



PGP GROUP

# Appu Hotels Limited

30<sup>th</sup>  
ANNUAL  
REPORT  
2015-16



*Hon'ble Shri. Narendra Modi – Prime Minister of India was received at Hotel Le Meridien, Coimbatore by our Chairman Dr. Palani G Periasamy.*



*Le Royal Meridien-Chennai was awarded the Tamilnadu Tourism Award – 2015 as the “BEST FIVE STAR DELUXE HOTEL BASED MEETING VENUE”.*



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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
<b>Chief Financial Officer</b>	:	<b>Mr B Murugesan</b>
<b>Auditors</b>	:	<b>M/s Ramkrish &amp; Co.,</b> Chartered Accountants New No 19 (Old No .9A) Bagavantham Street, T Nagar, Chennai 600 017
<b>Internal Auditors</b>	:	<b>M/s. Srinivasan &amp; Shankar</b> Chartered Accountants No.18/36 Second Floor, Karpagambal Nagar, Mylapore, Chennai 600 004
<b>Bankers &amp; Financial Institutions</b>	:	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 Website – appuhotels.com
<b>Hotels</b>	:	<b>Le Royal Meridien-Chennai</b> 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  <b>Le Meridien- Coimbatore</b> 762 Avinashi Road, Coimbatore – 641 062 Phone: 91-422- 4254343 Fax : 91-422-2364444 E-mail : ahlcoimbatore@pgpgroup.in  <b>Hotel Riverside Resort &amp; Spa, Kumbakonam</b> 32/33 College Road (Govt. Mens College) Kumbakonam- 612 002 Phone: 91-435-2443636 Fax : 91-435-2443638 E-mail : ahlkumbakonam@pgpgroup.in



**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the 30<sup>th</sup> 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 Friday, the 30<sup>th</sup> September 2016 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 2016, the Statement of Profit and Loss and Cash Flow Statements for the year ended on that date and consider the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr K Kandasamy, (DIN.00277906) 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, 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) consent of the Company is hereby accorded for the ratification of the appointment of M/s. K. Ramkrish & Co., Chartered Accountants, Chennai as Statutory Auditors (Registration number 003017S with the Institute of Chartered Accountants of India), who were reappointed in the Annual General Meeting on 30.09.2015 as Statutory Auditors, in terms of provisions of section 141 of the Act, and rule 4 of the rules, to continue to hold office for the remaining period of 3 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.

**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.
4. Member/Proxies should bring their attendance slips sent herewith duly filled in, for attending the meeting. Only members/proxies will be admitted into the auditorium for the meeting.

By order of the Board

Place : Chennai –34  
Date : 26.05.2016

for Appu Hotels Limited  
N Subramanian  
President(Corporate Affairs)



**BOARD'S REPORT**

All members,

Your Directors are pleased to present their 30<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 2016.

**1. FINANCIAL SUMMARY**

(Rs. In lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Gross Revenue	8819.96	7864.15
Expenditure	6424.92	6045.84
Profit before Interest, Depreciation and Tax	2395.04	1818.31
Interest and Finance Charges	3887.16	3583.16
Depreciation	2028.64	2263.62
Profit / (Loss) before Tax	(3520.76)	(4028.47)
Current Tax	-	-
Deferred Tax/(Asset)	(728.00)	(777.90)
Net Profit/(Loss)	(2792.76)	(3250.57)
Dividend if any recommended	-	-
Transfer to Reserves proposed if any	-	-
Profit/(Loss) carried forward	(2792.76)	(3250.57)

**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 Accounting during the F.Y. 2015-2016.

(ii) The provisions of Section 125(2) of the Companies Act, 2013 do 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 income for the year 2015-16 for all the Hotels was Rs.88.20 cr. as against Rs.78.64 cr. in the previous year registering an increase of

12% in the income. The GOP for the year was Rs.23.95 cr. as against Rs.18.18 cr. in the previous year. The GOP percentage also increased to 27% from the earlier percentage of 23%. The net loss after interest, depreciation and tax had come down to Rs.27.93 cr. from the loss of Rs.32.51 cr. in the previous year.

The overall performance of Chennai Hotel for the year 2015-16 had improved as compared to the previous year. The average occupancy for the year was 53% as against 45% in the previous year. The average room revenue (ARR) for the year was Rs.4936 as against Rs.5054 in the previous year. Fall in the ARR was mainly on account of matching the rates with competition. However, the REVPAR had increased to Rs.2621 as against Rs.2288 in the previous year.





The performance of Coimbatore Hotel for the year 2015-16 had also shown improvement over the previous year. The occupancy level has improved to 40% against 31% in the previous year. Average room revenue for the year was Rs.5194 as against Rs.5299 in the previous year. However, the REVPAR had increased to Rs.2064 from the previous year amount of Rs.1632.

The performance of the Kumbakonam Hotel had not shown any improvement. The occupancy level for the year was 29% as against 30% in the earlier year. The average room recovery had increased to Rs.2932 as against Rs.2892 in the previous year. However, on account of reduction in the occupancy level, the REVPAR had come down to Rs.855 as against Rs.871 in the previous year.

#### 5. PLAN OF ACTION

Your Company is regular in meeting the commitments to Lenders as per the restructuring scheme. The renovation of the Chennai Hotel is also in progress without being inconvenient to guests. The Company has obtained approval of Chennai Metropolitan Development Authority (CMDA) in regard to re-classification of land use for the vacant land of 26 Acres at Gerugambakkam, near Chennai Airport, into mixed residential zone. The matter of disposal of the said land in whole or in parts by way of land parcels is being examined from various angles so as to derive optimum value realisation.

#### 6. OUTLOOK

The performance of the Coimbatore Hotel so far during the current year has shown an uptrend and it is hoped that the Coimbatore property would acquire itself reasonably well during the year if the current trend continues. On the other hand, Chennai hospitality market continues to

remain competitive and we are not sparing any effort to improve yield and performance of the Chennai property.

#### 7. (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. However, the Company has increased its authorised capital from Rs.100 crs to Rs. 115 crs after getting approval of the shareholders through a special resolution in the Extra-Ordinary General Meeting held on 15.04.2016 with corresponding changes in the Memorandum and Articles of Association to enable the Company to raise additional capital by way of issue of shares, as and when considered necessary.

(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 2015-16	4116.67
Previous Financial Year 2014-15	6909.43
Variations – increase/(decrease)	(2792.76)

#### 8. 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.

#### 9. 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 & to the Chairman.

The Internal Audit monitors and evaluates the efficacy and adequacy of internal financial control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal auditor, management undertakes 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

#### 10. SUBSIDIARY COMPANIES

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

#### 11. 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. The following amounts were received as unsecured loans (not considered as deposits) from people who at the time of receipt of the amount were directors of the Company.

1. Dr Palani G Periasamy	Rs. 19.00 lakhs
2. Mrs Visalakshi Periasamy	Rs.145.99 lakhs

#### 12. 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 3 years and as they have indicated their consent, they are being continued as Statutory Auditors for a period of 3 years from the conclusion of this Annual General Meeting.

#### 13. AUDITOR'S REPORT

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

#### 14. 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 2016 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.

#### 15. SHARE CAPITAL

Against the authorized Capital of Rs.100 crores, as at 31.03.2016, 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 raised additional funds during the year 2014-15 by issue of secured redeemable non convertible debentures to the extent of Rs.67 crores. The debentures were listed in Bombay Stock Exchange on the 26<sup>th</sup> June, 2014 and IDBI Trusteeship Services Limited, Mumbai are the debenture trustees. The debentures have to be redeemed over a period of 5 years. The proportionate amount of







Rs.6.7 crs being the 1<sup>st</sup> instalment due for redemption during 2015-16 has been redeemed.

The Company was able to get the debts restructured during 2013-14 through the Joint Lenders' Forum under Reserve Bank 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. The Company has increased its authorized capital to enable it to bring in additional funds, as stipulated in the Master Restructuring Agreement with the Lenders. Your Company plans to issue additional shares as rights.

#### **16. 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.

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

Enclosed as Annexure

#### **18. 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.

#### **19 DIRECTORS & KEY MANAGEMENT PERSONNEL**

Mr K Kandasamy, Director (DIN.00277906) is due to retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. He has furnished the declaration as required in Section 164(2) of the Companies Act, 2013.

The Independent Directors have given their declarations as per Section 149(6) that they meet the criteria of Independence. The 3 Independent Directors viz., Dr M C Thirumoorthi, Mr C Ramachandran and Dr A Sakthivel who were appointed as Independent Directors in the Annual General Meeting held on 30<sup>th</sup> September 2014 will hold office for 5 years from 30.09.2014 to 29.09.2019.

#### **20. BOARD MEETINGS**

During the year 2015-16 five Board Meetings were held on 22<sup>th</sup> May 2015, 29<sup>th</sup> May 2015, 23<sup>rd</sup> September 2015, 13<sup>th</sup> November 2015 and 12<sup>th</sup> February 2016.

#### **BOARD EVALUATION**

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 for performance evaluation covering the following.

- Evaluation of Board process
- Evaluation of Committees
- Individual evaluation of Board members & the Chairperson.

This policy has been approved by the Board and is available on the website of the Company.





## 21. AUDIT COMMITTEE

Audit Committee consisting of the following

- ❖ Dr M C Thirumoorthi- Director
- ❖ Mr C Ramachandran - Director
- ❖ Dr A Sakthivel - Director
- ❖ Mr Anoop Bali - Nominee Director – TFCI
- ❖ Mr A Sennimalai - Managing Director

is in position. During the year 2015-16 the Audit Committee met on 29<sup>th</sup> May 2015 and 13<sup>th</sup> November 2015. There was no instance where the Audit Committee's recommendations were not accepted by the Board.

## 22. MANAGEMENT COMMITTEE

During the year 2015-16 no meeting of Management Committee was held. The Committee consists of the following members.

- ❖ Dr. Palani G. Periasamy - Chairman
- ❖ Mrs. Visalakshi Periasamy - Vice Chairman
- ❖ Mr. A. Sennimalai - Managing Director
- ❖ Mr. K. Kandasamy - Director
- ❖ Mr. C. Ramachandran - Director

## 23. NOMINATION & REMUNERATION COMMITTEE & REMUNERATION POLICY

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 following are Members of the Committee. The committee met on 29<sup>th</sup> May 2015.

- |  |   |                           |
|--|---|---------------------------|
| Mr. C. Ramachandran (Independent Director) | - | Chairman of the Committee |
| Dr. A. Sakthivel (Independent Director)    | - | Member                    |
| Mr. K. Kandasamy                           | - | Member                    |

Remuneration for Independent Directors and Non-Independent Non-Executive Directors.

- Independent Directors (ID) and Non-Independent Non-Executive Directors (NINED) are paid sitting fees for attending the meetings of the Board and of Committees of which they may be members, within the limits as per Sec 197(5) of the Companies Act 2013.





Remuneration for Managing Director (MD)/ Key Managerial Personnel (KMP)/ rest of the Employees.

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements. No commission is payable.

It is affirmed that the remuneration paid to Directors, KMP and all other employees is as per the Remuneration Policy of the Company.

#### **24. LOANS, GUARANTEES OR INVESTMENTS**

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

But the Company has invested a sum of Rs.1,07,10,910/- in 6,23,421 equity shares of Clarion Wind Firm (P) Ltd, Gurudev wind Energy Private Limited and Chemplast Sanmar Limited to enable the Company 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. The quantum of investments is being regulated depending upon the consumption of power availed through them.

#### **25. 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. There are no loans or advances in the nature of loans to firms/ Companies in which directors are interested.





**26. 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 Perquisites 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 2015-16 is regulated in accordance with Section 197 and Schedule V, Part II, Section II as there are no profits.

As the profits of the Company for the year were inadequate, remuneration within the prescribed limits as given in D (i) above has been proposed to be paid to the Managing Director. Approval of the Shareholders in accordance with Schedule V Part II Section II of the Companies Act, 2013 for making



this payment for a period of 3 years has been obtained through a special resolution in the Annual General Meeting held on 25<sup>th</sup> September 2015. This is valid for the years 2014-15, 2015-16 and 2016-17.

Payment of remuneration to Mrs Visalakshi Periasamy, Executive Vice Chairman is not made pending receipt of approval from Government of India, Ministry of Corporate Affairs though a special resolution was passed in the Annual General Meeting dated 30.09.2015 approving a remuneration of Rs. 24.00 lakhs p.a. for a period of 3 years subject to getting the approval from Government of India, Ministry of Corporate Affairs for the appointment, she being a Non-Resident Indian.

#### **27. 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 concerns. 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.

#### **28. CORPORATE GOVERNANCE CERTIFICATE**

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

#### **29. 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.

#### **30. 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 systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.





### 31. 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 600 002**

Telephone No. 044- 28460718/28460390

Email Id – investor@cameoindia.com

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 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 and safety.

The Shareholding details as on 31.03.2016.

Sl.No	Particulars	No of Shares	%
01	NSDL	36654100	45.17
02	CDSL	2604	0.00
03	Physical	44499014	54.83
	Total	81155718	100.00

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

#### Debenture Trustee Address and Contact details:

IDBI Trusteeship Services Limited

Regd.Office Asian Building, Ground Floor

No.17 R Kamani Marg, Ballard Estate, Mumbai – 400 001

Telephone No. 022- 40807000, Fax No. 022-66311776

Email id – itsl@idbitrustee.com Website : idbitrustee.com

### 32. PREVENTION OF SEXUAL HARASSMENT

The Company has in place an Anti Sexual harassment policy in line with the requirements of 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 received 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.

No complaints were received during the year 2015-16.





**33. 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**

Place : Chennai  
Date : 26.05.2016

**Dr Palani G Periasamy**  
Chairman

**ANNEXURE TO THE BOARD'S 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 Companies (Accounts) Rule 2014.

(Rs.in lakhs)

	2015-16	2014-15
A. Conservation of Energy	<b>Annexure is given below</b>	
B. Technology absorption	-	-
C. Foreign Exchange Earnings	1781.08	1692.53
D. Foreign Exchange outgo	633.23	662.05

**A. Conservation of Energy.**

Sl.No.	PARTICULARS	Energy saved (Rs. Lakhs)
1	The steps taken or impact on conservation of energy – Replacement by energy efficient LED/LCD lamps.	56.42
2	The steps taken by the Company for utilizing alternate sources of energy – Purchase of Wind mill power	85.31
3	The Capital investment on energy conservation equipments	—

By Order of the Board

**for Appu Hotels Limited**

Place: Chennai – 34  
Date : 26.05.2016

**Dr Palani G Periasamy**  
Chairman





**Annexure to Boards Report****Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31st March, 2016

[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	Public Company Limited by Shares
v	Address of the Registered office & contact details	No.57 Sterling Road, Nungambakkam, Chennai - 600 034. Tel : 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 - 600 002 Tel No. 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	Hoteliering including accommodation, Restaurants and Catering Services	5520	100
		5610	
		5621	

**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 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	539449	539449	0.66	0	539449	539449	0.66	0.00
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	0	14450249	14450249	17.81	0	14450249	14450249	17.81	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL:(A) (1)	0	14989698	14989698	18.47	0	14989698	14989698	18.47	0.00
(2) Foreign									0.00
a) NRI- Individuals	0	16409472	16409472	20.22	0	16409472	16409472	20.22	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A) (2)	0	16409472	16409472	20.22	0	16409472	16409472	20.22	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	0	31399170	31399170	38.69	0	31399170	31399170	38.69	0.00
B. PUBLIC SHAREHOLDING									0.00
(1) Institutions	0	0	0	0	0	0	0	0	0.00
(2) Non Institutions	0	0	0	0	0	0	0	0	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
(i) Hindu Undivided Family	2604	11486	14090	0.02	2604	11486	14090	0.02	0.00
(ii) Non Resident Indian	35931706	12975023	48906729	60.45	35931706	12975023	48906729	60.45	0.00
SUB TOTAL (B)(2):	36128926	13627622	49756548	61.50	36128926	13627622	49756548	61.50	0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	36128926	45026792	81155718	100.00	36128926	45026792	81155718	100.00	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	36128926	45026792	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 01.04.2015			Shareholding at the end of the year 31.03.2016			% 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	8.97	7275721	8.97	8.97	0.00
2	Mrs Vislakshi Periasamy	7757703	9.56	9.56	7757703	9.56	9.56	0.00
3	Dr Jayanthi Periasamy	302185	0.37	0.00	302185	0.37	0.00	0.00
4	Santhi Periasamy	499769	0.62	0.00	499769	0.62	0.00	0.00
5	Nalini Periasamy	587739	0.72	0.00	587739	0.72	0.00	0.00
6	Ananthi Periasamy	499769	0.62	0.00	499769	0.62	0.00	0.00
7	Vikram Kumar	26035	0.03	0.00	26035	0.03	0.00	0.00
8	Dharani Credit & Finance (P) Ltd	4441356	5.47	0.00	4441356	5.47	0.00	0.00
9	Dharani Sugars & Chemicals Ltd	5121500	6.31	0.00	5121500	6.31	0.00	0.00
10	Dharani Developers (P) Ltd	4887393	6.02	0.00	4887393	6.02	0.00	0.00
	Total	31399170	38.69	18.52	31399170	38.69	18.52	0.00

(iii) Change of shareholdings of Promoters

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016		REASON
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
There are no changes in shareholdings of promoters						

(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 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		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 Shantha	4020684	4.95	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)	0	0	0	0
	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	0	0.00	0	0.00
8	Mr C Ramachandran	0	0.00	0	0.00
9	Mr Anoop Bali	0	0.00	0	0.00
	Total A	19321116	23.81	19321116	23.81
Key Managerial Personnel					
1	Mr B Murugesan	0	0.00	0	0.00
	Total B				
	At the beginning of the year	1932116	23.81	1932116	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)	0	0	0	0
	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:

(In Rupees)

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		A Sennimalai	Mrs Visalakshi Periasamy	
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	2160000.00	2400000.00*	4560000.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	660000.00	0	660000.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0.00
2	Stock option	0	0	0.00
3	Sweat Equity	0	0	0.00
4	Commission as % of Profit	0	0	0.00
5	Others, please specify	0	0	0.00
	Total (A)	2820000.00	2400000.00	5220000.00
	Ceiling as per the Act	6000000.00	6000000.00	12000000.00

\* Payment kept pending for receipt of approval from Government.



V B. REMUNERATION TO OTHER DIRECTORS

(In Rupees)

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	5000.00	15000.00	40000.00		60000.00
	(b) Commission	0	0	0	0	0
	(c ) Others, please specify	0	0	0	0	0
	<b>Total (1)</b>	<b>5000.00</b>	<b>15000.00</b>	<b>40000.00</b>		<b>60000.00</b>
2	<b>Other Non Executive Directors</b>	Dr Palani G Periasamy	Dr V Janakiraman	Anoop Bali	K Kandasamy	Total Amount
	(a) Fee for attending board committee meetings	25000.00	5000.00	25000.00	30000.00	85000.00
	(b) Commission	0	0	0	0	0
	(c ) Others, please specify.	0	0	0	0	0
	<b>Total (2)</b>	<b>25000.00</b>	<b>5000.00</b>	<b>25000.00</b>	<b>30000.00</b>	<b>85000.00</b>
	<b>Total (B)=(1+2)</b>	<b>30000.00</b>	<b>20000.00</b>	<b>65000.00</b>	<b>30000.00</b>	<b>145000.00</b>
	Total Managerial Remuneration					
	Overall Ceiling as per the Act.					N.A

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

In Rupees

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.	691339.00	691339.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	98571.00	98571.00
	(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>	<b>789910.00</b>	<b>789910.00</b>



V. INDEBTEDNESS

(In Lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2015				
(i) Principal Amount	29057.00	3747.00		32804.00
ii) Interest due but not paid	-	—		-
iii) Interest accrued but not due	696.00	850.00		1546.00
Total	29753.00	4597.00		34310.00
Change in Indebtedness during the financial year				
Additions	2200.00	3871.00		6071.00
Reduction	3165.00	1125.00		4290.00
Net Change	(-965.00)	2746.00		1781.00
Indebtedness at the end of the financial year 31.03.2016				
(i) Principal Amount	28092.00	6493.00		34585.00
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	278.00	1291.00		1569.00
Total	28370.00	7784.00		36154.00

VII. PENALTY:

Rs in Lakhs

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			Nil		
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

By Order of the Board

for Appu Hotels Limited

Place: Chennai – 34  
Date : 26.05.2016

Dr Palani G Periasamy  
Chairman





**Annexure 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. - NIL

**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 Developers Private Ltd	Dharani Finance Limited: Enterprises in which Key management person exercise significant influence	Ananthi Developers Limited: Enterprises in which Key management person 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 Managing Director
c	Duration of the contracts / arrangements/transactions	Long Term	Annual	Long Term	(i) Rental Agreement from 01.06.2011 to 31.05.2019, (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:	Gap funding by the Promoters to meet working capital and general corporate purposes. ICD: Rs.14,10,00,000 (Interest @ 12%)  Interest on Outstanding ICD: Rs.23,85,902/-	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. 2,34,61,611/- during 2015-16	Gap funding by the Promoters to meet working capital and general corporate purposes. ICD: Rs 10,00,000 (Interest @ 12%)  Interest on Outstanding ICDs: Rs.1,32,36,025/-	Items at (i) Rent of Office premises (Rs.31,39,102/-) and (ii) Employment of Managing Director (Salary Rs.24,13,750/-) 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.1,64,59,001/-(Interest @ 12%)  Interest on Outstanding loans: Rs.1,64,82,349/-
e	Date(s) of approval by the Board, if any:	29 <sup>th</sup> May 2015	29 <sup>th</sup> May 2015	29 <sup>th</sup> May 2015	29 <sup>th</sup> May 2015
f	Amount paid as advances, if any	Nil	Nil	Nil	Advance towards rent paid to Chairman Rs.18,97,500.

By Order of the Board

for Appu Hotels Limited

Place: Chennai – 34  
Date : 26.05.2016

Dr Palani G Periasamy  
Chairman







**Annexure to Board's Report  
SECRETARIAL AUDIT REPORT  
Form MR-3**

**For The Financial Year Ended as on 31st March, 2016**

(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 M/s. 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 M/s. APPU HOTELS LIMITED's 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 31.03.2016 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 M/s. APPU HOTELS LIMITED ("the Company") for the financial year ended on 31.03.2016 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/Regulations of the following:

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





(ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited under the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 for listing of its debt securities and

iii). The Secretarial Standards issued by the Institute of Company Secretaries of India.

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

a) The Company has not Complied with the provision 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. There was no changes in the composition of the Board of Directors during the period under review.

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) passed special resolution for increasing the borrowing powers of the board pursuant to the provisions of section 180(1) (c) of the Companies Act, 2013 that the monies to be borrowed together with the monies already borrowed by the Company and remaining outstanding at any time will exceed 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/- Crores.
- ii) passed special resolution to create mortgage, hypothecation and /or create charge on all or any movable or immovable properties or assets of the Company, to secure the amount borrowed, to be borrowed by the Company from banks, financial institutions or any other lender whether Indian or International from time to time for the due repayment of the principal monies together with the interest thereon.

Name of the Company Secretary  
in practice/ Firm : **M Damodaran**

ACS/FCS No. : **5837**

CP.No.**5081**

Place : Chennai  
Date : 26-05-2016





## 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 March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 March 31, 2016, and its Profit/Loss and its Cash Flow for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with this Report are in agreement with the books of account ;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - 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, 2016, 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

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

Place : Chennai  
Date : 26th May 2016



**"ANNEXURE" A TO THE AUDITOR'S REPORT**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - (c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
  - b) The discrepancies noticed on physical verification of the inventory as compared to the books has been properly dealt with in the books of account and were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.

- b) Statement of Disputed Statutory Dues



**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	11,99,643	Assistant Commissioner of Central Excise
Central Excise Act	Service Tax	13,40,024	Commissioner Appeals

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

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

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

Place : Chennai  
Date : 26th May 2016





## “ANNEXURE B” TO THE AUDITORS’ REPORT

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

We have audited the internal financial controls over financial reporting of M/s. Appu Hotels Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial







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

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

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on

- i. Existing policies and procedures adopted by the company for ensuring orderly and efficient conduct of business.
- ii. Continuous adherence to Company's policies.
- iii. Existing procedures in relation to safeguarding of Company's fixed assets, investments, inventories, receivables, loans and advances made & Cash and Bank Balances.
- iv. Existing system to prevent and detect fraud & errors.
- v. Accuracy and completeness of Company's accounting records; and
- vi. Existing capacity to prepare timely and reliable financial information.

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

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

Place : Chennai  
Date : 26th May 2016





**Balance Sheet as at March 31, 2016**  
All amounts are in Indian Rupees unless otherwise stated

	Notes	As at 31 March 2016	As at 31 March 2015
<b>I Equity and liabilities</b>			
(1) Shareholders' funds			
(a) Share capital	3	90,15,57,180	90,15,57,180
(b) Reserves and surplus	4	(47,52,37,395)	(19,59,61,643)
		42,63,19,785	70,55,95,537
(2) Share Application money pending allotment		-	-
(3) Non-current liabilities			
(a) Long Term Borrowings	5	3,22,91,60,542	3,12,94,66,200
(b) Deferred tax liability (net)		-	-
(c) Other long-term liabilities	6	26,58,12,612	21,97,90,003
(d) Long Term Provisions	7	96,73,786	82,89,822
		3,50,46,46,940	3,35,75,46,025
(4) Current liabilities			
(a) Short term borrowings	8A	4,85,15,637	4,20,13,637
(b) Trade payables	8B	8,79,02,905	6,76,75,872
(c) Other current liabilities	8C	25,95,32,290	23,13,24,805
(d) Short Term Provisions	9	56,82,024	42,92,283
		40,16,32,856	34,53,06,597
<b>TOTAL</b>		<b>4,33,25,99,581</b>	<b>4,40,84,48,159</b>
<b>II Assets</b>			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	3,78,98,63,348	3,86,90,71,859
(ii) Capital work-in-progress		10,62,28,320	16,57,64,779
		3,89,60,91,668	4,03,48,36,638
(b) Non-current investments	11	1,07,10,910	65,93,550
(c) Long-term loans and advances	12	13,83,93,740	13,08,22,033
(d) Other non-current assets	14	79,79,122	71,75,941
(e) Deferred tax Asset (net)		17,17,04,450	9,89,04,450
		4,22,48,79,890	4,27,83,32,612
(2) Current assets			
(a) Inventories	15	3,73,90,808	3,33,77,795
(b) Trade receivables	13.1	4,72,34,313	4,01,00,261
(c) Cash and bank balances	14	28,90,950	3,41,99,024
(d) Short-term loans and advances	12	1,66,47,801	1,68,27,513
(e) Other current assets	13.2	35,55,819	56,10,954
		10,77,19,691	13,01,15,547
<b>TOTAL</b>		<b>4,33,25,99,581</b>	<b>4,40,84,48,159</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

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

**per K.MURALI**  
Partner  
Membership No.: 29294  
Chennai  
26th May 2016

**Dr Palani G Periasamy**  
Chairman

**Mrs Visalakshi Periasamy**  
Vice Chairman

**A Sennimalai**  
Managing Director

**B Murugesan**  
Chief Financial Officer



**Statement of Profit and Loss for the year ended March 31, 2016**

All amounts are in Indian Rupees unless otherwise stated

	Notes	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>I Income</b>			
Revenues from services	16	87,31,34,103	78,11,19,940
Other income	17	88,62,154	52,95,522
<b>Total (I)</b>		<b>88,19,96,257</b>	78,64,15,462
<b>II Expenses</b>			
Costs of Revenues	18	35,26,91,553	31,15,54,207
Employee benefits expense	19	14,88,13,421	14,09,81,267
Other expenses	20	9,74,92,767	10,71,72,571
Advertisement and marketing expenses	21	4,34,94,397	4,48,75,809
Depreciation and amortization expense	10	20,28,64,175	22,63,62,313
Finance costs	22	38,87,15,696	35,83,16,476
<b>Total (II)</b>		<b>1,23,40,72,009</b>	1,18,92,62,643
<b>III Profit / (loss) before tax (I) - (II)</b>		<b>(35,20,75,752)</b>	(40,28,47,181)
<b>IV Tax expenses / (credit)</b>			
Current tax		-	-
Minimum Alternate Tax Entitlement (Credit)		-	-
Deferred tax		(7,28,00,000)	(7,77,90,130)
<b>V Total tax expense / (credit)</b>		<b>(7,28,00,000)</b>	(7,77,90,130)
<b>VI Profit / (Loss) after tax</b>		<b>(27,92,75,752)</b>	(32,50,57,051)
<b>VII Earnings per equity share</b>			
- Basic & Diluted Earnings per share		(3.52)	(4.09)
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

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



**per K.MURALI**  
Partner  
Membership No.: 29294  
Chennai  
26th May 2016

**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 Rule 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 2015 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 cost, or net realizable 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 yearend 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.

### 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, 2016

All amounts are in Indian Rupees unless otherwise stated

	As at 31 March 2016	As at 31 March 2015
<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)	85,00,00,000	85,00,00,000
15,000,000 Preference Shares of Rs.10/- each (Previous Year - 15,000,000 Preference Shares of Rs.10/- each )	15,00,00,000	15,00,00,000
	<b>1,00,00,00,000</b>	<b>1,00,00,00,000</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)	81,15,57,180	81,15,57,180
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)	9,00,00,000	9,00,00,000
<b>Total</b>	<b>90,15,57,180</b>	<b>90,15,57,180</b>

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

Equity shares	As at 31 March 2016		As at 31 March 2015	
	No.	Amount	No.	Amount
At the beginning of the period	8,11,55,718	81,15,57,180	8,11,55,718	81,15,57,180
Issued during the period	Nil	Nil	Nil	Nil
Outstanding at the end of the period	<b>8,11,55,718</b>	<b>81,15,57,180</b>	<b>8,11,55,718</b>	<b>81,15,57,180</b>
<b>6% Cumulative Redeemable Preference Shares</b>				
At the beginning of the period	90,00,000	9,00,00,000	90,00,000	9,00,00,000
Issued during the period	-	-	15,00,000	1,50,00,000
Redeemed during the period	-	-	(15,00,000)	(1,50,00,000)
Outstanding at the end of the period	<b>90,00,000</b>	<b>9,00,00,000</b>	<b>90,00,000</b>	<b>9,00,00,000</b>

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

All amounts are in Indian Rupees unless otherwise stated

**Notes:**

1. 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.
2. 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 DDPL on 29.05.2014.

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 2016, the amount of per share dividend recognized as distributions to equity shareholders was Rs.NIL ( 31 March 2015 : 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 2016, the amount of dividend per share recognized as distributions to preference shareholders was Rs.Nil ( 31 March 2015 : Rs. Nil )

The CRPS are to be redeemed as follows:

Name of the Party	No.of Shares	Redemption Details
Ananthi Developers Ltd	45,00,000	22,50,000 each to be redeemed on 28/06/2020 and 28/09/2020
Dharani Developers Private Ltd	45,00,000	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, 2016

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 2016		As at 31 March 2015	
	No.	% holding in the class	No.	% holding in the class
<b>Equity shares of Rs.10 each fully paid</b>				
Mrs Visalakshi Periasamy	77,57,703	9.56	77,57,703	9.56
Dr Palani G Periasamy	72,75,721	8.97	72,75,721	8.97
Mr.Pethinaidu Veluchamy & Mrs.Parameswari Veluchamy	63,93,756	7.88	63,93,756	7.88
Dharani Sugars & Chemicals Ltd	51,21,500	6.31	51,21,500	6.31
Dharani Developers Private Limited	48,87,393	6.02	48,87,393	6.02
Dharani Credit & Finance Private Limited	44,41,356	5.47	44,41,356	5.47
Mr.Arunkumar Veluchamy	42,69,119	5.26	42,69,119	5.26
<b>Cumulative Redeemable Preference Shares of Rs. 10/- each</b>				
Ananthi Developers Ltd	45,00,000	50.00	45,00,000	50.00
Dharani Developers Pvt Ltd	45,00,000	50.00	30,00,000	33.33

	As at 31 March 2016	As at 31 March 2015
<b>4 Reserves and Surplus</b>		
Securities Premium Account	46,76,47,485	46,76,47,485
Fixed Assets Revaluation Reserve (See Note 10)	1,46,51,935	1,46,51,935
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	(67,82,61,063)	(35,32,04,012)
Profit/(loss) for the year	(27,92,75,752)	(32,50,57,051)
<b>Net surplus/(deficit) in the statement of profit and loss</b>	<b>(95,75,36,815)</b>	<b>(67,82,61,063)</b>
Total	(47,52,37,395)	(19,59,61,643)







**Notes to financial statements for the year ended 31 March, 2016**

All amounts are in Indian Rupees unless otherwise stated

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>5 Long Term Borrowings</b>				
<b>SECURED</b>				
<b>Term Loans from</b>				
Banks	1,92,36,00,416	1,89,87,70,143	16,74,93,405	3,33,99,808
Financial Institutions	18,44,47,249	18,10,40,789	1,33,57,068	4,94,998
Others	5,03,29,794	7,20,00,000	-	80,00,000
<b>DEBENTURES</b>				
670 Secured Redeemable Non Convertible debentures of Rs.10,00,000/- each	42,15,12,035	60,30,00,000	-	6,70,00,000
<b>UNSECURED</b>				
Inter Corporate Deposits - Related parties	24,52,21,797	11,50,21,797	-	-
- Others	27,21,00,000	12,35,00,000	-	-
Loans - Directors & relatives	13,19,49,251	13,61,33,471	-	-
Amount disclosed under the head "Other Current Liabilities" 8C	-	-	(18,08,50,473)	(10,88,94,806)
<b>Total</b>	<b>3,22,91,60,542</b>	<b>3,12,94,66,200</b>	-	-

**Notes:**

- Term Loans Rs.19420.85 lakhs (previous year Rs.19100.50 lakhs) and Funded interest term loan (FITL) Rs.3468.13 lakhs (previous year 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 and (iii) Neelambur in Paladam / Suler Taluk, (iv) Kalapatti in Coimbatore North Taluk and (v) Uppilipalayam in Coimbatore South Taluk all in Coimbatore District, as well as hypothecation of movables. Term Loans are repayable over 94 structured monthly instalments from April, 2016 to January, 2024 and the FITLs are repayable over 24 structured monthly instalments from April, 2016 to March, 2018. Both Term Loans and FITL carry interest rate of 12% p.a.
- Term Loan of Rs.314.56 lakhs (previous year 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 by 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 District and secured further by (A) First pari-passu charge by way of





## Notes to financial statements for the year ended 31 March, 2016

All amounts are in Indian Rupees unless otherwise stated

- 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, as well a hypothecation of movables and (B) First pari-passu charge by way of Equitable Mortgage of immovable properties of the Company situated at Neelambur in Paladam / Sulur Taluk, Coimbatore District. Repayable (i) at the rate of Rs.112.50 lakhs each from June 2016 to June 2019 (ii) Maturity premium of Rs.40.33 lakhs in the 17th quarter and Rs.40 lakhs each from the 18th to 20th quarter. Interest is at the rate of 12% p.a. in the second year of the tenure ending June, 2016 and 14% p.a. thereafter.
- 3 Term Loan of Rs.188.74 lakhs (previous year 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, as well a hypothecation of movables and secured further by 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) at the rate of Rs.67.50 lakhs each from June 2016 to June 2019 (ii) Maturity premium of Rs.24.20 lakhs in the 17th quarter and Rs.24 lakhs each from the 18th to 20th quarter. Interest is at the rate of 12 % p.a. in the second year of the tenure ending June, 2016 increasing to 14% p.a. thereafter.
- 4 Debenture amounting to Rs.4215.12 lakhs (previous year 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, as well a hypothecation of movables and further secured by (A) 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 (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) at the rate of 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 is at rate of 12% p.a. in the second year of the tenure ending June, 2016 increasing to 14% p.a. thereafter.

### Terms of Repayment of Other Loans

- 5 All Loans have been guaranteed by Directors.
- 6 Debentures to be redeemed chronologically.

	As at 31 March 2016	As at 31 March 2015
<b>6 Other Long-Term Liabilities</b>		
Trade payables (including acceptances)	12,02,05,237	12,16,24,094
Others	14,56,07,375	9,81,65,909
Total	<b>26,58,12,612</b>	<b>21,97,90,003</b>
<b>7 Long-Term Provisions</b>		
Provision for employee benefits:		
(i) Provision for compensated absences	19,09,606	17,24,515
(ii) Provision for gratuity (net)	77,64,180	65,65,307
Total	<b>96,73,786</b>	<b>82,89,822</b>



**Notes to financial statements for the year ended 31 March, 2016**

All amounts are in Indian Rupees unless otherwise stated

	As at 31 March 2016	As at 31 March 2015
<b>8 Short Term Borrowing (Secured)</b>		
<b>A. Working Capital Loans</b>		
Bank	4,85,15,637	4,20,13,637
Total	4,85,15,637	4,20,13,637
<p>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 borrowings and also guaranteed by Directors</p>		
<b>8B Trade payables (including acceptances)</b>	8,79,02,905	6,76,75,872
Total	8,79,02,905	6,76,75,872
<b>8C Other current liabilities</b>		
Current maturity of Long term debt (Refer Note 5)	18,08,50,473	10,88,94,806
Interest Accrued but not due on borrowings	2,78,41,109	6,96,21,172
Other liabilities		
Statutory Payables	1,98,41,535	1,97,71,088
Advance From Customers	1,59,47,520	2,13,87,336
Accrued Expenses	1,50,51,653	1,16,50,403
Total	25,95,32,290	23,13,24,805
<b>9 Short-term provisions</b>		
Provision for employee benefits:		
(i) Provision for bonus	21,41,023	8,98,308
(ii) Provision for compensated absences	7,70,744	8,07,903
(iii) Provision for gratuity (net)	27,70,257	25,86,072
Total	56,82,024	42,92,283

## Notes to financial statements for the year ended 31 March, 2016

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 2014	23,34,06,031	3,48,41,63,975	1,44,79,14,979	26,43,35,071	3,97,57,238	1,59,82,519	5,48,55,59,813
Additions	-	9,73,238	32,55,088	-	-	45,288	42,73,614
Disposals	-	-	-	-	-	-	-
At 31 March 2015	23,34,06,031	3,48,51,37,213	1,45,11,70,067	26,43,35,071	3,97,57,238	1,60,27,807	5,48,98,33,427
Additions	-	5,54,77,605	6,80,39,194	1,38,865	-	-	12,36,55,664
Disposals	-	-	-	-	-	-	-
At 31 March 2016	23,34,06,031	3,54,06,14,818	1,51,92,09,261	26,44,73,936	3,97,57,238	1,60,27,807	5,61,34,89,091
<b>Depreciation</b>							
At 01 April 2014	-	63,11,43,381	60,64,16,938	12,44,25,612	1,65,02,519	1,59,10,805	1,39,43,99,255
Charge for the year	-	10,71,22,542	9,08,63,375	2,53,18,705	30,57,332	359	22,63,62,313
Disposals	-	-	-	-	-	-	-
At 31 March 2015	-	73,82,65,923	69,72,80,313	14,97,44,317	1,95,59,851	1,59,11,164	1,62,07,61,568
Charge for the period	-	10,72,68,234	6,72,12,844	2,53,17,568	30,57,332	8,197	20,28,64,175
Disposals	-	-	-	-	-	-	-
At 31 March 2016	-	84,55,34,157	76,44,93,157	17,50,61,885	2,26,17,183	1,59,19,361	1,82,36,25,743
<b>Net Block</b>							
At 31 March 2015	23,34,06,031	2,74,68,71,290	75,38,89,754	11,45,90,754	2,01,97,387	1,16,643	3,86,90,71,859
At 31 March 2016	23,34,06,031	2,69,50,80,661	75,47,16,104	8,94,12,051	1,71,40,055	1,08,446	3,78,98,63,348

### Note

1. 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.
2. 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, 2016

All amounts are in Indian Rupees unless otherwise stated

	As at 31 March 2016	As at 31 March 2015
<b>11 Non-current investments</b>		
<b>Long Term Investments (At cost) - Trade - Unquoted</b>		
508,421 Equity shares of Rs 10/- each fully paid up in Clarion Wind Farm (P) Ltd (Previous Year : 633,355 Equity shares of Rs 10/- each fully paid up)	50,84,210	63,33,550
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)	2,60,000	2,60,000
89,000 Equity Shares of Rs.60.3/- each in Chemplast Sanmar Limited (Previous year : NIL )	53,66,700	-
<b>Total</b>	<b>1,07,10,910</b>	<b>65,93,550</b>

Particulars	As at 31 March 2016	As at 31 March 2015
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	10,710,910	6,593,550
<b>Total</b>	<b>10,710,910</b>	<b>6,593,550</b>

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>12 Loans and advances</b>				
Capital advances				
Secured, considered good	1,07,80,433	1,33,59,076	-	-
Unsecured, considered good	-	-	-	-
Doubtful	-	-	-	-
	1,07,80,433	1,33,59,076	-	-
Provision for doubtful advances	-	-	-	-
(A)	1,07,80,433	1,33,59,076	-	-
Security deposit				
Rental and other deposits				
Unsecured, considered good	2,80,92,298	2,34,02,888	-	-
Doubtful	-	-	-	-
	2,80,92,298	2,34,02,888	-	-
Provision for doubtful security deposit	-	-	-	-
(B)	2,80,92,298	2,34,02,888	-	-
Advances recoverable in cash or kind				
Unsecured considered good	-	-	2,96,469	3,91,821
Doubtful	-	-	-	-
	-	-	2,96,469	3,91,821
Provision for doubtful advances	-	-	-	-
(C)	-	-	2,96,469	3,91,821
Other loans and advances				
Advance income-tax (net of provision for taxation)	3,99,43,697	3,44,82,757	45,28,746	54,60,940
Minimum Alternative Tax Entitlement Credit	5,95,77,312	5,95,77,312	-	-
Prepaid expenses	-	-	1,18,22,586	1,09,74,752
Balances with statutory/ government authorities	-	-	-	-
(D)	9,95,21,009	9,40,60,069	1,63,51,332	1,64,35,692
<b>Total (A+ B + C + D)</b>	<b>13,83,93,740</b>	<b>13,08,22,033</b>	<b>1,66,47,801</b>	<b>1,68,27,513</b>

## Notes to financial statements for the year ended 31 March, 2016

All amounts are in Indian Rupees unless otherwise stated

13 Trade Receivables & Other Assets	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<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	-	-	12,98,956	-
- Considered doubtful	-	-	2,13,348	-
	-	-	15,12,304	-
Provision for doubtful receivables	-	-	2,13,348	-
(A)	-	-	12,98,956	-
<b>Other receivables</b>				
Unsecured, considered good	-	-	4,59,35,357	4,01,00,261
Doubtful	-	-	-	-
	-	-	4,59,35,357	4,01,00,261
Provision for doubtful receivables	-	-	-	-
(B)	-	-	4,59,35,357	4,01,00,261
<b>Total (A + B)</b>	-	-	4,72,34,313	4,01,00,261
<b>13.2 Other assets</b>				
Interest accrued on Deposits	-	-	14,97,617	15,97,592
Other Receivables	-	-	20,58,202	40,13,362
Total	-	-	35,55,819	56,10,954
<b>14 Cash and bank balances</b>				
Cash and cash equivalents				
Balances with banks:				
On current accounts	-	-	12,66,715	3,18,61,481
on Deposit Accounts	-	-	-	-
Cash on hand	-	-	8,84,527	23,37,543
(A)	-	-	21,51,242	3,41,99,024
Other bank balances				
Deposits with original maturity for more than 12 months	4,51,457	2,50,000	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	7,39,708	-
Margin money deposit	75,27,665	69,25,941	-	-
(B)	79,79,122	71,75,941	7,39,708	-
<b>Total (A) + (B)</b>	79,79,122	71,75,941	28,90,950	3,41,99,024

	As at 31 March 2016	As at 31 March 2015
<b>15 Inventories</b>		
(a) Food & beverages	1,74,92,797	1,52,44,459
(b) Stores and spares	1,98,98,011	1,81,33,336
Total	3,73,90,808	3,33,77,795



**Notes to financial statements for the year ended 31 March, 2016**

All amounts are in Indian Rupees unless otherwise stated

	For the year Ended 31 March 2016	For the year Ended 31 March 2015
<b>16 Revenue from Services</b>		
Room Sales	42,53,09,829	35,62,51,978
Food & Beverage Sales	39,32,11,884	37,44,69,620
Other Services	5,46,12,390	5,03,98,342
<b>Total</b>	<b>87,31,34,103</b>	<b>78,11,19,940</b>
<b>17 Other income</b>		
<b>Interest income on</b>		
Bank deposits	7,89,635	6,76,378
others	24,11,504	9,85,175
Exchange Gain	1,86,947	-
Other non-operating income	54,74,068	36,33,969
<b>Total</b>	<b>88,62,154</b>	<b>52,95,522</b>
<b>18 Cost of Revenues</b>		
<b>Consumption</b>		
Food	7,51,77,182	7,65,74,047
Beverage	2,12,79,136	1,84,86,123
Smokes	8,72,318	8,10,267
Power and fuel	14,16,80,958	12,70,27,579
Water charges	1,02,13,670	1,06,93,258
Upkeep and Service	7,17,75,614	6,23,41,454
Management fees	1,96,64,732	55,44,229
Reservation fee & Commission	1,20,27,943	1,00,77,250
<b>Total</b>	<b>35,26,91,553</b>	<b>31,15,54,207</b>
<b>19 Employee benefit expense</b>		
Salaries and allowances	11,56,71,524	11,25,61,752
Gratuity expense	21,40,975	21,54,149
Contributions to provident fund and employee state insurance plans	64,99,580	59,34,513
Staff welfare	2,20,87,592	1,77,17,818
Directors' remuneration	24,13,750	26,13,035
<b>Total</b>	<b>14,88,13,421</b>	<b>14,09,81,267</b>



## Notes to financial statements for the year ended 31 March, 2016

All amounts are in Indian Rupees unless otherwise stated

	For the year Ended 31 March 2016	For the year Ended 31 March 2015
<b>20 Other expenses</b>		
Audit Fees, Legal & Professional Fees	51,85,302	1,56,35,937
Travel and conveyance	88,32,310	88,25,896
Rent	52,81,552	53,95,862
Repairs and maintenance		
- Building	1,67,43,733	1,09,55,141
- Plant and machinery	1,81,86,022	1,98,61,135
- Others	69,73,580	72,14,927
Communication	72,12,720	68,48,188
Insurance	61,95,937	74,23,458
Bad debts written off	64,150	-
Provision for doubtful debts	2,13,348	-
Fees & Licenses	96,70,960	89,48,645
Loss on Foreign Exchange	-	3,10,511
Directors sitting fees	1,60,198	2,37,192
Rates and taxes	14,47,485	20,61,385
Printing & Stationery	58,72,078	56,53,349
Subscription charges	12,21,179	40,04,992
Miscellaneous expenses	42,32,213	37,95,953
<b>Total</b>	<b>9,74,92,767</b>	<b>10,71,72,571</b>
<b>Payment to auditor (included under Audit Fees, Legal &amp; Professional Fees)</b>		
<b>As auditor:</b>		
Audit fee	5,00,000	5,00,000
Limited review	-	-
Service Tax	72,500	61,800
<b>In other capacity:</b>		
Other services	-	-
Service Tax	-	-
Reimbursement of expenses	-	-
<b>Total</b>	<b>5,72,500</b>	<b>5,61,800</b>
<b>21 Selling expenses</b>		
Advertisement and marketing expenses	4,34,94,397	4,48,75,809
<b>Total</b>	<b>4,34,94,397</b>	<b>4,48,75,809</b>
<b>22 Finance costs</b>		
Interest		
- on Term Loans	32,28,21,766	28,68,64,488
- others	6,16,04,063	5,51,57,103
Finance charges	42,89,867	1,62,94,885
<b>Total</b>	<b>38,87,15,696</b>	<b>35,83,16,476</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 2016 Rs	31 March 2015 Rs
<b>Assets:</b>		
Carry forward Unabsorbed depreciation	52,93,71,000	41,59,79,000
Carry forward loss	NIL	NIL
Provision for expenses allowable on payment basis	53,87,965	42,54,817
<b>Liability:</b>		
Difference between tax and book written down value of fixed assets	(36,30,54,515)	(32,13,29,367)
Net Deferred Tax (Liability)/ Asset	17,17,04,450	9,89,04,450

**23.3. Contingent Liabilities**

Claims against the Company not acknowledged as debt

- Demands raised against the company under Central excise Act, 1944	25,39,667	25,05,563
Others	87,29,532	8,15,44,896
- Right to recompense to joint lender forum	8,85,73,975	4,16,23,946
Total	9,98,43,174	12,56,74,405

**23.4 Cumulative Preference dividend**

(including tax) not provided for	1,49,51,008	84,51,695
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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)	2,01,49,102	2,95,60,400
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**23.6 Other financial information**

Outstanding Bank Guarantees	1,85,03,328	1,82,60,831
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	51,65,432	48,97,626
(ii) Later than one year and not later than five years	1,68,51,409	1,89,37,069
(iii) Later than five years	37,77,032	68,56,804
Lease rental debited to profit and loss account	52,81,552	53,95,862



NOTES FORMING PART OF FINANCIAL STATEMENTS CONTD...

	Year ended March 31, 2016 Rs	Year ended March 31, 2015 Rs
23.8 CIF Value of imports		
Capital goods, Stores & Spares & others	1,39,16,802	1,06,91,042
Food and Beverages	1,59,43,309	1,05,75,592
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.	17,81,07,586	16,92,52,594
23.10 (a) Expenditure in foreign currency (on payment basis)		
(a) Travelling expenses	4,04,471	4,77,236
(b) Management fees( Basic, Sales & Marketing, Incentive Fees & Promotions)	3,55,30,274	2,85,06,367
(c) Foreign Consultants	8,65,238	3,59,726
(d) Interest on ECB Loan	2,43,74,559	2,36,85,561
(e) Others	21,49,210	17,85,718
(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, 2016		Year ended March 31, 2015	
	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	33,46,27,024	5,85,84,859	32,72,17,334	4,72,51,286
Opening Stock	52,70,762	99,73,696	46,21,631	79,44,386
Purchases	11,97,69,448	2,45,65,838	9,81,40,982	1,86,68,908
Consumption	12,08,08,312	2,12,81,887	9,74,91,850	1,66,39,598
Closing Stock	42,31,899	1,32,57,648	52,70,762	99,73,696



**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, 2016		Year ended March 31, 2015	
	Rs	%	Rs	%
Imported	1,26,88,630	9	86,17,196	8
Indigenous	12,94,01,568	91	10,55,14,252	92
	14,20,90,198	100	11,41,31,448	100

Of the total consumption stated above

- Rs.4,47,61,563/- (Previous year Rs. 1,82,61,011/-) included under Staff Welfare and Upkeep and service.
- Rs.9,73,28,635 /-( Previous year Rs. 9,58,70,437/- ) shown as consumption under “Cost of Revenues” – Note 18

**23.12 Earnings per Share**

	Year ended March 31, 2016 Rs.	Year ended March 31, 2015 Rs.
Profit/Loss as per profit and loss account	(27,92,75,752)	(32,50,57,051)
Add: Preference Dividend not provided for including tax	(64,99,313)	(64,80,000)
Total	(28,57,75,065)	(33,15,37,051)
Weighted average number of shares outstanding	8,11,55,718	8,11,55,718
Earnings Per Share	(3.52)	(4.09)

**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, 2016 Rs.	Year ended March 31, 2015 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, 2016	March 31, 2015
01	Present value of Benefit Obligation at the beginning of the period	91,51,379	75,39,067
02	Current Service Cost	15,67,747	13,20,326
03	Interest Cost	6,84,249	6,27,982
04	Benefits paid	(7,57,917)	(6,41,770)
05	Actuarial (Gain)/Loss	(1,11,021)	3,05,774
06	Present value of Benefit Obligation at the end of the period	1,05,34,437	91,51,379

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

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

SI.No	Particulars	March 31, 2016	March 31, 2015
01	Fair value of plan assets at the beginning of the period	-	-
02	Expected return on plan asset	-	-
03	Contributions	7,57,917	6,41,770
04	Benefits paid	(7,57,917)	(6,41,770)
05	Actuarial (Gain)/ Loss	-	-
06	Fair value of plan assets at the end of the period	-	-

(iii) Actuarial return on plan assets

SI.No	Particulars	March 31, 2016	March 31, 2015
01	Expected return on plan asset	-	-
02	Expected Gain/(Loss) on plan asset	-	-
03	Actual return on plan assets	-	-

(iv) Actuarial gain/ loss recognized

SI.No	Particulars	March 31, 2016	March 31, 2015
01	Actuarial Gain/ (Loss) for the period – Obligation	1,11,021	(3,05,774)
02	Actuarial Gain/ (Loss) for the period - Plan assets	-	-
03	Total (Gain)/ Loss for the period	(1,11,021)	3,05,774
04	Actuarial (Gain)/ Loss recognised in the period	(1,11,021)	3,05,774
05	Unrecognised actuarial (gain)/ loss at the end of the year	-	-

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

SI.No	Particulars	March 31, 2016	March 31, 2015
01	Present value of the Obligation	1,05,34,437	91,51,379
02	Fair Value of Plan assets	-	-
03	Difference	1,05,34,437	91,51,379
04	Unrecognised transitional liability	-	-
05	Unrecognised past service cost - non-vested benefits	-	-
06	Liability recognised in the Balance Sheet	1,05,34,437	91,51,379

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

SI.No	Particulars	March 31, 2016	March 31, 2015
01	Current Service Cost	15,67,747	13,20,326
02	Interest Cost	6,84,249	6,27,982
03	Expected return on Plan Assets	-	-
04	Net Actuarial (Gain)/Loss recognised in the period	(1,11,021)	3,05,774
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	21,40,975	22,54,082

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

SI.No	Particulars	March 31, 2016	March 31, 2015
01	Opening net liability	91,51,379	75,39,067
02	Expense as above	21,40,975	22,54,082
03	Contribution paid	(7,57,917)	(6,41,770)
04	Closing net liability	1,05,34,437	91,51,379

(vi) Amount for the current period



SI.No	Particulars	March 31, 2016	March 31, 2015
01	Present value of obligation	1,05,34,437	91,51,379
02	Plan assets	-	-
03	Surplus/(Deficit)	(1,05,34,437)	(91,51,379)
04	Experience adjustment on plan liabilities - (Loss)/ Gain	1,75,717	90,342
05	Experience adjustment on plan assets - (Loss)/ Gain	-	-

(ix) Principal Actuarial Assumptions

SI.No	Particulars	March 31, 2016	March 31, 2015
01	Discount Rate	7.6%	7.8%
02	Salary Escalation	5.0%	5.0%
03	Attrition rate	20.0%	20.0%

B. Leave encashment

SI.No	Actuarial Assumptions	March 31, 2016	March 31, 2015
01	Discount Rate	7.6%	7.8%
02	Salary Escalation	5.0%	5.0%
03	Attrition Rate	20.0%	20.0%
04	Liability recognized in the Balance Sheet	26,80,350	25,32,418
05	Expense Recognized in the statement of profit and loss	5,17,134	6,34,046

**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	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, 2016

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

Particulars	DSCL	DFL	DDPL	ADL	Key Management Personnel & Relatives	Total
<b>Transactions during the year</b>						
Travel services Paid		2,34,61,611 (2,33,81,269)				2,34,61,611 (2,33,81,269)
Rent Paid					31,39,102 (30,95,712)	31,39,102 (30,95,712)
Rent Received		60,000 (60,000)				60,000 (60,000)
Remuneration					24,13,750 (26,13,035)	24,13,750 (26,13,035)
Purchase of Sugar	1,20,824 (NIL)					1,20,824 (NIL)
Reimbursement of Expenses	67,570 (NIL)		1,36,371 (NIL)			2,03,941 (NIL)
Inter corporate deposits / Loans received	NIL (15,83,06,481)		14,10,00,000 (NIL)	10,00,000 (NIL)	1,64,59,001 (1,50,18,364)	15,84,59,001 (17,33,24,845)
Interest on Inter Corporate Deposits / Loans	NIL (72,65,872)		23,85,902 (NIL)	1,32,36,025 (1,59,64,150)	1,64,82,349 (1,46,91,611)	3,21,04,276 (3,79,21,633)
<b>Balances at year end</b>						
Sundry Creditors	70,876 (NIL)	1,80,65,432 (1,73,56,360)	1,36,371 (NIL)	62,00,760 (62,88,065)	22,418 (5,59,336)	2,44,95,857 (2,42,03,761)
Inter corporate deposits / Loans	NIL (NIL)		13,70,00,000 (NIL)	10,82,21,797 (11,50,21,797)	13,19,49,252 (13,61,33,471)	37,71,71,049 (25,11,55,268)
Interest payable on Inter corporate Deposits / Loans	NIL (NIL)		21,47,311 (NIL)	6,41,68,738 (5,22,56,315)	3,29,45,946 (2,20,23,469)	9,92,61,995 (7,42,79,784)



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

Particulars	Foreign Currency	March 31, 2016	
		Amount in Foreign currency	Amount in Indian Rupees
Sundry Creditors	USD	1,13,047	74,98,719
Term Loan from Banks – Principal o/s	USD	70,31,180	46,63,98,560
Other long term liabilities – Interest accrued	USD	1,53,651	1,01,92,095

**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

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

**per K.MURALI**

Partner  
Membership No.: 29294  
Chennai  
26th May 2016

**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, 2016

All amounts are in Indian Rupees unless otherwise stated

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	(35,20,75,752)	(40,28,47,181)
<i>Adjustments for:</i>		
Depreciation and amortisation	20,28,64,175	22,63,62,313
Provision for impairment of fixed assets and intangibles		
Amortisation of share issue expenses and discount on shares		
(Profit) / loss on sale / write off of assets	-	-
Expense on employee stock option scheme		
Finance costs	38,87,15,696	35,83,16,476
Interest income	(32,01,139)	(16,61,553)
Dividend income		
Net (gain) / loss on sale of investments		
Rental income from investment properties		
Rental income from operating leases	(40,11,556)	(23,88,172)
Share of profit from partnership firms		
Share of profit from AOPs		
Share of profit from LLPs		
Liabilities / provisions no longer required written back	-	-
Adjustments to the carrying amount of investments		
Provision for losses of subsidiary companies		
Provision for doubtful trade and other receivables, loans and advances		
Provision for estimated loss on derivatives		
Provision for warranty		
Provision for estimated losses on onerous contracts		
Provision for contingencies		
Other non-cash charges (specify)		
Net unrealised exchange (gain) / loss		
	58,43,67,176	58,06,29,064
Operating profit / (loss) before working capital changes	23,22,91,424	17,77,81,883
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(40,13,013)	(31,35,974)
Trade receivables	(71,34,052)	(1,30,58,898)
Short-term loans and advances	(43,49,034)	(35,29,764)
Long-term loans and advances	(75,71,707)	(1,67,61,593)
Other current assets	20,55,135	(36,66,289)
Other non-current assets	(8,03,181)	(6,73,878)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	2,02,27,033	(39,33,026)
Other current liabilities	(19,68,119)	(85,97,728)
Other long-term liabilities	4,60,22,608	(5,27,20,052)
Short-term provisions	13,89,741	(7,67,442)
Adjustment for Tax	45,28,745	54,60,940
Long-term provisions	13,83,963	21,38,905
	4,97,68,123	(9,92,44,799)
	28,20,59,547	7,85,37,084
Cash flow from extraordinary items	-	-
Cash generated from operations	28,20,59,547	7,85,37,084
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>28,20,59,547</b>	<b>7,85,37,084</b>





**Cash Flow Statements for the year ended 31 March, 2016 (contd.)**  
All amounts are in Indian Rupees unless otherwise stated

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015	
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(6,41,19,205)		(4,77,28,861)	
Proceeds from sale of fixed assets	-		-	
Inter-corporate deposits (net)				
Bank balances not considered as Cash and cash equivalents				
- Placed	(7,39,708)		-	
- Matured				
Current investments not considered as Cash and cash equivalents				
- Purchased				
- Proceeds from sale				
Purchase of long-term investments				
- Subsidiaries				
- Associates				
- Joint ventures				
- Business units				
- Others	(41,17,360)		(22,31,550)	
Proceeds from sale of long-term investments				
- Subsidiaries				
- Associates				
- Joint ventures				
- Business units				
- Others	-		-	
Loans given				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others				
Loans realised				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others				
Interest received				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others	32,01,139		16,61,553	
Dividend received				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others				
Rental income from investment properties				
Rental income from operating leases	40,11,556		23,88,172	
Amounts received from partnership firms				
Amounts received from AOPs				
Amounts received from LLPs				
Cash flow from extraordinary items		(6,17,63,578)		(4,59,10,686)
		(6,17,63,578)		(4,59,10,686)
Net income tax (paid) / refunds		-		-
		(6,17,63,578)		(4,59,10,686)
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(6,17,63,578)</b>		<b>(4,59,10,686)</b>

## Cash Flow Statements for the year ended 31 March, 2016 (contd.)

All amounts are in Indian Rupees unless otherwise stated

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of Debentures	(24,84,87,965)	67,00,00,000
Proceeds from issue of preference shares	-	1,50,00,000
Proceeds from term loans from others	(2,96,70,206)	8,00,00,000
Redemption / buy back of preference / equity shares	-	(1,50,00,000)
Proceeds from issue of share warrants		
Share application money received / (refunded)		
Proceeds from long-term borrowings	60,05,56,402	66,23,52,351
Repayment of long-term borrowings	(15,07,48,225)	(1,05,16,95,551)
Net increase / (decrease) in working capital borrowings	65,02,000	(44,95,733)
Finance cost - Net off Interest accrued	(43,04,95,759)	(35,64,99,390)
Dividends paid	-	-
	(25,23,43,753)	(3,38,323)
Cash flow from extraordinary items	-	
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(25,23,43,753)</b>	<b>(3,38,323)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(3,20,47,783)</b>	<b>3,22,88,075</b>
Cash and cash equivalents at the beginning of the year	3,41,99,024	19,10,949
Cash and cash equivalents at the end of the year *	21,51,241	3,41,99,024
* Comprises:		
(a) Cash on hand	8,84,527	23,37,543
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	12,66,715	3,18,61,481
(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		
	21,51,242	3,41,99,024

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

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

**per K.MURALI**  
Partner  
Membership No.: 29294  
Chennai  
26th May 2016

**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 memembr / proxy appointed by the member\* of the Company and record my presence at the 30th Annual General Meeting of the Company, at Le Royal Meridien, No.1, GST Road, St.Thomas Mount, Guindy, Chennai - 600 016 on Friday 30th September 2016 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.

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

PROXY FORM - MGT - II

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.





*Govt. of Tamil Nadu selected our hotel to do the entire catering services for the "Tamilnadu Global Investors Meet" (GIM, 2016) at Chennai Trade Centre on the 9th & 10th September 2015. Our services got a special mention for the success of the Conference.*



*The "Peacock Restaurant" at Le Meridien-Coimbatore received "Distinguished Restaurant" Award from Accreditation Body 'Rocheston' based at New York as one of the 79 best Fine Dine Restaurants in India, during August 2016.*



Appu Hotels Limited

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