

Viceroy Hotels Limited



2015 - 2016

CONTENTS

	Page No.
Chairman's Message	1
Corporate Information	2
Notice	3
Annexures to the Notice	8
Directors' Report	10
Annexures to Directors' Report	15
Auditors' Report	48
Balance Sheet	53
Profit & Loss Account	54
Schedules forming part of the Consolidated Balance Sheet and Profit & Loss Account	55
Notes to Financial Statements	67
Cash Flow Statement	72
Consolidated Financial Statements	
Auditors' Report on Consolidated Financial Statements	74
Consolidated Balance Sheet	78
Consolidated Profit & Loss Account	79
Schedules forming part of the Consolidated Balance Sheet and Profit & Loss Account	80
Notes to Financial Statements	93
Consolidated Cash Flow Statement	98
Attendance Slip	101
Proxy Form	103

CHAIRMAN'S MESSAGE

It gives me great pleasure to invite you to the 51st Annual General Meeting of the Company. With the stable Governments both at the Central and State, the economy is becoming stronger with a steady progress. There is a lot of expectations by the domestic investors as well as by the global investors that the stumbling block for the revival of the economy will be removed and the growth will be smoother and faster. Though the growth is not on the expected lines and the sentiments among the investors is not what it should be, the expectations of the Indian and global investors is still very high. Investors have lot of confidence in the ability of the Central and State Governments to kick start the economy. In spite of the initial disturbances, the economic performance is quite encouraging. GDP growth is one of the highest in the world. Inflation is under control. Forex earnings and foreign tourist arrivals are better compared to the past.



As the economy is on the growth path, we can expect the growth to be more robust in the coming year.

It is heartening to note that the state of Telangana is in the forefront of economic development under the dynamic leadership of Sri.K.Chandrashekar Rao, Hon'ble Chief Minister. The State is recognized as number one state in many important parameters. Recently Telangana State was adjudged by CNBC as the most promising state in the country. Prime Minister of India survey had given Sri K. Chandrashekar Rao as the best Chief Minister in the country. Many innovative and progressive measures are undertaken by the State Government which will improve business in Hyderabad exponentially.

Performance of the Company for FY 2015-16

The standalone performance of the Company in FY 2015-16, we have gross revenue of Rs.84.80 Crores as against Rs.77.59 Crores in the previous year and consolidated gross revenue is Rs.124.74 Crores as against Rs.110.08 Crores in the previous year.

Present Status:

The Hotel Industry across the country had suffered very badly due to the economic slowdown and the hotel industry in Hyderabad suffered most due to prolonged Telangana agitation. Now that the problem of separation of State of Andhra Pradesh is no longer there and uncertainties are no longer felt by the people, the city of Hyderabad has come back to its original glory and in the recent past we have witnessed a steady growth in occupancy levels as well as the room revenues. With Marriott, Hyderabad and Courtyard, Hyderabad (put together) we have 500 rooms and the large convention and meeting spaces. Now that Hyderabad is a preferred destination for its central location, best infrastructure etc., many national and international conferences are being planned in the future. That is a good news for the Hotel Industry as convention means more room occupancy and more sales of F&B. As all of you aware, we have divested Renaissance Hotel Project, Bangalore, to a SPV, where Viceroy Hotels Ltd. holds 40% stake and J.P. Morgan 60%. This hotel will be fully operational by November, 2016.

Through the sale of Chennai Project, the company's debt had been substantially reduced and we are striving hard to further reduce the debt. This measure shall help Company to strengthen its position. Our company is planning to expand its F&B business in a big way by opening F&B outlets in Hyderabad and other Metros. F&B business will be less capital intensive and can generate more revenues and profits in the near future.

Acknowledgment:

Before I conclude, on behalf of the Board of Directors of your Company, I wish to convey earnest thanks to the valued Shareholders for your continued support and trust in us.

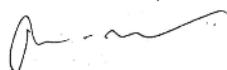
I take this opportunity to thank the Government of India for its support to Hospitality Industry. I also acknowledge the support extended by the State Governments and all other authorities and regulatory agencies.

I would like to thank my colleagues on the Board for their valuable guidance and contribution in steering the Company at all levels of achievement. I would also like to thank customers, suppliers, bankers, financial institutions and all our shareholders.

Above all, I would like to place on record the commendable efforts and commitments shown by our employees who have always contributed their best for the Company.

Thank you for sparing your valuable time.

With best wishes,



P. PRABHAKAR REDDY
Chairman



CORPORATE INFORMATION

Board of Directors

Mr. P. Prabhakar Reddy	- Chairman and Managing Director
Mrs. P. Kameswari	- Non-Executive Director
Mr. P. Chakradhar Reddy	- Non-Executive Director
Mr. K. Narasimha Rao	- Non-Executive Independent Director
Mr. A. Poornachandra Rao	- Non-Executive Independent Director
Mr. P. Narendra	- Non-Executive Independent Director (up to 19-04-2016)
Mr. Devraj Govind Raj	- Non-Executive Independent Director (from 30-05-2016)

Chief Financial Officer

Mr. K. Gurava Raju

Company Secretary & Compliance Officer

Ms. Y. K. Priyadarshini

Corporate Identification Number

L55101TG1965PLC001048

Registered Office:

#Plot No.20, Sector-I,
Survey No.64, 4th Floor, HUDA Techno Enclave
Madhapur, Hyderabad – 500 081, Telangana.

Contact Information:

Tel : +91 40 - 40349999/23119695
Fax : +91 40 - 40349828
E-mail : secretarial@viceroyhotels.in
secretarial.viceroy@gmail.com
Website: www.viceroyhotels.in

Listing

National Stock Exchange of India Limited (NSE)
BSE Limited (BSE)

Statutory Auditors

M/s. P. Murali & Co.,
Chartered Accountants
6-3-655/2/3, Somajiguda,
Hyderabad – 500 082
Telangana.

Secretarial Auditors

M/s. A N Sarma & Co.,
Company Secretaries
Hyderabad

Secretarial Consultants

M/s. P. S. Rao & Associates
Company Secretaries
Hyderabad

Internal Auditor

Mr. J. Dasvanth Kumar

Registrar and Share Transfer Agent

M/s. Aarthi Consultants Private Limited
1-2-285, Domulguda,
Hyderabad -500 029, Telangana.
Tel : 040 -2763811/66611921
Fax: 040 -27632184
Email: info@aarthiconsultants.com

Bankers

State Bank of India
Canara Bank
Axis Bank
Bank of Maharashtra
ARCIL
IARCL
EARCL

Audit Committee

Mr. A. Poornachandra Rao - Chairman
Mr. P. Chakradhar Reddy - Member
Mr. K. Narasimha Rao - Member

Nomination and Remuneration Committee

Mr. A. Poornachandra Rao - Chairman
Mr. P. Chakradhar Reddy - Member
Mr. K. Narasimha Rao - Member
Mr. P. Prabhakar Reddy - Member

Stakeholders Relationship Committee

Mr. P. Chakradhar Reddy - Chairman
Mr. A. Poornachandra Rao - Member
Mr. K. Narasimha Rao - Member

NOTICE

NOTICE is hereby given that the **51st Annual General Meeting** of Members of the '**Viceroy Hotels Limited**' will be held on Thursday, the 29th day of September 2016 at 11.00 A.M, at **Sri Sathya Sai Nigamagamam, 8-3-987/2, Sri Nagar Colony, Hyderabad – 500073 Telangana**, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016 and Profit & Loss Account for the financial year ended on that date together with the report of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. P. Kameswari (Holding DIN: 01587727), who retires by rotation and being eligible offers herself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution:**

“RESOLVED THAT in terms of Section 139 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder the appointment of M/s. P. Murali & Co., Chartered Accountants, (Registration No: 007257S), Hyderabad, as the Statutory Auditors of the Company for the third consecutive year, viz. from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting, out of their term of three consecutive years as approved at the Annual General Meeting held on 26th September, 2014, be and is hereby ratified on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to the reimbursement of all out of pocket expenses as may be agreed upon by the Board of Directors and the in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do or cause to be done all such acts, deeds and things as may be required or considered necessary or incidental thereto for giving effect to the aforesaid resolution.”

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications, the following resolution as **Ordinary Resolution:**

“RESOLVED THAT pursuant to sections 149, 150, 152 & 161 of the Companies Act, 2013 and all other applicable provisions, if any, Mr. Devraj Govind Raj (Holding DIN: 07526450), whose term of office as Additional Director (under non-executive independent category) of the Company expires at this Annual General Meeting and in respect of whom Company received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for a term of 5 consecutive years.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do or cause to be done all such acts, deeds and things as may be required or considered necessary or incidental thereto for giving effect to the aforesaid resolution.”

5. To consider and determine the fees for delivery of any document through a particular mode of delivery to a member and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to section 20 and other applicable provisions, if any, of the companies act, 2013 and rules made thereunder, the consent of the Company be and is hereby accorded to charge from a member in advance, a sum equivalent to the estimated actual expenses of delivery of the document through particular mode upon receipt of such request from a member “.



“RESOLVED FURTHER THAT the estimated fees for delivery of the document/(s) shall be paid at least one week in advance to the Company, before dispatch of such document/(s).

“FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the key managerial personnel of the company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance.”

**By Order of the Board
For Viceroy Hotels Limited**

Hyderabad
August 13, 2016

Sd/-
P. Prabhakar Reddy
Chairman & Managing Director
DIN: 01442233

Regd. Office : #Plot No.20, Sector-I,
Survey No.64, 4th Floor, HUDA Techno Enclave,
Madhapur, Hyderabad – 500 081, Telangana.
Tel : +91 40 - 23119695
E-mail : secretarial.viceroy@gmail.com

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company.
2. The Instrument of Proxy in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of Companies, Societies, Partnership Firms, etc. must be supported duly certified copy of the Board Resolution/authority, as applicable, issued by the member organization. A Member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, September 23, 2016 to Thursday, September 29, 2016**, both days inclusive for the purpose of the 51st Annual General Meeting of the Company.
4. All communications in respect of the share transfers and change in their registered address may be communicated to our RTA at M/s. Aarathi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad-500029, Telangana.

Members whose shareholdings are in dematerialized form are requested to notify changes if any, with respect to the address, email ids, etc. to the depository participant to update the same.

Members, who are holding Company's shares in physical form, please contact our Registrar and Share Transfer Agent M/s. Aarathi Consultants Private Limited to update your address, email-ids etc.
5. For the convenience of Members and for proper conduct of the meeting, entry to the venue of the Meeting will be regulated by Attendance Slip, which is enclosed with this notice. Members/Proxies are requested to hand over the duly filled and signed Attendance Slip at the entrance for attending the meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Member who hold shares in physical form in multiple folios under same name or joint holding are requested to intimate the Registrar and Transfer Agents, M/s. Aarathi Consultants Private Limited about these folios to enable consolidation of all such shareholding into one folio.

8. The Company has designated exclusive Email Ids: secretarial@viceroypatel.in; secretarial.viceroy@gmail.com to redress share holders' complaints / grievances.
9. Details under Regulation 36(3) of (LODR) Regulations, 2015 details in respect of Directors seeking appointment / re-appointment at the Annual General Meeting, is annexed hereto.
10. Statement as required under Section 102 of the Companies Act, 2013, in respect of special business is annexed hereto.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
12. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
13. Members are requested to kindly bring their copies of the Annual Report to the Meeting. as a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.
14. Members who hold shares in physical form in multiple folios under same name or joint holding are requested to intimate to the Registrar and Transfer Agents, M/s. Aarthi Consultants Private Ltd about these folios to enable consolidation of all such share holdings into one folio.
15. All mandatory registers / documents are open for inspection at the registered office of the Company on all working days between 11.00 a.m. to 1.00 p.m. prior to the date of Annual General Meeting.
16. Electronic copy of the Notice of General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form being sent to the members whose email Ids are registered with the Company/Depository Participant unless such member requests for a physical copy of the same.

E-VOTING:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rules made there under and Regulation 44 of the SEBI (LODR) Regulations, the Company is pleased to provide members the facility to exercise their right to vote on resolutions proposed to be considered at the 51st Annual General Meeting (AGM) by electronic means and the business may be transacted through E-voting Service provided by Central Depository Services Limited (CDSL).

It may be noted that this Remote E-voting facility is optional. The Ballot shall also be made available at the Annual General Meeting. The Members attending Annual General Meeting but have not cast their vote by Remote E-voting may exercise their right at the Meeting.

It may be further noted that the members who cast their vote by Remote E-voting may also attend Annual General Meeting but shall not be entitled to cast their vote again.

The Remote e-voting facility will be available at the link <http://www.evotingindia.com>, during the e-voting period.

A. INSTRUCTIONS FOR E-VOTING

The members who want to utilize e-voting facility to cast their vote:

- a) should log on to the e-voting website: www.evotingindia.com.
- b) Click on "Shareholders" tab. Select the "VICEROY HOTELS LIMITED" from the drop down menu and click on "SUBMIT".
- c) Now enter your User ID

For Members holding shares in demat form in NSDL	8 Character DP ID followed by 8 Digits Client ID.
For Members holding shares in demat form in CDSL	16 digits beneficiary ID.
For Members holding Shares in Physical Form	Folio Number registered with the Company.

- d) Next enter the Image Verification as displayed and Click on Login.



- e) i) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company: **then your existing password is to be used.**
- ii) If you are a first time user follow the steps given below:

For Members holding shares in Physical Form/ Demat Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Ex: If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL client id. For example: CDSL Account holder name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234'. NSDL Account holder name is Rahul Mishra and DP ID. Is IN300000 and client ID 12345678 then default value of PAN is 'RA12345678'.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Bank Details for Dividend	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the folio/client id.

- f) After entering these details appropriately, click on "SUBMIT" tab.
- g) After clicking the SUBMIT tab
- Members holding shares in Physical form will then reach directly to the voting screen.
For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - Members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- h) Click on the relevant EVSN for the "VICEROY HOTELS LIMITED"
- i) On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO.
- j) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Notice of the Annual General Meeting.
- k) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- l) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- m) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- n) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- o) Note for Non-Individual Shareholders&Custodians:
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

B) E-VOTING PERIOD

The voting period begins on 26-09-2016 (9.00 AM) and ends on 28-09-2016 (5.00 PM). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 22-09-2016 (the cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 22-09-2016.

C) THE CONTACT PERSON DETAILS

M. Sreenivas Rao

Asst. Manager- Corporate Affairs

#Plot No.20, Sector-I, Survey No.64, 4th Floor

HUDA Techno Enclave, Madhapur,

Hyderabad – 500 081,

Telangana.

Mobile: +91 9866310777

Email: secretarial.viceroy@gmail.com; companysecretary@viceroyhotels.in

D) SCRUTINIZER

Ms. N. Vanitha, Practicing Company Secretary (Membership No.26859), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent Manner.

E) POLL AT AGM

The Chairman with the help of scrutinizer will allow for voting at the Annual General Meeting on the all resolutions set forth in the notice by use of Ballot or polling paper or by using an electronic voting system.

F) DECLARATION OF RESULTS

The Scrutinizer after scrutinizing the results of the voting shall be declared on or after the Annual General Meeting of the Company. The Results declared, along with the Scrutinizers Report, shall be placed on the Company's website: www.viceroyhotels.in and on the website of CDSL within two days of passing of resolutions and be communicated to the Stock Exchanges where the Company is listed, viz. BSE Limited and NSE Limited in accordance with the SEBI (LODR) Regulations, 2015.

**ANNEXURE - I TO THE NOTICE****Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013****Item No. 4**

Mr. Devraj Govind Raj has been appointed Additional Director (Non-executive Independent) by the Board of Director w.e.f. 30th May, 2016 in accordance with provisions of the Companies Act, 2013. Pursuant to the Section 161 of Companies Act, 2013, Mr. Devraj Govind Raj holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that presence of Mr. Devraj Govind Raj on the Board is desirable and would be beneficial to the company.

Mr. Devraj Govind Raj has given a declaration to the Board that he is not disqualified from being appointed as a Director in terms of Section 164 (2) of the Act and has given his consent to act as a Director. In the opinion of the Board, he fulfils the conditions specified in the Act and the Rules framed thereunder for his appointment.

Mr. Devraj Govind Raj does not hold any shares in the Company, either by himself or for any other person on a beneficial basis.

Your Board is of the opinion that Mr. Devraj Govind Raj fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

Hence, the resolution is commended for your approval as Ordinary Resolution.

None of Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in this resolution.

Item No. 5

As per the provisions of section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the company in its Annual General Meeting.

Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution.

Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Directors accordingly commend the Ordinary Resolution at item no.5 of the notice, for the approval of the members of the Company.

None of Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in this resolution.

**By Order of the Board
For Viceroy Hotels Limited**

Hyderabad
August 13, 2016

Sd/-
P. Prabhakar Reddy
Chairman & Managing Director
DIN: 01442233

Regd. Office : #Plot No.20, Sector-I,
Survey No.64, 4th Floor, HUDA Techno Enclave,
Madhapur, Hyderabad – 500 081, Telangana.
Tel : +91 40 - 23119695
E-mail : secretarial.viceroy@gmail.com

ANNEXURE - II TO THE NOTICE

Information in respect of Directors seeking appointment/re-appointment as required under SEBI (LODR) Regulations.

Sl. No.	Particulars	
1.	Name of the Director	Mr. Devraj Govind Raj
	Date of Birth	02-01-1947
	Date of Appointment	30-05-2016
	Expertise in specific functional areas	Sports & Games
	No. of Shares held	Nil
	Directorships held in other companies (excluding private limited and foreign companies)	Nil
	Positions held in mandatory committees in other companies	Nil
	Relationship with other Directors	NA
2.	Name of the Director	Mrs. P. Kameswari
	Date of Birth	24-09-1956
	Date of Appointment	27-03-2015
	Expertise in specific functional areas	Hotels and Hospitality Industry
	Qualifications	Post Graduate
	No. of Shares held	1975643
	Directorships held in other companies (excluding private limited and foreign companies)	Nil
	Positions held in mandatory committees in other companies	Nil
	Relationship with other Director	Related to; Mr. P. Prbhakar Reddy Mr. P. Chakradhar Reddy

**By Order of the Board
For Viceroy Hotels Limited**

Hyderabad
August 13, 2016

Sd/-
P. Prabhakar Reddy
Chairman & Managing Director
DIN: 01442233

Regd. Office : #Plot No.20, Sector-I,
Survey No.64, 4th Floor, HUDA Techno Enclave,
Madhapur, Hyderabad – 500 081, Telangana.
Tel : +91 40 - 23119695
E-mail : secretarial.viceroy@gmail.com



DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to submit 51st Annual Report of Viceroy Hotels Limited (VHL) along with the audited financial statements for the financial year ended March 31, 2016. Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

PERFORMANCE / FINANCIAL RESULTS

The financial performance of the Company, for the year ended March 31, 2016 is summarized below:

(Rupees in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2015-16	2014-15	2015-16	2014-15
Income from Operations	8422.21	7730.11	12411.57	10976.73
Other Income	57.84	28.98	62.85	31.16
Total Revenue	8480.06	7759.08	12474.43	11007.89
Profit before Interest and Depreciation	(3100.54)	(3058.43)	3279.59	3350.85
Interest	2483.47	2414.34	2704.27	2546.32
Depreciation	1053.70	1152.35	1339.85	1409.49
Profit before Tax and Extraordinary Items	(436.63)	(508.26)	(764.53)	(604.95)
Extraordinary Items	1855.67	0	1855.67	0
Provision for Current Tax	0	0	0	0
Deferred Tax	13.49	2.88	2.66	(3.01)
Profit after Tax	1432.53	(505.38)	1093.80	(607.97)

DIVIDEND

The Board does not recommend any dividend for the financial year.

SUBSIDIARIES

The Company has 5 subsidiaries as on March 31, 2016. There has been no material change in the nature of the business of the subsidiaries.

Café D Lake Private Limited:

M/s Café D'Lake Private Limited which operates all the restaurants businesses of Minerva Coffee-shop, Blue Fox Bar & Restaurant, Eat Street and Water Front has achieved a turnover of Rs.39.94 Crores for the year ended 31st March, 2016 as against Rs.32.48 Crores for previous year. However, there was a net Loss of Rs.2.40 Crores for the year ended 31st March, 2016 as against the Net profit of Rs.0.20 Cores for the previous year.

Crustum Products Private Limited:

During the year under review there is no income from operations. The net loss for the year ended 31st March, 2016 is Rs.0.97 Crores as against net loss of Rs.1.22 Crores in the previous year.

Viceroy Chennai Hotels & Resorts Private Limited:

Viceroy Chennai Hotels & Resorts Private Limited has not commenced operations as on date.

Minerva Hospitalities Private Limited:

Minerva Hospitalities Private Limited has not commenced operations as on date.

Banjara Hospitalities Private Limited

A new wholly owned subsidiary with name Banjara Hospitalities Private Limited has been incorporated during the year under review. Pursuant to the Assignment Agreement entered between Central Bank of India and Edelweiss Asset Reconstruction Company Limited (EARCL), Viceroy Hotels Limited transferred its undertaking comprising land situated at Visakhapatnam along with associated Secured Loan of Rs.90.70 Crores to the Banjara Hospitalities Private Limited by way of slump sale. The details of slump sale has been provided under point No.37 of notes to accounts.

ASSOCIATE

Viceroy Bangalore Hotels Private Limited

Viceroy Bangalore Hotels Private Limited is the Associate Company of Viceroy Hotels Limited.

FINANCIAL INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATE COMPANIES

Pursuant to First Proviso to Sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules 2014, a statement containing summary of financial information of Subsidiaries and Associate Companies is provided in "Form AOC-I" as **Annexure-I** to this report. As per the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

DIRECTORS

Mr. P. Chakradhar Reddy has reappointed by the shareholders in 50th Annual General Meeting held on September 29, 2015.

Mr. Devraj Govind Raj has been Appointed as Additional Director of the Company (under Independent Category) with effect from May 30, 2016. As per the terms of appointment his term of office is for 5 consecutive years, subject to approval of the Members of the Company at the ensuing Annual General Meeting. The above appointment was based on the recommendation of the Nomination and Remuneration Committee.

In accordance with Section 152 of the Companies Act, 2013, Mrs. P. Kameswari, Director of the Company retires by rotation in the ensuing Annual General Meeting to be held on September 29, 2016 and being eligible, offered herself for re-appointment. The Board recommends her re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. Such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2015-16 and of the profit or loss of the Company for that period;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts for the year 2015-16 have been prepared on a going concern basis.
- v. Those proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi. That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.



MEETINGS OF THE BOARD OF DIRECTORS DURING THE FINANCIAL YEAR

Five (5) meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Regulations, the Board has carried out the annual performance evaluation of its own performance of the Directors individually, as well as the evaluation of the working of its Audit and other committees of the Board.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of the directors' report.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

AUDIT COMMITTEE

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013 and all other applicable provisions and rules made there under, M/s. P. Murali & Co, Chartered Accounts, Hyderabad, has been appointed by the Shareholders of the Company in their 49th Annual General Meeting held on September 26, 2014, for a period of three years (i.e. till the conclusion of 52nd Annual General Meeting) subject to the ratification at every subsequent Annual General Meeting held during the above period. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and Rules framed thereunder, for their appointment as Auditors of the Company.

AUDITOR'S OBSERVATIONS

Point No. (vii):

The Board is of the view that with improved business scenario the company will be able to clear all the TDS dues and hopeful and committed to their level best to streamline the same in future.

Point No. (viii):

The Management is committed to repay all the Banks and Institutional dues and making all sincere efforts for this purpose.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. A.N.Sarma & Co., Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for the Financial Year 2016-17. The Secretarial Audit Report for the year ended 31st March, 2016 is annexed herewith as **Annexure-VII** to this Report.

INTERNAL AUDITOR

Mr. J. Dasvanth Kumar, who is also an employee of the Company, is acting as Internal Auditor of the Company.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments under section 186 of Companies Act, 2013, have been disclosed in the financial statements.

PUBLIC DEPOSITS

During the year under review, your Company has neither invited nor accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company.

THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS .

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

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments in the business operations of the company for the financial year ended 31st March, 2016 to the date of signing of the Director's Report.

INFORMATION TO BE FURNISHED UNDER COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

Disclosure of information under Rule 5 (i) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure– VIII** to the Directors Report.

STATEMENT UNDER COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

There are no employees drawing remuneration of more than the amount specified under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) rules 2014.

EMPLOYEE RELATIONS

The relationship with the employees continues to be cordial. The Directors would like to place on record their appreciation of the services rendered by all the employees of the Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies(Accounts) Rules, 2014, is provided as point Nos. 31 & 32 under notes to Accounts of Balance Sheet and Profit and Loss Account

EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) of the Act, the extract of annual return is given in **Annexure–VI** in the prescribed Form MGT-9, which forms part of this report.

LISTING

The Equity Shares of your Company are listed on the BSE Limited and the National Stock Exchange of India Limited. It may be noted that there are no payments outstanding to the Stock Exchanges by way of Listing Fees, etc. for the financial year under review.

CORPORATE GOVERNANCE

Management Discussion & Analysis is enclosed as **Annexure-III** to this report and Report on Corporate Governance is enclosed as **Annexure-IV** to this Board Report. A Certificate from the Auditors of the Company regarding compliance with the Corporate Governance Norms stipulated also annexed to the Corporate Governance Report.

FAMILIARISATION PROGRAM TO INDEPENDENT DIRECTORS

Details of the familiarization program of the independent directors are available on the website of the Company (URL: www.viceroyhotels.in).

**POLICY ON MATERIAL SUBSIDIARIES**

Policy for determining material subsidiaries of the Company is available on the website of the Company (URL: www.viceroyhotels.in).

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

The details of Vigil Mechanism and Whistle Blower Policy are available under Corporate Governance Report which forms part of Directors Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

Your Company has in place the Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, Internal Complaints Committee (ICC) has been set up to redress complains received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

No. of sexual harassment complaints received: Nil

TRANSACTIONS WITH RELATED PARTIES

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure-II in Form AOC-2 and the same forms part of this report.

POLICY ON RELATED PARTY TRANSACTIONS

Policy on dealing with related party transactions is available on the website of the Company (URL: www.viceroyhotels.in).

INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the code of Conduct and Code on Fair Disclosure and these code are available on the website of the company (URL: www.viceroyhotels.in).

ACKNOWLEDGMENTS

Your Directors thank the various Departments of Central/ State Government, SEBI, Stock Exchanges, RBI, MCA and other Regulatory Bodies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. Shareholders, customers, bankers, suppliers and other business associates for the excellent support received from them. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution and confidence reposed in the management.

**By Order and on behalf of the Board
For Viceroy Hotels Limited**

Hyderabad
August 13, 2016

Sd/-
P. Prabhakar Reddy
Chairman & Managing Director
DIN: 01442233

Regd. Office : #Plot No.20, Sector-I,
Survey No.64, 4th Floor, HUDA Techno Enclave,
Madhapur, Hyderabad – 500 081, Telangana.
Tel : +91 40 - 23119695
E-mail : secretarial.viceroy@gmail.com

Annexure – I

Form AOC-I

Statement containing salient features of the financial statements of subsidiaries/ associate companies/joint ventures as on March 31, 2016.

(Amount In Rupees)

Name of the Subsidiary Company	Subsidiaries					Associate
	Café D'Lake Pvt. Ltd.	Crustum Products Pvt. Ltd.	Minerva Hospitalities Pvt. Ltd.	Viceroy Chennai Hotels & Resorts Pvt. Ltd.	Banjara Hospitalities Pvt. Ltd.	Viceroy Bangalore Hotels Pvt. Ltd.
Capital	2,74,45,300.00	4,00,00,000.00	4,66,92,670.00	1,00,000.00	31,80,000.00	22,80,11,670
Reserves	13,65,49,032.00	(5,98,87,004.00)	(51,62,517.00)	(25,736.00)	-	1,74,23,52,546
Total Assets	42,42,45,181.00	30,94,48,148	7,81,76,215.00	1,00,000.00	1,00,17,76,924.00	5,57,70,23,696
Total Liabilities	42,42,45,181.00	30,94,48,148	7,81,76,215.00	1,00,000.00	1,00,17,76,924.00	5,57,70,23,696
Turnover	39,94,37,073.00	Nil	-	-	-	-
Profit before taxation/(Loss)	2,23,40,067.00	(1,04,21,261)	(14,500.00)	(14,500.00)	-	(1,87,31,372)
Provision for taxation	17,59,574	-	-	-	-	-
Profit/ (Loss) after taxation	(2,40,99,641)	(97,44,635)	(14,500.00)	(14,500.00)	-	(1,87,31,372)
Proposed dividend	Nil	Nil	Nil	Nil	Nil	Nil
No. of Shares	27,44,530 Equity Shares of Rs.10/- each	40,00,000 Equity Shares of Rs.10/- each	46,69,267 Equity Shares of Rs.10/- each	10,000 Equity Shares of Rs.10/- each	3,18,00 Equity Shares of Rs.10/- each	79,91,554 Equity Shares of Rs.10/- each
Investment	100%	100%	100%	100%	100%	40%



Annexure - II

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)

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

Viceroy Hotels Limited (VHL) has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the Financial year 2015-16.

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

Annexure – III

MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY OVERVIEW FOR THE LAST FINANCIAL YEAR

Fresh off the back of a robust and dynamic 2015 the Hospitality Industry headed into 2016 with strong momentum for continued success. During the year the International tourist arrivals, worldwide, grew to a record 1.2 billion in 2015, 4.4% above 2014. Based on the recent trends, the United Nations World Tourism Organization (UNWTO) projects growth of 4% in international tourist arrivals, worldwide, for 2016. The Foreign Tourist arrivals in India, during 2015, were 8 million, which translates to a 4.4% growth over the previous year. Foreign Exchange Earnings (FEEs) grew by 2.3% to `126,211 crores during January to December 2015, as compared to the previous year. However, the oil prices, terroristic threats and act, labour cost and regulation other disturbance continued to effect the industry.

FUTURE OUTLOOK

ICRA maintains its growth outlook for the industry at 8-10% during FY2017, and expects the revenue to be driven by domestic demand-led occupancy growth, limited supply increase (in the sample) and a marginal increase in rates in key markets.

FINANCIAL PERFORMANCE OF THE COMPANY:

The Company operate only in single segment i.e., Business of Hoteliers.

The Company's standalone operating income has registered a growth of 8.87% at Rs.84.22 Crores in the financial year 2015-16 as against Rs.77.30 Crores in previous year.

During the last financial year, the Company's total turnover was Rs.77.30 Crores. The Earnings before Interest, Depreciation and Taxation and other Amortization (EBIDTA) is 30.58 Crores. The Loss for the last financial year is Rs.5.05 Crores

During the Financial Year under the review, the Company's consolidated total income from aggregated Rs.124.11 Crores. The Company's consolidated profit before taxes aggregated to Rs.10.91Crores.

RISKS AND CONCERNS

Economic Risk

The company's performance is highly reliant on the growth of business and economy in the country. The subdued economic growth in the country may have severe affect on the company's business. The GDP growth in India during the year was at an estimated 7.5%. The expected green shoots of recovery, the Company does not expect to be significantly affected by this risk.

Occupancy Risk

The profitability of the Company is dependent on occupancy rate. This might be the major risk and affect the Company's profitability.

Project Implementation Risk

Your Company may be impacted by delays in implementation of projects which would result in increasing project cost and loss of potential revenue. To mitigate this risk, the Company has in place an experienced project team supported by the leading external technical consultants. The Company will endeavour to complete its projects on time at optimal cost so as to maximize the profitability.

**Human Resource Risk**

One of the greatest challenges plaguing the hospitality industry is the unavailability of quality workforce in different skill levels. The hospitality industry has failed to retain good professionals. Retention of the workforce through training and development in the hotel industry is a problem and attrition levels are too high. One of the reasons for this is unattractive wage packages.

Opportunities:

The concept of sharing goes to the heart of the evolving customer experience. Sharing find expression in different ways that Hospitality companies may leverage for competitive advantage by providing more mobile application based services to customers, encouraging direct feedback from guest, to maintain the balance between demand and supply i.e. providing the services of what market requires, incorporating data collection into strategic planning, empower the employee by developing their ability to deliver personalized customer experience, training them and by rewarding them and engage them in all strategic pain point.

Cautionary Statement

The report contains certain statements that include forward looking statements based on current expectations, beliefs or assumptions about future events that are subject to a number of risks and uncertainties. However, Actual results may differ materially from those expected due to various external factors. However readers are advised not to rely upon these forward looking statements which do not guarantee future performance and are subject to a number of risks and uncertainties. This report should be read in conjunction with the financial statements included herein and the notes thereto.

Annexure – IV

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

A report on Corporate Governance is set out in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Collectively referred as SEBI (LODR) Regulations 2015)

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company believe that application of good Corporate Governance practices and disclosure of timely and accurate information will maximize the shareholder value.

II. BOARD OF DIRECTORS

Composition of the Board

As on March 31, 2016, Viceroy's Board consists of 6 Members of whom 3 (three) are Independent Directors. The Composition of the Board is in conformity with the listing requirements.

The composition of the Board is with appropriate combination of Non-Executive and Independent Directors (IDs) to maintain the independence of the Board, and separate its functions of governance and management. Currently, the Board consists of six members. One half is Independent Directors. The number of NEDs is more than fifty per cent of the total number of Directors. Detailed profile of our Directors is available on our website: www.viceroyhotels.in

Board Meetings:

The Board of Directors met five (5) times during the financial year under review. These were held on 30-05-2015, 14-08-2015, 14-11-2015, 24-12-2015 and 09-02-2016.

The details of Board of Directors and their attendance of Board Meetings, AGM and details of other directorships, committee chairmanships/memberships held by the Directors during the year are as follows:

Name of the Director	DIN	Category and Designation	Board Meetings attended during the year	No. of directorships held in other Indian public limited companies	No. of Committee positions held in other companies		Number of shares convertible ins
					Chairman	Member	
Mr.P. Prabhakar Reddy	01442233	CMD (P)	5	01	Nil	Nil	17,43,124
Mr. P. Chakradhar Reddy	01425681	NED (P)	5	Nil	Nil	Nil	40,39,351
Mrs.P. Kameswari	01587727	NED (P)	5	Nil	Nil	Nil	19,75,643
Mr. P. Narendra	00129551	NED (I)	5	01	Nil	Nil	-
Mr. A. Poornachandra Rao	01981776	NED (I)	5	Nil	Nil	Nil	-
Mr. K. Narasimha Rao	01475473	NED (I)	5	Nil	Nil	Nil	86,977

(NED: Non-Executive Director; CMD: Chairman and Managing Director; (P): Promoter; (I): Independent)

Committee positions only of the Audit Committee and the Stakeholders Relationship Committee in Public Companies has been disclosed. Memberships of the Directors in various committees are within permissible limits of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.



Mr. P. Prabhakar Reddy, Chairman and Managing Director, Mrs. P. Kameswari, Director and Mr. P. Chakradhar Reddy, Director are related to each other. Except these, no Director is related to any other director on the Board.

Attendance for AGM 2015: Mr. P. Prabhakar Reddy, Chairman & Managing Director and Mr. K. Narasimha Rao, Director attended the last Annual General Meeting held on September 29, 2015.

INDEPENDENT DIRECTORS MEETING

The Independent Directors met on 24th December, 2015 without the presence of Non-Independent Directors and members of the Management. At this meeting, the IDs inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

REMUNERATION OF DIRECTORS

Details of remuneration paid to Directors are given below

Director	Relationship with other Directors	Business relationship with Viceroy, if any	Loans and advances from Viceroy	Remuneration	Paid During 2015-2016 (Amount in Rs.)		
					Sitting Fees	Salary	Commission
Mr. P. Prabhakar Reddy	Related to Mrs. P. Kameswari and Mr. P. Chakradhar Reddy.	Promoter	Nil	Nil	-	-	-
Mr. P. Chakradhar Reddy	Related to Mr. P. Prabhakar Reddy and Mrs. P. Kameswari.	Promoter	Nil	50,000	-	-	50,000
Mrs. P. Kameswari	Related to Mr. P. Prabhakar Reddy and Mr. P. Chakradhar Reddy.	Promoter	Nil	25,000	-	-	25,000
Mr. P. Narendra	None	Nil	Nil	25,000	-	-	25,000
Mr. A. Poornachandra Rao	None	Nil	Nil	50,000	-	-	50,000
Mr. K. Narasimha Rao	None	Nil	Nil	50,000	-	-	50,000
Total				2,00,000			2,00,000

There were no material pecuniary relationships or transactions of the non-executive directors vis-à-vis the Company, other than payment of Board fees and investments (if any) in shares / securities of the Company.

The details with respect to criteria for making payments to non-executive directors are available on the company's website www.viceroyhotels.in

CODE OF CONDUCT

The Company has adopted the Code of Conduct for Board of Directors and Senior Management Personnel of the Company. This Code is designed to help the Board of Directors and Senior Management in discharging their duties with due diligence and care. The Company has received confirmations from the Directors as well as Senior Management Personnel regarding compliance of the Code during the year under review. The Code of Conduct is available at: (URL: www.viceroyhotels.in).

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

In terms of Section 177(9) of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Company has in place of Whistle Blower Policy to provide Vigil Mechanism for all Directors, Employees to report their genuine concerns about any wrongful conduct, unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. It also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases. The details of vigil mechanism are also available on the Company's website www.viceroyhotels.in

There were no complaints received from any personnel and no personnel has been denied access to the Audit Committee

III. AUDIT COMMITTEE

Composition, meetings and the attendance during the year:

Audit Committee comprises of three members with independent directors forming majority. During the year there are no instances where the Board had not accepted the recommendations of the Audit Committee.

In additions to other terms as may be referred by the Board of Directors, the Audit Committee has the power inter alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company and seek legal and professional advice.

During the financial year 2015-16, (5) Five meetings of the Audit Committee were held on 30-05-2015, 14-08-2015, 14-11-2015, 24-12-2015 and 09-02-2016.

Details of the composition of the Committee and attendance of the members at the meetings:

Name	Designation	Category	No. of meetings attended
Mr. A. PoornachandraRao	Chairman	NED (I)	5
Mr. P. Chakradhar Reddy	Member	NED	5
Mr. K. NarasimhaRao	Member	NED (I)	5

Note:

The Managing Director, Company Secretary, CFO and the Statutory Auditors were also invited to the Committee Meetings.

Mr. K. Narasimha Rao, Member of Audit Committee, as authorised by Chairman of the Committee was present at the AGM of the Company held on 29th September, 2015.

IV. NOMINATION AND REMUNERATION COMMITTEE

In terms of Section 178 of the Companies Act, 2013 the Board of Directors Constituted Nomination and Remuneration Committee

The Nomination and Remunerations will oversee the Company's nomination process for the senior management and specifically to identify, screen and review individuals qualified to serve as EDs, NEDs and IDs consistent with criteria approved by the Board and to recommend, for approval by the Board, nominees for election at the AGM of the shareholders.

One meeting of Nomination and Remuneration Committee was held on 20th May, 2015 .



The composition of the Committee and the attendance details of the members are given below

Name of the Members	Designation	Category	No. of Meetings Attended
Mr. A. Poornachandra Rao	Chairman	NED (I)	1
Mr. P. Prabhakar Reddy	Member	Chairman and Managing Director	1
Mr. P. Chakradhar Reddy	Member	NED(P)	1
Mr. K. Narasimha Rao	Member	NED (I)	1

The Company's Nomination remuneration policy is enclosed as 'Annexure- V' which forms part of this report.

V. SUBSIDIARIES

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

In terms of SEBI (LODR) Regulations, 2015, Company's Policy for Determining Material Subsidiaries and the same is available on the Company's website. The Policy can be accessed at (URL: www.viceroyhotels.in).

VI. RELATED PARTY TRANSACTIONS

All transactions entered into with related parties as defined under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 during the year were on an arm's length price basis and in the ordinary course of business. These have been approved by the Audit Committee.

Policy on Related Party Transactions and the same has been uploaded on the website of the Company and can be accessed at: (URL: www.viceroyhotels.in).

During the Financial Year 2015-16, the Company did not have any material pecuniary relationship or transactions with NEDs,

There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.

VII. STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of Reference:

The remit of the Stakeholders Relationship Committee is to consider and resolve the grievances of the security holders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends, and such other grievances as may be raised by the security holders from time to time.

Two meetings of the Committee were held during the year 11th August, 2015 and on 16th October, 2015.

Composition of the Committee:

The Details of composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	No. of Meetings Attended
Mr. P. Chakradhar Reddy	Chairman	2
Mr. K. Narasimha Rao	Member	2
Mr. A. Poornachandra Rao	Member	2

The Board has designated Ms. Y. Karuna Priyadarshini, Company Secretary as the Compliance Officer.

The Company has designated exclusive e-mail Ids: secretarial@viceroyhotels.in and secretarial.viceroy@gmail.com for redressal of shareholders complaints / grievances.

Complaints received and redressed by the Company during the financial year:

During the year under review, 2 (two) complaints of general nature were received from the shareholders which were attended promptly and replied/resolved to the satisfaction of the concerned shareholders. There were no pending complaints at the close of the financial year.

X. GENERAL BODY MEETINGS

- a) Details of location, date and time of Annual General Meetings held during the last three years:

Financial Year	Venue	Date and Time
2014-2015	Hotel Marriott Convention Centre, Hyderabad	29-09-2015 at 11.00 AM
2013-2014	Hotel Marriott Convention Centre, Hyderabad	26-09-2014 at 11.00 AM
2012-2013	Hotel Marriott Convention Centre, Hyderabad	27-09-2013 at 11.00 AM

- b) No Special Resolutions were passed in the previous Annual General Meetings held for the Financial Year 2012-13. However, Company passed following Special Resolutions in its 49th and 50th Annual General Meetings held for the Financial Years 2013-14 and 2014-15 respectively.

Date of Passing Special Resolutions	Resolution Number	Purpose of Resolution	Votes in Favour of Resolution		Votes Against the Resolution	
26-09-2014	8	To Authorise Board of Directors to borrow monies under Section 180(1)(c) of the Companies Act, 2013.	10471976	99.99	400	0.004
	9	To Authorise Board of Directors for Creating Charge/Mortgage on the Assets of the Company as per Section 180(1)(a) of the Companies Act, 2013.	10472276	99.99	100	0.001
29-09-2015	6	To increase the limits of investments in other bodies corporate	8927262	100	0	0

- c) The Company did not pass any special resolution through Postal Ballot.
- d) In terms of Companies Act, 2013 and SEBI (LODR) Regulations, your company provided e-voting facility to its shareholders to cast their votes electronically through the CDSL e-voting platform. The Company had appointed Ms. Vanitha, Scrutinizer for conducting e-voting and as well poll at Annual General Meeting. Ms. Vanitha, Scrutinizer submitted her combined report to the Chairman after completion of scrutiny and the results were then announced and sent to the Stock Exchanges and displayed on the Company's website. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

**XI OTHER DISCLOSURES**

- a) There were no significant related party transactions that may have potential conflict with the interests of the Company at large.
- b) In the preparation of financial statements, no treatment materially different from that prescribed in Accounting Standards had been followed.
- c) There were no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets at any time during the last 3 years.
- d) The Company has complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015.
- e) Managing Director and Chief Financial Officer (CFO) of the Company has furnished the requisite Certificate to the Board of Directors under SEBI (LODR) Regulations, 2015.

X. MEANS OF COMMUNICATION

The un-audited quarterly results and audited results for the year are generally published in widely circulated Nationwide English newspapers (Business Standard / Financial Express) and also in widely circulated vernacular newspapers (Andhra Prabha / Nava Telangana) within the prescribed time lines of Listing Agreement. The results are also displayed on the Company's web-site i.e. on www.viceroyhotels.in.

XI GENERAL SHAREHOLDERS INFORMATION

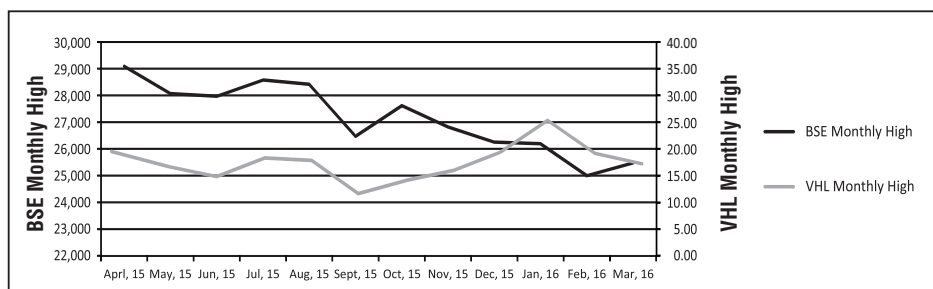
a	Annual General Meeting	51st Annual General Meeting	
	Date of Annual General Meeting	Thursday, the 29 th September, 2016 at 11.00 AM	
	Venue	Sri Sathya Sai Nigamagamam, 8-3-987/2, Sri Nagar Colony, Hyderabad – 500073, Telangana	
	Time	11.00 A.M	
b	Book Closure Date	Friday, September 23, 2016 to Thursday, September 29, 2016 (inclusive of both days)	
c	Financial Year	April- March	
d	Dividend Payment Date	Not Applicable	
e	Calendar for Declaration of Quarterly Results	The results of every quarter beginning from April are declared within the time specified under the provisions of Listing Agreement. These results normally published by the Company in the Leading English News Papers line Financial Express/Business Standard and in one vernacular newspaper within specified time. The Copies of all quarterly results on website www.viceroyhotels.in	
f	Listing on Stock Exchanges	National Stock Exchange of India Limited (NSE) Exchange Plaza Bandra - Kurla Complex, Bandra (E) MUMBAI- 400 051	BSE Limited (BSE) PhirozeJeejeebhoy Towers Dalal Street, Fort MUMBAI- 400 001
	Stock ID/Code	NSE: VICEROY ; BSE: 523796	
	ISIN	EQUITY : INE048C01017 (listed on BSE & NSE) DEBENTURES: INE984T07014 (listed on BSE)	
	Listing Fee for FY 2015-16	Paid	

Stock Price Information

f) Stock Price Data:

MONTH	NSE			BSE		
	High (Rs.)	Low (Rs.)	No. of Shares Traded	High (Rs.)	Low (Rs.)	No. of Shares Traded
April, 2015	19.80	15.15	7,66,855	19.80	15.00	21,93,562
May, 2015	16.70	14.30	3,82,255	16.80	14.35	4,98,641
June, 2015	15.40	12.90	1,96,741	15.40	12.80	6,21,115
July, 2015	18.50	13.70	5,78,513	18.45	13.30	21,53,934
August, 2015	18.05	12.30	4,76,105	18.00	12.20	15,45,585
September, 2015	13.75	12.50	1,60,416	13.75	12.30	4,09,471
October, 2015	18.15	13.01	5,80,018	18.00	13.05	16,28,699
November, 2015	18.70	14.40	5,12,911	19.00	14.25	14,18,216
December, 2015	21.10	17.05	17,08,174	21.10	17.10	49,48,194
January, 2016	25.30	16.95	27,83,529	25.30	17.00	62,55,557
February, 2016	19.70	13.75	2,50,336	20.00	13.55	6,52,444
March, 2016	18.33	13.90	5,48,270	18.30	14.10	17,36,015

Comparison with Broad Based Indices - BSE



g) Share Transfer System:

Share transfer requests, which are received in physical form, are processed and the share certificates returned within a period of 15 days in most cases, and in any case within 30 days, from the date of receipt, subject to the documents being in order and complete in all respects.

For all the activities pertaining to the share transactions (both physical and demat) i.e. Share transfers, share certificates, dividends etc., shareholders should communicate with M/s. Aarthi Consultants Private Limited as the Registrar and Transfer Agents,

All the requests for Dematerialization and shares are processed and the confirmation is given to the respective Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 21 days on receipt.

Share transactions in electronic form can be effected in a much simpler and faster manner. After a confirmation of a sale/purchase transaction from the broker, shareholders should approach the depository participant with a request to debit or credit the account for the transaction. The depository participant will immediately arrange to complete the transaction by updating the account. There is no need for a separate communication to the Company to register the share transfer.

**h) Registrar & Share Transfer Agents (for both physical and demat mode):****Aarathi Consultants Private Limited**

1-2-285, Domalaguda, Hyderabad- 500029

Phones: 040-27638111, 040-66611921;

Fax: 040-27632184

Email: info@aarthiconsultants.com;

Website: www.aarthiconsultants.com

i) Shareholding Pattern as on March 31, 2016:

Category	No. of Shares	Percentage
Promoters	1,09,72,551	25.88
Financial Institutions / Banks	10,100	0.02
Foreign Institutional Investors	2,000	0.00
Bodies Corporate – Indian	55,08,254	12.99
Bodies Corporate – Foreign	3,000	0.01
NRIs	2,56,355	0.60
Mutual Funds	Nil	NA
Indian Public	2,49,55,579	58.85
Trusts	1,00,113	0.24
Clearing Members	5,97,272	1.41
Total	4,24,05,224	100.00

j) Distribution of Shareholding as on March 31, 2016:

Sl. No	CATEGORY	HOLDERS	HOLDERS PERCENT AGE	SHARES	AMOUNT	AMOUNT PERCENT AGE
1	1 - 5000	19549	81.61	30,22,742	3,02,27,420	7.13
2	5001 - 10000	2081	8.69	17,98,287	1,79,82,870	4.24
3	10001 - 20000	1006	4.20	15,89,717	1,58,97,170	3.75
4	20001 - 30000	368	1.54	9,56,401	95,64,010	2.26
5	30001 - 40000	175	0.73	6,33,111	63,31,110	1.49
6	40001 - 50000	197	0.82	9,46,087	94,60,870	2.23
7	50001 - 100000	301	1.26	22,61,810	2,26,18,100	5.33
8	100001 & Above	278	1.16	3,11,97,069	31,19,70,690	73.57
	Total:	23955	100.00	4,24,05,224	42,40,52,240	100.00

k) Dematerialization of Shares:

The Company's Equity Shares are held in dematerialized form by National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) under ISIN INE048C01017. As on March 31, 2016, 96.70% of the totals shares of the Company have been dematerialized.

l) Outstanding: GDR/ADR/Warrants/Options/any convertible instruments:

As on March 31, 2016 the Company has no outstanding GDR /ADR/Warrants/ Options/any other convertible instruments.

m) Location of Hotels, Restaurants and Projects under execution:

Hotels:

- 1) Hotel Marriott at Lower Tank Bund Road, Hyderabad
- 2) Hotel Courtyard at Lower Tank Bund Road, Hyderabad

Restaurants:

- 1) Eat Street & Water Front Restaurants at Necklace Road, Hyderabad
- 2) Minerva Coffee Shops at Hyderabad and Vijayawada
- 3) Bluefox Bar & Restaurants at Hyderabad and Vijayawada

Projects under execution:

- 1) A 277 Room First Class Five Star Hotel to be branded as “Renaissance” at Race Course Loop Lane, Bangalore (*being executed by an Associate Company*)

n) Address for Investors Correspondence:

Shareholders may address their communications/suggestions/grievances/queries pertaining to share transfer/demat including physical transfer requests and demat requisition forms, to the Company's Registrar and Share Transfer Agents and/or to the Company at the following address:

Registrar and Share Transfer Agents (RTA):

M/s. Aarthi Consultants Private Limited
1-2-285, Domalguda, Hyderabad- 500029
Tel: 040-27638111, 040-66611921;
Fax: 040-27632184
Email: info@aarthiconsultants.com
Website: www.aarthiconsultants.com

Company:

M/s. Viceroy Hotels Limited
#Plot No.20, Sector-I, Survey No.64, HUDA Techno Enclave,
Madhapur, Hyderabad – 500 081, Telangana.
Tel : +91 40 - 40349999/23119695 Fax : +91 40 - 40349828
Email: secretarial@viceroyhotels.in / secretarial.viceroy@gmail.com
companysecretary@viceroyhotels.in Website: www.viceroyhotels.in

Registration of e-mail Id for servicing of documents by the Company under the Companies Act, 2013:

Members holding shares in dematerialized form are requested to provide/refresh/update their email address with their respective Depository Participants (DPs) and members holding shares in physical form and who are desirous of receiving the Annual Reports / communication / documents in electronic form are requested to provide their email address to gogreen_phl@aarthiconsultants.com or send requests along with your folio no. to our RTA at above mentioned address.

o) Declaration pertaining compliance with Code of Conduct of Board of Directors and Senior Management:

As required under SEBI (LODR) Regulations, 2015 the Managing Director has given appropriate Certification to the Board of Directors

p) Compliance Certificate of the Auditors:

The Statutory Auditor has certified that the Company has complied with the conditions of the Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015 and the same forms part of the Annual Report. The Certificate from the statutory auditor will be sent to the stock exchange along with the Annual Report of the Company.

q) Reconciliation of Share Capital Audit

In keeping with the requirements of the SEBI and the Stock Exchanges, a Reconciliation of Share Capital Audit by a practising Company Secretar is carrie out at the the en of every quarter to reconcie the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited and the total issued and listed capital. The said audit confirms that the total issued/paid up capital tallies with the number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.



DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

To

The Members of Viceroy Hotels Limited,

The Company has a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company in terms of Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to further strengthen corporate governance practices of the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no noncompliance thereof during the year ended 31st March, 2016.

August 13, 2016

For Viceroy Hotels Limited

Sd/-

P. Prabhakar Reddy
Chairman and Managing Director

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:

To

The Members of Viceroy Hotels Limited

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of corporate governance of Viceroy Hotels Limited ("the Company") for the year ended 31st March, 2016 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (collectively referred to as "SEBI (LODR) Regulations, 2015."

The compliance of the conditions of the corporate governance is the responsibility of the management. Our examination was carried out in accordance with the "Guidance note on Certification of Corporate governance" issued by the Institute of Chartered Accountants of India was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the Company has complied with the conditions of Corporate Governance as stipulated in "SEBI (LODR) Regulations, 2015."

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

For M/s. P. Murali & Co.,
Chartered Accountants
Firm Registration No.007257S

Hyderabad
August 13, 2016

Sd/-

P. Murali Mohana Rao
Partner
Membership No.23412



CERTIFICATE BY CEO/CFO

Pursuant to the provisions under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, it is hereby certified that for the period ended 31st March, 2016:

- A. We have reviewed the financial statements and the cash flow statements for the period ended 31st March, 2016 and that to the best to our knowledge and belief, these statements:
1. Do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. Together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period under review that are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take, to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
1. Significant changes in internal control over financial reporting during the period under review;
 2. Significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements; and
 3. Instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Viceroy Hotels Limited

Place : Hyderabad
August 13, 2016

Sd/-
K. Gurava Raju
Chief Financial Officer

Sd/-
P. Prabhakar Reddy
Chairman and Managing Director

Annexure – V

NOMINATION AND REMUNERATION POLICY

1. Introduction

Viceroy Hotels Limited (VHL), believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance.

Towards this, VHL ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively. VHL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. VHL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

VHL also recognizes the importance of aligning the business objectives with specific and measureable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- a) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- b) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c) Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

2. Scope:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company and also for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

- 3.1 **“Director”** means a director appointed to the Board of a Company.
- 3.2 **“Nomination and Remuneration Committee”** means the committee constituted by VHL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.3 **“Independent Director”** means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.:
 - (i) who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience;
 - (ii) who is or was not a promoter of the listed entity or its holding, subsidiary or associate company;
 - (iii) who is not related to promoters or directors in the listed entity, its holding, subsidiary or associate company;
 - (iv) who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
 - (v) none of whose relatives has or had pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty
 - (vi) lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
 - (vii) who, neither himself, nor whose relative(s) —
 - (A) holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (B) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —



1. a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or
2. any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
3. holds together with his relatives two per cent or more of the total voting power of the listed entity; or
4. is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts or corpus from the listed entity, any of its promoters, directors or its holding, subsidiary or associate
5. company or that holds two per cent or more of the total voting power of the listed entity;
6. is a material supplier, service provider or customer or a lessor or lessee of the listed entity;

(viii) who is not less than 21 years of age.

3.4 “Key Managerial Personnel” means

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the company secretary;
- (iii) the whole-time director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013

4. Selection of Directors and determining Directors’ independence

4.1 Qualifications and criteria

4.1.1 The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company’s global operations.

4.1.2 In evaluating the suitability of individual Board members, the NR Committee may take into account factors, such as:

- General understanding of the Company’s business dynamics, global business and social perspective;
- Educational and professional background Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

4.1.3 The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Listing Regulations and other relevant laws.

4.1.4 The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company’s business.

4.2 Criteria of Independence

4.2.1 The NR Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, as laid down in Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. is as below:



An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director—

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither himself nor any of his relatives—
(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
(iii) holds together with his relatives two per cent or more of the total voting power of the company; or
(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
(v) is a material supplier, service provider or customer or a lessor or lessee of the company.
- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age.

4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

4.3 Other directorships / committee memberships

- 4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
- 4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.
- 4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the

Companies Act, 2013 shall be excluded.

5. Remuneration to Executive Directors and Key Managerial Personnel Non-Executive Directors and other employees

- 5.1.1 The Board, on the recommendation of the Nomination and Remuneration (NR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
- 5.1.2 The Board, on the recommendation of the NR Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- 5.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:
 - (i) Basic Pay
 - (ii) Perquisites and Allowances
 - (iv) Commission (Applicable in case of Executive Directors)
 - (v) Retiral benefits
 - (vi) Annual Performance Bonus
- 5.1.4 The Annual Plan and Objectives for Executive Directors and Senior Executives shall be reviewed by the NR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

5.2 Remuneration to Non-Executive Directors

- 5.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.
- 5.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

5.3 Remuneration to other employees

- 5.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

Annexure – VI

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

(As on the Financial Year ended 31-03-2015)

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

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L55101TG1965PLC001048
ii	Registration Date	25-02-1965
iii	Name of the Company	VICEROY HOTELS LIMITED
iv	Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
v	Address of the Registered office	#Plot No.20, Sector-I, Survey No.64, 4th Floor, HUDA Techno Enclave Madhapur, Hyderabad – 500 081, Telangana.
	Contact Details :	Tel : + 91 40 2311 9695 / 40349999 Fax : + 91 40 40349828 Email : secretarial@viceroyhotels.in / secretarial.viceroy@gmail.com Website : www.viceroyhotels.in
vi	Whether listed company	Yes
vii	Name, Address & Contact details of Registrar & Transfer Agent, if any.	Aarathi Consultants Private Limited 1-2-285, Domalguda, Hyderabad – 500029 Telangana. Tel : 040 - 27638111/2734445 Fax : 040 - 27632184 E-mail: info@aarathiconsultants.com

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:-

S No	Name and Description of main products /service	NIC Code of the Product/service	% to total turnover of the company
1	Business of Hoteliers	5510 & 55201	100%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S No	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section of Companies Act, 2013
1	Crustum Products Private Limited #Plot No.20, Sector-I, Survey No.64, 4th Floor, HUDA Techno Enclave, Madhapur, Hyderabad – 500 081, Telangana (w.e.f. August 12, 2016)	U15410TG2005PTC046115	Subsidiary	100	2(87)
2	Café D'lake Private Limited T.S. No.5, Block B, Ward No.80, Buddha Purnima Lakefront, Opp. Lake Police Station, Necklace Road, Hyderabad- 500005, Telangana	U55101TG2003PTC040419	Subsidiary	100	2(87)



3	Minerva Hospitalities Private Limited Plot No.258, Road No.18, Jubilee Hills, Hyderabad-500033, Telangana	U55101TG2002PTC039768	Subsidiary	100	2(87)
4	Viceroy Chennai Hotels & Resorts Private Limited Plot No.258, Road No.18, Jubilee Hills, Hyderabad – 500033, Telangana	U55101TG2010PTC068776	Subsidiary	100	2(87)
5.	Banjara Hospitalities Private Limited #Plot No.20, Sector-I, Survey No.64, 4th Floor, HUDA Techno Enclave, Madhapur, Hyderabad – 500 081, Telangana.	U74900TG2015PTC101458	Subsidiary	100	2(87)
6	Viceroy Bangalore Hotels Private Limited Plot No.258, Road No.18, Jubilee Hills, Hyderabad-500034, Telangana	U55101TG2010PTC067088	Associate	40	2(6)

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) INDIAN									
a) Individual/HUF	8105728	700000	8805728	20.77	8040728	700000	8740728	20.61	(0.16)
b) Central Govt	0	0	0	0	0	0	0	0	NA
c) State Govt (s)	0	0	0	0	0	0	0	0	NA
d) Bodies Corp.	2236823	0	2236823	5.27	2231823	0	2231823	5.26	(0.01)
e) Banks / FI	0	0	0	0	0	0	0	0	NA
f) Any Other....	0	0	0	0	0	0	0	0	NA
Sub-total (A) (1):-	10342551	700000	11042551	26.04	10272551	700000	10972551	25.88	(0.168)
(2) FOREIGN									
g) NRIs - Individuals	0	0	0	0	0	0	0	0	NA
h) Other – Individuals	0	0	0	0	0	0	0	0	NA
i) Bodies Corp.	0	0	0	0	0	0	0	0	NA
j) Banks / FI	0	0	0	0	0	0	0	0	NA
k) Any Other....	0	0	0	0	0	0	0	0	NA
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	NA
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	10342551	700000	11042551	26.04	10272551	700000	10972551	25.88	(0.168)



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	NA
b) Banks / FI	0	10100	10100	0.02	0	10100	10100	0.02	0.00
c) Central Govt	0	0	0	0	0	0	0	0	NA
d) State Govt(s)	0	0	0	0	0	0	0	0	NA
e) Venture Capital Funds	0	0	0	0	0	0	0	0	NA
f) Insurance Companies	0	0	0	0	0	0	0	0	NA
g) FIIs	37000	0	37000	0.09	2000	0	2000	0.0047	(0.0853)
h) Foreign Venture Capital Funds									
i) Others (specify)	0	0	0	0	0	0	0	0	NA
Sub-total (B)(1):-	37000	10100	47100	0.11	200	10100	12100	0.0247	0.0853
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	6034647	25150	6059797	14.29	5483104	25150	5508254	12.99	(1.30)
ii) Overseas	3000	0	3000	0.01	3000	0	3000	0.01	NA
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	9799064	657862	10456926	24.66	11115402	662962	11778364	27.78	3.12
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	13346708	12700	13359408	31.50	13172465	0	13172465	31.06	(0.44)
c) Others (specify)	1436442	0	1436442	3.38	741034	0	741034	1.75	(1.63)
Non Resident Indians	277735	0	277735	0.65	43649	0	43649	0.10	(0.55)
Trusts	101100	0	101100	0.24	100113	0	100113	0.24	0.00
Clearing Members	1057607	0	1057607	2.49	597272	0	597272	1.41	(1.08)
Sub-total (B)(2):-	30619861	695712	31315573	73.85	30732461	688112	31420573	74.0996	0.25
Total Public Shareholding (B)=(B)(1)+ (B)(2)	30656861	705812	31362673	73.96	30734461	698112	31432673	74.1296	0.16
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	NA
Grand Total (A+B+C)	40999412	1405812	42405224	100.00	41007012	1398212	42405224	100	0.00

**(ii) Shareholding of Promoters**

S No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of 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	% change in share holding during the year
1	P Chakradhar Reddy	41,04,351	9.68	81.48	40,39,351	9.5	66.23	0.18
2	P Kameswari	19,75,643	4.66	58.26	19,75,643	4.66	58.26	0.00
3	P Prabhakar Reddy	17,43,124	4.11	87.20	17,43,124	4.11	87.20	0.00
4	P H Financial Services Ltd	5,35,216	1.26	97.12	5,35,216	1.26	97.12	0.00
5	Allampati Vijay Vardhaman Reddy	5,00,000	1.18	0.00	5,00,000	1.18	0.00	0.00
6	Minerva Enterprises Pvt Ltd	2,81,413	0.66	71.07	2,81,413	0.66	71.07	0.00
7	Tetra Heights Power Systems Ltd	2,98,180	0.70	0.00	2,98,180	0.70	0.00	0.00
8	Parvathreddy Investment Pvt Ltd	7,06,000	1.66	16.29	7,06,000	1.66	16.29	0.00
9	Parvathreddy Viswanath Reddy	1,32,600	0.31	0.00	1,32,600	0.31	0.00	0.00
10	Parvathreddy Haricharan Reddy	1,13,300	0.27	0.00	1,13,300	0.27	0.00	0.00
11	P H Infotech Pvt Ltd	60,254	0.14	0.00	60,254	0.14	0.00	0.00
12	Nirmala Kondalapudi	60,000	0.14	0.00	60,000	0.14	0.00	0.00
13	Veera Reddy Kondalapudi	60,000	0.14	0.00	60,000	0.14	0.00	0.00
14	P Divya Reddy	52,550	0.12	0.00	52,550	0.12	0.00	0.00
15	Vidya Reddy P	21,660	0.05	0.00	21,660	0.05	0.00	(0.01)
16	Parvathreddy Saraswathamma	42,500	0.10	0.00	42,500	0.10	0.00	0.00
17	Parvath Investments Pvt Ltd	3,55,760	0.84	5.34	3,50,760	0.83	0.71	(0.01)
	Total	1,10,42,551	26.04	62.21	1,09,72,551	25.88	56.36	(0.16)



(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S No.	Name	Shareholding				Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning and %	Increase/ (Decrease)	Date of change	No. of Shares at the ending of FY and %		No. of Shares	% of total shares of the Company
1	P Chakradhar Reddy	41,04,651 (9.68)	(20,000)	08-05-2015	41,39,351 (9.50)	Transfer	41,04,351	9.68
2	P Kameswari	19,75,643 (4.66)	0	NA	19,75,643 (4.66)	Nil Movement during the year	19,75,643	4.66
3	P Prabhakar Reddy	17,43,124 (4.11)	0	NA	17,43,124 (4.66)	Nil Movement during the year	17,43,124	4.11
4	P H Financial Services Ltd	5,35,216 (1.26)	0	NA	5,35,216 (1.26)	Nil Movement during the year	5,35,216	1.26
5	Allampati Vijay Vardhaman Reddy	5,00,000 (1.18)	0	NA	5,00,000 (1.18)	Nil Movement during the year	5,00,000	1.18
6	Minerva Enterprises Pvt Ltd	2,81,413 (1.18)	0	NA	2,81,413 (0.66)	Transfer	2,81,413	0.66
7	Tetra Heights Power Systems Ltd	2,98,180 (0.70)	0	NA	2,98,180 (0.70)	Nil Movement during the year	2,98,180	0.70
8	Parvathreddy Investments Pvt Ltd	7,06,000 (1.66)	0	NA	7,06,000 (1.66)	Nil Movement during the year	7,06,000	1.66
9	Parvathreddy Viswanath Reddy	1,32,600 (0.31)	0	NA	1,32,600 (0.31)	Nil Movement during the year	1,32,600	0.31
10	Parvathreddy Haricharan Reddy	1,13,300 (0.27)	0	NA	1,13,300 (0.27)	Nil Movement during the year	1,13,300	0.27
11	P H Infotech Pvt Ltd	60,254 (0.14)	0	NA	60,254 (0.14)	Nil Movement during the year	60,254	0.14
12	Nirmala Kondalapudi	60,000 (0.14)	0	NA	60,000 (0.14)	Nil Movement during the year	60,000	0.14
13	Veera Reddy Kondalapudi	60,000 (0.14)	0	NA	60,000 (0.14)	Nil Movement during the year	60,000	0.14
14	P Divya Reddy	52,550 (0.12)	0	NA	52,550 (0.12)	Nil Movement during the year	52,550	0.12
15	Vidya Reddy P	26,660 (0.05)	0	NA	21,660 (0.05)	Inter se Transfer	21,660	0.05
16	Parvathreddy Saraswathamma	42,500 (0.10)	0	NA	42,500 (0.10)	Nil Movement during the year	42,500	0.10
17	Parvath Investments Pvt Ltd	3,55,760 (0.84)	(5,000)	08-05-2015	3,50,760	Inter se Transfer	3,55,760	0.84



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

S No.	Name	Shareholding				Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning and %	Increase/ (Decrease)	Date of change	No. of Shares at the ending of FY and %		No. of Shares	% of total shares of the Company
1	Jhunjhunwala Rakesh Radheshyam	57,07,566 (13.46)	0	NA	57,07,566 (13.46)	Nil Movement during the year	57,07,566	13.46
2	Rel Utility Engineers Ltd	25,00,000 (5.90)	0	NA	25,00,000 (5.90)	Nil Movement during the year	25,00,000	5.90
3	Bhagyanagar India Ltd	9,77,081 (2.30)	(7000)	25-12-2015	9,70,081 (2.28)	Transfer	9,70,081	2.28
			(1000)	01-01-2016	9,69,081 (2.28)	Transfer	9,69,081	2.28
			1000	19-02-2016	9,70,081 (2.28)	Purchase	9,70,081	2.28
			(1000)	04-03-2016	9,69,081 (2.28)	Transfer	9,69,081	2.28
4	Ketankumar Ratilal Patel	6,80,000 (1.60)	2,20,000	04-12-2016	9,00,100	Purchase	9,00,081	2.12
5	Jhunjhunwala Rekha Rakesh	5,00,000 (1.18)	0	NA	5,00,000 (1.18)	Nil Movement during the year	5,00,000	1.18
6.	Ideal Stock Broking	3,48,820 (0.82)	20000	30-06-2015	3,68,820 (0.86)	Purchase	3,68,820	0.86
			27233	03-07-2015	3,96,053 (0.93)	Purchase	1,13,963	0.93
			(46908)	10-07-2015	3,49,145 (0.82)	Transfer	3,49,145	0.82
			(255182)	21-08-2015	93,963 (0.22)	Transfer	93,963	0.22
			(13930)	28-08-2015	80,033 (0.18)	Transfer	80,033	0.18
			(79783)	25-09-2015	250 (0.0005)	Transfer	250	0.0005
			79000	18-03-2015	79,250 (0.18)	Purchase	79,250	0.18
7	Damani Estate And Finance Pvt Ltd	3,00,000 (0.71)	0	NA	3,00,000 (0.71)	Nil Movement during the year	3,00,000	0.71
8	Satyanarayana Reddi Medapati	2,92,000 (0.68)	(5000)	25-12-2015	2,87,000 (0.68)	Transfer	2,87,000	0.68
9	Edelweiss Broking Ltd.	2,76,743 (0.65)	1350	03-04-2015	2,78,093	Purchase	2,78,093	0.65
		2,78,093	(400)	10-04-2015	2,77,693	Transfer	2,77,693	
		2,77,693	500	24-04-2015	2,78,193	Purchase	2,78,193	
		2,78,193	110	01-05-2015	2,78,303	Purchase	2,78,303	
		2,78,303	(110)	08-05-2015	2,78,193	Transfer	2,78,193	
		2,78,193	2000	15-05-2015	2,80,193	Purchase	2,80,193	
		2,80,193	1000	22-05-2015	2,81,193	Purchase	2,81,193	



		2,81,193	3181	29-05-2015	2,84,374	Purchase	2,84,374	
		2,84,374	499	05-06-2015	2,84,873	Purchase	2,84,873	
		2,84,873	350	12-06-2015	2,85,223	Purchase	2,85,223	
		2,85,223	(9990)	19-06-2015	2,75,233	Transfer	2,75,233	
		2,75,233	1075	30-06-2015	2,76,308	Purchase	2,76,308	
		2,76,308	(1074)	03-07-2015	2,75,234	Transfer	2,75,234	
		2,75,234	3620	10-07-2015	2,78,854	Purchase	2,78,854	
		2,78,854	1430	17-07-2015	2,80,284	Purchase	2,80,284	
		2,80,284	(5101)	24-07-2015	2,75,183	Transfer	2,75,183	
		2,75,183	1600	31-07-2015	2,76,783	Purchase	2,76,783	
		2,76,783	2599	07-08-2015	2,74,184	Purchase	2,74,184	
		2,74,184	1000	14-08-2015	2,75,184	Purchase	2,75,184	
		2,75,184	23862	21-08-2015	2,99,046	Purchase	2,99,046	
		2,99,046	(2382)	28-08-2015	2,96,664	Transfer	2,96,664	
		2,96,664	46	04-09-2015	2,96,710	Purchase	2,96,710	
		2,96,710	(287227)	11-09-2015	9,483	Transfer	9,483	
		9,483	1200	18-09-2015	10,683	Purchase	10,683	
		10,683	(1200)	22-09-2015	9,483	Transfer	9,483	
		9,483	2357	02-10-2015	11,840	Purchase	11,840	
		11,840	(1866)	09-10-2015	9,974	Transfer	9,974	
		9,974	2742	16-10-2015	12,716	Purchase	12,716	
		12,716	3460	30-10-2015	16,176	Purchase	16,176	
		16,176	(453)	06-11-2015	15,723	Transfer	15,723	
		15,723	933	13-11-2015	16,656	Purchase	16,656	
		16,656	4305	20-11-2015	20,961	Purchase	20,961	
		20,961	(255)	27-11-2015	20,706	Transfer	20,706	
		20,706	(6048)	04-12-2015	14,658	Transfer	14,658	
		14,658	3247	11-12-2015	17,905	Purchase	17,905	
		17,905	(1275)	18-12-2015	16,630	Transfer	16,630	
		16,630	1526	25-12-2015	18,156	Purchase	18,156	
		18,156	5296	31-12-2015	23,452	Purchase	23,452	
		23,452	2648	01-01-2016	26,100	Purchase	26,100	
		26,100	21795	08-01-2016	47,895	Purchase	47,895	
		47,895	(2362)	15-01-2016	45,533	Transfer	45,533	
		45,533	(3257)	22-01-2016	42,276	Transfer	42,276	
		42,276	50	29-01-2016	42,326	Purchase	42,326	
		42,326	(250)	05-02-2016	42,076	Transfer	42,076	
		42,076	(12957)	12-02-2016	29,119	Transfer	29,119	
		29,119	(1)	19-02-2016	29,118	Transfer	29,118	
		29,118	609	26-02-2016	29,727	Purchase	29,727	
		29,727	15707	04-03-2016	45,434	Purchase	45,434	
		45,434	(14410)	11-03-2016	31,024	Transfer	31,024	
		31,024	(249)	18-03-2016	30,775	Transfer	30,775	
		30,775	45914	25-03-2016	76,689	Purchase	76,689	0.17

**(v) Shareholding of Directors and Key Managerial Personnel:****A. DIRECTORS**

S No.	Name	Shareholding				Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning and %	Increase/ (Decrease)	Date of change	No. of Shares at the ending of FY and %		No. of Shares	% of total shares of the Company
1	P. Prabhakar Reddy (Managing Director)	17,43,124 (4.11%)	0	NA	17,43,124 (4.11)		17,43,124	4.11
2	P. Kameswari (Director)	19,75,643 (4.66%)	0	NA	19,75,643 (4.66)		19,75,643	4.66
3	P. Chakradhar Reddy (Director)	41,04,351 (9.68%)	(20,000) (45,000)	08-05-2015 15-05-2015	40,39,351 (9.50)	Transfer	40,39,351	9.50
4	K. Narasimha Rao (Director)	1,06,538 96,538	(10,000) (9,561)	16-10-2015 11-03-2016	96,538 86,977	Transfer Transfer	96,538 86,977	0.22 0.21
5	Purnachandra Rao Adapala (Director)	0	NA	NA	0		0	0.00
6	Narendra Paruchuri (Director)	0	NA	NA	0		0	0.00

B. KEY MANAGERIAL PERSONNEL (KMPs other than MD/WTd)

1	K. Gurava Raju (CFO)	3,090 (0.01)	-	NA	3,090 (0.01)	NA	3,090	0.01
2	Y. K. Priyadarsini (Company Secretary)	0.00	-	NA	0	0.00	0	0

**VI. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment****(Rs. in Lakhs)**

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	289.86	0.00	0.00	289.86
ii) Interest due but not paid	137.41	0.00	0.00	137.41
iii) Interest accrued but not due	0.36	0.00	0.00	0.36
Total (i+ii+iii)	427.63	0.00	0.00	427.63
Change in Indebtedness during the financial year				
• Addition	0.00	0.00	0.00	0.00
• Reduction	55.10	0.00	0.00	55.10
Net Change	55.10	0.00	0.00	55.10
Indebtedness at the end of the financial year				
i) Principal Amount	234.76	0.00	0.00	234.76
ii) Interest due but not paid	160.39	0.00	0.00	160.39
iii) Interest accrued but not due	0.36	0.000	0.00	0.36
Total (i+ii+iii) **	395.51	0.00	0.00	395.51

**** includes an amount of Rs.42.50 Crores pertaining Non-Convertible Debentures.****VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:****(Amount in Rs.)**

Sl. No.	Particulars of Remuneration	Name of MD	Total Amount
		Parvathreddy Prabhakar Reddy	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NA	0
2.	Stock Option	NA	0
3.	Sweat Equity	NA	0
4.	Commission - as % of profit - others, specify...	NA	0
5.	Others, please specify	NA	0
	Total (A)	0	0

B. Remuneration to other directors: *Not Applicable*

C. Remuneration to key managerial personnel other than md/manager/wtd (Amount in Rupees)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary			
	(a) Salary as per Provisions contained in section 17(1) of the Income-tax Act, 1961	4,95,060.00	8,52,532.00	13,47,592.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	NA	NA
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NA	NA
2.	Stock Option	NA	NA	NA
3.	Sweat Equity	NA	NA	NA
4.	Commission - as % of profit - others, specify...	NA	NA	NA
5.	Others, please specify (Medical, Bonus and LTA)	36,300.00	37,500.00	73,800.00
	Total	5,31,360.00	8,90,032.00	14,21,392.00

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For Viceroy Hotels Limited

Sd/-
P. Prabhakar Reddy
Chairman & Managing Director
DIN: 01442233

Regd. Office : #Plot No.20, Sector-I,
Survey No.64, 4th Floor, HUDA Techno Enclave,
Madhapur, Hyderabad – 500 081, Telangana.
Tel : +91 40 - 23119695
E-mail : secretarial.viceroy@gmail.com

Annexure – VII

SECRETARIAL AUDIT REPORT

(As per Form No MR – 3)

For the Financial year ended 31.03.2016

[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,
M/s. Viceroy Hotels Limited
(CIN: L55101TG1965PLC001048)
Hyderabad

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Viceroy Hotels Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

The compliance of provisions of all laws, rules, regulations, standards applicable to Viceroy Hotels Limited (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the Management, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;



- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India (SEBI) Act, 1992:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- vi. Listing Agreement entered into by the Company with BSE Limited
- vii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (with effect from 1st December 2015)
- viii. Secretarial Standards issued by the Institute of Company Secretaries of India
- ix. Other laws specifically applicable to the Company:
 - (a) Food Safety and Standards Act, 2006 and Food Safety and Standards Rules, 2011
 - (b) Food Safety and Standards (Packing & Labelling) Regulations, 2011

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

- a) Default in repayment of Debentures which will have consequential impact on the directorships and listing obligation for the above

We informed that, during the year the Company was not required to maintain any books, papers, minute books or other records or to file any forms / returns according to the provisions of:

- a. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- 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;
- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

Adequate notice is given to all directors to schedule the Board Meetings agenda and detailed notes on agenda were sent at least 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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period, the Company has not entered into / carried out any activity that has major bearing on the Company's affairs.

**For A N Sarma & Co.,
Company Secretaries**

Hyderabad
3rd August, 2016

Sd/-
A N Sarma
CP No.7812
M. No: 4557

Annexure – VIII

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

Particulars of Directors and Key Managerial Persons	Ratio to Median Remuneration
Executive Directors	
Mr. P. Prabhakar Reddy, Chairman and Managing Director	NA
Non- Executive Directors	
Mr. P. Chakradhar Reddy	2.05
Mrs. P. Kameswari	1.03
Mr. K. Narasimha Rao	2.05
Mr. P. Narendra	1.03
Mr. Poornachandra Rao	2.05
Key Managerial Persons	
Mr. K. Gurava Raju	3.18
Ms. Y. Karuna Priyadarshini	1.83

- b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year: **20%**
- c. The median remuneration during year was Rs,24,340.00
- d. The number of permanent employees on the rolls of Company: **56**
- e. The explanation on the relationship between average increase in remuneration and Company performance:
- Relationship between average increase in remuneration and company performance was in line with performance of the company and market conditions.**
- f. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

(Rupees in Crores)

Aggregate remuneration of key managerial personnel (KMP) in FY16	1.15
Revenue	84.22
Remuneration of KMPs (as % of revenue)	0.15
Profit before Tax (PBT)	14.19
Remuneration of KMP (as % of PBT)	(1.02)

- g. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year.

Particulars	As on 31st March, 2016	As on 31st March, 2015	Change%
Market Capitalization	78,76,58,479	64,56,19,535	2.22
Price Earnings Ratio	Not Applicable	Not applicable	Not applicable



- h. Percentage increase or decrease in the market quotations of the Shares of the Company as compared to the rate at which the Company came out with the last public offer in the year:

Not applicable as the Company has not made any further public issue.

- i. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

In the last financial year salaries of employees other than the managerial personnel increased @20%.

Comparison between average percentile increase in the salaries of employee other than the managerial personal with the managerial remuneration :

Not applicable since no director in receipt of remuneration other than sitting fee.

- j. The key parameters for any variable component of remuneration availed by the directors: **Not applicable**
- k. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Not applicable since no director is receipt of any remuneration except sitting fee.

- l. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration paid to Directors, Key Managerial Personnel and other employees is as per the remuneration policy of the Company as per industry standards.



INDEPENDENT AUDITOR'S REPORT

To the Members of
VICEROY HOTELS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of VICEROY HOTELS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, Statement of Profit & Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its profits and its cash flows 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') 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 the paragraph 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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note no. 30 to the financial statements.
 - 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 P. MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

Place : Hyderabad
Date : 30-05-2016

Sd/-
M.V. JOSHI
Partner
Membership No. 024784

**Annexure A to the Auditor's Report**

Annexure referred to in paragraph 1 of Our Report of even date to the members of VICEROY HOTELS LIMITED on the accounts of the company for the year ended 31st March, 2016 Under "Report on other Legal & Regulatory Requirements"

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company except properties mentioned in note no.36 to the financial statements.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on such verification.
- iii. The company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnership firms or other parties covered in the register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the company in respect of loans, investments, guarantees and security, provisions of section 185 and 186 of companies act, 2013 has been complied with.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi. In respect of the Company, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013
- vii. (a) The Company is generally regular in depositing statutory dues including PF, ESI, Service Tax with the appropriate authorities and at the end of the financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable. However, there are outstanding TDS amounts which were due for more than 6 months from the date they became payable.
- (b) According to the information and explanations given to us, no disputed amounts are payable in respect of Income Tax and any other statutory dues as at the end of the period.
- viii. According to the information and explanations given to us, the company has defaulted in repayment of dues amounting to Rs.228.17 Crores towards principal and Rs.160.39 Crores towards interest to State Bank of India, Canara Bank, IARC Private Limited and Asset Reconstruction Company of India Limited –Refer Note no 34 to the financial statements.
- ix. According to information and explanations given to us, 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.
- x. During the course of examination of books of accounts and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have been informed of such cases by the management.



- xi. According to information and explanations given to us and to the best of our knowledge and belief, no managerial remuneration has been paid/ provided. Accordingly this clause is not applicable.
- xii. In our opinion and according to information and explanations given to us, the company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the company and hence not commented upon.
- xiii. According to the information & explanations given to us and to the best of our knowledge and belief, all the transactions with the related parties are in compliance with section 177 and 188 of the companies act 2013 wherever applicable and the details of transactions with related parties have been disclosed in the financial statements as required by the applicable accounting standard.
- xiv. The company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures. Therefore, the provisions of clause 3(xiv) of the order are not applicable to the company.
- xv. According to information and explanations given to us and to the best of our knowledge and belief the company has not entered into any non-cash transactions with directors or persons connected with the directors. Therefore, the provisions of clause 3(xv) of the order are not applicable to the company.
- xvi. According to information and explanations given to us and to the best of our knowledge and belief the company is not required to be register under section 45-IA of Reserve Bank of India Act, 1934.

For P. MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

Place : Hyderabad
Date : 30-05-2016

Sd/-
M.V. JOSHI
Partner
Membership No. 024784

Annexure B to the Auditor's Report

“Annexure B” referred to in paragraph 2(f) under “ Report on other legal and Regulatory Requirements” section of report on financial statements of even date to the members of VICEROY HOTELS LIMITED on the financial statement for the year ended 31st march 2016.

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 VICEROY HOTELS LIMITED ('the Company') as of 31st March 2016 in conjunction with our audit of the standalone 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**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 were 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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 31 March 2016, 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.

For P. MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

Place : Hyderabad
Date : 30-05-2016

Sd/-
M.V. JOSHI
Partner
Membership No. 024784

BALANCE SHEET AS AT 31ST MARCH, 2016

PARTICULARS	Note No.	AS ON 31-03-2016 (₹)	AS ON 31-03-2015 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	42,40,52,240	42,40,52,240
(b) Reserves and Surplus	2	49,64,44,657	35,31,91,172
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	3,64,00,64,913	3,86,77,81,167
(b) Deferred Tax Liabilities (Net)	4	16,93,98,322	17,07,47,812
(c) Other Long Term Liabilities	5	1,12,51,674	1,61,23,199
(d) Long Term Provisions		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	6	1,82,47,973	2,24,83,176
(b) Trade Payables	7	16,67,84,329	15,43,56,544
(c) Other Current Liabilities	8	1,92,93,58,550	2,29,09,68,811
(d) Short-Term Provisions	9	22,76,27,674	21,61,02,896
Total		7,08,32,30,331	7,51,58,07,018
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	1,40,58,26,404	1,54,25,97,049
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		3,16,91,03,474	3,28,80,64,526
(iv) Intangible assets under development		-	-
(b) Non-current investments	11	83,81,54,196	79,69,62,698
(c) Long Term Loans and advances	12	1,35,91,21,308	1,54,60,57,629
(d) Other Non-Current assets	13	2,74,42,536	2,64,65,922
(2) Current assets			
(a) Current investments			
(b) Inventories	14	1,16,98,683	86,39,360
(c) Trade receivables	15	22,23,45,459	22,94,22,113
(d) Cash and Bank Balances	16	(25,51,332)	3,07,58,602
(e) Short-Term Loans and Advances	17	5,20,89,604	4,66,79,120
(f) Other Current assets		-	1,60,000
Total		7,08,32,30,331	7,51,58,07,018

Significant Accounting Policies Notes to Financial Statements (1 to 40)

AS PER OUR REPORT OF EVEN DATE

FOR P. MURALI & CO.,

Chartered Accountants

Firm's Regn. No. : 007257S

Sd/-

M.V. JOSHI

Partner

Membership No. 024784

Hyderabad

30-05-2016

FOR VICEROY HOTELS LIMITED

Sd/-

P. PRABHAKAR REDDY

Managing Director

Sd/-

P. CHAKRADHAR REDDY

Director

Sd/-

K. GURAVA RAJU

Chief Financial Officer

Sd/-

Y. K. PRIYADARSHINI

Company Secretary

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

PARTICULARS	Note No.	Year Ended 31-03-2016 (₹)	Year Ended 31-03-2015 (₹)
I. Revenue from Operations	18	84,22,21,355	77,30,10,766
II. Other Income	19	57,84,691	28,97,784
III. Total Revenue (I + II)		84,80,06,046	77,59,08,550
IV. Expenses:			
Cost of materials consumed/ Cost of Software Development	20	10,91,98,658	8,29,81,003
Employee Benefit expenses	21	17,09,86,735	14,83,64,000
Other Operating Expenses	22	14,08,66,932	13,51,34,494
Administrative Expenses	23	11,69,00,134	10,35,86,401
Financial costs	24	24,83,46,556	24,14,33,637
Depreciation and amortization expense	10	10,53,70,394	11,52,35,456
Total Expenses		89,16,69,410	82,67,34,991
V. Profit before exceptional and extraordinary items and tax (III - IV)		(4,36,63,364)	(5,08,26,440)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(4,36,63,364)	(5,08,26,440)
VIII. Extraordinary Items		18,55,67,359.00	-
IX. Profit Before Tax (VII - VIII)		14,19,03,995	(5,08,26,440)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(13,49,491)	(2,88,718)
XI. Profit(Loss) from the period from Continuing Operations (VII - VIII)		14,32,53,486	(5,05,37,722)
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax expense of Discounting Operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		14,32,53,486	(5,05,37,722)
XVI. Earning per equity share:			-
(1) Basic		3.38	(1.19)
(2) Diluted		3.43	(1.19)

Significant Accounting Policies Notes to Financial Statements (1 to 40)

AS PER OUR REPORT OF EVEN DATE

FOR P. MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

Sd/-
M.V. JOSHI
Partner
Membership No. 024784
Hyderabad
30-05-2016

FOR VICEROY HOTELS LIMITED

Sd/-
P. PRABHAKAR REDDY
Managing Director

Sd/-
P. CHAKRADHAR REDDY
Director

Sd/-
K. GURAVA RAJU
Chief Financial Officer

Sd/-
Y. K. PRIYADARSHINI
Company Secretary

Notes To Financial Statements For The Year Ended March 31st 2016

S.NO	PARTICULARS	AS ON 31-03-2016 (₹)	AS ON 31-03-2015 (₹)
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NOTE NO. 1 : SHARE CAPITAL

A Equity Share Capital

(a)	Authorised		
	(No. of Equity Shares 4,50,00,000)	45,00,00,000	45,00,00,000
	(No. of Preference Shares 10,00,000)	10,00,00,000	10,00,00,000
	Total Authorised Share Capital	55,00,00,000	55,00,00,000
(b)	Issued		
	(No. of Shares 4,24,05,224)	42,40,52,240	42,40,52,240
(c)	Subscribed & Fully Paid Up		
	(No. of Shares 4,24,05,224)	42,40,52,240	42,40,52,240
(d)	Subscribed & not fully paid up	-	-
	<u>Par Value</u> : Per Equity Share Rs. 10/-		
	Per Preference Share Rs. 100/-		
	Total Equity Share capital	42,40,52,240	42,40,52,240

B A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

(Equity Shares of Rs. 10/- Each, Fully paid up)			
At the Beginning		4,24,05,224	4,24,05,224
Issued during the year - Bonus Issue		-	-
Issued during the year - Cash Issue		-	-
Issued during the year - ESOP		-	-
Forfeited / Bought Back during the year		-	-
At the end		4,24,05,224	4,24,05,224

C Details of Shareholder holding more than 5% shares of the Company:

(Equity Shares of Rs. 10 each Held By)

Name of Shareholder	No. of Shares		% of Share Holding	
	Current Year	Previous Year	Current Year	Previous Year
(1) Jhunjhunwala Rakesh Radheshyam	57,07,566	57,07,566	13.46	13.46
(2) P. Chakradhar Reddy	40,39,351	41,03,651	9.53	9.68
(3) REL Utility Engineers Limited	-	25,00,000	-	5.90
(4) Crest Logistics And Engineers Pvt. Ltd.	25,00,000	-	5.90	-

Notes To Financial Statements For The Year Ended March 31st 2016

S.NO	PARTICULARS	AS ON 31-03-2016 (₹)	AS ON 31-03-2015 (₹)
NOTE NO. 2 : RESERVES AND SURPLUS			
a) Capital Reserve			
As at the commencement of the year		74,33,996	74,33,996
Add: Additions during the year		-	-
Less: Utilised during the year		-	-
Sub Total		74,33,996	74,33,996
b) Securities Premium Reserve			
As at the commencement of the year		1,71,77,85,670	1,71,77,85,670
Add: Additions during the year		-	-
Less: Utilised during the year		-	-
Sub Total		1,71,77,85,670	1,71,77,85,670
c) Debenture redemption reserve			
As at the commencement of the year		5,00,00,000	5,00,00,000
Add: Additions during the year		-	-
Less: Utilised during the year		-	-
Sub Total		5,00,00,000	5,00,00,000
d) Revaluation Reserve			
		79,19,430	79,19,430
e) General Reserves			
As at the commencement of the year		3,20,25,000	3,20,25,000
Add: Additions during the year		-	-
Less: Accumulated Depreciation		-	-
Sub Total		3,20,25,000	3,20,25,000
f) Surplus :			
i) Opening Balance - Profit and Loss Account		(1,46,19,72,924)	(1,25,43,84,630)
Add: Transfer from Profit & Loss Account		14,32,53,486	(5,05,37,722)
Less: Transfer To General Reserve		-	-
Less: Transitional effect of change in the useful live of assets, as per the provisions of schedule II of the Companies Act 2013		-	15,70,50,572
Sub Total		(1,31,87,19,439)	(1,46,19,72,924)
Total Reserves and Surplus		49,64,44,657	35,31,91,172

Notes To Financial Statements For The Year Ended March 31st 2016

S.NO	PARTICULARS	AS ON 31-03-2016 (₹)	AS ON 31-03-2015 (₹)
NOTE NO. 3 : LONG TERM BORROWINGS			
	Long Term borrowings		
a)	Bonds/Debentures	42,50,00,000	42,50,00,000
	Secured (500 NCDs, Face Value - Rs. 10,00,000/-, 14% Interest)		
		42,50,00,000	42,50,00,000
b) i)	Term Loans		
	From Banks & Financial Institutions	1,71,84,29,652	1,71,84,27,172
	From IARC & EARC	18,61,60,000	13,83,60,000
	From Others	35,79,99,171	30,26,80,385
	Sub Total	2,26,25,88,823	2,15,94,67,557
ii)	Un Secured Loans		
	From Others	94,67,38,590	1,28,33,13,610
	Sub Total	94,67,38,590	1,28,33,13,610
	Total Long Term Borrowings	3,64,00,64,913	3,86,77,81,167
NOTE NO. 4 : DEFERRED TAX LIABILITY (NET)			
	Opening Deferred Tax Liability	17,07,47,812	17,10,36,530
	Add: Deferred Tax Liability for the year (Due to SLM and WDV Difference)	(13,49,491)	(2,88,718)
	Deferred Tax Liability for the year (Due to Others)	-	-
	Gross Deferred tax Liability	16,93,98,322	17,07,47,812
NOTE NO. 5 : OTHER LONG TERM LIABILITIES			
a)	Trade Payables & Others		
	- Advance from Customers	1,12,51,674	1,61,23,199
	Total Long Term Liabilities	1,12,51,674	1,61,23,199
NOTE NO. 6 : SHORT TERM BORROWINGS.			
	Short term borrowings		
a)	Cash Credits and Working Capital Demand Loan from Banks		
	- Secured	1,82,47,973	2,24,83,176
b)	Advances Payable	-	-
c)	Other Short term borrowings	-	-
	Total Short Term Borrowings	1,82,47,973	2,24,83,176

**Notes To Financial Statements For The Year Ended March 31st 2016**

S.NO	PARTICULARS	AS ON 31-03-2016 (₹)	AS ON 31-03-2015 (₹)
NOTE NO. 7 : TRADE PAYABLES			
a) Trade Payables(creditors)		16,67,84,329	15,43,56,544
	Total Trade Payables	16,67,84,329	15,43,56,544
NOTE NO. 8 : OTHER CURRENT LIABILITIES			
a) Current maturities of long term debt		-	65,52,62,971
b) interest accrued but not due on borrowings		-	-
c) Interest accrued and due on borrowings.		38,60,049	38,60,049
d) Interest accrued and due on borrowings.		1,62,60,59,673	1,33,99,17,395
(e) Deposits		23,08,732	23,08,732
f) Other Payables (Specify the nature.)			
(i) Rent Payable		-	-
(ii) Audit Fee Payable		23,76,660	19,27,220
(iii) Electricity Charges Payable		7,91,597	22,19,018
(iv) Bonus Payable		6,46,903	6,46,903
(v) Statutory Liabilities		5,88,45,281	5,66,53,236
(vi) PF & ESI Payable		19,17,192	18,23,699
(vii) Salaries Payable		67,48,884	56,95,263
(viii) Spirit to serve charity fund		4,04,387	2,55,644
(ix) Other Payable (WCT Payable), Ser. Tax Payable		2,40,045	2,39,535
(x) Other Creditors		22,51,59,147	22,01,59,146
	Total Other Current Liabilities	1,92,93,58,550	2,29,09,68,812
NOTE NO. 9 : SHORT TERM PROVISIONS			
a) Provisions for employee benefits			
Provision for Gratuity		1,40,33,367	1,25,97,505
Provision for Bonus		38,00,864	45,32,336
Provision for Management Deferred License		17,70,55,745	17,14,88,809
Provision for accruals		1,92,79,089	1,43,02,169
b) Others			
Provision for Income Tax		13,77,599	13,77,599
Provision for MAT		-	-
Provision for FBT		74,919	74,919
Provision for Bad and Doubtful Debts		1,20,06,091	1,17,29,559
	Total Short Term Provisions	22,76,27,674	21,61,02,896

NOTE NO 10 : FIXED ASSETS :

DESCRIPTION		GROSS BLOCK				DEPRECIATION					NET BLOCK	
		Block As at 01-04-2015	Additions During the Year	Sales During the year	Total Cost as at 31-03-2016	Upto 31-03-2015	Transfer to Retained Earnings	For the year	Adjustments during the year	Total as at 31-03-2016	As on 31-03-2016	As on 31-03-2015
	Land	17,32,96,830	-	3,14,32,641	14,18,96,580	-	-	-	-	-	14,18,96,580	17,32,96,830
	Building	1,62,77,76,035	-	-	1,62,77,76,035	53,95,03,063	-	1,99,19,546	-	55,94,22,609	1,06,83,53,426	1,08,82,72,972
	Furniture & Fixtures	37,69,80,752	-	-	37,69,80,752	32,84,56,949	-	1,58,16,966	-	34,42,73,915	3,27,06,837	4,85,23,803
	Air Conditioners	16,04,27,348	-	-	16,04,27,348	13,82,56,664	-	70,73,346	-	14,53,30,010	1,50,97,338	2,21,70,684
	Electrical Fittings	19,94,81,641	-	-	19,94,81,641	13,00,20,530	-	3,05,14,270	-	16,05,34,800	3,89,46,841	6,94,61,111
	Vehicles	7,44,09,436	-	-	7,44,09,436	3,20,34,851	-	71,78,703	-	3,92,13,554	3,51,95,882	4,23,74,585
	Plant and machinery	8,60,23,299	-	-	8,60,23,299	3,65,77,088	-	46,37,045	-	4,12,14,133	4,48,09,166	4,94,46,211
	Generator	13,65,000	-	-	13,65,000	8,71,890	-	3,64,023	-	12,35,913	1,29,087	4,93,110
	Misc. Fixed Asset	38,54,03,178	32,390	-	38,54,03,178	33,68,45,436	-	1,98,66,495	-	35,67,11,931	2,86,91,247	4,85,57,742
	Total	3,08,51,63,519	32,390	3,14,32,641	3,05,37,63,269	1,54,25,66,471	-	10,53,70,394	-	1,64,79,36,865	1,40,58,26,404	1,54,25,97,048
	Previous Year	3,08,57,81,356	1,15,52,972	1,21,70,809	3,08,51,63,519	1,27,27,79,831	15,70,50,572	11,52,35,456	24,99,389	1,54,25,66,471	1,54,25,97,048	1,81,30,01,525

Notes To Financial Statements For The Year Ended March 31st 2016

S.NO	PARTICULARS	AS ON 31-03-2016 (₹)	AS ON 31-03-2015 (₹)
NOTE NO. 11 : NON- CURRENT INVESTMENTS			
	Non- Current Assets		
	1) Investment in Subsidiaries		
	a) Equity Shares		
	Unquoted		
	27,44,530 Shares of Rs.10/- each in Café'd lake Pvt. Ltd.	7,03,69,750	7,03,69,750
	40,00,000 Shares of Rs.10/- each in Crustum Products Pvt. Ltd.	4,00,00,000	4,00,00,000
	46,69,267 Shares of Rs. 10/- each in Minerva Hospitalities Pvt. Ltd.	4,66,92,670	4,66,92,670
	10,000 Shares of Rs.10/- each in Viceroy Chennai Hotels & Resorts Pvt. Ltd.	1,00,000	1,00,000
	31,80,000 Shares or Rs.10/- each in Banjara Hospitalities Pvt. Ltd	3,18,00,000	-
	Sub Total	18,89,62,420	15,71,62,420
	2) Investments in Associate		
	a) Equity Shares		
	Unquoted		
	79,91,554 Shares of Rs.10/- each in Viceroy Bangalore Hotels Pvt. Ltd	64,91,91,776	63,98,00,278
	Sub Total	64,91,91,776	63,98,00,278
	Total Non Current Investments	83,81,54,196	79,69,62,698
NOTE NO. 12: LONG TERM LOANS AND ADVANCES			
	Capital Advances		
	Secured, Considered Good	-	-
	Unsecured, Considered Good	74,20,64,496	74,41,40,054
	Sub Total	74,20,64,496	74,41,40,054
	Security Deposit		
	Secured, Considered Good	1,93,30,882	95,13,195
	Unsecured, Considered Good	16,54,996	63,90,318
	Sub Total	2,09,85,878	1,59,03,513
	Loans & Advances		
	Subsidiary / Associate Company Advances	37,84,40,852	37,58,42,883
	Secured, Considered Good	-	-
	Other Advances	-	-
	Sub Total	37,84,40,852	37,58,42,883
	Secured, Considered Good	-	-
	Loans Receivable	63,87,743	11,81,133

Notes To Financial Statements For The Year Ended March 31st 2016

S.NO	PARTICULARS	AS ON 31-03-2016 (₹)	AS ON 31-03-2015 (₹)
	Other Advances	20,93,96,459	40,71,44,166
	Advances Recoverable in Cash or in kind	18,45,879	18,45,879
	Sub Total	21,76,30,081	41,01,71,178
	Total Long Term Loans and Advances	1,35,91,21,308	1,54,60,57,629

NOTE NO. 13 : OTHER ASSETS (CURRENT & NON CURRENT)

Unamortised Expenses	-	-
Rent Receivable	-	-
Other Non Current Assets	2,44,49,166	-
Other Current Assets	29,93,370	2,66,25,922
Total	2,74,42,536	2,66,25,922

NOTE NO. 14 : INVENTORIES

a) Finished goods

(i) Food Inventory	25,77,813	19,52,527
(ii) Beverage Inventory	89,48,493	64,81,525
(iii) Linen Inventory	-	-
(iv) General Inventory	-	-
(v) Printing & Stationery	-	-
(vi) Tobacco Inventory	1,72,377	2,05,308
(vii) Diesel Inventory	-	-

Total Inventories	1,16,98,683	86,39,360
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NOTE NO. 15 : TRADE RECEIVABLES

Other Receivables:

Secured, Considered Good	-	-
Unsecured, Considered Good	22,23,45,459	22,94,22,113
Total Trade Receivables	22,23,45,459	22,94,22,113

NOTE NO. 16 : CASH AND BANK BALANCES

Cash and cash equivalents :

a) Balances with banks :

1) On Current Accounts	(57,24,985)	1,89,64,393
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b) Cash on hand	31,73,654	1,17,94,208
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Sub total	(25,51,332)	3,07,58,602
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Total Cash and Cash Equivalents	(25,51,332)	3,07,58,602
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**Notes To Financial Statements For The Year Ended March 31st 2016**

S.NO	PARTICULARS	Year Ended 31-03-2016 (₹)	Year Ended 31-03-2015 (₹)
NOTE NO. 17 : SHORT TERM LOANS OR ADVANCES			
	Secured, Considered Good		
	Loans or Advances to Employees	7,31,645	7,95,496
	Prepaid Expense	4,38,63,191	3,93,22,551
	Advances to related parties	-	-
	Advances Recoverable in Cash or in kind	74,94,768	65,61,073
	Total Short Term Loans and Advances	5,20,89,604	4,66,79,120
NOTE NO. 18 : REVENUE FROM OPERATIONS			
	Revenue from operations in respect of non-finance Company		
	(a) Sale of Products	75,43,44,187	69,45,50,010
	(b) Sale of Services	3,53,58,055	3,42,40,512
	(c) Other Operating Revenues	5,25,19,113	4,42,20,244
	(d) Rebates	-	-
	(e) Less: Rebates	-	-
	Total Revenue from Operations	84,22,21,355	77,30,10,766
NOTE NO. 19 : OTHER INCOME			
	(a) Interest income	57,89,428	24,25,034
	(b) Dividend Income	-	-
	(c) Other non-operating income	3,96,090	1,69,488
	(d) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)	(4,00,827)	3,03,262
	Total Other Income	57,84,691	28,97,784
NOTE NO. 20 : COST OF MATERIALS			
	Food & Beverages		
	Opening Stock	86,39,360	61,61,467
	Add : Purchases During the year	11,22,57,981	8,54,58,896
	Less : Closing Stock	1,16,98,683	86,39,360
	Total Cost of Material Consumed	10,91,98,658	8,29,81,003
NOTE NO. 21 : EMPLOYEE BENEFIT EXPENSES			
	(a) Salaries & Wages	16,01,60,238	13,48,26,451
	(b) Contribution to Provident & Other Funds	1,07,85,193	1,04,99,907
	(c) Managerial Remuneration	-	30,00,000
	(d) Staff Welfare Expenses	41,304	37,642
	Total Employee Benefit Expenses	17,09,86,735	14,83,64,000

**Notes To Financial Statements For The Year Ended March 31st 2016**

S.NO	PARTICULARS	Year Ended 31-03-2016 (₹)	Year Ended 31-03-2015 (₹)
NOTE NO. 22 : OTHER OPERATING EXPENSES			
(a) Power & Fuel		9,40,64,276	9,38,81,671
(b) Repairs to Building		9,32,852	4,95,553
(c) Insurance		27,43,259	30,83,696
(d) Rates & Taxes (excluding Income Tax)		29,11,987	29,10,507
(e) Miscellaneous Expenditure		1,49,66,255	1,33,22,798
(f) Payment to Auditors:			
(i) As Auditor		4,58,000	4,49,440
(g) Net loss on foreign currency transaction			-
(h) Reservation Expenses		-	-
(i) Water Charges		-	-
(j) Net loss on sale of Assets		-	57,71,420
(k) Rental Expenses		76,77,036	78,43,381
(l) Repairs & maintenance		1,71,13,267	73,76,028
(m) Other Operating Expense		-	-
	Total Other Expenses	14,08,66,932	13,51,34,494
NOTE NO. 23 : ADMINISTRATIVE EXPENSES			
(a) Telephone, Postage and Others		24,52,705	19,77,173
(b) Business Promotion Expenses		8,89,88,163	8,10,64,122
(c) Conveyance		1,38,40,237	1,22,79,588
(d) Office Maintenance		19,99,704	14,47,722
(e) Printing & Stationery Expenses		6,88,679	4,90,721
(f) Consultancy Charges		4,45,631	18,08,563
(g) Fright expenses & Transportation Expenses		-	-
(h) Laundry expenses		80,08,483	42,96,679
(i) License Fee		-	-
(j) Director Sitting Fee		2,00,000	1,30,000
(k) Royalty Fee		-	-
(l) Bad debts written off		2,76,532	91,833
(m) Other Administrative Expenses		-	-
	Total Administrative Expenses	11,69,00,134	10,35,86,401
NOTE NO. 24 : FINANCE COST			
(a) Interest Expenses			
- Interest on Term loans		18,31,74,226	17,42,72,861
- Interest on Axis Bank - NCD'S		5,96,63,012	5,94,99,999
- Interest on Unsecured Loan		90,000	90,000
- Loan processing Charges & Bank Charges		3,08,502	1,53,388
- Interest on OD		-	31,53,169
- Interest on TDS		-	-
(b) Credit Card commission		51,10,817	42,64,220
	Total Finance Cost	24,83,46,556	24,14,33,637



Significant Accounting Policies

The financial statements are prepared under the historical cost convention, on an accrual basis and comply with the Accounting Standards (AS) notified by the Companies (Accounting Standards) Rules, 2006. The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. The significant accounting policies adopted in the presentation of the financial statements are as under:

(a) Basis of preparation of financial Statements.

The financial statements have been prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles and the provisions of the Companies Act, 2013.

b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognized in the periods in which the results are known / materialize.

(c) Revenue Recognition:

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.

Revenue from restaurant and sweet shop sales (food and beverages) is recognized upon rendering of service. Sales are net of discounts. Value added tax is reduced from sales.

The Company also operates through franchise arrangements with third parties in terms of which the third parties are permitted to use the Company's established trademarks :

- Initial Access Premium Fee charged to franchisees, in consideration of being considered as competent to open a restaurant under a Company owned trademark, is recognized on formalization of the franchise agreement. The Initial Access Premium Fee is non – refundable, regardless of whether the restaurant outlet under the franchise agreement commences operations or not.
- Royalty and Management Fee charged to franchisees for the use of the trademarks is calculated as a percentage of monthly sales of the restaurant and accrued for in line with restaurant sales.

Revenue from displays and sponsorships are recognized based on the period for which the products or the sponsor's advertisements are promoted /displayed.

In respect of gift vouchers and point awards scheme operated by the company, sales are recognized when the gift vouchers or points are redeemed and on sale of meals to customers.

(d) Employee Benefits:

Compensation to employees for services rendered is measured and accounted for in accordance with Accounting Standard 15 on Employee Benefits.

Employee Benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to the Statement of Profit and Loss in the period in which the service is rendered.

Employee Benefits under defined benefit plans such as gratuity which fall due for payment after completion of employment are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The company's obligations recognized in the balance sheet represent the present value of obligations as reduced by the fair value of plan assets, where applicable.

Actuarial Gains and losses are recognized immediately in the Statement of Profit and Loss.

(e) Investments

Investments are classified as current or long term in accordance with Accounting Standard 13 on Accounting for Investments.

Current investments are stated at the lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

Long term investments are stated at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments.

(f) Fixed Assets:

(i) Tangible Assets

Tangible Assets are stated at their cost of acquisition less accumulated depreciation and impairment losses.

Cost comprises of all costs incurred to bring the assets to their present location and working condition.

Assets acquired under finance leases are accounted for at the inception of the lease in accordance with Accounting Standard 19 on Leases at the lower of the fair value of the asset and present value of minimum lease payments

(ii) Intangible assets

Intangible assets are stated at their cost of acquisition, less accumulated amortization and impairment losses. An intangible asset is recognized, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured.

The company capitalizes software costs where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over the management's estimate of its useful life of five years.

Trademarks are amortized uniformly over a period of five years.

(g) Depreciation:

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Leasehold improvements are depreciated over the lower of the lease period and the management's estimate of the useful life of the asset.

The depreciable amount of intangible assets is allocated over the best estimate of its useful life on a straight-line basis.

(h) Impairment of Assets:

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment of assets. If any indication of such impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount on these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flow to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised.

(i) Transactions in Foreign Exchange:

Transactions in foreign currencies are accounted for at the prevailing rates of exchange on the date of the transaction.

Monetary items denominated in foreign currencies, are restated at the prevailing rates of exchange at the Balance Sheet date. All gains and losses arising out of fluctuations in exchange rates are accounted for in the Statement of Profit and Loss.

Exchange differences on forward exchange contracts, entered into for hedging foreign exchange fluctuation risk in respect of an existing asset/liability, are recognized in the Statement of Profit and Loss in the reporting period in which the exchange rate changes. Premium / Discount on forward exchange contracts is amortized over the period of the contract.

**(j) Borrowing Cost:**

- i. Interest and other borrowing costs, attributable to qualifying assets are capitalised.
- ii. Interest not attributable to qualifying assets is charged to the Profit and Loss Account in the year in which it is incurred.
- iii. Debenture issue costs and the entire premium on redemption of Debentures are adjusted against the Securities Premium Account in accordance with the provision of Section 52 of the Companies Act, 2013.
- iv. Other Borrowing Costs are charged to revenue account over the tenure of the borrowing.

(k) Inventories:

Stock of food and beverages and operating supplies are carried at cost or Market Value, whichever is lower as per AS-2.

Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present condition and location. Cost of materials is determined by the FIFO method.

(l) Taxes on income:

- (i) Income tax is computed in accordance with Accounting Standard 22-‘Accounting for Taxes on Income (AS-22), issued by the ICAI. Tax expenses are accounted in the same period to which the revenue and expenses relate.
- (ii) Provision for current income tax is made on the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws. The differences between taxable income and the net profit or loss before tax for the year as per the financial statements are identified and the tax effect of the deferred tax asset or deferred tax liabilities recorded for timing differences, i.e. differences that originate in one accounting period and reverse in another. The tax effect is calculated on accumulated timing differences at the end of the accounting year based on effective tax rates that would apply in the years in which the timing differences are expected to reverse.
- (iii) Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

(m) Accounting for provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized in terms of Accounting Standard 29 – ‘Provisions, Contingent Liabilities and Contingent Assets’ (AS-29), issued by the ICAI., when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are not recognized in the financial statements.

(n) Earnings per Share:

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 on Earnings per Share. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

Notes to Financial Statements

25. Basic Earnings Per Share (Basic EPS)

Particulars	Current Year Rs.	Previous Year Rs.
Net Profit after Tax	14,32,53,486	(5,05,37,722)
Weighted Average Number of Shares Considered	4,24,05,224	4,24,05,224
EPS	3.38	(1.19)

26. In relation of provision for Current Tax, Deferred Tax:

Particulars	Current Year Rs.	Previous Year Rs.
Deferred Tax Asset	13,49,491	2,88,718

27. In relation of Managerial Remuneration:

Particulars	Current Year Rs.	Previous Year Rs.
Director Remuneration & Sitting Fee	2,00,000	31,30,000

28. Auditors Remuneration:

Particulars	Current Year Rs.	Previous Year Rs.
Audit Fees Including Service Tax	4,58,000	4,49,000

29. According to the information available with the Company, there are no amounts as at 31st March, 2015, due to suppliers who constitute a "small industrial undertaking".

30. Contingent Liabilities not provided for in respect of:-

i) Guarantees:

Guarantees given to bank for the Bank Guarantee limits availed by the company towards EPCG Bonds given to DGFT, Hyderabad	Rs.16,22,500/-
Previous Year	Rs.16,22,500/-

ii) Corporate Guarantee given to subsidiary company M/s Crustum Products Pvt Ltd for Rupee term loan of Rs. 8.65 Crores Sanctioned by Oriental Bank of Commerce.

31. Expenditure in Foreign Currency:

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Royalties & Others	5.21	4.19



32. Earning in Foreign exchange as reported by the company to the Ministry of Tourism, Government of India and as certified by the Management.

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Earning in Foreign Exchange	14.08	10.21

33. In relation of Secured (Term) Loans:

Asset Reconstruction Company of India Limited- Taken over from Axis Bank Limited	Subservient charge on movable and immovable assets of Hyderabad Marriott hotel and Subservient charge on movable and immovable fixed assets of company (except Bangalore and Chennai projects). The existing Limit Further secured by Second Charge on Mortgage by Deposit of Title Deeds of Landed Properties (1) In Sy.No.140 (new No. 181) admeasuring 14,092 Sq.yards (2) In Sy.No.139 admeasuring 346.72 Sq.Yards (3) 1-3-1-36/1admeasuring 220 & 220 Sq.Yards (4) In Sy.No.139 admeasuring 216.60, 216.60 and 216.60 Sq.Yards all are situated in Lower Tank Bund Road, Kavadiguda, Hyderabad.
Asset Reconstruction Company of India Limited- Taken over from IDFC Limited	A first charge by way of hypothecation of all the Company's immovable properties movable plant and machinery etc. and on Receivables excluding the receivables required by Operator as operating expenses for operation of the Project, present and future, subject to prior charge of the working capital lenders for securing the working capital facilities to the maximum of Rs.4 Crores and charge on all intangibles. Charge/assignment on all the Company's contracts/documents for the Projects
Asset Reconstruction Company of India Limited- Taken over from Axis Bank Limited	a) First pari passu charge on movable assets at Hyderabad Marriot Hotel. b) First pari-passu charge on immovable assets of Hyderabad Marriot Hotel (by way of deposition title deeds with IDFC (at present with ARCIL) as an agent of Debenture Trustee).
IARC Ltd – Taken over from Laxmi Vilas Bank	Hypothecation of Machinery/Goods/ Stocks and Book Debts in business. Extension of equitable mortgage already created over the Land and Commercial Building Property situated at D. No. 3-6-199 and 3-6-199/1, Himayat Nagar, Hydrabad admeasuring 1416.66 sq.yards.
Canara Bank	First Charge on the entire fixed assets including mortgage over immovable assets and charge on movables) of Hyderabad Courtyard Hotel Project situated at Municipal Door NO. 1-3-1016 to 1024, lower tank bund Gandhi Nagar, Hyderabad
State Bank Of India	First Charge on the entire fixed assets of proposed Hotel Courtyard, Hydereabad, ranking pari passu with other term lender i.e. Canara Bank, R.P, Road, Branch, Secunderabad, including Equitable Mortgage of Land admeasuring 6263 Sq Yds situated at Kavadiguda, Hyderabad.
Bank of Maharastra	Hypothecation Of Stocks & Receivables Of "Countryard By Marriott" Hotel Sitauted At Gandhinagar, Lower Tank Bund Road, Hyderabad With Exclusive First Charge, Hypothecation Of Entire Current Assets, Present And Future Goods, Stocks, Of Raw Materials, Items, Inventories, Stocks, Present And Future Tangible And Intangible Assets etc.,

34. Following are the amount outstanding and due to banks and other institutions:
Amount in Crores

NAME OF THE BANK INSTITUTION			PRINCIPLE DUE	INTEREST DUE	TOTAL DUES
ARCIL	Principal	Interest	133.27	75.1	208.37
Axis Bank Ltd- NCDs	42.50	26.72			
IDFC Ltd	70.77	37.70			
Axis Bank Ltd	20.00	10.68			
IARC LTD			13.84	17.39	31.23
State Bank of India			56.76	41.70	98.46
Canara Bank			24.30	26.20	50.50
Total			228.17	160.39	388.56

The above balances outstanding are subject to confirmations from banks and other institutions

35. In relation to Related Party Disclosures in compliance with Accounting Standard:

Name	Nature of Relationship with the company
Shri. P. Prabhakar Reddy	Managing Director
Shri P. Chakradhar Reddy	Director
Shri K. Guravaraju	CFO
Smt Y.K. Priyadarshini	CS
M/s Cafe D' Lake Pvt. Ltd.	Subsidiary
M/s Crustum Products Pvt. Ltd.	Subsidiary
M/s Minerva Hospitalities Pvt. Ltd.	Subsidiary
M/s Viceroy Chennai Hotels & Resorts Pvt. Ltd	Subsidiary
M/s Banjara Hospitalities Private Limited	Subsidiary
M/s Viceroy Bangalore Hotels Pvt. Ltd.	Associate
M/s Parvath Investments Private Limited	Common Director
M/s Parvath Reddy Investments Private Limited	KMP is a Member
M/s Viceroy Hospitality Services Private Limited	Common Director
M/s Minerva Enterprises Private Limited	Common Director
M/s Deva Infrastructure Private Limited	Common Director
M/s Minerva Executive Apartments Private Limited	Common Director

Transactions during the year
Amount in Crores

Particulars	Subsidiaries	Associate	Others	Total
Loans or Advances Given	-	1.08	0.18	1.26
Investments	3.18	0.94	-	4.12
Loans or Advances Taken	-	-	0.80	.080

**36. In Relation to immovable property**

S. No	Name of the Asset	Extent (In Sq Yards)	Place of Location
1	Land	1,070.00	# 1-3-1016 to 1021, Kavadiguda, Hyderabad
2	Land	193.00	# 1-3-1022, Kavadiguda, Hyderabad
3	Land	800.00	# 1-3-1023, Kavadiguda, Hyderabad
4	Land	4,192.45	# 1-3-1024, Kavadiguda, Hyderabad
5	Land	649.80	# 1-3-1036, Kavadiguda, Hyderabad
6	Land	440.00	# 1-3-1036/1, Kavadiguda, Hyderabad
7	Land	346.72	# 1-3-1036/2, Kavadiguda, Hyderabad
8	Land	14,092.00	Sy.No 181 & 182, Kavadiguda, Hyderabad
9	Land	1,416.66	# 3-6-199/1, Himayath Nagar, Hyderabad
	Total	23,200.63	

- Properties mentioned in S.No.1 to 4 are originally in the name of Minerva Enterprises Pvt Ltd and these were transferred to the company through a scheme of arrangement approved by Hon'ble High of Court of Andhra Pradesh vide its order dated 1st May 2007. However, the revenue records are required to be updated to reflect the above title change.
- Properties mentioned in S.No.5 to 8 were originally in the name of Krishna Cold Drinks Pvt Ltd (the then name of Viceroy Hotels Limited). Subsequently company changes its name several times i.e. from Krishna Cold Drinks Private Limited to Shri Krishna Bottlers Private Limited and further as Palace Heights Hotels Private Limited.

Palace Heights Hotels Private Limited was converted as public limited company namely Palace Heights Hotels Limited and finally became Viceroy Hotels Limited vide incorporation certificate of Registrar of Companies dated 21-09-2001. However, the revenue records are required to be updated to reflect the above name changes and conversions with regard to the title.

- Properties mentioned in S.No.9 is originally in the name of Shri P. Prabhakar Reddy was invested by him as capital in a partnership firm which was subsequently converted as Minerva Enterprises Private Limited and this property was transferred to the company through a scheme of arrangement approved by Hon'ble High of Court of Andhra Pradesh vide its order dated 1st May 2007. However, the revenue records are required to be updated to reflect the above title change.

37. Slump Sale:

Viceroy Hotels Limited has transferred all assets and liabilities pertaining to undertaking on a basis to M/s. Banjara Hospitalities Private Limited (BHPL) at a lumpsum consideration of Rs. 3,17,00,000/- discharged by BHPL by way of issue of 31,70,000 fully paid equity shares of Rs 10/- each.

Particulars	Amount	Amount
Sale Consideration Received		3,17,00,000
Add: Liabilities Transferred		
Central Bank Loan	90,70,00,000	
Sub Total (A)	90,70,00,000	
Less: Assets Transferred		
Value Of land	3,14,32,641	
Capital Work in Progress	72,08,39,874	
Loans And Advances	7,78,406	
Deposits 81,720		
Sub Total (B)	75,31,32,641	
Total (A-B)		15,38,67,359
Profit on Slump Sale		18,55,67,359

38. The Company's only business is Hoteliering and hence disclosure of segment-wise information is not applicable under Accounting Standard 17- 'Segmental Information' (AS-17). There is no geographical segment to be reported.

39. Previous year's figures and current year's figures have been regrouped, recasted, wherever necessary.

40. The figures have been rounded off to the nearest rupee.

AS PER OUR REPORT OF EVEN DATE

FOR P. MURALI & CO.,

Chartered Accountants

Firm's Regn. No. : 007257S

Sd/-

M V JOSHI

Partner

Membership No. 024784

Hyderabad

30-05-2016

FOR VICEROY HOTELS LIMITED

Sd/-

P. PRABHAKAR REDDY

Managing Director

Sd/-

P. CHAKRADHAR REDDY

Director

Sd/-

K. GURAVA RAJU

Chief Financial Officer

Sd/-

Y. K. PRIYADARSHINI

Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016**

PARTICULARS	Current Year (₹)	Previous Year (₹)
I. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	14,19,03,995	(5,08,26,440)
Adjustments for :		
Depreciation	10,53,70,394	11,52,35,456
Financial Cost	24,83,46,556	24,14,33,637
Extraordinary Items	(18,55,67,359)	-
Operating cash flow before working capital changes	31,00,53,587	30,58,42,653
(Increase) / Decrease in Inventory	(30,59,323)	(24,77,893)
(Increase) / Decrease in Trade Receivables	70,76,654	(4,61,94,427)
(Increase) / Decrease in Short Term Loans & Advances	(54,10,484)	(1,04,07,951)
(Increase) / Decrease in other current assets	1,60,000	(1,60,000)
(Increase) / Decrease in Other Non-Current Assets	(9,76,614)	(1,74,08,859)
Increase / (Decrease) in Short Term Borrowing	(42,35,203)	(8,90,68,919)
Increase / (Decrease) in Trade Payables	1,24,27,784	(20,30,48,784)
Increase / (Decrease) in Other Current Liabilities	(8,08,85,863)	46,69,01,892
Increase / (Decrease) in Short Term Provisions	1,15,24,778	9,81,32,025
CASH GENERATED FROM OPERATIONS	24,66,75,316	50,21,09,737
Less : Income Tax Paid	-	-
CASH GENERATED FROM OPERATING ACTIVITIES	24,66,75,316	50,21,09,737
II. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed Assets	(32,390)	(1,15,52,972)
Sale of fixed Assets	-	1,21,70,809
Capital Work in Progress, Pre-operative Expenses	(21,84,40,458)	(63,88,19,954)
Investment	(94,91,499)	(9,31,35,454)
Adjustments of fixed Assets	-	(24,99,389)
(Increase) / Decrease in Long Term Loans & Advances	87,80,061	(60,24,820)
NET CASH AVAILABLE FROM INVESTING ACTIVITIES	(21,91,84,286)	(73,98,61,779)
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Share Capital	-	-
Repayment of Loan	(5,04,20,120)	25,91,19,284
Share Premium and Capital Reserve	-	-
Interest Paid	(55,09,318)	(45,07,608)
Increase / (Decrease) in Other Long Term Liabilities	(48,71,525)	28,50,643
NET CASH USED IN FINANCING ACTIVITIES	(6,08,00,963)	25,74,62,320
NET INCREASE IN CASH AND CASH EQUIVALENTS	(3,33,09,933)	1,97,10,277
Add : Opening balance of Cash & Cash equivalents	3,07,58,601	1,10,48,324
Closing balance of Cash & Cash equivalents	(25,51,331)	3,07,58,601

AS PER OUR REPORT OF EVEN DATE

FOR P. MURALI & CO.,

Chartered Accountants

Firm's Regn. No. : 007257S

Sd/-

M V JOSHI

Partner

Membership No. 024784

Hyderabad

30-05-2016

FOR VICEROY HOTELS LIMITED

Sd/-

P. PRABHAKAR REDDY

Managing Director

Sd/-

P. CHAKRADHAR REDDY

Director

Sd/-

K. GURAVA RAJU

Chief Financial Officer

Sd/-

Y. K. PRIYADARSHINI

Company Secretary



CERTIFICATE

To

The Board of Directors,

Viceroy Hotels Limited,
#Plot No.20, Sector-I,
Survey No.64, 4th Floor, HUDA Techno Enclave
Madhapur, Hyderabad – 500 081, Telangana.

We have examined the attached Cash Flow Statement of M/s. Viceroy Hotels Limited for the year ended 31st March, 2016. The Statement has been prepared by the Company in accordance with requirements of Clause 32 of listing agreement with Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report dated 31st March, 2016 to the members of the Company.

For P. MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

Place : Hyderabad
Date : 30-05-2016

Sd/-
M V JOSHI
Partner
Membership No.024784

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of VICEROY HOTELS LIMITED

Report on the consolidated Financial Statements

We have audited the accompanying consolidated financial statements of M/s. Viceroy Hotels Limited ("hereinafter referred to as the Holding Company"), and its subsidiaries; together referred to as "the Group" comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as 'the consolidated financial statements')

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. The Holding Company's Board of Director is responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in audit report.

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements:



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs the Group, as at 31st March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

We have relied on the unaudited financial statements of an associate where in the group's share of loss aggregate Rs. 74,92,549.-. These unaudited financial statements as approved by the board of directors of the associate have been furnished to us by the management and our report insofar as it relates to the amounts included in respect of these associate is based solely on such approved unaudited financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the consolidated financial statements,
 - (b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors of Holding Company as on March 31, 2016 taken on record by the board of directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financials reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigation as at March 31, 2016 on the consolidated financial position of the Group. Refer Note 31 to the consolidated financial statements.
 - ii. The Group 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.

Place : Hyderabad
Date: 30-05-2016

For P. MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

Sd/-
M V JOSHI
Partner
Membership No. 024784

Annexure A to the Auditor's Report

“Annexure A” referred to in paragraph 1(f) under “ Report on other legal and Regulatory Requirements” section of report on financial statements of even date to the members of VICEROY HOTELS LIMITED on the financial statement for the year ended March 31, 2016.

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

In conjunction with our audit of consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Viceroy Hotels Limited ('the Holding Company') and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

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") issued by the ICAI 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 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the



management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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 Holding 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 31 March 2016, 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.

Place: Hyderabad
Date: 30-05-2016

For P. Murali & Co.,
Chartered Accountants,
Firm Registration No 007257S

Sd/-
M V Joshi
Partner
Membership No 024784

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016**

PARTICULARS	Note No.	AS ON 31-03-2016 (₹)	AS ON 31-03-2015 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	42,40,52,240	42,40,52,240
(b) Reserves and Surplus	2	1,22,93,82,430	1,02,69,86,788
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	4,85,90,27,555	4,10,18,25,395
(b) Deferred Tax Liabilities (Net)	4	19,36,06,000	19,38,72,543
(c) Other Long Term Liabilities	5	1,12,51,674	1,61,23,199
(d) Long Term Provisions		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	6	2,04,20,716	5,01,60,294
(b) Trade Payables	7	22,59,30,809	20,20,26,493
(c) Other Current Liabilities	8	2,00,52,09,273	2,34,70,46,569
(d) Short-Term Provisions	9	22,79,06,062	21,86,43,835
Total		9,19,67,86,760	8,58,07,37,356
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	1,95,32,13,953	1,76,67,53,048
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		4,08,44,49,663	3,58,06,20,591
(iv) Intangible assets under development		-	-
(b) Non-current investments*	11	1,35,36,25,344	1,25,12,18,414
(c) Deferred tax assets (net)	4	-	-
(d) Long Term Loans and advances	12	1,34,38,06,477	1,51,06,81,448
(e) Other Non-Current assets	13	45,13,619	7,77,070
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	14	1,90,11,998	1,41,66,814
(c) Trade receivables	15	23,64,58,065	24,10,57,275
(d) Cash and Bank Balances	16	1,18,21,090	3,80,94,588
(e) Short-Term Loans and Advances	17	16,23,28,680	15,07,42,186
(f) Other Current assets	18	2,75,57,872	2,66,25,922
Total		9,19,67,86,760	8,58,07,37,356

Significant Accounting Policies & Notes on Accounts (1 to 41)

AS PER OUR REPORT OF EVEN DATE

FOR P. MURALI & CO.,

Chartered Accountants

Firm's Regn. No. : 007257S

Sd/-

M V JOSHI

Partner

Membership No. 024784

Hyderabad

30-05-2016

FOR VICEROY HOTELS LIMITED

Sd/-

P. PRABHAKAR REDDY

Managing Director

Sd/-

P. CHAKRADHAR REDDY

Director

Sd/-

K. GURAVA RAJU

Chief Financial Officer

Sd/-

Y. K. PRIYADARSHINI

Company Secretary

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Note No.	Year Ended 31-03-2016 (₹)	Year Ended 31-03-2015 (₹)
I. Revenue from Operations	19	1,24,11,57,929	1,09,76,73,258
II. Other Income	20	62,85,190	31,15,508
III. Total Revenue (I + II)		1,24,74,43,119	1,10,07,88,766
IV. Expenses:			
Cost of materials consumed	21	27,18,29,166	21,43,76,906
Employee Benefit expenses	22	27,75,95,884	21,87,08,882
Other Operating Expenses	23	21,87,03,340	19,81,82,613
Administrative Expenses	24	15,13,55,648	13,44,36,151
Financial costs	25	27,04,27,634	25,46,30,906
Depreciation and amortization expense	10	13,39,85,139	14,09,49,926
Total Expenses		1,32,38,96,811	1,16,12,85,384
V. Profit before exceptional and extraordinary items and tax (III - IV)		(7,64,53,692)	(6,04,96,618)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(7,64,53,692)	(6,04,96,618)
VIII. Extraordinary Items		18,55,67,359	-
IX. Profit Before Tax (VII - VIII)		10,91,13,667	(6,04,96,618)
X. Tax expense:			
(1) Current tax		-	22,62,551
(2) Deferred tax		(2,66,543)	(19,62,266)
XI. Profit(Loss) from the period from Continuing Operations (VII - VIII)		10,93,80,210	(6,07,96,903)
Share of profit of Associate		(74,92,549)	(70,35,235)
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax expense of Discontinuing Operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		10,18,87,661	(6,78,32,138)
XVI. Earning per equity share:			
(1) Basic		2.40	(1.60)
(2) Diluted		2.40	(1.60)

Significant Accounting Policies & Notes on Accounts (1 to 41)

AS PER OUR REPORT OF EVEN DATE

FOR P. MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

Sd/-
M V JOSHI
Partner
Membership No. 024784
Hyderabad
30-05-2016

FOR VICEROY HOTELS LIMITED

Sd/-
P. PRABHAKAR REDDY
Managing Director

Sd/-
K. GURAVA RAJU
Chief Financial Officer

Sd/-
P. CHAKRADHAR REDDY
Director

Sd/-
Y. K. PRIYADARSHINI
Company Secretary

Notes To Financial Statements For The Year Ended March 31st 2016

S.NO	PARTICULARS	AS ON 31-03-2016 (₹)	AS ON 31-03-2015 (₹)
NOTE NO. 1 : SHARE CAPITAL			
A Share Capital			
(a)	Authorised		
	(No. of Equity Shares 4,50,00,000)	45,00,00,000	45,00,00,000
	(No. of Preference Shares 10,00,000)	10,00,00,000	10,00,00,000
	Total Authorised Share Capital	55,00,00,000	55,00,00,000
(b)	Issued		
	(No. of Shares 4,24,05,224)	42,40,52,240	42,40,52,240
(c)	Subscribed & Fully Paid Up		
	(No. of Shares 4,24,05,224)	42,40,52,240	42,40,52,240
(d)	Subscribed & not fully paid up	-	-
	<u>Par Value</u> : Per Equity Share Rs. 10/-		
	Per Preference Share Rs. 100/-		
	Total Equity Share capital	42,40,52,240	42,40,52,240
B A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:			
	(Equity Shares of Rs. 10/- Each, Fully paid up)		
	At the Beginning	4,24,05,224	4,24,05,224
	Issued during the year - Bonus Issue	-	-
	Issued during the year - Cash Issue	-	-
	Issued during the year - ESOP	-	-
	Forfeited / Bought Back during the year	-	-
	At the end	4,24,05,224	4,24,05,224

C Details of Shareholder holding more than 5% shares of the Company:
(Equity Shares of Rs. 10 each Held By)

Name of Shareholder	No. of Shares		% of Share Holding	
	Current Year	Previous Year	Current Year	Previous Year
(1) Jhunjhunwala Rakesh Radheshyam	57,07,566	57,07,566	13.46	13.46
(2) P. Chakradhar Reddy	40,39,351	41,03,651	9.53	9.68
(3) REL Utility Engineers Limited	-	25,00,000	-	5.90
(4) Crest Logistics and Engineers Pvt Ltd	25,00,000	-	5.90	-

Notes To Financial Statements For The Year Ended March 31st 2016

S.NO	PARTICULARS	AS ON 31-03-2016 (₹)	AS ON 31-03-2015 (₹)
NOTE NO. 2 : RESERVES AND SURPLUS			
I. a) Capital Reserve			
As at the commencement of the year		74,33,996	74,33,996
Add: Additions during the year		-	-
Less: Utilised during the year		-	-
Sub -Total		74,33,996	74,33,996
b) Securities Premium Reserve			
As at the commencement of the year		2,35,48,71,862	1,71,77,85,670
Add: Additions during the year		9,30,15,432	63,70,86,192
Less: Utilised during the year		-	-
Sub -Total		2,44,78,87,294	2,35,48,71,862
c) Debenture redemption reserve			
As at the commencement of the year		5,00,00,000	5,00,00,000
Add: Additions during the year		-	-
Less: Utilised during the year		-	-
Sub -Total		5,00,00,000	5,00,00,000
d) Revaluation reserve		79,19,430	79,19,430
e) Share options outstanding account		-	-
f) General Reserves			
As at the commencement of the year		3,20,25,000	3,20,25,000
Add: Additions during the year		-	-
Less: Utilised during the year		-	-
Sub -Total		3,20,25,000	3,20,25,000
g) Surplus :			
i) Opening Balance - Profit and Loss Account		(1,42,52,63,500)	(1,16,68,73,113)
Add: Transfer from Profit & Loss Account		10,93,80,210	(8,64,64,961)
Add:		-	-
Less: Transfer To General Reserve		-	-
Less: Goodwill Written Off		-	-
Less: Retained Earnings Asset		-	17,19,25,427
Sub -Total		(1,31,58,83,290)	(1,42,52,63,500)
ii) Dividend		-	-
iii) Bonus shares		-	-
iv) Transfer to/from reserves.		-	-
II. A Reserve specifically represented by earmarked investments		-	-
III. Negative balance of reserves and surplus account		-	-
Total Reserves and Surplus		1,22,93,82,430	1,02,69,86,788

Notes To Financial Statements For The Year Ended March 31st 2016

S.NO	PARTICULARS	AS ON 31-03-2016 (₹)	AS ON 31-03-2015 (₹)
NOTE NO. 3 : LONG TERM BORROWINGS			
	Long Term borrowings		
a) Bonds/debentures			
Secured		42,50,00,000	42,50,00,000
(500 NCDs, Face Value - 10,00,000 , 14% rate of Interest)			
(60,000 NCDs, Face Value - Rs 1000/- to EARC)		6,00,00,000	-
Sub -Total		48,50,00,000	42,50,00,000
b) i) Term Loans			
From Banks and Financial Institutions		2,68,89,29,652	1,71,84,27,172
From IARC, EARC & TFCI		18,61,60,000	20,28,60,000
From Others		39,40,69,903	30,26,80,385
Sub -Total		3,26,91,59,555	2,22,39,67,557
ii) Un Secured Loans			
From Banks		7,42,39,213	4,66,63,565
From Others		1,03,06,28,786	1,40,61,94,272
Sub -Total		1,10,48,67,999	1,45,28,57,837
Total Long Term Borrowings		4,85,90,27,554	4,10,18,25,395
NOTE NO. 4 : DEFERRED TAX LIABILITY (NET)			
Opening Deferred tax Liability		19,38,72,543	19,58,34,809
Add: Deferred Tax Liability for the year (Due to SLM and WDV Difference)		(2,66,543)	(19,62,266)
Deferred Tax Liability for the year (Due to Others)		-	-
Deferred Tax Liability		19,36,06,000	19,38,72,543
Deferred Tax Liability/ (Asset) - Net		19,36,06,000	19,38,72,543
NOTE NO. 5 : OTHER LONG TERM LIABILITIES			
a) Trade Payables & Others			
- Advance from Customers		1,12,51,674	1,61,23,199
- Other Liabilities		-	-
b) Others		-	-
Total Long Term Liabilities		1,12,51,674	1,61,23,199
NOTE NO. 6 : SHORT TERM BORROWINGS.			
	Short term borrowings		
a) Cash Credits and Working Capital Demand Loan from Banks			
- Secured		2,04,20,716	5,01,60,294
b) b) Other Loans repayable on demand		-	-
Total Short Term Borrowings		2,04,20,716	5,01,60,294

Notes To Financial Statements For The Year Ended March 31st 2016

S.NO	PARTICULARS	AS ON 31-03-2016 (₹)	AS ON 31-03-2015 (₹)
NOTE NO. 7 : TRADE PAYABLES			
I. a)	Trade Payables	22,34,79,403	19,84,38,890
b)	Acceptances	24,51,406	35,87,603
c)	Dues to Micro & Small Medium Enterprises	-	-
	Total Trade Payables	22,59,30,809	20,20,26,493
NOTE NO. 8 : OTHER CURRENT LIABILITIES			
I. a)	Current maturities of long term debt	-	65,52,62,971
b)	Current maturities of finance lease obligation	-	-
c)	interest accrued but not due on borrowings	38,60,049	38,60,049
d)	Interest accrued and due on borrowings.	1,63,42,06,451	1,34,58,15,406
e)	Deposits	23,08,732	23,08,732
f)	Other Payables	-	-
(i)	Rent payable	1,40,05,243	78,77,942
(ii)	Audit fee Payable	79,17,650	65,65,840
(iii)	Electricity Charges Payable	19,95,296	37,86,149
(iv)	Bonus Payable	6,46,903	6,46,903
(v)	Statutory Liabilities	8,72,66,882	7,99,58,883
(vi)	PF & ESI Payable	53,59,937	26,26,485
(vii)	Salaries Payable	1,27,95,986	1,06,47,986
(viii)	Other Payable	39,57,043	20,40,168
(ix)	Other creditors	22,53,99,192	22,01,59,146
(x)	Royalty Payable	54,89,908	54,89,908
	Total Other Current Liabilities	2,00,52,09,273	2,34,70,46,569
NOTE NO. 9 : SHORT TERM PROVISIONS			
I. a)	Provisions for employee benefits		
	Provision for Gratuity	1,40,33,367	1,25,97,505
	Provision for bonus	38,00,864	45,32,336
	Provision for Management deferred license	17,70,55,745	17,14,88,809
	Provision for Accruals	1,92,79,089	1,43,02,169
b)	Others		
	Provision for income tax	16,55,987	39,18,538
	Provision for MAT	-	-
	Provision for FBT	74,919	74,919
	provision for Bad & Doubtful debts	1,20,06,091	1,17,29,559
	Total Short Term Provisions	22,79,06,062	21,86,43,835



CONSOLIDATED FINANCIALS

NOTE NO 10 : FIXED ASSETS :

DESCRIPTION	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As on 01-04-2015	Additions During the Year	Sale / Deletions During the year	as on 31-03-2016	Dep. as on 01-04-2015	Dep. for the year 2015-16	Transfer to Retained Earnings	Adjustments During the Year	Total Depreciation	As on 31-03-2016	As on 31-03-2015
Land	17,32,96,830	23,32,75,200	3,14,32,641	37,51,39,389	-	-	-	-	-	37,51,39,389	17,32,96,830
Building	1,73,59,22,871	-	-	1,73,59,22,871	56,62,79,201	2,13,71,597	-	-	58,76,50,798	1,14,82,72,073	1,16,96,43,670
Furniture & Fixtures	44,15,84,179	4,91,18,892	-	49,07,03,071	36,92,68,795	2,54,32,585	-	-	39,47,01,379	9,60,01,692	7,23,15,385
Air Conditioners	16,04,27,348	-	-	16,04,27,348	13,82,56,664	70,73,346	-	-	14,53,30,010	1,50,97,338	2,21,70,684
Electrical Fittings	20,83,93,733	1,07,38,944	-	21,91,32,677	13,57,67,070	3,20,73,661	-	-	16,78,40,731	5,12,91,946	7,26,26,662
Vehicles	8,81,34,566	-	-	8,81,34,566	3,84,60,532	83,94,044	-	-	4,68,54,576	4,12,79,990	4,96,74,034
Plant and machinery	22,76,97,311	2,62,41,373	-	25,39,38,684	9,75,91,095	1,71,80,306	-	-	11,47,71,401	13,91,67,283	13,01,06,216
Generator	13,65,000	-	-	13,65,000	8,71,891	3,64,023	-	-	12,35,914	1,29,086	4,93,109
Misc. Fixed Asset	43,14,25,179	3,05,20,739	-	46,19,45,917	35,56,33,969	2,12,76,044	-	-	37,69,10,013	8,50,68,296	7,57,91,210
Computers	93,97,907	19,51,148	-	1,13,49,055	87,62,661	8,19,533	-	-	95,82,194	17,66,861	6,35,246
TOTAL	3,47,76,44,924	35,18,46,295	3,14,32,641	3,79,80,58,578	1,71,08,91,877	13,39,85,139	-	-	1,84,48,77,016	1,95,32,13,953	1,76,67,53,047
PREVIOUS YEAR	3,47,18,98,410	2,07,68,486	1,50,21,972	3,47,76,44,924	1,40,20,47,556	14,09,49,926	17,19,25,427	40,31,032	1,71,08,91,877	1,76,67,53,048	2,06,98,50,854

Notes To Financial Statements For The Year Ended March 31st 2016

S.NO	PARTICULARS	AS ON 31-03-2016 (₹)	AS ON 31-03-2015 (₹)
NOTE NO. 11 : NON- CURRENT INVESTMENTS			
	Non- Current Assets		
	1) Investment in Instrument	-	-
	Unquoted		
	79,91,554 Equity Shares of Rs.10/- each in Viceroy Bangalore Hotels Pvt.Ltd	1,35,36,25,344	1,25,12,18,414
	Total Non Current Investments	1,35,36,25,344	1,25,12,18,414
	Less: Provision for Diminution in Investments	-	-
	Total Non - Current Assets (Net)	1,35,36,25,344	1,25,12,18,414
NOTE NO. 12: LONG TERM LOANS AND ADVANCES			
	Capital Advances		
	Secured, Considered Good	-	-
	Unsecured, Considered Good	74,20,64,496	74,41,40,054
	Less: Provision for Bad & doubtful Capital Advances	-	-
	Sub Total	74,20,64,496	74,41,40,054
	Security Deposit		
	Secured, Considered Good	1,95,07,113	95,13,195
	Unsecured, Considered Good	59,63,165	95,08,842
	Less: Provision for Bad & doubtful Security Deposit	-	-
	Sub Total	2,54,70,278	1,90,22,037
	Un Secured, Considered Good	-	-
	Capital Advances	-	-
	Security Deposit	-	-
	Loans Receivable	-	-
	Other Advances	-	-
	Other Loans or Advances	2,68,22,940	3,10,11,917
	Sub Total	2,68,22,940	3,10,11,917
	Secured, Considered Good	-	-
	Capital Advances	-	-
	Security Deposit	-	-
	Loans or Advances to others	6,00,09,177	6,00,49,620
	Advances for Investment	-	-
	Prepaid Expense	-	-
	Loans Receivable	-	-
	Advances Recoverable in Cash or in kind	44,63,02,707	61,51,66,818
	Sub Total	50,63,11,884	67,52,16,439

Notes To Financial Statements For The Year Ended March 31st 2016

S.NO	PARTICULARS	AS ON 31-03-2016 (₹)	AS ON 31-03-2015 (₹)
Doubtful			
	Capital Advances	-	-
	Security Deposit	-	-
	Loans Receivable	-	-
	Advances Recoverable in Cash or in kind	4,31,36,879	4,12,91,000
	Sub Total	4,31,36,879	4,12,91,000
	Less: Provision for Bad & doubtful Loans & Advances to Related Party	-	-
	Sub Total	4,31,36,879	4,12,91,000
	Total Long Term Loans and Advances	1,34,38,06,477	1,51,06,81,448

NOTE NO. 13 : OTHER NON CURRENT ASSETS

I	Unamortised Expenses	44,98,119	6,46,234
	Interest Accrued on Deposits	-	1,15,336
	Dividend receivable	-	-
	Interest accrued on investments	-	-
	Export incentive Receivable	-	-
	Rent receivable	15,500	15,500
	Total Other Non Current Assets	45,13,619	7,77,070

NOTE NO. 14 : INVENTORIES

a)	(i) Finished Goods	73,13,315	55,27,454
	(ii) Food Inventory	25,77,813	19,52,527
	(iii) Beverage Inventory	89,48,493	64,81,525
	(iv) Linen Inventory	-	-
	(v) General Inventory	-	-
	(vi) Printing & stationary	-	-
	(vii) Tobacco Inventory	1,72,377	2,05,308
	(viii) Diesel Inventory	-	-
b)	Stores and spares	-	-
c)	Loose tools	-	-
d)	Others	-	-
	Total Inventories	1,90,11,998	1,41,66,814

NOTE NO. 15 : TRADE RECEIVABLES

Outstanding for a period exceeding six months from the date they are due for payment			
	Secured, Considered Good	1,25,17,560	-
	Unsecured, Considered Good	22,39,40,505	24,10,57,275
	Doubtful	-	-
	Less: Allowance for Bad & Doubtful Debts	-	-
	Sub Total	23,64,58,065	24,10,57,275
	Total Trade Receivables	23,64,58,065	24,10,57,275

Notes To Financial Statements For The Year Ended March 31st 2016

S.NO	PARTICULARS	AS ON 31-03-2016 (₹)	AS ON 31-03-2015 (₹)
NOTE NO. 16 : CASH AND BANK BALANCES			
I. Cash and cash equivalents :			
a) Balances with banks :		-	-
1) On Current Accounts	72,42,709	2,46,34,323	
2) Margin Money	-	-	
3) Bank deposits with more than 12 months maturity	-	-	
b) Cash on hand	45,78,380	1,34,60,265	
Other Bank Balances	-	-	
On Deposit Accounts	-	-	
1) Having Maturity more than 12 months from the date of deposit	-	-	
Total Cash and Cash Equivalents	1,18,21,090	3,80,94,588	
NOTE NO. 17 : SHORT TERM LOANS AND ADVANCES			
Security Deposit			
Secured, Considered Good	-	-	
Unsecured, Considered Good	89,57,089	1,28,90,039	
Doubtful	-	-	
Less: Provision for Bad & doubtful Security Deposit	-	-	
Sub Total	89,57,089	1,28,90,039	
Secured, Considered Good			
Loans and Advances to Employees	7,04,003	7,67,854	
Statutory payments	-	-	
Prepaid Expense	4,39,04,407	3,93,63,767	
TDS Receivable	52,07,682	50,89,617	
Advances Recoverable in Cash or in kind	10,35,55,499	9,26,30,909	
Sub Total	15,33,71,591	13,78,52,147	
Total Short Term Loans and Advances	16,23,28,680	15,07,42,186	
NOTE NO. 18 : OTHER CURRENT ASSETS			
I Unamortised Expenses	2,74,42,536	2,66,25,922	
Interest Accrued on Deposits	1,15,337	-	
Dividend receivable	-	-	
Interest accrued on investments	-	-	
Export incentive Receivable	-	-	
Total Other Current Assets	2,75,57,872	2,66,25,922	

Notes To Financial Statements For The Year Ended March 31st 2016

S.NO	PARTICULARS	Year Ended 31-03-2016 (₹)	Year Ended 31-03-2015 (₹)
NOTE NO. 19 : REVENUE FROM OPERATIONS			
(i)	Revenue from operations:		
	(a) Sale of Products & Services	1,13,70,20,888	1,00,19,95,412
	(b) Sale of Services	3,53,58,055	3,42,40,512
	(c) Other Operating Revenues	6,87,78,986	6,14,37,334
	Less: Excise Duties	-	-
	Total Revenue from Operations	1,24,11,57,929	1,09,76,73,258
NOTE NO. 20 : OTHER INCOME			
I	(a) Interest income	59,26,698	26,42,758
	(b) (i) Dividend from subsidiary companies	-	-
	(ii) Dividend Income	-	-
	(c) Net Gain/Loss on sale of Investments	-	-
	(d) Other non-operating income	7,59,319	1,69,488
	(e) Adjustments to the carrying value of investments (Write-back)	-	-
	(f) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)	(4,00,827)	3,03,262
	Total Other Income	62,85,190	31,15,508
NOTE NO. 21 : COST OF MATERIALS			
I	Food & Beverages		
	Opening Stock	1,32,99,256	1,05,16,017
	Add : Purchases During the year	27,66,74,350	23,81,92,179
	Less : Closing Stock	1,81,44,440	1,32,99,256
	Total Cost of Material Consumed	27,18,29,166	21,43,76,906
NOTE NO. 22 : EMPLOYEE BENEFIT EXPENSES			
	(a) Salaries & Wages	25,90,47,671	19,94,78,880
	(b) Contribution to Provident & Other Funds	1,81,31,191	1,58,06,574
	(c) Expenses on employee stock option scheme (ESOP)	-	-
	(d) Managerial Remuneration	-	30,00,000
	(e) Staff Welfare Expenses	4,17,022	4,23,428
	Total Employee Benefit Expenses	27,75,95,884	21,87,08,882
NOTE NO. 23 : OTHER OPERATING EXPENSES			
	(a) Consumption of Stores & Spares	-	-
	(b) Power & Fuel	11,95,00,446	11,49,65,292
	(c) Rent	5,76,36,216	3,32,00,712

**Notes To Financial Statements For The Year Ended March 31st 2016**

S.NO	PARTICULARS	Year Ended 31-03-2016 (₹)	Year Ended 31-03-2015 (₹)
(d)	Repairs to Building	9,32,852	4,95,553
(e)	Insurance	31,12,493	38,29,749
(f)	Rates & Taxes (excluding Income Tax)	2,09,11,341	1,77,88,151
(g)	Miscellaneous Expenditure	1,49,74,940	1,36,30,491
(h)	Payment to Auditors:		
(i)	As Auditor	13,60,370	11,25,218
(i)	Net loss on sale of Assets	-	57,71,420
(j)	Prior Period Items	-	-
(k)	Repairs & maintenance	-	73,76,028
(l)	other operating expenses	2,83,241	-
	Total Other Expenses	21,87,03,340	19,81,82,613

NOTE NO. 24 : ADMINISTRATIVE EXPENSES

(a)	Telephone, Postage and Others	33,76,009	27,09,294
(b)	Business Promotion Expenses	8,91,18,705	8,10,66,548
(c)	Conveyance	1,46,30,336	1,30,65,330
(d)	Office Maintenance	19,99,704	2,46,78,848
(e)	Printing & Stationery Expenses	24,73,777	20,40,506
(f)	Consultancy Charges	23,17,131	36,32,563
(g)	Laundry expenses	93,83,088	57,35,188
(h)	Director Sitting Fee	2,00,000	1,30,000
(i)	Bad debts written off	2,76,532	91,833
(j)	Interest on taxes Payable	2,20,247	12,86,041
(k)	other expenses	2,73,60,119	-
	Total Administrative Expenses	15,13,55,648	13,44,36,151

NOTE NO. 25 : FINANCE COST

(a)	Interest Expenses		
-	Interest on Term loans	19,61,16,780	18,04,58,380
-	Interest on Axis Bank - NCD'S	5,96,63,012	5,94,99,999
-	Interest on working Capital Loan	4,68,938	35,40,672
-	Interest on Unsecured Loan	10,36,709	12,45,335
-	Loan processing Charges & Bank Charges	31,29,211	65,70,700
(b)	Other Borrowing costs	1,00,12,984	33,15,820
	Total Finance Cost	27,04,27,634	25,46,30,906



Significant Accounting Policies

The financial statements are prepared under the historical cost convention, on an accrual basis and comply with the Accounting Standards (AS) notified by the Companies (Accounting Standards) Rules, 2006. The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. The significant accounting policies adopted in the presentation of the financial statements are as under:

(a) Basis of preparation of financial Statements.

The financial statements have been prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles and the provisions of the Companies Act, 2013.

b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognized in the periods in which the results are known / materialize.

(c) Revenue Recognition:

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.

Revenue from restaurant and sweet shop sales (food and beverages) is recognized upon rendering of service. Sales are net of discounts. Value added tax is reduced from sales.

The Company also operates through franchise arrangements with third parties in terms of which the third parties are permitted to use the Company's established trademarks :

- Initial Access Premium Fee charged to franchisees, in consideration of being considered as competent to open a restaurant under a Company owned trademark, is recognized on formalization of the franchise agreement. The Initial Access Premium Fee is non – refundable, regardless of whether the restaurant outlet under the franchise agreement commences operations or not.
- Royalty and Management Fee charged to franchisees for the use of the trademarks is calculated as a percentage of monthly sales of the restaurant and accrued for in line with restaurant sales.

Revenue from displays and sponsorships are recognized based on the period for which the products or the sponsor's advertisements are promoted /displayed.

In respect of gift vouchers and point awards scheme operated by the company, sales are recognized when the gift vouchers or points are redeemed and on sale of meals to customers.

(d) Employee Benefits:

Compensation to employees for services rendered is measured and accounted for in accordance with Accounting Standard 15 on Employee Benefits.

Employee Benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to the Statement of Profit and Loss in the period in which the service is rendered.

Employee Benefits under defined benefit plans such as gratuity which fall due for payment after completion of employment are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The company's obligations recognized in the balance sheet represent the present value of obligations as reduced by the fair value of plan assets, where applicable.

Actuarial Gains and losses are recognized immediately in the Statement of Profit and Loss.

(e) Investments

Investments are classified as current or long term in accordance with Accounting Standard 13 on Accounting for Investments.

Current investments are stated at the lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

Long term investments are stated at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments.

(f) Fixed Assets:

(i) Tangible Assets

Tangible Assets are stated at their cost of acquisition less accumulated depreciation and impairment losses.

Cost comprises of all costs incurred to bring the assets to their present location and working condition.

Assets acquired under finance leases are accounted for at the inception of the lease in accordance with Accounting Standard 19 on Leases at the lower of the fair value of the asset and present value of minimum lease payments.

(ii) Intangible assets

Intangible assets are stated at their cost of acquisition, less accumulated amortization and impairment losses. An intangible asset is recognized, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured.

The company capitalizes software costs where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over the management's estimate of its useful life of five years.

Trademarks are amortized uniformly over a period of five years.

(g) Depreciation:

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Leasehold improvements are depreciated over the lower of the lease period and the management's estimate of the useful life of the asset.

The depreciable amount of intangible assets is allocated over the best estimate of its useful life on a straight-line basis.

(h) Impairment of Assets:

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment of assets. If any indication of such impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount on these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flow to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised.

(i) Transactions in Foreign Exchange:

Transactions in foreign currencies are accounted for at the prevailing rates of exchange on the date of the transaction.

Monetary items denominated in foreign currencies, are restated at the prevailing rates of exchange at the Balance Sheet date. All gains and losses arising out of fluctuations in exchange rates are accounted for in the Statement of Profit and Loss.

Exchange differences on forward exchange contracts, entered into for hedging foreign exchange fluctuation risk in respect of an existing asset/liability, are recognized in the Statement of Profit and Loss in the reporting period in which the exchange rate changes. Premium / Discount on forward exchange contracts is amortized over the period of the contract.

**(j) Borrowing Cost:**

- i. Interest and other borrowing costs, attributable to qualifying assets are capitalised.
- ii. Interest not attributable to qualifying assets is charged to the Profit and Loss Account in the year in which it is incurred.
- iii. Debenture issue costs and the entire premium on redemption of Debentures are adjusted against the Securities Premium Account in accordance with the provision of Section 52 of the Companies Act, 2013.
- iv. Other Borrowing Costs are charged to revenue account over the tenure of the borrowing.

(k) Inventories:

Stock of food and beverages and operating supplies are carried at cost or Market Value, whichever is lower as per AS-2.

Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present condition and location. Cost of materials is determined by the FIFO method.

(l) Taxes on income:

- (i) Income tax is computed in accordance with Accounting Standard 22-‘Accounting for Taxes on Income (AS-22), issued by the ICAI. Tax expenses are accounted in the same period to which the revenue and expenses relate.
- (ii) Provision for current income tax is made on the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws. The differences between taxable income and the net profit or loss before tax for the year as per the financial statements are identified and the tax effect of the deferred tax asset or deferred tax liabilities recorded for timing differences, i.e. differences that originate in one accounting period and reverse in another. The tax effect is calculated on accumulated timing differences at the end of the accounting year based on effective tax rates that would apply in the years in which the timing differences are expected to reverse.
- (iii) Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

(m) Accounting for provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized in terms of Accounting Standard 29 – ‘Provisions, Contingent Liabilities and Contingent Assets’ (AS-29), issued by the ICAI., when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are not recognized in the financial statements.

(n) Earnings per Share:

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 on Earnings per Share. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

Notes to Consolidated Financial Statements

26. The subsidiary companies considered in the consolidated financial statements are:

NAME OF SUBSIDIARIES:	PROPORTION OF INTEREST:
Cafe de lake Pvt. Ltd	100%
Crustums Products Pvt. Ltd	100%
Minerva Hospitalities Pvt. Ltd	100%
Viceroy Chennai Hotels & Resorts Pvt Ltd	100%
Banjara Hospitalities Private Limited	100%

27. Basic Earnings Per Share(Basic EPS)

Particulars	Current Year Rs.	Previous Year Rs.
Net Profit after Tax	10,18,87,661	(6,78,32,138)
Weighted Average Number of Shares Considered	4,24,05,224	4,24,05,224
EPS	2.40	(1.60)

28. In relation of provision for Current Tax, Deferred Tax:

Particulars	Current Year Rs.	Previous Year Rs.
Current Tax	-	22,62,511
Deferred Tax Asset	2,66,543	19,62,266

29. In relation of Managerial Remuneration:

Particulars	Current Year Rs. in Lakhs	Previous Year Rs. in lakhs
Director remuneration & Sitting Fee	2.00	31.30

30. Auditors Remuneration:

Particulars	Current Year Rs.	Previous Year Rs.
Audit Fees Including Service Tax	13,60,370	11,25,218

31. According to the information available with the Company, there are no amounts as at 31st March, 2016, due to suppliers who constitute a "small industrial undertaking".

32. Contingent Liabilities not provided for in respect of:-

ii) Guarantees:

Guarantees given to bank for the Bank Guarantee limits availed by the company towards EPCG Bonds given to DGFT, Hyderabad	Rs. 16,22,500/-
Previous Year	Rs. 16,22,500/-

**33. Expenditure in Foreign Currency:**

Particulars	Current Year Rs. in Crores	Previous Year Rs.in Crores
Royalties & Others	5.21	4.19

34. Earnings in Foreign exchange as reported by the company to the Ministry of Tourism, Government of India and as certified by the Management.

Particulars	Current Year Rs. in Crores	Previous Year Rs.in Crores
Earning in Foreign Exchange	14.08	10.39

35. In relation of Secured (Term) Loans:

Asset Reconstruction Company of India Limited- Taken over from Axis Bank Limited	Subservient charge on movable and immovable assets of Hyderabad Marriott hotel and Subservient charge on movable and immovable fixed assets of company (except Bangalore and Chennai projects). The existing Limit Further secured by Second Charge on Mortgage by Deposit of Title Deeds of Landed Properties (1) In Sy.No.140 (new No. 181) admeasuring 14,092 Sq.yards (2) In Sy.No.139 admeasuring 346.72 Sq.Yards (3) 1-3-1-36/1 admeasuring 220 & 220 Sq.Yards (4) In Sy.No. 139 admeasuring 216.60, 216.60 and 216.60 Sq.Yards all are situated in Lower Tank Bund Road, Kavadi guda, Hyderabad.
Asset Reconstruction Company of India Limited- Taken over from IDFC Limited	A first charge by way of hypothecation of all the Company's immovable properties movable plant and machinery etc. and on Receivables excluding the receivables required by Operator as operating expenses for operation of the Project, present and future, subject to prior charge of the working capital lenders for securing the working capital facilities to the maximum of Rs.4 Crores and charge on all intangibles. Charge/assignment on all the Company's contracts/documents for the Projects
Asset Reconstruction Company of India Limited-Taken over from Axis Bank Limited	a) First pari passu charge on movable assets at Hyderabad Marriot Hotel b) First pari-passu charge on immovable assets of Hyderabad Marriot Hotel (by way of deposition title deeds with IDFC (at present with ARCIL) as an agent of Debenture Trustee)
IARC Ltd – Taken over from Laxmi vilas Bank	Hypothecation of Machinery/Goods/ Stocks and Book Debts in business. Extension of equitable mortgage already created over the Land and Commercial Building Property situated at D. No. 3-6-199 and 3-6-199/1, Himayat Nagar, Hydrabad admeasuring 1416.66 sq.yards.
Canara Bank	First Charge on the entire fixed assets including mortgage over immovable assets and charge on movables) of Hyderabad Courtyard Hotel Project situated at Municipal Door NO. 1-3-1016 to 1024, lower tank bund Gandhi Nagar, Hyderabad
State Bank of India	First Charge on the entire fixed assets of proposed Hotel Courtyard, Hydereabad, ranking pari passu with other term lender i.e. Canara Bank, R.P, Road, Branch, Secunderabad, including Equitable Mortgage of Land admeasuring 6263 Sq Yds situated at Kavadi guda, Hyderabad.



Bank of Maharashtra	Hypothecation Of Stocks & Receivables Of "Countryard By Marriott" Hotel Situated At Gandhinagar, Lower Tank Bund Road, Hyderabad With Exclusive First Charge, Hypothecation Of Entire Current Assets, Present And Future Goods, Stocks, Of Raw Materials, Items, Inventories, Stocks, Present And Future Tangible And Intangible Assets Etc.,
Café D Lake Private Limited	
Term loan from TFCI LTD	Secured against the first charge on the whole of moveable properties F & B cuisine restaurant cum bar "Blue Fox" and three small banquet halls at Huda Techno enclave Hitec City. Madhapur (except book debts) and extension of Assignment all rights and interest under BOT agreement to the food court complex viz Eat street at Budha Purnima Lake Front Necklace Road Hyderabad, (As fully described in the deed of hypothecation) Mortgage of lease hold right on built up/ constructed area situated at SY No. 64 Plot No. 20, Sector 1 Huda Techno enclave, Madhapur, Hyderabad (No instrument is executed for this mortgage)
Crustum Products Private Limited	
Term Loan from Oriental Bank of Commerce	Secured against the fixed and movable assets of the Breadtalk outlets at Hyderabad, Mumbai, Bangalore and Gurgaon and also secured against the personal guarantee of Director Mr. P. Chakradhar Reddy and Ms. P. Lakshmi Sruthi.
Term Loan from UCO Bank	Secured by 2 nd charge on Current and Fixed Assets of th Company.
Banjara Hospitalities Private Limited	
Edelweiss Asset Reconstruction Company Limited	The Existing Loan Facility of Rs.75,00,00,000/- Further Secured By Deposit of Title Deeds of The Property Situated At H.No.15-3-23, Open Land Admeasuring 6022.5 Sq.Yards Situated At Venkateswara Nagar, Maharanipecta, Visakhapatnam Belongs To M/S Banjara Hospitalities Pvt Ltd.

36. Following are the amount outstanding and due to banks and financial institutions:

Amount in Crores

NAME OF THE BANK INSTITUTION			PRINCIPLE DUE	INTEREST DUE	TOTAL DUES
ARCIL	Principal	Interest			
AAxis Bank Ltd- NCDs	42.50	26.72			
IDFC Ltd	70.77	37.70			
Axis Bank Ltd	20.00	10.68	133.27	75.1	208.37
IARC LTD			13.84	17.39	31.23
State Bank of India			56.76	41.70	98.46
Canara Bank			24.30	26.20	50.50
Total			228.17	160.39	388.56
Crustum Products Private Limited					
OBC Term Loan			1.31	0.33	1.64
UCO Bank Loan			3.22	0.82	4.04
Sub Total			4.53	1.15	5.68
Total			232.70	161.54	394.24

**37. In relation to Related Party Disclosures in compliance with Accounting Standard:**

Name	Nature of Relationship with the company
Shri. P. Prabhakar Reddy	Managing Director
Shri P.Chakradhar Reddy	Director
Shri K.Guravaraju	CFO
Smt Y.Priyadarshini	CS
M/s Parvath Investments Private Limited	Common Director
M/s Parvath Reddy Investments Private Limited	KMP is a Member
M/s Viceroy Hospitality Services Private Limited	Common Director
Minerva Enterprises Private Limited	Common Director
M/sDeva Infrastructure Private Limited	Common Director
M/s Minerva Executive Apartments Private Limited	Common Director

Transactions during the year

Particulars	Key managerial persons	Others	Total
Loans or Advances Given	1.08	0.18	1.26
Investments	0.94	-	0.94
Loans or Advances Taken	-	0.80	0.80

38. In Relation to immovable property

S. No	Name of the Asset	Extent (In Sq Yards)	Place of Location
1	Land	1,070.00	# 1-3-1016 to 1021, Kavadiguda,Hyderabad
2	Land	193.00	# 1-3-1022, Kavadiguda,Hyderabad
3	Land	800.00	# 1-3-1023, Kavadiguda,Hyderabad
4	Land	4,192.45	# 1-3-1024, Kavadiguda,Hyderabad
5	Land	649.80	# 1-3-1036, Kavadiguda, Hyderabad
6	Land	440.00	# 1-3-1036/1, Kavadiguda, Hyderabad
7	Land	346.72	# 1-3-1036/2, Kavadiguda, Hyderabad
8	Land	14,092.00	Sy.No 181 & 182, Kavadiguda, Hyderabad
9	Land	1,416.66	# 3-6-199/1, Himayath Nagar,Hyderabad
	Total	23,200.63	

- Properties mentioned in S.No.1 to 4 are originally in the name of Minerva Enterprises Pvt Ltd and these were transferred to the company through a scheme of arrangement approved by Hon'ble High of Court of Andhra Pradesh vide its order dated 1st May 2007. However, the revenue records are required to be updated to reflect the above title change.
- Properties mentioned in S.No.5 to 8 were originally in the name of Krishna Cold Drinks Pvt Ltd (the then name of Viceroy Hotels Limited).Subsequently company changes its name several times i.e. from Krishna Cold Drinks Private Limited to Shri Kishna Bottlers Private Limited and further as Palace Heights Hotels Private Limited.

Palace Heights Hotels Private Limited was converted as public limited company namely Palace Heights Hotels Limited and finally became Viceroy Hotels Limited vide incorporation certificate of Registrar of Companies dated 21-09-2001. However, the revenue records are required to be updated to reflect the above name changes and conversions with regard to the title.

- Properties mentioned in S.No.9 is originally in the name of Shri P. Prabhakar Reddy was invested by him as capital in a partnership firm which was subsequently converted as Minerva Enterprises Private Limited and this property was transferred to the company through a scheme of arrangement approved by Hon'ble High of Court of Andhra Pradesh vide its order dated 1st May 2007. However, the revenue records are required to be updated to reflect the above title change.

39. Slump Sale:

Viceroy Hotels Limited has transferred all assets and liabilities pertaining to undertaking on a basis to M/s. Banjara Hospitalities Private Limited (BHPL) at a lumpsum consideration of Rs. 3,17,00,000/- discharged by BHPL by way of issue of 31,70,000 fully paid equity shares of Rs 10/- each.

Particulars	Amount	Amount
Sale Consideration Received		3,17,00,000
Add: Liabilities Transferred		
Central Bank Loan	90,70,00,000	
Sub Total (A)	90,70,00,000	
Less: Assets Transferred		
Value Of land	3,14,32,641	
Capital Work in Progress	72,08,39,874	
Loans And Advances	7,78,406	
Deposits 81,720		
Sub Total (B)	75,31,32,641	
Total (A-B)		15,38,67,359
Profit on Slump Sale		18,55,67,359

40. The Company's only business is hoteliering and hence disclosure of segment-wise information is not applicable under Accounting Standard 17- 'Segmental Information' (AS-17). There is no geographical segment to be reported.
41. Previous year's figures and current year's figures have been regrouped, recasted, wherever necessary to improve figures presentation.
42. The figures have been rounded off to the nearest rupee.

AS PER OUR REPORT OF EVEN DATE

FOR P. MURALI & CO.,

Chartered Accountants

Firm's Regn. No. : 007257S

Sd/-

M V JOSHI

Partner

Membership No. 024784

Hyderabad

30-05-2016

FOR VICEROY HOTELS LIMITED

Sd/-

P. PRABHAKAR REDDY

Managing Director

Sd/-

P. CHAKRADHAR REDDY

Director

Sd/-

K. GURAVA RAJU

Chief Financial Officer

Sd/-

Y. K. PRIYADARSHINI

Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016**

PARTICULARS	Current Year (₹)	Previous Year (₹)
I. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	10,91,13,667	(6,04,51,498)
Adjustments for : -		
Depreciation	13,39,85,139	14,09,49,925
Financial Cost	27,04,27,634	25,46,30,906
Extraordinary Items	(18,55,67,359)	-
Operating cash flow before working capital changes	33,50,84,213	(93,27,09,466)
(Increase) / Decrease in Inventory	(48,45,184)	(27,83,240)
(Increase) / Decrease in Trade Receivables	43,02,342	(4,76,67,162)
(Increase) / Decrease in Short Term Loans & Advances	(1,58,67,048)	(1,27,21,170)
(Increase) / Decrease in other current assets	8,48,565	(31,21,239)
(Increase) / Decrease in Other Non-Current Assets	(27,77,809)	(1,74,08,859)
Increase / (Decrease) in Short Term Borrowing	(2,97,39,578)	(9,43,70,431)
Increase / (Decrease) in Trade Payables	2,35,30,085	(19,23,96,196)
Increase / (Decrease) in Other Current Liabilities	(6,34,35,589)	46,87,22,439
Increase / (Decrease) in Short Term Provisions	92,62,227	9,80,78,840
CASH GENERATED FROM OPERATIONS	24,92,37,090	53,14,62,314
Less : Income Tax Paid	-	22,62,551
CASH GENERATED FROM OPERATING ACTIVITIES	24,92,37,090	52,91,99,763
II. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed Assets	(13,48,76,685)	(2,07,68,486)
Sale of fixed Assets	-	1,34,90,329
Capital Work in Progress, Pre-operative Expenses	(11,70,65,726)	(74,11,76,021)
Investment	(94,91,499)	(9,31,35,454)
Adjustments of fixed Assets	-	(24,99,388)
(Increase) / Decrease in Long Term Loans & Advances	(3,64,64,657)	(1,06,04,009)
NET CASH AVAILABLE FROM INVESTING ACTIVITIES	(29,78,98,567)	(85,46,93,029)
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Share Capital	1,00,000	-
(Repayment)/Borrowing of Loan	4,91,42,254	35,76,12,442
Share Premium and Capital Reserve	-	-
Interest Paid	(2,19,82,750)	(1,18,06,866)
Increase / (Decrease) in Other Long Term Liabilities	(48,71,526)	28,50,644
NET CASH USED IN FINANCING ACTIVITIES	2,23,87,978	34,86,56,220
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,62,73,498)	2,31,62,954
Add : Opening balance of Cash & Cash equivalents	3,80,94,589	1,49,31,635
Closing balance of Cash & Cash equivalents	1,18,21,090	3,80,94,589

AS PER OUR REPORT OF EVEN DATE

FOR P. MURALI & CO.,

Chartered Accountants

Firm's Regn. No. : 007257S

Sd/-

M V JOSHI

Partner

Membership No. 024784

Hyderabad

30-05-2016

FOR VICEROY HOTELS LIMITED

Sd/-

P. PRABHAKAR REDDY

Managing Director

Sd/-

P. CHAKRADHAR REDDY

Director

Sd/-

K. GURAVA RAJU

Chief Financial Officer

Sd/-

Y. K. PRIYADARSHINI

Company Secretary



CERTIFICATE

To

The Board of Directors,

Viceroy Hotels Limited,
#Plot No.20, Sector-I,
Survey No.64, 4th Floor, HUDA Techno Enclave
Madhapur, Hyderabad – 500 081, Telangana.

We have examined the attached Consolidated Cash Flow Statement of M/s. Viceroy Hotels Limited for the year ended 31st March, 2016. The Statement has been prepared by the Company in accordance with requirements of Clause 32 of listing agreement with Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report dated 31st March, 2016 to the members of the Company.

For P. MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

Place : Hyderabad
Date : 30-05-2016

Sd/-
M V JOSHI
Partner
Membership No.024784



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**VICEROY HOTELS LIMITED****(CIN: L55101TG1965PLC001048)**

Registered Office: Plot No.20, Sector-I, Survey No.64, 4th Floor, HUDA Techno Enclave,
Madhapur, Hyderabad – 500081, Telangana, India. Ph No.: +91 40 – 2311 9695/ 4034 9999 Fax : +91 40-4034 9828
E-Mail : secretarial@viceroyhotels.in; secretarial.viceroy@gmail.com Website: www.viceroyhotels.in

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

(to be surrendered at the venue of the meeting)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Viceroy Hotels Limited. entrance of the meeting hall and no gifts / gift coupons will be distributed at the Annual General Meeting.

* DP ID No/Regd Folio No./Client Id No.	
Name and Address of the Shareholder	
No.of Shares Held:	

I/We hereby record my presence at the 51st Annual General Meeting of the shareholders of Viceroy Hotels Limited on Thursday, the 29th September, 2016 at 11.00 A.M. at **Sri Sathya Sai Nigamagamam, 8-3-987/2, Sri Nagar Colony, Hyderabad – 500073, Telangana.**

Member's/ Proxy's name in Block Letters

Member's/Proxy's Signature

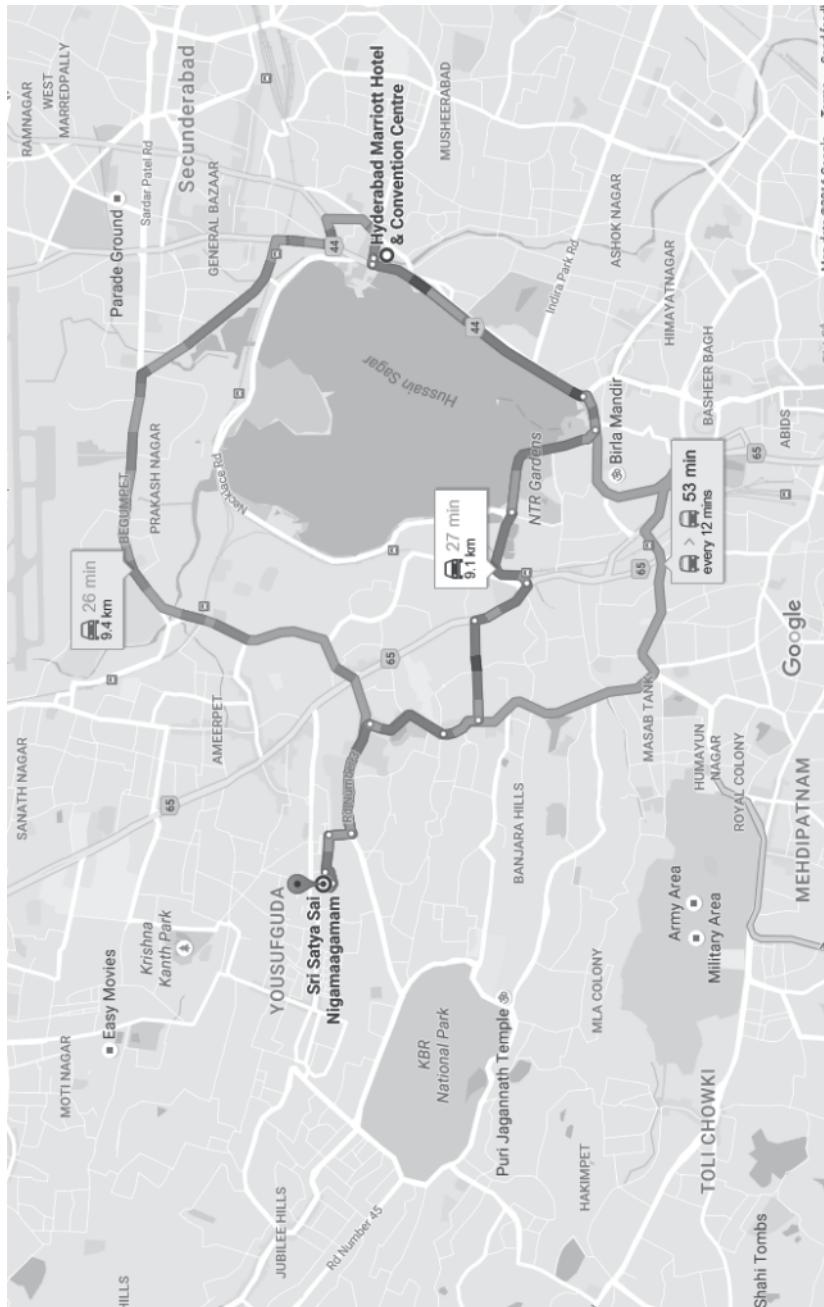
NOTES:

- 1) Please complete the DP ID- Client ID No. and name of the Member/Proxy, sign this attendance slip and hand it over, duly signed, at the entrance of the meeting hall.
- 2) Shareholder/Proxyholder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

*DP ID No, is applicable if shares are held in electronic form

ROUTE MAP

AGM VENUE: Sri Sathya Sai Nigamagmam, 8-3-987/2, Srinagar Colony, Hyderabad - 500 073.



Directions :

1. From Marriott Hotel via Begumpet 9.4 km
2. From Punjagutta Circle 2.2 km

VICEROY HOTELS LIMITED

(CIN: L55101TG1965PLC001048)

Registered Office: Plot No.20, Sector-I, Survey No.64, 4th Floor, HUDA Techno Enclave,
Madhapur, Hyderabad – 500081, Telangana, India. Ph No.: +91 40 – 2311 9695/ 4034 9999 Fax : +91 40-4034 9828
E-Mail : secretarial@viceroymhotels.in; secretarial.viceroym@gmail.com Website: www.viceroymhotels.in

PROXY FORM

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

CIN	L55101TG1965PLC001048
Name of the Company	Viceroy Hotels Limited
Registered Office	Plot No.20, Sector-I, Survey No.64, 4th Floor, HUDA Techno Enclave, Madhapur, Hyderabad – 500081, Telangana, India
Email Id	secretarial@viceroymhotels.in / companysecretary@viceroymhotels.in secretarial.viceroym@gmail.com
Folio No/ Client ID/DPID	

I /We, being the member(s) of _____ shares of the above named company, hereby appoint

1	Name			
	Address			
	Email Id		Signature	
	Or failing him			
2	Name			
	Address			
	Email Id		Signature	
	Or failing him			
3	Name			
	Address			
	Email Id		Signature	

as my/ ur proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 51st Annual General Meeting of the Company, to be held on Thursday, the 29th day of September, 2016 at 11.00 A.M. at **Sri Sathya Sai Nigamagmam, 8-3-987/2, Sri Nagar Colony, Hyderabad – 500073, Telangana.** and at any adjournment thereof in respect of such resolutions as are indicated below :

Sl. No	Resolutions	For	Against
1.	Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors		
2.	Re-appointment of Mrs. P. Kameswari, who retires by rotation and being eligible, offers herself for re-appointment as a Director		
3.	Ratification of Appointment of Statutory Auditors		
4.	Regularization of Mr. Devraj Govid Raj, Additional Director (Non-Executive Independent Category) as the Director of the Company		
5.	To determine the fees for delivery of any document through a particular mode of delivery to a member upon a request from such member		

Signed this day of 2016.

Signature of shareholder : _____ Signature of Proxy holder(s) : _____

Affix
Re. 1/-
Revenue
Stamp.

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



INTENTIONALLY LEFT BLANK

To

If Undelivered Please Return to :



Viceroy Hotels Limited

Plot No. 20, Sector-I, 4th Floor, Huda Techno Enclave, Sy. No. 64, Madhapur, Hyderabad - 500 081.
Phone: 91-40-2311 9695 Fax : 91-40-4034 9828 Website: www.viceroyhotels.in