



ARUNA HOTELS LIMITED

60th

Annual Report

2021-2022

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ARUNA HOTELS LIMITED

BOARD OF DIRECTORS

Radhaswamy Venkateswaran (DIN: 09532159)	Managing Director – w.e.f. 10.03.2022
David Susainadar (DIN: 08539011)	Managing Director – upto 04.12.2021
Suyambu Narayanan (DIN: 07718798)	Non-Executive Independent Director
Freeda Gnanaselvam Kanagiah (DIN: 07350175)	Non-Executive Independent Director
Muralidharan Ramasamy (DIN: 07092976)	Non-Executive Non-Independent Director
Rajakumar Kumaravelayetha Nadar (DIN: 05187894)	Non-Executive Non-Independent Director upto 12.08.2022
R. Rajkumar (DIN: 09702403)	Non-Executive Non-Independent Director w.e.f. 12.08.2022

Chief Financial Officer

P. Nagaraj

Company Secretary

K. Lakshmi

Statutory Auditors

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

Secretarial Auditors

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

Internal Auditors

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

Bankers

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

Registered Office

145, Sterling Road,
Nungambakkam,
Chennai 600034

Registrars & Share Transfer Agents

M/s MCS Share Transfer Agent Limited
K-215, 2nd Floor, Ansa Industrial Estate
Saki Vihar Road, Saki Naka,
Andheri East, Mumbai
Maharashtra 400072

COMPANY INFORMATION

Incorporation ----->1960

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

Scrip Code -----> 500016

Demat ISIN -----> INE957C01019

CIN -----> L15421TN1960PLC004255

NOTICE TO MEMBERS

Notice is hereby given that the 60th (Sixtieth) Annual General Meeting ('AGM') of the Members of ARUNA HOTELS LIMITED, (the "Company") will be held on Friday, the 23rd day of September, 2022 at 10.00 a.m. (IST) through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Mr. Ramasamy Muralidharan (DIN: 07092976), who retires by rotation and, being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. Regularisation of Appointment of Mr. R Rajkumar (DIN: 09702403) as a Director (Non-Executive Non-Independent) of the Company

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and all other applicable provisions of the Companies Act, 2013 (the 'Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Articles of Association of the Company and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. R Rajkumar, (DIN: 09702043) who was appointed as an additional Director of the Company with effect from 12th August, 2022 by the Board of Directors pursuant to Section 161 of the Act and who holds office only upto the date of the ensuing Annual General Meeting of the Company and as recommended by the Nomination & Remuneration Committee, proposing his candidature for the office of Director, be and is hereby appointed as a Director (Non-Executive Non-Independent) of the Company liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution"

4. Approval for adoption of new set of Memorandum of Association ("MoA") of the Company as per Companies Act, 2013

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

RESOLVED THAT pursuant to the provisions of Section 13 of the Companies Act, 2013 (the 'Act'), read with the Companies (Incorporation) Rules, 2014, and any other applicable provisions, including any modification(s) thereto or re-enactment(s) thereof for the time being in force, the consent of the members of the Company be and is hereby accorded subject to the approval of the Registrar of Companies, Chennai, to adopt the new set of Memorandum of Association of the Company as per the provisions of the Companies Act, 2013 and available for inspection in the registered office of the Company, a copy of which is placed before the meeting/ hosted in the website of the Company and duly initialled by the Chairman for the purpose of identification, in substitution of the existing Memorandum of Association ("MoA") of the Company

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution"

Place: Chennai
Date: 26.08.2022

By Order of the Board

for ARUNA HOTELS LIMITED
Sd/-
RADHASWAMY VENKATESWARAN
MANAGING DIRECTOR
DIN: 09532159

NOTES:

1. The Ministry of Corporate Affairs ('MCA') issued General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021 and 21/2021 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021 and December 14, 2021, respectively and by General Circular No. 02/2022 dated May 5, 2022 (collectively referred to as "MCA Circulars"), Securities and Exchange Board of India ('SEBI') vide its circular No. SEBI/HO/CFD/ CMD1/ CIR/P/2020/79 dated May 12, 2020, Circular Nos. SEBI/HO/ CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/ CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (collectively referred to as 'SEBI Circulars') has permitted the holding of the Annual General Meeting ('AGM'/'the Meeting') through VC/ OAVM, without the physical presence of the Members at a common venue.

In compliance with the provisions of the Companies Act, 2013 (the "Companies Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), MCA Circulars, SEBI Circulars, Secretarial Standard – II on General Meetings ("SS-II") issued by the Institute of the Company Secretaries of India and other applicable laws, if any, the 60th AGM of the Company shall be conducted on Friday, the 23rd day of September, 2022 at 10 a.m. (IST), through VC/OAVM in accordance with the aforesaid circulars, which does not require the physical presence of members at a common venue.

2. An Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 ('the Act'), read with the relevant Rules made thereunder, setting out the material facts and reasons, in respect of item Nos. 3 & 4 of this Notice of AGM is annexed herewith.
3. Since this AGM is being held through VC/OAVM, the requirement of physical attendance of the members has been dispensed with. Accordingly, in terms of MCA circulars and the SEBI circular, the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map of AGM are not annexed to this notice.
4. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. The Company has engaged Central Depository Services (India) Limited (CDSL) to provide the VC facility for conducting the AGM and for voting through remote e-voting and e-voting at the AGM. The procedure for participating in the meeting through VC/OAVM, forms part of this Notice
6. Institutional Investors and Corporate Shareholders, who are Members of the Company, are encouraged to attend and vote at the 60th AGM through VC/OAVM facility. Corporate Members intending to appoint their authorized representatives pursuant to Section 112 and 113 of the Act, as the case may be, to attend the AGM through VC/OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution/ authorization letter together with attested specimen signature of the duly authorized representative(s) to the Scrutinizer by email at kjr@mdassociates.co.in with a copy marked to helpdesk.evoting@edslindia.com.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Act.

8. Manner for Registration of e-mail addresses is as follows:

For Physical Shareholders: Members who have not registered their e-mail address with the Company, can register their e-mail address for receipt of Notice of 60th AGM, Annual Report and login details for joining the 60thAGM through VC/OAVM facility including e-voting by sending a request to MCS Share Transfer Agent Limited (MCS), Registrar and Share Transfer Agent (RTA) at helpdeskmmum@mcsregistrars.com providing their name, folio number, scanned copy of the share certificate (front and back), self-attested scanned copy of the PAN card and self-attested scanned copy of Aadhaar card) in support for registering e-mail address.

For Demat Shareholders: Members holding shares in demat form whose e-mail address are not registered, are requested to register their e-mail address for receipt of Notice of 60th AGM, Annual Report and login details for joining the 60thAGM through VC/OAVM facility including e-voting by providing Demat account details (CDSL -16 digit beneficiary ID or NSDL – 16 digit DPID+CLID), Name, Client Master or copy of Consolidated Account Statement, PAN (self-attested scanned copy of the PAN card), AADHAAR (self-attested scanned copy of the AADHAAR card) to their DP only, as per the process advised by their DP. The registered email address will also be used for sending future communications.

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9. In line with the MCA Circular read with SEBI Circular, Notice of this AGM along with the Annual Report for the financial year 2021-2022 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories/ Registrars. Members are requested to verify/update their details such as email address, mobile number with their DP, in case the shares are held in electronic form and with MCS Share Transfer Agent Limited, Registrars and Share Transfer Agents (RTA), in case the shares are held in physical form.
10. The Notice of AGM along with the Annual Report will be sent to those members/beneficial owners whose name appear in the register of members/list of beneficiaries received from the depositories as on Friday, 26th August, 2022.
11. The Notice convening the 60th AGM along with the Annual Report for the financial year 2021-2022 will be available on the website of the Company at www.arunahotels.com, on the website of CDSL at www.evotingindia.com and on the website of the BSE Limited, the Stock Exchange, at www.bseindia.com in compliance with the circulars.
12. The Company's Registrar and Share Transfer Agents (RTA) for its Share Registry Work (Physical and Electronic) are M/s. MCS Share Transfer Agents Limited, having their office premises at K-215, 2nd Floor, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai 400072. The Register of Members and Transfer Books of the Company will be closed from September 17, 2022 to September 23, 2022 (both days inclusive).
13. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact Company's Registrars and Transfer Agent, MCS Share Transfer Agents Limited ('RTA') at helpdesknum@mcsregistrars.com for assistance in this regard. Shareholders must mandatorily update their KYC details - PAN, Nomination details, Bank details and Contact details – as required by the SEBI Circular dated November 3, 2021.
14. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank details such as name of the Bank, and branch details, Bank Account number, MICR Code, IFSC Code, to their DPs in case the shares are held in electronic form and to the RTA at helpdesknum@mcsregistrars.com in case the shares are held in physical form, quoting your folio number.
15. SEBI has mandated the submission of PAN by every Participant in the securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.
16. Members can avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act and Rules thereon. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH - 13 duly filled in to M/s. MCS Share Transfer Agents Limited (RTA), at their mail address at helpdesknum@mcsregistrars.com. If a member desires to cancel the earlier nomination, he/she may submit the same in form SH-14. Members holding shares in electronic form may contact their respective Depository Participant (DP)/RTA for availing this facility. The said forms can be downloaded from Company's website at https://www.arunahotels.com/wp-content/uploads/2022/01/Form-No.-SH-13_Nomination-Form.pdf and https://www.arunahotels.com/wp-content/uploads/2022/01/Form-No.-SH-14_Cancellation-or-Variation-of-Nomination.pdf
17. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company / RTA in case the shares are held by them in physical form.
18. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
19. All documents referred to in the Notice will be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of the AGM i.e., Friday, the 23rd day of September, 2022. Members seeking to inspect such documents can send an email to cs@ahlchennai.com

20. The Register of Directors & Key Managerial Personnel and their Shareholding, Register of Contracts or Arrangements in which Director are interested will be available for electronic inspection by the members during the AGM.
21. Disclosure / Information regarding particulars of Directors being appointed / re-appointed at this AGM, in terms of the applicable provisions of Secretarial Standards-2 and SEBI Listing Regulations are annexed hereto.
22. Recorded transcript of the AGM will be made available on the website of the Company at www.arunahotels.com
23. Mr. M. Damodaran, Managing Partner of M. Damodaran & Associates LLP, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
24. Members are requested to carefully read the below instructions in connection with remote e-Voting and procedure for joining the AGM.

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

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

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

in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January 13, 2021.

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

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

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

- (i) The voting period begins on Tuesday, 20th day of September, 2022 at 9.00 a.m. and ends on Thursday, 22nd day of September, 2022 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 16th September, 2022 (Friday) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders'/retail shareholders is at a negligible level.

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

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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting at the AGM. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL Depository	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no.: 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

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

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

	For physical shareholders and other than Individual shareholders holding shares in Demat
PAN	(a) Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).
	(b) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by the Company or RTA or contact athelpdesk@mcsregistrars.com/cs@ahlichennai.com .
Dividend Bank details or Date of Birth	(a) Enter the Dividend Bank details or Date of Birth in (dd/mm/yyyy) as recorded in your demat account or in the Company records in order to login.
	(b) If both the details are not recorded with the depository or Company, please enter the Member ID/Folio number in the Dividend Bank details as mentioned in instruction.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Aruna Hotels Limited (Company Name) on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES / NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votecast by clicking on “CLICK HERE TO PRINT” option on the Voting page.
- (xv) If Demat account holder has forgotten the changed/login password, then enter the User ID and Image Verification code and click on Forgot Password by entering the details as prompted by the system.
- (xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically and can be delinked in case of wrong mapping.
 - It is mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer by email tokjr@mdassociates.co.in and to the Company at the email address cs@ah Chennai.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

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

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

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

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free number at 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatal Mill Compounds, N M Joshi Marg, Lower Parel (East) Mumbai – 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free number at 1800 22 55 33.

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

Item No.3:

Regularisation of the Appointment of Mr. R Rajkumar (DIN: 09702043) as Director of the Company

Mr. R Rajkumar (DIN: 09702043), on recommendation of Nomination and Remuneration Committee was appointed as an Additional Director of the Company with effect from 12.08.2022 by the Board in accordance with and Section 161 of the Companies Act, 2013 (the 'Act') and Article 129 of Articles of Association of the Company. As per Section 161 of the Act, Mr. R Rajkumar will hold office upto the date of the ensuing Annual General Meeting ("AGM") scheduled to be held on 23.09.2022. The Company has received the requisite notice in writing under Section 160 of the Act proposing the candidature of Mr. R Rajkumar to be appointed as a Director (Non-Executive Non-Independent) at the ensuing AGM liable to retire by rotation. Mr. R Rajkumar possess the requisite knowledge, experience and skills for the position of Director. The Board on receipt of the said notice and on the recommendation of its Nomination and Remuneration Committee and subject to approval of members in this AGM, has accorded its consent, to appoint Mr. R Rajkumar as a Non-Executive Non-Independent Director, liable to retire by rotation.

Mr. R Rajkumar will be entitled to receive sitting fees and commission at the discretion of the Board of Directors as applicable to Non-executive Directors.

Except Mr. R Rajkumar, being the appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the resolution set out at Item No.3.

Relevant documents in respect of this resolution are open for inspection by the members at the registered office of the company on any working day during the business hours between 11.30 a.m. to 1.30 p.m. upto the date of AGM.

The Board recommends the passing of the resolution set out at Item No.3 of this Notice as an Ordinary resolution.

Item No.4

Approval for adoption of new set of Memorandum of Association (MoA) of the Company as per Companies Act, 2013

The object clause (Clause III) of the Memorandum of Association (“MoA”) of the Company, as presently in force, is based on the erstwhile Companies Act, 1956. According to the Companies Act, 2013, the companies are required to have only “the objects to be pursued by the Company and matters which are necessary for furtherance of the objects specified”. Further in terms of provisions of the Companies Act, 2013, MoA shall not consist of other object clause. Therefore, it is considered expedient to replace the existing MoA by a new set of MoA to incorporate the aforesaid object clause as per the Companies Act, 2013.

The new set of MoA to be substituted in place of the existing MoA are in the format prescribed under ‘Table A’ under Schedule I of the Act which sets out the model MoA for a Company limited by shares. Copy of the draft Memorandum of Association of the Company would be available for inspection by the members at the Registered Office of the Company on any working day during the business hours between 11.30 a.m. to 1.30 p.m.up to the date of AGM.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the resolution set out in Item No.4 of the Notice.

The Board recommends the passing of the resolution set out at Item No.4 for the approval of the members of the Company by way of a special resolution.

By Order of the Board
For Aruna Hotels Limited
Sd/-
Radhaswamy Venkateswaran
Managing Director
DIN: 09532159

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

PARTICULARS	MR. MURALIDHARAN RAMASAMY	
Educational Qualification	Graduate in MBA (Finance)	
Experience	More than a decade	
Expertise in specific functional area	Has a rich experience more than a decade in the field of field of accounts and finance and has a great contribution in Media Industry.	
Director Identification Number (DIN)	07092976	
Terms and conditions of re-appointment	Retirement by Rotation	
Date of appointment	02.03.2015	
Date of Birth/ Age	19.06.1976 / 46 years	
*Directorships held in other Listed Companies	Nil	
No. of Board Meetings attended during the year	Financial year 2021-22	Financial year 2022-23
	13 (Thirteen)	3 (Three)
Membership in the Company’s Board Committees	Member in Audit Committee	
**Membership of Committees of other Public Companies	Nil	
Listed Entities from which the person has resigned in the past 3 (three) years	Nil	
Number of shares held in the Company including shareholding as a beneficial ownership	Nil	
Relation inter se with the directors/ Key Managerial Personnel of the Company	NIL	
Details of remuneration	Not Applicable	

ARUNA HOTELS LIMITED

PARTICULARS	MR. R.RAJKUMAR
Educational Qualification	Graduate in B.Com
Experience	More than 20 years
Expertise in specific functional area	Mr. R Rajkumar has a rich experience of more than couple of decades in the field of Marketing and Advertisement in the Media Industry
Director Identification Number (DIN)	09702043
Terms and conditions of appointment	Regularisation of appointment as Director (Non-execute & Non-Independent)
Date of appointment	12.08.2022
Date of Birth/ Age	27/03/1981 / 41 years
*Directorships held in other Listed Companies	Nil
No. of Board Meetings attended during the year	Financial year 2022-23 2 (Two)
Membership in the Company's Board Committees	a. Chairman in Stakeholders Relationship Committee b. Member in Nomination and Remuneration Committee
No. of Board Meetings attended during the year	Nil
**Membership of Committees of other Public Companies	Nil
Listed Entities from which the person has resigned in the past 3 (three) years	Nil
Number of shares held in the Company including shareholding as a beneficial ownership	Nil
Relation inter se with the directors	Nil
Details of remuneration	Not Applicable

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

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

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

ARUNA HOTELS LIMITED

BOARD'S REPORT

To the Members,

Your Company's Directors have pleasure in presenting before you the 60th Annual Report of the Company together with the Audited Financial Statements for the Financial Year (FY) ended 31st March, 2022.

FINANCIAL SUMMARY

Standalone Financial Performance for the year ended March 31, 2022 is summarized below:

Particulars	Rs. in lakhs	
	Financial year ended March 31, 2022	Financial year ended March 31, 2021
Revenue from Operations	--	30.84
Other Income (net)	370.87	1.93
Total Income	370.87	32.77
Less: Operating Expenditure (Employee benefit expenses)	(50.37)	(172.27)
Less: Finance costs	(352.59)	(520.40)
Less: Depreciation & amortization expense	(78.47)	(78.47)
Less: Other expenses (net)	(148.68)	(135.94)
Profit/ (Loss) before exceptional and Extraordinary items and tax	(259.24)	(874.30)
Exceptional Items	-	-
Profit/ (Loss) before Extraordinary items and tax	(259.24)	(874.30)
Extraordinary Items	-	-
Profit / (Loss) before tax	(259.24)	(874.30)
Tax expenses	9.98	133.67
Profit / (Loss) after tax	(249.26)	(1007.96)
Total Comprehensive Income for the period (Comprising profit/ loss from ordinary activities after tax and other comprehensive income for the period)	(249.26)	(1007.96)

DISCLOSURE UNDER COMPANIES ACT 2013:

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

(i) Annual Return

Annual Return of the Company as per Section 92(3) of Companies Act, 2013, is disclosed on Company's website www.arunahotels.com

(ii) Number of meetings of the Board

The Board of Directors met 13 (Thirteen) times during the financial year 2021-2022. The details of the Board meetings and the attendance of the Directors are given in the Corporate Governance Report, which forms part of this Annual Report.

(iii) Directors Responsibility Statement

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

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2022, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;

- e) they have laid down internal financial controls to be followed by the Company and ensured that such Internal financial controls are adequate and were operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and ensured that such systems are adequate and are operating effectively.

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

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

(v) A statement on declaration given by Independent Directors

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

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

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

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

The Auditors' Report for the financial year 2021-2022 does not contain any qualification, reservation or adverse remark. The Report is enclosed with the financial statements in this Annual Report.

As required by the Listing Regulations, the Practicing Company Secretary's certificate on Corporate Governance for the financial year 2021-2022 is enclosed as Annexure to this Annual report. The certificate does not contain any qualification, reservation or adverse remark, except that of few observations.

The Secretarial Auditors' Report for the financial year 2021-2022 does not contain any qualification, reservation or adverse remarks, except that of few observations. The Secretarial Auditors' Report is enclosed as Annexure to this Annual report.

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

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

(ix) Related Party Transactions

The related party transactions entered into with related parties during the year under review were in the ordinary course of business and at arm's length basis and in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There were no materially significant related party transactions made by the company with promoters, directors or key managerial personnel etc., which may have potential conflict with the interest of the company at large.

Since there are no transactions that are not in arms' length basis and material in nature, disclosure under AOC-2 does not arise.

(x) State of Affairs

During the year under review, Profit before tax was Rs. (259.24) lakhs as against Rs. (874.30) lakhs in the previous year. Also, as of date, the Company is expected to start operations by end of this year.

(xi) Transfer to Reserves

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

(xii) Dividend

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

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

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year i.e., 31st March, 2022 and the date of this report.

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

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

2. Technology Absorption

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

3. Foreign Exchange Earning and Outgo

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

(xv) Risk Management Policy

Internal compliance and control policies and procedures of the Company and policies for monitoring and evaluation of risk management systems to assess the effectiveness of those systems in minimizing risks that may impact adversely on the business objectives of the Company were established. At present, the Company has not identified any element of risk which may threaten the existence of the Company. However, the Constitution of a Risk Management Committee as per Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not applicable to the Company.

(xvi) Corporate Social Responsibility (CSR):

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

(xvii) Board Evaluation

Your Company has a structured framework for evaluation of the Individual Directors, Chairperson, Board as a whole and its Committees. The Independent Directors at their Meeting held on 04.12.2021 evaluated the performance of Non-Independent Directors, Board as a whole, Chairperson and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Board of Directors at their Meeting held on 04.12.2021 evaluated the performance of all Independent Directors and the Board as a whole and its Committees and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board through circulation of questionnaires, to assess the performance on select parameters relating to roles, responsibilities and obligations of the Board and functioning of the Committees.

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

(xviii) Subsidiary, Associates and Joint Ventures

Your Company has no subsidiary during the year or at any time after the closure of the year and till the date of this report. Hence, a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is not applicable.

Associates And Joint Ventures

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

xix) Change in the nature of Business:

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

(xx) Directors and Key Managerial Personnel:

Directors:

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

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

(i) During the year under review, Mr. David Susainadar (DIN: 08539011) resigned from the post of Managing Director with effect from 04.12.2021.

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

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

(iv) Mr. R. Rajkumar (DIN: 09702043) was appointed as an Additional Director (Non-executive & Non-Independent) by the Board of Directors at their meeting held on 12.08.2022 on recommendation of Nomination and Remuneration Committee and now the regularization of his appointment as Director (Non-Executive, Non-Independent) of the Company will be placed before this ensuing shareholder meeting (AGM 2022) for their approval.

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

(vi) In accordance with provisions of Section 152 (6) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. R Muralidharan, Director (DIN: 07092976) of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-election.

Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Companies Act, the Key Managerial Personnel of the Company as on March 31, 2022 are:

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

xxi. Statement regarding opinion of the Board with regard to integrity, expertise and experience of the Independent Directors appointed during the year

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

As per the recommendation of Nomination and Remuneration Committee, Mr. Suyambu Narayanan (DIN: 07718798), was re-appointed as Independent Director of the Company based on his skills, rich experience of more than a decade in the field of accounts, knowledge and positive outcome of performance evaluation, his declaration that he meets the criteria of independence under Companies Act, 2013 and a declaration that he is not disqualified from being appointed as Director of the Company in terms of section 164 of the Companies Act, 2013. Further, Mr. Suyambu Narayanan is exempt from passing the online proficiency self-assessment test conducted by the institute notified under Section 150(1) of the Companies Act, 2013.

In the opinion of Board, Mr. Suyambu Narayanan possesses the integrity, expertise and relevant experience to get appointed as an Independent Director of the Company.

(xxii) Deposits

The Company has not invited or accepted any deposits during the year under review and there are no deposits covered under Chapter V of the Companies Act, 2013 during the year 2021-2022, the details of which are required to be furnished.

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

During the year under review and as on date of the Report, the following are/were the material orders passed by the Regulators and fine(s) that was/were imposed on the Company:

- a Corporate Insolvency Resolution Process (CIRP) application in terms of IBBI CIRP Regulations, 2016 has been made against the Company and consequently, the application was closed vide National Company Law Tribunal (NCLT) order dated 04.06.2021, with which the Board of Directors of the Company resumed its powers.
- a civil appeal was filed on 23.07.2021 by an ex-employee of the Company, challenging the above mentioned NCLT order before the Hon'ble Supreme Court (SC) of India and stay of operations was imposed on the company by the Hon'ble SC. The Hon'ble Supreme Court has disposed the case vide its order dated 15.09.2021. Based on the above said order passed by the Hon'ble Supreme Court of India, the Chennai NCLT has closed all its pending application vide its order dated 28.09.2021.
- The Company has received an order dated 11.03.2022 from SEBI in compliance with the directions of the Hon'ble Bombay High Court issued vide its order dated 01.11.2021 in the matter of writ petition (L) No. 24095 of 2021 filed by one of the shareholders of the Company, Ms. Shama Chauhan regarding Rights Issue of shares of the Company (Shama Chauhan (Petitioner) vs. SEBI & Others (Respondents)). As per the order dated 11.03.2022, the matter is referred to the concerned department of SEBI for considering initiation of suitable action against the Company for violation of regulation 30(12) of SEBI (LODR) Regulations. The Company is yet to receive and waiting for the final SEBI order of penal action.
- During the year under review, fine of Rs.1,71,100/- (Rupees One lakh seventy-one thousand and one hundred only) was imposed on the Company for the non-compliance of Regulation 33 of SEBI (LODR) Regulations, 2015 pertaining to submission of standalone un-audited financial results for the quarter ended June 30, 2021 applicable to the Company, as there was a stay of operations imposed by the Hon'ble Supreme Court of India and implementation of the Impugned order dated 23.07.2021. The said order was disposed of by the Hon'ble Supreme Court of India as withdrawn dated 15.09.2021. Thereafter, the withdrawal of the case, as above-mentioned, the Company has made the non-compliance good by submitting the financial results for the quarter ended June 30, 2021 to the BSE Limited (the stock exchange, where the shares of the Company are listed) on 22.09.2021 and also remitting the above imposed fine amount of Rs.1,71,100/- on 16.09.2021 vide net banking facility. Pursuant to the same, the BSE Limited, has, on request of the Company, also approved the waiver of the fine amount levied as above vide its email dated 06.05.2022.

(xxiv) Internal Financial Control

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

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

(xxv) Maintenance of Cost Records

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

(xxvi) Internal Complaints Committee

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

(xxvii) Proceedings under Insolvency and Bankruptcy Code, 2016

During the year under review, a Corporate Insolvency Resolution Process (CIRP) application in terms of IBBI CIRP Regulations, 2016 has been made against the Company and consequently, the application was closed vide National Company Law Tribunal (NCLT) order dated 04.06.2021, with which the Board of Directors of the Company resumed its powers.

(xxviii) Capital Structure

During the financial year 2021-2022, there was no change in the Authorised Share Capital of the Company and stood at Rs. 75 Crores divided into 6,70,00,000 (Six crores seventy lakhs) equity shares of face value of Rs.10/- each and 8,00,000 (Eight lakhs) Preference shares of Rs.100/- each constituting Redeemable Preference share capital of the Company.

Rights Issue:

During the financial year 2021-2022, the Company has issued and allotted 2,49,00,000 (two crores forty-nine lakhs) equity shares of Rs.10/- each per equity share aggregating to an amount of Rs.24,90,00,000/- (Rupees Twenty-four crores ninety lakhs) on Rights Basis to the equity shareholders in the ratio of 83 equity shares for every 30 fully paid-up equity shares of Rs.10/- each on November 01, 2021. Consequent to the aforesaid allotment, the paid-up share capital of the Company has increased from Rs.900 lakhs to Rs. 2,490 lakhs.

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

(xxix) Meetings of the Board

During the financial year under review, 13 (Thirteen) Board Meetings were held and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on 06.06.2021, 17.06.2021, 13.07.2021, 16.07.2021, 17.09.2021, 22.09.2021, 25.10.2021, 01.11.2021, 04.12.2021, 08.02.2022, 11.02.2022, 09.03.2022 and 10.03.2022. Necessary quorum was present for all the meetings. Other details including the composition of the Board and the Committee Meetings thereof held during the year under review (FY 2021-2022) are given in the Corporate Governance Report forming part of this Report.

Meeting of the Independent Directors:

During the year, one Meeting of Independent Directors was held on 04.12.2021. All the Independent Directors were present.

Committees of the Board

A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report section which forms part of this Annual Report.

(xxx)Familiarization Programmes for Independent Directors

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

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

ARUNA HOTELS LIMITED

Remuneration ratio of the Directors / Key Managerial Personnel (KMP) / Employees

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

S.No.	Particulars	Particulars
1.	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year (i.) Mr. M S David (upto04.12.2021)* (ii.) Mr. Radhaswamy Venkateswaran (with effect from 10.03.2022)#	2.49:1 1.81:1
2.	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Nil
3.	the percentage increase in the median remuneration of employees in the financial year	Nil
4.	the number of permanent employees on the rolls of company	15 employees
5.	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Nil

**The ratio of the remuneration of Mr. M S David, Managing Director, to the median remuneration of the employees: 2.49. *Proportionate ratio of remuneration is calculated for a period of 8 months during the FY under review, as due to his resignation.*

#The ratio of the remuneration of Mr. Radhaswamy Venkateswaran, Managing Director, to the median remuneration of the employees. #Proportionate ratio of remuneration is calculated for 21 days during the FY under review, as due to his appointment with effect from 10.03.2022.

It is affirmed that the Remuneration is as per the Remuneration policy for the Directors, Key Managerial Personnel and other employees adopted by the Company.

(xxx) Policy on Vigil Mechanism (Whistleblower Policy)

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

(xxxii) Auditors:

(a) Statutory Auditors:

At the 58thAGM held on 21st day of September, 2020, the members approved appointment of M/s Bala & Co., Chartered Accountants, Chennai (Firm Registration No.: 000318S) as Statutory Auditors of the Company to hold office for a term of five years from the conclusion of 58thAGM till the conclusion of 63rd AGM (AGM 2025). The Statutory Auditors Report for the financial year 2021-2022 on the financial statement of the Company forms part of this Annual Report.

(b) Internal Auditors:

In accordance with the provisions of Section 138 of the Companies Act, 2013 M/s. GSPU & Associates, chartered Accountants (FRN :011266S), were appointed as the Internal Auditors of the company for the financial year 2021-2022.

(c) Secretarial Auditors:

M/s J. Jothi & Associates, Practicing Company Secretaries, Chennai, were appointed to conduct the secretarial audit of the Company for the financial year 2021-2022, as required under Section 204 of the Companies Act, 2013. The Secretarial Audit Report in form no. MR-3 issued by the Secretarial Auditor for the financial year 2021-2022 is annexed to this report.

(xxxiii) Compliance with Secretarial Standards:

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

(xxxiv) Listing Requirements

Your Company's Equity shares are listed on the BSE Limited, Mumbai. Listing fees have been paid to this Stock Exchange for the financial year 2021-2022.

(xxxv) Dematerialization of Shares

The Company's shares are compulsorily traded in dematerialized form on the BSE Stock Exchange. Equity Shares of the Company representing 91.37% of the Company's equity share capital are dematerialized as on March 31, 2022. Under the Depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE957C01019.

(xxxvi) Corporate Governance

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

(xxxvii) Management Discussion & Analysis Report

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

Acknowledgement

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

Date: 26.08.2022

Place: Chennai

On behalf of the Board of Directors
Sd/- **Sd/-**
Radhaswamy Venkateswaran **Suyambu Narayanan**
Managing Director **Director**
DIN: 09532159 **DIN: 07718798**

FORM NO. MR-3**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022**

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

To,

The Members,

ARUNA HOTELS LIMITED

CIN: L15421TN1960PLC004255

Aruna Centre, 145, Sterling Road,

Nungambakkam,

Chennai -600 034

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year starting from 01-04-2021 to 31-03-2022 (hereinafter referred to as "audit period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under ;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time;
 - d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client, as amended from time to time;

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

- I. The Listing Agreement entered into by the Company with the BSE Limited under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- II. Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following;

1. The Company has delayed in intimating to Stock Exchange under Regulation 33(3)(a) of SEBI (LODR) Regulations for the quarter ended June 30, 2021 and penalty for the same has been paid to BSE. This was due to a stay of operations imposed on the company by the Hon'ble Supreme Court of India. The said order was disposed of by the Hon'ble Supreme Court of India as withdrawn dated 15.09.2021. Thereafter, the Company has made the non-compliance good by submitting the financial results for the quarter ended June 30, 2021. The BSE, has on request of the Company, also approved the waiver of the fine amount levied as above vide its email dated 06.05.2022.
2. The Company has not filed as per the prescribed format (XBRL) provided under regulation 7(2)(c) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

We further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The powers of the Board was suspended during the year due to an initiation of the Corporate Insolvency Resolution Process (CIRP) by National Company Law Tribunal (NCLT), Chennai, later the powers of the Board was restored consequent to the withdrawal of CIRP vide NCLT order dated 04-06-2021.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that;

1. During the year, Mr. Susainadar David (DIN: 08539011) resigned from the post of Managing Director of the Company with effect from 04-12-2021 and Mr. Radhaswamy Venkateswaran (DIN: 09532159) was appointed as Managing Director of the Company for a period of 5 years with effect from 10-03-2022 by passing a special resolution through postal ballot by means of remote e-voting facility to the shareholders of the Company on 15-04-2022.
2. The Board of Directors of the Company vide their resolution passed on its meeting dated 01-11-2021, has allotted Equity Shares through Rights Issue to the existing shareholders of the Company to an extent of Rs. 24.90 Crores.
3. During the financial year, the Corporate Insolvency Resolution Process in terms of IBBI CIRP Regulation, 2016 against the Company has been withdrawn through order dated 04-06-2021 by NCLT, Division Bench, Chennai.
4. The company had received an order dated 11-03-2022 in compliance with directions of the Hon'ble Bombay high court vide order dated 01-11-2021 in the matter of writ petition No.24095 for violation of SAST Regulations and action against AHL for violation of regulation 30(12) of LODR regulation for various matters for the year 2015. As informed, the Company is awaiting the final order for appropriate course of action in this matter as on date of this report.

for J. JOTHI & ASSOCIATES
PRACTICING COMPANY SECRETARIES
KARTHIK
PARTNER
FCS No. 11703, CP No. 17899
FRN: P2015TN070400
Peer Review Cer. No. 2260/2022
UDIN: F011703D000832908

Place: Chennai
Date: 23.08.2022

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

ARUNA HOTELS LIMITED

ANNEXURE-A

To,

The Members,

ARUNA HOTELS LIMITED

CIN: L15421TN1960PLC004255

Aruna Centre, 145, Sterling Road,

Nungambakkam,

Chennai -600 034

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

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

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

**KARTHIK
PARTNER**

FCS No. 11703, CP No. 17899

FRN: P2015TN070400

Peer Review Cer. No. 2260/2022

UDIN: F011703D000832908

Place: Chennai

Date: 23.08.2022

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

In India, the hospitality industry is evolving to the contemporary needs as they resume services after lockdown. The central and state governments have issued standard operating procedures and the change is visible at the hotels, eateries and monuments. The security scan at entrances has thermal screening and sanitization added to the checks, the lobbies are being sanitized more often and the staff is more cautious than before.

Many services are turning contactless, while there are many more that cannot be robotized for now. Amid the scenario, those in the sector may be required to acquire additional skills or even reskill for the safety procedures. The managers also have to relearn to study the market trends, the finances would need to be reworked to ensure that the 'safety protocols' do not make the visitors stay awkwardly expensive. There will still be things such as travel restrictions and infection prevalence in the local city that would stay beyond the control or vision of the tourism and hospitality stakeholders. The sector thus must return to a 'new normal' with baby steps.

The new beginning will have an increased emphasis on the local tourist, foreign visitors are likely to remain less for some more time. The local guests are more prone to go for short weekend stays and may return on a higher frequency.

These visitors, local or foreign alike would prefer a destination where they can be assured of the safety standards. Increase in area per cover, partition per table outdoor seating, live cooking for guests to see every step of food production, use of digital menus, disposable crockery and cutlery, napkins, drive through online food delivery and take-outs are going to be the order of the day. For business travellers, city hotels may continue to be boarding and lodging places only this time with strict SOPs for Covid-19.

As uncertainty prevails on the future of the industry and millions employed in the services, few rays of hope emerge from promising news coming from abroad. Vaccines have come to save humanity. World Travel and Tourism Council is also devising the new travel protocols in consultation with various stakeholders and travel industry associations as confidence-building measures and to set clear expectations and compliances for travellers including 'Immunity Passport' for Tourists to confirm the presence of Covid-19 Antibodies.

Looking ahead at 2022, market conditions remain uncertain and the economy could swing wildly. Perhaps herd immunity is reached, new Coronavirus cases decline, and pent-up demand causes a huge rebound. Or perhaps new variants emerge that require time for vaccine updates, consumers and companies alike grow more cautious, and demand flattens or declines. The most likely scenario is somewhere in between.

(b) Opportunities and Threats

The hospitality arena in India is not only growing rapidly, but it has developed into a multi-faceted industry. There has been a rapid growth in the development of India's airline sector. Indians are travelling more as compared to the past because of better connectivity and ease of flying. There has also been an increase in foreign tourist arrivals. With an advancement in technology, hotel rooms can now be booked with a click of a button. From budget hotels to five-star properties and home stays to boutique resorts, there is something for every traveller. There are a growing awareness of international hospitality standards and people are demanding high quality services in hotels and restaurants. Social and digital media also gives them a platform to review offerings and express their dissatisfaction. There are several international brands and chains that have entered the local market. And with competition being high, customers are spoiled for choice.

Gives a protected lodge away from home: The hotel business gives safe convenience to individuals when they are away from their homes. The industry itself brags millions of nice rooms. With an assortment of lodgings across the globe – from boutique hotels to the loftiness worldwide name brands and everything in the middle, there's consistently a hotel that will fit a client's needs. They offer everybody a spot to kick back and loosen up away from all the hurrying around of regular day-to-day existence and work. Without the hotel business, get-aways and travels wouldn't be more secure or even conceivable.

Contributes to the Local Economy: As an industry that uses critical monetary force, the hotel industry can positively hold things over in the neighbourhood economies. Sure, it's nearby attractions that carry masses to the local area, yet the hotels are the ones that keep them there. When individuals stay in a spot, they burn through nearby administrations and goods. They will visit nearby shopping centres, eat in neighbourhood eateries, and shop in neighbourhood stores.

It employs a large number of people: The hotel industry is a large sector that employs a large number of workers. This industry has a large number of subsectors. So, the need for new employees is never to be filled. In the future, there is a chance of ten percent for each and every people to become somehow invested in this industry. So, this industry will continue to employ a huge number of people for a very long time.

The world will never be the same again, and people will explore it a little more cautiously. In a quest to quench the wanderlust in the post COVID world, people will be stepping out of their routine, still would not skip on safe behavior. More than before, they would seek places that are safe and hospitable. The onus thus is on the hospitality sector to rekindle the confidence among them and respond to the changing trends of tourism.

Huge setup cost and high hotel rates: It is a known fact that only a day in a high-end hotel costs a huge amount of money. These charges are so high that an average individual with an average income can never afford them. For this, the hotels are losing valuable customers both inside and outside of the industry. So, in short, there is only a small part of society that the hotel industry can order its services to. Yes, there are other hotels out there that are much more affordable but the service standard of those is much, much lower. It also takes a large sum of money and a lot of effort to set up a hotel and maintain it. It can take years for the high-end hotels to get to their target profit zone. Large investments and operational costs are the main reason that the hotel industry is falling behind.

Depending on tourism and seasons: The hotel industry is a piece of the greater travel and neighborliness industry. This reliance makes the hotel industry vulnerable. The business of hotels would rely upon the flood of sightseers, occasions, and season. This irregularity and reliance on the tourism industry is a critical shortcoming of the hotel industry. Predicting high and low seasons ahead of time is very troublesome. Keep a full-scale point of view, this gets significantly more difficult. As a model, the COVID-19 pandemic has just crushed the travel industry area in 2020. The hotel industry is straightforwardly subject to venture out and along these lines needed to endure gigantic losses. This is an exemplary illustration of the over-reliance of the hotel industry on outer elements.

Too woo workers, pay, benefits and working conditions improve: Restaurants have been especially hit hard, coming back with better pay, sign-on bonuses and better benefits, like limited healthcare and the commitment to cover college tuition. Hotels are following suit to some extent. But they've found other solutions, too, like cutting back on housekeeping. Technology also has helped, facilitating service with solutions like mobile apps and chatbots.

Protecting those employees who do return will continue to be a big priority, especially since COVID and its variants are still here, with the likelihood of more damage. Continued disruption is ahead, and one concern is workers' compensation insurance. Many states are considering new presumption rules that would allow claims that assume an infectious disease was contracted at work. Improving working conditions will attract more workers as well as offset risks.

Technology's role grows—along with the risks

Tech solutions continue to transform hospitality. Start with point of sales systems that add speed and efficiency to the sales process, inventory management and cash flow. During a time of curtailed face-to-face interactions, another benefit is the proliferation of apps that, for example, can facilitate driver training and pre-trip car inspections for restaurant deliveries.

But the downside risks will continue to grow in 2022. Hardly a day passes without a new report of cyber breaches among hotels that are more vulnerable than ever to ransomware, malware, phishing and other crimes. Attempted online fraud affecting hospitality continues to escalate, up 155.9 percent just through the second quarter of 2021.

Cyber-attacks are not going to slow in 2022. Organizations need to understand their exposures and put safeguards in place, from firewalls to employee training on avoiding breaches. They also should talk to their broker to ensure they have adequate cyber insurance coverage. Jumps in claims, especially for ransomware, have tightened capacity and are likely to push rates up 20 percent or more.

Waiting out the dearth of business travelers: It will take a resumption of business travel to return hospitality to full health. That's a slow-moving process, one that's testing the hospitality industry's resiliency.

It's taking ingenuity to wait things out because the large business meetings and conventions that drive much of business travel are only resuming slowly. One pivot is to make the host hotel a "hub" from which events and local travel extend. Smaller groups use small meeting rooms for networking and presentations, enjoying the keynoter via video. Planners insist on in-person site visits as the virtual mode wears thin. Combining the "business with leisure" play is another winner, like "come early, stay late" offers that encourage longer hotel stays.

c) Segment-Wise Performance

During the year under review, Profit before tax was Rs. (259.24) lakhs as against Rs (874.30) lakhs in the previous year. The company reported a loss after tax for financial year 2021-2022 of Rs.249.26 lakhs. As of date, the company is expected to start its operations by end of this year. Further, segment-wise performance disclosure is not applicable.

d) Outlook

The onset of the Covid-19 outbreak in March 2020 was followed by a nationwide lockdown to contain the pandemic. The lockdown, which was implemented on March 24, 2020, continued till May 31, 2020, leading to a significant deterioration in the operating parameters of hotels in FY21. The occupancy plunged to 33% in FY21 from over 65% earlier. ARR's dropped by 35% in FY21. FY22 has been a promising year for the sector wherein the revival in the occupancy and RevPAR's has led to green shoots for the industry players. The decline in Covid cases, resumption of international flights from March 2022, and strong leisure and wedding demand are the positive factors that should lead to growth in occupancy and ARR's in FY 2023.

The year 2022 started on a challenging note with subdued demand in the first few weeks because of rising Omicron cases in the country, and the accompanying travel constraints across states. However, this has been a temporary stumbling block, as domestic travel demand is making a strong comeback since the cases subsided, and travel limitations were lifted.

Though international travel continued to suffer in FY22 as well, there was a sharp recovery as compared to the previous year. Despite the strong upward movement, FTAs remained at about 20% of the pre-Covid levels. With the resumption of international flights from March 27, 2022, the international travel demand is expected to recover gradually through FY23 till the end of FY24. In April 2022, the number of Foreign Tourists Arrivals recovered to reach 21% of total arrivals in FY21.

With the pandemic leaving a long-lasting impact on consumer lifestyle and preferences, the travel industry is seeing a renaissance in the post-Covid era. New trends such as 'stress on sanitisation', 'escapism travel' and 'wellness tourism' are likely to shape the future of the industry. The hospitality sector is slowly moving into 'hospitable territory', anticipating recovery of domestic and international travel gradually through FY23 till the end of FY24 to the pre-Covid levels. For FY23, the majority of its portfolio of hotel companies to report improved performance, largely restored to pre-Covid levels. Domestic tourism is expected to be the key growth driver, with international travel slowly gaining momentum, specifically post resumption of international flights. The situation is, however, still evolving and the same remains contingent on the possibility of another Covid wave and its severity on the sector. The operational profitability margins, which remained in the positive zone post Q1FY22, are expected to further improve to the pre-Covid levels during FY23, owing to improved demand outlook and sustained cost optimization measures adopted.

Growth Drivers:

- Pent up travel demand is likely to provide impetus to the sector
- Cost containment measures to tame operational losses of hoteliers
- Rapid and successful vaccination drives boosting confidence
- Government's focus on large-scale infrastructure development

(e) Risk & Concern

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

(f) Internal Control Systems and their adequacy

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

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

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

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

As on date, the company is expected to start operations by end of this year. The company reported a loss after tax for financial year 2021-2022 of Rs.249.26 lakhs

(h) Material developments in Human Resources:

The Company attaches utmost importance to all employees working at various locations. The main focus is on attracting, retaining and nurturing the best of talents to lead the organisation towards achieving the Company’s strategic goals and objectives. The Company provides a work culture free of discrimination and bias and provide equal opportunity to all.

(i) Details Of Significant Changes In Key Financial Ratios

Particulars	Current year (2021-2022)	Previous year (2020-2021)	% Change
Debtors’ turnover*	-	1.69	-100%
Inventory turnover	-	-	0%
Interest coverage ratio**	0.30	-0.68	-143%
Current ratio***	0.14	0.19	-27%
Debt Equity ratio ****	5.72	23.22	-75%
Operating Profit margin*	-	-11.48	-100%
Net profit margin##	-0.67	-30.76	-98%
Details of any change in Return on Networth as compared to the immediately previous financial year@	-0.13	-1.65	-92%

**The change in Debtors’ turnover, Operating profit margin are because of no revenue from operations*

***There is a decrease in the net loss of the Company as the Interest from the loans borrowed from related parties have been waived off as the Company had planned to commence its operations in the FY 2021-2022, but the renovation was not completed due to the impact of Covid-19., Due to the same reason, there is also difference in Interest coverage ratio ** and Return on Net-worth ratio@.*

***** Change in the Debt Equity ratio is due to Rights Issue made during the FY 2021-2022.*

****Increase in Current ratio is due to increase in Cash and cash equivalents due to the inflow of funds from Rights Issue.*

Cautionary Statement

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

ARUNA HOTELS LIMITED

CORPORATE GOVERNANCE REPORT

A report on compliance with the Corporate Governance provisions as prescribed under Regulation 34(3) read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) as amended for the year ended March 31, 2022 is detailed below:

1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

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

The Board as on March 31, 2022 comprises of 5 (five) Directors, out of which two are Non-Executive Independent Directors (including one Independent Woman Director), two are Non – Executive, Non – Independent Directors and One is a Managing Director.

Name of the Director	Category & Designation	No. of shares held in the Company	No. of Board Meetings attended during FY 2021-2022	Whether attended Last AGM held on 19.11.2021	Number of Directorships in other public Companies	Number of Committee positions held in other Public Companies	
						Chairman	Member
*Mr. David Susainadar	Executive, Managing Director	Nil	9	Yes	Nil	Nil	Nil
**Mr. Radha swamy Venkateswaran	Executive, Managing Director	Nil	Nil	No	Nil	Nil	Nil
Mr. Suyambu Narayanan	Non-Executive, Independent Director	Nil	13	Yes	Nil	Nil	Nil
Mrs. Freeda Gnanaselvam Kanagiah	Non-Executive, Independent Director	Nil	13	Yes	Nil	Nil	Nil
Mr. Muralidharan Ramasamy	Non-Executive, Non-Independent Director	Nil	13	Yes	Nil	Nil	Nil
Mr. Rajakumar Kumaravelayatha Nadar	Non-Executive, Non-Independent Director	Nil	13	Yes	Nil	Nil	Nil
#Mr. R Rajkumar	Non-Executive, Non-Independent Director	Nil	--	--	Nil	Nil	Nil

Note:

*Mr. David Susainadar, resigned with effect from 04.12.2021 from the post of Managing Director due to personal reasons.

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

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

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

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

Board Meetings:

13 (Thirteen) meetings of the Board of Directors were held during the financial year 2021-2022. The said meetings were held on 06.06.2021, 17.06.2021, 13.07.2021, 16.07.2021, 17.09.2021, 22.09.2021, 25.10.2021, 01.11.2021, 04.12.2021, 08.02.2022, 11.02.2022, 09.03.2022 and 10.03.2022. The time gap between any two Board Meetings did not exceed one hundred and twenty days (120 days).

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

The Company has obtained Certificate from Company Secretary in Practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by SEBI, Ministry of Corporate Affairs or any such statutory authority.

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

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

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

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

Resignation of Independent Director:

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

3. AUDIT COMMITTEE:

Terms of Reference:

(1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- (2) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
- (a) matters required to be included in the Director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;
- (3) reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- (4) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (5) recommendation for appointment, remuneration and terms of appointment of auditors of the Company, including their replacement or removal;
- (6) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (7) reviewing and monitoring with the management, independence and performance, of statutory and internal auditors, adequacy of the internal control systems, and effectiveness of audit process;
- (8) evaluation of internal financial controls and risk management systems;
- (9) reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (10) discussion with internal auditors of any significant findings and follow up there on;
- (11) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (12) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (13) approval or any subsequent modification of transactions of the Company with related parties;
- (14) reviewing of related party transactions entered into by the Company pursuant to omnibus approval(s), on quarterly basis
- (15) scrutiny of inter-corporate loans and investments;
- (16) valuation of undertakings or assets of the Company, wherever it is necessary;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) Reviewing the financial statements, in particular the investments, if any made by the unlisted subsidiary company(ies)
- (19) to review the functioning of the whistle blower mechanism/vigil mechanism;
- (20) approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- (21) reviewing mandatorily the following information:
- (a) The Management Discussion and Analysis of financial condition and results of operations;
 - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - (c) Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - (d) Internal audit reports relating to internal control weaknesses;

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- (e) appointment, removal and terms of remuneration of the Chief internal auditor / internal auditor(s); and
- (f) Statement of deviation:
- i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
 - ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the SEBI Listing Regulations.
- (22) Carrying out any other function as is mandated by the Board from time to time and/or enforced by any statutory/ regulatory requirement, as may be applicable.
- (23) Review its Terms of Reference on an annual basis and recommend any changes to the Board;
- (24) In terms of the Insider Trading Code adopted by the Company, the Committee shall consider the following matters: –
- (i) To approve policies/framework in relation to the implementation of the Insider Trading Code and to supervise implementation of the Insider Trading Code.
 - (ii) To note and take on record the status reports detailing the dealings by Designated Persons in Securities of the Company, as submitted by the Compliance Officer on a quarterly basis.
 - (iii) To provide directions on any penal action to be initiated, in case of any violation of the Prohibition of Insider Trading Regulations by any person.

Six (6) meetings of the Audit Committees were held during the year under review and the gap between two meetings did not exceed 120 days. The dates of the said meetings are as: 06.06.2021, 17.06.2021, 16.07.2021, 22.09.2021, 25.10.2021 and 11.02.2022. All the committee members attended all the meetings of the Committee.

CATEGORY, COMPOSTION, MEETINGS & ATTENDANCE OF AUDIT COMMITTEE					
S. No.	Name	Nature of the Directorship	Designation in Committee	No of Meetings held during the year	
				Held	Attended
1.	Mr. Suyambu Narayanan	Non-Executive, Independent Director	Chairperson	6	6
2.	Mrs. Freeda Gnanaselvam Kanagiah	Independent Director	Member	6	6
3.	Mr. Muralidharan Ramasamy	Non-Executive, Non-Independent Director	Member	6	6

4. NOMINATION AND REMUNERATION COMMITTEE (NRC)

Terms of reference:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director;
2. To devise a policy on Board diversity;
3. To identify persons who are qualified to become Director in accordance with the criteria laid down and recommend to the Board, their appointment/removal;
4. To identify persons who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board, their appointment /removal;
5. To formulate and recommend to the Board policies relating to the remuneration for:
 - a. Directors;
 - b. Key Managerial Personnel; and
 - c. Other Employees of the Company;
6. To formulate criteria for performance evaluation of independent directors and the Board and to carry out evaluation of every director's performance;
7. To recommend remuneration payable to Managing Directors and Whole-time Directors;
8. To recommend the sitting fees payable, if any to Non-Executive Directors;
9. To review and recommend nature of services rendered by any director in other capacity and requisite qualification thereof;
10. To discharge the roles envisaged under the SEBI (Share Based Employee Benefits) Regulations, 2014;

11. Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
12. Review its Terms of Reference on an annual basis and recommend any changes to the Board;
13. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory/ regulatory requirement, as may be applicable.”

Three (3) meetings of the Nomination and Remuneration Committee were held during the year under review. The dates of the said meetings are as: 04.12.2021, 08.02.2022 and 10.03.2022. All the committee members attended all the meetings of the committee and Company Secretary acts as the Secretary to the Committee and is also the Compliance officer of the Company.

CATEGORY, COMPOSITION, MEETINGS & ATTENDANCE OF NOMINATION & REMUNERATION COMMITTEE					
S. No	Name	Nature of the Directorship	Designation in Committee	No. of Meetings during the year	
				Held	Attended
1.	Mrs. FreedaGnanaselvamKanagiah	Non-Executive, Independent Director	Chairperson	3	3
2.	Mr. Suyambu Narayanan	Non-Executive, Independent Director	Member	3	3
3.	Mr. RajakumarKumaravellyatha Nadar	Non-Executive, Non-Independent Director	Member	3	3

Performance evaluation criteria of Independent Directors:

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

5. STAKEHOLDERS’ RELATIONSHIP COMMITTEE (SRC)

Terms of Reference:

1. To oversee and review all matters connected with the transfer of the Company’s securities and to approve allotment, transfer / transmission of securities;
2. To consider, resolve and monitor redressal of investors’ complaints/ grievances like non-transfer of securities, non-receipt of annual report, non-receipt of dividends, etc.;
3. To approve issue of duplicate share certificates and new certificates on split/consolidation/renewal;
4. To oversee the performance of the Company’s Registrar and Share Transfer Agent(s);
5. To recommend methods to upgrade the standards of services to investors;
6. Review its Terms of Reference on an annual basis and recommend any changes to the Board; and
7. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory / regulatory requirement, as may be applicable.”

Three (3) meetings of the Stakeholders Relationship Committee were held during the year under review. The dates of the said meetings are as: 17.06.2021, 22.09.2021 and 04.12.2021. All the committee members attended all the meetings of the committee and K Lakshmi, Company Secretary acts as the Secretary to the Committee and is also the Compliance officer of the Company.

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CATEGORY, COMPOSITION, MEETINGS & ATTENDANCE OF STAKEHOLDERS RELATIONSHIP COMMITTEE					
S. No.	Name	Nature of the Directorship	Designation in Committee	No. of Meetings during the year	
				Held	Attended
1.	Mr. Rajakumar Kumaravelayatha Nadar	Non-Executive, Non-Independent Director	Chairperson	3	3
2.	Mr. Suyambu Narayanan	Non-Executive, Independent Director	Member	3	3
3.	Mrs. Freeda Gnanaselvam Kanagiah	Non-Executive, Independent Director	Member	3	3

The following are details of investor complaints received and redressed during the financial year 2021-2022

Pending at the opening of the financial year	Complaints received during the year	Complaints redressed during the year	Pending at the end of the financial year
NIL	6	5	1

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

5A. RISK MANAGEMENT COMMITTEE:

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

6. REMUNERATION OF DIRECTORS:

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

(i) The details of remuneration paid to the Managing Director of the Company for the FY 2021-2022 as follows:

Rs.in lakhs

Name	Salary	Benefits Bonus	Stock options	Pension	Sitting fees/ Commission/others	Total
*Mr. David Susainadar	2.31	0.07	-	-	-	2.38
*Mr. David Susainadar resigned from the post of Managing Director with effect from 04.12.2021.						

The details of remuneration paid to the Managing Director of the Company for the FY 2021-2022 as follows:

Rs. in lakhs

Name	Consolidated Salary	Benefits Bonus	Stock options	Pension	Sitting fees/ Commission/others	Total
*Radhaswamy Venkateswaran	0.15	-	-	-	-	0.15
*Mr. Radhaswamy Venkateswaran was appointed as Managing Director with effect from 10.03.2022						

- (ii) Details of fixed component and performance linked incentives, along with the performance criteria – Nil
- (iii) Service Contracts, Notice period, severance fees: Mr. Radhaswamy Venkateswaran, Managing Director is under contract employment with the Company which stipulates a notice period of 2 (two) months in writing and which may be terminated by either of the parties.
- (iv) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable – Nil.

Remuneration

No sitting fees or remuneration were paid to the Non-Executive Directors and Independent Directors of the Company for attending the meetings of the Board and Committees, during financial year 2021-2022.

7. GENERAL BODY MEETINGS

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

Financial Year	Date and Time	Venue
March 2019 (2018-19)	AGM on September 30, 2019 at 9.00 a.m.	Youth Hostel, 2nd Avenue, Indira Nagar, Chennai – 600020
March 2020 (2019-2020)	AGM on September 21, 2020 at 11.00 a.m. (IST)	AGM held through Video Conferencing ('VC')/ Other Audio- Visual Means ('OAVM')
March 2021 (2020-2021)	*AGM on November 19, 2021 at 10.00 a.m. (IST)	AGM held through Video Conferencing ('VC')/ Other Audio- Visual Means ('OAVM')

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

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

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

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

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

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

Extraordinary General Meetings:

No Extraordinary general meeting of the members was held during Financial Year 2021-2022.

POSTAL BALLOT: REMOTE E-VOTING PROCESS:

As on date of this report, 2(two) special resolutions were passed through Postal Ballots (by remote e-voting means) were conducted for obtaining the approval of the members of the Company. The details of the Postal Ballots conducted are as below:

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

Brief about Resolution No.1:

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

Date of Postal Ballot Notice: March 10, 2022

Remote e-Voting period: Commenced from Thursday, 17.03.2022 at 9.00 a.m. (IST) and ended on Friday, 15.04.2022 till 5.00 p.m. (IST). e-Voting facility was provided by Central Depository Services (India) Limited.

Date of Declaration of Results: 16.04.2022

Voting Pattern:

Description	Type of Resolution	No. of votes polled	Votes in favour		Votes Against	
			No. of Votes	%	No of Votes	%
Re-appointment of Mr. Suyambu Narayanan (DIN: 07718798) as an Independent Director of the Company	Special Resolution	2,19,64,805	2,18,69,081	99.56	95,724	0.44

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

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

Date of Postal Ballot Notice: March 10, 2022

Remote e-Voting period: Commenced from Thursday, 17.03.2022 at 9.00 a.m. (IST) and ended on Friday, 15.04.2022 till 5.00 p.m. (IST). e-Voting facility was provided by Central Depository Services (India) Limited.

Date of Declaration of Results: 16.04.2022

Voting Pattern:

Description	Type of Resolution	No. of votes polled	Votes in favour		Votes Against	
			No. of Votes	%	No of Votes	%
Approval for Appointment of Mr. Radhaswamy Venkateswaran, (DIN: 09532159) as Director cum Managing Director of the Company	Special Resolution	2,19,64,805	2,18,69,432	99.57	95,373	0.43

Person who conducted the postal ballot exercise: The voting on the above resolution took place through e-voting only and no physical ballots were collected. Accordingly, the Board of Directors appointed M/s M Damodaran, Managing Partner of M. Damodaran & Associates, LLP, Practicing Company Secretaries, as Scrutinizer for conducting the Postal Ballot through remote e-voting process in a fair and transparent manner and who has also communicated his willingness to be appointed as Scrutinizer for the postal ballot e-voting process.

None of the business proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

Procedure for Postal Ballot:

In compliance with the provisions of Section 108, 110 and all other applicable provisions of Companies Act, 2013 (“Act”) read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (“Rules”) (including any amendment(s), statutory modification(s) or re-enactment(s) thereof), Secretarial Standard -2 on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) including any statutory modification(s), clarification(s), substitution(s) or re-enactment (s) thereof for the time being in force and guidelines prescribed by the Ministry of Corporate Affairs (“MCA”) read with all applicable MCA Circulars and vide MCA clarification for companies that are required to provide e-voting facility under the Act, while they are transacting any business(es) only by postal ballot up to June 30, 2022, the requirements provided in Rule 20 of the Rules as well as the framework provided in the MCA Circulars will be applicable mutatis mutandis, Postal Ballot Notice was sent only by email to those members whose e-mail IDs were registered with the Depository Participants, M/s MCS Share Transfer Agent Limited (Registrar and Share Transfer Agents RTA). The physical copy of the Notice along with the Postal Ballot form and pre-paid business envelope were not sent to the members for those postal ballots in accordance with MCA Circulars.

The Company has availed the service of Central Depository Services (India) Limited (CDSL) to provide the members with the facility to cast votes electronically through remote e-voting. Newspaper advertisements of Postal Ballot Notice and e-voting information to the members of the Company was also published in the newspapers in Financial Express (All India edition) and Makkal Kural (Tamil Nadu edition) dated 16.03.2022.

Voting Rights were in proportion to the equity shares held by the members in the paid-up equity share capital of the Company and whose name is recorded in the Register of Members of the Company / or in the Register of Beneficial owners maintained as on Cut-off date i.e. Friday, March 11, 2022. Members were requested to vote through remote e-voting only on or before the close of the e-voting period.

M/s M Damodaran, Managing Partner of M. Damodaran & Associates, LLP, Practicing Company Secretaries, (C.P. No.: 5081) was appointed as Scrutinizer for conducting the Postal Ballot through remote e-voting process in a fair and transparent manner.

The scrutinizer completed the scrutiny and submitted his report to the Chairman and consolidated results of the voting were announced by the Chairman. Thereafter, the results of the postal ballot along with the scrutiniser’s report were displayed on the website of the Company at [www.arunahotels.com](https://www.arunahotels.com/wp-content/uploads/2022/04/PB-e-Voting-Results.pdf) available at the weblink at <https://www.arunahotels.com/wp-content/uploads/2022/04/PB-e-Voting-Results.pdf>, RTA’s website and were also communicated to the BSE Limited, (Stock Exchange where the shares of the Company are listed), in accordance with the provisions of SEBI Listing Regulations.

8. Means of Communication:

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

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

9. GENERAL SHAREHOLDER INFORMATION

S.No	Particulars	Information for Shareholders
a.	Date, Time and Venue of the Annual General Meeting (AGM) for the financial year 2021-2022	Date & Time: September 23, 2022 at 10.00 a.m. (IST) Venue: The Company is conducting meeting through Video Conferencing (VC) and Other Audio-Visual Means (OAVM) pursuant to the MCA Circular dated May 05, 2020 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM
	Cut-off for e-Voting	Friday, September 16, 2022
	Date of Book Closure	September 17, 2022 to September 23, 2022 (both days inclusive)
	E-Voting dates	September 20, 2022 (Tuesday) from 9.00 A.M. to September 22, 2022 (Thursday) to 5.00 P.M.
b.	Financial Year	1 st April to 31 st March
c.	Dividend payment date	Not applicable as the Company has not declared any Dividend
d.	The name and address of each Stock Exchange(s) at which the listed entity's shares are listed and a confirmation about payment of annual listing fees to each of such stock exchange	Name of the Stock Exchange (SE): The BSE Limited Address of the Stock Exchange: Phiroje Jeejeebhoy Towers, Dalal Street, Mumbai 400001 <i>Confirmation on Payment of Annual Listing Fee to the SE:</i> Annual listing fees for FY 2021-22 was paid to BSE Limited, the stock exchange where the company shares are listed.
e.	Stock/ Scrip Code (BSE)	500016

f. Market Price Data – Financial Year 2021-2022:

Months	Aruna Hotels Limited (AHL) Share Price	
	High	Low
April-2021	6.66	4.42
May-2021	12.34	6.53
June-2021	14.62	10.96
July-2021	26.07	14.91
August-2021	20.00	11.40
September-2021	18.19	12.85
October-2021	17.50	12.95
November-2021	16.80	8.15
December-2021	9.94	8.00
January-2022	10.10	8.56
February-2022	10.92	8.94
March-2022	10.74	8.80

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

Months	AHL High-Low		BSE – High Low	
	High	Low	High	Low
April-2021	6.66	4.42	50375.77	47204.5
May-2021	12.34	6.53	52013.22	48028.07
June-2021	14.62	10.96	53126.73	51450.58
July-2021	26.07	14.91	53290.81	51802.73
August-2021	20.00	11.40	57625.26	52804.08
September-2021	18.19	12.85	60412.32	57263.9
October-2021	17.50	12.95	62245.43	58551.14
November-2021	16.80	8.15	61036.56	56382.93
December-2021	9.94	8.00	59203.37	55132.68
January-2022	10.10	8.56	61475.15	56409.63
February-2022	10.92	8.94	59618.51	54383.2
March-2022	10.74	8.80	58890.92	52260.82

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

i. Registrar and Share Transfer Agents:

Registrar to an Issue and Share Transfer Agents (RTA)	M/s MCS Share Transfer Agent Limited K-215, 2 nd Floor, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri East Mumbai – 400 072 Telephone Nos: 022 – 28476021 / 022-2847 6022/ 022-46049717
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j. Share Transfer System:

During the financial year 2021-2022, the Company’s RTA ensured compliance with all procedural requirements with respect to request for transfer, transmission, transposition, name deletion/ change of name, Demat etc.

In terms of amended Regulation 40(1) of SEBI Listing Regulations, with effect from April 01, 2019, securities of listed companies can be transferred only in dematerialised form, except in case of request received for transmission or transposition of securities. Further, SEBI had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in dematerialized mode. The requests for effecting transfer/transmission/transposition of securities shall not be processed unless the securities are held in the dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Accordingly, members holding shares in physical form are requested to consider converting their physical holdings into dematerialized form. Transfers in electronic form are much simpler and quicker as the members have to approach their respective depository participants and the transfers are processed by NSDL/ CDSL, as the case may be, with no requirement of any separate communication to be made to the Company.

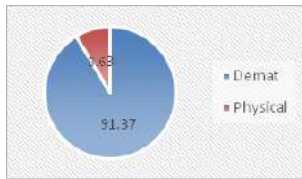
Pursuant to Regulation 40(9) of the SEBI Listing Regulations, the Company obtain Certificates from a Practicing Company Secretaries on a yearly basis to the effect that all the transfers are completed within the statutory stipulated period. A copy of the Certificates so received are submitted to the BSE Limited, the stock exchange, where the shares of the Company are listed.

k. Distribution of shareholding as on March 31, 2022:

S.No.	Category (by No. of shares)	No. of Folios	No. of Shares	% of total paid up equity capital	% of total
1.	1 - 500	23678	2826129	8.3367	94.4099
2.	501-1000	825	620500	1.8304	3.2895
3.	1001-2000	205	312694	0.9224	0.8174
4.	2001-3000	75	184775	0.5451	0.2990
5.	3001-4000	46	168993	0.4985	0.1834
6.	4001-5000	34	160352	0.4730	0.1356
7.	5001-10000	88	726601	2.1434	0.3509
8.	10001-50000	90	1872536	5.5237	0.3589
9.	50001-100000	11	773763	2.2825	0.0439
10.	And above	28	26253657	77.4444	0.1116
	Total	25,080	3,39,00,000	100.00	100.00

l. Dematerialization of Shares and liquidity

The Company’s shares are traded regularly in dematerialised form on the BSE Stock Exchange and are available for trading with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity Shares of the Company representing 91.37% of the Company’s equity share capital are dematerialized as on March 31, 2022. Under the Depository system, the International Securities Identification Number (ISIN) allotted to the Company’s shares is INE957C01019. Since trading in equity shares of the Company shall be permitted only in dematerialized form, the shareholders who are holding shares in physical form, are advised to dematerialize their shares to avoid the risks associated with holding the share certificates in physical form. The Shareholders can hold the Company’s shares with any of the depository participants registered with the depositories.



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

No GDRS/ADRS/Warrants or any convertible instruments have been issued by the Company which were pending for conversion as on March 31, 2022.

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

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

p. Address for correspondence:

Shareholders correspondence should be addressed to the Company’s Registrar of Companies, MCS Share Transfer Agent Limited at K-215, 2nd Floor, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri East, Mumbai 400 072 or contact on telephone numbers at: 022 – 28476021 / 022-2847 6022 /022-46049717

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

Ms. K Lakshmi
 Company Secretary & Compliance Officer
 Aruna Hotels Limited,
 145, Sterling Road, Nungambakkam,
 Chennai 600034, Tamil Nadu
 Contact No.: 044-25303404
 Email: cs@ahlchennai.com

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

10. Other Disclosures:

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

There were no materially significant related party transactions that had potential conflict with the interests of the Company at large. Transactions in the ordinary course of business with the related parties are disclosed in the Note No.19.to Standalone Financial Statements for the financial year 2021-2022.

(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

- During the Financial year 2020-2021, the company has delayed in intimating under Regulation 23(9) of SEBI (Listing Regulations), 2015 pertaining to the half-yearly period ending September 2020 to the Stock Exchange, the BSE Limited and fine amount of Rs. 2,47,800/- (Rupees Two Lakhs Forty-Seven thousand and eight hundred only) imposed by BSE Limited. The fine was paid on January 19, 2021 during the year 2020-2021. Thereafter, the BSE, on request of the Company, has also approved waiver of the fine amount paid for the same.
- During the year under review, fine of Rs.1,71,100/- (Rupees One lakh seventy-one thousand and one hundred only) was imposed on the Company for the non-compliance of Regulation 33 of SEBI (LODR) Regulations, 2015 pertaining to submission of standalone un-audited financial results for the quarter ended June 30, 2021 applicable to the Company, as there was a stay of operations imposed by the Hon'ble Supreme Court of India and implementation of the Impugned order dated 23.07.2021. The said order was disposed of by the Hon'ble Supreme Court of India as withdrawn dated 15.09.2021. Thereafter, the withdrawal of the case, as above-mentioned, the Company has made the non-compliance good by submitting the financial results for the quarter ended June 30, 2021 to the BSE Limited on 22.09.2021 and also remitting the above imposed fine amount of Rs.1,71,100/- on 16.09.2021. Pursuant to the same, the BSE Limited, has, on request of the Company, also approved the waiver of the fine amount levied.

(c) Whistle Blower Policy/ Vigil Mechanism

The Company has established a vigil mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The mechanism provides for adequate safeguards against victimization of Director(s)/ employee(s) who avail the mechanism and no personnel has been denied access to the Chairperson of the Audit Committee. The Whistle blower policy is available in the website of the Company.

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

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

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

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

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

Policy for determining 'material' subsidiaries is disclosed in the website of the Company at www.arunahotels.com/wp-content/uploads/2016/06/Material-Subsidiary-Policy.pdf

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

The policy for dealing with related party transactions has been displayed on the website of the Company at www.arunahotels.com under the weblink <https://www.arunahotels.com/wp-content/uploads/2021/07/Policy-on-Materiality-dealing-with-RPT.pdf>

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

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

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

(i) a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority

A Certificate from Company Secretary in Practise certifying that none of the Directors on the Board of Directors of the Company as on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate Affairs or any such Statutory Authority, is annexed at the end of this Report.

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

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

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

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

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

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

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

During the Financial Year ended March 31, 2022, there are no loans or advances provided by the Company and its subsidiaries to firms/companies in which directors were interested.

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

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

12. The details of adoption of discretionary requirements as stipulated in Part E of Schedule II are as follows: i. The Company has appointed a third-party firm as the internal Auditors which carries out the audit and the report is presented directly to the Audit Committee for review and further directions. ii.the financial statements of the Company are with unmodified audit opinion

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

Code of Conduct:

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

Compliance Certificate on Corporate Governance from Practising Company Secretaries:

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

Unclaimed Suspense Account:

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

- a. aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year:
outstanding as on: 04.11.2021;
aggregate no. of shareholders at the beginning of the year: 9;
outstanding shares in the suspense account lying at the beginning of the year: 11,797

- b. Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: 6 (six) number of shareholders who were holding 7,252 shares approached listed entity for transfer of shares from suspense account
- c. Number of shareholders to whom shares were transferred from suspense account during the year: shares were transferred to 6 (six) number of shareholders holding 7,252 from suspense account
- d. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year:
 - Outstanding as on 31.03.2022;
 - Aggregate number of shareholders at the end of the year: 3
 - Outstanding shares in the suspense account lying at the end of the year: 4,545
- e. The voting rights on these shares remain frozen till the rightful owner of such shares claims the shares.

MD / CFO Certification

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

**(MANAGING DIRECTOR) / CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION
(Under Regulation 17(8) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)**

**To,
The Board of Directors of
ARUNA HOTELS LIMITED**

We, Radhaswamy Venkateswaran, Managing Director and Nagaraj P, CFO of ARUNA HOTELS LIMITED, hereby certify that:

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

Date: 26.08.2022
Place: Chennai

Radhaswamy Venkateswaran
Managing Director
DIN : 09532159

Nagaraj P
Chief Financial Officer

DECLARATION FROM MANAGING DIRECTOR ON CODE OF CONDUCT

Pursuant to Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2022.

Date: 26.08.2022
Place: Chennai

Radhaswamy Venkateswaran
Managing Director
DIN: 09532159

ARUNA HOTELS LIMITED

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority .

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	RADHASWAMY VENKATESWARAN	09532159	10-03-2022
2	RAMASAMY MURALIDHARAN	07092976	02-03-2015
3	KUMARAVELAYATHANADAR RAJAKUMAR	05187894	02-03-2015
4	SUYAMBU NARAYANAN	07718798	10-02-2017
5	FREEDA GNANASELVAM KANAGIAH	07350172	27-11-2015

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

**for J.JOTHI & ASSOCIATES
PRACTICING COMPANY SECRETARIES
KARTHIK
PARTNER
FCS No. 11703, CP No. 17899
FRN: P2015TN070400
Peer Review Cer. No. 2260/2022
UDIN: F011703D000833260**

Place: Chennai
Date: 23.08.2022

ARUNA HOTELS LIMITED

Compliance Certificate on Corporate Governance Report

Practicing Company Secretary's Certificate

[Under Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

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

We have examined the compliance of conditions of Corporate Governance by Aruna Hotels Limited (“the Company”) for the year ended March 31, 2022, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations – 2015”).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring compliances of conditions of the Corporate Governance stipulated in the SEBI Listing Regulations – 2015.

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

In our opinion and to the best of our information provided and explanations given to me, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations –2015, as applicable, during the year ended March 31, 2022 except that, The powers of the Board was suspended during the year due to an initiation of the Corporate Insolvency Resolution Process (CIRP) by National Company Law Tribunal (NCLT), Chennai, later the powers of the Board was restored consequent to the withdrawal of CIRP vide NCLT order dated 04-06-2021.

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

for J.JOTHI & ASSOCIATES
PRACTICING COMPANY SECRETARIES
KARTHIK
PARTNER
FCS No. 11703, CP No. 17899
FRN: P2015TN070400
Peer Review Cer. No. 2260/2022
UDIN: F011703D000833183

Place: Chennai
Date: 23.08.2022

**ACCOUNTS-STANDALONE
2021-2022**

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

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of ARUNA HOTELS LIMITED (“the Company”), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information [hereinafter referred to as the “financial statements”].

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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

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

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

Management's Responsibility for the financial statements

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

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

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

Auditor's Responsibilities for the Audit of the financial statements

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. *As required by Section 143(3) of the Act, based on our audit we report that:*
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March,2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as on 31 March 2022 on its financial position in its financial statements.
 - ii. The Company did not have any longterm contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The company had issued preference shares in earlier years. During the current year, the Company undertook an exercise to repay the preference shareholders for which confirmations were sent. Responses were received from a few parties. The Company proposes to transfer to IEPF those amounts due to the Preference share holders who could not be reached or from whom responses were not received and proposes to redeem the amounts to the persons from whom it had received confirmation regarding the same.
- (h) With respect to the matter to be included in the Auditors’ Report in accordance with the requirements of section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

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

**Sriram Visvanathan
Partner
Membership No. 216203
Place: Chennai
Date: 27.05.2022
UDIN: 22216203AJSZGO3610**

“Annexure A” to the Independent Auditor’s Report

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

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

- i. In respect of the Company’s Property, Plant and Equipment:
 - a. (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The company has no intangible assets during the financial year 2021-2022
 - b. The Company has a regular program of physical verification of Property, Plant and Equipment, so all assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in financial statements included under property, plant and equipment are held in the name of the Company as at the balance sheet date.
 - d. The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) or intangible assets during the year.
 - e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - a. During the Financial Year 2021-22, the company does not have any inventories. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
 - b. The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. According to the information and explanations given to us, during the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clause 3(iii) (a), (b), (c), (d), (e) and (f) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Act with respect to the loans granted, investments made, guarantees and securities provided are not applicable to the company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits, whether the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has generally been regular in depositing undisputed statutory dues including Income-tax, Goods and Services tax and any other statutory dues to the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Goods and Services tax and other material statutory dues were in arrears as at 31 March 2022, for a period of more than six months from the date they became payable.

ARUNA HOTELS LIMITED

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31,2022 on account of disputes are given below:

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

Income Tax - There are TDS defaults of short payment and short deduction to the tune of Rs.5,00,310/-The reason for the above demands raised are yet to be crystallized by the Department. The Company has filed a request with the Department asking for the reasons for the Demands raised as well as the nature of the default. As certain TDS defaults arise due to errors in the TDS filing and not due to deduction and are rectifiable, the same demands are shown as contingent liability till the time of their actual crystallization.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The company has not defaulted in repayment of loans or other borrowings, or in the payment of interest thereon to any lender.

(b)The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has applied the term loans for the purpose for which the loans were obtained.

(d) The Company has not raised any fund on short term basis during the year, hence clause 3(ix)(d) is not applicable to the Company.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. (a) The Company utilized the proceeds of Rights Issue for the purpose for which they were raised.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable

xi. (a) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

(c) No whistle blower complaints have been received by the Company during the year.

xii. According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company

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

- (a) The company has an adequate internal audit system commensurate with the size and nature of its business.
 - (b) We have considered the reports of the Internal Auditors for the year under audit, issued by the company during the year, in determining the extent of audit procedures.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) (a), (b), (c) and (d) of the Order is not applicable to the Company.
- xvi. The Company has incurred cash losses in the financial year and the immediately preceding financial year.
- xvii. There has been no resignation of the Statutory auditors of the Company during the year.
- xviii. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xix. The provision of section 135 of the Companies Act are not applicable on the company, hence paragraph 3(xx)(a) and (b) of the Order is not applicable to the Company.

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

**Sriram Visvanathan
Partner
Membership No. 216203
Place: Chennai
Date: 27.05.2022
UDIN: 22216203AJSZGO3610**

“Annexure B” to the Independent Auditor’s Report

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

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

We have audited the internal financial controls over financial reporting of Aruna Hotels Limited (“the Company”) as of March 31, 2022, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur

and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over reporting were operating effectively as at 31 March 2022, based on the criteria for internal financial controls over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

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

**Sriram Visvanathan
Partner
Membership No. 216203
Place: Chennai
Date: 27.05.2022
UDIN: 22216203AJSZGO3610**

ARUNA HOTELS LIMITED**Balance Sheet as at March 31, 2022****(All amounts are in Indian Rupees except share data or as stated)**

Particulars	Note	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
		As at March 31, 2022	As at March 31,2021
I. Assets			
Non-Current Assets			
(a) Property, Plant and Equipment	1	9,678.87	9,851.53
(b) Capital Work-In-Progress		5,963.13	4,093.49
(c) Financial Assets			
(i) Others	2	33.68	33.10
(d) Other non-current assets	3	539.94	747.71
		16,215.62	14,725.83
Current Assets			
(a) Financial Assets			
(i) Trade Receivables	4	36.39	36.39
(ii) Cash and cash equivalents	5	257.56	26.20
(b) Other current assets	6	59.65	18.11
		353.60	80.70
Total Assets		16,569.22	14,806.53
II. Equity and Liabilities			
Equity			
(a) Equity Share Capital	7	3,390.00	1,210.00
(b) Other Equity	7(a)	-1,454.84	-598.62
		1,935.16	611.38
Liabilities			
Non- Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	8	10,277.92	10,478.62
(b) Provisions			
(b) Deferred Tax Liabilities (Net)	9	1,757.44	1,254.66
(c) Other Non-current liabilities	10	38.84	33.84
		12,074.19	11,767.12
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables		94.32	57.57
(ii) Other financial liabilities		2,446.78	2,349.47
(b) Other Current liabilities	12	18.76	20.99
		2,559.87	2,428.03
Total Equity and Liabilities		16,569.22	14,806.53

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

For Bala & Co.,
Chartered Accountants
Firm Registration No: 0003185
Sriram Visvanathan
Partner
Membership No: 216203
Place: Chennai
Date: 27.05.2022

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

Radhaswamy Venkateswaran
Managing Director
DIN: 09532159
Nagarajan P
Chief Financial Officer

Suyambu Narayanan
Director
DIN: 07718798
K. Lakshmi
Company Secretary
M.No.: A46692

ARUNA HOTELS LIMITED

Statement of Profit and Loss For The Year Ended March 31, 2022
(All amounts are in Indian Rupees except share data or as stated)

Particulars	Note	Amount(Rs. In Lakhs)	
		For the Period Ended March 31, 2022	For the Period Ended March 31, 2021
Income			
Revenue from Operations	13	-	30.84
Other Income	14	370.87	1.93
Total		370.87	32.77
Expenses			
Employee Benefit Expense	15	50.37	172.27
Finance Costs	16	352.59	520.40
Depreciation and amortization expenses	17	78.47	78.47
Other expenses	18	148.68	135.94
Total		630.12	907.07
Profit/ (Loss) before Exceptional Items and tax		-259.24	-874.30
Exceptional Items		-	-
Profit/ (Loss) before tax		-259.24	-874.30
Tax expense			
Current Tax		-	-
Deferred Tax		-9.98	133.67
Profit/(Loss) for the period from continuing operations		-249.26	-1,007.96
Profit/(Loss) from discontinued operations			
Tax expense of discontinued operations			
Profit/(Loss) from discontinued operations (after tax)			
Profit/(Loss) for the period		-249.26	-1,007.96
Other Comprehensive Income			
Total Comprehensive Income for the period comprising profit/(loss) and other comprehensive income for the period		-249.26	-1,007.96
Earnings per equity share			
Basic		-1.29	-11.20
Diluted		-1.29	-11.20

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For Bala & Co.,

Chartered Accountants

Firm Registration No: 000318S

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

Sriram Visvanathan

Partner

Membership No: 216203

DIN: 07092976

Place: Chennai

Date: 27.05.2022

Radhaswamy Venkateswaran

Managing Director

DIN: 09532159

Nagarajan P

Chief Financial Officer

Suyambu Narayanan

Director

DIN: 07718798

K. Lakshmi

Company Secretary

M.No.: A46692

ARUNA HOTELS LIMITED

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

(Rs in Lakhs)

Particulars	For the period ended on	
	31-Mar-22	31-Mar-21
Profit before taxation	(259.24)	(874.30)
Adjustments for:		
Depreciation	78.47	78.47
Interest received	(3.95)	(0.85)
Interest expense	352.59	520.40
Operating cash flow before changes in working capital	167.87	(276.28)
Adjustments for changes in:		
Other current assets	(41.54)	(61.34)
Trade Receivables	-	(36.39)
Other current liabilities	(2.23)	(65.58)
Other Non current liabilities	5.00	18.42
Trade payables	36.75	(10.54)
Non Current Financial Assets	(0.58)	(6.02)
Cash generated from operations	165.27	(437.73)
Income taxes paid	-	-
Net cash from operating activities-A	165.27	(437.73)
Cash flows from investing activities		
Change in Capital work in progress	(1,869.65)	(1,246.10)
Decrease/(Increase) in non-current assets	207.77	
Interest received	3.95	0.85
Net cash used in investing activities-B	-1657.93	(1,245.24)
Cash flows from financing activities		
Proceeds from Issue of Share Capital	2,490.00	-
Increase/(Decrease) in other current financial liability		958.41
Proceeds/(Repayment) from long term borrowings	(510.71)	1,249.77
Interest accrued yet to be paid	(44.91)	
Interest paid	(352.59)	(520.40)
Increase/(Decrease) in current financial liability	142.22	-
Net cash used in financing activities-C	1724.02	1,687.78
Net increase in cash and cash equivalents - (A+B+C)	231.36	4.81
Cash and cash equivalents at the beginning of year	26.20	21.39
Cash and cash equivalents at the end of year	257.56	26.20
Cash and cash equivalents consists of:		
Cash in hand	0.10	0.07
Balances with banks		
in current deposits	257.46	26.13
in fixed deposits		
	257.56	26.20

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

For Bala & Co.,

Chartered Accountants

Firm Registration No: 000318S

Sriram Visvanathan

Partner

Membership No: 216203

DIN: 07092976

Place: Chennai

Date: 27.05.2022

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

Radhaswamy Venkateswaran

Managing Director

DIN: 09532159

Nagarajan P

Chief Financial Officer

Suyambu Narayanan

Director

DIN: 07718798

K. Lakshmi

Company Secretary

M.No.: A46692

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

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

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

The Board of Directors approved the financial statements for the year ended March 31, 2022 and authorised for issue on 27th May, 2022.

1.2 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of Companies Act 2013('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and any amendment issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

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

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

1.4 Use of estimates and judgements

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

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

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

Critical accounting estimates and judgements

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

- Useful lives of depreciable/ amortizable assets (tangible and intangible):
The Company reviews the useful life of property, plant, and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

- **Provisions and Contingencies:**

The Company estimates the provisions that have present obligations as a result of past events, and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

- **Borrowing Costs**

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

1.5 Going Concern Assumption

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

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

1.6 Functional currency & presentation currency

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

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

The Company present assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is classified as current when it is:

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

All the other assets are classified as non-current.

A liability is classified as current when:

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

The Company classifies all other liabilities as non-current.

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

1.8 Recent accounting pronouncements:

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23,2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules 2022, as below:

1. Ind AS 16: The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statement.
2. Ind AS 37: The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘cost that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statement.

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Cash and cash equivalent

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

2.2 Income Tax

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

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

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

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

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

2.3 Property, Plant and equipment

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

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

Depreciation on Plant, Property and Equipment

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

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

Fixed Assets	Useful life considered March, 2022	Useful life considered March, 2021
Plant & Machinery	15 Years	15 Years
Building	30 Years	30 Years
Office Equipment	NA	NA
Vehicles	8 Years	8 Years
Computers (Servers and Networks)	6Years	6 Years
Laptop	3 Years	3 Years

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

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

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

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

De-recognition

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

2.4 Revenue recognition

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

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

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

Other income

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

Interest Income

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

2.5 Employee Benefits

Short-term employee benefits

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

PF, ESI & Gratuity Benefits

As informed by the management, the number of employees is less than the threshold limit for registration with PF& ESI. Further no employee has completed more than 5 years of continuous service with the company. Hence no adjustment has been done with respect to defined benefit plans and defined contribution plans as per the provisions of AS-15 in the financial statements.

2.6 Financial assets, financial liabilities

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

Financial assets at amortised cost

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

Trade receivables

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

Impairment of financial assets (other than at fair value)

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

De-recognition of financial assets

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

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

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

Equity instruments

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

Financial liabilities

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

In FY 2021-22, the management of related parties have agreed to waive off the interest accrued in FY 2021-22 on loan given to Aruna Hotels, as the company could not start its operations in Q4 FY 2021-22, due to Covid pandemic the renovation work is yet to be completed. Hence, the interest accrued in Q1, Q2 and Q3 is reversed in Q4 FY 2021-22.

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

The company had issued preference shares in earlier years and the shares were not redeemed. During the current year, the Company undertook an exercise once again to repay the preference shareholders for which confirmations were sent. Responses were received from a few parties. The Company proposes to transfer to IEPF those amounts due to the Preference share holders who could not be reached or from whom responses were not received and proposes to redeem the amounts to the persons from whom it had received confirmation regarding the same.

De-recognition of financial liabilities

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

2.7 Impairment of non-financial assets

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

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

2.8 Provisions, Contingent Assets and Contingent Liabilities

Provisions:

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

Contingent Assets:

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

Contingent Liabilities:

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses contingent liabilities in note no. 20 of Notes to Accounts.

2.9 Earning per Share.

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of shares outstanding during the comparative periods presented has not been adjusted for events, that have changed the number of ordinary shares outstanding without a corresponding change in resources retrospectively as the rights issue does not include a bonus element.

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

Ordinary Shares

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

Description of reserves**Retained earnings.**

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

Securities Premium

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

Capital redemption reserve.

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

Revaluation Reserve

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

For Bala & Co

Chartered Accountants

ICAI Firm Registration No.: 000318S

Sriram Visvanathan

Partner (Membership No.: 216203)

Place: Chennai

Date: 27.05.2022

UDIN:22216203AJSZGO3610

Notes to Financial Statements as at March 31, 2022
(All amounts are in Indian Rupees except share data or as stated)

Note 7 (a)
Statement of Changes in Equity

Particulars	Equity Share Capital	Equity Component of Preference Shares	Other Equity	Retained Earnings	Capital Redemption reserve	Total	Items of Other Comprehensive Income	Total Equity attributable to equity holders of the company
Balance as on 01.04.2020	900.00	310.00	1,652.16	-9,421.39	34.25	-7,734.98	8,238.50	1,713.54
Profit/(Loss) for the period				-1,007.96		-1,007.96		-1,007.96
Adjustment for Depreciation						-	-94.20	-94.20
Balance as on 31.03.2021	900.00	310.00	1,652.16	-10,429.35	34.25	-8,742.94	8,144.31	611.38
Rights Issue	2,490.00	-	-	-	-	-	-	2,490.00
Profit/(Loss) for the period				-249.26		-249.26		-249.26
Adjustment for Depreciation						-	-94.20	-94.20
Deferred Tax on Revalued Surplus				1,120.99		1,120.99	-1,633.75	-512.76
Balance as on 31.03.2022	3,390.00	-	1,652.16	-9,557.62	34.25	-7,871.21	6,416.36	1,935.16

The company made a rights issue of 2.49 Crores Equity shares of Face value Rs.10 each in the rights entitlement ratio of 83:30 held as on the record date,i.e. July 23, 2021 at a price of Rs.10 per share in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and other applicable laws. The Rights Issue opened on September 29, 2021 and closed on October 13, 2021. The company had issued 1.21 crores shares in Lieu of unsecured loans to Gay Travels Private Limited, Malar Publications Private Limited & Subasri Realty Private Limited.

*Note : The company had issued preference shares in earlier years and the shares were not redeemed in the year in which it has to been redeemed, because the Company had no profits, nor could it make any fresh issue of shares. The Company has sent out confirmations to preference shareholders & received responses from a few parties. In the Current Financial Year (FY 22-23) , the Company will be redeeming the Share capital to the persons from whom it had received confirmation. The Redemption amount of preference shares remaining unpaid or unclaimed from parties will be transferred to Investor Education and Protection Fund under Section 205C of Companies Act.

Notes to Financial Statements as at March 31, 2022

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

Property Plant and Equipment

Note 1

Asset Category	Freehold Land	Building	Vehicles	Computers/ Laptops	Total	Capital Work-in-Progress
	Amount (Rs. In Lakhs)	Amount (Rs. In Lakhs)	Amount (Rs. In Lakhs)	Amount (Rs. In Lakhs)	Amount (Rs. In Lakhs)	Amount (Rs. In Lakhs)
Gross Block						
At 31 March, 2020	8,348.00	3,460.80	24.16	2.73	11,835.69	2,847.39
Additions	-	-	-	-	-	1,246.10
Disposals	-	-	-	-	-	-
Reserve	-	-	-	-	-	-
At 31 March, 2021	8,348.00	3,460.80	24.16	2.73	11,835.69	4,093.49
Additions	-	-	-	-	-	1,869.64
Disposals	-	-	-	-	-	-
Reserve	-	-	-	-	-	-
At 31 March , 2022	8,348.00	3,460.80	24.16	2.73	11,835.69	5,963.13
Accumulated Depreciation						
At 31 March, 2020	-	1,789.18	19.57	2.73	1,811.49	-
Additions	-	76.78	1.69	-	78.47	-
Disposals	-	-	-	-	-	-
Reserve	-	94.20	-	-	94.20	-
At 31 March, 2021	-	1,960.16	21.26	2.73	1,984.16	-
Additions	-	76.78	1.69	-	78.47	-
Disposals	-	-	-	-	-	-
Reserve	-	94.20	-	-	94.20	-
At 31 March , 2022	-	2,131.13	22.95	2.73	2,156.82	-
Net Block						
At 31 March , 2021	8,348.00	1,500.64	2.90	-	9,851.53	4,093.49
At 31 March , 2022	8,348.00	1,329.67	1.21	-	9,678.87	5,963.13

The company had acquired Specific Borrowing from HDFC Bank for the purpose of renovating the Hotel Building in the year 2018. The Interest on specific Borrowing have been capitalized. The Total Amount of Borrowing Cost capitalized in accordance with Ind AS 23 is Rs.3.16 crores.

CWIP Ageing Schedule

Particulars :	Amount of CWIP for a period of				Total
	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	1,869.64	1,246.10	1,653.43	1,193.96	5,963.13
Projects Temporarily Suspended	-	-	-	-	-
Total	1869.64	1246.10	1653.43	1193.96	5963.13

ARUNA HOTELS LIMITED

Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31, 2022	As at March 31,2021
Note 2		
Financial Assets		
Other Financial Assets		
Security Deposits		
Deposit-Bsnl	0.01	0.01
MES Deposits	19.31	19.31
Other Deposits		
Deposits*	14.37	13.79
Total	33.68	33.10
*Deposits in PNB A/c are Lien Marked against Court Case		
Note 3		
Other Non-Current Assets		
Capital Advances - Considered Good-Unsecured	179.25	387.02
Other Receivables		
Yessir Holdings and Investment Limited	360.69	360.69
Total	539.94	747.71

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

Current Assets

Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31, 2022	As at March 31,2021
Note 4		
Financial Assets		
Trade receivables-Considered Good	36.39	36.39
Less : Allowance for Doubtful Receivables	-	-
	36.39	36.39

ARUNA HOTELS LIMITED

Particulars :	Outstanding for the following periods from due date of Payment					Total
	Less Than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good			36.39			
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables –credit impaired		-	-	-	-	-
(i) Undisputed Trade receivables – considered good		-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables –credit impaired						

Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31, 2022	As at March 31,2021
Note 5		
Cash and cash equivalents		
Balance with Banks		
In Current Accounts	257.46	26.13
Cash on Hand	0.10	0.07
Total	257.56	26.20

Note 6

Other Current Assets		
Statutory Dues from the Government		
TDS Receivable	0.28	0.09
GST	31.32	17.64
Rights Issue Deposit	24.90	-
Other Advances	3.15	0.38
Total	59.65	18.11

ARUNA HOTELS LIMITED

Note 7

Equity Share Capital		
Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31, 2022	As at March 31,2021
Authorized		
Equity Shares, Rs. 10/- Par Value (6,70,00,000 Equity Shares)	670,000,000.00	670,000,000.00
Redeemable Convertible Preference Share Capital	80,000,000.00	80,000,000.00
Issued, Subscribed and Paid Up		
Equity Shares, Rs. 10/- Par Value (3,39,00,000 Equity Shares of Rs. 10/- each)	339,000,000.00	90,000,000.00
	339,000,000.00	90,000,000.00

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

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

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

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

Name of the equity shareholder	As at March 31, 2022		As at March 31,2021	
	No of shares held	% of the holding	No of shares held	% of the holding
Gay Travels Private Limited	8,228,005	24.27%	591,506	6.57%

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31 , 2022, is set out below:

Particulars	No. of Shares	Amount (Rs. In Lakhs)	No. of Shares	Amount (Rs. In Lakhs)
	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
As at the beginning of the period	9,000,000	900	9,000,000	900
Add: Shares issued during the period	24,900,000	2,490	-	-
Less: Shares Bought back	-	-	-	-
As at the end of the period	33,900,000	3,390	9,000,000	900

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

Name of the equity shareholder	As at March 31, 2022		As at March 31,2021	
	No of shares held	% of the holding	No of shares held	% of the holding
Subasri Realty Private Limited	6,348,863	18.73%	1,685,539	18.73%
Gay Travels Private Limited	8,228,005	24.27%	591,506	6.57%

ARUNA HOTELS LIMITED

For the year immediately preceding the balance sheet date:

- i. Nil shares were reserved for issuance towards outstanding employee stock options granted / available for grant, towards outstanding share warrants and towards convertible securities.
- ii. Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the year immediately preceding the Balance Sheet date is Nil.
- iii. Forfeited share is Nil.

Non - Current Liabilities

Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31, 2022	As at March 31,2021
Note 8		
Financial Liabilities - Long Term Borrowings		
1. Term Loan from Banks		
Secured	2,126.19	2,881.57
2. Loans from related parties		
Secured#	5,003.44	5,003.44
Unsecured	2,780.06	2,593.61
Loan from Banks (Bank Moratorium Interest converted into loan)*	58.23	-
3. Debt Component of Preference Shares	310.00	-
Total	10,277.92	10,478.62

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

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

Details of Term Loan Taken from HDFC Bank

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

ARUNA HOTELS LIMITED

Loan No. 2:	
Type of Loan	Working Capital Term Loan under ECGLS
Amount Sanctioned	64,000,000.00
Amount Disbursed	64,000,000.00
Tenure of Repayment	48
Rate of Interest	8.25% p.a
Interest Payment Frequency	Monthly service
Interest calculation method	Floating Rate
Security	Extension of second ranking charge over existing primary and collateral securities including mortgage created in favour of the bank.

Loans from Related Parties						
Name of the Lender	Relationship with Company	Relationship with Company	Amount Sanctioned		Amount Outstanding as on March 31, 2022(excluding interest)	
			Secured (in Rs Lakhs)	Unsecured (in Rs Lakhs)	Secured (in Rs Lakhs)	Unsecured (in Rs Lakhs)
Gay Travels Private Limited	Shareholder of the company	Promoter Group	2,380.44	1,619.56	2,380.44	1,082.88
Rani Printers Private Limited	Shareholder of the company	Promoter Group	500.00	-	500.00	-
Malar Publication Private Limited	Common Promoter	Promoter Group	853.00	2,147.00	853.00	1,474.06
Subasri Realty Private Limited	Shareholder of the company	Promoter Group	1,270.00	730.00	1,270.00	133.12
Sivels Holdings Private Limited	Shareholder of the company	Promoter Group	-	200.00	-	90.00
Total unsecured loan			5,003.44	4,696.56	5,003.44	2,780.06

Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31, 2022	As at March 31,2021
Note 9		
Deferred Tax Liabilities		
Opening Balance	1,254.66	1120.99
Current Period Addition/Deletion	-9.98	133.67
Re-Estimation of Deferred Tax on Revaluation of Land	512.76	
Closing Balance	1,757.44	1,254.66

ARUNA HOTELS LIMITED

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

Note 10		
Other Non-Current Liabilities		
Rental Advance	5.00	-
Security Deposit	33.84	33.84
Total	38.84	33.84
* Security deposits consists of Rental security Deposits received from Bharathi Kurunthachallam & A Sunil Reddy [Culinary ocean hospitality LLP]		

Current Liabilities

Particulars	Amount(Rs. In Lakhs)	
	As at March 31, 2022	As at March 31,2021
Note 11		
Financial Liabilities		
Trade Payables		
Due to MSME	0.00	29.44
Due to Others	94.32	28.13
Total	94.32	57.57

Particulars :	Outstanding for the following periods from due date of Payment				Total
	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME Parties	-	-	-	-	-
(ii) Others	86.92		1.37	6.04	94.32
(iii) Disputed Dues-MSME Parties	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-
Total	86.92	-	1.37	6.04	94.32

ARUNA HOTELS LIMITED

Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31, 2022	As at March 31,2021
Other Financial Liabilities		
Current Maturities of Long Term Debt	796.67	654.44
Interest Accrued	1,650.12	1,695.02
Total	2,446.78	2,349.47
Note 12		
Other Current Liabilities		
Others		
Statutory Liabilities	7.82	0.61
Audit Fee Payable	2.50	2.50
Electricity Charges Payable	3.65	3.47
Salary Payable	4.23	3.71
Expenses Payable	0.56	10.70
Total	18.76	20.99

Revenue Recognition

Revenue from operations

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

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

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

1. Identifying the contract with a customer

2. Identifying the performance obligations

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

3. Determining the transaction price

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

4. Allocating the transaction price to performance obligations

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

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

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

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

ARUNA HOTELS LIMITED

Other Income

Other income is comprised primarily of interest income, dividend income, gain / loss on investments, write back of creditors and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities.

Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Note 13		
Revenue From Operations		
Operating Revenue	-	-
Other Operating Revenues	-	30.84
Total		30.84
*Other Operating Revenue Includes Rental Income.		
Note 14		
Other Income		
Interest Income	3.95	1.35
Creditors & Liabilities Written Back	365.93	0.24
Other Income	0.99	0.35
Total	370.87	1.93

Employee Benefit Expenses

Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Note 15		
Employee Benefit Expenses		
Salaries and Allowances	47.36	33.17
Director remuneration	2.31	4.09
Ex-Gratia	0.70	-
Payment of disputed arrears of employee due	-	135.00
Total	50.37	172.27

Finance Cost:

Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Note 16		
Finance Cost		
Bank Charges	0.04	0.01
Interest Expense	352.55	520.39
Total	352.59	520.40

ARUNA HOTELS LIMITED

Note 17		
Depreciation and Amortization Expenses		
Depreciation on property, plant and equipment	78.47	78.47
Total	78.47	78.47

Other expenses

Particulars	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	For the Period Ended March 31,2022	For the Period Ended March 31,2021
Note 18		
Other expenses		
Advertisement	4.80	0.69
Annual Custody Fees	-	0.90
Annual Conectivity Charges	1.80	1.31
Annual Listing Fees	-	2.94
Annual Maintenance Charges	-	0.11
Bad Debts	-	0.68
Conveyance	0.40	0.11
Electricity Charges	43.16	39.59
Brokerage fee	5.64	-
Fees & Taxes	3.15	22.10
Filing Fees	4.90	-
Foreign monitoring investment fee	0.10	-
House Keeping Items	0.00	0.22
Internet charges	0.27	-
Insurance	2.35	1.16
Issuer fees	0.23	-
Office and Miscellaneous Expenses	0.74	0.50
Interest and Penalties	1.66	-
Legal charges	8.68	-
Payment to Auditors(Statutory Audit Fees)*	2.50	2.50
Postage	8.40	0.05
Printing and Stationery	4.12	0.37
Professional Charges	17.72	40.96
Property Tax	0.67	-
Right issue expenses	15.21	-
Repairs and Maintenance-Others	0.04	0.013
Reversal of Liabilities written off	5.41	15.89
Sanitary Certificate	6.21	-
Sebi Circular Fees	0.50	-
Share E-Voting Charges	1.26	0.69
Security Expenses	7.83	5.06
Stamp paper	0.53	-
Tally Renewal	0.09	-
Tea & Refreshment	0.03	-
Telephone expenses	0.01	-
Website charges	0.18	-
Water Charges	0.12	0.09
Total	148.68	135.94

Note 19

Related Party Disclosures

List of related parties:

Promoter Group

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

List of Director & Key Managerial Personnel (KMP)

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

Transactions during the Period

Long Term Borrowings

Name of the Party	Amount(Rs. In Lakhs)	
	For the Period Ended March 31,2022	For the Period Ended March 31, 2021
Gay Travels Private Limited	185.80	640.00
Malar Publications Private Limited	1,465.54	197.55
Rani Printers Private Limited	-	-
Subasri Realty Private Limited	133.12	135.00
Sivals Holdings Private Limited	-	-
Total	1,784.46	972.55

Interest Accrued During the Period

Name of the Party	Amount(Rs. In Lakhs)	
	For the Period Ended March 31,2022	For the Period Ended March 31, 2021
Gay Travels Private Limited	355.91	448.42
Malar Publications Private Limited	182.84	146.36
Rani Printers Private Limited	45.21	60.00
Subasri Realty Private Limited	150.56	178.76
Sivals Holdings Private Limited	8.14	10.80
Total	742.65	844.34

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Interest waived Off

Name of the Party	Amount(Rs. In Lakhs)	
	For the Period Ended March 31,2022	For the Period Ended March 31, 2021
Gay Travels Private Limited	355.91	-
Malar Publications Private Limited	182.84	-
Rani Printers Private Limited	45.21	-
Subasri Realty Private Limited	150.56	-
Sivels Holdings Private Limited	8.14	-
Total	742.65	0.00

Name of the Party	Amount(Rs. In Lakhs)	
	For the Period Ended March 31,2022	For the Period Ended March 31, 2021
Gay Travels Private Limited	763.65	-
Malar Publications Private Limited	95.41	-
Rani Printers Private Limited	-	-
Subasri Realty Private Limited	351.00	-
Sivels Holdings Private Limited	-	-
Total	1,210.06	-

Repayment of Borrowings

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

Key Managerial Personnel

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

Nature of transaction	Amount(Rs. In Lakhs)	
	For the Period Ended March 31,2022	For the Period Ended March 31, 2021
Salary and Other Employee Benefits	2.69	12.59
	2.69	12.59

ARUNA HOTELS LIMITED

Balances During The Period Long Term Borrowings

Name of the Party	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31, 2022	As at March 31, 2021
Gay Travels Private Limited	3,463.32	4,041.17
Malar Publications Private Limited	2,327.05	1,344.89
Rani Printers Private Limited	500.00	500.00
Subasri Realty Private Limited	1,403.12	1,621.00
Sivels Holdings Private Limited	90.00	90.00
Total	7,783.50	7,597.05

Interest Accrued But not Paid

Name of the Party	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31, 2022	As at March 31, 2021
Gay Travels Private Limited	802.03	802.03
Malar Publications Private Limited	357.11	357.11
Rani Printers Private Limited	120.16	120.16
Subasri Realty Private Limited	349.43	349.43
Sivels Holdings Private Limited	10.80	10.80
Total	1639.54	1639.54

Trade Payables

Name of the Party	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31, 2022	As at March 31, 2021
Gay Travels Private Limited	6.05	6.05
	6.05	6.05

Key Managerial Personnel

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

Nature of transaction	Amount(Rs. In Lakhs)	Amount(Rs. In Lakhs)
	As at March 31, 2022	As at March 31, 2021
Salary Payable	0.90	1.52
	0.90	1.52

Note 20

Contingent Liabilities

Division	Particulars
Taxation	There are TDS defaults for Aruna Hotels Limited. There is a short payment and short deduction of Rs.5,00,310. The reason for the above demands are yet to be crystallized and hence showing the above amount as contingent liability.

Note 21

Fair Value Measurement Hierarchy

Particulars	Amortized Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
Financial Assets					
Trade Receivables	36.39	-	-	36.39	36.39
Cash and Bank Balance	257.56	-	-	257.56	257.56
Other Financial Assets	33.68	-	-	33.68	33.68
Financial Liabilities					
Borrowings	12,724.70	-	-	12,724.70	12,724.70
Trade Payables	94.32	-	-	94.32	94.32
Other Financial Liabilities	-	-	-	-	-

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

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

Note 22 : Earnings per Share (EPS) :

Weighted Average Number of Shares

Particulars :	March 31, 2022	March 31, 2021
Profit / (Loss) after tax (In Lakhs)	-249.26	-1,007.96
Weighted Average Number of Shares (In Lakhs)	193.01	90.00
Earnings per share		
Basic & Diluted EPS	-1.29	-11.20
Face Value per Equity Share (In Rs.)	10	10

Particulars	No. of Shares	No of Days Outstanding	Weighted Average Number of Days :
Weighted Average Number of Shares			
Total Number of Outstanding Shares			
Opening Balance of Outstanding Equity Shares	9,000,000.00	365	9,000,000.00
Rights Issue - Date : 01/11/2021	24,900,000.00	151	10,301,095.89
Closing Balance of Weighted Average Number of Equity Shares	33,900,000.00		19,301,095.89

The earnings per share have been computed by considering the weighted average number of ordinary shares outstanding during the period. The weighted average number of shares outstanding during the comparative periods presented has not been adjusted for events, that have changed the number of ordinary shares outstanding without a corresponding change in resources retrospectively as the rights issue does not include a bonus element.

Note 23 : Ratios

ARUNA HOTELS LIMITED

Ratio	March 31, 2022	March 31,2021
Current Ratio	0.14	0.03
Debt-Equity Ratio	5.72	37.97
Debt Service Coverage Ratio	0.18	-0.15
Return on Equity Ratio	-0.13	-3.34
Trade Receivables Turnover Ratio	-	0.85
Trade Payables Turnover Ratio	-	-
Net Capital Turnover Ratio	-	0.10
Net Profit Ratio	-	-32.68
Return on Capital Employed	0.01	-0.02
Return on Investment		

Ratio	March 31, 2022	March 31,2021
Debt	11,074.58	11,443.07
Equity	1,935.16	301.38
Earnings available for debt service / EBIT	171.78	-275.44
Interest Expense	316.13	1,243.50
Instalment	654.44	583.33

