APPU HOTELS LIMITED

PGP GROUP

32nd ANNUAL REPORT 2017-18

"A beautiful view of the swimming pool and the open air banqueting facility at PGP Riverside Hotels & Resorts at Kumbakonam."

Luxurious arrangements made by our Food & Beverage Department for a dinner function at "Grand Madras Ball Room".

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		
Ms Ananthi Periasamy		
Mr. Anoop Bali	:	Nominee Director - TFCI
Mr A Sennimalai	:	Managing Director
Company Secretary	:	Mr N Subramanian
Chief Financial Officer	:	**Mr B Murugesan**
Auditors	:	**M/s Ramkrish & Co.,** Chartered Accountants New No 19 (Old No .9A) Bagavantham Street, T Nagar, Chennai 600 017 Firm Regn. No : 003017S
Internal Auditors	:	**M/s. Srinivasan & Shankar** Chartered Accountants No.18/36 Second Floor, Karpagambal Nagar, Mylapore, Chennai 600 004 Firm Regn. No : 005093S
Bankers & Financial Institutions	:	Indian Bank State Bank of India Bank of India IDBI Bank Ltd TFCI Ltd.
Registered Office	:	PGP House”, New No.59 (Old No.57) Sterling Road Nungambakkam, Chennai – 600 034. Phone Nos. 28311313, 28311414 CIN No.U92490TN1983PLC009942 E –mail:secretarial@appuhotelsltd-pgp.com Website – www.appuhotels.com
Hotels	:	**Le Royal Meridien Chennai** No.1 GST Road, St. Thomas Mount, Chennai – 600 016. Phone No.91-44- 22314343 Fax No. 91-44-22347621 E-mail : chairman@leroyalmeridien-chennai.com **Le Meridien Coimbatore** 762 Avinashi Road, Coimbatore – 641 062 Phone: 91-422- 4254343 Fax : 91-422-2364444 E-mail : ahlcoimbatore@pgpgroup.in **Hotel Riverside Resort & Spa, Kumbakonam** 32/33 College Road (Govt. Mens College) Kumbakonam- 612 002 Phone: 91-435-2443636 Fax : 91-435-2443638 E-mail : ahlkumbakonam@pgpgroup.in

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 32nd 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 28th September 2018 at 10.00 A.M.** to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements including Balance Sheet as at 31st March 2018, 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, Director (DIN.00277906) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

3. To consider and if thought fit, to pass with or without modification the following resolution as Special Resolution.

Payment of Remuneration to Mr A Sennimalai, Managing Director

RESOLVED that pursuant to the procedure indicated in Part II of Schedule V read with Section 196, 197, of the Companies Act, 2013 subject to such sanctions as may be necessary, approval and sanction of the Company be and is hereby accorded to the payment of the following remuneration for a period 3 years from 2017-18 to 2019-20 to the following Managerial Personnel of the Company having inadequate profits during the year 2017-18.

In Rs.

1. Salary	21,60,000.00
2. Perquisites	
- HRA	3,00,000.00
- Leave Travel Allowance	1,80,000.00
- Medical Allowance	1,80,000.00
Total	28,20,000.00

NOTES

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.

a. 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.

b. 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.

c. 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.

d. 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.

e. Shareholders are requested to intimate changes in their address, if any, quoting Folio No / Client ID No. to the Company.

f. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of the special business set out against Item 3 is given below and forms part of this notice.

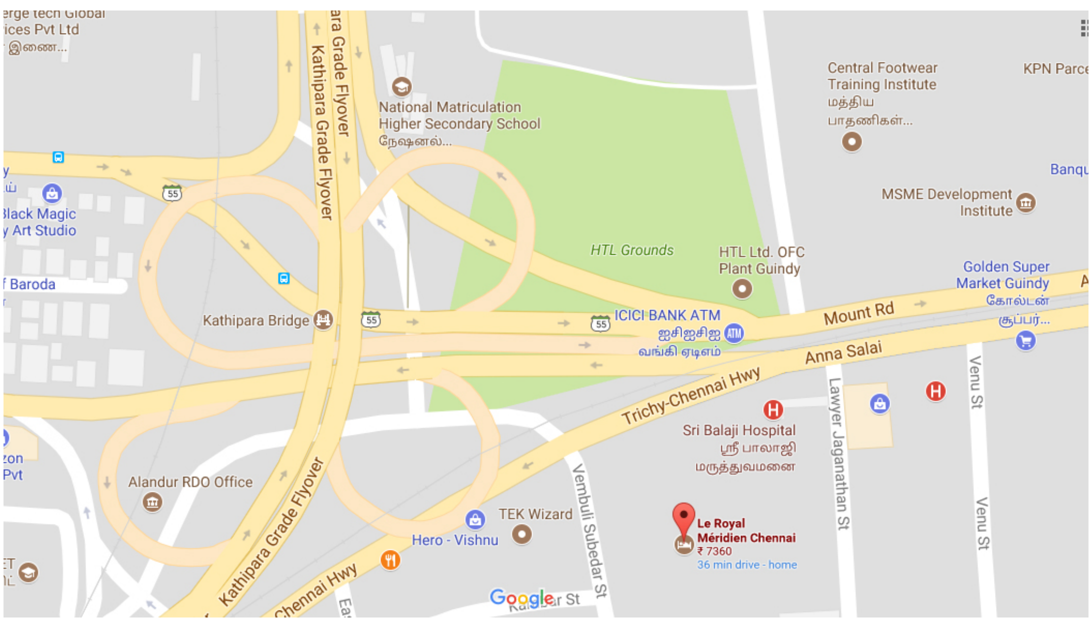
g. Member/Proxies should bring their attendance slips sent herewith duly filled in, for attending the meeting. Only members/proxies will be admitted into the auditorium for the meeting.

By order of the Board

for Appu Hotels Limited
N Subramanian
Company Secretary &
President (Corporate Affairs)

Place : Chennai –34
Date : 28.05.2018

Route Map



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

A. Remuneration to Mr A Sennimalai, Managing Director

Mr. A Sennimalai, (DIN: 00062791) was reappointed as Managing Director for a period of 5 years from 01.04.2017 with the following remuneration and approval of Shareholders was obtained through a Special Resolution in the Annual General Meeting held on 27th September 2017.

Salary	Rs. 2160000/- p.a.
Perquisites	HRA at Company Rates Medical Reimbursement (@ 1 month salary) LTA (@ 1 month Salary.)

It was also provided therein that in case there are no profits or if the profits are insufficient, payment of remuneration will be regulated within the limits, i.e., Rs.60 lakhs since revised to Rs. 120 lakhs per year prescribed in Section II Part II of the Schedule V to the Companies Act, 2013 and after following the prescribed procedure. For the year 2017-18 there were no profits and hence the above procedure is being followed. The following remuneration which is within the prescribed limits has been recommended by the Nomination and Remuneration Committee and Board of Directors has approved the same.

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

b) Interest of Directors, Key Managerial personnel and their relatives:
None of (i) Directors,
(ii) Key Managerial Personnel (CFO & Company Secretary), and
(iii) Relatives of the persons mentioned in (i) and (ii) are interested in the above said resolution.

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

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

I.	**General Information**	
1	Nature of industry	Hospitality Services
2	Date or expected date of commencement of commercial production	06.04.1983
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA
4	Financial performance based on given indicators	Given in the Board's Report
5	Foreign investments or collaborations, if any	NIL
II.	Information about the appointee	
1	Background details	Mr A Sennimalai belongs to the promoter group. He has been member of the Company since 1995 Mr A Sennimalai was a rank holder in M.Sc., (Statistics) at Annamalai University. He has got about 32 years experience in the Management of Projects. He joined the group during 1985 and since then he has handled all the planning and implementation of all the PGP Group projects.
2	Past Remuneration	Rs.1,80,000/- p.m + perks
3	Recognition or awards	Nil
4	Job Profile and his suitability	He has more than 32 years experience in General administration in the group.
5	Remuneration proposed	Rs.1,80,000/- p.m + perks
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Rs.3,00,000/- p.m. + perquisites
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Member of the Promoter Group. Holds 81595 equity shares 0.09% in Appu Hotels Limited
III.	**Other information**	
1	Reasons of loss or inadequate profits	Hospitality Industry has not been profitable in India In the last two years.
2	Steps taken or proposed to be taken for improvement	Given in Board's Report
3	Expected increase in productivity and profits in measurable terms	As given in the Board's Report

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

By order of the Board

for Appu Hotels Limited
N Subramanian
Company Secretary &
President (Corporate Affairs)

Place : Chennai –34
Date : 28.05.2018

BOARD'S REPORT

All members,

Your Directors are pleased to present their 32nd Annual Report on the operations of the Company and the audited financial statements of accounts for the year ended 31st March 2018.

1. FINANCIAL SUMMARY

(Rs. In lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Gross Revenue	9044.96	9034.04
Expenditure	6405.26	6432.27
Profit before Interest, Depreciation and Tax	2639.69	2601.77
Interest and Finance Charges	3723.64	3787.82
Depreciation	2034.53	1965.55
Profit / (Loss) before Tax	(3118.48)	(3151.60)
Current Tax	-	-
Deferred Tax/(Asset)	-	-
Net Profit/(Loss)	(3118.48)	(3151.60)
Dividend if any recommended	-	-
Transfer to Reserves proposed if any	-	-
Profit/(Loss) carried forward	(3118.48)	(3151.60)

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 due to be transferred to IEPF Accounting during the F.Y. 2017-2018.

(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 as there were no profits.

4. REVIEW OF OPERATIONS

The total income for the year 2017-18 for all the Hotels was Rs.90.45 cr. as against Rs.90.34 cr. in the previous year. The GOP for the year was Rs.26.40 cr. as against Rs.26.01 cr. in the previous year. The GOP percentage of 29% is same for current and previous year. The net loss after interest, depreciation and tax works out to Rs.31.18 cr. as against the loss of Rs.31.52 cr. in the previous year. Over all there has been only some marginal improvement.

In Le Royal Meridien, Chennai average occupancy for the year was 51% as against 53% in previous year. The average room revenue for the year has increased to Rs.5197/- as against Rs.4893/- in the previous year. The REVPAR has marginally increased to Rs.2638/- from Rs.2610/- in the previous year.

The total income for the year 2017-18 was Rs.45.83 cr. as against Rs.46.13 cr. in the earlier year. The GOP for the year was Rs.12.16 cr. as against Rs.11.60 cr. in the previous year. The GOP percentage works out to 27% as against the GOP percentage of 25% in the previous year.

LM-Coimbatore. The overall performance of Coimbatore Hotel for the year 2017-18 has shown marginal improvement over the previous year. The occupancy level has improved to 45% against 44% in the previous year.

Average room revenue for the year was Rs.5238/- as against Rs.4980/- in the previous year. The REVPAR has increased to Rs.2351/- from the previous year amount of Rs.2178/-.

The total income for the year was Rs.43.29 crs. as against Rs.43.07 crs in the previous year, showing marginal increase. The GOP for the year was Rs.14.36 cr. as against Rs.14.93 cr. in the previous year. The GOP margin has come down to 33% from 35% in the previous year.

The performance of the Kumbakonam Hotel has shown some improvement. The occupancy level for the year was 37% as against 26% in the earlier year. The average room recovery has increased to Rs.3184/- as against Rs.3087/- in the previous year. The REVPAR has increased to Rs.1183/- as against Rs.802/- in the previous year. The total income for the year is Rs.1.34 cr. as against Rs.1.14 cr. in the previous year. The operating loss for the year has come down to Rs.0.04 cr. as against the loss of Rs.0.27 cr. in the previous year.

5. PLAN OF ACTION

Finances of the Company continues to be tight leading to some delay in meeting its financial commitments to lenders on the due dates in few instances. Company is making efforts to raise additional resources by sale of some non-core assets.

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. NOC from the Airport Authority of India and the PWD department have also been obtained. The disposal of the said land in whole or in parts by way of land parcels is being vigorously explored so as to derive optimum value realization, which will help the Company's financial position. The Company has retained a real estate consultancy firm of global repute for this task.

The renovation of the Chennai Hotel is also in progress without causing inconvenience to guests.

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 acquit itself reasonably well during the year if the current trend continues. On the other hand, Chennai hospitality market continues to remain competitive.

Hospitality industry continues to be in a difficult situation on the whole with significant gap between hotel's capacity to generate sufficient cash flows and debt service liabilities. However the Company is not sparing any effort to improve the yield and performance of the Chennai and Coimbatore property.

7. (A) MATERIAL CHANGES AND COMMITMENTS

The Company has adopted Ind AS from 01.04.2017 and the format figures as well as comparative figures for the previous year have been given accordingly.

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

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

Particulars	Rs Lakhs
Net Worth at the Close of	
Current Financial Year 2017-18	29717.72
Previous Financial Year 2016-17	32832.25
Variations – increase/(decrease)	(3114.53)

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 & to the Chairman of the Board.

The Internal Audit monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal auditor, management 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 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. Declarations have been obtained from the Directors.

1. Dr Palani G Periasamy Chairman	Rs. 29,00,000.00
2. Mr A Sennimalai Managing Director	Rs. 2,40,00,000.00

12. STATUTORY AUDITORS

M/s K. Ramkrish & Co., Chartered Accountants (Firm Regn. No. 003017S), Chennai are eligible to continue as Statutory Auditors for the next 1 year and as they have indicated their consent, they are being continued as Statutory Auditors for a period of 1 year from the conclusion of this Annual General Meeting.

13. AUDITOR'S REPORT

Auditor's report indicating their unmodified opinion 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 31st March 2018 is attached. There were no qualifications observations or adverse remarks. The Company declares that all applicable secretarial standards have been followed.

15. SHARE CAPITAL

Against the total authorized capital of Rs.115 crores, consisting of Rs 100 crores equity and Rs 15 crores preference share capital, as at 31.03.2018, the Company's paid up equity share capital is Rs.89.71 crores and preference share capital is Rs.9.00 crores.

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 follow 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 this 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 30th September 2014 will hold office for 5 years till 29.09.2019.

20. BOARD MEETINGS

During the year 2017-18, four Board Meetings were held on 25.05.2017, 09.08.2017, 05.12.2017 and 09.02.2018.

The names of Directors and their attendance at the Board Meetings during the year are given below :

Sl. No	Name of the Director	Category of Directorship	No. of Board Meetings Attended
1	Dr Palani G Periasamy	Chairman – Non Executive - Promoter	4
2	Mrs Visalakshi Periasamy	Vice Chairman – Executive - Promoter	4
3	Mr A Sennimalai	Managing Director – Executive	4
4	Mr K Kandasamy	Non – Executive - Promoter	4
5	Dr V Janakiraman	Non - Executive	1
6	Dr M C Thirumoorthi	Independent Director	1
7	Mr C Ramachandran	Independent Director	4
8	Dr A Sakthivel	Independent Director	2
9	Ms Ananthi Periasamy	Non Executive - Promoter	3
10	Mr Anoop Bali	Nominee Director – TFCI	1

21. BOARD EVALUATION

Formal Annual Evaluation has been carried out by the Board of its own performance and that of its Committee and individual Directors in accordance with the approved policy. The Nomination & Remuneration Committee has recommended a suitable policy for performance evaluation covering the following.

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

This policy duly approved by the Board is available on the website of the Company.

22. AUDIT COMMITTEE

Audit Committee consisting of the following Directors and their Attendance details are given below :

Sl. No	Name of the Director	Category of Directorship	No. of Meetings Attended
1	Dr A Sakthivel	Independent Director	2
2	Mr A Sennimalai	Managing Director - Executive	3
3	Mr C Ramachandran	Independent Director	3
4	Dr M C Thirumoorthi	Independent Director	0
5	Mr Anoop Bali	Nominee Director –TFCI	0

Mr C Ramachandran is the Chairman of the Audit Committee. During the year 2017-18 the Audit Committee met on 25.05.2017, 09.08.2017 and 05.12.2017. There was no instance where the Audit Committee's recommendation was not accepted by the Board.

23. MANAGEMENT COMMITTEE

The Committee consists of the following members. During the year 2017-18 the Committee had 3 Meetings i.e, 13.11.2017, 15.12.2017 and 09.01.2018. Attendance details are given below.

Sl. No	Name of the Director	Category of Directorship	No. of Meetings Attended
1	Dr Palani G Periasamy	Chairman - Non Executive	3
2	Mrs. Visalakshi Periasamy	Vice Chairman - Executive	1
3	Mr A Sennimalai	Managing Director - Executive	3
4	Mr. K Kandasamy	Non Executive	3
5	Mr C Ramachandran	Independent Director	3

24. 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 25.05.2017. Attendance details are given below.

Sl. No	Name of the Director	Category of Directorship	No. of Meetings Attended
1	Mr C Ramachandran	Independent Director	1
2	Mr. K Kandasamy	Non - Executive	1
3	Dr A Sakthivel	Independent Director	1

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

- Independent Directors (ID) and Non-Independent Non-Executive Directors (NINED) are being 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 policy for Executive Directors, 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.

25. 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.

Company has invested the following:

(1) A sum of Rs. 15,54,990/- was invested in Clarion Wind Firm (P) Limited to be considered as a captive power consumer to avail concessional power and was allotted 155499 equity shares at Rs. 10/- each.

(2) A sum of Rs. 8,74,000/- was invested in M/s MMS Steel and Power Private Limited to be considered as a captive power consumer to avail concessional power and was allotted 87400 equity shares at Rs. 10/- each.

(3) A sum of Rs. 3,00,000/- was invested in M/s Mytrah Vayu Manjira Private Limited to be considered as a captive power consumer to avail concessional power and was allotted 30000 equity shares at Rs. 10/- each.

(4) a sum of Rs.53,66,700/- for holding 89000 equity shares in M/s. Chemplast Sanmar Limited (CSL) to be treated as captive power consumer according to TANGEDCO Regulations. The contract has been terminated by the supplier, and the Company has taken up with them to get back the amount invested.

Investments in such cases are regulated, increased or decreased based on power consumption according to TANGEDCO Regulations.

26. 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.

27.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 Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	The information as per Rule 5(2) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. However as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(2) of the Rules, the Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2) (first part). Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company. There are no employees falling within the requirements of rule 5(2) (Second part) of the said rules.	
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., restricted to all the directors;	Salary Rs. 42.00 lakhs p.a. No other perquisites. (Actual payment restricted to Rs.24 Lakhs)*	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

* Actual remuneration payable for 2017-18 is regulated in accordance with Section 197 and Schedule V, Part II, Section II as there are no profits.

In the absence of profits, remuneration within the prescribed limits as given in D (i) above has been proposed to be paid. Approval of the Shareholders in accordance with Schedule V Part II Section II of the Companies Act, 2013 for making this payment to the Managing Director for a period of 3 years is being obtained through a special resolution.

28. VIGIL MECHANISM FOR DIRECTORS & EMPLOYEES

An effective 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 overseas this mechanism and Mrs. Visalakshi Periasamy, Executive Vice Chairman, is the ombudsperson.

29. CORPORATE GOVERNANCE CERTIFICATE

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

30. 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.

31. 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 of sexual harassment. All employees are covered under this policy. Details have been displayed prominently in the work place and also in the Company's Website.

No complaints were received during the year 2017-18.

32. DIRECTOR'S RESPONSIBILITY STATEMENT

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

i) In the preparation of the annual accounts, the applicable accounting standards have been followed.

ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.

iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) The directors have prepared the annual accounts on a going concern basis.

v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

33. 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 is not compulsory. Members who wish to hold shares in physical form (i.e., in the form of Share Certificates) may continue to hold Share Certificates. However all shareholders are advised to convert their physical share certificates to demat form for ease and safety.

The Shareholding details as on 31.03.2018.

Sl.No	Particulars	No of Shares	%
I. Dematerialized			
01	NSDL	36988217	41.23
02	CDSL	2604	0.00
II. Physical		52720412	58.77
Total		89711233	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

34. 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 guests, Customers, Vendors and the Investors for their support, patronage and co-operation.

By order of the Board

for Appu Hotels Limited
Dr. Palani G. Periasamy
Chairman

Place : Chennai – 34
Date : 28.05.2018

ANNEXURE I TO THE BOARD'S REPORT

Information pursuant to the Companies Disclosure 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)

	2017-18	2016-17
A. Conservation of Energy	As in Annexure given below	
B. Technology absorption	-	-
C. Foreign Exchange Earnings	1900.72	1771.27
D. Foreign Exchange outgo	450.15	558.64

A. Conservation of Energy

SI.No.	PARTICULARS	Energy saved (In Rs.)
1	The steps taken or impact on conservation of energy – Replacement by energy efficient LED/LCD lamps.	1,42,580.00
2	The steps taken by the Company for utilizing alternate sources of energy – Purchase of Wind Mill Power	15,19,563.00
3	The Capital investment on energy conservation equipments (Rs.84900/-)	97,200.00

By order of the Board

for Appu Hotels Limited
Dr. Palani G. Periasamy
Chairman

Place : Chennai – 34
Date : 28.05.2018

Annexure A to Boards Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2018

[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	Limited by Shares
v	Address of the Registered office & contact details	No.59 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 - 600 001 Tel : 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	55101	100%

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl 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 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Shareholding Of Promoter And Promoter Group									
1 Indian									
a. Individuals/hindu Undivided Family	0	3025898	3025898	3.37	0	3025898	3025898	3.37	0.00
b. Central/ State Government	0	0	0	0.00	0	0	0	0.00	0.00
c. Bodies Corporate	0	20475249	20475249	22.82	0	20475249	20475249	22.82	0.00
d. Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
e. Any Other			0	0.00			0	0.00	0.00
Sub - Total (a)(1)	0	23501147	23501147	26.20	0	23501147	23501147	26.20	0.00
2 Foreign	0	0	0	0.00	0	0	0	0.00	0.00
a. Individuals (non-resident Individuals/ 'foreign Individuals)	0	16409472	16409472	18.29	160975	16409472	16570447	18.47	0.18
b. Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
c. Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d. Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
e. Any Other			0	0.00			0	0.00	0.00
Sub - Total (a)(2)	0	16409472	16409472	18.29	160975	16409472	16570447	18.47	0.18
Total Share Holding Of Promoter And Promoter Group (a) = (a)(1)+(a)(2)	0	39910619	39910619	44.49	160975	16409472	40071594	44.67	0.18
B. Public Shareholding									
1 Institutions	0	0	0	0.00	0	0	0	0.00	0.00
2 Non-institutions	0	0	0	0.00	0	0	0	0.00	0.00
b. Individuals -	0	0	0	0.00	0	0	0	0.00	0.00
I Individual Shareholders 'holding Nominal Share Capital 'upto Rs. 1 Lakh	8574	49712	58286	0.06	8574	49712	58286	0.06	0.00
I Individual Shareholders 'holding Nominal Share Capital In Excess Of Rs. 1 Lakh	225545	591401	816946	0.91	225545	591401	816946	0.91	0.00
c. Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
d. Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Hindu Undivided Families	2604	11486	14090	0.02	2604	11486	14090	0.02	0.00
Non Resident Indians	35936269	12975023	48911292	54.52	35775294	12975023	48750317	54.34	-0.18
Sub - Total (b)(2)	36172992	13627622	49800614	55.51	36012017	13627622	49639639	55.33	-0.18
Total Public Shareholding '(b) = (b)(1)+(b)(2)	36172992	13627622	49800614	55.51	36012017	13627622	49639639	55.33	-0.18
Total (a)+(b)	36172992	53538241	89711233	100.00	36333967	53377266	89711233	100.00	0.00
C. Shares Held By Custodians And Against Which Depository Receipts Have Been Issued									
Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
Public	0	0	0	0.00	0	0	0	0.00	0.00
Total Custodian (c)	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (a)+(b)+(c)	36172992	53538241	89711233	100.00	36333967	53377266	89711233	100.00	0.00

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% 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	8652431	9.64	8.11	8652431	9.64	8.11	0.00
2	Mrs Visalakshi Periasamy	8533694	9.51	8.65	8533694	9.51	8.65	0.00
3	Dr Jayanthi Periasamy	302185	0.34	0.00	302185	0.34	0.00	0.00
4	Santhi Periasamy	583206	0.65	0.00	583206	0.65	0.00	0.00
5	Nalini Periasamy	671716	0.75	0.00	671716	0.75	0.00	0.00
6	Ananthi Periasamy	583206	0.65	0.00	583206	0.65	0.00	0.00
7	Vikram Kumar	109472	0.12	0.00	270447	0.30	0.00	0.18
8	Dharani Credit & Finance (P) Ltd	4441356	4.95	0.00	4441356	4.95	0.00	0.00
9	Dharani Sugars & Chemicals Ltd	5121500	5.71	0.00	5121500	5.71	0.00	0.00
10	Dharani Developers (P) Ltd	10912393	12.16	0.00	10912393	12.16	0.00	0.00
	Total	39910619	44.49	16.76	40071594	44.67	16.76	0.18

(iii) Changes in shareholdings of Promoters

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year -01.04.2017		Cumulative Shareholding during the year-31.03.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Dr Palani G Periasamy	8652431	9.64	8652431	9.64
2	Mrs Visalakshi Periasamy	8533694	9.51	8533694	9.51
3	Dr Jayanthi Periasamy	302185	0.34	302185	0.34
4	Santhi Periasamy	583206	0.65	583206	0.65
5	Nalini Periasamy	671716	0.75	671716	0.75
6	Ananthi Periasamy	583206	0.65	583206	0.65
7	Vikram Kumar	109472	0.12		
	- Purchase of Shares -10.02.2018	160975	0.18	270477	0.30
8	Dharani Credit & Finance (P) Ltd	4441356	4.95	4441356	4.95
9	Dharani Sugars & Chemicals Ltd	5121500	5.71	5121500	5.71
10	Dharani Developers (P) Ltd	10912393	12.16	10912393	12.16

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

Sl. No		Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
	Name of the Shareholder	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	7.13	6393756	7.13
2	Arunkumar Veluchamy	4269119	4.76	4269119	4.76
3	Dr T R Shantha	4020684	4.48	3859709	4.30
4	Prabha Mohan	3904989	4.35	3904989	4.35
5	Anuradha Veluchamy	3845158	4.29	3845158	4.29
6	Muthusami Kuppusami	2114969	2.36	2114969	2.36
7	Saraswathi Ramachandran	1013822	1.13	1013822	1.13
8	Vani Thirumoorthi	923586	1.03	923586	1.03
9	Dr Murugiah Mani	873631	0.97	873631	0.97
10	Dr R G Krishnan/Jyothi Krishnan	821854	0.92	821854	0.92
	At the beginning of the year	28181568	31.41		
	At the end of the year			28020593	31.23

(v) Shareholding of Directors & KMP

Directors					
1	Dr Palani G Periasamy	8652431	9.64	8652431	9.64
2	Mrs Visalakshi Periasamy	8533694	9.51	8533694	9.51
3	Mr A Sennimalai	81595	0.09	81595	0.09
4	Mr K Kandasamy	121254	0.14	121254	0.14
5	Dr V Janakiraman	3706902	4.13	3706902	4.13
6	Dr M C Thirumoorthi	404974	0.45	404974	0.45
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
10	Ms Ananthi Periasamy	583206	0.65	583206	0.65
	Total A	22084056	24.62	22084056	24.62
Key Managerial Personnel					
1	Mr B Murugesan, CFO	0	0.00	0	0.00
2	Mr N Subramanian, Company Secretary (w.e.f 09.08.2017)	0	0	0	0
	Total B	0	0	0	0
	At the beginning of the year	22084056	24.62		
	At the end of the year			22084056	24.62

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
1	Gross salary	A Sennimalai	Mrs Visalakshi Periasamy	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	2400000.00	2400000.00	4800000.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0	0
	(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)	2400000.00	2400000.00	4800000.00
	Ceiling as per the Act	12000000.00	12000000.00	

B. REMUNERATION TO OTHER DIRECTORS

In Rupees

Sl.No	Particulars of Remuneration					Total Amount
1	**Independent Directors**	Dr M C Thirumoorthi	Dr A Sakthivel	Mr C Ramachandran	Ms. Ananthi Periasamy	
	(a) Fee for attending board committee meetings	5000.00	25000.00	55000.00	15000.00	100000.00
	(b) Commission	0	0	0	0	0
	(c) Others, please specify	0	0	0	0	0
	Total (1)	5000.00	25000.00	55000.00	15000.00	100000.00
2	Other Non Executive Directors	Dr Palani G Periasamy	Dr V Janakiraman	Mr. Anoop Bali	Mr.K Kandasamy	Total Amount
	(a) Fee for attending board committee meetings	35000.00	5000.00	5000.00	35000.00	80000.00
	(b) Commission	0	0	0	0	0
	(c) Others, please specify.	0	0	0	0	0
	Total (2)	35000.00	5000.00	5000.00	35000.00	80000.00
	Total (B)=(1+2)	40000.00	30000.00	60000.00	50000.00	180000.00
	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		Total
		CFO	Company Secretay	
1	**Gross Salary**			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	735559.00	489565.00	1225124.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	105204.00	0	105204.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission as % of profit	0	0	0
5	Others, please specify	0	0	0
	Total	840763.00	489565.00	1330328.00

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment Rs in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2017				
(i) Principal Amount	26761	3977	0	30738
ii) Interest due but not paid	146	0	0	146
iii) Interest accrued but not due	773	1664	0	2437
Total	27680	5641	0	33321
Change in Indebtedness during the financial year				
Additions	0	1771	0	1771
Reduction	-2804	0	0	-2804
Net Change	-2804	1771	0	-1033
Indebtedness at the end of the financial year 31.03.2018				
(i) Principal Amount	24302	5259	0	29561
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	574	2153	0	2726
Total	24876	7412	0	32288

VII. PENALTY:

Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalty/ Punishment/ Compounding fees imposed**	**Authority (RD/NCLT/Court)**	**Appeal made if any (give details)**
A. COMPANY	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
Dr. Palani G. Periasamy
Chairman
DIN. No. : 00081002

Place : Chennai – 34
Date : 28.05.2018

Annexure E to Board's 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

	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions.	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any.	Date(s) of approval by the Board, if any.	Amount paid as advances, if any
1.	Dharani Finance Limited (Director hold more than 2% of the paid up Capital.)	Availing Travel Services – cars for the guests of the Hotel	One year from 01.04.2017	Not exceeding Rs. 4 crs p.a. Transaction during the period was Rs.20.31 lakhs.	25.05.2017	-
		Leasing of Vehicles	3 years from 01.09.2017	Rs. 48.60 lakhs p.a. Transaction during the period was Rs.18.79 lakhs	05.12.2017	-
		Availed Loan (ICD) Rs.4.27 crs with Interest @ 12% p.a.	Repayment 31.03.2020	Not exceeding Rs.5.00 crs. Total outstanding as on 31st March 2018 was Rs.4.60 crs	09.08.2017	-
2.	Dr Palani G Periasamy - Chairman	Taking on Rent Registered Office Premises at prevailing market rates	3 years from 01.06.2016	Not exceeding Rs.40 lakhs p.a. Transaction during the period was Rs.29.13 lakhs p.a.	25.05.2017	-
3.	Dharani Developers Private Limited Directors hold more than 2% indirectly	Funding by the promoters to meet working capital and general corporate purposes	Repayment 31.03.2019 Interest @ 12% p.a.	Rs.5.00 crores Total outstanding as on 31.03.2018 is Rs.1.65 crs	09.08.2017	-
4.	Dr Palani G Periasamy, Chairman and Mr A Sennimalai, Managing Director	Unsecured Loans from Directors towards gap funding by the promoters and Relatives to meet working capital and general corporate purposes.	Long Term Interest @ 12% p.a.	Rs.2.69 crores	25.05.2017	-

By order of the Board

for Appu Hotels Limited
Dr. Palani G. Periasamy
Chairman
DIN. No. : 00081002

Place : Chennai – 34
Date : 28.05.2018

Annexure to Board's Report

SECRETARIAL AUDIT REPORT

Form MR-3

For The Financial Year Ended as on 31st March, 2018

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

To
The Members,
APPU HOTELS LIMITED
CIN: U92490TN1983PLC009942
PGP House, No.59, 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 31.03.2018 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 31.03.2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Companies Amendment Act, 2017;

(iii) 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;

(iv) 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 Regulations and standards of the following:

i) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for listing of its Debt securities as per the Listing Agreement entered into by the Company with Bombay Stock Exchange Limited; and

ii) The Secretarial Standards including revised 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; - **NIL**

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 and there were 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. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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 there was no major/specific events in the Company.

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

Place : Chennai
Date : 28.05.2018

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. Appu Hotels Limited

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of M/s. Appu Hotels Limited ("the Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for theFinancial 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

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 Ind AS 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 Ind AS 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 thereunder and the Order issued under section 143(11) of the Act.

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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 ofthe Company as at March 31, 2018, its profit/loss, including other comprehensive income, its cash flows and the changes in equity 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
   e. On the basis ofthe written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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" to this report;
   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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

(S. Baskar Shrinivas)
Partner
Membership # 209004

Place : Chennai
Date : 28.05.2018

"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 Ind AS financial statements of the Company for the year ended March 31, 2018:

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) According to the information and explanation given to us, 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 I86 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 therefore the provisions of clause 3(v) of the order are not applicable to the Company.

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. Thus reporting under Clause 3(vi) of the Order is not applicable to 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, 2018 for a period of more than six months from the date on when they become payable.

b) Statement of Disputed Statutory Dues

Name of the Statute	Nature of dues	Amount (Rs)	Forum where dispute is pending
Central Excise Act	Central Excise	11,99,643	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 and as per the books and records examined by us, the Company has defaulted in the repayment of dues to banks and financial institutions as detailed below:

Banks/Financial Institutions	Nature of Dues	Amount in Rs	Due date	Date of payment
TFCI	Repayment of Loan	12,000	30-11-2017	25-01-2018
		87,000	31-12-2017	25-01-2018
		87,000	31-01-2018	15-02-2018
		87,000	28-02-2018	01-03-2018
		87,000	31-03-2018	24-04-2018
IDBI	Payment of Interest	9,52,642	01-03-2018	02-03-2018
		1,90,998	31-03-2018	17-04-2018
TFCI	Payment of Interest	3,973	30-11-2017	25-01-2018
		18,89,807	31-12-2017	25-01-2018
		18,32,000	31-01-2018	15-02-2018
		16,48,480	28-02-2018	01-03-2018
		18,15,374.00	31-03-2018	24-04-2018

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 3 (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

(S. Baskar Shrinivas)
Partner
Membership # 209004

Place : Chennai
Date : 28.05.2018

"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, 2018 in conjunction with our audit of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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, 2018, 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

(S. Baskar Shrinivas)
Partner
Membership # 209004

Place : Chennai
Date : 28.05.2018

Balance Sheet as at March 31, 2018

All amounts are in Indian Rupees unless otherwise stated

	Notes	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
I. ASSETS				
Non-Current Assets				
Property Plant and Equipment	3	6,50,68,78,623	6,67,46,55,878	6,86,20,65,352
Capital Work-in-Progress		12,18,25,679	11,46,51,908	10,21,03,319
Financial Assets				
Investments	4	27,28,990	74,70,830	1,07,10,910
Other Financial Assets	5	4,03,39,732	5,28,71,425	6,13,22,261
Tax Assets	6	3,59,53,828	3,27,67,606	3,99,43,698
Other non current assets	7	6,86,25,642	7,99,84,274	7,14,33,396
		6,77,63,52,494	6,96,24,01,922	7,14,75,78,936
Current Assets				
Investment Property				
Inventories	8	3,58,34,752	3,23,71,019	3,73,90,808
Financial Assets				
Trade receivables	9	4,07,95,677	5,55,89,906	5,89,70,274
Other Financial Assets	10	21,47,040	18,58,266	14,97,617
Tax Assets	6	85,43,446	1,13,39,173	45,28,745
Cash and Cash Equivalents	11	3,08,64,277	19,74,669	21,51,242
Bank Balances Other than Cash and Cash Equivalents	11	8,42,766	7,93,545	7,39,708
Other Current assets	8	95,26,281	1,33,03,323	1,41,77,257
		12,85,54,239	11,72,29,902	11,94,55,651
TOTAL		6,90,49,06,733	7,07,96,31,824	7,26,70,34,588
II. EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	12	89,71,12,330	89,71,12,330	81,15,57,180
Other Equity				
Other Reserves	12.1	2,07,46,59,941	2,38,61,12,767	2,44,41,83,365
		2,97,17,72,271	3,28,32,25,097	3,25,57,40,545
Total Equity		2,97,17,72,271	3,28,32,25,097	3,25,57,40,545
Non-Current Liabilities				
Financial Liabilities				
Borrowings	13	1,45,69,36,753	1,78,36,05,543	2,80,18,38,746
Other financial liabilities	14	47,09,40,375	36,34,77,008	52,06,00,079
Provisions	15	88,32,583	1,11,45,480	96,73,786
Other Non-Current Liabilities	16	59,56,59,446	32,55,58,315	26,53,74,984
		2,53,23,69,157	2,48,37,86,346	3,59,74,87,595
Current Liabilities				
Financial Liabilities				
Borrowings	17	1,17,85,33,580	1,11,17,87,250	25,72,07,219
Trade Payables	18	14,75,01,089	12,27,10,348	8,83,18,116
Other current financial liabilities	19	1,98,85,256	1,91,38,083	1,50,74,071
Other Current Liabilities	16	4,22,31,219	5,25,50,543	4,75,25,019
Provisions	15	1,26,14,161	64,34,156	56,82,024
Total Liabilities		1,40,07,65,305	1,31,26,20,380	41,38,06,449
TOTAL		6,90,49,06,733	7,07,96,31,824	7,26,70,34,588

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

(S. Baskar Shrinivas)
Partner
Membership No.: 209004
Place : Chennai
Date : 28th May 2018

Dr Palani G Periasamy
Chairman

A Sennimalai
Managing Director

N. Subramanian
Company Secretary

B Murugesan
Chief Financial Officer

Statement of Profit and Loss Account for the year ended March 31, 2018
All amounts are in Indian Rupees unless otherwise stated

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
I. Income			
Revenue from Operations	20	88,78,50,652	89,24,46,405
Other Income	21	1,66,45,120	1,09,57,289
Total Income		90,44,95,772	90,34,03,694
II. Expenses			
Costs of Revenues	22	33,88,69,231	34,78,36,103
Changes in Inventories	23	(26,65,569)	35,24,535
Employees' benefits expense	24	16,11,85,462	15,40,24,756
Advertisement and marketing expenses	25	3,44,87,872	3,59,65,088
Depreciation and amortization expense	3	20,34,53,732	19,65,54,516
Finance costs	26	37,23,63,734	37,87,81,617
Other expenses	27	10,86,49,674	10,18,76,910
Total Expense		1,21,63,44,135	1,21,85,63,525
III. Profit/(Loss) Before Tax		(31,18,48,363)	(31,51,59,832)
Current Year		-	-
Minimum Alternate Tax		-	-
Deferred Tax (Net)		-	-
IV. Income Tax Expense		-	-
Profit / (Loss) for the year		**(31,18,48,363)**	**(31,51,59,832)**
Other Comprehensive Income:			
(i) Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Others (Specify nature)		-	-
Income tax effect		-	-
		-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
(ii) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gains and (losses) on defined benefit obligations (net)		(3,95,537)	(4,23,784)
Income tax effect		-	-
		(3,95,537)	(4,23,784)
Others (Specify nature)		-	-
Income tax effect		-	-
		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(3,95,537)	(4,23,784)
Other comprehensive income/(loss) for the year, net of tax (i+ii)		(3,95,537)	(4,23,784)
Total comprehensive income for the year, net of tax attributable to:		(3,95,537)	(4,23,784)
V. Profit /(Loss) for the year		(31,14,52,826)	(31,47,36,048)
Earnings per Equity Share of INR 10 each			
Basic profit from operations attributable to equity holders of the parent		(3.47)	(3.51)
Diluted profit from operations attributable to equity holders of the parent		(3.47)	(3.51)
Significant Accounting Policies	2		
See accompanying Notes forming part of the Standalone 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

(S. Baskar Shrinivas)
Partner
Membership No.: 209004

Dr Palani G Periasamy
Chairman

A Sennimalai
Managing Director

N. Subramanian
Company Secretary

Place : Chennai
Date : 28th May 2018

B Murugesan
Chief Financial Officer

Cash Flow Statement for the year ended 31 March 2018

All amounts are in Indian Rupees unless otherwise stated

		Year ended 31 March 2018	Year ended 31 March 2017
Cash flow from operating activities			
Net profit before tax and extraordinary items		(31,18,48,363)	(31,51,59,832)
Adjustments to reconcile:			
Depreciation on tangible assets/investment property		20,34,53,732	19,65,54,516
IND AS Adjustments		3,95,537	4,23,784
(Profit)/Loss on sale of fixed assets/investment property, net		-	(3,00,000)
Translation loss / (gain) on monetary assets and liabilities		-	-
Provision for doubtful debts/ Advances and other Assets		-	-
Provision for litigations and claims		-	-
Bad debts written off		-	1,609
Liabilities / provisions no longer required written back		-	-
Interest income		(21,80,808)	(36,49,880)
Dividend income		-	-
Interest expense		37,19,68,197	37,83,57,833
Operating profit before working capital changes		**26,17,88,295**	**25,62,28,030**
Movements in working capital :			
(Increase) / Decrease in trade receivables		1,47,94,229	33,78,759
(Increase) / Decrease in inventories		(34,63,734)	50,19,789
(Increase) / Decrease in other current assets/other financial assets		2,73,29,377	3,59,403
(Increase) / Decrease in loans and advances		(3,90,495)	3,65,663
Increase / (Decrease) in trade payables and other liabilities/other financial liabilities		1,52,18,590	4,34,81,768
Increase / (Decrease) in Other Non current Liabilities		27,01,01,131	6,01,83,331
Increase / (Decrease) in provisions		38,67,108	22,23,826
Cash generated from operations		58,92,44,502	37,12,40,570
Direct taxes paid (net of refunds)		-	-
		-	-
Net cash flow from / (used in) operating activities (A)	**A**	**58,92,44,502**	**37,12,40,570**
Cash flow from investing activities			
Purchase of PPE, capital work in progress (including capital advances)		(4,28,50,251)	(2,16,93,628)
Purchase of intangible assets and expenditure on intangible assets under development (including advances towards purchase of intangible assets)		-	-
Purchase of investments		(11,74,000)	-
Sale of investments		59,15,840	32,40,080
Proceeds from sale of assets		-	3,00,000
Term deposits placed with banks during the year		-	
Term deposits refunded from banks during the year			
Interest received		21,80,808	36,49,880
Dividends received		-	-
Net cash from / (used in) investing activities (B)	B	(3,59,27,604)	(1,45,03,668)
Cash flow from financing activities			
Proceeds from issue of Equity Shares		-	34,22,20,600
Proceeds from Long Term Borrowings			
Repayment of long term borrowings		(15,24,59,094)	(32,07,76,243)
Repayment of Short term borrowings (net)			
Payment of dividend and tax thereon			
Interest paid		(37,19,68,197)	(37,83,57,833)
Net cash (used in) / from financing activities (C)	C	(52,44,27,291)	(35,69,13,475)
Exchange differences on translation of foreign currency cash and cash equivalents (D)		-	-
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	(A+B+C+D)	2,88,89,608	(1,76,573)
Opening balance of cash and cash equivalents	**E**	**19,74,669**	**21,51,242**
Closing balance of cash and cash equivalents	F	3,08,64,277	19,74,669
Net increase / (decrease) in cash and cash equivalents	(F-E)	2,88,89,608	(1,76,573)
Earmarked Balances with Banks (*)	G	-	-
Closing cash and Bank Balance	(F+G)	2,88,89,608	(1,76,573)

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

(S. Baskar Shrinivas)
Partner
Membership No.: 209004

Dr Palani G Periasamy
Chairman

A Sennimalai
Managing Director

N. Subramanian
Company Secretary

Place : Chennai
Date : 28th May 2018

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. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) **Basis of preparation of financial statements**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended. For all periods upto and including the year ended March 31, 2017, the Company has prepared its financial statements to comply in all material respects with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) and to reflect the financial position and the results of operations of the Company. These financial statements for the year ended March 31, 2018 are the first the Company has prepared in accordance with Ind AS. Refer to Note 41 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

b) **Current versus non current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) **Property, Plant and Equipment and Capital work in progress**

Under the previous GAAP (Indian GAAP), the property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation.

The Company has elected to fair value of land as the deemed cost as the date of transition date, viz., April 1, 2016. In respect of all other property, plant and equipment continue with the carrying value for as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 1, 2016.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loan and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as Capital Work in Progress.

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price (including all duties and taxes after deducting trade discounts and rebates if any) and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Likewise, when a major expenditure is incurred, its cost is recognized in the carrying amount of the plant and equipment, if it increases the future benefits from the existing asset. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred.

For depreciation, the Company identifies and determines cost of assets significant to the total cost of the assets having useful life that is materially different from that of the life of the principal asset.

Property, plant and equipment under construction and fixed assets acquired but not put to use at the balance sheet date are classified as capital work in progress.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d) Depreciation on property, plant and equipment

Depreciation on plant, property and equipment is calculated on a straight – line basis over the estimated useful lives of the asset. The identified components are depreciated separately over the their useful lives; the remaining components are depreciated over the life of the principle asset.

Based on a technical assessment and a review of past history of asset usage, management of the Company has not revised its useful lives to those referred to under Schedule II to the Companies Act, 2013 (as amended).

The Company has used the following useful life to provide depreciation on its property, plant and equipment.

	Years
Buildings	30
Plant and machinery	10 - 15
Computer and related equipment	3
Furniture and fittings	15
Office equipment	5
Motor Vehicles	8

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Impairment of non – financial assets

At each reporting date, the Company assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash

Generating Unit's ('CGU') fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

f) Inventories

Inventories are carried at the lower of cost and net realizable value. Cost includes related taxes, duties, freight etc. excluding input tax for which credit is availed.

g) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

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

h) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes the contribution payable to the provident fund scheme as an expenditure when the employee renders the related service.

Gratuity liability is a defined benefit obligation. The cost of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income ('OCI') in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Re-measurement gains /losses are accounted through Profit or Loss account and are not deferred.

The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

i) Taxes

Tax expense comprises current and deferred tax.

1) Current income-tax

Current income-tax asset and liabilities are measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities.

j) Earnings Per Share (EPS)

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

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

k) Operating Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement

Operating leases (where the Company is the lessee):

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Operating leases (where the Company is the lessor):

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

l) Cash and Cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management operations.

m) Foreign currency transactions

Initial recognition :

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion :

Foreign currency monetary items are translated using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value denominated in a foreign currency are translated using the exchange rates that existed when the values were determined.

Exchange differences :

All foreign currency liabilities related to acquisition of fixed assets remaining unsettled at the end of the year are converted at the year end rates and the difference in translation is adjusted in the carrying cost of such assets.

All exchange differences arising on settlement / conversion of foreign currency monetary items are included in the statement of profit and loss.

n) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized with in the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For recurring and non-recurring fair value measurements categorized within Level 3 of the fair value hierarchy, mention a description of the valuation processes used by the entity (including, for example, how an entity decides its valuation policies and procedures and analyses changes in fair value measurements from period to period).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes to the financial statements.

o) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. The expense relating to a provision is presented in the statement of profit and loss.

p) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through profit or loss (FVTPL)
- Equity instruments at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and loss account. The Company does not have any financial asset under this category.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, the Company doesn't have any debt instruments that qualify for FVTOCI classification.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. However there are no such instruments that have been classified through FVTOCI and all equity instruments are routed through FVTPL.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

De recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortized cost e.g. debt securities, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortized cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

The Company's financial liabilities include deposits, and trade and other payables. These are recognized initially at amortized cost net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, they are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

The EIR amortization is included as finance costs in the statement of profit and loss.

De recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

r) Segment Reporting

The company's business activities comprises of hospitality services only and accordingly there are no separate reportable segments as per Indian Accounting Standard 108 (Operating Segments).

Statement of Changes in Equity for the year ended 31 March 2018
All amounts are in Indian Rupees unless otherwise stated

a. Equity Share Capital :

Equity shares of INR 10/- each issued, subscribed and fully paid	Number of Shares	Amount
As at 1 April 2016	8,11,55,718	81,15,57,180
Issue of share capital	85,55,515	8,55,55,150
At 31 March 2017	8,97,11,233	89,71,12,330
	-	-
At 31 March 2018	**8,97,11,233**	**89,71,12,330**

b. Other equity

For the year ended 31 March 2018

Particulars				Items of OCI	Total
	Retained earnings	Securities Premium Reserve	General Reserve	FVTOCI reserve	
As at 1st April 2017	1,66,13,76,048	72,43,12,935	-	4,23,784	2,38,61,12,767
Profit for the period	(31,18,48,363)	-	-	-	(31,18,48,363)
Other comprehensive income (Note..)	-	-	-	3,95,537	3,95,537
Total Comprehensive Income	1,34,95,27,685	72,43,12,935	-	8,19,321	2,07,46,59,941
Issue of share capital	-	-	-	-	-
Transaction costs	-	-	-	-	-
Cash dividends	-	-	-	-	-
Dividend distribution tax on cash dividend by parent Company	-	-	-	-	-
As at 31st March 2018	1,34,95,27,685	72,43,12,935	-	8,19,321	2,07,46,59,941

For the year ended 31 March 2017

Particulars				Items of OCI	Total
	Retained earnings	Securities Premium Reserve	General Reserve	FVTOCI reserve	
As at 1st April 2016	1,97,65,35,880	46,76,47,485	-	-	2,44,41,83,365
Profit for the period	(31,51,59,832)	-	-	-	(31,51,59,832)
Other comprehensive income	-	-	-	4,23,784	4,23,784
Total Comprehensive Income	1,66,13,76,048	46,76,47,485	-	4,23,784	2,12,94,47,317
Issue of share capital	-	25,66,65,450	-	-	25,66,65,450
Transaction costs	-	-	-	-	-
Cash dividends	-	-	-	-	-
Dividend distribution tax on cash dividend by parent Company	-	-	-	-	-
As at 31st March 2017	1,66,13,76,048	72,43,12,935	-	4,23,784	2,38,61,12,767

Notes to financial statements for the year ended 31 March, 2018

All amounts are in Indian Rupees unless otherwise stated

Note 3 - Property Plant & Equipment

	Land & Site Development	Buildings	Plant and Machinery	Furniture and Fittings	Lease hold Improvements	Motor vehicles	Total
Net Block							
At April 1, 2016	3,30,56,08,031	3,54,06,14,819	1,51,92,09,262	26,44,73,936	3,97,57,238	1,60,27,807	8,68,56,91,093
Additions		2,46,750	75,31,802	2,90,862	-	10,75,628	91,45,042
Disposals	-	-	-	-	-	(46,93,712)	(46,93,712)
At March 31, 2017	3,30,56,08,031	3,54,08,61,569	1,52,67,41,064	26,47,64,798	3,97,57,238	1,24,09,723	8,69,01,42,423
Additions		1,46,76,212	92,91,240	8,34,780	-	1,08,74,245	3,56,76,477
Disposals	-	-	-	-	-	-	-
At March 31, 2018	3,30,56,08,031	3,55,55,37,781	1,53,60,32,304	26,55,99,578	3,97,57,238	2,32,83,968	8,72,58,18,900
Depreciation							
At April 1, 2016	-	84,55,34,157	76,44,93,157	17,50,61,885	2,26,17,183	1,59,19,360	1,82,36,25,741
Charge for the year		10,71,25,461	6,09,48,152	2,53,30,220	30,57,332	93,351	19,65,54,516
Disposals	-	-	-	-	-	(46,93,712)	(46,93,712)
At March 31, 2017	-	95,26,59,618	82,54,41,309	20,03,92,105	2,56,74,515	1,13,18,999	2,01,54,86,545
Charge for the year		10,90,91,060	6,52,09,206	2,53,62,427	30,57,332	7,33,707	20,34,53,732
Disposals	-	-	-	-	-	-	-
At March 31, 2018	-	1,06,17,50,679	89,06,50,515	22,57,54,532	2,87,31,846	1,20,52,706	2,21,89,40,277
Net Block							
At April 1, 2016	3,30,56,08,031	2,69,50,80,662	75,47,16,105	8,94,12,051	1,71,40,055	1,08,448	6,86,20,65,352
At March 31, 2017	3,30,56,08,031	2,58,82,01,950	70,12,99,755	6,43,72,693	1,40,82,723	10,90,725	6,67,46,55,878
At March 31, 2018	3,30,56,08,031	2,49,37,87,102	64,53,81,789	3,98,45,046	1,10,25,392	1,12,31,263	6,50,68,78,623

Notes to financial statements for the year ended 31 March, 2018

All amounts are in Indian Rupees unless otherwise stated

	As at 31 March 2018	As at 31 March 2017	As at 01 Apr 2016
Note 4. Financial assets (Non-Current)			
Investments			
Equity shares of Clarion Wind Farm (P) Ltd of Rs. 10/- each	15,54,990	21,04,130	50,84,210
(31 March 2018 : 155499 equity shares)			
(31 March 2017 : 210413 equity shares)			
(1 April 2016 : 508421 equity shares)			
Equity shares of Gurudev Wind Energy Private Ltd of Rs. 10/- each 31 March 2018 : Nil equity Shares (31 March 2017 : Nil equity shares) (1 April 2016 : 26000 equity shares)	-	-	2,60,000
Equity shares of Chemplast Sanmar Limited of Rs. 60.3/- each (31 March 2017 : 89000 equity shares) (1 April 2016 : 89000 equity shares)	-	53,66,700	53,66,700
Equity Shares Mytrah Energy (India) Pvt. Limited of Rs. 10/- each (31.03.2018 - 30000 shares) (31.03.2017 - NIL)	3,00,000	-	-
Equity Shares of MMS Steel & Power Private Limited of Rs. 10/- each (31.03.2018 - 87400 shares) (31.03.2017 - NIL)	8,74,000	-	-
Total	**27,28,990**	**74,70,830**	**1,07,10,910**

Note 5. Financial assets (Non-Current)

Other Financial Assets at Amortised Cost			
Rental and other deposits	1,70,24,347	2,42,61,314	2,70,16,647
Unamortised Interest Expenditure	1,60,85,721	2,08,17,506	2,63,26,492
Non-current bank balances (> 12 months)	72,29,664	77,92,605	79,79,122
Total	**4,03,39,732**	**5,28,71,425**	**6,13,22,261**

Notes to financial statements for the year ended 31 March, 2018

All amounts are in Indian Rupees unless otherwise stated

	As at 31 March 2018	As at 31 March 2017	As at 01 Apr 2016
Note 6. Tax Assets/(Liabilities)			
Non-Current Tax Assets (net)			
Advance income tax (net of provision)	3,59,53,828	3,27,67,606	3,99,43,698
Total	3,59,53,828	3,27,67,606	3,99,43,698
Current Tax Assets (net)			
Advance income tax (net of provision)	85,43,446	1,13,39,173	45,28,745
Total	**85,43,446**	**1,13,39,173**	**45,28,745**
Note 7. Other Non-Current Assets			
Secured and considered good			
MAT Credit entitlement	5,95,77,312	5,95,77,312	5,95,77,312
Unsecured and considered good			
Capital advances	70,97,121	1,84,57,433	1,07,80,433
Balances with statutory/government authorities	19,51,209	19,49,529	10,75,651
Total	**6,86,25,642**	**7,99,84,274**	**7,14,33,396**
Note 8. Other Current Assets			
Inventories			
(At lower of cost and net realisable value)			
(a) Food & beverages	1,66,33,831	1,39,68,262	1,74,92,797
(b) Stores and spares	1,92,00,921	1,84,02,757	1,98,98,011
Total	**3,58,34,752**	**3,23,71,019**	**3,73,90,808**
Prepaid expenses	87,41,344	1,17,78,732	1,18,22,586
Others	7,84,937	15,24,591	23,54,671
Total	**95,26,281**	**1,33,03,323**	**1,41,77,257**

Notes to financial statements for the year ended 31 March, 2018
All amounts are in Indian Rupees unless otherwise stated

	As at 31 March 2018	As at 31 March 2017	As at 01 Apr 2016
Note 9. Trade Receivables			
Trade and other receivables (current)			
Trade receivables	4,07,95,677	5,55,89,906	5,89,70,274
Total	4,07,95,677	5,55,89,906	5,89,70,274
Break-up for security details and more than 6 months overdue:			
Outstanding for a period exceeding six months from the date they are due for payment			
Trade receivables			
Secured, considered good			
Unsecured, considered good	4,07,95,677	5,55,89,906	5,89,70,274
Doubtful	1,89,312	2,47,737	2,13,348
	18,90,03,737	5,58,37,643	5,91,83,622
Provision for doubtful receivables	(1,89,312)	(2,47,737)	(2,13,348)
Total	**4,07,95,677**	**5,55,89,906**	**5,89,70,274**
Note 10. Financial Assets (Current)			
Other Financial Assets at Amortised Cost			
Interest accrued fixed deposits	21,47,040	18,58,266	14,97,617
Other receivables (from Related Parties)	-	-	-
Total	**21,47,040**	**18,58,266**	**14,97,617**
Note 11. Cash and Cash Equivalents			
Balances with banks:			
– On current accounts	3,02,58,845	12,44,468	12,66,715
Cash on hand	6,05,433	7,30,201	8,84,527
Total	**3,08,64,277**	**19,74,669**	**21,51,242**
Bank Balances Other than Cash and Cash Equivalent			
Deposits with original maturity for more than 3 months but less than 12 months	8,42,766	7,93,545	7,39,708
Total	**8,42,766**	**7,93,545**	**7,39,708**

Notes to financial statements for the year ended 31 March, 2018

All amounts are in Indian Rupees unless otherwise stated

Note - 12. Equity Share Capital

	As at 31 March 2018	As at 31 March 2017	As at 01 Apr 2016
Authorised Capital			
100,000,000 Equity shares of Rs.10/- each	1,00,00,00,000	1,00,00,00,000	85,00,00,000
(Previous Year - 100,000,000 Equity shares of Rs.10/- each)			
15,000,000 Preference Shares of Rs. 10/- each	15,00,00,000	15,00,00,000	15,00,00,000
(Previous year - 15,000,000 Preference Shares of Rs. 10/- each)	1,15,00,00,000	1,15,00,00,000	1,00,00,00,000
Issued, Subscribed and Paid-up Capital			
89,711,233 Equity shares of Rs.10/- each fully paid up	89,71,12,330	89,71,12,330	81,15,57,180
(Previous Year - 89,711,233 Equity shares of Rs.10/- each fully paid up)			
	89,71,12,330	89,71,12,330	81,15,57,180
(i) Reconciliation of the number of shares outstanding:			
At the beginning of the year	8,97,11,233	8,11,55,718	8,11,55,718
Issued during the year		85 55,515	-
Outstanding at the end of the year	8,97,11,233	8,97,11,233	8,11,55,718

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.

   (ii) Term/Rights attached to Equity Shares

The Company has one class of equity shares having a face value of INR 10/- each. Each shareholder is eligible for one vote per share held. The Company declares and pays dividends in Indian rupees.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2018, the amount of per share dividend recognized as distributions to equity shareholders was Rs. NIL/- share (March 31, 2017: Rs. NIL/- share; March 31, 2016: Rs. NIL/- share).

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. However, no such preferential amounts exists currently.

The distribution will be in proportion to the number of equity shares held by the shareholders

Notes to financial statements for the year ended 31 March, 2018

All amounts are in Indian Rupees unless otherwise stated

(iii) Details of Shareholders holding more than 5 % in the Company:

	As at 31-Mar-2018		As at 31-Mar-2017		As at 31-Mar-2016	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Name of the shareholders						
Mrs Visalakshi Periasamy	85 33,694	9.51	85 33,694	9.51	77 57,703	9.56
Dr Palani G Periasamy	86,52,431	9.64	86 52,431	9.64	72 75,721	8.97
Mr.Pethinaidu Veluchamy & Mrs.Parameswari Veluchamy	63,93,756	7.13	63 93,756	7.13	63 93,756	7.88
Dharani Sugars & Chemicals Ltd	51,21,500	5.71	51 21,500	5.71	51 21,500	6.31
Dharani Developers Private Limited	1,09,12,393	12.16	1,09,12,393	12.16	48 87,393	6.02
Dharani Credit & Finance Private Limited	44,41,356	4.95	44 41,356	4.95	44 41,356	5.47
Mr.Arunkumar Veluchamy	42,69,119	4.76	42,69,119	4.76	42 69,119	5.26

	As at 31 March 2018	As at 31 March 2017	As at 01 Apr 2016
Note 12.1. Other equity			
Share Premium	72,43,12,935	72,43,12,935	46,76,47,485
Retained earnings	1,35,03,47,006	1,66,17,99,832	1,97,65,35,880
Total	2,07,46,59,941	2,38,61,12,767	2,44,41,83,365
Note 13. Financial Liabilities - Non Current			
BORROWINGS			
SECURED			
Term Loans from			
Banks	1,03,88,89,333	1,20,89,53,869	1,92,36,00,416
Financial Institutions	10,14,40,389	10,97,97,529	18,44,47,249
Others	1,80,00,000	3,59,99,999	5,03,29,794
6% Cumulative Redeemable Preference Shares - 9,000,000 Shares (9,000,000 6% Cumulative Redeemable Preference Shares of Rs.10/- each fully paid)	9,00,00,000	9,00,00,000	9,00,00,000
Debentures			
670 Secured Redeemable Non Convertible debentures of Rs.10,00,000/- each	15,07,50,000	30,15,00,000	42,15,12,035
UNSECURED			
Loans - Directors & Relatives	5,78,57,031	3,73,54,146	13,19,49,252
Total	1,45,69,36,753	1,78,36,05,543	2,80,18,38,746

Notes to financial statements for the year ended 31 March, 2018
All amounts are in Indian Rupees unless otherwise stated

Notes :

1. Term Loans Rs 18032.56 lakhs (previous year Rs.18512.55 lakhs) and Funded interest term loan (FITL) Rs 2407.05 lakhs (previous year Rs.3059.05 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 / Sulur 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 144 structured monthly instalments from April, 2017 to March, 2029 and the FITLs are repayable over 24 structured monthly instalments from April, 2017 to March, 2019. Both Term Loans and FITL carry interest rate of 12% p.a.

2 Term Loan of Rs.225 lakhs (previous year Rs.314.56 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 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 in June 2018 & June2019 (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.135 lakhs (previous year Rs.188.74 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 in June 2018 & 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 14% p.a.thereafter.

4 Debenture amounting to Rs.3015.00 lakhs (previous year Rs.4215.12 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.1200.12 lakhs in June 2017 and Rs.1507.50 lakhs each in June 2018 & 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.

Notes to financial statements for the year ended 31 March, 2018
All amounts are in Indian Rupees unless otherwise stated

	As at 31 March 2018	As at 31 March 2017	As at 01 Apr 2016
Note 14. Other Financial Liabilities (non-current)			
"Other Financial liabilities at amortised cost"			
Inter Corporate Deposits			
Related Parties	5,67,11,797	21,797	24,52,21,797
Others	41,13,50,000	36,03,50,000	27,21,00,000
Other Payables	28,78,578	31,05,211	32,78,282
Total	47,09,40,375	36,34,77,008	52,06,00,079
Note 15. Provisions			
Short-term provisions			
Provision for Bonus	33,30,554	24,12,732	21,41,023
Provision for gratuity	76,12,123	31,38,749	27,70,257
Provision for leave encashment	16,71,484	8,82,675	7,70,744
Total	1,26,14,161	64,34,156	56,82,024
Long-term provisions			
Provision for gratuity	68,72,249	89,88,558	77,64,180
Provision for leave encashment	19,60,334	21,56,922	19,09,606
Total	88,32,583	1,11,45,480	96,73,786
Note 16. Other Current and Non Current Liabilities			
Other Non Current Liabilities			
Trade Payables	37,73,94,288	14,86,09,210	12,02,05,238
Other Payables	21,82,65,158	17,69,49,106	14,51,69,746
Total	59,56,59,446	32,55,58,315	26,53,74,984
Other Current Liabilities			
Statutory Dues	1,97,87,252	2,57,53,531	1,98,41,535
Advance from Customers	2,24,43,967	2,67,97,012	2,76,83,484
Total	4,22,31,219	5,25,50,543	4,75,25,019
Note 17. Current Financial Liabilities			
Borrowings			
Working Capital Loans - Banks	4,87,88,468	4,70,82,517	4,85,15,637
Current Maturity of Long Term Debt			
- Banks	82,92,71,407	75,76,27,872	16,74,93,405
- Financial Institutions	7,43,60,278	8,07,80,000	1,33,57,068
- Debentures	15,07,50,000	12,00,12,035	-
- Others	1,80,00,000	1,43,29,795	-
Interest accrued but not due on Borrowings	5,73,63,427	9,19,55,031	2,78,41,109
Total	1,17,85,33,580	1,11,17,87,250	25,72,07,219

Notes to financial statements for the year ended 31 March, 2018
All amounts are in Indian Rupees unless otherwise stated

	As at 31 March 2018	As at 31 March 2017	As at 01 Apr 2016
Note 18. Trade Payables			
Trade Payables	12,62,83,334	10,22,99,513	6,39,81,048
Trade Payables to related parties	2,12,17,755	2,04,10,835	2,43,37,068
Total	**14,75,01,089**	**12,27,10,348**	**8,83,18,116**
Note 19. Other Financial Liabilities (current)			
"Other Financial liabilities at amortised cost"			
Payable to employees	1,36,92,826	1,11,15,427	78,85,135
Oustanding liabilities	61,92,430	80,22,655	71,88,936
Total	**1,98,85,256**	**1,91,38,083**	**1,50,74,071**

	For the year Ended 31 March 2018	For the year Ended 31 March 2017
Note 20. Revenue from services		
Room Sales	45,48,73,015	43,47,84,210
Food & Beverage Sales	38,17,13,254	40,08,65,941
Other Services	5,12,64,383	5,67,96,253
Total	**88,78,50,652**	**89,24,46,405**
Note 21. Other Income		
Interest income on		
on bank deposits	7,15,707	7,99,844
others	14,65,101	28,50,036
Exchange Gain	82,59,185	-
Profit on Sale of Fixed Assets	-	3,00,000
Other non-operating income	62,05,127	70,07,409
Total	**1,66,45,120**	**1,09,57,289**
Note 22. Cost of Revenues		
Consumption		
Food	7,40,31,385	7,54,97,624
Beverage	1,04,90,764	1,92,91,454
Smokes	3,90,386	11,73,617
Water charges	1,26,33,554	86,55,855
Power and fuel	13,85,44,261	12,98,39,148
Upkeep and Service	7,10,26,498	8,40,30,886
Management fees	1,92,54,005	1,57,92,908
Reservation fee & Commission	1,24,98,378	1,35,54,610
Total	**33,88,69,231**	**34,78,36,103**

Notes to financial statements for the year ended 31 March, 2018

All amounts are in Indian Rupees unless otherwise stated

	For the year Ended 31 March 2018	For the year Ended 31 March 2017
Note 23. Changes in inventories		
Food	(15,94,097)	(1,69,969)
Beverage	(11,34,712)	37,56,984
Smokes	63,240	(62,480)
Total	**(26,65,569)**	**35,24,535**
Note 24. Employee benefit expense		
Salaries and allowances	11,84,95,255	11,55,50,287
Contributions to provident fund and employee state insurance plans	1,26,13,512	99,83,454
Staff welfare	2,28,76,695	2,12,91,015
Directors' remuneration	72,00,000	72,00,000
Total	**16,11,85,462**	**15,40,24,756**
Note 25. Selling expenses		
Advertisement and marketing expenses	3,44,87,872	3,59,65,088
Total	**3,44,87,872**	**3,59,65,088**
Note 26. Finance costs		
Interest		
- on Term Loans	29,02,17,232	30,66,84,845
- others	8,21,46,502	7,20,96,772
Total	**37,23,63,734**	**37,87,81,617**
Note 27. Other expenses		
Audit Fees, Legal & Professional Fees	85,37,807	36,41,934
Travel and conveyance	64,49,802	82,78,285
Rent	50,68,045	53,73,203
Repairs and maintenance		
- Building	1,58,67,813	1,49,33,030
- Plant and machinery	2,20,45,345	2,17,07,232
- Others	59,88,675	74,54,279
Communication	70,92,709	70,00,799
Insurance	49,77,171	43,65,984
Bad debts written off	-	1,609
Provision for doubtful debts	10,048	2,29,619
Fees & Licenses	1,11,09,962	1,03,30,013
Loss on Foreign Exchange	-	15,965
Bank Charges	22,53,994	21,84,051
Directors sitting fees	1,83,250	2,10,500
Rates and taxes	45,35,907	30,43,424
Printing & Stationery	52,76,908	56,06,984
Subscription charges	15,28,705	12,91,427
Miscellaneous expenses	77,23,534	62,08,572
Total	**10,86,49,674**	**10,18,76,910**

Notes to financial statements for the year ended 31 March, 2018
All amounts are in Indian Rupees unless otherwise stated

	For the year Ended 31 March 2018	For the year Ended 31 March 2017
Payment to auditor (included under Audit Fees, Legal & Professional Fees)		
As auditor:		
Audit fee	5,00,000	5,00,000
Service Tax	75,000	72,500
In other capacity:		
Other Services	-	-
Total	5,75,000	5,72,500

Note 28. Earnings Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-18	31-Mar-17
Profit / (Loss) after tax	(31,14,52,826)	(31,47,36,048)
Weighted average number of shares		
- Basic	8,97,11,233	8,97,11,233
- Diluted	8,97,11,233	8,97,11,233
Earning per share of Rs.10/- each		
- Basic	(3.47)	(3.51)
- Diluted	(3.47)	(3.51)

Note 29. Employee benefit plans

A. Gratuity

"The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance Group in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Gratuity plan."

During the year,the Company has recognised the following amounts in the Profit and Loss account,which are included in Employee Benefit Expense in Note 24	Year ended March 31, 2018	Year ended March 31, 2017
Contribution to Provident Fund	58,42,497	59,01,569

Notes to financial statements for the year ended 31 March, 2018

All amounts are in Indian Rupees unless otherwise stated

Statement of Profit and Loss

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Recognized in profit or loss:		
Current service cost	15,73,280	16,05,977
Past service cost and loss/(gain) on curtailments and settlements	20,00,051	-
Interest cost on benefit obligation	8,24,657	7,86,342
Total included in Employee Benefit Expense	**43,97,988**	**23,92,319**
Recognized in other comprehensive income:		
Components of actuarial gain/lossess on obligation:		
Due to changes in financial assumptions	(1,02,101)	(5,40,368)
Due to changes in demographic assumptions	-	-
Due to experience adjustments	(2,93,436)	1,16,584
Return on Plan Assets excluding amounts included in interest income		
Recognized in other comprehensive income	(3,95,537)	(4,23,784)

Particulars	**As at 31 March 2018**	As at 31 March 2017	As at 01 Apr 2016
Defined benefit obligation	1,44,84,372	1,21,27,307	1,05,34,437
Fair value of plan assets	-	-	-
Plan Liability / (Asset)	1,44,84,372	1,21,27,307	1,05,34,437
Funded	-	-	-
Unfunded			
Total	1,44,84,372	1,21,27,307	1,05,34,437

Changes in the present value of the defined benefit obligation are as follows:

Particulars	**As at 31 March 2018**	As at 31 March 2017
Opening defined benefit obligation	1,21,27,307	1,05,34,437
Current service cost	15,73,280	16,05,977
Interest cost	8,24,657	7,86,342
Actuarial (gains) / losses on obligation	(3,95,537)	(4,23,784)
Past service cost	20,00,051	-
Benefits paid	(16,45,386)	(3,75,665)
Closing defined benefit obligation	1,44,84,372	1,21,27,307

Notes to financial statements for the year ended 31 March, 2018

All amounts are in Indian Rupees unless otherwise stated

Changes in the fair value of plan assets are as follows:

Particulars		
Fair value of planned assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain / (loss) on plan assets	-	-
Fair value of plan assets at the end of the year	-	-

The principal actuarial assumptions used in determining gratuity obligation for the Group's plans are shown below:

Particulars	**As at 31 March 2018**	As at 31 March 2017	As at 01 Apr 2016
Discount rate	7.10%	6.80%	7.60%
Expected rate of return on assets	5%	5%	5%
Withdrawal Rate	20%	20%	20%

The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Based on the experience of the previous years, the Company expects to contribute Rs.76,12,123/- to the gratuity fund in the next year. However, the actual contribution by the Company will be based on the actuarial valuation report received from the insurance company.

The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	**As at 31 March 2018**	As at 31 March 2017	As at 01 April 2016
Investments details			
Funds with LIC	-	-	-
Total	-	-	-

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Gratuity plan:

Assumptions	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	Discount rate		Salary Growth Rate		Withdrawal Rate	
Sensitivity Level	0.5% increase					
Impact on defined benefit obligation	(1,64,969)	(1,73,609)	1,71,521	1,80,787	(35,605)	(51,924)

Notes to financial statements for the year ended 31 March, 2018
All amounts are in Indian Rupees unless otherwise stated

Gratuity plan:

Assumptions	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	Discount rate		Salary Growth Rate		Withdrawal Rate	
Sensitivity Level	0.5% decrease					
Impact on defined benefit obligation	1,74,173	1,82,870	(1,69,006)	(1,77,300)	29,960	47,172

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	**As at 31 March 2018**	As at 31 March 2017
Within the next 12 months (next annual reporting period)	76,12,123	49,27,175
Between 2 and 5 years	51,48,134	52,22,435
Between 6 and 10 years	33,23,811	34,41,724
Total expected payments	1,60,84,068	1,35,91,334

A. Leave Encashment

Actuarial Assumptions	**As at 31 March 2018**	As at 31 March 2017	As at 01 Apr 2016
Discount Rate	7.10%	6.80%	6.80%
Salary Growth Rate	5%	5%	5%
Withdrawal Rate	20%	20%	20%
Liability recognised in the balance sheet	36,31,818	30,39,504	26,80,350
Expenses recognised in the statement of profit & loss	12,05,337	8,29,040	5,17,134
Net Actuarial (Gain)/Loss	79,291	(3,08,954)	(5,52,437)

Note 30. Commitments and Contingencies

a. Leases

Operating lease commitments

The Company has leased premises under the operating leases.

The Company has paid INR 50,68,065/- (31 March 2017: INR 53,73,203/-) during the year towards minimum lease payment.

Future minimum rentals payable under non-cancellable operating leases as at 31st March are, as follows:

Notes to financial statements for the year ended 31 March, 2018

All amounts are in Indian Rupees unless otherwise stated

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 Apr 2016
Within one year	49,47,818	49,47,818	51,65,432
After one year but not more than five years	1,01,45,258	1,45,49,804	1,68,51,409
More than five years	-	5,43,272	37,77,032
	1,50,93,075	2,00,40,893	2,57,93,873

b) Contingent Liabilities

Particulars	31-Mar-18	31-Mar-17
1) Claims against the company not acknowledged as debt		
- Demands raised against the Company under Central Excise Act, 1944	25,39,667	25,39,667
- Others	87,29,532	87,29,532
2) Right to Recompense to joint lender forum	19,46,87,188	14,26,07,335
3) Bank Guarantees	1,68,51,850	1,72,58,176

c) Capital Commitments

Particulars	31-Mar-18	31-Mar-17
Estimated amounts of contracts remaining to be executed on Capital account and not provided for (Net of Advances)	89,58,112	4,69,47,553

Note 31.Related Party Disclosure

a. Names of related parties and description of relationship

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

Notes to financial statements for the year ended 31 March, 2018

All amounts are in Indian Rupees unless otherwise stated

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. Transactions during the year

S.No.	Nature of transactions	Enterprises in which Key management personnel or their relatives have significant influence		Key Managerial Personnel/ Relatives of Key Managerial Personnel	
		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
1	Travel Services Paid				
	DFL	88,97,537	2,46,19,142	-	-
2	Lease Rental on Car Hire				
	DFL	18,79,150	-	-	-
3	Rent Paid			29,12,490	29,06,278
4	Rent Received				
	DFL	25,000	60,000		
5	Remuneration			48,00,000	72,00,000
6	Purchase of sugar				
	DSCL	6,17,269	6,11,620	-	-
7	Reimbursement of expenses				
	DSCL	4,96,104	70,663	-	-
8	Inter Corporate Deposits/Loans received				
	DFL	4,27,00,000	-	-	-
	DDPL	4,58,00,000	31,00,000		
	Key Manegerial Personnel			2,69,00,000	1,25,64,655
9	Interest on Inter Corporate Deposits & Loans				
	ADL	-	29,31,142	-	-
	DFL	36,24,329	-	-	-
	DDPL	28,02,947	45,61,973		
	Key Manegerial Personnel			13,30,233	84,48,540

d. Balances outstanding at the end of the year

S. No.	Nature of transactions	Enterprises in which Key management personnel or their relatives have significant influence			Key Managerial Personnel/ Relatives of Key Managerial Personnel		
		31-Mar-18	31-Mar-17	1-Apr-18	31-Mar-18	31-Mar-17	1-Apr-16
1	Sundry Creditors						
	ADL	8,35,484	8,56,643	62,00,760			
	DSCL	6,33,855	82,671	70,876			
	DFL	1,97,48,416	1,94,71,521	1,80,65,432			
	DDPL	-	-	1,36,371			
	Key Managerial Personnel	-	-	-	44,44,255	20,75,776	2,44,95,857
2	Inter Corporate Deposits/Loans						
	ADL	21,797	21,797	10,82,21,797			
	DFL	4,27,00,000	-	-			
	DDPL	1,39,90,000	-	13,70,00,000			
	Key Managerial Personnel				6,14,60,346	3,73,54,146	13,19,49,252
3	Interest payable on Inter Corporate Deposits/Loans						
	ADL	6,07,06,765	6,07,06,765	6,07,06,765			
	DFL	32,61,896	-	-			
	DDPL	25,71,136	48,484	21,47,311			
	Key Managerial Personnel				3,32,53,343	3,68,62,544	3,29,45,946
4	Debtors						
	DDPL	4,86,381	4,08,098	-			

Notes to financial statements for the year ended 31 March, 2018
All amounts are in Indian Rupees unless otherwise stated

Note 32. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise bank loans and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include deposits, etc.. The sensitivity analyses in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

Basis of preparation of sensitivity analysis along with assumptions, if any (to be filled up)

Equity price risk

The Company's listed securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Liquidity risk

The Comany monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, sale of current investments, etc

The following table detail the Company's remaining contractual maturity for it's non- derivative financial liabilities with agreed repayment periods. The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

Particulars	Due in 1st Year	Due in 2nd to 5th Year	Due after 5th Year	Total Amount
Year ended 31-03-2018				
Other financial liabilities	1,98,85,256	-	-	1,98,85,256
Trade payables	14,75,01,089	-	-	14,75,01,089
Borrowings	1,17,85,33,580	42,94,95,960	1,02,74,40,793	2,63,54,70,333
Year ended 31-03-2017				
Other financial liabilities	1,91,38,083	-	-	1,91,38,083
Trade payables	12,27,10,348	-	-	12,27,10,348
Borrowings	1,11,17,87,250	1,14,85,00,000	63,51,05,543	2,89,53,92,793
As at 1 April 2016				
Other financial liabilities	1,50,74,071	-	-	15,0,74,071
Trade payables	8,83,18,116	-	-	8,83,18,116
Borrowings	25,72,07,219	1,79,26,00,000	1,00,92,38,746	3,05,90,45,965

Notes to financial statements for the year ended 31 March, 2018
All amounts are in Indian Rupees unless otherwise stated

Note 33. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Indicators for monitoring the capital management include total equity attributable to owners and ROE (ratio of net profit before net interest and tax to total equity attributable to owners).

Return on Equity	31-Mar-18	31-Mar-17
Profit / (Loss) Before Taxes	(31,18,48,363)	(31,51,59,832)
Less: Finance Income	(21,80,808)	(36,49,880)
Add: Finance cost	37,23,63,734	37,87,81,617
Earnings before Net interest and Tax	5,83,34,563	5,99,71,905
Equity Share Capital	89,71,12,330	89,71,12,330
Other Equity	2,07,46,59,941	2,38,61,12,767
Capital Employed	2,97,17,72,271	3,28,32,25,097
ROCE	1.96	1.83

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

Note 34. CIF Value of Imports

	Year ended March 31, 2018	Year ended March 31, 2017	As at April 1, 2016
Capital Goods, Stores & Spares	13,15,706	46,26,504	1,39,16,802
Food & Beverages	56,19,884	89,74,453	1,59,43,309

Note 35. Earnings in Foreign Currency

	Year ended March 31, 2018	Year ended March 31, 2017	As at April 1, 2016
Earnings in foreign currency (represents money received through international credit cards and travellers cheques) on account of Hospitality Services provided to foreign visitors/tourists	19,00,72,354	17,71,27,280	17,81,07,586

Notes to financial statements for the year ended 31 March, 2018
All amounts are in Indian Rupees unless otherwise stated

Note 36. Expenditure in Foreign Currency

	Year ended March 31, 2018	Year ended March 31, 2017	As at April 1, 2016
a) Travelling Expenses	-	2,58,785	4,04,471
b) Management Fees (Basic, Sales & Marketing, Incentive Fees & Promotions)	1,72,57,871	2,79,91,650	3,55,30,274
c) Foreign Consultants	-	1,14,087	8,65,238
d) Interest on ECB Loans	2,42,25,303	2,57,05,198	2,43,74,559
e) Travel Agent Commission	34,44,942	17,94,709	21,49,210
f) Others - Spares	87,619	-	-

Note 37. Restructuring of Loans

During the current financial year, the Company had restructured its loan with Banks and Financial Institutions. As per the terms of the restructuring an amount of Rs. 90.36 crores is required to be repaid before 31st March 2019. Accordingly, the said Rs. 90.36 crores is classified as current maturity of long term debt under current liabilities in the financials of the current year.

Note 38. First-time adoption of Ind AS

These standalone financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) and Companies Account(Amendment) Rules,2016,as amended.Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS.

Effect of the Transition to Ind AS : Reconciliations of the Company's balance sheets prepared under Indian GAAP and Ind AS as of April 1, 2016 and March 31, 2017 are also presented in Note 39 & 40. Reconciliations of the Company's income statements for the year ended March 31, 2017 prepared in accordance with Indian GAAP and Ind AS in Note 41.

Notes to financial statements for the year ended 31 March, 2018

All amounts are in Indian Rupees unless otherwise stated

Note 39. Reconciliation of Equity as on March 31, 2016

Particulars	Foot Note	Previous GAAP	Adjustments	Ind AS
ASSETS				
Non-Current Assets				
Property Plant and Equipment		3,78,98,63,349	3,07,22,02,003	6,86,20,65,352
Capital Work-in-Progress		10,62,28,320	(41,25,000)	10,21,03,319
Financial Assets				
Investments		1,07,10,910	-	1,07,10,910
Other Financial Assets		13,83,93,740	(7,70,71,479)	6,13,22,261
Tax Assets		-	3,99,43,698	3,99,43,698
Deferred tax assets (Net)		17,17,04,450	(17,17,04,450)	-
Other non current assets		79,79,122	6,34,54,274	7,14,33,396
		4,22,48,79,891	**2,92,26,99,046**	**7,14,75,78,936**
Current Assets				
Inventories		3,73,90,808	-	3,73,90,808
Financial Assets				
Loans		-		
Trade receivables		5,89,70,275	(0)	5,89,70,274
Other Financial Assets		1,66,47,803	(1,51,50,186)	14,97,617
Tax Assets			45,28,745	45,28,745
Cash and Cash Equivalents		28,90,950	(7,39,708)	21,51,242
Bank Balances Other than Cash and Cash Equivalents		-	7,39,708	7,39,708
Other current assets		35,55,819	1,06,21,438	1,41,77,257
		11,94,55,655	(3)	11,94,55,651
Total Assets		**4,34,43,35,546**	**2,92,26,99,042**	**7,26,70,34,587**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		90,15,57,180	9,00,00,000	81,15,57,180
Other Equity				
General Reserve		-	-	-
Other Reserves		(47,52,37,395)	2,91,94,20,760	2,44,41,83,365
Equity attributable to the equity holders of the parent		42,63,19,785	2,82,94,20,760	3,25,57,40,545
Non-controlling interests		-	-	-
Total Equity		**42,63,19,785**	**2,82,94,20,760**	**3,25,57,40,545**
Non-Current Liabilities				
Financial Liabilities				
Borrowings		3,22,91,60,542	(42,73,21,796)	2,80,18,38,746
Other financial liabilities		26,58,12,612	25,47,87,466	52,06,00,078
Provisions		96,73,786	-	96,73,786
Deferred Tax Liabilities (Net)		-	-	-
Other Non Current Liabilities		-	26,53,74,984	26,53,74,984
		3,50,46,46,940	**9,28,40,654**	**3,59,74,87,594**
Current Liabilities				
Financial Liabilities				
Borrowings		4,85,15,637	20,86,91,582	25,72,07,219
Trade Payables		8,79,02,905	4,15,211	8,83,18,116
Other current financial liabilities		27,12,68,255	(25,61,94,183)	1,50,74,071
Tax liability		-	-	-
Other Current Liabilities		-	4,75,25,019	4,75,25,019
Provisions		56,82,024	-	56,82,024
Total Liabilities		**41,33,68,821**	**4,37,629**	**41,38,06,449**
TOTAL EQUITY AND LIABLITIES		**4,34,43,35,546**	**2,92,26,99,042**	**7,26,70,34,587**

Notes to financial statements for the year ended 31 March, 2018

All amounts are in Indian Rupees unless otherwise stated

Note 40. Reconciliation of Equity as on March 31, 2017

Particulars	Foot Note	Previous GAAP	Adjustments	Ind AS
ASSETS				
Non-Current Assets				
Property Plant and Equipment		3,60,24,53,875	3,07,22,02,003	6,67,46,55,878
Capital Work-in-Progress		11,73,96,189	(27,44,280)	11,46,51,908
Financial Assets				
Investments		74,70,830	-	74,70,830
Other Financial Assets		13,70,13,194	(8,41,41,769)	5,28,71,425
Tax Assets		-	3,27,67,606	3,27,67,606
Deferred tax assets (Net)		22,84,55,110	(22,84,55,110)	-
Other non current assets		77,92,605	7,21,91,669	7,99,84,274
		4,10,05,81,803	**2,86,18,20,119**	**6,96,24,01,921**
Current Assets				
Inventories		3,23,71,019	(0)	3,23,71,019
Financial Assets				
Loans		-		
Trade receivables		5,55,89,906	0	5,55,89,906
Other Financial Assets		2,34,19,452	(2,15,61,183)	18,58,266
Tax Assets		-	1,13,39,173	1,13,39,173
Cash and Cash Equivalents		27,68,214	(7,93,545)	19,74,669
Bank Balances Other than Cash and Cash Equivalents		-	7,93,545	7,93,545
Other current assets		30,81,314	1,02,22,009	1,33,03,323
		11,72,29,905	0	11,72,29,902
Total Assets		**4,21,78,11,708**	**2,86,18,20,120**	**7,07,96,31,823**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		98,71,12,330	(9,00,00,000)	89,71,12,230
Other Equity				
General Reserve		-	-	-
Other Reserves		(47,26,02,137)	2,85,87,14,904	2,38,61,12,767
Equity attributable to the equity holders of the parent		51,45,10,193	2,76,87,14,904	3,28,32,25,097
Non-controlling interests		-	-	-
Total Equity		**51,45,10,193**	**2,76,87,14,904**	**3,28,32,25,097**
Non-Current Liabilities				
Financial Liabilities				
Borrowings		2,05,39,77,339	(27,03,71,794)	1,78,36,05,543
Other financial liabilities		32,83,68,545	3,51,08,462	36,34,77,007
Provisions		1,11,45,480	-	1,11,45,480
Deferred Tax Liabilities (Net)		-	-	-
Other Non Current Liabilities		-	32,55,58,315	32,55,58,315
		2,39,34,91,364	9,02,94,983	2,48,37,86,345
Current Liabilities				
Financial Liabilities				
Borrowings		4,70,82,517	1,06,47,04,733	1,11,17,87,250
Trade Payables		12,19,75,895	7,34,453	12,27,10,348
Other current financial liabilities		1,13,43,17,583	-1,11,51,79,497	1,91,38,083
Tax liability		-	-	-
Other Current Liabilities		-	5,25,50,543	5,25,50,543
Provisions		64,34,156	-	64,34,156
Total Liabilities		**1,30,98,10,151**	**28,10,232**	**1,31,26,20,380**
TOTAL EQUITY AND LIABLITIES		**4,21,78,11,708**	**2,86,18,20,120**	**7,07,96,31,823**

Notes to financial statements for the year ended 31 March, 2018
All amounts are in Indian Rupees unless otherwise stated

Note 41. Reconciliation of Profit or loss for the year ended March 31, 2017

Particulars	Foot Note	Previous GAAP	Adjustments	Ind AS
Income				
Revenue from Operations		89,24,46,405	-	89,24,46,405
Other Income		1,09,57,289	-	1,09,57,289
Total Income		90,34,03,694	-	90,34,03,694
Expenses		-		
Costs of revenues		34,78,36,103	-	34,78,36,103
Changes in Inventories		35,24,535	-	35,24,535
Employees' benefits expense		15,36,00,972	4,23,784	15,40,24,756
Advertisement and marketing expenses		3,59,65,088	-	3,59,65,088
Depreciation and amortization expense		19,65,54,516	-	19,65,54,516
Finance costs		37,68,37,401	19,44,216	37,87,81,617
Other expenses		9,98,65,930	20,10,980	10,18,76,910
Total Expense		1,21,41,84,545	43,78,980	1,21,85,63,525
Profit(Loss) Before Tax		(31,07,80,851)	(43,78,980)	(31,51,59,832)
Current Year		-	-	-
Minimum Alternate Tax		-	-	-
Deferred Tax (Net)		(5,67,50,660)	5,67,50,660	-
Income Tax Expense		(5,67,50,660)	5,67,50,660	-
Profit for the year		(25,40,30,191)	(6,11,29,640)	(31,51,59,832)
Other Comprehensive income:				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Remeasurement gains and (losses) on defined benefit obligations (net)		-	(4,23,784)	(4,23,784)
Income tax effect		-	-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	(4,23,784)	(4,23,784)
Total comprehensive income for the year, net of tax attributable to:		(25,40,30,191)	(6,07,05,856)	(31,47,36,048)

Note 42. Prior year comparatives

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

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

(S. Baskar Shrinivas)
Partner
Membership No.: 209004

Dr Palani G Periasamy
Chairman

A Sennimalai
Managing Director

N. Subramanian
Company Secretary

Place : Chennai
Date : 28th May 2018

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. :____________________
Client ID :____________________
No. of Shares : ________________

I hereby certify that I am a memebr / proxy appointed by the member* of the Company and record my presence at the **32nd Annual General Meeting** of the Company, at Le Royal Meridien, No.1, GST Road, St.Thomas Mount, Guindy, Chennai - 600 016 on **Friday 28th September 2018 at 10.15 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 Adminisration) 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

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held on **Friday, 28th September 2018.** at 10.15 a.m. at Chennai and at any adjourment thereof in respect of such resolutions, as are indicated overleaf.

Note :
1. The Proxy need NOT be a Member
2. The Proxy Form duly signed across revenue stamp should reach the Company's Registered office atleast 48 hours before the scheduled time of meeting.
3. Proxy cannot speak at the meeting or vote on a show of hands.

The luxurious and spacious Spa with all facilities in an area of nearly 20,000 sq. ft. commenced full operations at Le Meridien, Coimbatore from March 2018.

Our Culinary Experts giving training to our Guests and their Families at our Bakery and Confectionery facility.

PGP GROUP

Appu Hotels Limited

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