

# **Appu Hotels Limited**



**29<sup>th</sup> Annual Report 2014-15**



*Our Honoured Guest Late. Dr. A.P.J. Abdul Kalam being received by our Chairman Dr. Palani G Periasamy at the hotel.*



*Mr. Azim Premji, Chairman of Wipro Group of Companies graced our fine dining restaurant PEACOCK at Le Meridien, Coimbatore*



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**BOARD OF DIRECTORS**

Dr Palani G Periasamy	:	Chairman
Mrs Visalakshi Periasamy	:	Executive Vice Chairman & CEO
Dr V Janakiraman		
Dr M C Thirumoorthi		
Mr K Kandasamy		
Mr C Ramachandran IAS (Retd)		
Dr A Sakthivel		
Mr. Anoop Bali	:	Nominee Director - TFCI
Mr A Sennimalai	:	Managing Director

**Chief Financial Officer** : **Mr B Murugesan**

**AUDITORS** : **M/s Ramkrish & Co.,**  
Chartered Accountants  
New No 19 (Old No.9A) Bagavantham Street,  
T Nagar, Chennai - 600 017.

**INTERNAL AUDITORS** : **M/s. Srinivasan & Shankar**  
Chartered Accountants  
No.18/36 Second Floor  
Karpagambal Nagar  
Mylapore, Chennai - 600 004.

**BANKERS & FINANCIAL INSTITUTIONS** : Indian Bank  
State Bank of India  
Bank of India  
IDBI Bank Ltd  
TFCI Ltd.

**REGISTERED OFFICE** : "PGP House",  
New No.59 (Old No.57) Sterling Road  
Nungambakkam, Chennai – 600 034.  
Phone Nos. 28254176, 28254609, 28311313  
CIN No.U92490TN1983PLC009942  
E –mail : secretarial@appuhotelsltd-pgp.com

**HOTELS** : **Le Royal Meridien-Chennai**  
No.1, GST Road, St. Thomas Mount,  
Chennai – 600 016.  
Phone No. 91-44- 22314343  
Fax No. 91-44-22347621  
E-mail : chairman@leroyalmeridien-chennai.com

**Le Meridien- Coimbatore**  
762 Avinashi Road, Coimbatore – 641 062  
Phone : 91-422- 4254343 Fax : 91-422-2364444  
E-mail : ahlcoimbatore@pgpgroup.in

**Hotel Riverside Resort & Spa, Kumbakonam**  
32/33 College Road (Govt. Mens College)  
Kumbakonam- 612 002





## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **TWENTY-NINTH** Annual General Meeting of the Members of the Company will be held at “Le Royal Meridien”, No.1, G.S.T. Road, St. Thomas Mount, Chennai- 600 016 on **Wednesday, the 30<sup>th</sup> September 2015 at 11.30 A.M.** to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements including Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit and Loss and Cash Flow Statements for the year ended on that date and consider the reports of the Directors and Auditors.
2. To appoint a Director in place of Dr V Janakiraman, (DIN .02309798) who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass, the following resolution as ordinary resolution:

**RESOLVED THAT** pursuant to the provisions of Section 139, and 142 of the Companies Act, 2013 Audit and Auditors Rules, 2014, (the rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) K. Ramkrish & Co., Chartered Accountants, Chennai (Registration number 003017S with the Institute of Chartered Accountants of India), who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of section 141 of the Act, and rule 4 of the rules, be and are hereby re-appointed as Statutory Auditors of the Company to hold office for a period of 2 years from the conclusion of this meeting until the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company on such remuneration as may be agreed upon by the Audit committee/ Board of Directors in consultation with the Auditors.

### SPECIAL BUSINESS

4. Approval for payment of remuneration to Managerial Personnel in accordance with Section II, Part II of Schedule V to the Companies Act.

To consider and, if thought fit, to pass or without modification the following resolution as a

#### **SPECIAL RESOLUTION**

Remuneration to Mrs Visalakshi Periasamy, Executive Vice Chairman and Mr. A. Sennimalai, Managing Director.

“**RESOLVED THAT** pursuant to the procedure indicated in Part II Section II of Schedule V read with Section 196, 197 & 203, subject to such sanctions as may be necessary, approval and sanction of the Company be and is hereby accorded to the payment of the following remuneration for a Period of 3 years to the following Managerial Personnel of the Company having inadequate profits during the year 2014-15.





Particulars	Mrs Visalakshi Periasamy, Executive Vice Chairman	Mr A Sennimalai, Managing Director
	Amount Rs.	
Salary (fixed)	24,00,000.00	21,60,000.00
<b>Perquisites</b>		
HRA	-	3,00,000.00
Special All	-	-
LTA	-	1,80,000.00
Medical	-	1,80,000.00
Gratuity	-	-
PF (Mgmt contribution)	-	-
Superannuation	-	-
<b>Total</b>	<b>24,00,000.00</b>	<b>28,20,000.00</b>

#### 5. Increase in borrowing powers

To consider and if thought fit, to pass with or without modification(s), as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** in supersession of earlier resolution (Item No. 9) passed in Annual General Meeting of the Company held on 30th September, 2013 for increasing the borrowing powers of the Board, and pursuant to provisions of the section 180(1)(c) and all other applicable provisions of the Companies Act, 2013 and Rules thereunder, and as per other applicable laws (including any amendment thereto or re-enactment thereof) the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (which term be deemed to include any Committee of the Board) to borrow such sums of money (apart from temporary loans obtained or to be obtained from the Bankers of the Company in the ordinary course of the business i.e. loans repayable on demand, such as short-term, cash credit arrangements, the discounting of bills, and the issue of other short term loan of seasonal character, but does not include loans raised for the purpose of financial expenditure of a capital nature) as they may deem fit and necessary from time to time, for the purpose of the business of the Company and on such terms and conditions as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit and proper, notwithstanding that the monies to be borrowed together with monies already borrowed by the Company, and remaining outstanding at any time will exceed the aggregate of the paid-up capital of the Company and its free reserves, provided that the total amount so borrowed by the Board of Directors and remaining outstanding at any time, shall not at any time exceed the limit of **Rs. 500 (Rupees Five Hundred) Crores**.

**RESOLVED FURTHER THAT** pursuant to provisions of the section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 and Rules thereunder and as per other





applicable laws (including any amendment thereto or re-enactment thereof), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to create mortgage, hypothecation and /or create charge on all or any of the movable or immovable properties or such other assets of the Company, wherever situated, both present and future, and on the whole or part of one or more undertakings of the Company of any nature and kind whatsoever in favour of banks, financial institutions or any other lender whether Indian or International (hereinafter referred as “Lenders”) to secure the amount borrowed, to be borrowed by the Company from such “Lenders” from time to time for the due repayment of the principal monies together with the interest thereon at the respective agreed rate(s) or any other charges in respect of such borrowings and such security to rank in such manner as may be agreed to between the concerned lender(s) and Board of Directors of the Company.

**RESOLVED FURTHER THAT** the Board of Directors or any person authorised by the Board of Directors, be and is hereby authorised to negotiate and settle the terms and conditions with the concerned Bank(s) / Financial Institution(s) / Lender(s), finalize the applicable instruments/agreements, deeds or any other document for borrowing the monies for the purpose of business of the Company and creating the mortgage, hypothecation or charge on the assets of the Company in relation to borrowings of monies and to do all such other acts, deeds and things necessary and incidental to give effect to this resolution.

## NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**

The proxy form, in order to be effective must be duly completed, stamped and lodged with the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

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

2. All documents referred to in the notice and in the accompanying explanatory statement are open for inspection at the registered office of the company during office hours on all working days, except holidays, between 10.00 A.M. and 5.00 P.M up to the date of the Annual general meeting.





3. Shareholders are requested to intimate changes in their address, if any, quoting the folio number to the Company.

The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of the special business set out against Items 4 and 5 is given below and forms part of this notice.

By order of the Board

for **Appu Hotels Limited**

**N Subramanian**

President(Corporate Affairs)

Place : Chennai –34

Date : 29.05.2015

#### **EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013.**

##### **Item No.4**

##### **A. Remuneration to Mrs Visalakshi Periasamy, Whole Time Director designated as Executive Vice Chairman.**

Mrs Visalakshi Periasamy, (DIN : 00064517)) was reappointed as Whole time Director designated as Executive Vice Chairman for a fresh period of 5 years from 20.01.2015 with the following remuneration and approval of Shareholders was obtained through a Special Resolution in the Extra-Ordinary General Meeting held on 25<sup>th</sup> February 2015. Approval of the Government of India, Ministry of Corporate Affairs has been applied.

Particulars	Total for the year
Salary (fixed)	4200000.00
Perquisites	HRA, LTA, Medical as per Company Policy

It was also provided therein that in case there are no profits or if the profits are insufficient, payment of remuneration will be regulated within the limits, i.e., Rs.60 lakhs per year prescribed in Section II Part II of the Schedule V to the Companies Act, 2013 and after following the procedure prescribed. As the profits for the year 2014-15 are insufficient, the above procedure is being followed. The following remuneration which is within the prescribed limits has been recommended by the Nomination and Remuneration Committee.

Particulars	Total for the year 2014-15
Salary (fixed)	24,00,000.00
Perquisites	- NIL -

##### **b) Interest of Directors, Key Managerial personnel and their relatives:**

- None of (i) Directors, except Dr Palani G Periasamy, Chairman  
(ii) Key Managerial Personnel (CFO & CS), and  
(iii) Relatives of the persons mentioned in (i) and (ii) are interested in the above said resolution.

##### **c) Relevance of Resolution in any other Company -** The above resolution does not affect any other Company.

##### **d) Inspection of Documents -** No document is required to be kept for inspection





<b>I. General Information</b>	
1. Nature of industry	Hospitality Services
2. Date or expected date of commencement of commercial production	06.04.1983
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA
4. Financial performance based on given indicators	Given in the Board's Report
5. Foreign investments or collaborations, if any	NIL
<b>II. Information about the appointee</b>	
1. Background details	
	Mrs Visalakshi Periasamy belongs to the promoter group. She has been member of the Company since 1995. Mrs Visalakshi Periasamy, W/o Dr Palani G Periasamy is a paramedical specialist by profession. She was Director in PGP International, USA an organisation which has been running a Hotel under franchise from Ramada Inn in U S A. She has an overall experience of more than 25 years She has, therefore good exposure to general administration. She is also a Graduate in Business Administration (BBA), besides being a system analyst.
2. Past Remuneration	Rs. 3.50 lakhs p.m. (Actual payment restricted to Rs. 24 Lakhs for the year 2013-14, as per schedule XIII of the Companies Act, 1956)
3. Recognition or awards	Nil
4. Job Profile and his suitability	She has more than 20 years experience in General administration in the group.
5. Remuneration proposed	Rs. 24 Lakhs as was paid in the Previous Year
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Rs. 5.00 to 6.00 lakhs per Month plus Perquisites
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	She Holds 7757703 equity shares i.e, 9.56% in Appu Hotels Ltd, She is the spouse of Dr Palani G Periasamy, Chairman
<b>III. Other information</b>	
1. Reasons of loss or inadequate profits	Hospitality Industry has not been profitable throughout the Country.
2. Steps taken or proposed to be taken for improvement	Given in Board Report
3. Expected increase in productivity and profits in measurable terms	Given in Board Report



Accordingly the Directors commend the resolution for approval of the Shareholders as a Special Resolution.

**B. Remuneration to Mr A Sennimalai, Managing Director**

Mr. A Sennimalai, (DIN: 00062791) was reappointed as Managing Director for a period of 5 years from 01.04.2012 with the following remuneration and approval of Shareholders was obtained through a Special Resolution in the Annual General Meeting held on 24<sup>th</sup> September 2012.

Salary	Rs.1,50,000-15000-2,10,000/-
Perquisites	HRA at Company Rates, Medical Reimbursement (@ 1 month salary)LTA (@ 1 month Salary.)

It was also provided therein that in case there are no profits or if the profits are insufficient, payment of remuneration will be regulated within the limits, i.e., Rs.60 lakhs per year prescribed in Section II Part II of the Schedule V to the Companies Act, 2013 and after following the procedure prescribed. As the profits for the year 2014-15 are insufficient, the above procedure is being followed. The following remuneration which is within the prescribed limits has been recommended by the Nomination and Remuneration Committee.

Particulars	Mr A Sennimalai, Managing Director (Amt in Rs.) Per annum
Salary (fixed)	2160000.00
Perquisites	
HRA	300000.00
Special All	-
LTA	180000.00
Medical	180000.00
Total	2820000.00

- b) Interest of Directors, Key Managerial personnel and their relatives:
- None of (i) Directors,  
(ii) Key Managerial Personnel (CFO & CS), and  
(iii) Relatives of the persons mentioned in (i) and (ii) are interested in the above said resolution.
- c) Relevance of Resolution in any other Company. The above resolution does not affect any other Company.
- d) Inspection of Documents - No document is required to be kept for inspection



<b>I. General Information</b>	
1 Nature of industry	Hospitality Services
2 Date or expected date of commencement of commercial production	06.04.1983
3 In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA
4 Financial performance based on given indicators	Given in Board's Report
5 Foreign investments or collaborations, if any	Nil
<b>II. Information about the appointee</b>	
1 Background details	Mr A Sennimalai belongs to the promoter group. He has been member of the Company since 1995 Mr A Sennimalai was a rank holder in M.Sc., (Statistics) at Annamalai University. Also holds an MBA degree from Madras University. He has got about 32 years experience in the Management of Projects. He joined the group during 1985 and since then he has handled all the planning and implementation of all the PGP Group projects.
2 Past Remuneration	Rs. 1,65,000/- p.m + perks
3 Recognition or awards	Nil
4 Job Profile and his suitability	He has more than 32 years experience in General administration in the group.
5 Remuneration proposed	Rs.1,80,000/- p.m. + perks
6 Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Rs.3,00,000/- p.m. + perquisites
7 Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Member of the Promoter Group. Holds 70716 equity shares (0.09%) in Appu Hotels Limited
<b>III. Other information</b>	
1 Reasons of loss or inadequate profits	Hospitality Industry has not been profitable in India In the last two years.
2 Steps taken or proposed to be taken for improvement	Given in Board's Report
3 Expected increase in productivity and profits in measurable terms	As given in the Board's Report

Accordingly the Directors commend the resolution for approval of the Shareholders as **Special Resolution**.

**Item No.5:**

The Members had, in the Annual General Meeting held on 30th September, 2013 passed a Special Resolution and accorded their approval to the Board of Directors for borrowings upto Rs.500 (Rupees Five Hundred) crores, as also for creation of charges on Company's assets as required under Section 293(1)(d) and 293(1)(a) respectively of the Companies Act, 1956. On implementation of the Companies Act 2013, Section 180 (corresponding to Section 293 of old Act) was made effective from September 12, 2013, which provides for approval by the Shareholders by way of Special Resolution under the Companies Act, 2013. The Ministry of Corporate Affairs issued General Circular No. 04/2014 dated March 25, 2014 clarifying the position of old resolution passed under section 293 of Companies Act, 1956. This circular says that the old resolution passed under section 293 of Companies Act, 1956 will be valid up to September 11, 2014. As such, it has become necessary to obtain fresh approval of the Members by means of Special Resolution as envisaged under Section 180(1)(c) and Section 180(1)(a) of the Companies Act 2013, to enable the Board of Directors of the Company to: a) borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company; and b) create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the Banks/Financial Institutions or other lending agencies

**b) Interest of Directors, Key Managerial personnel and their relatives:**

None of (i) Directors,

(ii) Key Managerial Personnel (CFO & CS), and

(iii) Relatives of the persons mentioned in (i) and (ii) are interested in the above said resolution.

**c) Relevance of Resolution in any other Company.-** The above resolution does not affect any other Company.**d) Inspection of Documents -** No document is required to be kept for inspection

Accordingly the Directors commend the resolution for approval of the Shareholders as a **Special Resolution**.

By order of the Board

for **Appu Hotels Limited**

Place : Chennai -34

Date : 29.05.2015

**N Subramanian**

President (Corporate Affairs)



## DIRECTORS' REPORT

All members,

Your Directors are pleased to present their 29<sup>th</sup> Annual Report on the operations of the Company and the audited financial statements of accounts for the year ended 31<sup>st</sup> March 2015.

### 1. FINANCIAL SUMMARY

(Rs. In lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Gross Revenue	7864.15	7096.58
Expenditure	6045.84	6073.48
Profit before Interest, Depreciation and Tax	1818.31	1023.10
Interest and Finance Charges	3583.16	3479.87
Depreciation	2263.62	2204.68
Profit / (Loss) before Tax	(4028.47)	(4661.45)
Current Tax	-	-
Deferred Tax	(777.90)	(645.74)
Net Profit/(Loss)	(3250.57)	(4015.72)
Dividend if any recommended	-	-
Transfer to Reserves proposed if any	-	-
Profit/(Loss) carried forward	(3250.57)	(4015.72)

### 2. DIVIDEND

No dividend could be considered for both the Preference and Equity Shareholders, in view of there being no profits.

(i) There was no unpaid/unclaimed dividend to be transferred to IEPF Account during the F.Y. 2014-2015.

(ii) The provisions of Section 125(2) of the Companies Act, 2013 does not apply as there was no dividend declared and paid last year.

### 3. RESERVES

No amount is being transferred to Reserves due to the same reason.

### 4. REVIEW OF OPERATIONS

The total revenue for the Financial Year (FY) 2014-15 was Rs.7864.15 lakhs as against Rs. 7099.10 lakhs in the previous FY. The total expenditure was also lower at Rs.6045.84

lakhs as against Rs. 6076.00 lakhs in the previous FY. Gross Operating Profit for the FY had gone up to Rs.1818.31 lakhs from Rs. 1023.10 lakhs in the previous FY. The GOP % for the FY was higher at 23% as against 14.40% in the previous FY. After providing for interest & finance charges and depreciation, the operations have resulted in a net loss of Rs.4028.47 lakhs as against the Loss of Rs.4661.45 lakhs in the previous year. Taking into account deferred tax credit of Rs. 777.90 lakhs, the net loss works out to Rs. 3250.57 lakhs against the loss of Rs.4015.72 lakhs in the previous year

The operational performance of both the Hotels at Chennai and Coimbatore continued to be affected by slowdown in the economy in general and supply overhang of room inventory.



In the year ended the 31<sup>st</sup> March, 2015, the Occupancy in the Chennai Hotel improved to 46% from 40% in the FY 2013-14 but on the back of dropping of Average Room Rent (ARR) to Rs.5021 in the FY 2014-15 from Rs.5639 achieved in the FY2013-14.

The performance of the Coimbatore Hotel was comparatively better in the FY 2014-15. The Average Occupancy had improved to 31% as against 24% in the FY2013-14 without paring ARR when the ARR too had improved to Rs.5297 as compared to Rs.5212 in the FY2013-14.

The performance of the small resort type hotel at Kumbakonam, taken on lease, continued to be affected during FY 2014 – 15 also. It had been a trade off between ARR and Occupancy. The improvement in ARR during FY 2014-15 to Rs.2892 from Rs.2269 in FY 2013-14 was at the cost of decline in Occupancy to 30% in FY 2014-2015 from 40% in FY 2013 - 2014. The tradeoff, however, was not effective as the Revenue Per Available Room (REVPAR) was lower at Rs.871 in FY 2014-15 as compared to Rs.907 in FY 2013-14.

There is no change in the nature of business.

#### 5. PLAN OF ACTION

As reported last year, in order to turn around the adverse financial position, the Company's proposal for corrective action plan and request for restructuring of term loan liabilities were accepted at the Joint Lenders' Forum. The broad contours of the financial restructuring scheme were also reported last year. Formal Letters of approval for the financial restructuring scheme were received from individual Lenders during the year and the scheme stands implemented with effect from 01.02.2014.

The Company has also approached Chennai Metropolitan Development Authority for the regulatory approval necessary for

development and sale of the non core asset in the form of vacant land of about 26 acres at Gerugambakkam, near Chennai Airport over a period of three years for monetisation and induction of funds as part of the financial restructuring scheme. The renovation of the Chennai Hotel property is under progress as part of the restructuring scheme. The Promoters have also initiated action for induction of Rs.75 crores by way of unsecured loans from a group Company viz. Dharani Developers Private Ltd which would be utilised for repayment of the NCDs/Term Loans over a period of five years.

#### OUTLOOK

Your Company has one more year remaining of the moratorium period of two years for servicing the rupee term loans. The proposed induction of additional funds to be utilised for part of the retirement of debts and renovation of Chennai Hotel would ease pressure on liquidity to an extent. The Company is hopeful of speedier economic recovery and improvement in business and tourist arrivals. And with no significant addition to room inventory seen in the luxury segment at both Chennai and Coimbatore in the next couple of years, the prospects of improvement in occupancy at firmed up ARR is expected, barring anything unforeseen, which would go a long way in strengthening the current financial position of the Company.

#### 6. (A) MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of the report.

(B) Variations in the net worth of the Company as at the close of the current financial year and previous financial year.





Particulars	Rs Lakhs
Net Worth at the Close of	
Current Financial Year 2014-15	7055.95
Previous Financial Year 2013-14	10306.33
Variations – increase/(decrease)	(3250.58)

### 7. SIGNIFICANT AND MATERIAL ORDERS

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

### 8. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the assignment order. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board and to the Chairman.

The Internal Audit monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal auditor, management undertake corrective action and thereby strengthen the controls. Significant audit observations wherever made and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

### 9. SUBSIDIARY COMPANIES

The Company does not have any subsidiary or any Associate Company. Hence no report on subsidiary, associate, joint venture Company is provided.

### 10. DEPOSITS

Your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

There are no deposits which are not in compliance with the requirements of Chapter V of the Act.

### 11. STATUTORY AUDITORS

M/s K. Ramkrish & Co., Chartered Accountants (Firm Regn. No. 003017S), Chennai retire as Statutory Auditors on the conclusion of this Annual General Meeting. As they are eligible to continue as Statutory Auditors for the next 4 years and as they have indicated their consent, they are being reappointed as Statutory Auditors for a period of 4 years from the conclusion of this Annual General Meeting.

### 12. AUDITOR'S REPORT

Auditor's report is attached. There were no qualifications, reservation or adverse remarks or disclaimer made by the Auditor in their report.

### 13. SECRETARIAL AUDIT

M/s. Damodaran & Associates, Chennai carried out the Secretarial Audit in accordance with Section 204 (1) of the Companies Act and their report as on 31<sup>st</sup> March 2015 is attached.

There is one observation relating to delay in appointment of Company Secretary as required by Section 203 of the Act. The Company's explanation is as follows:

The Company has advertised for a suitable candidate but there has been no satisfactory response. The Company is continuing its efforts to appoint a qualified Company Secretary at the earliest and hopes to be compliant soon. It is also mentioned





incidentally that the President (Corporate Affairs), who is also a qualified Senior Company Secretary takes care of all the responsibilities of a Company Secretary in Appu Hotels Limited, besides his duties as a Company Secretary in group Company viz., Dharani Finance Limited.

#### 14. SHARE CAPITAL

Against the authorized Capital of Rs.100 crores, the Company's paid up equity share capital remains at Rs.81.15 crores and Preference Capital at Rs.9.00 crores.

The Company has incurred a loss of Rs.3250.57 lakhs in the FY 2014-15 as against Loss of Rs. 4015.72 lakhs in the previous FY. In order to meet its financial commitments, your Company raised additional funds through borrowing by issue of Secured Redeemable Non Convertible Debentures to the extent of Rs.67 crores and also additional term loans of Rs.8 crores. The debentures were listed in Bombay Stock Exchange on the 26<sup>th</sup> June, 2014. The debentures have to be redeemed over a period of 5 years.

The Company was able to get the debts restructured through the Joint Lenders Forum under Reserve Bank of India's guidelines for Corporate Debt Restructuring. To service debts as per the restructuring directive and for timely redemption of the debentures, your Company needs additional funds by way of equity to be brought in.

The Company is planning to increase its authorized capital to enable it to bring in additional funds, as stipulated in the Restructuring Agreement with the Lender.

After increasing the authorized capital from Rs.100 crores consisting of Rs.85 crores equity capital and Rs.15 crores preferential

capital to Rs.125 crores consisting of Rs.110 crores equity capital and Rs.15 crores preferential capital, your Company may go in at the appropriate time for issue of additional shares either through rights or preferential issue.

#### 15. EXTRACT OF ANNUAL RETURN

Extract of the Annual Return in form MGT-9 as provided under Section 92(3) of the Companies Act 2013 is attached herewith.

#### 16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO.

Enclosed as Annexure II.

#### 17. CORPORATE SOCIAL RESPONSIBILITY

Your Company does not fall within the ambit of Companies mandated to adhere to these requirements as per Section 135 of the Companies Act, 2013.

#### 18. DIRECTORS & KEY MANAGEMENT PERSONNEL

Mrs. Visalakshi Periasamy (DIN No. 00064517) was reappointed as Whole Time Director designated as Executive Vice Chairman from 20<sup>th</sup> January 2015 for a period of 5 years, subject to approval from Government of India, Ministry of Corporate Affairs.

Mr. C. Ramachandran (DIN. 00050893), Dr. M. C. Thirumoorthi,(DIN.00129814) and Dr. A. Sakthivel, (DIN 00027485) were appointed as Independent Directors for a period of 5 years from 30<sup>th</sup> September 2014 to 29<sup>th</sup> September 2019.

Dr. V. Janakiraman, (DIN No. 02309788) is due to retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.







Mr. B. Murugesan was appointed Chief Financial officer from 01.09.2014.

B. The Independent Directors have given the declaration as prescribed in section 149 (6) of the Companies Act, 2013 confirming that they continue to meet the criteria of independence.

C. Formal Annual Evaluation has been carried out by the Board of its own performance and that of its Committee and individual Directors. The Nomination & Remuneration Committee has recommended such a policy which has been approved by the Board. This is attached

### 19. BOARD MEETINGS

During the year 2014-15 four Board Meetings were held on 29<sup>th</sup> May 2014, 27<sup>th</sup> August 2014, 11<sup>th</sup> November 2014 and 23<sup>rd</sup> January 2015

The Board consists of the following including one Woman Director

1. <b>Dr. Palani G Periasamy</b>	Chairman
2. <b>Mrs. Visalakshi Periasamy</b>	Vice Chairman
3. <b>Mr. A. Sennimalai</b>	Managing Director
4. <b>Dr. V. Janakiraman</b>	Director
5. <b>Mr. K. Kandasamy</b>	Director
6. <b>Mr. Anoop Bali</b>	Nominee Director TFCI
7. <b>Mr. C. Ramachandran</b>	Independent Director
8. <b>Dr. M. C. Thirumoorthi</b>	Independent Director
9. <b>Dr. A. Sakthivel</b>	Independent Director

### 20. AUDIT COMMITTEE

A qualified Audit Committee consisting of the following:

❖ <b>Dr M C Thirumoorthi</b>	Director
❖ <b>Mr C Ramachandran</b>	Director
❖ <b>Dr A Sakthivel</b>	Director
❖ <b>Mr Anoop Bali</b>	Nominee Director – TFCI
❖ <b>Mr. A. Sennimalai</b>	Managing Director

is in position. During the year 2014-15 the Audit Committee met on 27<sup>th</sup> August 2014 and 11<sup>th</sup> November 2014. There was no instance where the Audit Committee's recommendations were not accepted by the Board.

### 21. MANAGEMENT COMMITTEE

During the year 2014-15 one Management Committee meeting was held on 24<sup>th</sup> September 2014 and the Committee consists of the following members.





❖ <b>Dr. Palani G. Periasamy</b>	Chairman
❖ <b>Mrs. Visalakshi Periasamy</b>	Vice Chairman
❖ <b>Mr. A. Sennimalai</b>	Managing Director
❖ <b>Mr. K. Kandasamy</b>	Director
❖ <b>Mr. C. Ramachandran</b>	Director

## 22. NOMINATION & REMUNERATION COMMITTEE

On the recommendations of the Nomination & Remuneration Committee a suitable policy on Directors ' appointment , remuneration including criteria for determining qualifications, positive attributes has been established by the Board. Details of the policy are available in the website of the Company. The Nomination & Remuneration Committee has been reconstituted and the following are its Members: The committee met on 27.08.2014 & 11.11.2014

<b>Mr. C. Ramachandran</b>	Chairman of the Committee
<b>Mr. K. Kandasamy</b>	Member
<b>Dr. A. Sakthivel</b>	Member

## 23. LOANS, GUARANTEES OR INVESTMENTS

Your Company has not given any loans or provided any guarantees as defined under the provisions of Section 186 of the Companies Act, 2013.

But the Company has invested a sum of Rs.65,93,550/- in 6,59,355 equity shares of Clarion Wind Firm Private Ltd and Gurudev wind Energy Private Limited to be treated as captive power consumer and to avail concessional supply of electric power. The details of the investments made by Company are given in the notes to the financial statements.

## 24. CONTRACTS, ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1)

All related party transactions that were entered into during the financial year were in the ordinary course of the business and were on arm's length basis. The statement in form AOC 2 is attached. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large.

## 25. MANAGERIAL REMUNERATION

A	Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. (Applicable to listed Company)	Not Applicable	
B	Details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	There are no employees falling within the requirements of Section 197 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	
C	Any director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report.	NIL	
D	The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statements as per Schedule V, Part II, Section II of the Companies Act, 2013.	Mrs Visalakshi Periasamy, Executive Vice Chairman	Mr A Sennimalai, Managing Director
	(i) all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;	Salary 3.50 lakhs p.m.* No other perquisites.	Salary Rs.21,60,000.00 <b>Perquisites</b> HRA Rs.3,00,000.00 LTA Rs.1,80,000.00 Medical Rs.1,80,000.00
	(ii) details of fixed component and performance linked incentives along with the performance criteria;	Nil	Nil
	(iii) service contracts, notice period, severance fees;	5 years, 3 months, Nil	5 years 3 months, Nil
	(iv) stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	Nil	Nil

\*However actual remuneration payable for 2014-15 is regulated in accordance with Schedule V, Part II, Section II as there are no profits.

## 26. VIGIL MECHANISM FOR DIRECTORS & EMPLOYEES

A competent Vigil mechanism has been established and a whistle blower policy has been designed to help Directors and Employees to report genuine concern. Details of the mechanism are disclosed in the website of the Company.

The Audit Committee oversees this mechanism and Mrs. Visalakshi Periasamy, Executive Vice Chairman, is the ombudsperson.

## 27. CORPORATE GOVERNANCE CERTIFICATE

This is not applicable to this Company as the Company's shares are unlisted.



## 28. RISK MANAGEMENT POLICY

The Company has developed a risk management policy. Pursuant to Section 134 (3) (n) of the Companies Act, 2013 details of the Policy are disclosed in the Company's Website.

At present the Company has not identified any element of risk which may threaten the existence of the Company.

## 29. DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## 30. GENERAL INFORMATION

Share Transfer Agent & Dematerialisation of Shares

The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of the Company's shares. M/s Cameo Corporate Services Limited, Chennai is functioning as the "Registrars" for dematerialisation purposes. Address is given below:

**M/s Cameo Corporate Services Limited,**

**Unit : Appu Hotels Limited**

**Subramanian Building, No.1 Club House Road, Chennai 600 001**

Members now have the option to hold their shares in demat form (i.e., electronic mode) either through the NSDL or CDSL. Holding of shares in demat form is desirable, though it is not compulsory. Members who wish to hold shares in physical form (i.e., in the form of Share Certificates) may continue to hold Share Certificates. However all shareholders are advised to convert their share certificates to demat form for ease of conveyance and safety.





The Shareholding details as on 31.03.2015 are as follows.

Sl.No	Particulars	No of Shares	%
01	NSDL	36016970	44.38
02	CDSL	118956	0.15
03	Physical	45029792	55.47
	<b>Total</b>	<b>81155718</b>	<b>100.00</b>

International Securities Identification Number (ISIN) allotted to the Company is **INE820F01012**

### 31. PREVENTION OF SEXUAL HARASSMENT

The Company has in place an Anti Sexual harassment policy in line with the requirements of the Section 4 of the Sexual harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints of sexual harassment. All employees are covered under this policy. Details have been displayed prominently in the work place and also in the Company's Website.

The following is a summary of such complaints received & disposed during the year 2014-15. No. of Complaints received – Nil, No of complaints disposed off – Nil.

### 32. ACKNOWLEDGEMENTS

The Board places on record its appreciation of the support and assistance received from the Government of India, Government of Tamil Nadu and other agencies, Banks, and Financial Institutions.

The Board also acknowledges the teamwork and enthusiastic contribution by the employees and the executives of the Company.

The Board also thanks the valued customers, Vendors and the Investors for their support, patronage and co-operation.

By Order of the Board

**for Appu Hotels Limited**

**Dr Palani G Periasamy**  
Chairman  
(DIN. No. 00081002)

Place: Chennai

Date : 29.05.2015



**ANNEXURE I TO THE DIRECTORS REPORT**

Information pursuant to the Companies Disclosures of particulars in the Report of Board of Directors) under Section 134 (3) m of the Companies Act, 2013, and rule 8 of 2014.

(Rs.in lakhs)

	2014-15	2013-14
A. Conservation of Energy	<b>Annexure is given below</b>	
B. Technology absorption	-	-
C. Foreign Exchange Earnings	1692.53	1900.25
D. Foreign Exchange outgo	662.05	1451.42

**A. Conservation of Energy – measures taken.**

Sl.No.	PARTICULARS	Energy saved (Rs. Lakhs)
1	Purchase of wind power for Chennai Hotel to meet Power requirement	48.00
2	Purchase of wind power for Coimbatore Hotel to meet Power requirement	260.86
	Total	308.86





**Annexure A to Boards Report**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION & OTHER DETAILS:**

i	CIN	U92490TN1983PLC009942
ii	Registration Date	06.04.1983
iii	Name of the Company	Appu Hotels Limited
iv	Category/Sub-category of the Company	Hospitality
v	Address of the Registered office & contact details	No.57 Sterling Road, Nungambakkam, Chennai - 600 034, 91-44-28311313
vi	Whether listed company	No
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Cameo Corporate Services Ltd, No.1 Club House Road, Subramanian Building, Chennai - 600 001 91-44-28460718 / 28460390

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Accomodation	55	45.61
2	Food & Bevarage Sales	56	47.94

**III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

SI No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	NIL				



**IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	-	539449	539449	0.66	0	539449	539449	0.66	0.00
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	0.00
c) Bodies Corporates	-	14450249	14450249	17.81	-	14450249	14450249	17.81	0.00
d) Bank/Fl	-	-	-	-	-	-	-	-	0.00
e) Any other	-	-	-	-	-	-	-	-	0.00
<b>SUB TOTAL:(A) (1)</b>	-	14989698	14989698	18.47	-	14989698	14989698	18.47	0.00
<b>(2) Foreign</b>									0.00
a) NRI- Individuals	-	16254472	16254472	20.03	-	16409472	16409472	20.22	0.19
b) Other Individuals	-	-	-	-	-	-	-	-	0.00
c) Bodies Corp.	-	-	-	-	-	-	-	-	0.00
d) Banks/Fl	-	-	-	-	-	-	-	-	0.00
e) Any other...	-	-	-	-	-	-	-	-	0.00
<b>SUB TOTAL (A) (2)</b>	-	16254472	16254472	20.03	-	16409472	16409472	20.22	0.19
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	-	31244170	31244170	38.50	-	31399170	31399170	38.69	0.19
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>	-	-	-	-	-	-	-	-	0.00
<b>(2) Non Institutions</b>	-	-	-	-	-	-	-	-	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	6500	49712	56212	0.07	6500	49712	56212	0.07	0.00
ii) Individuals shareholders holding nominal share capital in excess of Rs.1 lakhs	188116	591401	779517	0.96	188116	591401	779517	0.96	0.00
c) Others (specify)	-	-	-	-	-	-	-	-	0.00
(j) Hindu Undivided Family	2604	11486	14090	0.02	2604	11486	14090	0.02	0.00
(ii) Non Resident Indian	36086706	12975023	49061729	60.45	35931706	12975023	48906729	60.26	-0.19
<b>SUB TOTAL (B)(2):</b>	36283926	13627622	49911548	61.50	36128926	13627622	49756548	61.31	-0.19
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	36283926	44871792	81155718	100.00	36128926	45026792	81155718	100.00	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	0.00
<b>Grand Total (A+B+C)</b>	36283926	44871792	81155718	100.00	36128926	45026792	81155718	100.00	0.00



(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year 01.04.2014			Shareholding at the end of the year 31.03.2015			% change in share holding during the year
		No of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
1	Dr Palani G Periasamy	7275721	8.97	3.71	7275721	8.97	8.97	0.00
2	Mrs Vislakshi Periasamy	7757703	9.56	7.99	7757703	9.56	9.56	0.00
4	Dr Jayanthi Periasamy	263435	0.32	0.00	302185	0.37	0.00	0.05
5	Santhi Periasamy	461019	0.57	0.00	499769	0.62	0.00	0.05
6	Nalini Periasamy	548989	0.68	0.00	587739	0.72	0.00	0.05
7	Ananthi Periasamy	461019	0.57	0.00	499769	0.62	0.00	0.05
8	Vikram Kumar	26035	0.03	0.00	26035	0.03	0.00	0.00
9	Dharani Credit & Finance (P) Ltd	4441356	5.47	0.00	4441356	5.47	0.00	0.00
10	Dharani Sugars & Chemicals Ltd	5121500	6.31	0.00	5121500	6.31	0.00	0.00
11	Dharani Developers (P) Ltd	4887393	6.02	0.00	4887393	6.02	0.00	0.00
	Total	31244170	38.50	11.70	31399170	38.69	18.52	0.19

(iii) Change of shareholdings of Promoters

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year -01.04.2014		Cumulative Shareholding during the year-31.03.2015		REASON
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1	Dr Palani G Periasamy					No change
	At the beginning of the year 01.04.2014	7275721	8.97			
	At the end of the Year 31-Mar-2015			7275721	8.97	
2	Mrs Visalakshi Periasamy					No change
	At the beginning of the year 01.04.2014	7757703	9.56			
	At the end of the Year 31-Mar-2015			7757703	9.56	
3	Dr Jayanthi Periasamy					Purchase
	At the beginning of the year 01.04.2014	263435	0.32			
	Purchase 16-Jan-2015	38750	0.05	302185	0.37	
	At the end of the Year 31-Mar-2015			302185	0.37	
4	Santhi Periasamy					Purchase
	At the beginning of the year 01.04.2014	461019	0.57			
	Purchase 16-Jan-2015	38750	0.05	499769	0.62	
	At the end of the Year 31-Mar-2015			499769	0.62	
5	Nalini Periasamy					Purchase
	At the beginning of the year 01.04.2014	548989	0.68			
	Purchase 16-Jan-2015	38750	0.05	587739	0.72	
	At the end of the Year 31-Mar-2015			587739	0.72	
6	Ananthi Periasamy					Purchase
	At the beginning of the year 01.04.2014	461019	0.57			
	Purchase 16-Jan-2015	38750	0.05	499769	0.62	
	At the end of the Year 31-Mar-2015			499769	0.62	
7	Vikram Kumar					No change
	At the beginning of the year 01.04.2014	26025	0.03			
	At the end of the Year 31-Mar-2015			26035	0.03	
8	Dharani Credit & Finance P Limited					No change
	At the beginning of the year 01.04.2014	4441356	5.47			
	At the end of the Year 31-Mar-2015			4441356	5.47	
9	Dharani Sugars and Chemicals Ltd					No change
	At the beginning of the year 01.04.2014	5121500	6.31			
	At the end of the Year 31-Mar-2015			5121500	6.31	
10	Dharani Developers Private Limited					No change
	At the beginning of the year 01.04.2014	4887393	6.02			
	At the end of the Year 31-Mar-2015			4887393	6.02	



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Pethinaidu Veluchamy & Mrs Parameswari Veluchamy	6393756	7.88	6393756	7.88
2	Arunkumar Veluchamy	4269119	5.26	4269119	5.26
3	Dr T R R Shantha	4175684	5.15	4020684	4.95
4	Prabha Mohan	3904989	4.81	3904989	4.81
5	Anuradha Veluchamy	3845158	4.74	3845158	4.74
6	Muthusami Kuppusami	2114969	2.61	2114969	2.61
7	Saraswathi Ramachandran	1013822	1.25	1013822	1.25
8	Vani Thirumoorthi	923586	1.14	923586	1.14
9	Dr Murugiah Mani	873631	1.08	873631	1.08
10	Dr R G Krishnan/Jyothi Krishnan	821854	1.01	821854	1.01
	At the beginning of the year	28181568	34.73	28181568	34.73
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	28181568	34.73	28181568	34.73

(v) Shareholding of Directors & KMP

Directors					
1	Dr Palani G Periasamy	7275721	8.97	7275721	8.97
2	Mrs Visalakshi Periasamy	7757703	9.56	7757703	9.56
3	Mr A Sennimalai	70716	0.09	70716	0.09
4	Mr K Kandasamy	105100	0.13	105100	0.13
5	Dr V Janakiraman	3706902	4.57	3706902	4.57
6	Dr M C Thirumoorthi	404974	0.50	404974	0.50
7	Dr A Sakthivel	-	-	-	-
8	Mr C Ramachandran	-	-	-	-
9	Mr Anoop Bali	-	-	-	-
	Total A	19321116	23.81	19321116	23.81
Key Managerial Personnel					
1	Mr B Murugesan	-	-	-	-
	At the beginning of the year	19326116	23.81	19326116	23.81
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	19326116	23.81	19326116	23.81

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole time director and/or Manager:**

(Rs. Lakhs)

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
1	<b>Gross salary</b>	A Sennimalai	Mrs Visalakshi Periasamy	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	21.60	24.00	45.60
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	6.60	-	6.60
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of Profit	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	28.20	24.00	52.20
	<b>Ceiling as per the Act</b>	60.00	60.00	120.00

**V B. REMUNERATION TO OTHER DIRECTORS**

In Lakhs

Sl.No	Particulars of Remuneration					Total Amount
1	<b>Independent Directors</b>	Dr M C Thirumoorthi	Dr A Sakthivel	Mr C Ramachandran		
	(a) Fee for attending board committee meetings	0.15	0.30	0.50	-	0.95
	(b) Commission	-	-	-	-	-
	(c ) Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	0.15	0.30	0.50	-	0.95
2	<b>Other Non Executive Directors</b>	Dr Palanai G Periasamy	Dr V Janakiraman	Anoop Balai	K Kandasamy	Total Amount In Lakhs
	(a) Fee for attending board committee meetings	0.35	0.15	0.50	0.60	1.15
	(b) Commission	-	-	-	-	-
	(c ) Others, please specify.	-	-	-	-	-
	<b>Total (2)</b>	0.35	0.15	0.05	0.60	1.15
	<b>Total (B)=(1+2)</b>	0.50	0.45	0.55	0.60	2.10
	<b>Total Managerial Remuneration</b>					
	<b>Overall Ceiling as per the Act.</b>					<b>N.A.</b>

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

Amount in Lakhs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		CFO	Total
1	<b>Gross Salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	6.61	6.61
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.95	0.95
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission as % of profit	0	0
5	Others, please specify	0	0
	<b>Total</b>	7.56	7.56



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment					Rs in Lakhs
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
Indebtness at the beginning of the financial year 01.04.2014					
(i) Principal Amount	24784.00	4458.00	-	29242.00	
ii) Interest due but not paid	375.00	539.00	-	914.00	
iii) Interest accrued but not due	299.00	-	4.00	303.00	
Total	25,458.00	4997.00	4.00	30459.00	
Change in Indebtedness during the financial year					
Additions	12,041.00	3125.00	-	15166.00	
Reduction	7746.00	3565.00	4.00	13315.00	
Net Change	4295.00	440.00	-4.00	3851.00	
Indebtness at the end of the financial year 31.03.2015.					
(i) Principal Amount	29057.00	3747.00	-	32804.00	
ii) Interest due but not paid	-	-	-	-	
iii) Interest accrued but not due	696.00	810.00	-	1506.00	
Total	29753.00	4557.00	-	34310.00	

VII. PENALTY:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Nil

## Annexure B to Boards Report

### Board Evaluation

As required by the New Companies Act, the Board initiated a formal evaluation of its own performance and that of the individual directors.

The evaluation has been started to consider a suitable mechanism to improve Board effectiveness, maximize strengths and tackle weaknesses if any. It will start with assessment and reviews.

In this process criteria for such evaluation has been arrived at separately for Managing / Executive / Whole Time Directors and separately for non-executive and non-whole time Directors.

(A) Criteria for evaluation of the Board and its own performance.

#### Board :

- ❖ Setting up of annual goals (including financials) and comparing with year-end achievement
- ❖ Periodically reviewing corporate strategy
- ❖ Reviewing risk management system
- ❖ Evaluating whether composition of the board has a right mix of knowledge and skills sufficient to maximize performance in the light of the future strategy.
- ❖ Whether interaction between independent directors and key managerial personnel and senior management is adequate or needs improvement
- ❖ Is appropriate, timely and un biased information, of the right length and quality, provided to the Board
- ❖ Whether Board and Committee Meetings of appropriate length, are being held to enable proper consideration of issues.
- ❖ Is the Chairman demonstrating effective leadership of the Board.
- ❖ Whether relationship and communications with shareholders are well managed.
- ❖ Whether Directors are well prepared and informed regarding Board Meetings and their attendance thereat is satisfactory.
- ❖ Whether Directors demonstrate a willingness to devote time and effort to understand the company and its business and a readiness to participate in events outside the Boardroom, such as plant visits.
- ❖ What has been the contribution of Directors in the development of strategy and risk management and how successfully have they brought their knowledge and experience to bear in the consideration of strategy
- ❖ Whether directors effectively probe the information and assumption presented by the management
- ❖ Whether directors have effective and successful relationships with fellow Board Members, the Company Secretary and Senior Management
- ❖ Whether directors actively and successfully refresh their knowledge and skills and are they up to date with.
  - o The latest developments in areas such as Corporate Governance Framework and Financial Reporting
  - o The industry and market conditions



### Committee

- Discharge of its functions and duties as per its terms of reference.
  - Process and procedures followed for discharging its functions;
  - Effectiveness of suggestions and recommendations received;
  - Size, Structure and Expertise of the Committee; and
  - Conduct of its meetings and procedures followed in this regard.
- (B) Criteria for evaluation of the performance of Managing /Executive/Whole Time Directors
- Achievement of financial/business targets prescribed by the Board;
  - Developing and managing/executing business plans, operational plans, risk management, and financial affairs of the organization;
  - Display of leadership qualities i.e. correctly anticipating business trends, opportunities, and priorities affecting the Company's prosperity and operations;
  - Development of policies, and strategic plans aligned with the vision and mission of Company and which harmoniously balance the needs of shareholders, clients, employees, and other stakeholders;
  - Establishment of an effective organization structure to ensure that there is management focus on key functions necessary for the organization to align with its mission; and
  - Managing relationships with the Board, management team, regulators, bankers, industry representatives and other stakeholders
- (C) Criteria for evaluation of the performance of Non-Executive Directors
- Participation at the Board/Committee meetings;
  - Commitment (including guidance provided to senior management outside of Board/Committee meetings);
  - Effective deployment of knowledge and expertise;
  - Effective management of relationship with stakeholders;
  - Integrity and maintaining of confidentiality;
  - Independence of behavior and judgment; and
  - Impact and influence.

It was satisfied that the Board as constituted at present has the right mix of skills, varied experience. The Directors are quite senior people widely traveled and having knowledge of the industry, Indian economy, and administrative know-how and the Board has functioned according to expectations.

## Annexure C to Boards Report

### Vigil Mechanism for Directors & Employees

The Company believes in the conduct of all its affairs in a fair and transparent manner by adopting the highest standards of professionalism, integrity and ethical behaviour. This policy has been included in the Code of Conduct for the Management and all its employees. Any actual or potential violation of the Code will be a matter of serious concern. The role of Directors/employees in pointing out any violations of the Code cannot be under estimated. Section 177(9) of the Companies Act 2013 has mandated establishing a vigil mechanism for directors and employees of all listed companies and such other class of Companies to report genuine concerns. The Rules and also clause 49 of the Listing Agreement with Stock Exchanges also require that the Company discloses the details of the vigil mechanism in the Company's website and also in the Board's Report to the Shareholders. Establishing this whistle blower policy, will help employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

- 1 **Policy :** This policy has been designed to provide a frame work to promote responsible and secure whistle blowing i.e. by the directors and employees of the PGP Group raise a concern about serious irregularities within the Company. This is not a route for taking up any personal grievance.
- 2 **Guiding Principle**
  - (i) To ensure that this policy is adhered to and to ensure that the concerns reported are acted upon seriously and confidentially
  - (ii) that the whistle blower is not victimized for reporting this concern
  - (iii) to treat victimization as a serious matter
  - (iv) the matter will be kept confidential
  - (v) provide an opportunity of being heard to the persons involved including the subject
- 3 **Coverage:** This policy covers malpractices and events, which have taken place/or is suspected to take place, involving
  - a) abuse of activity
  - b) breach of contract
  - c) Negligence causing substantial danger to public health and safety
  - d) Manipulation of Company data/records
  - e) Financial irregularities including fraud or suspected fraud
  - f) Criminal Office
  - g) Pilferation of confidential/proprietary information
  - h) Deliberate violation of Law/Regulation
  - i) Wastage / misappropriation/pilferage of Company funds/assets
  - j) Breach of employee code of conduct or rules
  - j) Any other unethical biased, favoured imprudent event.



The policy is not to be misused for raising unfounded malicious allegations against colleagues.

- 4 It will be ensured that genuine whistle blowers are accorded complete protection from any kind of unfavourable treatment. Any abuse of this protection will, however, invite disciplinary action.

Protection will not mean protection from disciplinary action arising out of false or bogus allegations made by a whistle blower knowing it to be false or bogus or with a malafide intention.

- 5 (a) Employees can make protected disclosure to the nominated ombudsperson as soon as possible but not later than 30 consecutive days after becoming aware of the incident. Whistle Blower must reveal their names while making the allegations. Anonymous complaints will not be considered
- (b) i) If initial enquiries by the ombudsperson indicate that the concern has no basis or it is not a matter to be investigated under this policy, it may be dismissed at this stage and decision recorded.
- ii) If such inquiries indicate that further investigation is warranted or necessary this will be carried through the ombudsperson or by a whistle blower/committee nominated by the ombudsperson for this purpose. The investigation will be conducted in a fair manner without bias and without presumption of guilt. A written report of the findings will be made.
- iii) Name of the whistle blower shall not be disclosed to the whistle officer or committee
- 6) The ombudsperson/whistle blower/Committee shall make a detailed written record of the protected disclosure. This record will contain the following:
- a) Fact of the matter
- b) Whether the same protected disclosure was raised previously by any one and if so the outcome thereof.
- c) Financial or otherwise loss incurred or likely to be incurred by the Company
- d) Findings of the ombudsperson/whistle officer/committee
- e) Recommendations by the ombudsperson/whistle officer/committee on disciplinary or other action.
- 7) The whistle officer/committee shall finalize and submit the report to the ombudsperson within 15 days of being nominated or appointed. After submission of the report, the whistle officer/committee shall discuss the matter with the ombudsperson, who shall –
- i) in case the protected disclosure is proved, accept the findings of the whistle officer/committee and take such disciplinary action as he may think fit and also take preventive measures to avoid any recurrence.
- ii) in case the protected disclosure is not proved, close the matter or if the matter is serious, refer to the committee of whole time directors. The committee of directors may refer the matter to the Audit Committee, who can further place the matter before the Board
- iii) In very exceptional cases, if the whistle blower is not satisfied with the outcome of the investigation and the decision, he can make a direct appeal to the Chairman of the Audit Committee.







- 8) **Protection:** No unfair treatment will be meted out to a whistle blower nor shall he be victimized. The Company, as a policy, will not tolerate any kind of discrimination, harassment or any other unfair employment practice being adopted against the whistle blower. Complete protection will be given to the whistle blower against any such unfair practice. The identity of the whistle blower and any other employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the whistle blower.
- 9) **Secrecy:** The whistle blower, the subject, the whistle blower officer and every one involved in the process –
  - a) shall maintain complete confidentiality of the matter
  - b) shall not discuss the matter in any informal/social gatherings/meetings
  - c) shall discuss only to the extent or with the persons required for the purpose of completing the process and investigations
  - d) shall not keep the concerned papers unattended anywhere at any time.
  - e) shall keep the electronic mails/files under password and shall not reveal the passwords.

If anyone is found not complying with the above, he shall be liable for disciplinary action as considered it.
- 10) A quarterly report about the number of complaints received under this policy and their outcome shall be placed before the Audit Committee and the Board.
- 11) If the investigation leads to the conclusion of improper/unethical act, suitable disciplinary action shall be taken against the concerned person.
- 12) Retention of the Documents: Protected disclosures in writing or documents along with the results of investigation shall be retained by the company for a minimum period of 10 years.
- 13) Modifications : The Managing Director of the Company has the right to amend or modify this policy in whole or in part at any time without assigning any reasons. The Managing Director will, however, place the modified policy to the Board for its information.



## Annexure D to Boards Report

### Remuneration Policy

The Company's policy is to maintain optimum combination of executive and non-executive directors.

Remuneration to Directors, Key Management Personnel and Senior Management involves a balance between fixed and incentive pay reflecting long term and short term performance objectives, appropriate to the working of the Company and its goals.

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination & Remuneration Committee. This Committee considers qualifications, positive attributes, area of expertise, number of directorship held in other companies and recommends suitable persons taking into account the Company's special needs.

This Committee has arrived at a set of criteria for appointment and remuneration, taking into account, their qualifications, experience, and seniority, suitability to the group and market situation.

Board considers their recommendations in the context of the company's needs and takes on appropriate decision.

No remuneration is paid to Non- Executive Directors. They are paid sitting fees for attending the Board and Committee Meetings at the rates not exceeding the maximum prescribed by the Government of India. They are also reimbursed Travelling and Accommodation Expenses as per approved scales. No other benefits like ESOPS/Stock options are extended to them.

**Annexure E to Boards Report**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**1 Details of contracts or arrangements or transactions not at arm's length basis**

a	Name(s) of the related party and nature of relationship	:	Nil
b	Nature of contracts/ arrangements/ transactions.	:	NA
c	Duration of the contracts / arrangements/transactions	:	NA
d	Salient terms of the contracts or arrangements or transactions including the value, if any	:	NA
e	Justification for entering into such contracts or arrangements or transactions	:	NA
f	Date(s) of approval by the Board	:	NA
g	Amount paid as advances, if any	:	NA
h	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	:	NA

**2. Details of material contracts or arrangement or transactions at arm's length basis**

a	Name(s) of the related party and nature of relationship	Dharani Sugars and Chemicals Limited: Enterprises in which Key management personnel exercise significant influence	Dharani Finance Ltd Enterprises in which Key management personnel exercise significant influence	Ananthi Developers Ltd Enterprises in which Key management personnel exercise significant influence	Key Management Personnel & Relatives
b	Nature of contracts / arrangements/ transactions	Inter Corporate Deposits (ICD)	Travel Services viz. car hire, car rental and air ticketing.	Inter Corporate Deposits (ICD)	(i) Rental Agreement with Chairman & Vice Chairman for office premises, (ii) Contractual employment of Vice Chairman (iii) Contractual employment of Managing Director and (iv) Unsecured Loans from Directors and Relatives
c	Duration of the contracts / arrangements/ transactions	One year	One year	Long Term	(i) Rental Agreement from 01.06.2011 to 31.05.2019, (ii) Contractual employment of Vice Chairman from 20.01.2015 to 19.01.2020 (ii) Contractual employment of Managing Director from 01.04.2012 to 31.03.2017 and Long Term Unsecured Loans from Directors and Relatives
d	Salient terms of the contracts or arrangements or transactions including the value, if any:	Short term to meet working capital : ICD received - Rs. 15,86,06,481 and Interest on ICD - Rs.72,65,872.	Charges not exceeding prevailing market rates that will be charged by any other Travel Services providers upto a maximum of Rs.4.00 crores Value Rs. 2,33,81,269/- during 2014-15	Gap funding by the Promoters to meet working capital and general corporate purposes. Interest on ICD : Rs.1,59,64,150.	Items at (i) Rent of Office premises (Rs.30,95,712 ) (ii) Employment of Vice Chairman (Salary Rs.24,00,000) (iii) Employment of Managing Director (Salary Rs.26,13,035) are self explanatory. The Unsecured Loans from Directors and Relatives are towards gap funding by the Promoters to meet working capital and general corporate purposes. (Loan Rs.1,50,18,364; Interest @ 12% per annum)
e	Date(s) of approval by the Board, if any:	14-3-2014	29-05-2014	16-06-2012	-
f	Amount paid as advances,	Nil	Nil	Nil	Advance towards rent paid to Chairman Rs.18,97,500.



**Annexure F to Boards Report**  
**SECRETARIAL AUDIT REPORT**

**For The Financial Year Ended as on 31st March, 2015**

(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,  
APPU HOTELS LIMITED  
CIN: U92490TN1983PLC009942  
PGP HOUSE, NO.57, STERLING ROAD,  
NUNGAMBAKKAM,  
CHENNAI -600 034.

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

Based on my verification of the APPU HOTELS LIMITED books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made here in after:

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

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) 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 (Issue and Listing of Debt Securities) Regulations, 2008;
  - (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, and dealing with client;

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

- (i) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited for Debt Securities;

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





except compliance of Section 203 of the Companies Act, 2013 with regard to the appointment of Whole time Company Secretary.

**I further report that**

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

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.

I 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.

I further report that during the audit period the Company has

- (i) Issued Debentures on Preferential Basis.

Name of the Company Secretary  
in practice/ Firm : **M Damodaran**  
ACS/FCS No. : **5837**  
CP.No.**5081**

Place : Chennai  
Date : 29-05-2015



**INDEPENDENT AUDITOR'S REPORT****To the Members of M/s. Appu Hotels Limited****Report on the Financial Statements**

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

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

**Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.





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

### Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit/loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance sheet, Statement of Profit and Loss and Cash Flow Statement dealt with this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
  - f. The Company has adequate internal financial controls system in place and the operating effectiveness of such controls
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For K. Ramkrish & Co.,**  
Chartered Accountants  
Firm's Registration \* 003017S

Place : Chennai  
Date : 29th May 2015

**(K. Murali)**  
Partner  
Membership # 29294



**ANNEXURE TO THE AUDITOR'S REPORT**

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

The Company has a phased programme of physical verification of fixed assets, which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. In accordance with such programmes, the management has physically verified fixed assets during the year and no material discrepancies were noticed on such verification.

2. The inventories of the Company have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

In our opinion, the Company has maintained proper records in respect of inventories and the discrepancies between the physical inventories and the book records, which have been properly dealt with in the books of account, were not material.

3. The Company has not granted any loans, Secured or Unsecured to companies firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for its business activities. We have not noted any continuing failure to correct major weakness in the internal controls during the course of the audit.

5. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable.

6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013, related to services of the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

7. a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has been regular, wherever applicable, in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, wealth tax, Service tax, customs duty, excise duty, Value added tax, cess and any other statutory dues.

According to the information and explanations given to us, no undisputed dues payable in respect of income-tax, sales tax, wealth tax, customs duty and cess were outstanding at 31<sup>st</sup> March 2015 for a period of more than six months from the date they became payable.







#### b) Statement of Disputed Statutory Dues

Name of the Statute	Nature of dues	Amount (Rs)	Forum where dispute is pending
Central Excise Act	Central Excise	11,65,539	Assistant Commissioner of Central Excise
Central Excise Act	Service Tax	10,70,479	Commissioner Appeals
Central Excise Act	Service Tax	2,69,545	Commissioner Appeals

The Company does not have any amount which is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act.

8. The Company's accumulated losses do not exceed fifty percent of its net worth. The Company has incurred cash losses in the financial year covered by our audit and in the financial year immediately preceding such financial year.
9. The Company has not defaulted in repayment of dues to Bank / Financial Institution / Debenture holders.
10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
11. The term loans were applied for the purpose for which the loans were obtained.
12. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For K. Ramkrish & Co.,**  
Chartered Accountants  
Firm's Registration \* 003017S

**(K. Murali)**

Partner

Membership # 29294

Place : Chennai

Date : 29th May 2015





**Balance Sheet as at March 31, 2015**  
All amounts are in Indian Rupees unless otherwise stated

	Notes	As at 31 March 2015	As at 31 March 2014
<b>Equity and liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	901,557,180	901,557,180
Reserves and Surplus	4	(195,961,641)	129,095,409
		<b>705,595,539</b>	1,030,652,589
<b>Non-current Liabilities</b>			
Long Term Borrowings	5	3,129,466,200	2,356,979,096
Other Long-Term Liabilities	6	219,790,003	272,510,055
Long Term Provisions	7	8,289,822	6,150,917
		<b>3,357,546,025</b>	2,635,640,068
<b>Current Liabilities</b>			
Short Term Borrowings	8A	42,013,637	46,509,371
Trade Payables	8B	67,675,872	71,608,898
Other Current Liabilities	8C	231,324,804	649,935,749
Short Term Provisions	9	4,292,283	5,059,725
		<b>345,306,596</b>	773,113,744
<b>TOTAL</b>		<b>4,408,448,161</b>	4,439,406,400
<b>Assets</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	10	3,869,071,861	4,091,160,559
Capital Work-in-Progress		165,764,780	122,309,531
		<b>4,034,836,640</b>	<b>4,213,470,090</b>
Non-Current Investments	11	6,593,550	4,362,000
Long-Term Loans and Advances	12	130,822,033	114,060,440
Other Non-Current Assets	14	7,175,941	6,502,063
Deferred Tax Asset (net)		98,904,450	21,114,320
		<b>4,278,332,614</b>	<b>4,359,508,913</b>
<b>Current assets</b>			
Inventories	15	33,377,795	30,241,821
Trade Receivables	13.1	39,373,115	27,041,363
Cash and Bank Balances	14	34,199,024	1,910,949
Short-Term Loans and Advances	12	17,554,659	18,758,689
Other Current Assets	13.2	5,610,954	1,944,665
		<b>130,115,546</b>	79,897,487
<b>TOTAL</b>		<b>4,408,448,161</b>	<b>4,439,406,400</b>
Summary of Significant Accounting Policies	2		
See accompanying notes to the financial statements.			

As per our report of even date  
For **K.RAMKRISH & CO.,**  
Firm registration number: 003017S  
Chartered Accountants  
per **K.MURALI**  
Partner  
Membership No.: 29294  
Chennai  
29th May 2015

For and on behalf of the Board of directors of APPU HOTELS LIMITED

**Dr Palani G Periasamy**  
Chairman

**Mrs Visalakshi Periasamy**  
Vice Chairman

**A Sennimalai**  
Managing Director

**B Murugesan**  
Chief Financial Officer





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

All amounts are in Indian Rupees unless otherwise stated

	Notes	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Income</b>			
Revenues from Services	16	781,119,940	697,408,132
Other Income	17	5,295,522	12,249,699
<b>Total (I)</b>		<b>786,415,462</b>	<b>709,657,831</b>
<b>Expenses</b>			
Costs of Revenues	18	311,554,206	306,377,652
Employee Benefits Expense	19	140,981,267	143,923,807
Other Expenses	20	107,172,572	114,076,801
Advertisement and Marketing Expenses	21	44,875,809	42,969,598
<b>Total (II)</b>		<b>604,583,855</b>	<b>607,347,857</b>
<b>Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) (I) - (II)</b>		<b>181,831,608</b>	<b>102,309,974</b>
Depreciation and Amortization Expense	10	226,362,312	220,468,458
Finance Costs	22	358,316,476	347,987,362
<b>Profit / (loss) Before Tax</b>		<b>(402,847,180)</b>	<b>(466,145,846)</b>
<b>Tax Expenses / (Credit)</b>			
Current Tax			
Minimum Alternate Tax Entitlement (Credit)			
Deferred Tax		(77,790,130)	(64,573,574)
<b>Total Tax Expense / (Credit)</b>		<b>(77,790,130)</b>	<b>(64,573,574)</b>
<b>Profit / (Loss) After Tax</b>		<b>(325,057,050)</b>	<b>(401,572,272)</b>
<b>Earnings per Equity Share</b>			
- Basic & Diluted		(4.09)	(5.01)
Summary of Significant Accounting Policies	2		
See accompanying notes to the financial statements.			

As per our report of even date

**For K.RAMKRISH & CO.,**

Firm registration number: 003017S

Chartered Accountants

**per K.MURALI**

Partner

Membership No.: 29294

Chennai

29th May 2015

For and on behalf of the Board of directors of APPU HOTELS LIMITED

**Dr Palani G Periasamy**  
Chairman

**Mrs Visalakshi Periasamy**  
Vice Chairman

**A Sennimalai**  
Managing Director

**B Murugesan**  
Chief Financial Officer





## NOTES TO FINANCIAL STATEMENTS

### 1. Corporate Information

The Company, a public limited company, registered under the Companies Act, 1956, is engaged in the luxury segment of Hospitality Industry and owns five star category hotels with a complement of 499 rooms in aggregate, located at Chennai and Coimbatore, Tamilnadu. The Company also manages a resort type hotel in Kumbakonam, Tamilnadu with a complement of 14 rooms taken on lease from the Tamilnadu Tourism Development Corporation Ltd., offering the best of hospitality services.

### 2. Significant Accounting Policies

#### 2.1 Basis of Preparation of Financial statements

The financial statements of the Company have been prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

#### 2.2 Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in India requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates.

#### 2.3 Fixed Assets

Revalued land is stated at the replacement value as on the date of valuation as determined by the approved valuer. Other fixed assets are stated at cost. Cost includes all expenses attributable to bringing the assets to their working condition for their intended use including the borrowing costs incurred up to the date prior to commencement of commercial operation.

#### 2.4 Depreciation

Depreciation on tangible Fixed Assets other than leasehold improvements is provided on Straight Line method at the rates and in the manner specified in Schedule II of the Companies Act, 2013. Tangible Assets individually costing less than Rs. 5,000 are depreciated @ 100% in the year of purchase. The carrying amount of assets as at April 01 2014 is being depreciated over the remaining useful life of the asset. Leasehold improvements are depreciated over the lower of estimated useful lives of the assets or the remaining primary period of the lease.

#### 2.5 Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed, if there is a change in the estimate of recoverable amount. During the year the Company tested impairment of fixed assets as per the Accounting Standard 28 "Impairment of Assets" to identify impairment loss, if any. The realizable amount calculated as per net selling price for all the cash generating units was higher than the carrying values of such units. Accordingly, no impairment was required to be recognized during the year.

#### 2.6 Inventories

Inventories are valued at lower of, or net realisable value. Cost includes related taxes, duties, freight etc. excluding input tax for which credit is availed.



## 2.7 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the year in which they are incurred.

## 2.8 Revenue Recognition

Revenue from Room, Food and Beverage and Other Services is recognised on rendering of the related services.

## 2.9 Investments

Long term investments are valued at cost with provisions where necessary, for diminution other than temporary, in the value of investment.

## 2.10 Foreign Currency Transactions

Transactions in foreign exchange are translated to Indian rupee at the rate of exchange ruling on the date of transaction. All foreign currency liabilities related to acquisition of fixed assets remaining unsettled at the end of the year are converted at the year end rates and the difference in translation is adjusted in the carrying cost of such assets. Other outstanding foreign currency liabilities and receivables are translated at the year end rates and the difference in translation is recognised in the profit and loss account.

## 2.11 Taxation

Provision for current tax is made based on the liability computed in accordance with the relevant rates and tax laws. Provision for deferred tax is made for all timing differences arising between the taxable incomes and accounting income at the tax rates enacted or substantively enacted by the Balance sheet date. Deferred tax assets are recognised only if there is a virtual certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

## 2.12 Employee Benefits

### a. Short term

Short term employee benefits are recognized as an expense as per the Company's scheme based on expected obligations on undiscounted basis.

### b. Post retirement

Post retirement benefits comprise of Provident Fund, Superannuation and Gratuity which are accounted as follows:

#### 1. Provident Fund

This is a defined contribution plan and contributions made to the Regional Provident Fund Commissioner in accordance with the relevant statute is charged to Revenue. The Company has no further obligations for future provident fund benefits other than its monthly contributions.

#### 2. Superannuation

This is a defined contribution plan. The Company contributes a sum equivalent to 15% of eligible employees' salary towards superannuation fund administered by Life Insurance Corporation of India. The Company has no further obligations for future superannuation benefits other than its annual contributions and recognizes such contributions as expense as and when due.

#### 3. Gratuity

This is a defined benefit plan. The liability is determined based on actuarial valuation using projected unit credit method. Actuarial gains and losses comprising of experience adjustments and the effects of changes in actuarial assumptions are recognised immediately in the profit and loss account as income or expense.

### c. Long term

Long term Employee Benefit represents leave encashment benefit which is provided for based on actuarial valuation using projected unit credit method.



## Notes to financial statements for the year ended 31 March, 2015

All amounts are in Indian Rupees unless otherwise stated

	As at 31 March 2015	As at 31 March 2014
<b>3 Share Capital</b>		
<b>Authorized shares</b>		
85,000,000 Equity shares of Rs.10/- each ( Previous Year - 85,000,000 Equity shares of Rs.10/- each)	<b>850,000,000</b>	850,000,000
15,000,000 Preference Shares of Rs.10/- each ( Previous Year -15,000,000 Preference Shares of Rs.10/- each)	<b>150,000,000</b>	150,000,000
	<b>1,000,000,000</b>	<b>1,000,000,000</b>
<b>Issued, Subscribed and Fully paid-up Shares</b>		
81,155,718 Equity shares of Rs.10/- each fully paid up ( Previous Year - 81,155,718 Equity shares of Rs.10/- each fully paid up)	<b>811,557,180</b>	811,557,180
9,000,000 6% Cumulative Redeemable Preference Shares of Rs.10/- each fully paid up ( Previous Year - 9,000,000 6% Cumulative Redeemable Preference Shares of Rs.10/- each fully paid)	<b>90,000,000</b>	90,000,000
<b>Total</b>	<b>901,557,180</b>	<b>901,557,180</b>

### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	As at 31 March 2015		As at 31 March 2014	
	No.	Amount	No.	Amount
At the beginning of the period	<b>81,155,718</b>	<b>811,557,180</b>	81,155,718	811,557,180
Issued during the period	Nil	Nil	Nil	Nil
<b>Outstanding at the end of the period</b>	<b>81,155,718</b>	<b>811,557,180</b>	<b>81,155,718</b>	<b>811,557,180</b>
<b>6% Cumulative Redeemable Preference Shares</b>				
At the beginning of the period	<b>9,000,000</b>	<b>90,000,000</b>	9,000,000	90,000,000
Issued during the period	<b>1,500,000</b>	<b>15,000,000</b>	7,500,000	75,000,000
Redeemed during the period	<b>(1,500,000)</b>	<b>(15,000,000)</b>	(7,500,000)	(75,000,000)
<b>Outstanding at the end of the period</b>	<b>9,000,000</b>	<b>90,000,000</b>	<b>9,000,000</b>	<b>90,000,000</b>

## Notes to financial statements for the year ended 31 March, 2015

All amounts are in Indian Rupees unless otherwise stated

### Notes:

- Of the above, 59,10,333 equity shares of Rs.10/- each were issued and allotted pursuant to a scheme of amalgamation without payment being received in cash.
- 45,00,000 fully paid up 6% Cumulative Redeemable Preference Shares (CRPS) of Rs.10/- each were issued to Ananthi Developers Ltd on 29.06.2013 (22,50,000 CRPS) and on 30.09.2013 (22,50,000 CRPS). 30,00,000 fully paid up 6% Cumulative Redeemable Preference Shares (CRPS) of Rs.10/- each were issued to Dharani Developers Private Limited on 14.03.2014 and further 15,00,000 fully paid up 6% CRPS were issued to Dharani Developers Private Ltd on 29.05.2014 against 6% CRPS against TFCl which were redeemed on 20.06.2014.

### 3. Terms/rights :

#### a. Equity Shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

During the year ended 31 March 2015, the amount of per share dividend recognized as distributions to equity shareholders was Rs.NIL ( 31 March 2014 : Rs. Nil )

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

#### b. Cumulative Redeemable Preference Shares (CRPS)

Preference shares carry a fixed rate of dividend of 6% p.a.

During the year ended 31 March 2015, the amount of dividend per share recognized as distributions to preference shareholders was Rs.Nil ( 31 March 2014 : Rs. Nil )

The CRPS are to be redeemed as follows:

Name of the Party	No.of Shares	Redemption Details
Ananthi Developers Ltd	4,500,000	22,50,000 each to be redeemed on 28/06/2020 and 28/09/2020
Dharani Developers Private Ltd	4,500,000	30,00,000 to be redeemed on 13/03/2021 and 15,00,000 to be redeemed on 28/05/2021



## Notes to financial statements for the year ended 31 March, 2015

All amounts are in Indian Rupees unless otherwise stated

### 4. Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	As at 31 March 2015		As at 31 March 2014	
	No.	% holding in the class	No.	% holding in the class
<b>Equity shares of Rs.10 each fully paid</b>				
Mrs Visalakshi Periasamy	7,757,703	9.56	7,757,703	9.56
Dr Palani G Periasamy	7,275,721	8.97	7,275,721	8.97
Mr.Pethinaidu Veluchamy & Mrs.Parameswari Veluchamy	6,393,756	7.88	6,393,756	7.88
Dharani Sugars & Chemicals Ltd	5,121,500	6.31	5,121,500	6.31
Dharani Developers Private Limited	4,887,393	6.02	4,887,393	6.02
Dharani Credit & Finance Private Limited	4,441,356	5.47	4,441,356	5.47
Mr.Arunkumar Veluchamy	4,269,119	5.26	4,269,119	5.26
Dr.T R Shantha	4,020,684	4.95	4,175,684	5.15
<b>Cumulative Redeemable Preference Shares of Rs. 10/- each</b>				
Tourism Finance Corp. of India Ltd	-	-	1,500,000	16.67
Ananthi Developers Ltd	4,500,000	50.00	4,500,000	50.00
Dharani Developers Pvt Ltd	4,500,000	50.00	3,000,000	33.33

	As at 31 March 2015	As at 31 March 2014
<b>4 Reserves and Surplus</b>		
Securities Premium Account	467,647,485	467,647,485
Fixed Assets Revaluation Reserve (See Note 10 )	14,651,935	14,651,935
<b>Surplus/(Deficit) in the statement of Profit and (Loss)</b>		
Balance as per last financial statements	(353,204,011)	48,368,262
Profit/(loss) for the year	(325,057,050)	(401,572,272)
<b>Net surplus/(deficit) in the statement of Profit and (Loss)</b>		
	(678,261,061)	(353,204,011)
Total	(195,961,641)	129,095,409



## Notes to financial statements for the year ended 31 March, 2015

All amounts are in Indian Rupees unless otherwise stated

	Non-current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
<b>5 Long Term Borrowings</b>				
<b>SECURED</b>				
<b>Term Loans from</b>				
Banks	1,898,770,143	1,715,954,557	33,399,808	332,613,799
Financial Institutions	181,040,789	195,250,000	494,997	188,111,310
Others	72,000,000	-	8,000,000	-
<b>DEBENTURES</b>				
670 Secured Redeemable Non Convertible debentures of Rs.10,00,000/- each	603,000,000	-	67,000,000	-
<b>UNSECURED</b>				
Inter Corporate Deposits - Related parties	115,021,797	280,256,117	-	-
- Others	123,500,000	31,000,000	-	-
Unsecured loan - Directors & relatives	136,133,471	134,518,422	-	-
Amount disclosed under the head "Other Current Liabilities" 8C	-	-	(108,894,806)	(520,725,109)
<b>Total</b>	<b>3,129,466,200</b>	<b>2,356,979,096</b>	-	-

### Notes:

- Term Loans Rs.19100.50 lakhs and Funded interest term loan (FITL) Rs.2036.56 lakhs from Banks and Financial Institutions including the amounts included under amount maturing within 12 months are secured on First pari passu charge by way of Equitable Mortgage of immovable properties of the Company situated at (i) No.1 GST Road, St.Thomas Mount,Chennai and (ii) Chithathur Hamlet Village No.68, Gerugambakkam, Sriperumbudur Taluk,Chengalpet District as well as hypothecation of movables (iii) Neelambur in Paladam / Sulur Taluk, (iv) Kalapatti in Coimbatore North Taluk and (v) Uppilpalayam in Coimbatore South Taluk all in Coimbatore District, as well as hypothecation of movables. Term Loans amounting to Rs19100.50 lakhs repayable over 96 structured monthly instalments from February, 2016 to January, 2024 and the funded interest term loan amounting to Rs 2036.56 lakhs is repayable over 26 structured monthly instalments from February, 2016 to March, 2018. Both term loans and funded interest term loan carries interest rate of 12% p.a.
- A loan of Rs.500 lakhs from Edelweiss Asset Reconstruction Company Ltd as Trustee for EARC SAF 2 Trust (by virtue of takeover of the outstanding loan by assignment from HDFC) is secured on First pari passu charge by way of Equitable Mortgage of immovable properties situated at (i) No.1 GST Road, St.Thomas Mount,Chennai and (ii) Chithathur Hamlet Village No.68, Gerugambakkam, Sriperumbudur Taluk,Chengalpet

**Notes to financial statements for the year ended 31 March, 2015**

All amounts are in Indian Rupees unless otherwise stated

- District and (B) First pari-passu charge by way of Equitable Mortgage of immovable properties belonging to Dharani Developers Pvt. Ltd (DDPL), a group Company, situated at (i) Kabilar Street, Thirunagar, Valliammal Nagar, Jafferkhanpet, Chennai (ii) "Viscose Park", Kalapatti, Coimbatore and (iii) Vadanamalli Village, Chenglepet Taluk and District, as well a hypothecation of movables. (C) First pari-passu charge by way of Equitable Mortgage of immovable properties of the Company situated at (i) No.1 GST Road, St. Thomas Mount, Chennai and (ii) Neelambur in Paladam / Sulur Taluk, Coimbatore District. Repayable (i) Rs.50 lakhs in June 2015 and Rs.112.50 lakhs each from June 2016 to June 2019 (ii) Maturity premium of Rs.40.33 lakhs in the 17th quarter increasing to Rs.40 lakhs each from the 18th to 20th quarter. Interest at 10% p.a. in the first year increasing to 12% in the second year and 14% thereafter.
- 3 A loan of Rs.300 lakhs from Allium finance Private Ltd. is secured on first pari-passu charge by way of Equitable Mortgage of immovable properties belonging to Dharani Developers Pvt. Ltd (DDPL), a group Company, situated at (i) Kabilar Street, Thirunagar, Valliammal Nagar, Jafferkhanpet, Chennai (ii) "Viscose Park", Kalapatti, Coimbatore and (iii) Vadanamalli Village, Chenglepet Taluk and District, as well a hypothecation of movables. (B) First pari-passu charge by way of Equitable Mortgage of immovable properties of the Company situated at (i) No.1 GST Road, St. Thomas Mount, Chennai and (ii) Neelambur in Paladam / Sulur Taluk, Coimbatore District. Repayable (i) Rs.30 lakhs in June 2015 and Rs.67.50 lakhs each from June 2016 to June 2019 (ii) Maturity premium of Rs.24.20 lakhs in the 17th quarter increasing to Rs.24 lakhs each from the 18th to 20th quarter. Interest at 10% p.a. in the first year increasing to 12% in the second year and 14% thereafter.
- 4 Debenture amounting to Rs.6700 lakhs is secured on First pari-passu charge by way of Equitable Mortgage of immovable properties belonging to Dharani Developers Pvt. Ltd (DDPL), a group Company, situated at (i) Kabilar Street, Thirunagar, Valliammal Nagar, Jafferkhanpet, Chennai (ii) "Viscose Park", Kalapatti, Coimbatore and (iii) Vadanamalli Village, Chenglepet Taluk and District as well a hypothecation of movables. (B) Exclusive mortgage without possession of the immovable property of the Company situated at No.40/2, Mount Poonamallee Road, St. Thomas Mount Village, Cantonment Board, Saidapet Taluk, Chennai South (C) First pari-passu charge by way of Equitable Mortgage of immovable properties of the Company situated at (i) No.1 GST Road, St. Thomas Mount, Chennai and (ii) Neelambur in Paladam / Sulur Taluk, Coimbatore District. Repayable - Rs.670 lakhs in June 2015 and Rs.1507.50 lakhs each from June 2016 to June 2019 (ii) Maturity premium of Rs.540.47 lakhs in the 17th quarter increasing to Rs.536 lakhs each from the 18th to 20th quarter. Interest at 10% p.a. in the first year increasing to 12% in the second year and 14% thereafter.

	As at 31 March 2015	As at 31 March 2014
<b>6 Other Long-Term Liabilities</b>		
Trade payables (including acceptances)	78,633,094	134,643,992
Others	141,156,909	137,866,063
<b>Total</b>	<b>219,790,003</b>	<b>272,510,055</b>
<b>7 Long-Term Provisions</b>		
Provision for employee benefits:		
(i) Provision for compensated absences	1,724,515	1,400,464
(ii) Provision for gratuity (net)	6,565,307	4,750,453
<b>Total</b>	<b>8,289,822</b>	<b>6,150,917</b>

## Notes to financial statements for the year ended 31 March, 2015

All amounts are in Indian Rupees unless otherwise stated

	As at 31 March 2015	As at 31 March 2014
<b>8 Short Term Borrowing Secured</b>		
<b>A. Working Capital Loans</b>		
<b>Banks</b>	42,013,637	46,509,371
<b>Total</b>	42,013,637	46,509,371
Notes : Working Capital Loans from a Bank are secured by hypothecation of stock and book debts and by a second charge on immovable properties mentioned at Note No. 5 - Long term borrowing		
<b>B. Trade payables (including acceptances)</b>	67,675,872	71,608,898
<b>Total</b>	67,675,872	71,608,898
<b>C. Other current liabilities</b>		
Current maturity of Long term debt (Refer Note 5)	108,894,806	520,725,109
Interest accrued and due on borrowing	-	37,507,063
Interest accrued but not due on borrowing	69,621,172	30,297,023
<b>Other liabilities</b>		
Statutory Payables	19,771,088	16,395,453
Advance From Customers	21,387,336	16,434,076
Accrued Expenses	11,650,403	28,577,025
<b>Total</b>	231,324,804	649,935,749
<b>9 Short-Term Provisions</b>		
Provision for Employee Benefits:		
(i) Provision for bonus	898,308	1,441,701
(ii) Provision for compensated absences	807,903	829,410
(iii) Provision for gratuity (net)	2,586,072	2,788,614
<b>Total</b>	4,292,283	5,059,725

## Notes to financial statements for the year ended 31 March, 2015

All amounts are in Indian Rupees unless otherwise stated

### 10 Tangible Fixed Assets

	Land & Site Development	Buildings	Plant and Machinery	Furniture and Fittings	Leasehold Improvements	Motor vehicles	Total
<b>Cost or valuation</b>							
At 01 April 2013	228,575,678	3,385,440,825	1,442,096,901	264,330,913	39,757,238	15,982,519	5,376,184,074
Additions	4,830,353	98,723,150	5,818,078	4,158	-	-	109,375,740
Disposals	-	-	-	-	-	-	-
At 31 March 2014	233,406,031	3,484,163,975	1,447,914,979	264,335,071	39,757,238	15,982,519	5,485,559,814
Additions	-	973,238	3,255,088	-	-	45,288	4,273,614
Disposals	-	-	-	-	-	-	-
At 31 March 2015	233,406,031	3,485,137,213	1,451,170,068	264,335,071	39,757,238	16,027,807	5,489,833,428
<b>Depreciation</b>							
At 01 April 2013	-	519,451,936	518,931,967	106,309,920	13,445,187	15,791,786	1,173,930,796
Charge for the year	-	111,691,445	87,484,971	18,115,692	3,057,332	119,019	220,468,458
Disposals	-	-	-	-	-	-	-
At 31 March 2014	-	631,143,381	606,416,938	124,425,612	16,502,519	15,910,805	1,394,399,254
Charge for the year	-	107,122,542	90,863,375	25,318,705	3,057,332	359	226,362,312
Disposals	-	-	-	-	-	-	-
At 31 March 2015	-	738,265,923	697,280,313	149,744,316	19,559,850	15,911,163	1,620,761,566
Net Block							
At 31 March 2014	233,406,031	2,853,020,594	841,498,041	139,909,459	23,254,719	71,714	4,091,160,559
At 31 March 2015	233,406,031	2,746,871,290	753,889,754	114,590,755	20,197,388	116,644	3,869,071,861

#### Note

- Land at 1, GST Road, St. Thomas Mount, Chennai was revalued on May 31, 1992 and again on March 31, 1995 on the governing principles of current cost and the resultant surplus arising on such revaluation amounting to Rs.9,81,85,155 was transferred to Fixed Asset Revaluation Reserve.
- Cost of buildings as at March 31, 2015 includes Rs.65,77,412/- ( Previous Year Rs.65,77,412/- ) representing cost of residential flats including undivided interest of land

## Notes to financial statements for the year ended 31 March, 2015

All amounts are in Indian Rupees unless otherwise stated

	As at 31 March 2015	As at 31 March 2014
<b>11 Non-current investments</b>		
<b>Long Term Investments (At cost) - Trade - Unquoted</b>		
633,355 Equity shares of Rs 10/- each fully paid up in Clarion Wind Farm (P) Ltd (Previous Year : 410,200 Equity shares of Rs 10/- each fully paid up)	6,333,550	4,102,000
26,000 Equity Shares of Rs.10/- each fully paid up in Gurudev Wind Energy Private Ltd ( Previous year : 26,000 Equity shares of Rs.10/- each fully paid up)	260,000	260,000
<b>Total</b>	<b>6,593,550</b>	<b>4,362,000</b>

	Non-current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
<b>12 Loans and advances</b>				
Capital Advances				
Secured, Considered good	13,359,076	3,149,173	-	-
Unsecured, Considered good	-	-	-	-
Doubtful	-	-	-	-
	<b>13,359,076</b>	3,149,173	-	-
Provision for doubtful advances	-	-	-	-
<b>(A)</b>	<b>13,359,076</b>	3,149,173	-	-
<b>Security Deposit</b>				
<b>Rental and other Deposits</b>				
Unsecured, Considered good	23,402,888	24,351,935	-	-
Doubtful	-	-	-	-
	23,402,888	24,351,935	-	-
Provision for Doubtful Security Deposit	-	-	-	-
<b>(B)</b>	<b>23,402,888</b>	24,351,935	-	-
<b>Advances Recoverable in Cash or Kind</b>				
Unsecured Considered good	-	-	1,118,967	276,824
Doubtful	-	-	-	-
	-	-	1,118,967	276,824
Provision for Doubtful Advances	-	-	-	-
<b>(C)</b>	-	-	1,118,967	276,824
<b>Other Loans and Advances</b>				
Advance Income-Tax (net of provision for taxation)	34,482,757	26,982,020	5,460,940	7,500,737
Minimum Alternative Tax Entitlement Credit	59,577,312	59,577,312	-	-
Prepaid Expenses	-	-	10,974,752	10,981,129
Balances with statutory/ government authorities	-	-	-	-
<b>(D)</b>	<b>94,060,069</b>	86,559,332	<b>16,435,692</b>	<b>18,481,866</b>
<b>Total (A+B+C+D)</b>	<b>130,822,033</b>	114,060,440	<b>17,554,659</b>	<b>18,758,689</b>



## Notes to financial statements for the year ended 31 March, 2015

All amounts are in Indian Rupees unless otherwise stated

13 Trade Receivables & Other Assets	Non-current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
<b>13.1 Trade Receivables</b>				
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
- Considered good	-	-	-	-
- Considered Doubtful	-	-	-	1,762,573
	-	-	-	1,762,573
Provision for Doubtful Receivables	-	-	-	1,762,573
(A)	-	-	-	-
<b>Other Receivables</b>				
Unsecured, Considered good	-	-	39,373,115	27,041,363
Doubtful	-	-	-	-
	-	-	<b>39,373,115</b>	27,041,363
Provision for Doubtful Receivables	-	-	-	-
(B)	-	-	<b>39,373,115</b>	27,041,363
<b>Total (A + B)</b>	-	-	<b>39,373,115</b>	27,041,363
<b>13.2 Other assets</b>				
Interest accrued on Deposits-	-	-	1,597,592	1,001,524
Other Receivables	-	-	4,013,362	943,141
<b>Total</b>	-	-	<b>5,610,954</b>	1,944,665
<b>14 Cash and Bank Balances</b>				
Cash and Cash Equivalents				
Balances with Banks:				
On current Accounts	-	-	31,861,481	1,405,578
On Deposit Accounts	-	-	-	-
Cash on hand	-	-	2,337,543	505,371
(A)	-	-	<b>34,199,024</b>	1,910,949
Other Bank Balances				
Deposits with original maturity for more than 12 months	250,000	250,000	-	-
Margin Money Deposit	6,925,941	6,252,063	-	-
(B)	<b>7,175,941</b>	6,502,063	-	-
<b>Total (A) + (B)</b>	<b>7,175,941</b>	<b>6,502,063</b>	34,199,024	1,910,949

As at  
**31 March 2015**      As at  
31 March 2014

### 15 Inventories

(At lower of cost and net realisable value)

(a) Food & Beverages	15,244,459	12,566,017
(b) Stores and Spares	18,133,336	17,675,804
<b>Total</b>	<b>33,377,795</b>	<b>30,241,821</b>



## Notes to financial statements for the year ended 31 March, 2015

All amounts are in Indian Rupees unless otherwise stated

	For the year Ended 31 March 2015	For the year Ended 31 March 2014
<b>16 Revenue from Services</b>		
Room Sales	356,251,978	320,469,226
Food & Beverage Sales	374,469,620	340,910,833
Other Services	50,398,342	36,028,072
	<b>781,119,940</b>	697,408,132
<b>17 Other Income</b>		
<b>Interest Income on</b>		
Bank Deposits	1,661,553	2,331,304
Exchange Gain	-	-
Provision no longer required	-	1,467,606
Subsidy received	-	4,200,000
Other non-operating income	3,633,969	4,250,789
	<b>5,295,522</b>	12,249,699
<b>18 Cost of Revenues</b>		
<b>Consumption</b>		
Food	76,574,047	68,871,747
Beverage	18,486,123	16,839,770
Smokes	810,267	677,652
Power and Fuel	127,027,579	133,150,929
Water Charges	10,693,258	12,074,561
Upkeep and Service	62,341,454	55,113,296
Management Fees	5,544,229	9,806,157
Reservation fee & Commission	10,077,250	9,843,538
Total	<b>311,554,206</b>	306,377,652
<b>19 Employee benefit expense</b>		
Salaries and Allowances	112,561,752	116,942,832
Gratuity Expense	2,154,149	1,785,050
Contributions to Provident Fund and Employee State Insurance Plans	5,934,513	4,947,522
Staff Welfare	17,717,818	15,341,817
Directors' Remuneration	2,613,035	4,906,586
Total	<b>140,981,267</b>	143,923,807



## Notes to financial statements for the year ended 31 March, 2015

All amounts are in Indian Rupees unless otherwise stated

	For the year Ended 31 March 2015	For the year Ended 31 March 2014
<b>20 Other expenses</b>		
Audit Fees, Legal & Professional Fees	15,635,937	5,010,433
Travel and Conveyance	8,825,896	7,956,136
Rent	5,395,862	5,140,174
Repairs and Maintenance		
- Building	10,955,141	11,161,275
- Plant & Machinery	19,861,135	18,349,418
- Others	7,214,927	7,348,744
Communication	6,848,188	7,112,510
Insurance	7,423,458	7,943,979
Fees & Licenses	8,948,645	23,656,372
Loss on Foreign Exchange	310,511	1,453,224
Directors sitting fees	237,192	197,670
Rates and Taxes	2,061,385	2,296,023
Printing & Stationery	5,653,349	4,747,122
Subscription charges	4,004,992	8,300,141
Miscellaneous expenses	3,795,953	3,403,581
<b>Total</b>	<b>107,172,572</b>	<b>114,076,801</b>
<b>Payment to auditor (included under Audit Fees, Legal &amp; Professional Fees )</b>		
<b>As Auditor:</b>		
Audit Fee	500,000	500,000
Limited Review	-	-
Service Tax	61,800	61,800
<b>In other capacity:</b>		
Other Services	-	-
Service Tax	-	-
Reimbursement of expenses	-	-
<b>Total</b>	<b>561,800</b>	<b>561,800</b>
<b>21 Selling Expenses</b>		
Advertisement and marketing expenses	44,875,809	42,969,598
<b>Total</b>	<b>44,875,809</b>	<b>42,969,598</b>
<b>22 Finance Costs</b>		
Interest		
- on Term Loans	286,864,488	304,616,324
- others	55,157,103	42,388,620
Finance Charges	16,294,885	982,419
<b>Total</b>	<b>358,316,476</b>	<b>347,987,362</b>



## 23. NOTES FORMING PART OF FINANCIAL STATEMENTS

### 23.1 Taxation

No provision for Income tax had been made as per regular provisions as well as under sec.115JB (Minimum Alternate Tax) of Income Tax Act, 1961 since the company has incurred loss as per books.

### 23.2 Deferred Tax

The net deferred tax (liability)/ asset is on account of

Particulars	31 March 2015 Rs	31 March 2014 Rs
<b>Assets:</b>		
Carry forward Unabsorbed depreciation	41,59,79,000	28,79,30,000
Carry forward loss	Nil	NIL
Provision for expenses allowable on payment basis	42,54,817	42,20,340
<b>Liability:</b>		
Difference between tax and book written down value of fixed assets	(32,13,39,946)	(27,10,36,020)
Net Deferred Tax (Liability)/ Asset	9,88,93,870	2,11,14,320

### 23.3. Contingent Liabilities

Claims against the Company not acknowledged as debt

- Demands raised against the company under Central excise Act,1944	25,05,563	17,51,173
- TNVAT Act	-	6,73,879
- Others	8,15,44,896	87,29,532
- Right to recompense to joint lender forum	4,16,23,946	-
Total	12,56,74,405	1,11,54,584

### 23.4 Cumulative Preference dividend

(including tax) not provided for	84,51,695	1,15,36,463
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### 23.5 Capital Commitments

Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of advances)	2,95,60,400	5,74,08,999
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### 23.6 Other financial information

Outstanding Bank Guarantees	1,82,60,831	1,85,12,450
Letter of Credit	Nil	Nil

### 23.7 The future minimum lease payments in respect of the properties taken by the Company under operating lease arrangements are as follows:

(i) Not later than one year	48,97,626	50,01,996
(ii) Later than one year and not later than five years	1,89,37,069	1,28,34,865
(iii) Later than five years	68,56,804	68,56,804
Lease rental debited to profit and loss account	53,95,862	51,40,174



NOTES FORMING PART OF FINANCIAL STATEMENTS CONTD...

	Year ended March 31, 2015 Rs	Year ended March 31, 2014 Rs
23.8 CIF Value of imports		
Capital goods, Stores & Spares & others	1,06,91,042	35,29,606
Food and Beverages	1,05,75,592	38,74,583
23.9 Earnings in foreign currency(Represents money received through international credit cards and travellers cheque) on account of Hospitality Services provided to foreign visitors / tourists.	16,92,52,594	19,00,25,007
23.10 (a) Expenditure in foreign currency (on payment basis)		
(a) Travelling expenses	4,77,236	6,91,897
(b) Management fees( Basic, Sales & Marketing, Incentive Fees & Promotions)	2,85,06,367	3,04,42,846
(c) Foreign Consultants	3,59,726	6,39,64,189
(d) Salary	Nil	NIL
(e) Interest on ECB Loan	2,36,85,561	4,13,76,909
(f) Others	17,85,718	12,62,059
(b) Amount remitted in foreign currency (on account of Dividend)	Nil	Nil

23.11 Information relating to

(a) Food and Beverages

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	Food, Beverages (excluding wine and liquor) and smokes	Wine and Liquor	Food, Beverages (excluding wine and liquor) and smokes	Wine and Liquor
	Rs	Rs	Rs	Rs
Sales	32,72,17,334	4,72,51,286	28,91,43,478	5,17,67,355
Opening Stock	46,21,631	79,44,386	37,06,399	1,12,46,567
Purchases	9,81,40,982	1,86,68,908	8,55,55,586	1,32,09,862
Consumption	9,74,91,850	1,66,39,598	8,46,40,354	1,65,12,042
Closing Stock	52,70,762	99,73,696	46,21,631	79,44,386

**NOTES FORMING PART OF FINANCIAL STATEMENTS CONTD...**

(b) Value of imported and indigenous raw materials( food and beverages and smokes) consumed during the year and percentage thereof to total consumption

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	Rs	%	Rs	%
Imported	86,17,196	8	67,28,680	7
Indigenous	10,55,14,252	92	9,44,23,717	93
	11,41,31,448	100	10,11,52,397	100

Of the total consumption stated above

- Rs. 1,82,69,153/- (Previous year Rs. 1,47,63,227/-) included under Staff Welfare and Upkeep and service.
- Rs.9,58,70,437 /-( Previous year Rs. 8,63,89,170/- ) shown as consumption under “Cost of Revenues” – Note 18

**23.12 Earnings per Share**

	Year ended March 31, 2015 Rs.	Year ended March 31, 2014 Rs.
Profit/Loss as per profit and loss account	(32,50,57,050)	(40,15,72,273)
Add: Preference Dividend not provided for including tax	(64,80,000)	(52,60,448)
<b>Total</b>	<b>(33,15,37,050)</b>	(40,68,32,721)
Weighted average number of shares outstanding	8,11,55,718	8,11,55,718
Earnings Per Share	(4.09)	(5.01)

**23.13 Segment information:**

The Company's business activities comprise of hospitality services only and accordingly there are no separate reportable segments as per Accounting Standard 17 (Segment Reporting).

**23.14.** Amount of Dividend proposed to be distributed to equity & Preference Shareholders and the related amount per share

Particulars	Year ended March 31, 2015 Rs.	Year ended March 31, 2014 Rs.
Equity	Nil	Nil
Preference Shares ( @ 6% per preference Shares of Rs. 10/- each)	Nil	Nil

**23.15** Employee Benefits as per AS -15 (Revised)

A. Gratuity

(i) Change in Present value of Benefit Obligation (in Rupees)

Sl.No	Particulars	March 31, 2015	March 31, 2014
01	Present value of Benefit Obligation at the beginning of the period	75,39,067	67,38,975
02	Current Service Cost	13,20,326	10,72,905
03	Interest Cost	6,27,982	4,87,227
04	Benefits paid	(6,41,770)	(9,84,958)
05	Actuarial (Gain)/Loss	3,05,774	2,24,918
06	Present value of Benefit Obligation at the end of the period	91,51,379	75,39,067



NOTES FORMING PART OF FINANCIAL STATEMENTS CONTD...

(ii) Change in the fair Value of plan assets - Reconciliation of opening and closing balances (In Rupees)

Sl.No	Particulars	March 31, 2015	March 31, 2014
01	Fair value of plan assets at the beginning of the period	-	-
02	Expected return on plan asset	6,41,770	9,84,958
03	Benefits paid	(6,41,770)	(9,84,958)
04	Actuarial (Gain)/ Loss	-	-
05	Fair value of plan assets at the end of the period	-	-

(i) Actuarial return on plan assets

Sl.No	Particulars	March 31, 2015	March 31, 2014
01	Expected return on plan asset	-	-
02	Expected Gain/(Loss) on plan asset	-	-
03	Actual return on plan assets	-	-

(ii) Actuarial gain/ loss recognized

Sl.No	Particulars	March 31, 2015	March 31, 2014
01	Actuarial Gain/ (Loss) for the period – Obligation	(3,05,774)	(2,24,918)
02	Actuarial Gain/ (Loss) for the period - Plan assets	-	-
03	Total (Gain)/ Loss for the period	3,05,774	2,24,918
04	Actuarial (Gain)/ Loss recognised in the period	3,05,774	2,24,918
05	Unrecognised actuarial (gain)/ loss at the end of the year	-	-

(iii) Amounts recognized in the Balance Sheet and related analysis

Sl.No	Particulars	March 31, 2015	March 31, 2014
01	Present value of the Obligation	91,51,379	75,39,067
02	Fair Value of Plan assets	-	-
03	Difference	91,51,379	75,39,067
04	Unrecognised transitional liability	-	-
05	Unrecognised past service cost - non-vested benefits	-	-
06	Liability recognised in the Balance Sheet	91,51,379	75,39,067

(iv) Amounts recognized in the statement of Profit and Loss

Sl.No	Particulars	March 31, 2015	March 31, 2014
01	Current Service Cost	13,20,326	10,72,905
02	Interest Cost	6,27,982	4,87,227
03	Expected return on Plan Assets	-	-
04	Net Actuarial (Gain)/Loss recognised in the period	3,05,774	2,24,918
05	Transitional liability recognised in the year	-	-
06	Past service cost - non-vested benefits	-	-
07	Past service cost - Vested benefits	-	-
08	Expenses recognized in P&L	22,54,082	17,85,050

(v) Movements in the liability recognized in the balance sheet

Sl.No	Particulars	March 31, 2015	March 31, 2014
01	Opening net liability	75,39,067	67,38,975
02	Expense as above	22,54,082	17,85,050
03	Contribution paid	(6,41,770)	(9,84,958)
04	Closing net liability	91,51,379	75,39,067

(vi) Amount for the current period

Sl.No	Particulars	March 31, 2015	March 31, 2014
01	Present value of obligation	91,51,379	75,39,067
02	Plan assets	-	-
03	Surplus/(Deficit)	(91,51,379)	(75,39,067)
04	Experience adjustment on plan liabilities - (Loss)/ Gain	90,342	(5,20,672)
05	Experience adjustment on plan assets - (Loss)/ Gain	-	-

(vii) Principal Actuarial Assumptions

SI.No	Particulars	March 31, 2015	March 31, 2014
01	Discount Rate	7.8%	8.7%
02	Salary Escalation	5.0%	5.0%
03	Attrition rate	20%	30%

B. Leave encashment

SI.No	Actuarial Assumptions	March 31, 2015	March 31, 2014
01	Discount Rate	7.8%	8.7%
02	Salary Escalation	5%	5%
03	Attrition Rate	20%	30%
04	Liability recognized in the Balance Sheet	25,32,418	22,29,874
05	Expense Recognized in the statement of profit and loss	6,34,046	5,14,661

**23.16** The Company has not received any memorandum (as required to be filed by the supplier with the notified authorities under the Micro Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small and Medium Enterprises. Accordingly, the amount paid / payable to these parties is considered to be NIL.

**23.17** Related party Disclosures

a) Names of related parties and description of relationship

1	Dharani Sugars and Chemicals Limited (DSCL) Dharani Finance Limited (DFL) Ananthi Developers Limited (ADL) Dharani Developers Private Limited (DDPL) Dharani Credit and Finance (P) Limited (DCFL) PGP Educational and Welfare Society PGP Hotels and Resorts India Private Limited	Enterprises in which Key management personnel exercise significant influence
2	Dr Palani G Periasamy, Chairman Mrs Visalakshi Periasamy, Vice Chairman Mr A Sennimalai, Managing Director Mr K Kandasamy	Key Management Personnel and their relatives

b) The above information regarding related parties has been determined to the extent such parties have been identified on the basis of information available with the Company.



c) Particulars of transactions with related parties during the year ended March 31, 2015

Figures within bracket represent previous year's figures (Amount in Rupees)

Particulars	DACL	DFL	ADL	Key Management Personnel & Relatives	Total
<b>Transactions during the year</b>					
Travel services received		<b>2,33,81,269</b> (2,06,83,056)			<b>2,33,81,269</b> (2,06,83,056)
Rent Paid				<b>30,95,712</b> (30,72,263)	<b>30,95,712</b> (30,72,263)
Rent Received		<b>60,000</b> (60,000)			<b>60,000</b> (60,000)
Remuneration				<b>26,13,035</b> (44,97,829)	<b>26,13,035</b> (44,97,829)
Inter corporate deposits / Loans received	<b>15,83,06,481</b> (12,55,24,102)		<b>NIL</b> (5,82,50,000)	<b>1,50,18,364</b> (7,64,50,000)	<b>17,33,24,845</b> (26,02,24,102)
Interest on Inter Corporate Deposits / Loans	<b>72,65,872</b> (29,85,937)		<b>1,59,64,150</b> (2,27,02,576)	<b>1,46,91,611</b> (94,69,389)	<b>3,79,21,633</b> (3,51,57,902)
<b>Balances at year end</b>					
Sundry Creditors		<b>1,73,56,360</b> (1,50,98,634)	<b>62,88,065</b> (65,13,394)	<b>5,59,336</b> (1,01,34,112)	<b>2,42,03,761</b> (3,17,46,140)
Inter corporate deposits / Loans	<b>NIL</b> (12,55,24,102)		<b>11,50,21,797</b> (15,47,32,015)	<b>13,61,33,471</b> (13,45,18,422)	<b>25,11,55,268</b> (41,47,74,539)
Interest payable on Inter corporate Deposits / Loans	<b>NIL</b> (22,47,018)		<b>5,22,56,315</b> (3,78,88,580)	<b>2,20,23,469</b> (1,15,30,518)	<b>7,42,79,784</b> (5,16,66,117)

23.18. The details of un-hedged foreign currency balances are as below:

Particulars	Foreign Currency	March 31, 2015	
		Amount in Foreign currency	Amount in Indian Rupees
Sundry Creditors	USD	88,442	55,35,659
Term Loan from Banks – Principal O/s	USD	74,92,920	46,89,87,788
Other long term liabilities – Interest accrued	USD	148,753	93,10,567

23.19. The previous year figures have been reclassified to conform to current year's classification.

For K.RAMKRISH & CO.

Firm registration number: 003017S

Chartered Accountants

per K.MURALI

Partner

Membership No.: 29294

Chennai

29th May 2015

For and on behalf of the Board of directors of APPU HOTELS LIMITED

**Dr Palani G Periasamy**  
Chairman

**Mrs Visalakshi Periasamy**  
Vice Chairman

**A Sennimalai**  
Managing Director

**B Murugesan**  
Chief Financial Officer



## Cash Flow Statements for the year ended 31 March, 2015

All amounts are in Indian Rupees unless otherwise stated

Particulars	For the year ended		For the year ended	
	31 March, 2015		31 March, 2014	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		(402,847,180)		(466,145,846)
<u>Adjustments for:</u>				
Depreciation and amortisation	226,362,312		220,468,458	
(Profit) / loss on sale / write off of assets	-		-	
Finance Costs	358,316,476		347,987,362	
Interest Income	(1,661,553)		(2,331,304)	
Rental income from operating leases	(2,388,172)		(2,426,680)	
Liabilities / provisions no longer required written back	-		(1,467,606)	
		580,629,063		562,230,230
Operating profit / (loss) before working capital changes		177,781,883		96,084,384
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(3,135,974)		(6,305,707)	
Trade Receivables	(12,331,752)		2,642,410	
Short-Term Loans and Advances	(4,256,909)		124,631	
Long-Term Loans and Advances	(16,761,593)		(6,666,780)	
Other Current Assets	(3,666,289)		(10,333)	
Other non-Current Assets	(673,878)		(708,063)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(3,933,025)		10,819,576	
Other current liabilities	(8,597,727)		(30,758,145)	
Other long-term liabilities	(52,720,052)		141,721,277	
Short-term provisions	(767,442)		(2,150,027)	
Adjustment for Tax	5,460,940		7,500,737	
Long-term provisions	2,138,905		346,368	
		(99,244,796)		116,555,943
		78,537,086		212,640,326
Cash flow from extraordinary items		-		-
Cash generated from operations		78,537,086		212,640,326
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>78,537,086</b>		<b>212,640,326</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(47,728,862)		(25,399,929)	
Proceeds from sale of fixed assets	-		-	
Bank balances not considered as Cash and cash equivalents				
- Placed	-		-	
Purchase of long-term investments				
- Others	(2,231,550)		-	
Proceeds from sale of long-term investments				
- Others	-		878,000	
Interest received				
- Others	1,661,553		2,331,304	
Rental income from operating leases	2,388,172		2,426,680	
		(45,910,687)		(19,763,945)
Cash flow from extraordinary items		-		-
		(45,910,687)		(19,763,945)
Net income tax (paid) / refunds		-		-
		(45,910,687)		(19,763,945)
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(45,910,687)</b>		<b>(19,763,945)</b>



## Cash Flow Statements for the year ended 31 March, 2015 (contd.)

All amounts are in Indian Rupees unless otherwise stated

Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of Debentures	670,000,000		-	
Proceeds from issue of preference shares	15,000,000		7,500,000	
Proceeds from term loans from others	80,000,000		-	
Redemption / buy back of preference / equity shares	(15,000,000)		(7,500,000)	
Proceeds from long-term borrowings	662,352,351		560,467,216	
Repayment of long-term borrowings	(1,051,695,551)		(557,291,669)	
Net increase / (decrease) in working capital borrowings	(4,495,735)		(17,288,226)	
Finance cost - Net off Interest accrued	(356,499,390)		(306,650,330)	
Dividends paid	-		-	
		(338,325)		(320,763,010)
Cash flow from extraordinary items		-		-
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(338,325)</b>		<b>(320,763,010)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>32,288,075</b>		<b>(127,886,626)</b>
Cash and cash equivalents at the beginning of the year		1,910,949		129,797,575
Cash and cash equivalents at the end of the year *		<b>34,199,024</b>		<b>1,910,949</b>
* Comprises:				
(a) Cash on hand		2,337,543		497,484
(b) Cheques, drafts on hand		-		7,887
(c) Balances with banks				
(i) In current accounts		31,861,481		1,405,578
(ii) In EEFC accounts				
(iii) In deposit accounts with original maturity of less than 3 months				
(iv) In earmarked accounts				
(d) Others (specify nature)				
(e) Current investments considered as part of Cash and cash equivalents				
		<b>34,199,024</b>		<b>1,910,949</b>

Notes:

- The above statements have been prepared in indirect method as per Accounting Standard 3
- These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

In terms of our report attached.

**For K.RAMKRISH & CO.,**  
Firm registration number: 003017S  
Chartered Accountants  
**per K.MURALI**  
Partner  
Membership No.: 29294  
Chennai  
29th May 2015

For and on behalf of the Board of directors of APPU HOTELS LIMITED

**Dr Palani G Periasamy**  
Chairman

**Mrs Visalakshi Periasamy**  
Vice Chairman

**A Sennimalai**  
Managing Director

**B Murugesan**  
Chief Financial Officer







**APPU HOTELS LIMITED**

"PGP House", New No.59 (Old No.57) Sterling Road,  
Nungambakkam, Chennai – 600 034. Phone Nos. 28254176, 28254609, 28311313  
CIN No.U92490TN1983PLC009942, E –mail : secretarial@appuhotelsltd-pgp.com

**ATTENDANCE SLIP**

Name & Address of the Shareholder \_\_\_\_\_ Folio No. : \_\_\_\_\_  
 \_\_\_\_\_ DP ID : \_\_\_\_\_  
 \_\_\_\_\_ Client ID : \_\_\_\_\_

I hereby certify that I am a memebr / proxy appointed by the member\* of the Company and record my presence at the 29th Annual General Meeting of the Company, at Le Royal Meridien, No.1, GST Road, St.Thomas Mount, Guindy, Chennai - 600 016 on Wednesday 30th September 2015 at 11.30 a.m.

Name of the Shareholder / Proxy\* \_\_\_\_\_ Signature of the Shareholder / Proxy\* \_\_\_\_\_

\*Strike out whichever is not applicable  
 Note : Please fill up this attendance slip and hand over at the entrance of the meeting hall.

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**PROXY FORM**

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the Member(s):.....  
 Registered Address : .....  
 E-mail ID : ..... Folio No.DP ID - Client ID :.....  
 I/We, being the member(s) holding..... shares of the above named company, hereby appoint  
 1. Name :..... Address :.....  
 E-mail Id :..... Signature :..... or failing him  
 2. Name :..... Address :.....  
 E-mail Id :..... Signature :..... or failing him  
 3. Name :..... Address :.....  
 E-mail Id :..... Signature :..... or failing him

Note :

A Member entitled to attend and vote at the meeting is entitled appoint a Proxy to attend and vote instead of himself and the Proxy need not be Member of the Company. The instrument appointing a Proxy must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.





The Grand Madras Ball Room is the preferred choice for celebrity weddings. Seen in this picture are Actor Sivakumar with our Chairman and Ms. Ananthi Periasamy.



Our culinary team celebrating Pongal Festival.



PGP GROUP

Appu Hotels Limited

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