



## NOTICE TO SHAREHOLDERS

Notice is hereby given that the Forty Ninth Annual General Meeting of the Company will be held at 10.30 A.M. on Thursday, the 29<sup>th</sup> September 2011 at the Hotel "The Aruna Chennai", 145, Sterling Road, Chennai-600 034, to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and, if deemed fit, to pass the following resolution, with or without modifications(s), as an Ordinary Resolution:

*"RESOLVED THAT the Directors' Report, Audited Balance Sheet as at, and the Profit & Loss Account for the year ended, 31-03-2011 and the Auditors' Report thereon, be and are hereby adopted".*

2. To consider and, if deemed fit, to pass the following resolution, with or without modifications(s), as an Ordinary Resolution:

*"RESOLVED THAT Mr. Kartick P Sivaram, who retires by rotation and who being eligible, offers himself for reappointment, be and is hereby appointed as a Director".*

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

*"RESOLVED THAT Mr. S. Kalyanam, who retires by rotation and who being eligible, offers himself for reappointment be and is hereby appointed as a Director".*

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

*"RESOLVED THAT M/s. S. Viswanathan, Chartered Accountants, Chennai-600 006 retiring Auditors, be and are hereby re-*

*appointed as Auditors of the Company from the conclusion of the Forty Ninth Annual General Meeting till the conclusion of the Fiftieth Annual General Meeting of the Company on a remuneration of Rs.75,000/- (Rupees Seventy Five Thousand Only) plus reimbursement of out-of-pocket expenses".*

By order of the Board  
For Aruna Hotels Limited  
Date: 12.07.2011 D. RAMJEE  
Place: Chennai 34. Sr.Vice-President (Legal)  
& Company Secretary

### **NOTES**

1. A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself, and such proxy need not be a member.
2. Proxy forms, complete in all respects, should be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting. Form of proxy is enclosed.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 22-09-2011 to 29-09-2011(both days inclusive).
4. Shareholders seeking any information with regard to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
5. M/s. MCS Limited, Mumbai have been the Share Transfer Registrars.
6. The Company's shares are listed in The Stock Exchange, Mumbai (BSE) and the process of delisting the shares from Ahmedabad and Madras Stock Exchanges is on.

## **ARUNA HOTELS LIMITED**

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### Reappointment of Directors:

#### Item No.2

Mr.Kartick P.Sivaram was born on 05.12.1976 and is aged about 35 years, is a Commerce Graduate and an MBA from Australia. He also holds Diploma in Software Technology and Systems Management from NIIT. After completing his education, he was working as Business & Planning Analyst – Coal in FreightCorp, Sydney and as Management Consultant in Morgan & Banks Ltd., Sydney.

He joined the Company on 31-10-2001 as a director in the casual vacancy caused by the demise of Dr. P. Maruthai Pillai, the then Chairman of the Company. Subsequently, he was appointed as Executive Director effective from 4<sup>th</sup> October 2001. He is looking after the operational affairs of the Company.

#### Item No.3

Mr. S. Kalyanam is a holder of triple M.A. qualification and is also holding degree of Bachelor of Law. He was born on 07.01.1934 and is aged about 77 years. He is an advocate of High Court of Madras with 25 years stranding, and was appointed youngest Public Prosecutor & Government Pleader in India in 1968 by late Thiru C.N. Annadurai, the then Chief Minister of Tamil Nadu. Later, he was appointed Special Prosecutor by Income Tax Department, selected as Judicial Member of Customs Excise & Gold Control Appellate Tribunal, and promoted as Vice-President of the Tribunal with all India jurisdiction. He was also appointed as a Judge of International Court of Arbitration Centre, Paris and has held sittings at Singapore along with co-arbitrators of Hong Kong & Malaysia.



## **DIRECTORS' REPORT**

Your Directors have pleasure in presenting their Forty Ninth Annual Report, together with the Audited Accounts of the Company for the financial year 2010/2011 consisting of 12 months from 01-04-2010 to 31-03-2011.

## **FINANCIAL RESULTS**

During this financial year, your Company made a turnover of Rs. 489.33 lakhs including other income, and incurred a cash loss of Rs. 167.27 lakhs. After providing for a sum of Rs. 145.52 lakhs towards depreciation, there was a net loss of Rs.312.80 lakhs only.

Rs. in lakhs

	2010-11		2009-10	
Gross Sales	292.16		124.07	
Other Income	197.17		163.00	
Total Income		489.33		287.07
Less:				
- Mfg. & Other Expenses	417.06		317.46	
- Financial Charges	239.54		96.94	
- Total Expenditure		656.60		414.40
Loss before depreciation & tax		-167.27		-127.33
Less: Depreciation		145.52		108.62
Loss before Tax		-312.80		-235.95
Less:				
- Provision for tax	0.00		0.00	
Net Profit / Loss (-)		-312.80		-235.95

## **DIVIDEND**

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

## **REVIEW OF OPERATIONS**

### **HOTEL DIVISION**

During the year under review, the Hotel resumed operations in September 2010 with 40 rooms. The gross sales shown above consisted of room revenue and Food & Beverage revenue. The Other Income consisted of rent received from three floors in the annexe building leased out to restaurants. The performance has been satisfactory.

We have already entered into agreement with M/s. Fortune Park Hotels Limited of ITC Group for branding, marketing and managing the day-to-day operations of the Hotel. However, this arrangement will come into force after completion of the remaining part of renovation.

After completion of renovation, Fortune Park Hotels Limited, a wholly owned subsidiary of ITC Hotels Ltd., will take up the marketing and management of the Hotel. The name of the Hotel would also be altered suitably to indicate their association.

### **CURRENT YEAR'S PROSPECTS**

The prospects of hotel industry in the country as a whole continue to be encouraging and particularly in Chennai city, the industry should be doing well as many more companies in IT, ITES and Auto segments are expected to set up shops in and around the City.

The renovation of the Hotel and our association with Fortune Park Hotels Limited would help us achieve satisfactory performance of the Hotel, barring unforeseen circumstances.

### **FIXED DEPOSITS**

The Company has long back stopped accepting deposits from public.

### **BOARD OF DIRECTORS**

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of your

## **ARUNA HOTELS LIMITED**

company, Mr. Kartick P Sivaram and Mr. S. Kalyanam retire by rotation at the 49<sup>th</sup> Annual General Meeting and, being eligible, offer themselves for re-appointment.

### **AUDITORS**

At the Annual General Meeting, the members have to appoint Auditors for the period from conclusion of the 49<sup>th</sup> AGM till the conclusion of the 50<sup>th</sup> AGM. M/s. S.Viswanathan, Chartered Accountants, Chennai-600 006, the retiring Auditors, are eligible for re-appointment and they have confirmed that their re-appointment, if made, will be within the limits specified under Section-224 (1-B) of the Companies Act, 1956.

### **CORPORATE GOVERNANCE:**

A report on Corporate Governance including Auditors' Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the listing agreement is furnished with the Annual Report.

### **BOARD COMMITTEES:**

The Company has two Board Committees, viz. Audit Committee and Investors' Grievances Committee, to assist the Board of Directors in effective discharge of its responsibilities.

### **STATUTORY PARTICULARS**

There were no employees in receipt of remuneration in excess of the limit specified in Section 217 (2-A) of the Companies Act, 1956.

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo, have been given in Annexure-I.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors confirm:

That in preparation of the annual Accounts, the applicable accounting standards have been followed along with proper explanation.

That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31<sup>st</sup> March 2011 and of the loss of the Company for that year.

That the Directors had taken proper and sufficient care for maintenance of adequate accounting records for the year ended 31<sup>st</sup> March 2011 in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for prevention of fraud and other irregularities.

That the Directors have prepared the Annual Accounts on an ongoing basis.

### **ACKNOWLEDGEMENT**

Your Directors wish to take the opportunity to thank the Central & State Governments and Punjab National Bank for the help and support extended by them.

Thanks are also due to our patrons for their continued patronage and the vendors for their co-operation.

Your Directors also wish to thank the Members for the continued confidence they repose in the Management and the Employees for their sincere services and co-operation.

By Order of the Board  
For Aruna Hotels Limited

Date: 12.07.2011  
Place: Chennai-34

M.Sivaram  
Vice-Chairman  
& Managing Director