limited to SEBI and all such other approvals, the consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot 29,48,156 fully paid equity shares of Rs.10/- each ("Equity Shares") at a price of Rs.72 (Rupees Seventy Two) to Promoters and Non promoters from time to time and in one or more tranches on preferential basis, on such terms and conditions and in such manner, as the Board may, in its absolute discretion, think fit. The details of allottees are given below

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Proposed allottees	Category	No of shares
Subasri Realty Private Limited	Promoter	1134271
Gay Travels Private Limited	Promoter	565277
Rani Printers Private Limited	Promoter	575000
Balasubramanian Adityan	promoter	111111
India Cabs Private Limited	Non promoter	201388
Sivels Holdings Private Limited	Non promoter	277777
Sivanthi Farms Private Limited	Non promoter	83332
Total		2948156

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, effecting any modifications or changes to the terms of the issue, entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the preferential issue), in connection therewith and incidental thereto as the Board in its absolute discretion deem fit without being required to seek any fresh approval of the shareholders of the Company and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Equity Shares and utilisation of proceeds of the Equity Shares, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and that the decisions of the Board shall be final, binding and conclusive in all respects.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred by above resolution to any Director or to any Committee of Directors or any other executive(s) / officer(s) of the Company or any other person as the Board at its discretion deem appropriate, to do all such acts, deeds, matters and things as also to execute such documents, writings, etc as may be necessary to give effect to the aforesaid resolution

By Order of the Board,
For **Aruna Hotels Limited**
Managing Director

Registered office: 145,
Sterling Road,
Chennai-600-034
(CIN- L15421TN1960PLC004255)

Date: 30/11/2015

Notes

- The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 (Act) in respect of the special business under item No.2 to 11 of the Notice, is annexed hereto.
- A Member entitled to attend at the meeting is entitled to appoint a Proxy to attend instead of himself and the Proxy need not be a Member of the Company.**
A person can act as proxy on behalf of Members not exceeding Fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Proxy Form is enclosed in the last page of this Annual Report. Proxies in order to be effective must be received at the registered office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the Companies, Societies, etc., must be supported by an appropriate resolution/authority, as applicable.

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3. During the period beginning 24 hours before the time fixed of the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of the notice in writing is given to the Company.
4. Members / Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
5. Electronic copy of the Notice for the Annual General Meeting and the Annual Report for year 2014-15 are being sent to all the Members whose E-mail IDs are registered with the Company / Depository Participant(s). Physical copy of the Notice together with the Annual Report are being sent in permitted mode, to Members for whom the E-Mail IDs are not available and who have requested for physical copies.
6. The Register of Director and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the member at the AGM.
7. The Register of Members and Share Transfer Book will remain closed from 28.12.2015 to 30.12.2015 (both days inclusive) for the purpose of Annual General Meeting for the financial year ended 31 March 2015.
8. Members are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agents, MCS Share Transfer Agent Ltd. 21/22, Kashiram Jamnadas Building, Ground Floor, Near Ghadiyal Godi, 5 P.D'Mello Road, Masjid (East), Mumbai – 400009.
Email : mcsdemat@yahoo.com/uday_mcs@yahoo.in, Tel : 022-23726256/23726252
9. The Securities and Exchange Board of India (SEBI) had mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participant(s). Members holding in physical form shall submit their PAN details to the Company.
10. All documents referred to in the Notice will be available for inspection at the Company Registered Office during normal business hours on working days up to the date of AGM.

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A brief profile of directors, who are proposed to be re-appointed/appointed in this AGM, nature of their expertise in specific functional areas, their other directorships and committee memberships, their shareholding and relationship with other directors of the Company are given below:

Muralidharan Ramasamy

Mr. Muralidharan is having over decade rich experience particularly in finance and accounts and he is a MBA (Finance) Graduate and Inter C.A. In recognition of his contribution in media and construction industry and based on the recommendation by the Board of Directors at their meeting held on 1.10.2015 has appointed as Director.

V. Anbalagan

Mr.V Anbalagan, Managing Director of Aruna Hotels Ltd is a veteran with more than 40 years' experience in Running and administration of large businesses in the capacity as CEO includes India Cabs Pvt Ltd, Gay Travels Pvt Ltd and Sun Paper Mills Ltd. He is a BSC and MBA Graduate. He also served the Tamilnadu Government as a Gazetted Officer and held honorary positions as Secretary of Travel Agents Association of India, Southern Region for 6 years and as Treasurer of SKAL Club of India affiliated to International SKAL, a club for Travel Professionals & Hoteliers for 4 years. Due to his rich experience in the field of Travel and Hotels, he can steer the Aruna Hotels business to new heights.

K Rajakumar

Mr.K. Rajakumar, the Director of Aruna Hotels Ltd, is a technocrat with valuable experience in construction and property development. He has been actively involved in Promoting projects, which includes IT parks, educational institutions, and indoor stadiums and sports excellences. He has also promoted various commercial and residential projects as the head and Chief Executive Officer of Subasri Realty Pvt Ltd, Mr.K Rajakumar is instrumental in constantly upgrading the construction techniques as a CEO of Subasri to meet the ever-changing needs of the construction industry. Mr.K Rajakumar has hands on experience and possesses in-depth knowledge. He is holding post graduation degree.

V. Sundaresan

Mr. Sundaresan is having over four decades of rich experience particularly in media and educational institution. He is a science graduates and he is having good exposure in finance area. Based on the recommendation by the Board of Directors at their meeting held on 10.10.2015 has appointed as Independent Director.

Freeda Gnanaselvam Kanagiah

Mrs. Freeda appointed as a Independent Women Director of the Company and she is rich experience in industry more than a decade.

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VOTING THROUGH ELECTRONIC MEANS

Under Rule 18 of Companies (Management and Administration) Rules, 2014 Members holding shares in electronic mode who have not got their E-Mail addresses updated with the Depository Participants are requested to update their E-Mail address and any changes therein. Members holding shares in physical mode are requested to update their E-Mail address, quoting their Folio Number, to our Registrar and Share Transfer Agent, viz., MCS Share Transfer Agent Ltd. 21/22, KashiramJamnadas Building, Ground Floor, Near GhadiyalGodi, 5 P.D'Mello Road, Masjid (East), Mumbai – 400009. Email : mcsdemat@yahoo.com/uday_mcs@yahoo.in. Tel : 022-23726256/23726252

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing Members facility to exercise their right to vote at the Seventeenth Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

I. The instructions for e-voting are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Select "ARUNA HOTELS LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Image Verification as displayed and Click on Login).
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given in points (vi) and (vii).
- vi) Fill up the following details in the appropriate boxes:

For Members holding shares both in Demat Form and physical form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio

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*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number (Sequence number has been provided as Serial number in the address label and / or in the e-mail sent to Members) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

#Please enter any one of the details in order to login. In case the details are not recorded with the depository and company please enter the Member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
 - (viii) Members holding shares in physical form will reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Set Password' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.
 - (ix) For Members holding shares in physical form, the details can be used only for evoting on the resolutions contained in this Notice.
 - (x) Click on the EVSN for Aruna Hotels Limited.
 - (xi) 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.
 - (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
 - (xiii) 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.
 - (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
 - (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account (s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

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- IV. The e-voting period commences on 27th December 2015 (9:00 am) and ends on 29th December 2015 (5:00 pm). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 23rd December 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- V. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 23rd December 2015.
- VI. Mr. M. Damodaran, Practicing Company Secretary (CP No: 5087), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The Scrutinizer shall within a period not exceeding two working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VIII. The Results shall be declared after remote E voting and physical ballot after the AGM of the Company and the resolutions will be deemed to be passed on the date of AGM of the Company subject to the receipt of requisite number of votes in favour of the resolution. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CSDL and communicated to the Stock Exchanges.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Item No: 2

The statutory Auditors, M/s U.C. Bhandri & Co. have expressed their unwillingness to be re-appointed as the auditors of the Company. A special notice has been received under section 140(4)(i) of the Companies Act, 2013 from a member proposing appointment of M/s Bala & Co, Chartered Accountants, as the statutory auditors.

The Board has considered the qualifications and experience of the proposed auditors and has recommended their appointment. The Board of Directors has also considered the matter and recommends the passing of the Special Resolution appointing M/s. Bala & Co, Chartered Accountants, as statutory auditors in place of the retiring Auditor M/s U.C. Bhandri & Co. Written consent of the proposed auditors together with a certificate that the appointment, if made, shall be in accordance with the conditions specified in Rule 4 of the Companies (Audit and Auditors) Rules, 2014 has been received.

ITEM NO: 3

The Board of Directors of the Company, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, had appointed Mrs. FREEDA GNANASELVAM KANAGIAH (DIN 07350172) as Additional Director (Independent Women Director) of the Company with effect from 27-11-2015. In terms of the provisions of Section 161 (1) of the Act, Mrs. FREEDA GNANASELVAM KANAGIAH (DIN 07350172) would hold office up to the date of the ensuing Annual General Meeting.

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The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. FREEDA GNANASELVAM KANAGIAH (DIN 07350172) for the office of Director of the Company.

Mrs. FREEDA GNANASELVAM KANAGIAH (DIN 07350172) is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and as per Section 152 she shall not be included in the total number of directors for retirement by rotation.

The Company has received declaration from Mrs. FREEDA GNANASELVAM KANAGIAH (DIN 07350172) that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Mrs. FREEDA GNANASELVAM KANAGIAH (DIN 07350172) possesses appropriate skills, experience and knowledge;

As per the Board, Mrs. FREEDA GNANASELVAM KANAGIAH (DIN 07350172) fulfills the conditions for her appointment as Independent Women Director as specified in the Act and the Listing Agreement. Mrs. FREEDA GNANASELVAM KANAGIAH (DIN 07350172) is independent of the management.

Brief resume of Mrs. FREEDA GNANASELVAM KANAGIAH (DIN 07350172), nature of her expertise in specific functional areas and names of companies in which she holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange, is provided as a part of the Notice of the Annual General Meeting.

Keeping in view her expertise and knowledge, it will be in the interest of the Company that Mrs. FREEDA GNANASELVAM KANAGIAH (DIN 07350172) is appointed as Independent Women Director.

Copy of the draft letter of appointment of Mrs. FREEDA GNANASELVAM KANAGIAH (DIN 07350172) as Independent Director setting out the terms and conditions of his appointment is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Bombay Stock Exchange.

None of the Directors/Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice, except to the extent of their respective shareholding. The appointee Director may please be treated as interest in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the shareholders.

ITEM NO: 4

Mr. Muralidharan Ramasamy was appointed as an Additional Director of the Company with effect from 1st October 2015, pursuant to Section 161 of the Companies Act, 2013, read with Articles of Association of the Company Mr. Muralidharan Ramasamy holds office of the Director up to the date of this Annual General Meeting. The Company has received notice in writing from a member along with a deposit of requisite fee proposing the candidature of Mr. Muralidharan Ramasamy for the Office of the Director under the provisions of Section 160 of the Companies Act, 2013 .

The Board accordingly recommends the resolution as set out in item No.4 of the Notice for approval of the members.

None of the Directors of the company other than Mr. Muralidharan Ramasamy is interested or concerned in this resolution.

ITEM NO: 5

Mr. Rajakumar Kumaruvelayatha nadar was appointed as an Additional Director of the Company with effect from 1st October 2015, pursuant to Section 161 of the Companies Act, 2013, read with Articles of Association of the Company Mr. Rajakumar Kumaruvelayatha nadar holds office of the Director up to the date of this Annual General Meeting. The Company has received notice in writing from a member along with a deposit of requisite fee proposing the candidature of Mr. Rajakumar Kumaruvelayatha nadar for the Office of the Director under the provisions of Section 160 of the Companies Act, 2013.

The Board accordingly recommends the resolution as set out in item No.5 of the Notice for approval of the members.

None of the Directors of the company other than Mr. Rajakumar Kumaruvelayatha nadar is interested or concerned in this resolution.

ITEM NO: 6

Mr. Vaithyalingam Anbalagan was appointed as an Additional Director of the Company with effect from 10th October 2015, pursuant to Section 161 of the Companies Act, 2013, read with Articles of Association of the Company Mr. Vaithyalingam Anbalagan holds office of the Director up to the date of this Annual General Meeting. The Company has received notice in writing from a member along with a deposit of requisite fee proposing the candidature of Mr. Vaithyalingam Anbalagan for the Office of the Director under the provisions of Section 160 of the Companies Act, 2013 .

The Board accordingly recommends the resolution as set out in item No.6 of the Notice for approval of the members.

None of the Directors of the company other than Mr. Vaithyalingam Anbalagan is interested or concerned in this resolution.

ITEM NO: 7

The Board of Directors of the Company, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, had appointed Shri SUNDARESAN VAIRAKAN (DIN 07328033) as Additional Director (Independent Director) of the Company with effect from 10-10-2015. In terms of the provisions of Section 161 (1) of the Act, Shri SUNDARESAN VAIRAKAN (DIN 07328033) would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri SUNDARESAN VAIRAKAN (DIN 07328033) for the office of Director of the Company.

Shri SUNDARESAN VAIRAKAN (DIN 07328033) is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and as per Section 152 he shall not be included in the total number of directors for retirement by rotation.

The Company has received declaration from Shri SUNDARESAN VAIRAKAN (DIN 07328033) that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Shri SUNDARESAN VAIRAKAN (DIN 07328033) possesses appropriate skills, experience and knowledge;

As per the Board, Shri SUNDARESAN VAIRAKAN (DIN 07328033) fulfills the conditions for his appointment as Independent Director as specified in the Act and the Listing Agreement. Shri SUNDARESAN VAIRAKAN (DIN 07328033) is independent of the management.

Brief resume of Shri SUNDARESAN VAIRAKAN (DIN 07328033), nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange, is provided as a part of the Notice of the Annual General Meeting.

Keeping in view his expertise and knowledge, it will be in the interest of the Company that Shri SUNDARESAN VAIRAKAN (DIN 07328033) is appointed as Independent Director.

Copy of the draft letter of appointment of Shri SUNDARESAN VAIRAKAN (DIN 07328033) as Independent Director setting out the terms and conditions of his appointment is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Bombay Stock Exchange.

ARUNA HOTELS LIMITED

None of the Directors/Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice, except to the extent of their respective shareholding. The appointee Director may please be treated as interest in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

ITEM NO: 8

The Board of directors has appointed Mr.Vaithyalingam Anbalagan as a Managing Director of the Company for a period of Three years from 10.10.2015. The term of office of such appointment will be expired on 9.10.2018. Further, Mr.Vaithyalingam Anbalagan is having over four decades of rich experience particularly in hospitality and travel industry. In recognition of her contribution in the Company and based on the recommendation by the Board of directors at their Meeting held on 10.10.2015 has appointed Mr. Vaithyalingam Anbalagan as a Managing Director of the Company subject to approval of members at the ensuing Annual General Meeting for a further period of Three years with effect from 10.10.2015 to 9.10.2018

The terms and remuneration details as follows:

Basic Salary: Rs.25,000/-(Rupees Twenty Five Thousand only) per month

Reimbursement of expenses incurred by him on account of business of the Company in accordance with the Company Policy.

Reimbursement of any other expenses properly incurred by him in accordance with the rules and policies of the Company.

Other Directorships:

S.No	Name of the Company	Current Designation
1.	SUN PAPER MILL LIMITED	Whole-time director
2.	ANIMATED TRAVELS PRIVATE LIMITED	Director

As per the requirements of the Companies Act, 2013 and the provisions of Schedule V thereto, the appointment/re-appointment of the Managing Director/Whole Time Directors and increase/change in their remuneration is to be made with approval of the Shareholders in the General Meeting. Therefore your Directors recommend the Resolution set out at Item no. 8 is to be passed as Special Resolution.

None of the Director/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board of Directors recommends the resolution for approval of the Members.

ARUNA HOTELS LIMITED

ITEM NO. 9

In pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (the 'Act'), since notified, the Board can exercise such power to create mortgage and/or charge on the immovable and movable properties of the Company, only with the approval of Members of the Company by way of Special Resolution. Keeping in view the company's business requirements and growth plans, it is considered to increase the said borrowing limit upto Rs. 100 crores.

The resolution is accordingly recommended for approval as a Special Resolution under the Act.

None of the Directors, Key Managerial Personnel of the Company, and/ or their relatives may be deemed to be concerned or interested in the proposed resolution.

ITEM NO.10

The Board of Directors of the Company envisages requirements of funds in future. As per the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board can borrow money subject to the condition that the money to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed the aggregate, for the time being, of the paid-up capital and free reserves, that is to say, reserves not set apart for any specific purpose unless the Shareholders have authorized the Board to borrow the monies upto some higher limits.

Hence, it is proposed to empower and authorize the Board of Directors of the Company to borrow money from any Bank(s), Financial Institutions (FIs,) Bodies Corporate or Business Associates or other any person or entity etc., in excess of paid up capital and free reserves of the Company by a sum not exceeding Rs. 100 crores for the purposes of business activities of the Company.

The resolution as set out at item no. 10 of the notice is placed for your approval on the aforesaid limits of borrowing by the Board.

As per Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, approval of the members is sought by way of Special resolution.

Hence, the Board of Directors recommends passing of the enabling resolution mentioned at item No. 10 in the notice.

None of the Directors or KMPs or their relatives is concerned or interested either financially or otherwise, in the resolution otherwise, in the resolution.

ITEM NO.11

Certain documents such as the Register of Members, Index of Members and certain other registers, certificates, documents etc., are required to be kept at the registered office of the Company. However, these documents can be kept at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside, if approved by a Special Resolution passed at a general meeting of the Company.

Accordingly, the approval of the members is sought in terms of Section 94(1) of the Companies Act, 2013, for keeping the aforementioned registers and documents at the office of the Registrar and Transfer Agent ("RTA"), MCS Share Transfer Agent Ltd. 21/22, Kashiram Jamnadas Building, Ground Floor, Near Ghadiyal Godi, 5 P.D'Mello Road, Masjid (East), Mumbai – 400009 or any other its office or place within the Chennai city, instead of the Registered Office of the Company or any other its office or place within the Chennai city.

A copy of the proposed resolution is being forwarded in advance to the Registrar of Companies, Chennai, Tamilnadu, as required under the said Section 94 (1) of the Companies Act, 2013.

The Directors recommend the said resolution proposed vide Item No. 9 to be passed as Special Resolution by the members.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the said resolution.

ITEM NO.12

Your Board at its meeting held on November 30, 2015 subject to approval by the Company in General Meeting and requisite statutory approvals, has proposed to offer for subscription by way of preferential allotment upto 2948156 Equity Shares of Rs.10/- each to promoters and non promoters which has given above in the resolution at a price of Rs. 72.00 (Rupees Seventy Two only) per Equity Share (including a premium of Rs 62.00 per Equity Share) being a price determined as per Regulation 76(A) of Chapter VII of the Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009 and read with Section 62 of the Companies Act 2013, as the trading in company's shares are suspended by BSE.

Section 62 of the Companies Act, 2013, provides, inter alia, that such further shares may be offered to any persons whether or not such persons are existing holders of equity shares of the Company as on the date of offer by way of a Special Resolution passed to that effect by the Company in General Meeting.

The Equity Shares of the Company to be allotted shall be subject to the Memorandum and Articles of Association of the Company and the terms of the issue. The consummation of the proposed subscription of equity Shares by proposed allottees is subject to approval from any governmental / or regulatory authorities etc., if required and /

or as applicable.

The Board believes that the preferential offer to Promoters and non promoters will be in the best interest of the Company and its Members.

ARUNA HOTELS LIMITED

The Listing Agreements executed by the Company with the Bombay Stock Exchange provide that the Company shall issue or offer in the first instance all Securities to the existing equity shareholders of the Company unless the Shareholders decide otherwise.

Accordingly, the consent of the shareholders is being sought, pursuant to the provisions of Section 62 and other applicable provisions of the Companies Act, 2013, Regulation 74(1) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments

there of, and in terms of the provisions of the Listing Agreements, and such other approvals as may be necessary, to issue and allot securities as stated in the Special Resolution.

As required under Rule 13 (2) (d) of the (Share Capital and Debentures) Rules ,2014 of Companies Act 2013 and regulation 73(1) & (2) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the other required details are furnished as under.

Objects of the preferential issue:

Due to industrial slow down in India, inadequate capacity utilization, the Company has recently incurred substantial operating losses. Subsequent to the end of the last financial year, the operation of the business has been closed due to lack of working capital requirements. Consequent to the changes of the Board of Directors and the Company believes that New Board is in the process of working out an elaborate Business Plan to restart the operations at the earliest and has been taking certain structural measures to strengthen its operating performance, in order to shore-up its working capital, the promoters of the Company has agreed to infuse funds into Company around Rs 21,22,67,232 (Rupees Twenty One Crores Twenty Two Lakhs Sixty Seven Thousand and Two Hundred Thirty Two) by way of subscription to the capital of the Company as under:

Number of shares to be allotted and price thereof:

It is proposed that 2948156 Equity Shares would be allotted in one or more tranches at the price of Rs.72/- each per equity share. (Including premium of Rs. 62 per share)

Basis of the Price for shares to be allotted

Shares of the Company since suspended from trading on BSE, the valuation of the shares of the Company is determined as per valuation prepared by a registered valuer.

Relevant Date

The “**Relevant Date**” in accordance with the provisions of Regulation 71(a) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 for the preferential offer means the date as thirty days prior to the date on which this Extra Ordinary General Meeting of the Company is held, to consider, the proposed preferential offer under Section 62 of the Act. Accordingly the “Relevant Date” for this preferential offer is November 30, 2015.

ARUNA HOTELS LIMITED

Intention of the Promoters / Directors / Key management persons to subscribe to the offer

In order to shore-up its working capital, the promoters of the Company has agreed to infuse funds into Company

None of the Directors / Key management persons of the Company intend to subscribe to this preferential issue authorised by the resolution. None of the Directors and KeyManagerial Personnel of the Company or their respective relatives is concerned or interested in the passing of this Resolution.

Shareholding Pattern before and after the issue

PARTICULARS	PRE OFFER SHAREHOLDING	%	PREFERENTIAL OFFER	POST OFFER SHAREHOLDING	%
I. PROMOTERS AND PROMOTERS GROUP					
Subasri Realty Pvt Ltd	1464123	16.27	1134287	2598394	21.75
Gay Travels Pvt Ltd	590296	6.56	565277	1155573	9.67
Rani Printers Pvt Ltd	61093	0.68	575000	636096	5.32
R Chandramohan	19200	0.21	0	19200	0.16
D Augustin	19200	0.21	0	19200	0.16
Sri B.S.Adityan	309888	3.44	0	309888	2.59
Sri Balasubramanian Adityan	0	0.00	111111	111111	0.93
Mrs. Mala Jayaram	14940	0.17	0	14940	0.13
Mrs.Anitha Kumaran	15000	0.17	0	15000	0.13
Sri Devi Agencies	29880	0.33	0	29880	0.25
Rukmini Sivaram	25624	0.29	0	25624	0.21
Sathya	61769	0.69	0	61769	0.52
Kartick P Sivaram	78893	0.89	0	78893	0.66
Dr. Raghavan Sivaram	68558	0.78	0	68558	0.57
S Swarna	14858	0.18	0	14858	0.12
Dr. P Maruthai Pillai	30390	0.35	0	30390	0.25
M Sivabagyam	3700	0.04	0	3700	0.03
M Arunn Pillai	11844	0.14	0	11844	0.10
Vijayalakshmi Chandramaohan	7770	0.09	0	7770	0.07
Geetha Periyasami	17180	0.19	0	17180	0.14
Jayanthi Senthilnathan	6514	0.07	0	6514	0.05
P Chandramohan	3200	0.03	0	3200	0.03
Dr. M Senthilnathan	6247	0.07	0	6247	0.05
M Ganesan	1900	0.02	0	1900	0.02
Dr. T N Subbiah	42300	0.47	0	42300	0.35
Sivakami Subbiah	10000	0.01	0	10000	0.08
Yamini Subbiah	6000	0.07	0	6000	0.05
Jayanthi Natrajan	12200	0.14	0	12200	0.10
C L Ravichandran	802	0.01	0	802	0.01
Chandrakanth Badani	12493	0.14	0	12493	0.10

ARUNA HOTELS LIMITED

PARTICULARS	PRE OFFER SHAREHOLDING	%	PREFERENTIAL OFFER	POST OFFER SHAREHOLDING	%
Yessir Holdings & Investments Pvt Ltd.	372412	4.15	0	372412	3.12
Kamal Kumar Babbar	1216500	13.52	0	1216500	10.18
SUB TOTAL	4534774	50.38	2385659	6920433	57.92
II. NON PROMOTERS					
A. MUTUAL FUNDS	94489	1.05	0	94489	0.79
B. BANKS	2328	0.03	0	2328	0.02
C. INSURANCE COMPANIES	136557	1.52	0	136557	1.14
D. CORPORATE BODIES	287775	3.20	562497	850272	7.12
E. NRI	270400	3.00	0	270400	2.26
F. FIIS	2100	0.02	0	2100	0.02
G PUBLIC INCLUDING CLEARING MEMBERS	3671577	40.80	0	3671577	30.73
SUB TOTAL	4465226	49.62	562497	5027723	42.08
GRAND TOTAL	9000000	100	2948156	11948156	100

The above table shows the expected shareholding pattern of the Company upon consummation of the allotment, and assume that holdings of all other shareholders shall remain the same post-issue as they were on the date of which the pre-issue shareholding pattern was prepared.

Proposed time within which the allotment shall be completed

The allotment of the Equity Shares are proposed to be completed within 15 days of the date of passing of the above resolutions at the general meeting, provided where the allotment is pending on account of pendency of any regulatory authority or Central Government approval(s), the allotment shall be completed within 15 days from the date of receipt of such approval(s).

Auditor's Certificate

A Certificate from M/s Bala & co, Chartered Accountants, certifying that the issue of Shares by way of the proposed preferential allotment is being made in accordance with the requirement of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 shall be placed before the shareholders at the Extraordinary General Meeting.

Lock—in

The Shares to be allotted on preferential basis to the investors shall be subject to the Lock-in periods as applicable in accordance with Regulation 78(1) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

e) The identity of the proposed allottees and the percentage of Post preferential issue capital that may held by them and change in control, if any of the issuer consequent to the preferential allotment:

ARUNA HOTELS LIMITED

Name of the promoter	Existing No. of Equity shares	Proposed No. of Equity shares
Subasri Realty Private Limited	1464123	1134271
Gay Travels Private Limited	590296	565277
Rani Printers Private Limited	61093	575000
Balasubramanian Adityan	0	111111

Name of the Non promoter	Existing No. of Equity shares	Proposed No. of Equity shares
India Cabs Private Limited	NIL	201388
Sivels Holdings Private Limited	NIL	277777
Sivanthi Farms Private Limited	NIL	83332

*** Subject to necessary approvals**

Undertaking

There will not be any change of control due to issue of such equity shares by company to proposed allottee and company has not issued or allotted any securities on preferential basis during the financial 2014-2015 except this offer.

Since the equity shares of the Company has been listed on the recognized stock exchanges for a period of more than 6 months prior to the relevant date, the Company is not required to re-compute the price of equity shares and therefore the Company is not required to submit the undertaking specified under Regulations 73(1)(f) and (g) of the ICDR Regulations.

The Company is taking necessary steps to obtain the requisite approval/s from the regulatory authorities, as may be applicable, for the proposed issue.

There has not been any other preferential allotment of shares made during the year .

None of the director of the Company, is deemed to be interested in the passing of this Resolution as set out in the accompanying Notice pursuant to Section 110 of the Companies Act, 2013.

The Board believes that the issue of equity and preference shares to the promoters of the Company to facilitate infusion of capital into the Company is in the interest of the Company and, therefore, recommends the resolution for your approval.

By Order of the Board,
For **Aruna Hotels Limited**

Managing Director

Registered office: 145,
Sterling Road,
Chennai-600-034
CIN- L15421TN1960PLC004255

Date: 30/11/2015

Directors' report to the Shareholders

1. Operations / State of the Company's Affairs

The New Management is taking all steps to revive the operations of the Company. The New Management has been successful in getting additional funds as Share Capital which is very much required to settle the old and long pending dues of the Company. As such, the New Management is in the process of working out an elaborate Business Plan to restart the operations at the earliest and to ensure that the operations remain profitable. The New Management requests the support and patronage of all the shareholders in this regard to accomplish this mission

The hotel operation has been closed and hence there will not be any generation of revenue during the year under review.

Income:		
Income from sale	2.75	784.66
Other Income	1428.40	142.06
Total Income	1431.15	926.72
Expenditure:		
Less: Employee Cost & other expenses	540.46	2187.07
Profit before Depreciation, Interest and Taxation	890.69	-1260.35
Less: Depreciation	221.58	186.43
Interest	671.29	1917.63
Profit for the year before Exceptional Item and Tax	-2.19	-3364.41
Less: Exceptional Item (pre-tax)	0	0
Profit for the year before Tax	-2.19	-3364.41
Details	2015	2014
Less: Provision for Tax – Current Tax	NIL	NIL
– Deferred tax (net)	NIL	NIL
Net Profit for the year after tax	-2.19	-3364.41

3. Dividend

Considering the financial results of the Company for the year ended review, the Board of Directors could not consider payment of any dividend to the shareholders.

4. Transfer to Reserves

The Company does not propose to be transferred out of the current profits to the General Reserve.

5. Fixed Deposits

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

6. Listing

Your Company's equity shares are currently listed on BSE Limited, Mumbai. The Company also paid listing fees to BSE Limited for the financial year 2015-2016.

However trading of your company shares has been suspended and we have already taken necessary steps to revoke the suspension of our security listed at BSE Limited.

7. Share Capital

The paid up equity share capital as on March 31, 2015 was Rs. 9,00,00,000. During the year under review, your Company did not issue shares with differential voting rights / sweat equity.

8. Significant or Material Orders Passed By regulators/Courts

During the year under review, there were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future

9. Material Changes and Commitment Affecting Financial Position of the Company

There are no material changes and commitments, affecting financial position of the Company which have occurred between the end of the financial year of the Company i.e. March 31, 2015, and the date of the Directors' Report

10. Corporate social responsibility

With the enactment of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 read with various clarifications issued by the Ministry of Corporate Affairs, every Company having the net worth of Rs.500 crores or more or turnover of Rs.1000 crores or more or net profit of Rs.5 crore or more during any financial year have to spend at least 2% of the average net profit of the Company made during the three immediately preceding financial years. Accordingly the provisions of CSR activities under Companies Act 2013 do not apply to your company

11. Corporate Governance

The report on Corporate Governance is attached in this report

12. Subsidiary

Company has no subsidiary as on date of this Balance Sheet.

13. Consolidation of Accounts

In accordance with the Notification issued by the Ministry of Corporate Affairs, Government of India, to amend the Companies (Accounts) Rules, 2014, Vide notification dated 14th October 2014, No. G.S.R. 723(E), in rule 6, after the existing proviso, of the Companies (Accounts) Rules, 2014. As such Consolidation of Accounts is not applicable for the current financial year.

Disclosure under Companies Act, 2013

14. Related Party Transaction

All related party transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business. In view of this, disclosure in form AOC-2 has not been provided as the same is not applicable to the Company

During the year, the Company has not entered into any contract/arrangement with related parties which could be considered materially significant related party transactions.

The details of the transaction with Related Party are provided in the accompanying financial statements

15. Extracts of Annual Return

The details forming Part of the Extracts of Annual Return is annexed.

16. Composition of Board

There are two independent directors including one women director and one executive director and two non executive directors.

17. Board Meetings

During the year, Four Board Meetings were convened and held.

18. Composition of Audit Committee

The Board has not constituted a Audit Committee after new management has inducted as the Boad of the company, However the same has been Constituted as on date.

19. Disclosure of Information as required under section 134 (3) (m) of the Companies Act, 2013 (ACT) read with the companies (Accounts) Rules, 2014

(i) CONSERVATION OF ENERGY

The Company values the significance of conservation of energy and hence continuous efforts are made for judicious use of energy at all levels of operations by utilising energy efficient systems and processes. Towards achievement of this objective, steps have been initiated including use of energy efficient LED lights and energy management systems at our kitchen/offices. Further, certain initiatives are being implemented for optimisation of electricity and LPG usage.

Some of the actions planned for next year include replacement of energy intensive pumps with high efficiency systems, replacement of energy intensive fans with energy efficient fans. Operational measures include close monitoring and control of energy consumption and frequent energy audits by the hotel Engineering Department.

Your Company remains focused on giving importance towards conservation of energy, which results is savings in consumption of electricity, a significant component of the energy cost, in an ongoing process.

(ii) Technical Absorption

The Company continues to absorb and upgrade modern technologies and advanced hotel management techniques in various guest contact areas, which includes wireless internet connectivity in all the Guest House.

(iii) Foreign Exchange Earnings and outgo

As required under Section 131(3) (m) of the Companies Act, 2013, read with rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information relating to foreign exchange earnings and outgo is hereunder.

Particulars	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
Used	Nil	Nil
Earned	Nil	Nil

20. Insurance

All insurable interests of the Company including, buildings, furniture and fixtures and other insurable interest are adequately insured.

21. Auditors

(i). Statutory Auditors

The statutory Auditors, M/s U.C. Bhandri & Co. have expressed their unwillingness to be re-appointed as the auditors of the Company. A special notice has been received under section 140(4)(i) of the Companies Act, 2013 from a member proposing appointment of M/s Bala & Co, Chartered Accountants, as the statutory auditors.

The Board has considered the qualifications and experience of the proposed auditors and has recommended their appointment. The Board of Directors has also considered the matter and recommends the passing of the Special Resolution appointing M/s. Bala & Co, Chartered Accountants, as statutory auditors in place of the retiring Auditor M/s U.C. Bhandri & Co. Written consent of the proposed auditors together with a certificate that the appointment, if made, shall be in accordance with the conditions specified in Rule 4 of the Companies (Audit and Auditors) Rules, 2014 has been received

(ii). Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. M. Damodaran, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith.

With respect to the observation made in the secretarial audit report is self explanatory not necessary to give separate reply its Directors Report.

Apart from the above observation, there are no qualifications, reservations or adverse remarks made by Mr. M. Damodaran, Company, Practising Company Secretary, Secretarial Auditors of the Company in their secretarial audit report

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an internal Control System, commensurate with size, scale and complexity of its operations. The scope and authority of the internal Audit function is well defined in the organization. To maintain its objectivity and independence, .

The Finance and Accounts Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

22. Directors' Responsibility Statement

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

- a) In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such Accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true & fair view of the state of affairs of the company at the end of the financial year 31st March 2015 and of the Profit and loss of the Company for that period;
- c) The Directors have taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safe guarding the assets of the Company and for preventing & detecting fraud and other irregularities;
- d) The Directors had prepared the Annual Accounts on a going concern basis; and
- e) The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

23. Directors

Appointment of Additional Directors:

During the year the Company has appointed Five Directors on board as Additional Directors. They are Mr. Muralidharan Ramasamy, Rajakumar Kumaravelayatha Nadar, Vaithyalingam Anbalagan, Sundaresan Vairakan and Freeda Gnanaselvam Kanagiah. Accordingly, all the aforementioned persons were appointed as Additional Directors with effect from 01.10.2015, 10.10.2015 and 27.11.2015 respectively to hold office till the conclusion of the Annual General Meeting.

ARUNA HOTELS LIMITED

Appointment of Managing Director

Subject to the approval of the members in the ensuing AGM, the Board of Directors appointed Mr Vaithyalingam Anbalagan as a Managing Director of the Company with effect from 10.10.2015 for a period of three years

Appointment of Independent Directors:

During the year the Company has appointed Mr.SundaresanVairakan and Freeda gnanaselvam kanagiah as Independent Directors as per Section 149(4) of Companies Act, 2013 for a period of Five Consecutive years with effect from 53rd Annual General Meeting.

Resignation of Directors:

During the year Sivaram Raghavan , CL Ravichandran, Subramanian Kalyanam ,Karthik P Sivaram, Maruthai Pillai Sivaram, Sankaranarayanan Subramanian, Shameer Ahamed , Natesa Pillai Subramanian , Venkatesalyer Viswanaathan , Kasirajan Rengaswamy and Muthiah Senthilnathan have resigned from the Board on 02.03.2015 and Kamal Kumar Babbar and Baldwin Manohar Rabu have resigned from the Board on 30.09.2015 and 22.09.2015 respectively. The Board places on record its sincere appreciation for the valuable services rendered by them.

Independent Directors Declaration:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, the Company shall establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed.

The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

BOARD EVALUATION

Pursuant to the Provisions of the Companies Act, 2013, the Board has carried out an Annual Performance Evaluation of its own performance and that of its Directors individually.

Human Resources

Your Company takes pride in the commitment, competence and dedication shown by its employees in all areas of its business. It considers people as its biggest assets. your Company consistently develops inspiring, strong and credible leadership.

Particulars of Employees

Information required to be furnished under the provision of the Companies Act 2013 read with the rule made there under, is not applicable since none of the employee are receiving remuneration as mentioned in the said rules and Act.

Acknowledgement

Your Directors take this opportunity to thank the Company's customers, shareholders, suppliers, bankers, financial institutions and the Central and State Governments for the irunstinted support. The Directors would also like to place on record their appreciation to employees at all levels for their hard work, dedication and commitment.

Place: Chennai

For and on Behalf of Board of Directors

Date: 30/11/2015

Vaithyalingam Anbalagan Muralidharan R

-sd-

-sd-

Managing Director

Director

Director's Reply to Auditor's Observation

With respect to the Auditors Qualifications, the Board would like to inform you as follows:

1. The New Management is taking all steps to revive the operations of the Company. The New Management has been successful in getting additional funds as Share Capital which are very much required to settle the old and long pending dues of the Company. As such, the New Management is in the process of working out an elaborate Business Plan to restart the operations at the earliest and to ensure that the operations remain profitable. The New Management requests the support and patronage of all the shareholders in this regard to accomplish this mission. This serves as our response to point no (vi) in the Auditors Report
2. Point Nos (i) to (v), (vii) and (viii) are due to the legacy issues being brought forward as a result of the actions of the old management. The New Management is taking immediate steps to rectify / sort out or close the issues identified in the Auditors Report and is hopeful of doing the same before the next AGM. The New Management has already taken steps to correct the statutory lapses. A secretarial audit is under way. Pending Statutory Dues, to the extent ascertainable, are in the process of settlement with the authorities. The pending litigation are being responded to with the help of legal team. The dues of the employees are being finalised and settled. All these actions have been initiated by the New Management and we are very much hopeful of closing all the points on or before the next AGM.
3. With respect to Point No (ix), the New Management would like to highlight the fact that they are not in agreement with the provision of the interest in the earlier year's financial itself. Further, the New Management is in talks with all the creditors of the company in a bid to determine the amounts due to them so that their dues can be closed. The New Management is negotiating with the creditors for the best deal possible in the form of lower / no interest and even reduction in the principal amounts due given the fact that the Company is yet to restart its operations which is the main goal of the New Management and for which considerable cash flow is required. However, without the assurance and support of the old pending creditors, the New Management is aware that it will not be able to start operations as there are every chances of litigation when ever the step towards restarting is done without the good consent of the creditors. Thus, the New Management, while reaching out to the creditors, is also taking steps to close the pending dues so that there is no bottleneck in the restarting of operations. In this process, as there is every possibility that the amount to be paid is being negotiated for the best deal, the New Management is of the opinion that there is no need for any provision of interest, which was not charged so long upto the FY 12 - 13, to be suddenly charged during the FY 13 - 14. Hence, with all these valid and justifiable reasons, the New Management has recommended the reversal of the interests charged. Interest will be provided for, on a case to case basis, based on the outcome of the settlement of the pending creditors.
4. With respect to points no (x), (xi) and (xii), the New Management has already taken steps to close out the same. A women director has already been appointed. A Company Secretary is in the process of being appointed. An Audit Committee is being set up within the shortest possible time. It is pertinent to note that these issues again are legacy issues inherited by the New Management. However, with the interest of restarting the operations and to ensure that all required statutory norms are adhered to, the New Management is taking all steps to close out all the pending issues at the earliest.

ARUNA HOTELS LIMITED

Form No. MR-3
SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2015

(Pursuant to section 204(1) of the Companies Act, 2013
and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members,
ARUNA HOTELS LIMITED
(CIN: L15421TN1960PLC004255)
145,STERLING ROAD,
NUNGAMBAKKAM,
CHENNAI -600 034.

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

Based on my verification of the ARUNA HOTELS LIMITED books, papers, minute books, forms and returns filed and other records maintained by the

company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2015 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 thereporting made here in after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by ARUNA HOTELS LIMITED ("the Company") for the financial year ended on 31.03.2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

ARUNA HOTELS LIMITED

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

I have also examined compliance with the applicable clauses of the following listing agreement and the Company has generally confirmed to the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, subject to the following non-compliance of certain requirements of the Listing Agreement.

- a. As per SEBI circular No. D&CC/FITTC/CIR-15/2002 dated December 27, 2002 directing issuer companies to appoint a common agency for share registry work (physical and electronic mode) whereas company so for not appointed common agency for share registry work during the year under review and now Company have appointed common agency as on date.
- b. During the year, the company has not submitted the following reports/certificates as per listing agreement executed with the stock exchange
 - i. Shareholding pattern under Clause 35
 - ii. Practicing company secretary certificate under clause 47C
 - iii. Un-audited financial results under clause 41
 - iv. Report on corporate Governance under clause 49
 - v. Reconciliation of Share Capital Audit certificate
 - vi. Intimation of Book closure and AGM

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

- a. The Company's Equity Shares has been continuously suspended from Trading by the Bombay Stock Exchange during the period under review.
- b. The Company has not appointed Company Secretary under Section 203 of the Companies Act 2013 during the Financial Year.
- c. The Company has not appointed Women Director under Section 149 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014. However, it has been complied/ appointed subsequently
- d. The Company has appointed Chief Financial Officer with effect from 05.03.2015 under Section 203 of the Companies Act 2013 during the Financial Year.
- e. The Company has not complied the provisions of section 177 of the Companies Act 2013 for forming an Audit Committee during the year under review. However, it has been constituted subsequently.
- f. There is delay in conducting Annual General Meeting for the year ended 2013 and 2014. However, the Annual General Meeting has been conducted during the year under review on 09.09.2015.

I 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.

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

Majority decision is carried through and recorded.

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

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

1. Change in the Board structure dated 02.03.2015 and Inter se transfer of shares among the promoters during the Financial Year.
2. Mr. MURALIDHARAN RAMASAMY (DIN: 07092976), DIRECTOR of the Company, appointed/designated as the Compliance Officer of the Company as per clause 47 (a) of Equity listing agreement entered with stock exchanges.
3. The Company has taken steps to apply to the Bombay Stock Exchange for revocation of suspension of trading of securities.

Place : Chennai

Date : 30.11.2015

Name of the Practicing Company Secretary : Gnanendrakumar G

ACS/FCS No : 8108

C P No. : 9059

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Aruna Hotels Limited

We have examined all relevant records of Aruna Hotels Limited ("company") for the purpose of certifying compliances of the conditions of Corporate Governance under clause 49 of the Listing Agreement entered into with Stock Exchanges for the financial year ended 31st March 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. 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 and according to the information provided and explanations give to me, we certify that the Company has generally confirmed to the conditions of Corporate Governance as stipulate in the above mentioned Listing Agreement, subject to the following non-compliance of certain requirements of the Listing Agreement.

1. Company trading of equity shares has been suspended at BSE
2. Company has not appointed company secretary as compliance officer, however as on date Mr.Muralidharan director has appointed as compliance officer.
3. As per SEBI circular No. D&CC/FITTC/CIR-15/2002 dated December 27, 2002 directing issuer companies to appoint a common agency for share registry work (physical and electronic mode) whereas company so for not appointed common agency for share registry work during the year under review and now Company have appointed common agency as on date.
4. During the year, the company has not submitted the following reports/certificates as per listing agreement executed with the stock exchange
 - i. Shareholding pattern under Clause 35
 - ii. Practicing company secretary certificate under clause 47C
 - iii. Un-audited financial results under clause 41
 - iv. Report on corporate Governance under clause 49
 - v. Reconciliation of Share Capital Audit certificate
 - vi. Intimation of Book closure and AGM

There is delay in conducting Annual General Meeting for the year ended 2013 and 2014. However, the Annual General Meeting has been conducted during the year under review on 09.09.2015.

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

Date :30.11.2015.
Place : Chennai

G Gnanendrakumar
Practicing Company Secretary

C.P.9059

DIRECTORS' REPORT

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND OUTLOOK

The Hotel Industry in India had been witnessing a boom for the last few years, thanks to the thriving economy and increased commercial and political importance of the Country. The various steps taken by the Government to give a boost to the Tourism industry and the opening of aviation industry have given added fillip to the Hotel Industry. One unique feature of this development is the appreciable increase in the number of domestic travelers driven by rising middle class with increased disposable incomes.

The share of India in International tourist arrivals is progressively increasing. Domestic Tourism too is growing. The number of Domestic tourists in India is rising.

However, in certain cities like Chennai, the availability of hotel rooms is in far excess of the demand, forcing even luxury hotels to reduce their tariff, which has led to the other hotels also reducing their tariff, and some of the hotels are not able to make both ends meet.

2. SWOT ANALYSIS OF THE INDUSTRY.

The strong point for the development of the Hotel Industry as a whole is the support being extended by both Central and State Governments. Another strong point has been the increase in the share of India in international tourism and hospitality sector, and this is expected to continue for quite some time.

As tourism has become the largest service industry in India, with a contribution of 9 per cent to the national GDP and 8.78 per cent of the total employment in India, its importance has been fully recognized by the Government which is extending all possible support for its development.

The major weakness for the industry is Lack of good infrastructure such as good roads, continuous power supply, comfortable modes of transport, etc. The Government is taking steps to remove these weaknesses.

The development of various sectors of the economy and the increase in the number of both domestic and international tourists offer tremendous opportunities for the Hotel Industry. India has got enormous potential to be tapped.

Increase in terrorist activities, which could have an impact on the international tourist inflow and increasing cost of travel, which could have an impact on the domestic tourist traffic, are among the major

threats. The economy is under inflationary pressures with steep increase in the prices of food and oil, which has resulted in rise in the operational costs; this trend will also have a negative impact on the travel prospects of the tourists, and this poses a threat to the otherwise favourable trends.

ARUNA HOTELS LIMITED

3. SWOT ANALYSIS OF OUR HOTEL

Location of our hotel, availability of ample space for parking a good number of cars and the large size of our rooms are our strengths.

Closure of the Hotel for nearly two years for renovation was a major weakness, and has eroded the client base of the Hotel. The steps taken by the Company to re-present the hotel as an attractive place for stay have not met with success.

Added to the competition from a large number of new hotels, which have sprung up and from increasing number of serviced apartments and posh guest- houses, the increasing surplus of supply of rooms over demand s is posing a major threat to our Hotel.

Therefore, the Company has decided to out up commercial/residential apartments taking advantage of the location, and also consider the possibility of putting up a smaller hotel in a better location like near Airport, which will have better business prospects.

Place :Chennai
Date :30/11/2015

BY THE ORDER OF THE BOARD
For ARUNA HOTELS LTD

Managing Director

ARUNA HOTELS LIMITED

(CIN- L15421TN1960PLC004255)
REGD. OFF: 145, STERLING ROAD, CHENNAI-600-034

CORPORATE GOVERNANCE

The Company has been complying with the Corporate Governance Code as per clause 49 of the Listing Agreement with the Stock Exchange. A report on the Corporate Governance is given below:

COMPANY'S PHILOSOPHY:

The Company's philosophy is to ensure highest levels of transparency and accountability in all facets of its operations, and equity and ethics in all its interactions with all its stakeholders, including shareholders, employees, clients, the government and lenders.

The Company's basic goal is to enhance the overall shareholder value, and all its business decisions and actions are oriented towards achieving this basic goal.

BOARD OF DIRECTORS

a) Composition of Board of Directors:

The Board of Directors of the Company consists of five directors (5) directors including 1 Whole Time Directors / Executive Directors, 2 Non-Executive Directors and 1 Independent women director and 1 independent director.

b) Details of the Board Meetings held during the year, attendance by Directors at the Board Meetings & the Annual General Meeting

During the financial year 2014-15, there were five Board Meetings held

AUDIT COMMITTEE:

During the year audit committee has not been constituted due to change in the board structure however now it has been constituted as on date.

REMUNERATION TO THE DIRECTORS

During the year under review none of the directors received remuneration

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

Shareholders committee recently only constituted during the year under review board has supervise the shareholders grievances

ARUNA HOTELS LIMITED

GENERAL BODY MEETINGS:

The last three Annual General Meetings of the Company were held as under:

AGM Detail	Venue	Time & Date
50 th Annual General Meeting	Hotel Aruna, Chennai, 144 Sterling Road, Chennai-600 034	10.15 A.M. on 30.07.2014
51 st Annual General Meeting	Youth Hostel 2 nd avenue , Indira Nagar- Chennai -600 020	09.00 A.M. on 09.09.2015
52 nd Annual General Meeting	Youth Hostel 2 nd avenue indira Nagar Chennai -600 020	09.45 A.M. on 09.09.2015

During the year under review, the Company has not passed any resolution through Postal Ballot as required by the Companies (passing of resolution by postal ballot) Rules, 2001/Cause 49 of the Listing Agreement.

DISCLOSURES:

There were no materially significant related party transactions with the Company's promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large. Whatever related party transactions were there, particulars thereof have been duly disclosed in the Balance Sheet.

- a) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years:

Trading of Company's shares had been suspended by the Stock Exchange, Mumbai .

MEANS OF COMMUNICATION.

- a) The Company is not sending any Half-yearly report to each household of shareholders.
- b) The Company has set up its own website for its Hotel under the domain name of "www.arunahotelslimited.com"
- c) No presentations have been made to institutional investors or to the analysts.
- d) Management Discussion & Analysis Report forms part of this Annual Report being sent to the shareholders of the Company.

ARUNA HOTELS LIMITED

9. GENERAL SHAREHOLDER INFORMATION:

A	53rd Annual General Meeting	
	Date and Time	30/12/2015 09.00AM
	Venue	Youth Hostel , 2nd Avenue Indira Nagar chennnai -600 020
B	Financial Calendar for the year 2015-16 (Tentative)	
	54th Annual General Meeting	Sep 2016
	Board Meetings -	
	Results of the quarter ended 30 th June 2015	Second week of August 2015
	Results of the quarter ended 30 th September 2015	Second week of November 2015
	Results of the quarter ended 31 st December 2015	Second week of February 2015
	Results of the year ended 31 st March 2016	Second week of May 2016
C	Date of Book Closure	28/12/2015 to 30/12/2015
D	Dividend Payment Date	Not applicable as the Company has not declared any dividend.
E	The Company's Equity shares are listed on Stock Exchange at	The Company's shares are listed on the Bombay Stock Exchange,
F	Stock Code	Trading Symbol at BSE - 500016 Demat ISIN Numbers in NSDL and CDSL - INE 957C01019
G	Market Price Date	Trading of company's shares remains suspended. Hence these details could not be given.
H	Performance in comparison with BSE Sensex	Trading of company's shares remained suspended during the year under review. Hence these details could not be given.
I	Registrars	M/s. MCS Share Transfer Agents Ltd, 21/22, GR Floor ,Kashiram Jamnadas blds P.D'Mello Road , Ghadiyal Godi, Masjid (East), Mumbai -400009 Ph:022-40206021,23726255,67439092

ARUNA HOTELS LIMITED

J.	Share Transfer System	The Physical share transfers are processed unless the transfer documents are found invalid, the transfers are effected and the share certificates are returned to the transferees within a maximum period of 30 days. Those shareholders who want to demat their shares may hand over their share certificate(s) to the Depository Participant with whom they have demat account, and the DP will forward it to the RTA for confirmation. All demat requests are processed and if found correct, requisite confirmation given within 21 days of receipt.
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Share Holding pattern :

CATEGEORY	NO. OF SHARES	% AGE OF SHARE-HOLDING
Banks , Financial & insurance Company	138885	1.55
Promoters Directors & Associates	4501774	50.01
Mutual funds & UTI	94489	1.06
Foreign Institutional Investors	2100	0.02
Private Corporate Bodies	287775	3.25
NRI/OCB	270400	3.1
Indian Public	3671577	41.0
Total	9000000	100.00

- Subject to reconciliation of physical and electronic Shares.

K.	Dematerilisation of Shares	As per the notification issued by SEBI, trading in the Company's shares is done only in demat form with effect from February 2001. As of 31st March 2015, about 36% of the Company's shares have been dematerialized.
L.	Outstanding GDR etc.,	The Company has not issued any GDRS / ADRS / Warrants or any convertible instruments.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ARUNA HOTELS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Aruna Hotels Limited, which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

***Basis for Qualified Opinion**

- i) The Company has made provisions for gratuity and ex-gratia in its books for the employees and which is contrary to the Accounting Standard on retirement benefits which is issued by the Institute of Chartered Accountants of India as well as relevant section companies Act, 2013. We are unable to quantify the difference amount based on the information available to the company. The Company has made a Provision of Rs. 76.5 lakhs in the books towards gratuity & Rs. 229 lakhs Ex-Gratia for employees as retirement benefits. Being not based on actuarial valuation, we are unable to confirm the correctness / adequacy of the provisions made.
- ii) No confirmation of balances has been obtained from Financial Institutions, and other parties from whom loan was taken and interest there on debited and credited during the year. Confirmation of balances has not been obtained from creditors and debtors.
- iii) The company has not produced the statutory records for verification hence we cannot form any opinion on compliances of various acts including Companies, Act 2013. The company has also not provided the details of various litigations filed by the third parties; hence we cannot ascertain the liability arising on those litigations.
- iv) We are unable to comment on the correctness of the compliance of the ascertainment and remittance of statutory dues in the absence of verifiable records. During our audit, we have come across several notices / demand notes issued by various statutory authorities and in the absence of verifiable records, inputs / information's, we are unable to comment on the correctness of the demands as computed / provided for by the company.
- v) We are also unable to comment on the decision of the company in not disclosing the contingent liability likely to arise on account of various claims/ litigations raised by the third parties which are under litigation.
- vi) Based on our verification, information and documents provided for our verification, The Company has recorded a loss during the year. Further, its total current liabilities exceed total current assets as on balance sheet date. The validity of the going concern assumption on which the financial statements are prepared depends on the continuance and the ability of the company to generate sufficient cash flows from their operations. We do not have sufficient evidence to assess whether the company's plans/projection would materialize.
- vii) The contingent liability of the company towards the pending cases is not ascertainable as on date, but if the decision is unfavorable it would materially impact the cash flow of the company.
- viii) In our opinion company's action of valuing its inventory on the basis of weighted average method instead of valuing the same on the basis of lower of the cost or NRV is contrary to Accounting Standard AS-2 pronounced by ICAI r/w. Sec. 133 of Companies Act, 2013.
- ix) We are unable to offer our comments on justification and commercial prudence of unilaterally reversing interest provision amounting to Rs. 1300.46 lakhs. Made earlier to the Balance sheet date in respect of interest accrued on loans and advances availed from certain parties.
- x) Pursuant to proviso to section 149 (1) of the Companies Act 2013 the company has not appointed woman director within one year from the commencement of the Act.
- xi) The company has not complied the provisions of section 203 of Companies Act 2013 for the appointment of whole-time Company Secretary.
- xii) The Company has not complied the provisions of section 177 of Companies Act 2013 for forming an Audit Committee.

***Qualified Opinion**

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) In the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- (c) In the case of the Cash flow Statement of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

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

- a) 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) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has not disclosed the impact of pending litigations on its financial position in its financial statements hence we are unable to comment on this.
 - b. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company {or, following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company or there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company}.

For U.C.Bhandari & Co.,
Chartered Accountants

Pankaj N Mehta

Partner

M.No : 233165

FRN No : 000440s

Place : Chennai

Date : 07-11-2015

Annexure to Auditor's Report

The annexure referred to in our report to the members of Aruna Hotels Limited for the year ended on 31st March 2015. We report that:

- i.
 - a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets have not been physically verified by the management during the year and hence we are unable to comment on any discrepancy.
 - c. During the year, there is a management change & the Register is not produced before us, but as per the accounts produced before the company has not disposed off any substantial part of fixed assets.
- ii.
 - a. Physical Verification of stocks of finished goods, stores, spare parts and raw materials was conducted by the Management during the period. In our opinion, the frequency was reasonable.
 - b. The procedures of Physical Verification of stocks followed by the Management are reasonable and adequate, commensurate to the size of the Company and nature of its business.
 - c. On the Basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and books records were not material and have been properly dealt with in the books of accounts.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clauses (iii) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of fixed assets, inventory and for the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- v. The company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act 2013.
- vi. To the best of our knowledge and belief, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 in respect of services carried out by the Company. Accordingly, the provisions of clause (vi) are not applicable.
- vii.
 - a. Undisputed statutory dues including provident fund; investors education and protection fund, employees state insurance, income-tax, sales-tax, wealth-tax. Service-tax, Customs duty, Excise Duty, cess have not been regularly deposited with the appropriate authority and there have been delays in large number of cases, the extent of arrears of statutory dues as at the last day of the financial year 2014-2015 outstanding for a period of more than six months from the date they became payable as per the list below.

ARUNA HOTELS LIMITED

Nature of Dues	Amount (in Lakhs)
ESI Payable	3.69
Gratuity Payable	100.79
Income Tax Payable	2.25
Luxury Tax Payable	226.30
P F Payable	4.59
Professional Tax Payable	0.73
VAT Payable	61.82
Service Tax Payable	100.24
TDS Payable	105.11
Water Tax Payable	3.52

- b. According to information and explanations given to us, no disputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Customs duty were outstanding as at 31st March 2014 except Purchase Tax and Sales Tax on which appeal is pending before High Court.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- viii. The accumulated losses of the company at the end of the financial year are less than fifty percent of its net worth and the company has not incurred cash losses in the current year and immediately preceding financial year.
- ix. Based on the audit procedures and on the information and explanations given by the Management, we are of the opinion that the Company has defaulted in repayment of dues to Financial Institutions or Banks.
- x. In our Opinion the company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.
- xi. In our opinion and according to information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
- xii. No fraud on or by the company has been noticed or reported during the year covered by our audit.

For U.C.Bhandari & Co.,

Chartered Accountants

Pankaj N Mehta

Partner

M.No : 233165

FRN No : 000440s

Place : Chennai

Date : 07-11-2015

ARUNA HOTELS LIMITED

Cash Flow Statement for the year ended 31/03/2015				
Particulars		As at 31/03/2015 (Rs. In Lakhs)		As at 31/03/2014 (Rs. In Lakhs)
Cash Flows from Operating Activities				
Net Loss before tax and extraordinary items		(2.19)		(3364.40)
Adjustments for non-cash and non-operating transactions				
Loss on sale of assets			3.20	
Finance Costs	671.29		1917.62	
Depreciation and Amortisation	221.58		186.43	
Funds from Operations		892.87		2107.25
Decrease in Inventories	0.21		74.92	
Increase in Trade Receivables	(78.06)		412.62	
Increase in other Current Assets	(10.65)		371.47	
Increase in Trade Payables	0.91		17.85	
Decrease in Long-term Provisions	(11.69)		(17.46)	
Increase in Short-term Provisions	112.92		6.82	
Decrease in short-term borrowings	(20.23)		131.72	
Decrease in Short term loans and advances	0.00		0.75	
Increase in Other Current Liabilities	255.08		1116.78	
		248.50		2115.47
Cash flows from Operating Activities before tax		1139.18		858.32
Less: Tax Paid		-		-
Cash generated/(lost) from Operating Activities		1139.18		858.32
Cash flows from Investing Activities				
Purchase of Fixed Assets	(13.75)		(11.59)	
Sale of Fixed Assets	0.00		1.92	
Cash generated/(lost) from Investing Activities		(13.75)		(9.67)
Cash flows from Financing Activities				
Finance Costs	(671.29)		(1917.62)	
Term Loans from Banks	(943.13)		(485.63)	
Loans from Related Parties	(282.54)		478.59	
Loans from others	(213.14)		(1160.92)	
Other Long-term borrowings	(0.00)		0.95	
Long term loans and advances	4.61		84.76	
Share Application Money	1032.87		2168.77	
Cash generated/(lost) from Financing Activities		(1072.62)		(831.10)
Net Cash and Cash Equivalents generated during the year		52.81		17.55
Add: Opening balance of Cash and Cash Equivalents		20.90		3.35
Closing balance of Cash and Cash Equivalents		73.71		20.90
Cash and Cash Equivalents	31/03/2015	31/03/2014		
Cash and Bank Balance	73.71	20.90		
	73.71	20.9		

**For U.C Bhandari & Co
Chartered Accountants**

Pankaj N Mehta
Partner

M. No: - 233165
FRN : 000440S
Place : Chennai
Date : 07-11-2015

VAITHYALINGAN ANBALAGAN
Managing Director

DIN : 00059007

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

MURALIDHARAN RAMASAMY
Director

DIN : 07092976

ARUNA HOTELS LIMITED

Balance Sheet as at 31st March, 2015

Particulars	Note No.	As at 31 March, 2015 Rs. In Lakhs	As at 31 March, 2014 Rs. In Lakhs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.01	1,207.87	1,207.87
Reserves and surplus	2.02	5,583.56	5,585.75
		6,791.43	6,793.62
Share application money pending allotment	2.03	3,201.64	2,168.77
Non-current liabilities			
Long-term borrowings	2.04	516.03	1,954.84
Deferred tax liabilities (net)			
Long-term provisions	2.05	25.40	37.09
		541.43	1,991.93
Current liabilities			
Short-term borrowings	2.06	328.44	348.67
Trade payables	2.07	41.49	40.58
Other current liabilities	2.08	1,988.65	1,733.57
Short-term provisions	2.09	233.88	120.96
		2,592.46	2,243.78
		13,126.96	13,198.10
ASSETS			
Non-current assets			
Fixed assets			
	2.10		
Tangible assets		11,701.91	11,907.75
Intangible assets		-	2.00
Capital work-in-progress		82.44	82.44
Non-current investments			
	2.11	1.95	1.95
Deferred Tax Asset(Net)	2.12	774.28	774.28
Long-term loans and advances	2.13	260.20	264.81
		12,820.78	13,033.23
Current assets			
Inventories	2.14	28.63	28.84
Trade receivables	2.15	123.70	45.64
Cash and bank balance	2.16	73.71	20.90
Short-term loans and advances	2.17	17.01	17.01
Other current assets	2.18	63.13	52.48
		306.18	164.87
		13,126.96	13,198.10
Significant accounting policies	1	-	-

The notes referred to above form an integral part of the financial statements

As per our report on even date annexed

For U.C Bhandari & Co
Chartered Accountants

Pankaj N Mehta
Partner

VAITHYALINGAM ANBALAGAN
Managing Director

M. No : - 233165
FRN : 000440S
Place : Chennai
Date : 07-11-2015

DIN : 00059007

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

MURALIDHARAN RAMASAMY
Director

DIN : 07092976

ARUNA HOTELS LIMITED

Statement of Profit and Loss for the year ended 31st March, 2015

Particulars	Note No.	Amount Rs. In Lakhs	
		For the year ended 31 March, 2015	For the year ended 31 March, 2014
Revenue from operations	2.19	2.75	784.66
Less: Excise duty		-	
Other income	2.20	1,428.40	142.06
Cost of materials consumed	2.21	0.57	186.02
Changes in inventories of finished goods and stock-in-trade			
Manufacturing expenses			
Employee benefits expenses	2.22	447.84	373.01
Finance costs	2.23	671.29	1,917.61
Depreciation and amortisation expense		221.58	186.43
Other expenses	2.24	92.05	1,628.05
		1,433.33	4,291.13
Profit / (Loss) before exceptional and extraordinary items and tax		-2.19	-3,364.41
Exceptional Items			
Profit/Loss before extraordinary items and tax		-2.19	-3,364.41
Extraordinary Items			
Profit/Loss before Tax		-2.19	-3,364.41
Tax expense:			
Current tax expense			-
Deferred tax			-
		-	-
Profit / (Loss) for the period from Continuing Operations		-2.19	-3,364.41
Profit / (Loss) from Discontinuing Operations		-	-
Tax expenses of Discontinuing Operations		-	-
Profit / (Loss) from Discontinuing Operations after tax		-	-
Profit / (Loss) for the period		-2.19	-3,364.41
Basic Earnings per Equity share		-0.02	-37.39
Diluted Earnings per Equity share			
Significant accounting policies	1		
The notes referred to above form an integral part of the financial statements As per our report on even date annexed			

For U.C Bhandari & Co
Chartered Accountants

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

Pankaj N Mehta
Partner

VAITHYALINGAM ANBALAGAN
Managing Director

MURALIDHARAN RAMASAMY
Director

M. No : - 233165
FRN : 000440S
Place : Chennai
Date : 07-11-2015

DIN : 00059007

DIN : 07092976

SIGNIFICANT ACCOUNTING POLICIES

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

2.1. Basis for preparation of accounts

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

2.2. Revenue Recognition

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

2.3. Expenditure

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

2.4. Preliminary Expenses

Preliminary Expenses are amortized over a period of 5 years

2.5. Investments

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

2.6. Inventories

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

2.7. Trade Receivables and Loans and Advances

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

2.8. Provisions and Contingent Liabilities

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

2.9. Retirement / Post Retirement Benefits

Short term Employee benefits, in respect of leave salary and reimbursement of medical expenses, the liability has been fully provided on undiscounted basis, in accordance with the schemes in force. The contribution to Provident Fund (defined contribution plan), as per the provisions of the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, is recognized as expense and remitted to the Provident Fund Commissioner. Expense and income of this year include amounts below Rs. 1000/- in relation to earlier years, which are accounted on cash basis.

2.10. Current and Deferred Tax

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

2.11. Foreign Currency Translations

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

2.12. Cash and Cash Equivalents

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

2.13. Earnings Per Share

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

2.14 Dues To Micro and Small Scale Business Enterprises

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company

2.15 Previous Year Figures

Previous year figures are regrouped and re arranged as per the new schedules vi of companies act 1956.

2.16 Current Liabilities, Loans and Loans and Advances

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

2.17 Related Party Disclosures under AS 18

As per Accounting Standard 18, Issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the accounting standard are given below :

List of Related parties with whom transactions have taken place and relationship

<u>Name of the Related party</u>	<u>Relationship</u>
Key Managerial Personnel	
1. P. Sivaram	Ex-Director
2. Karthik P. Sivaram	Ex-Director
Nature of transaction	Amount
Director`s Remuneration	52,34,507

2.18: Fixed Assets and Depreciation:

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

2.19: Borrowing Cost:

Borrowing Costs are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are Capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur

Notes forming part of the financial statements

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	No of shares	Rs. In Lakhs	No of shares	Rs. In Lakhs
Note 2.01 Share capital				
Authorised				
Equity shares of Rs.10 each with voting rights	24,000,000	2,400.00	24,000,000	2,400.00
Cumulative Redeemable Preference Shares of Rs. 100 each	800,000	800.00	800,000	800.00
		3,200		3,200
Issued, Subscribed and fully paid up				
Equity shares of Rs.10 each, fully paid up with voting rights, including 6,90,000 shares of Rs.10/- each allotted as Bonus Share	9,000,000	900.00	9,000,000	900.00
Above Shares includes 6,90,000 shares of Rs.10/- each allotted as Bonus shares issued for consideration other than cash				
Less: - Calls in arrears		2.13		2.13
Total Paid up Equity Shares		897.87		897.87
14% Redeemable Cumulative Taxable Preference Share of Rs. 100/- each	60,000	60.00	60,000	60.00
17.5% Redeemable Cumulative Preference Taxable Preference Shares of Rs. 100/- each	50,000	50.00	50,000	50.00
16.5% Redeemable Cumulative Taxable Preference Shares of Rs. 100/- each	200,000	200.00	200,000	200.00
Total Paid up Preference Share		310.00		310.00
Total Paid up Share Capital		1,207.87		1,207.87

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

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

The 16.5% Redeemable cumulative taxable preference shares are redeemable at par any time after the date of issue but before the expiry of 15 months from the date of issue. Earliest redemption month is March 1997.

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

Particulars	Opening Balance	Fresh Issue	Bonus Issue	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2015				
- Number of shares	9,000,000			9,000,000
- Amount (Rs.)	897.87			897.87
Year ended 31 March, 2014				
- Number of shares	9,000,000			9,000,000
- Amount (Rs.)	897.87			897.87

ARUNA HOTELS LIMITED

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

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

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

Class of shares / Name of shareholder	As at 31 March, 2015		As at 31 March, 2014	
	No of shares held	% holding	No of shares held	% holding
Equity shares with voting rights				
Mr. P. Sivaram	523,012	5.81	523,012	5.81
Mr. Kamal Babbar	1,200,000	13.33	1,200,000	13.33
Subasri Realty P.Ltd	13,20,681	14.67	8,40,000	9.33
	9,000,000		9,000,000	

(h) As at 31 March, 2015 Nil shares (as at 31 March, 2014 Nil shares) were reserved for issuance towards outstanding employee stock options granted / available for grant, towards outstanding share warrants and towards convertible securities.

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date as at 31 March 2015 is Nil (as at 31 March 2014 is Nil)

(j) Calls unpaid as at 31 March 2015 is Rs.2,13,000 (as at 31 March 2014 is Rs.2,13,000)

(k) Forfeited shares as at 31 March 2015 is Nil (as at 31 March 2014 is Nil)

Notes forming part of the financial statements

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Amount Rs. In Lakhs	
Note 2.02 Reserves and surplus		
Capital Reserve		
Opening balance	0.72	0.72
Add : Securities premium received on shares issued during the year		
Closing balance	0.72	0.72
Capital Redemption Reserve		
Opening balance	4.00	4.00
Add : Securities premium received on shares issued during the year		
Closing balance	4.00	4.00
Securities Premium Reserve		
Opening balance	1,652.16	1,652.16
Add : Securities premium received on shares issued during the year		
Closing balance	1,652.16	1,652.16
Preference Share Redemption Reserve		
Opening balance	30.25	30.25
Add : Securities premium received on shares issued during the year		
Closing balance	30.25	30.25
Revaluation Reserve		
Revaluation Reserve on Land and Building	8,709.48	8,748.66
Less: Depreciation on Revaluation Reserve	-	39.18
Balance Revaluation Reserve carried forward to next year	8,709.48	8,709.48
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	-4,810.86	-1,446.45
Profit for the year	-2.19	-3,364.41
Closing balance	-4,813.05	-4,810.86
	5,583.56	5,585.75
Note 2.03 Share application money pending allotment	3,201.64	2,168.77
a. Share application money received pending allotment		
b. Number of shares proposed to be issued		
c. Amount of premium at which there proposed shares allotment		
d. The shares are proposed to be allotted in financial year end		
Note 2.04 Long-term borrowings		
Term loans from banks - Secured	-	943.13
Loans from Related Parties - Unsecured	203.98	486.52
Loans from others - Unsecured	125.00	338.14
Liability under Hire Purchase Scheme	-	-
Security Deposits	187.05	187.05
	516.03	1,954.84

ARUNA HOTELS LIMITED

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Amount Rs. In Lakhs	
Note 2.05 Long-term provisions		
Provision for Employee Benefits	25.40	37.09
	25.40	37.09
a. Provision for gratuity & Leave Encashment is arrived based on actuarial valuation and entire liability is considered as long term provision by the management. It is non-funded.		
Note 2.06 Short-term borrowings		
Short Term Borrowings from others(Unsecured)	328.44	284.03
Short Term Borrowings (Secured)	-	64.64
	328.44	348.67
Note 2.07 Trade payables		
Dues to Micro and small creditors		
Other Suppliers	41.49	40.58
	41.49	40.58
Note 2.08 Other current liabilities		
Statutory Liabilities	626.78	645.26
Current Maturities of Long Term Loans		
Other Payables (Consist mainly of Wages, Salaries, Audit Fees and Other Expenses)	1,361.88	1,088.31
	1,988.65	1,733.57
Note 2.09 Short-term provisions		
Provision for Employee Benefits	233.88	120.96
Provision for tax - Net		
	233.88	120.96
Note 2.11 Non Current Investments		
Non - Trade Investments		
Equity Instruments - Fully Paid up		
Unquoted		
1510 Equity Shares of Aruna Foods Ltd of Rs. 10/- each fully paid up	0.15	0.15
7 year National Savings Certificates	1.80	1.80
	1.95	1.95
Note: - 7 Year National Savings Certificate 1995 has been lodged with the Sales Tax Authorities - Kerala as Sales Tax Deposit		
Note 2.12 Deferred Tax Asset		
Deferred tax liability	-	-
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	-
Gross deferred tax liability	-	-

ARUNA HOTELS LIMITED

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Amount Rs. In Lakhs	
Deferred tax asset	774.28	774.28
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	-
Gross deferred tax asset	774.28	774.28
Net deferred tax liability	(774.28)	(774.28)
Note 2.13 Long Term Loans and Advances		
Capital Advances - Unsecured - Considered Good	214.56	214.56
Security Deposits - Unsecured - Considered Good	42.75	42.75
Other Loans and Advances : Advances to employees and others	2.89	7.50
Deferred Revenue Expenses	0.00	0.00
	260.20	264.81
Note 2.14 Inventories		
(At lower of cost and net realisable value)		
Raw materials	(0.22)	0.00
Stores, Spares, Chemicals, and others	28.84	28.84
Finished goods		
Stock-in-trade		
	28.63	28.84
Note 2.15 Trade receivables		
(unsecured, considered good)		
Trade receivables outstanding for a period exceeding six months	123.70	45.64
Less: Provision for doubtful trade receivables	0.00	0.00
	123.70	45.64
Other Trade receivables	-	-
	123.70	45.64
Note 2.16 Cash and bank balance		
a. Cash and cash equivalents Balance with banks:		
in current accounts	65.32	11.89
in fixed deposit accounts		
- original maturity less than 3 months		
Cash on hand	0.09	0.71
	65.41	12.60
b. Other bank balances		
- In Deposit Account	8.29	8.29
- original maturity exceeding 3 months and less than 12 months		
	8.29	8.29
	73.71	20.90

ARUNA HOTELS LIMITED

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Amount Rs. In Lakhs	
Note 2.17 Short-term loans and advances		
Unsecured, considered good	17.01	17.01
(Advance to Landlord, Suppliers, Tax Advance and Security Deposit)		
- Tax payments pending adjustments(net)		
Advances to suppliers	-	-
Other Deposits	-	-
Prepaid expenses	-	-
Balances with government authorities		
CENVAT credit receivable	-	-
VAT credit receivable	-	-
TDS receivable	-	-
Service Tax credit receivable	-	-
	17.01	17.01
Note 2.19 Revenue from operations		
Sale of products		
Sale of services	2.75	784.66
Sale of Scrap		
Add: Excise Duty		
	2.75	784.66
Note 2.20 Other income		
Rental Income		0.00
Other Non Operating Income	1,428.40	142.06
Net gain/(loss) on foreign currency transactions		
	1,428.40	142.06
Note 2.21 Cost of materials consumed		
Opening stock		
Cost of material Consumed	0.57	186.02
	0.57	186.02
Less: Closing stock		
Cost of material consumed	0.57	186.02
Note 2.22 Employee benefits expenses		
Salaries, Wages, and Bonus (excluding Directors)	311.16	296.74
Salaries and Perquisites to Directors	52.35	51.15
Contributions to provident and other funds	84.33	25.12
	447.84	373.01
Note 2.23 Finance costs		
Interest on term loan	77.45	159.11
Interest on Others	591.06	1,755.89
Bank charges (including bank charges on BG and LC)	2.78	2.62
	671.29	1,917.61

ARUNA HOTELS LIMITED

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Amount Rs. In Lakhs	
Note 2.24 Other expenses		
Power and Fuel Expenses		
- Electricity Charges	14.72	103.08
- Diesel Charges	0.39	55.22
- Kitchen Fuel	0.17	15.60
Repairs and Maintenance		
- Building	0.90	35.93
- Others	1.03	33.70
Rates and Taxes	19.81	133.84
Insurance	2.15	7.67
Selling and Distribution Expenses	0.37	5.77
Directors Sitting Fees	0.07	0.82
Directors Travelling Expenses	-	19.15
Office and Miscellaneous expenses	43.03	323.50
Freight and Transport, Hire Charges	2.77	32.46
Advances and Receivable Written Off	-	857.63
Payments to the Auditors		
- As Auditor	6.63	2.25
- Tax Audit and Certification Fees	-	1.00
- Service tax	-	0.40
	92.05	1,628.05

Notes forming part of the financial statements

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

	Gross block				Accumulated depreciation				Net block			
	As at 1 April, 2014	Additions	Deleted	Revaluation	As at 31 March, 2015	As at 1 April, 2014	Depreciation for the year	Eliminated on disposal of assets	Depreciation on Revaluation	As at 31 March, 2015	As at 31 March, 2015	As at 31 March, 2014
Tangible assets												
Land	8,348.00	-	-	-	8,348.00	-	-	-	-	-	8,348.00	8,348.00
Building	3,460.80	-	-	-	3,460.80	818.54	115.59	-	-	934.13	2,526.67	2,642.26
Plant & Machinery	1,791.06	-	-	-	1,791.06	935.22	94.57	-	-	1,029.79	761.27	855.84
Office Equipments	128.64	-	-	-	128.64	77.28	6.79	-	-	84.07	44.57	51.36
Furniture and Fittings	431.56	-	-	-	-	-	-	-	-	-	-	-
Vehicles	10.41	13.75	-	-	24.16	2.19	2.23	-	-	4.43	19.73	8.22
Computers	2.45	-	-	-	2.45	0.38	0.40	-	-	0.78	1.67	2.07
	14,172.92	13.75	-	-	13,755.11	1,833.62	219.58	-	-	2,053.20	11,701.91	11,907.75
Intangible assets	38.00	-	-	-	38.00	36.00	2.00	-	-	38.00	-	2.00
Trade Mark												
Capital work-in-progress	82.44	-	-	-	82.44	-	-	-	-	-	82.44	82.44

ARUNA HOTELS LIMITED

ATTENDANCE SLIP

**ARUNA HOTELS LIMITED
(CIN-L15421TN1960PLC004255)**

REGD. OFF: 145, STERLING ROAD, CHENNAI-600034

DP ID.	
CLIENT ID	

FOLIO NO.	
NO. OF SHARES	

Name & Address of Shareholder / Proxy holder

I certify that I am a registered Shareholder / Proxy for the registered Shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company held on 30th December 2015, at Youth Hostel, 2nd Avenue, Indira Nagar, Adyar, Chennai-600 020.

NOTE: Name of the Member/Proxy

Member's/Proxy's Signature

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

ARUNA HOTELS LIMITED

**ARUNA HOTELS LIMITED
(CIN-L15421TN1960PLC004255)**

REGD. OFF: 145, STERLING ROAD, CHENNAI-600034

Form No. MGT-11

Proxy form

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]*

53rd Annual General Meeting – 30th December 2015

Name of the member (s) :
Registered address :
E-mail Id :
Folio No/Client Id :
DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :
Address :
E-mail Id :
Signature :, or failing him

2. Name :
Address :
E-mail Id :
Signature :, or failing him

3. Name :
Address :
E-mail Id :
Signature :

ARUNA HOTELS LIMITED

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 53rd Annual general meeting of the company, to be held on the 30th day of December 2015 At 9:00 AM at Youth Hostel, 2nd Avenue, Adayar, Chennai 600 020 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No	Resolution	Vote (please mentioned No. of shares)		
		For	Against	Abstain
1.	Adoption of Balance Sheet & Profit and Loss A/C at 31 st March 2015			
2.	To appoint M/s. BALA & Co, Chartered Accountants as the Auditor			
3.	To appoint a independent women director Mrs. FREEDA GNANASELVAM KANAGIAH			
4.	To appoint a director Mr. MURALIDHARAN RAMASAMY			
5.	To appoint a director Mr. RAJAKUMAR KUMAR VELAYATHA NADAR			
6.	To appoint a director Mr. VAITHYALINGAM ANBALAGAN			
7.	To appoint a independent director Mr. SUNDARESAN VAIRAKAN			
8.	To appoint Mr. VAITHYALINGAM ANBALAGAN as a Managing Director			
9.	To creation of charge u/s - 180 (1) (a)			
10.	Borrowing Power Limit u/s - 180 (1) (c)			
11.	Keep the Register and Copies of Annual Return other then Registered Office u/s - 94			
12.	Allotment of Share under Preferential Issue guideline			

Signed this..... day of..... 2015

Signature of Proxy holder(s)

Signature of Shareholder

Affix Revenue
Stamp
Rs.0.15

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate Your preference. If you leave the for, against or abstain column blank against any or all resolutions, you proxy will be entitled vote in to the manner as he/she may deem appropriate.