

# Viceroy Hotels Limited

52<sup>nd</sup>

ANNUAL REPORT  
2016-2017







**52<sup>nd</sup>**

**ANNUAL REPORT**  
**2016-2017**



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## CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me great pleasure to invite you to the **52<sup>nd</sup> Annual General Meeting** of the company. With stable governments both at the center and the state the economy is expected to be on a growth path.

Inspite of positive atmosphere prevailing in the country, various developments such as demonetization and introduction of GST had resulted in the stunted growth. There are many headwinds the economy is facing. As a result the hotel industry which is dependent on the overall economy is subject to heavy fluctuations in the business. Our hotel industry in India is heavily dependent upon the corporate business as the business through tourism comprises a negligible percentage. The overall business sentiment is not what it ought to be.

Inspite of the problems faced by the economy the expectation of the domestic as well as international investors are very high. Even today people feel that the Indian economy will be one of the strongest in the world.

It is heartening to note that the state of Telangana is in the forefront of economic development under the dynamic leadership of Sri.K.Chandrasekhar Rao, Hon'ble Chief Minister of 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 2016-17

The standalone performance of the Company in **FY 2016-17**, we have gross revenue of **Rs.86.84 Crores** as against Rs.84.80 Crores in the previous year and consolidated gross revenue is **Rs.128.30 Crores** as against Rs.124.74 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, Viceroy Bangalore Hotels Ltd where J.P Morgan is our partner. This hotel will be fully operational by October, 2017.

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.

Our Companies core competence is in the operating Restaurant chains in the name of Minerva and Bluefox. The revenue of Restaurants for the year under review is **Rs.41.34 Crores**. We expect to increase the revenue from F&B outlets in the coming years.

### 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.

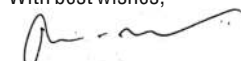
I take this opportunity to thank the Government of India for its support to Hospitality Industry. I also acknowledge the support extended by the State Governments and all other authorities and regulatory agencies.

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**

<b>Mr. P. Prabhakar Reddy</b>	- Chairman and Managing Director
<b>Mrs. P. Kameswari</b>	- Non-Executive Director
<b>Mr. P. Chakradhar Reddy</b>	- Non-Executive Director
<b>Mr. K. Narasimha Rao</b>	- Non-Executive Independent Director
<b>Mr. Devraj Govind Raj</b>	- Non-Executive Independent Director
<b>Mr. A. Poornachandra Rao</b>	Non Executive Independent Director (upto 14.12.2016)
<b>Mr. Katragadda Rajesh</b>	- Non-Executive Independent Director (from 13-03-2017)
<b>Ms. Y. Karuna Priyadarshini</b>	Company Secretary (upto 31st January, 2017)

### **Company Secretary (from 31-07-2017)**

Ms. Sonam Jaiswal

### **Chief Financial Officer (upto 30.04.2017)**

Mr. K. Gurava Raju

### **Corporate Identification Number**

L55101TG1965PLC001048

### **Registered Office:**

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

### **Contact Information:**

Tel : +91 40 - 40349999/23119695  
Fax : +91 40 - 40349828  
E-mail : [secretarial@viceroyp-hotels.in](mailto:secretarial@viceroyp-hotels.in)  
[secretarial.viceroy@gmail.com](mailto:secretarial.viceroy@gmail.com)

Website: [www.viceroy-hotels.in](http://www.viceroy-hotels.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](mailto:info@aarthiconsultants.com)

### **Bankers**

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

#### **Audit Committee**

Mr. K. Narasimha Rao	- Chairman
Mr. P. Chakradhar Reddy	- Member
Mr. Devraj Govind Raj	- Member

#### **Nomination and Remuneration Committee**

Mr. K. Narasimha Rao	- Chairman
Mr. P. Chakradhar Reddy	- Member
Mr. Devraj Govind Raj	- Member
Mr. P. Prabhakar Reddy	- Member

#### **Stakeholders Relationship Committee**

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

## **NOTICE**

**Notice** is hereby given that the **52nd Annual General Meeting** of the Members of ‘**Viceroy Hotels Limited**’ will be held on Thursday, the 28th day of September, 2017 at 11.00 A.M, at **Hotel Marriott Convention Centre, Lower Tank Bund, Gandhinagar, Hyderabad-500080, Telangana**, to transact the following items of business:

### **ORDINARY BUSINESS:**

1. To consider and adopt
  - i) the Audited Financial Statement of the Company for the year 2016-17 together with the Report of the Board of Directors and Auditors thereon; and
  - ii) the audited Consolidated Financial Statement of the Company for the year 2016-17.
2. To appoint a director in place of Mr. P. Chakradhar Reddy (DIN: 01425681), who retires by rotation and being eligible, offers himself for re-appointment as a Director.
3. Appointment of M/s.Chandra Babu Naidu & Co., Chartered Accountants (Registration No.0160165), Hyderabad as the Statutory Auditors of the Company

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, 141 and 142 and all other applicable provisions, if any, of the Companies Act, 2013 (“the act”) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time and as recommended by the Audit Committee, M/s.Chandra Babu Naidu & Co., Chartered Accountants (Firm Registration No. 0160165), Hyderabad, be and are hereby appointed as the Statutory Auditors of the Company in place of M/s. P. Murali & Co., Chartered Accountants, (Registration No:007257S), the retiring auditors of the Company, to hold office for a period of five years from the conclusion of the 52nd Annual General Meeting (AGM) of the Company to the conclusion of 57th Annual General Meeting (AGM) of the Company to be held in the year 2022 (subject to ratification of their appointment at every Annual general Meeting) 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 in connection with the audit of the accounts of the company for the financial year ending March 31, 2018”

**“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. Regularization of Additional Director, Mr. Katragadda Rajesh

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

**“RESOLVED THAT** pursuant to provisions of sections 149 and 150 read with schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Mr. Katragadda Rajesh (DIN: 02727491), who was appointed as an Additional Director of the company on 13.03.2017 under

Section 161 of the Act and the Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") together with the requisite amount of deposit from a Member, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto 5 (Five) consecutive years.

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

Place : Hyderabad

Date : 26<sup>th</sup> day of August, 2017

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

**Registered 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 FOR MEMBERS:**

1. The relative explanatory statement, pursuant to section 102 of the Companies Act, 2013 ("the act") setting out the material facts in respect of the business to be transacted at the meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) 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.** A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member. The instrument appointing the proxy, in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organization.
3. Members/Proxies and Authorized representatives are requested to bring to the Meeting, the attendance slips, enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID/Folio No. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the Meeting
4. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, September 22, 2017 to Thursday, September 28, 2017**, both days inclusive for the purpose of the 52nd Annual General Meeting of the Company.
5. Pursuant to Regulations 26(4) and 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") and the Secretarial Standard-2 on "General Meetings" issued by the Institute of Company Secretaries of India, the particulars of Directors seeking appointment/re-appointment at the Meeting are annexed to the Notice.
6. All communications in respect of the share transfers and change in their registered address may be communicated to our RTA at M/s. Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad-500029, Telangana.
7. 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.
8. Members, who are holding Company's shares in physical form, please contact our Registrar and Share Transfer Agent M/s. Aarthi Consultants Private Limited to update your address, email-ids etc.
9. 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.



10. 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. Aarthi Consultants Private Limited about these folios to enable consolidation of all such shareholding into one folio.
11. The Company has designated exclusive Email Id [secretarial@viceroys.com](mailto:secretarial@viceroys.com) to redress shareholders' complaints /grievances.
12. 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.
13. Statement as required under Section 102 of the Companies Act, 2013, in respect of special business is annexed hereto.
14. 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.
15. 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.
16. 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.
17. 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 shareholdings into one folio.
18. All mandatory registers / documents are open for inspection at the registered office of the Company on all working days (except Saturdays and Sundays) between 11.00 a.m. to 1.00 p.m. prior to the date of Annual General Meeting.
19. 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 read with Companies (Management and Administrative) Rules, 2014 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 52nd Annual General Meeting (AGM) by electronic means and the business may be transacted through E-voting Service provided by Central Depository Services India 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 facility of voting through electronic voting system shall also be made available at the AGM. Members holding shares as on cut-off date i.e. September 21, 2017 and attending the Meeting, who have not cast their vote by remote e-voting shall be able to 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 period commences on September 25, 2017 (9:00 a.m. IST) and ends on September 27, 2017 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 21, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

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

The process and manner for remote e-voting are as under:

#### **A. IN CASE A MEMBER RECEIVES AN EMAIL FROM CDSL (FOR MEMBERS WHOSE EMAIL ADDRESSES ARE REGISTERED WITH THE COMPANY / DEPOSITORY PARTICIPANT) :**

- i) Open the internet browser by typing the following URL: [www.evotingindia.com](http://www.evotingindia.com).
- ii) Click on "Shareholders" tab. Select the "VICEROY HOTELS LIMITED" from the drop down menu and click on "SUBMIT".

iii) 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.

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

v) i) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://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"> <li>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 8digits 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</li> <li>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 PANis 'RA12345678'.</li> </ul>
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.

vi) After entering these details appropriately, click on "SUBMIT" tab.

vii) 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.

- viii) Click on the relevant EVSN for the “VICEROY HOTELS LIMITED”
- ix) 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.
- x) Click on the “RESOLUTION FILE LINK” if you wish to view the entire Notice of the Annual General Meeting.
- xi) 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.
- xii) Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.
- xiii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xiv) 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](mailto: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](mailto: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 favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
  - 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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**B) IN CASE MEMBERS RECEIVES PHYSICAL COPIES OF THE NOTICE OF THE AGM (FOR MEMBERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES):**

- (i) Please follow all step from i to xiii above, to cast vote

**C) GENERAL INSTRUCTIONS:**

- i) The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 21 September, 2017. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM.
- ii) Members can opt for only one mode of voting, i.e., either by Poll at the venue of AGM or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Poll will be treated as invalid.
- iii) The facility for voting through polling paper shall also be made available at the meeting and the members attending the meeting and who have not already cast their vote by e-voting shall be able to exercise their right at the meeting.
- iv) The member who cast their vote by e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their vote again.
- v) Any query regarding e-voting/Poll may be addressed to the Company Secretary, Ms. Sonam Jaiswal, Company Secretary and Compliance officer, #Plot No.20, Sector-I, Survey No.64, 4th Floor, HUDA Techno Enclave, Madhapur, Hyderabad – 500 081, Telangana, Mobile: +91 7702858653, Email: [secretarial@viceroypatel.in](mailto:secretarial@viceroypatel.in); [companysecretary@viceroypatel.in](mailto:companysecretary@viceroypatel.in).
- vi) The Scrutinizer, Ms. N. Vanitha, Practicing Company Secretary (Membership No.26859) after scrutinising the votes cast at the meeting through poll and through remote e-voting will, not later than two days of conclusion of the Meeting, make a consolidated scrutinizer’s report and submit the same to the Chairman. The results declared along

with the consolidated scrutinizer's report shall be placed on the website of the Company [www.viceroyhotels.in](http://www.viceroyhotels.in) and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.com) within two days of passing of resolutions. The results shall simultaneously be communicated to the Stock Exchanges.

- vii) The result of the voting on the resolutions at the meeting will be announced by the Chairman or any other person authorized by him within two days of the AGM.

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

Place : Hyderabad  
Date : 26<sup>th</sup> day of August, 2017

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

**Registered 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](mailto:secretarial.viceroy@gmail.com)

**Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013**

- As required by Section 102 of the Companies Act, 2013 ("the Act") 1. The following Explanatory Statement sets out the material facts relating to the business under Item Nos. 3 and 4 of the accompanying Notice dated August 24, 2017.

**Item No. 3**

- This explanatory statement is provided though not mandatory under Section 102 of the Act.
- M/s. P. Murali & Co., Chartered Accountants, (Registration No: 007257S), were appointed at the 49<sup>th</sup> Annual General Meeting ("AGM") of the Company held on 26<sup>th</sup> September, 2014, as the Statutory Auditors of the Company for a period of three years commencing from the conclusion of the 49<sup>th</sup> AGM of the Company held on 26<sup>th</sup> September, 2014, till the conclusion of the 52<sup>nd</sup> AGM of the Company to be held in the year 2017.
- Section 139 (2) of the Act read with the Companies (Audit and Auditors) Rules, 2014 provides that no listed company shall appoint or re-appoint an audit firm as Auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.
- In line with above requirement of the Act, M/s. P. Murali & Co., Chartered Accountants have completed their tenure as per the provisions of the Companies Act, 2013 and will, therefore, not be eligible to seek re-appointment as the Statutory Auditors of the Company at the AGM.
- After a rigorous selection process with respect to selection of Statutory Auditors of the Company, which included several rounds of discussion with various firms, their partners and personnel and as recommended by the Audit Committee and the Board of Directors of the Company has approved the proposal for appointment of M/s.ChandraBabu Naidu & Co., Chartered Accountants (Firm Registration No. 0160165), Hyderabad, as the Statutory Auditors of the Company for five financial years viz. 2017-18 to 2021-2022, to hold office from the conclusion of the forthcoming 52<sup>nd</sup> AGM till the conclusion of the 57<sup>th</sup> AGM of the Company, subject to ratification by the Members at every AGM. The selection was based on various factors like People, Audit Methodology, Quality Control, Reputation of the Firm and Knowledge.
- M/s.Chandra Babu Naidu & Co., is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. It has its registered office in #Plot No.12, "N Heights, Ground Floor, Software Layout Unit, Cyberabad, Hyderabad. M/s.Chandra Babu Naidu & Co., has a valid Peer Review certificate and is engaged in providing audit and assurance services to its clients.
- M/s.Chandra Babu Naidu & Co., have in compliance with the provisions of Section 139(1) and Section 141 of the Act, read with the Companies (Audit & Auditors) Rules, 2014, given their written consent along with a certificate that their appointment, is in accordance with the limits, conditions and criteria as specified in Section 141 of the Act.
- The Board commends the Resolution at Item No. 3 of the accompanying Notice for approval by the Members of the Company.
- None of the Directors or Key Managerial Personnel ("KMP") or their respective relatives are, in anyway, concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

#### Item No. 4

11. **Mr. Katragadda Rajesh** has been appointed Additional Director (Independent), as recommended by the Nomination and Remuneration Committee ("NRC") w.e.f. 13th March, 2017, by the Board of Directors under Section 161 of the Act for a period of 5 (five) consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").
12. As an Additional Director, **Mr. Katragadda Rajesh** holds office till the date of the AGM and is eligible for being appointed as an Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") together with the requisite amount of deposit from a Member signifying his intention to propose the appointment of Mr. Katragadda Rajesh as a director of the Company. The Company has also received a declaration from Mr. Katragadda Rajesh confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Mr. Katragadda Rajesh is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.
13. In the opinion of the Board, **Mr. Katragadda Rajesh** fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.
14. **Mr. Katragadda Rajesh** possesses a Master's degree in International Business, International Finance from IIFT and a Bachelor's degree in Commerce and Economics.
15. In a career span of 15 years **Mr. Katragadda Rajesh** has worked in various decision making roles in Directorship/Senior Executive management and Finance operations for well-known national and multinational companies. His core competencies include working in both Manufacturing/ IT companies / Business Intelligence companies these include in the areas of Power, Granite, Coffee Productions, Software Development projects - offshore/Onshore /Credit rating agencies and trade reconciliations, transfer pricing and wealth management.
16. **Mr. Katragadda Rajesh** expertise in finance domain areas includes working in funds flow, Cash Credits, Working Capital Management and understanding the key vitals on macro economics which effect the key functioning of the business.
17. **Mr. Katragadda Rajesh** previous profile includes working with key stake holders on the business front and coordinating with government statutory agencies. Having worked in different cultures across the globe, especially in USA and UK he was a part of the core team for mergers of domestic companies with MNCs. He was also instrumental as a single point of contact for the process integration's and migrations in trade reconciliations, wealth management, credit ratings, reference data management, transfer agency and stock brooking project, companies encompassing Banking and Financial services domain. Other key strengths include BOT projects from bidding to live and steady state.
18. Other passions of **Mr. Katragadda Rajesh** involve in acquisition of technology information and working on business models which are build on the new Eco system.
19. A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day and is also available on the website of the Company [www.viceroyhotels.in](http://www.viceroyhotels.in)
20. The Board commends the Resolution at Item No. 4 of the accompanying Notice for approval by the Members of the Company.
21. **Mr. Katragadda Rajesh** may be deemed to be concerned or interested in Item No. 4 as it relates to his appointment as a Director of the Company. Other than him none of the other Directors, KMP or their respective relatives are in any way concerned or interested financially or otherwise in the Resolution mentioned at Item No. 4 of the accompanying Notice.

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.

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

Place : Hyderabad  
Date : 26<sup>th</sup> day of August, 2017

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

#### Registered 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](mailto:secretarial.viceroy@gmail.com)

## ADDITIONAL INFORMATION

### DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING OF THE COMPANY

(Pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure requirements) Regulation, 2015 and Secretarial Standard-2 on General Meetings)

Name of the Director	Mr.Katragadda Rajesh	Mr.P.Chakradhar Reddy
Age	42 Years	42 Years
Date of Birth	22-08-1975	14-01-1975
Date of Appointment	13-03-2017	05/08/2014
Expertise in specific functional areas/ Brief resume	<p>Finance</p> <p>Mr. Katragadda Rajesh possesses a Master's degree in International Business, International Finance from IIFT and a Bachelor's degree in Commerce and Economics.</p> <p>In a career span of 15 years Mr. Katragadda Rajesh has worked in various decision making roles in Directorship/Senior Executive management and Finance operations for well-known national and multinational companies. His core competencies include working in both Manufacturing/ IT companies / Business Intelligence companies these include in the areas of Power, Granite, Coffee Productions, Software Development projects - offshore/Onshore /Credit rating agencies and trade reconciliations, transfer pricing and wealth management.</p> <p>Mr. Katragadda Rajesh expertise in finance domain areas includes working in funds flow, Cash Credits, Working Capital Management and understanding the key vitals on macro economics which effect the key functioning of the business.</p> <p>Mr. Katragadda Rajesh previous profile includes working with key stake holders on the business front and coordinating with government statutory agencies. Having worked in different cultures across the globe, especially in USA and UK he was a part of the core team for mergers of domestic companies with MNCs. He was also instrumental as a single point of contact for the process integration's and migrations in trade reconciliations, wealth management, credit ratings, reference data management, transfer agency and stock brooking project, companies encompassing Banking and Financial services domain. Other key strengths include BOT projects from bidding to live and steady state.</p> <p>Other passions of Mr. Katragadda Rajesh involve in acquisition of technology information and working on business models which are build on the new Eco system.</p>	<p>Hotel Industry</p> <p>Mr.P.Chakradhar Reddy attained MBA in USA., with two decades of experience in Hotel Industry. Mr.Reddy is a Director in Café D Lake Pvt. Ltd., which is running restaurant business (Food Courts) at Necklace Road, Hyderabad, Mr.Reddy belongs to a well reputed business group M/s.Viceroy Hotels Limited (VICEROY).</p> <p>Mr.P.Chakradhar Reddy is Son of Shri.P.Prabhakar Reddy who is a Promoter and Chairman and Managing Director of well reputed M/s.Viceroy Hotels Limited.</p>

<b>Name of the Director</b>	<b>Mr.Katragadda Rajesh</b>	<b>Mr.P.Chakradhar Reddy</b>
Qualification	a. Master's Degree in International Business. b. International Finance from IIFT. c. Bachelor's Degree in Commerce and Economics.	M.B.A.,
No. of Shares held in the Company	Nil	40,39,351
Chairman/Member of the Committees of other Companies on which he is a Director (Committees includes the Statutory Committees) as on 31.03.2017		
Number of Board meetings attended during the year	Nil	5 meetings
Terms and conditions of appointment / reappointment	As per his term as Independent Director of the Company	Director liable to retire by rotation
Remuneration to be paid	Sitting Fees & Commission	Details of remuneration provided in the Corporate Governance Report
Last drawn remuneration		Details of remuneration provided in Corporate Governance Report
Relationship with other Directors	NA	Related to; Mr. P. Prabhakar Reddy Mrs. P. Kameswari

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

Place : Hyderabad  
Date : 26<sup>th</sup> day of August, 2017

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

**Registered 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

### TO THE MEMBERS

The Directors have pleasure in presenting the 52<sup>nd</sup> Annual Report of your Company together with its Audited Financial Statements for the financial year ended March 31, 2017.

### PERFORMANCE / FINANCIAL RESULTS

The financial performance of the Company, for the year ended March 31, 2017 is summarized below:

(Rupees in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2016-17	2015-16	2016-17	2015-16
Income from Operations	8,314.34	8,422.21	12,441.35	12,411.57
Other Income	369.73	57.84	388.81	62.85
<b>Total Revenue</b>	<b>8,684.07</b>	<b>8,480.06</b>	<b>12,830.17</b>	<b>12,474.43</b>
<b>Profit before Interest and Depreciation</b>	<b>2,885.48</b>	<b>(3,100.54)</b>	<b>1,276.35</b>	<b>3,279.59</b>
Interest	2,555.82	2,483.47	2,795.31	2,704.27
Depreciation	595.08	1,053.70	883.88	1,339.85
<b>Profit before Tax and Extraordinary Items</b>	<b>(265.41)</b>	<b>(436.63)</b>	<b>(807.03)</b>	<b>(764.53)</b>
<b>Extraordinary Items</b>	<b>(797.90)</b>	<b>1,855.67</b>	<b>(797.90)</b>	<b>1,855.67</b>
Provision for Current Tax	0	0	4.02	0
Deferred Tax	90.90	13.49	95.89	2.66
<b>Profit after Tax</b>	<b>(1,154.22)</b>	<b>1,432.53</b>	<b>(1,704.85)</b>	<b>1,093.80</b>

### DIVIDEND

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

### SUBSIDIARIES

The Company has 5 subsidiaries as on March 31, 2017. 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.41.34 Crores for the year ended 31st March, 2017 as against Rs. Rs.39.94 Crores for previous year. However, there was a net Loss of Rs.4.51 Crores for the year ended 31st March, 2017 as against the loss of Rs.2.40 Crores for the previous years.

#### **Crustum Products Private Limited:**

During the year under review there is no income from operations. The net loss for the year ended 31st March, 2017 is Rs.1.07 Crores as against net loss of Rs. 0.97 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 Hospitality 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 was incorporated in the F.Y. 2015-16 and as of now Banjara Hospitalities Private Limited has not commenced operations as on date.

### **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.

### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

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

### **STATUTORY AUDITORS**

M/s. P. Murali & Co., Chartered Accountants (Registration No: 007257S), the Statutory Auditors of the Company, hold office till the conclusion of the 52nd AGM of the Company. The Board has recommended the appointment of M/s. Chandra Babu Naidu & Co., Chartered Accountants (Firm Registration No. 0160165), Hyderabad in the place of M/s. P. Murali & Co., Chartered Accountants (Registration No: 007257S) on recommendation of the Audit Committee, as the Statutory Auditors of the Company for a term of five consecutive years, from the conclusion of this ensuing AGM till the conclusion of the 57th AGM of the Company (subject to ratification of their appointment at every AGM. The auditors have given their report on the Annual Accounts of the Company and there is no reservation or qualification made by them. The notes given in the Auditors Report are self-explanatory and needs no further clarification.

### **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 2017-18. The Secretarial Audit Report for the year ended 31st March, 2017 is annexed herewith as **Annexure-VII** to this Report.

### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

The details of conservation of energy are given in Management Discussion & Analysis.

### **FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, the information relating to foreign exchange earnings and expenses is set out in Notes 30 and 31 of the Notes to the Financial Statements.

### **PARTICULARS OF EMPLOYEES / HUMAN RESOURCES**

The disclosure required to be furnished pursuant to Section 197 (12) read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure-VIII** to this Report. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees

as required to be furnished pursuant to Section 197 (12) read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Annual Report. However, as per the provisions of Section 136 (1) of the Act, the reports and accounts are being sent to all the Members of your Company. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholders interested in obtaining a copy of the same may write to the Company Secretary

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

Your Company has zero tolerance for sexual harassment at its workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, your Company did not receive any complaints on sexual harassment.

### **DIRECTORS AND KMP**

Shri Poornachandra Rao Adapala, Non-Executive Independent Director of the Company ceased to be Director w.e.f. 14th December, 2016 due to his death. The Directors place on record their deep appreciation for his valuable guidance and assistance received during the tenure as a Director and Member / Chairman of various committee of the Directors of the Company.

Mr. Katragadda Rajesh has been appointed Additional Director (Independent), as recommended by the Nomination and Remuneration Committee ("NRC") w.e.f. 13th March, 2017, by the Board of Directors under Section 161 of the Act for a period of 5 (five) consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM"). As an Additional Director, Mr. Katragadda Rajesh holds office till the date of the AGM and is eligible for being appointed as an Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") together with the requisite amount of deposit from a Member signifying his intention to propose the appointment of Mr. Katragadda Rajesh as a director of the Company. The Company has also received a declaration from Mr. Katragadda Rajesh confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Mr. Katragadda Rajesh is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

In accordance with Section 152 of the Companies Act, 2013, Mr. P. Chakradhar Reddy, Director of the Company retires by rotation in the ensuing Annual General Meeting to be held on September 28, 2017 and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Ms. Yedlapati Karunapriyadarsini resigned as the Company Secretary w.e.f. close of business hours of 31-01-2017. Ms. Sonam Jaiswal was acting as Compliance Officer from 13th February, 2017 and was appointed as the Company Secretary on July 31, 2017.

A Brief Profile of the Director of the Company is enclosed in the Additional Information attached with the Notice to this report.

### **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 2016-17 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 2016-17 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. Details of the same are provided under Corporate Governance report, which forms part of this report.

## **AUDIT COMMITTEE**

The Board has constituted Audit Committee as per the provisions of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition, attendance, powers and role of the Audit Committee are included in Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

## **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

### **(a) Procedure for Nomination and Appointment of Directors:**

The Nomination and Remuneration Committee has been formed pursuant to and in compliance with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178 of the Companies Act, 2013. The main object of this Committee is to identify persons who are qualified to become directors and who may be appointed in senior management of the Company, recommend to the Board their appointment and removal and to carry out evaluation of every Director's performance, recommend the remuneration package of both the Executive and the Non-Executive Directors on the Board and also the remuneration of Senior Management, one level below the Board. The Committee reviews the remuneration package payable to Executive Director(s) and recommends to the Board the same and acts in terms of reference of the Board from time to time.

On the recommendation of the Nomination and Remuneration Committee, the Board has adopted and framed a Remuneration Policy for the Directors, Key Managerial Personnel and other Employees pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The remuneration determined for Executive/Independent Directors is subject to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors. The Non-Executive Directors are compensated by way of profit sharing Commission and the Non-Executive Directors are entitled to sitting fees for the Board/Committee Meetings. The remuneration paid to Directors, Key Managerial Personnel and all other employees is in accordance with the Remuneration Policy of the Company.

The Nomination and Remuneration Policy and other matters provided in Section 178(3) of the Act and Regulation 19 of SEBI Listing Regulations have been disclosed in the Corporate Governance Report, which forms part of this Report.

It is the general practice of the Company to notify the changes in all the applicable laws from time to time in every Board Meeting conducted.

## **ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit and other Committees.

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.

#### **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.

#### **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 in **Annexure-VIII**.

#### **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.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

#### **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.

#### **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](http://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](http://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.

## 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](http://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](http://www.viceroyhotels.in)).

## ACKNOWLEDGEMENTS

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 of the Board  
For Viceroy Hotels Limited**

Place : Hyderabad  
Date : 26<sup>th</sup> day of August, 2017

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

### Registered 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](mailto: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, 2017.**

(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	25,58,42,290.00
Reserves	9,14,15,967.00	(7,06,07,913.00)	(51,74,017.00)	(37,236)	8,13,987.00	2,01,79,60,382.00
Total Assets	40,98,83,149.00	30,49,54,118.00	7,81,76,215.00	1,00,000.00	1,17,74,57,602.00	6,04,49,61,400.00
Total Liabilities	40,98,83,149.00	30,49,54,118.00	7,81,76,215.00	1,00,000.00	1,17,74,57,602.00	6,04,49,61,400.00
Turnover	41,33,82,057.00	-	-	-	12,27,549.00	7,32,12,425.00
Profit before taxation/(Loss)	(4,42,74,646.00)	(1,10,80,546.00)	(11,500.00)	(11,500.00)	12,16,049.00	7,06,67,589.00
Provision for taxation	8,58,418.00	(3,59,638.00)	-	-	4,02,062.00	-
Profit/ (Loss) after taxation	(4,51,33,065.00)	(1,07,20,908.00)	(11,500.00)	(11,500.00)	8,13,987.00	7,06,67,589.00
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	80,12,244 Equity Shares of Rs.10/- each
Investment	100%	100%	100%	100%	100%	31.32%

## **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 2016-17.

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

## **Annexure – III**

### **MANAGEMENT DISCUSSION & ANALYSIS**

#### **GLOBAL ECONOMIC ENVIRONMENT AND OUTLOOK**

The world is witnessing improved economic activity across countries and regions especially in the areas of investments, manufacturing and trade. Stronger activity and expectations of more robust global demand, with agreed restrictions on oil supply have helped commodity prices recover from the tough times in early 2016. This increase in price have helped improve exports while improving the inflation rates. Most of the momentum came in the second half of 2016 especially with advanced economies like United States and United Kingdom showing strong growth. The Economic performance has been mixed for emerging markets where China's growth remained strong whereas India slowed mainly due to the impact of demonetisation. (Source: IMF: Recent Developments and Prospects, April 2017)

The growth in the global economy was 3.1% in 2016, primarily driven by an improvement in the advanced economies in the latter half of the year on account of improved manufacturing and trade demand. Global trade is showing signs of recovery and is expected to continue the upward trajectory. This growth could be marginally impacted due to certain countries moving to inward looking policies that might give preference to home grown products and services over global trade. Other factors that could impact the global economy are increased interest rate hikes in the United States and the threat of geopolitical tensions especially in the Middle East and North Africa. (Source: IMF: Recent Developments and Prospects, April 2017)

The global economic growth is expected to continue the momentum witnessed from the latter half of 2016. It is expected to increase from 3.1% in 2016 to 3.5% in 2017 largely driven by emerging markets. For 2016, the growth in Emerging and Developing Economies was 4.1%, and is projected to reach 4.5% in 2017. (Source: IMF: Recent Developments and Prospects, April 2017 & World Economic Outlook, IMF, January 2017)

Amongst the Emerging Market and Developing Economies, China's economic growth in 2016 stood at 6.7% while India's economy grew at 6.8%. There was a drop in India's growth from the original forecast due to the short term impact of demonetisation in November 2016. In the past decade, India's USD 2.2 trillion economy has surpassed economies such as Italy, Brazil, Canada, South Korea and Russia. India continues to be among the fastest growing of the G20 countries with a projected GDP growth of 7.2% in 2017. One of the positive factors contributing to this is the roll out of GST which aims to transform the multiple taxes into a uniform tax code. Other positive factors contributing to this growth are the potential young working population, rise of India as an entrepreneurial hub and government push towards a digital economy. (Source: IMF: Recent Developments and Prospects, April 2017).

#### **OVERVIEW OF THE GLOBAL & INDIAN TOURISM INDUSTRY**

The direct contribution of Travel and Tourism to GDP was USD 2,306 billion (3.1% of total GDP) in 2016. This is expected to have increased to 3.8% in 2017 and to 4.0% from 2017-2027. (Source: World Travel & Tourism Council) Demand for international tourism remained robust in 2016 despite challenges. The year 2016 was the seventh consecutive year of sustained growth following the 2008 global economic and financial crisis. As per the United Nations World Tourism Organisation (UNWTO), it is estimated that international tourist arrivals increased by 3.9% in 2016 (although the growth was slower than growth in 2015 of 4.6%) reaching a total of 1.23 billion. Approximately 46 million more tourists (overnight visitors) travelled internationally last year compared to 2015. Demand for International tourism was strongest in Asia and the Pacific (+8%) which lead to a growth in international tourist arrivals in 2016. Africa (+8%) enjoyed a strong rebound after two relatively weak years. In the Americas (+4%) the positive momentum continued. Europe (+2%) showed rather mixed results, with double-digit growth in some destinations offset by decreases in others. Demand in the Middle East (-4%) was also uneven, with positive results in some destinations, but decline in others. (Source : UNWTO).



## EXTERNAL ENVIRONMENT:

The Indian economy grew by 7.0% year on year in the quarter ending December 2016, slightly lower than the 7.4% year on year in the previous quarter. The growth in GDP during 2016/17 is estimated at 7.1% as compared to the growth rate of 7.9% in 2015/16. Consumer Inflation has moderated from 5.47% in April 2016 to 2.99% in April 2017. The decrease in inflation over the recent past is attributed to the demonetization drive which commenced in November 2016. The cash crunch, combined with a decrease in demand, led to the fall in inflation. It is expected that sectors that depend mostly on cash will see some disruption in the short term. Although increased activity in the rural economy coupled with pay revisions across public sector enterprises was expected to have a favourable impact on consumption, these positives were more than offset by the demonetization drive. Looking ahead, the growth of some sectors such as Information Technology / Information Technology Enabled Services may be constrained with several key macroeconomic events in FY16-17 such as Brexit, continued increase in interest rates by the US Federal Reserve and protectionist policies in the USA. However, India's increased focus on digitalization and the "Smart Cities" and "Make in India" initiatives is expected to create opportunities which may counter any slowdown globally.

## Indian Hospitality Industry

The Indian hospitality industry has been instrumental in contributing to the nation's economic growth. The introduction of e-visa for foreign tourists and the increased domestic travel have helped to contribute.

International travel and tourism arrivals increased by 3.9% to reach a total of 1,235 million in 2016 (January to December), 46 million more than for the calendar year 2015 in the same period. (Source: UNWTO) For India, during the period January – December 2016, foreign tourists' arrivals were 88.90 lakh an increase of 10.7% as compared to 80.27 lakh in the calendar year 2015. (Source: Ministry of Tourism, Government of India) The facility of e-visa has been enhanced and is now available at 16 international airports to tourists arriving from 161 specified countries. In 2016, a total of 10.79 lakh tourists availed the facility as compared to 4.45 lakh in 2015 which represents, a growth of 142.5%.

The growth in demand for rooms (6.2%) has been consistently outpacing the supply (3.1%) growth in India and this trends has been sustained over the recent past. This has resulted in occupancies to be sustained at over 60% across the industry. All key markets have registered growth in room demand and no key markets were lagging compared to the previous year (Source: STR reports)

## 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 0.98% at Rs.86.84 Crores in Financial Year 2016-17

During the last financial year, the Company's total turnover was Rs.84.80 Crores. The Earnings before Interest, Depreciation and Taxation and other Amortization (EBIDTA) is Rs.31.00 Crores. The Profit for the last financial year is Rs.14.33 Crores

During the Financial Year under the review, the Company's consolidated total income from aggregated Rs.128.30 Crores. The Company's consolidated Loss before taxes aggregated to Rs.16.05 Crores.

## 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 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

#### I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Name of the Director and DIN	Category and Designation	Board Meetings attended during the year	Attended AGM held on 29.09.2016	No. of directorships held in other Indian public limited	No. of Committee positions held in other companies		Number of shares held in the company
					Chairman	Member	
Mr.P. Prabhakar Reddy DIN : 01442233	Managing Director – Executive Director (Promoter)	5	Yes	01	Nil	Nil	17,43,124
Mr. P. Chakradhar Reddy DIN: 01425681	Non Executive Director (Promoter)	5	Yes	01	Nil	Nil	40,39,351
Mrs.P. Kameswari DIN : 01587727	Non Executive Director (Promoter)	5	No	01	Nil	Nil	19,75,643
Mr. A. Poornachandra Rao (upto 14.12.2016) DIN: 01981776	Non Executive Director (Independent)	3	No	Nil	Nil	Nil	Nil
Mr. K. Narasimha Rao DIN: 01475473	Non Executive Director (Independent)	5	Yes	Nil	Nil	Nil	86,977
Mr. Devraj Govind Raj DIN: 07526450	Non Executive Director (Independent)	4	Yes	Nil	Nil	Nil	Nil
Mr. Katragadda Rajesh (from 13.03.2017) DIN: 02727491	Non Executive Director (Independent)	Nil	No	03	01	02	Nil

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)

#### II. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

#### III. BOARD OF DIRECTORS

##### Composition of the Board

- As on March 31, 2017, 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](http://www.viceroyhotels.in)

- iii. There are no pecuniary relationships or transactions with Independent Non Executive Directors except for sitting fees paid for attending Board and other Committee Meetings.
- iv. The Board of Directors met five (5) times during the financial year 2016-17. These were held on 30.05.2016, 13.08.2016, 12.11.2016, 13.02.2017 at 10.00 A.M. and 13.02.2017 at 1.00 P.M and the maximum gap between any two meetings did not exceed 120 days.
- v. None of the Directors on the board is a member in more than 10 committees or Chairman in more than 5 committees, across all the companies in which he is a director.
- vi. None of the Directors serves as an independent Director in more than seven Listed Companies.
- vii. The names and categories of Directors on the Board, their attendance at the Board Meeting and at the Annual General Meeting and details of other directorships, committee chairmanships/memberships held by the Directors in other committees during the year are as follows:

*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*

#### **Relationship of Directors with Other Directors:**

Mr. P. Prabhakar Reddy, Chairman and Managing Director of the Company and Mrs. P. Kameswari, Director of the Company are related being husband and wife. Mr. P. Chakradhar Reddy, Director of the Company is the son of Mr. P. Prabhakar Reddy, Chairman and Managing Director of the Company and Mrs. P. Kameswari, Director and therefore is related to them. Except these, no Director is related to any other director on the Board.

#### **INDEPENDENT DIRECTORS MEETING**

The Independent Directors (ID) met on 13.02.2017 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.

### **IV. BOARD COMMITTEES**

#### **AUDIT COMMITTEE**

Composition, meetings and the attendance during the year:

The composition of the Audit committee is in accordance with the requirements of the Regulation under Securities and Exchange Board of India (Listing Obligation and Disclosure Regulations) 2015 and also Section 177 of the Companies Act, 2013 and Rule 6 and 7 of Companies (Meetings of Board and its Powers) Rules, 2014.

The Audit Committee is empowered with functions according to the powers, scope and role as defined and prescribed under the said Regulation under Securities and Exchange Board of India (Listing Obligation and Disclosure Regulations) 2015 and Section 177 of the Companies Act, 2013 and Rule 6 and 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and acts in terms of reference and directors if any given by the board from time to time.

During the year under review, (four) meetings of the committee were held on 30.05.2016, 13.08.2016, 12.11.2016 and 13.02.2016

The composition of the committee during the year as well as the particulars of the attendance at the committee meeting during the year is given below:

Name	Designation in the committee	Category of Directorship	No. of meetings attended
Mr. A Poornachandra Rao	Chairman (upto 14.12.2016)	Non Executive Director (Independent)	3
Mr. K. Narasimha Rao	Chairman	Non Executive Director (Independent)	4
Mr. P. Chakradhar Reddy	Member	Non Executive Director	4
Mr. Devraj Govind Raj (from 13.02.2017)	Member	Non Executive Director (Independent)	1

### Terms of Reference

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Regulations entered into with Stock Exchanges read with Section 177 of the Companies Act, 2013 and includes such other functions as may be assigned to it by the Board from time to time.

#### i. Powers of the Audit Committee include:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### ii. Role of the Audit Committee includes:

- Oversight of Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of auditors and fixation of audit fee.
- Approval of payment to statutory auditors for any other services rendered by them
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013- changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit finding.
  - Compliance with listing and other legal requirements relating to financial statements.
  - disclosure of any related party transactions.
  - Review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements.
  - Management Discussion and Analysis of financial conditions and results of operations.
- Review of Statement of significant related party transactions submitted by the management.
- Review of management letters/letters of internal control weaknesses issued by the statutory auditors.
- Review of internal audit reports relating to internal control weaknesses.
- Review of appointment, removal and terms of remuneration of the Chief internal Auditor.

- i. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- j. Review of the financial statements of subsidiary Companies.
- k. Review and monitor the auditor's independence and performance and effectiveness of audit process.
- l. Approval or any subsequent modification of transactions of the Company with related parties.
- m. Scrutiny of inter-corporate loans and investments.
- n. Valuation of undertakings or assets of the Company, wherever it is necessary.
- o. Evaluation of internal financial controls and risk management systems.
- p. To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors.
- q. Reviewing, with the management, the statement of uses / application of funds raised through an issue(public issue, rights issue, preferential issue, etc.),the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceed so far public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- r. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- s. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- t. Discussion with internal auditor so f any significant findings and follow up thereon
- u. Reviewing the risk management policies, practices and the finding so f any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting them at the to the Board.
- v. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- w. To review the functioning of the Whistle Blower Mechanism
- x. Approval of appointment/reappointment I remuneration of CFO(or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate
- y. Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee
- z. The Audit Committee is charges its functions and obligations on regular basis and on the occurrence of the events

**Note:**

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

**Nomination and Remuneration Committee**

The Nomination and Remuneration committee has been formed in compliance of Regulation under Securities and Exchange Board of India (Listing Obligation and Disclosure Regulations) 2015 and pursuant to section 178 of the companies Act 2013 comprising of the half independent Directors.

During the financial year 2016-17, (1) one meeting of the Nomination and Remuneration Committee was held on 13.03.2017.

The composition of the committee during the year is as below.

Name	Designation in the committee	Category of Directorship	No. of meetings attended
Mr. A Poornachandra Rao	Chairman (upto 14.12.2016)	Non Executive Director (Independent)	Nil
Mr. K. Narasimha Rao	Chairman (from 26.08.2017)	Non Executive Director (Independent)	1
Mr. P. Chakradhar Reddy	Member	Non Executive Director	1
Mr. Devraj Govind Raj	Member (from 13.02.2017)	Non Executive Director (Independent)	1
Mr. P. Prabhakar Reddy	Member	Chairman and Managing Director	1

### Terms of Reference

The terms of reference of the Nomination and Remuneration Committee are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees
- Formulation of criteria for evaluation of Independent Directors and the Board. D Devising a policy on Board diversity
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board the is appointment and removal.
- To recommend/review remuneration of Key Managerial Personnel based on their performance and defined Assessment criteria.
- To decide on the elements of remuneration package of all the Key Managerial Personnel i.e. salary, benefits, bonus, stock options, pensions, etc.
- Recommendation of fee I compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
- Payment /revision of remuneration payable to Managerial Personnel.
- While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.
- The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.
- any other functions/ powers/ duties as may be entrusted by the Board from time to time.

The Company has adopted a Policy relating to the remuneration for Directors, Key Managerial Personnel and other employees of the Company which is disclosed on the website of the Company [www.viceroyhotels.in](http://www.viceroyhotels.in)

The Company's Nomination Remuneration Policy is enclosed as '**Annexure- V**' which forms part of this report.

## Remunerations paid to the Directors

### a. Independent, Non-Executive Directors and Non-Executive Directors

Name of the Director	Relationship with other Directors	Sitting Fees (Rs.)	Total (Rs.)
Mr. A. Poornachandra Rao (upto 14.12.2016)	NIL	10,000/-	30,000/-
Mr. K. Narasimha Rao	NIL	10,000/-	45,000/-
Mr. Devraj Govind Raj	NIL	5,000/-	25,000/-
Mr. P. Chakradhar Reddy	Related to P. Prabhakar Reddy and Mrs.P. Kameswari	10,000/-	45,000/-
Mrs. P. Kameswari	Related to Mr. P. Prabhakar Reddy and Mr. P. Chakradhar Reddy	5,000/-	25,000/-
Mr. Katragadda Rajesh (from 13.03.2017)	NIL	NA	NA

Apart from the sitting fees, there were no other pecuniary relationships or transactions of the Non-Executive Independent Directors vis-a-vis the Company.

### 1. Disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013.

- all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.

### b) Managing Director and Executive Directors

Name of the Director	Relationship with other Directors	Business relationship with Viceroy, if any	Loans and advances from Viceroy	Remune-ration	Paid During 2016-2017 (Amount in Rs.)		
				Sitting Fees	Salary	Commission	Total
Mr. P. Prabhakar Reddy	Related to Mrs.P.Kameswari and Mr. P. Chakradhar Reddy.	Promoter	Nil	Nil	Nil	Nil	Nil

The details with respect to criteria for making payments to non-executive directors are available on the company's website [www.viceroyhotels.in](http://www.viceroyhotels.in)

## Shareholding of all the Directors of the Company as on 31<sup>st</sup> March, 2017

Name of the Director	Designation	Number of Shares held
Mr. P. Prabhakar Reddy	Chairman and Managing Director	17,43,124
Mr. P. Chakradhar Reddy	Non Executive Director	40,39,351
Mrs. P. Kameswari	Non Executive Director	19,75,643
Mr. A. Poornachandra Rao	Non Executive Director - Independent Director	Nil
Mr. K. Narasimha Rao	Non Executive Director - Independent Director	86,977
Mr. Devraj Govind Raj	Non Executive Director - Independent Director	Nil



## 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.

Meeting of the Committee was held during the year on 13.03.2017.

### Composition of the Committee:

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

Name	Designation	Category	No. of Meetings Attended
Mr. P. Chakradhar Reddy	Chairman	NED	2
Mr. K. NarasimhaRao	Member	NED (I)	2

The Board has designated Ms. Sonam Jaiswal, Company Secretary as the Compliance Officer.

The Company has designated exclusive e-mail Ids called [secretarial@viceroymhotels.in](mailto:secretarial@viceroymhotels.in) and [secretarial.viceroy@gmail.com](mailto:secretarial.viceroy@gmail.com) for redressal of shareholders complaints / grievances.

### Terms of reference

The Committee focuses on shareholders' grievances and strengthening of investor relations. The committee looks after the services of the Registrars and share transfer agents and recommends measures for providing efficient services to investors.

The Committee specifically looks into investor complaints like Transfer / transmission / transposition of shares, non receipt of Annual Report, non-receipt of dividend, and other related issues.

The Committee reviews the security transfers / transmissions, process of dematerializations and the investor grievances and the system dealing with these issues.

In accordance to Regulation under Securities and Exchange Board of India (Listing Obligation and Disclosure Regulations) 2015 with the stock exchanges, the Board has authorized the Compliance officer, to approve share transfers and/ transmissions and comply with other formalities in relation thereto. All the investors complaints , which cannot be settled at the level of the Compliance officer , will be placed before the committee for final settlement.

The committee while performing various functions relating to the interests of shareholders/investors of the Company as may be required under the provisions of the Companies Act, 2013, Listing Agreement with the Stock Exchanges and regulations/guidelines issued by the SEBI or any other regulatory authority , Inorder to expedite the process and for effective resolution of grievances / complaints, has delegated powers to the Share Transfer Agents i.e., M/s. Aarthi Consultants Private Limited to redress all complaints / grievances / enquiries of the shareholders / Investors. It redresses the grievances/ complaints of shareholders / investors under the supervision of Compliance Officer of the Company.

The Committee, along with the Share Transfer Agents of the Company follows the policy of attending to the complaints, if any, within seven days from the date of its receipt.

As mandated by SEBI, the Quarterly Reconciliation of Share Capital Audit, highlighting there conciliation of total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vis-a-vis the total issued and listed capital is being carried out by M/s. P. S. Rao & Associates, Practicing Company Secretaries. This Audit confirms that the total issued and paid up capital is in agreement with the total number of shares held in physical and dematerialized form with NSDL and CDSL.

As on 31st March, 2017, 41012512 number of Equity Shares of 10/- each representing 96.71% of the total No. of shares are in dematerialized form.

### 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.

### V. 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.com/investors](http://www.viceroyhotels.com/investors)).

### VI. 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](http://www.viceroyhotels.in)

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

### VII. 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](http://www.viceroyhotels.in)).

### VIII. RELATED PARTY TRANSACTIONS

All transactions entered into with related parties as defined under the Companies Act, 2013 and SEBI (LODR) Regulations 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](http://www.viceroyhotels.in)).

During the Financial Year 2016-17, 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.

### IX. 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
2015-2016	Sri Sathya Sai Nigamagmam, 8-3-987/2, Sri Nagar Colony, Hyderabad – 500073 Telangana.	29-09-2016 at 11.00 AM
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

[Special Resolutions passed in the previous 3 AGMs]

- b) No Special Resolutions were passed in the previous Annual General Meetings held for the Financial Year 2013-14 and 2015-16 . However, Company passed following Special Resolutions in its 50th and Annual General Meetings held for the Financial Year 2014-15 respectively.

<b>Date of Passing Special Resolutions</b>	<b>Resolution Number</b>	<b>Purpose of Resolution</b>	<b>Votes in Favour of Resolution</b>		<b>Votes Against the Resolution</b>	
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.

## **X 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 Clause 49 of the Listing Agreement.

## **XI. MEANS OF COMMUNICATION**

The un-audited quarterly results and audited results for the year are generally published in widely circulated Nationwide English newspaper and also in widely circulated vernacular newspaper 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](http://www.viceroyhotels.in).

## XII. GENERAL SHAREHOLDERS INFORMATION

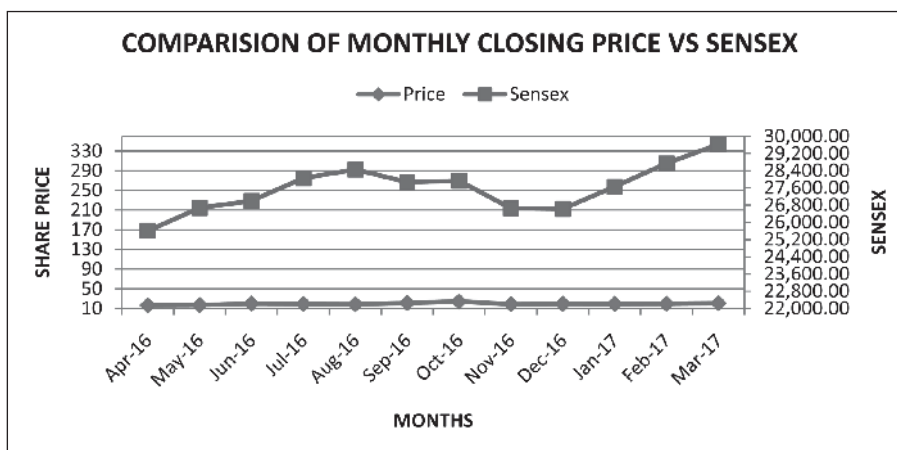
a	Annual General Meeting	<b>52<sup>nd</sup> Annual General Meeting</b>
	Date of Annual General Meeting	Thursday, the 28 <sup>th</sup> September, 2017 at 11.00 AM
	Venue	Hotel Marriott Convention Centre, Lower Tank Bund, Hyderabad- 500080, Telangana
	Time	11.00 A.M
b	Book Closure Date	Friday, September 22, 2017 to Thursday, September 28, 2017 (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 <a href="http://www.viceroyhotels.in">www.viceroyhotels.in</a>
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
g	Stock ID/Code	NSE: <b>VICEROY</b> ; BSE: <b>523796</b>
h	ISIN	<b>EQUITY : INE048C01017 (listed on BSE &amp; NSE)</b> <b>DEBENTURES: INE984T07014 (listed on BSE)</b>
i	Listing Fee for FY 2016-17	<b>Paid</b>

### Stock Price Information

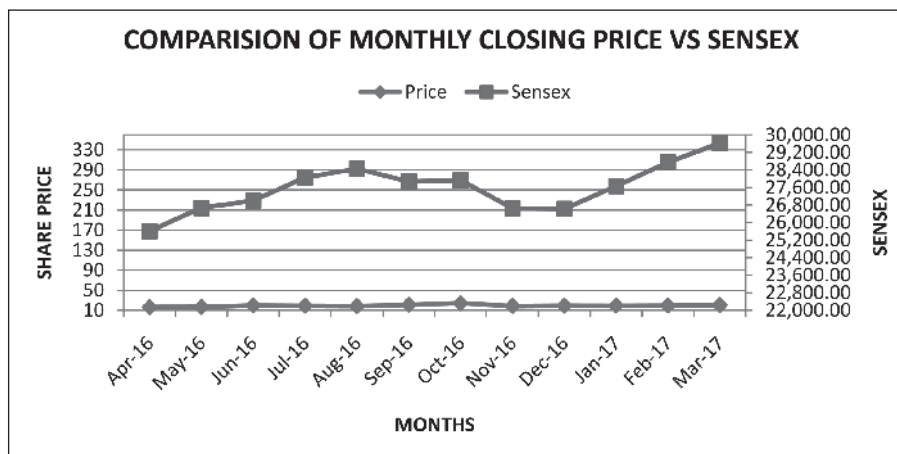
#### j) Stock Price Data:

MONTH	BSE			NSE		
	High	Low	No. of Shares	High	Low	No. of Shares
April, 2016	18.65	16.00	3,33,408	16.70	16.25	11,269
May, 2016	18.35	16.00	2,84,854	16.50	16.80	65,947
June, 2016	20.80	16.40	7,19,921	19.55	19.85	1,33,661
July, 2016	21.60	18.85	7,24,861	19.05	19.25	74,461
August, 2016	20.60	17.05	6,82,728	19.25	18.40	51368
September, 2016	23.15	18.15	14,94,783	21.05	20.00	104045
October, 2016	28.25	20.50	21,77,781	24.70	24.00	66355
November, 2016	24.90	16.30	5,79,843	19.25	18.50	77311
December, 2016	21.80	17.70	6,85,739	20.00	19.15	56543
January, 2017	21.05	19.10	4,56,340	19.75	19.15	69227
February, 2017	22.05	19.10	6,66,654	20.20	19.00	266931
March, 2017	21.95	19.20	8,46,084	20.95	20.25	146723

## BSE



## NSE



### k) 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.

**l) Registrar & Share Transfer Agents (for both physical and demat mode):**

**Aarthi 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

**m) Shareholding Pattern as on March 31, 2017:**

Category	No. of Shares	Percentage
Promoters	1,01,88,551	24.03
Financial Institutions / Banks	4,14,693	0.98
Bodies Corporate – Indian	66,24,704	15.62
Bodies Corporate – Foreign	3,000	0.01
NRIs	2,80,047	0.66
Mutual Funds	Nil	NA
Indian Public	2,41,76,002	57.02
Trusts	103	0.00
Clearing Members	7,15,374	1.69
Others	2,750	0.01
<b>Total</b>	<b>4,24,05,224</b>	<b>100.00</b>

**n) Distribution of Shareholding as on March 31, 2017:**

Sl. No	CATEGORY	HOLDERS	HOLDERS PERCENT AGE	SHARES	AMOUNT	AMOUNT PERCENT AGE
1	1 - 5000	19370	80.72	2988892	29888920	7.05
2	5001 - 10000	2161	9.01	1880246	18802460	4.43
3	10001 - 20000	1053	4.39	1677297	16772970	3.96
4	20001 - 30000	421	1.75	1107864	11078640	2.61
5	30001 - 40000	176	0.73	633473	6334730	1.49
6	40001 - 50000	195	0.81	933735	9337350	2.2
7	50001 - 100000	333	1.39	2534481	25344810	5.98
8	100001 & Above	288	1.2	30649236	306492360	72.28
	<b>Total:</b>	<b>23997</b>	<b>100</b>	<b>42405224</b>	<b>424052240</b>	<b>100</b>

**o) 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, 2017, 96.71% of the totals shares of the Company have been dematerialized.

**p) Outstanding: GDR/ADR/Warrants/Options/any convertible instruments:**

As on March 31, 2017 the Company has no outstanding GDR /ADR/Warrants/ Options/any other convertible instruments.

**q) 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) 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)*

**r) 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:

<b><u>Registrar and Share Transfer Agents (RTA):</u></b>	<b><u>Company:</u></b>
M/s. Aarthi Consultants Private Limited 1-2-285, Domalaguda, Hyderabad- 500029 Tel: 040-27638111, 040-66611921; Fax: 040-27632184 Email: info@aarthiconsultants.com Website: www.aarthiconsultants.com	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.

**s) 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

**t) 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.

## 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 31<sup>st</sup> March, 2017.

August 26, 2017

**For Viceroy Hotels Limited**

Sd/-  
**P. Prabhakar Reddy**  
Chairman and Managing Director

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## 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, 2017 SEBI( Listing Obligations and Disclosure Requirements) Regulations, 2015, (collectively referred to as "SEBI(LODR) Regulations, 2015."

The e 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.

Hyderabad  
August 26, 2017

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

Sd/-  
**P. Murali Mohana Rao**  
Partner  
Membership No.23412



## 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 31-03-2017)

[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 : <a href="mailto:secretarial@viceroymhotels.in">secretarial@viceroymhotels.in</a> / <a href="mailto:secretarial.viceroy@gmail.com">secretarial.viceroy@gmail.com</a> Website : <a href="http://www.viceroyhotels.in">www.viceroyhotels.in</a>
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: <a href="mailto:info@aarathiconsultants.com">info@aarathiconsultants.com</a>

#### 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	<b>Crustum Products Private Limited</b> #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	<b>Café D'lake Private Limited</b> 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	<b>Minerva Hospitalities Private Limited</b> Plot No.258, Road No.18, Jubilee Hills, Hyderabad-500033, Telangana	U55101TG2002PTC039768	Subsidiary	100	2(87)
4	<b>Viceroy Chennai Hotels &amp; Resorts Private Limited</b> Plot No.258, Road No.18, Jubilee Hills, Hyderabad – 500033, Telangana	U55101TG2010PTC068776	Subsidiary	100	2(87)
5.	<b>Banjara Hospitalities Private Limited</b> #Plot No.20, Sector-I, Survey No.64, 4th Floor, HUDA Techno Enclave, Madhapur, Hyderabad – 500 081, Telangana.	U74900TG2015PTC101458	Subsidiary	100	2(87)
6	<b>Viceroy Bangalore Hotels Private Limited</b> Plot No.258, Road No.18, Jubilee Hills, Hyderabad-500034, Telangana	U55101TG2010PTC067088	Associate	31.32	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	
<b>A. Promoters</b>									
<b>(1) INDIAN</b>									
a) Individual/HUF	8040728	700000	8740728	20.61	8040728	700000	8740728	20.61	0.00
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.	2231823	0	2231823	5.26	1447823	0	1447823	3.41	(1.85)
e) Banks / FI	0	0	0	0	0	0	0	0	NA
f) Any Other....	0	0	0	0	0	0	0	0	NA
<b>Sub-total (A) (1):-</b>	<b>10272551</b>	<b>700000</b>	<b>10272551</b>	<b>25.87</b>	<b>9488551</b>	<b>700000</b>	<b>10188551</b>	<b>24.03</b>	<b>(1.85)</b>
<b>(2) FOREIGN</b>									
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
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NA</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>10272551</b>	<b>700000</b>	<b>10272551</b>	<b>25.87</b>	<b>9488551</b>	<b>700000</b>	<b>10188551</b>	<b>24.03</b>	<b>(1.85)</b>

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>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	NA
b) Banks / FI	0	10100	10100	0.02	404593	10100	414693	0.98	0.96
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) FIs	2000	0	2000	0.0047	0	0	0	0	NA
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	NA
i) Others (specify)	0	0	0	0	0	0	0	0	NA
<b>Sub-total (B)(1):-</b>	<b>2000</b>	<b>0</b>	<b>2000</b>	<b>0.0047</b>	<b>404593</b>	<b>10100</b>	<b>414693</b>	<b>0.98</b>	<b>0.97</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	5483104	25150	5508254	12.99	6599554	25150	6624704	15.62	2.63
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	11115402	662962	11778364	27.78	11868734	656262	12524996	29.54	(1.76)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	13172465	0	13172465	31.06	11651006	0	11651006	27.48	(3.58)
c) Others (specify)	<b>741034</b>	<b>0</b>	<b>741034</b>	<b>1.75</b>	<b>2750</b>	<b>0</b>	<b>2750</b>	<b>0.01</b>	<b>(1.74)</b>
Non Resident Indians	43649	0	43649	0.10	280047	0	280047	0.66	(0.56)
Trusts	100113	0	100113	0.24	103	0	103	0.00	(0.24)
Clearing Members	597272	0	597272	1.41	715374	0	715374	1.69	0.28
<b>Sub-total (B)(2):-</b>	<b>31256039</b>	<b>688112</b>	<b>31943971</b>	<b>75.34</b>	<b>31120568</b>	<b>681412</b>	<b>31801980</b>	<b>75</b>	<b>(0.34)</b>
Total Public Shareholding <b>(B)=(B)(1)+ (B)(2)</b>	<b>31258039</b>	<b>688112</b>	<b>31945971</b>	<b>75.36</b>	<b>31525161</b>	<b>691512</b>	<b>32216673</b>	<b>75.97</b>	<b>0.61</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	NA
<b>Grand Total (A+B+C)</b>	<b>41530590</b>	<b>1388112</b>	<b>42218522</b>	<b>100.00</b>	<b>41013712</b>	<b>1391512</b>	<b>42405224</b>	<b>100</b>	<b>0.00</b>

**(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 Vijayvardhan 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	70
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	2,46,000	0.58	46.75	(1.08)
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	0.00
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	26,760	0.06	9.34	(5.28)
	<b>Total</b>	<b>1,09,72,551</b>	<b>25.88</b>	<b>56.36</b>	<b>1,01,88,551</b>	<b>24.03</b>	<b>60.2</b>	<b>(1.85)</b>



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

S No.	Name	Shareholding				Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		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	40,39,351 (9.50)	0 0	NA NA	40,39,351 (9.50)	Nil Movement during the year	40,39,351	9.50
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 (0.66)	0	NA	2,81,413 (0.66)	Nil Movement during the year	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)	(460000)	31.03.2017	2,46,000 (0.58)	Transfer	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	21,660 (0.05)	0	NA	21,660 (0.05)	Nil Movement during the year	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	2,81,413 (0.82)	(254653)	31.03.2017	26,760	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 (01-04-15 to 31-03-16)	
		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)	(3,75,000)	14-10-2016	53,32,566 (12.57)	Transfer	53,32,566	12.57
			(1,25,000)	21-10-2016	52,07,566 (12.28)	Transfer	52,07,566	12.28
2	Crest Logistics And Engineers Private Limited	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	9,60,081 (2.26)	(3388)	08-04-2016	9,56,701 (2.25)	Transfer	9,56,701	2.25
			(3000)	15-04-2016	9,53,701 (2.24)	Transfer	9,53,701	2.24
			(6000)	27-05-2016	9,47,701 (2.23)	Transfer	9,47,701	2.23
			(12857)	03-06-2016	9,69,081 (2.28)	Transfer	9,69,081	2.28
			(25701)	10-06-2016	9,43,380 (2.22)	Transfer	9,43,380	2.22
			(8000)	17-06-2016	9,35,380 (2.20)	Transfer	9,35,380	2.20
			(1000)	30-06-2016	9,34,380 (2.20)	Transfer	9,34,380	2.20
			(3000)	15-07-2016	9,31,380 (2.19)	Transfer	9,31,380	2.19
			(5000)	19-08-2016	9,26,380 (2.18)	Transfer	9,26,380	2.18
			(44,117)	23-09-2016	8,82,263 (2.08)	Transfer	8,82,263	2.08
			(7000)	30-09-2016	8,75,263 (2.06)	Transfer	8,75,263	2.06
			(15,125)	07-10-2016	8,60,138 (2.02)	Transfer	8,60,138	2.02
			(1,21,750)	14-10-2016	7,38,388 (1.74)	Transfer	7,38,388	1.74
			(2719)	09-12-2016	7,35,669 (1.73)	Transfer	7,35,669	1.73
			(7000)	24-03-2017	7,28,699 (1.71)	Transfer	7,28,699	1.71
5.	Ketankumar Ratilal Patel	9,00,100 (2.12)	0	NA	9,00,100 (2.12)	Nil Movement during the year	9,00,100	2.12
6	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

7	Surana Telecom and Power Limited	4,60,000 (1.08)	0	NA	4,60,000 (1.08)	Nil Movement during the year	4,60,000	1.08
8	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
9	Satyanarayana Reddy Medapati	2,87,000 (0.68)	(10000)	07-10-2016	2,87,000 (0.68)	Transfer	2,87,000	0.68
			(10000)	18-11-2016	2,77,000 (0.65)	Transfer	2,77,000	0.65
			(10000)	09-12-2016	2,67,000 (0.62)	Transfer	2,67,000	0.62
			(10000)	06-01-2017	2,57,000 (0.60)	Transfer	2,57,000	0.60
			(5168)	20-01-2017	2,51,832 (0.59)	Transfer	2,51,832	0.59
			(14832)	27-01-2017	2,37,000 (0.55)	Transfer	2,37,000	0.55
			(20000)	03-02-2017	2,17,000 (0.51)	Transfer	2,17,000	0.51
			(4485)	10-03-2017	2,12,515 (0.50)	Transfer	2,12,515	0.50
			(5000)	17-03-2017	2,07,515 (0.48)	Transfer	2,07,515	0.48
10	Chakradhara Rao Potluri	2,81,326 (0.66)	5000	06-05-2016	2,86,326 (0.67)	Purchase	2,86,326	0.67
			9578	27-05-2016	2,95,904 (0.69)	Purchase	2,95,904	0.69
			28694	06-08-2016	3,26,598 (0.76)	Purchase	3,26,598	0.76
			19367	23-09-2016	3,45,965 (0.81)	Purchase	3,45,965	0.81
			(152908)	30-09-2016	1,93,057 (0.45)	Transfer	1,93,057	0.45
			(21003)	07-10-2016	1,72,054 (0.40)	Transfer	1,72,054	0.40
			(49300)	14-10-2016	1,22,754 (0.28)	Transfer	1,22,754	0.28
			10300	21-10-2016	1,33,054 (0.31)	Purchase	1,33,054	0.31
			30871	23-12-2016	1,63,925 (0.38)	Purchase	1,63,925	0.38
			(47490)	06-01-2017	1,16,435 (0.27)	Transfer	1,16,435	0.27
			(2924)	20-01-2017	1,13,511 (0.26)	Transfer	1,13,511	0.26
11	Gopalchand Prithviraj Malu	2,67,245 (0.63)	(260000)	12-08-2016	7,245 (0.01)	Transfer	7245	0.01
			75500	03-03-2017	82,745 (0.19)	Purchase	82,745	0.19

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

**A. DIRECTORS**

S No.	Name	Shareholding				Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		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)	Nil Movement during the year	17,43,124	4.11
2	P. Kameswari (Director)	19,75,643 (4.66%)	0	NA	19,75,643 (4.66)	Nil Movement during the year	19,75,643	4.66
3	P. Chakradhar Reddy (Director)	40,39,351 (9.53)	0	NA	40,39,351 (9.53)	Nil Movement during the year	40,39,351	9.53
4	K. Narasimha Rao (Director)	86,977 (0.20)	0	NA	86,977 (0.20)	Nil Movement during the year	86,977	0.20
5	Purnachandra Rao Adapala (Director) (upto 14.12.2016)	0	NA	NA	0	NA	0	0.00

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

1	K. Gurava Raju (CFO)	3,090 (0.01)	-	NA	3,090 (0.01)	Nil Movement during the year	3,090	0.01
2	Y. K. Priyadarsini (Company Secretary) (Upto 31.01.2017)	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 Crores)**

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
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	0.00	0.00	0.36
<b>Total (i+ii+iii)</b>	<b>395.51</b>	<b>0.00</b>	<b>0.00</b>	<b>395.51</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	33.02	0.00	0.00	33.02
• Reduction	0.00	0.00	0.00	0.00
<b>Net Change</b>	<b>33.02</b>	<b>0.00</b>	<b>0.00</b>	<b>33.02</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	230.63	0.00	0.00	230.63
ii) Interest due but not paid	197.52	0.00	0.00	197.52
iii) Interest accrued but not due	0.38	0.00	0.00	0.38
<b>Total (i+ii+iii) **</b>	<b>428.53</b>	<b>0.00</b>	<b>0.00</b>	<b>428.53</b>

**\*\* 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 Rupees)

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	NA	0
	- 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	4,41,820.00	8,52,532.00	12,94,352.00
	(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	NA	NA	NA
	- others, specify...			
5.	Others, please specify (Medical, Bonus and LTA)	37,500.00	37,500.00	75,000.00
	Total	47,93,320.00	8,90,032.00	13,69,352.00

## VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

By Order of the Board  
For Viceroy Hotels Limited

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

### Registered 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 31.03.2017

[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 a 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 a 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, 2017 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 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, 2017 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 Byelaws 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 & Labeling) 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.
- b) Non Dematerialization of Promoters Shards as per listing Agreement / SEBI Rules.

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) 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 that has major bearing on the Company's affairs.

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

Hyderabad  
23<sup>rd</sup> August, 2017

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	% Increase/ Decrease in Remuneration in the Financial year 2016-17
<b>Executive Directors</b>		
Mr. P. Prabhakar Reddy, Chairman and Managing Director	NA	NA
<b>Non- Executive Directors</b>		
Mr. P. Chakradhar Reddy	NA	NA
Mrs. P. Kameswari	NA	NA
<b>Key Managerial Persons</b>		
Mr. K. Gurava Raju	37.20	2.18
Ms. Y. Karuna Priyadarshini	19.28	(1.05)

- b. The median remuneration during year was Rs.22,915.00 Per Month.**
- c. In the financial under review, there was a Decrease of -5.85% in the median remuneration of employees.
- d. The number of permanent employees on the rolls of Company: **52**.
- e. 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:**

The Company affirms that remuneration to the Directors and Key Managerial Personnel is as per the remuneration policy of the Company.



**Top 10 Employees in Terms of Remuneration :**

Name of the Employee	Age	Qualification	Designation	Date of commencement of employment	Experience Gross (years)	Nature of employment	Remuneration in Rs. Per Month	Previous Employment	Relative of Director If any	% of Share holding
Mr.K.S.Ravi Krishnan	54	B.Com, Diploma in IHM	Vice President	04-12-2003	14	General Admn.	3,08,400.00	-	No	Nil
Mr.Mohtesham Ali	38	MHSS Polytechnic-Construction	Asst. Mgr. Interiors	01-06-2006	11	Project	1,18,083.00	-	No	Nil
Mr.M. Sreedhar Singh	53	M.Com, P.G.D. B.M.	Mgr. Corp. Affairs	01-07-1995	22	Accounts	76,322.00	-	No	Nil
Mr.J.Dasvanth Kumar	54	B.Com.,	Dy. Mgr.- Proj. Accts.	16-04-1993	24	Accounts	60,228.00	-	No	Nil
Mr.N Krishna	43	BA. LLB & Diploma in IRPM	Sr. Mgr.-HR (Cafe'D Lake)	15-12-2016	9 Mon.	HR	60,000.00	-	No	Nil
Mr.Kush Roy	44	5th Class	Exe. Chef	10-05-2005	12	F&B	55,630.00	-	No	Nil
Mr.S.Vignesh Kumar	32	Diploma in Electricals & Electronics	Pro. Eng. MEP Serv.	17-11-2008	9	Project	50,190.00	-	No	Nil
Mr.D.Sravan Kumar Reddy	44	B.Com.,	Dy. Man. - Finance	28-02-2008	9	Accounts	48,732.00	-	No	Nil
Mr.H.Siva Kumar Gowd	47	Diploma in Civil Engg. (Polytechnic)	Project Engineer	26-08-2006	11	Project	41,380.00	-	No	Nil
Mr.N.G.S.N.K. Reddy	43	Diploma in Chemical Engg. (Polytechnic)	Sr. Mgr. Project	01-10-2006	11	Project	40,610.00	-	No	Nil

- A) Details of Employee's drawing remuneration of Rs.8.50 Lacs per month or Rs.102.00 Lacs per annum: **Nil**
- B) The are no other employees drawing Rs.8.50 Lacs per month or Rs.102.00 Lacs per annum, whether employed throughout the year or part of the Financial year.
- C) There are no employees in the service of the Company covered under Rule 5 (2) (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

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

**Registered 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

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**M/s. VICEROY HOTELS LIMITED**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **M/s VICEROY HOTELS LIMITED ("the Company")**, which comprise the Balance Sheet as at 31st March, 2017, 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 31<sup>st</sup> March, 2017, its Loss 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 pending litigations which would have impact on its financial position in its financial statements in Note No:29 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.
    - iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in SBN's during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the company.

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

Place : Hyderabad  
 Date : 30-05-2017

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, 2017 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 except the below mentioned due to income tax.

Name of the Statute	Nature of Dues	Amount (Rs)	Period to which it relates	Due Date	Date of Payment	Remarks
Income Tax	Income Tax	Rs.67,48,29,450/-	A.Y 2014-15			Income Tax Appeals

- viii. According to the information and explanations given to us, the company has defaulted in repayment of dues amounting to Rs.226.32Crores towards principal and Rs.197.52Crores towards interest, to Asset Reconstruction Company of India Limited State Bank of India, Canara Bank, IARC Private 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 the company and verification of the records of the company, the company has not paid / provided managerial remuneration during the year under consideration, hence the provisions of Sec.197 of the Companies Act 2013 is not applicable to the company.
- 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 : 30-05-2017

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 2017.**

### **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 2017 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 2017, 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 : 30-05-2017

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

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

PARTICULARS	Note No.	AS ON 31-03-2017 ( ₹ )	AS ON 31-03-2016 ( ₹ )
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	42,40,52,240	42,40,52,240
(b) Reserves and Surplus	2	38,10,21,882	49,64,44,657
<b>(2) Share application money pending allotment</b>		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	3,43,18,70,763	3,64,00,64,913
(b) Deferred Tax Liabilities (Net)	4	17,84,88,911	16,93,98,322
(c) Other Long Term Liabilities	5	99,42,731	1,12,51,674
(d) Long Term Provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6	3,30,06,154	1,82,47,973
(b) Trade Payables	7	17,22,22,064	16,67,84,329
(c) Other Current Liabilities	8	2,27,89,65,733	1,92,93,58,550
(d) Short-Term Provisions	9	13,60,87,498	22,76,27,674
<b>Total</b>		<b>7,04,56,57,976</b>	<b>7,08,32,30,331</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	1,34,54,45,439	1,40,58,26,404
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		3,44,68,52,601	3,16,91,03,474
(iv) Intangible assets under development		-	-
(b) Non-current investments	11	83,99,54,226	83,81,54,196
(c) Long Term Loans and advances	12	1,18,71,04,974	1,35,91,21,308
(d) Other Non-Current assets	13	2,41,34,151	2,74,42,536
<b>(2) Current assets</b>			
(a) Current investments			
(b) Inventories	14	1,02,95,805	1,16,98,683
(c) Trade receivables	15	10,89,63,403	22,23,45,459
(d) Cash and Bank Balances	16	1,34,52,813	(25,51,332)
(e) Short-Term Loans and Advances	17	6,94,54,566	5,20,89,604
(f) Other Current assets		-	-
<b>Total</b>		<b>7,04,56,57,976</b>	<b>7,08,32,30,331</b>

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  
30-05-2017

**FOR VICEROY HOTELS LIMITED**

Sd/-  
**P. PRABHAKAR REDDY**  
Managing Director

Sd/-  
**P. CHAKRADHAR REDDY**  
Director

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

PARTICULARS	Note No.	Year Ended 31-03-2017 ( ₹ )	Year Ended 31-03-2016 ( ₹ )
I. Revenue from Operations	18	83,14,34,102	84,22,21,355
II. Other Income	19	3,69,73,560	57,84,691
<b>III. Total Revenue (I +II)</b>		<b>86,84,07,662</b>	<b>84,80,06,046</b>
IV. Expenses:			
Cost of materials consumed/ Cost of Software Development	20	11,71,89,367	10,91,98,658
Employee Benefit expenses	21	20,33,26,230	17,09,86,735
Other Operating Expenses	22	14,54,65,502	14,08,66,932
Administrative Expenses	23	11,38,77,767	11,69,00,134
Financial costs	24	25,55,82,184	24,83,46,556
Depreciation and amortization expense	10	5,95,08,421	10,53,70,394
<b>Total Expenses</b>		<b>89,49,49,469</b>	<b>89,16,69,410</b>
<b>V. Profit before exceptional and extraordinary items and tax ( III - IV)</b>		<b>(2,65,41,807)</b>	<b>(4,36,63,364)</b>
VI. Exceptional Items		-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>(2,65,41,807)</b>	<b>(4,36,63,364)</b>
VIII. Extraordinary Items		(7,97,90,375)	18,55,67,359
<b>IX. Profit Before Tax (VII - VIII)</b>		<b>(10,63,32,182)</b>	<b>14,19,03,995</b>
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		90,90,589	(13,49,491)
<b>XI. Profit(Loss) from the period from Continuing Operations ( VII - VIII)</b>		<b>(11,54,22,771)</b>	<b>14,32,53,486</b>
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax expense of Discounting Operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
<b>XV. Profit/(Loss) for the period (XI + XIV)</b>		<b>(11,54,22,771)</b>	<b>14,32,53,486</b>
XVI. Earning per equity share:			-
(1) Basic		(2.72)	3.38
(2) Diluted		(2.72)	3.38

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  
30-05-2017

Sd/-  
**P. PRABHAKAR REDDY**  
Managing Director

**FOR VICEROY HOTELS LIMITED**

Sd/-  
**P. CHAKRADHAR REDDY**  
Director



## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2017

S.NO	PARTICULARS	AS ON 31-03-2017 ( ₹ )	AS ON 31-03-2016 ( ₹ )
<b>NOTE NO. 1 : SHARE CAPITAL</b>			
<b>A Equity Share Capital</b>			
(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
	<b>Total Authorised Share Capital</b>	<b>55,00,00,000</b>	<b>55,00,00,000</b>
(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 : Per Equity Share Rs. 10/-</u>			
<u>Per Preference Share Rs. 100/-</u>			
	<b>Total Equity Share capital</b>	<b>42,40,52,240</b>	<b>42,40,52,240</b>
<b>B A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</b>			
(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
<b>C Details of Shareholder holding more than 5% shares of the Company:</b>			
(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	40,39,351	9.53	9.53
(3) Crest Logistics And Engineers Pvt. Ltd.	25,00,000	25,00,000	5.90	5.90

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2017

S.NO	PARTICULARS	AS ON 31-03-2017 ( ₹ )	AS ON 31-03-2016 ( ₹ )
<b>NOTE NO. 2 : RESERVES AND SURPLUS</b>			
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		-	-
<b>Sub Total</b>		<b>74,33,996</b>	<b>74,33,996</b>
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		-	-
<b>Sub Total</b>		<b>1,71,77,85,670</b>	<b>1,71,77,85,670</b>
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		-	-
<b>Sub Total</b>		<b>5,00,00,000</b>	<b>5,00,00,000</b>
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		-	-
<b>Sub Total</b>		<b>3,20,25,000</b>	<b>3,20,25,000</b>
f) Surplus :			
i) Opening Balance - Profit and Loss Account		(1,31,87,19,443)	(1,46,19,72,924)
Add: Transfer from Profit & Loss Account		(11,54,22,771)	14,32,53,486
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		-	-
<b>Sub Total</b>		<b>(1,43,41,42,214)</b>	<b>(1,31,87,19,439)</b>
<b>Total Reserves and Surplus</b>		<b>38,10,21,882</b>	<b>49,64,44,657</b>

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2017

S.NO	PARTICULARS	AS ON 31-03-2017 ( ₹ )	AS ON 31-03-2016 ( ₹ )
<b>NOTE NO. 3 : LONG TERM BORROWINGS</b>			
	<b>Long Term borrowings</b>		
a)	Bonds/Debentures	42,50,00,000	42,50,00,000
	Secured (500 NCDs, Face Value - Rs. 10,00,000/-, 14% Interest)		
		<b>42,50,00,000</b>	<b>42,50,00,000</b>
b) i)	Term Loans		
	From Banks & ARCIL	1,70,29,87,747	1,71,84,29,652
	From IARC & EARC	15,91,60,000	18,61,60,000
	From Others	32,59,57,703	35,79,99,171
	<b>Sub Total</b>	<b>2,18,81,05,450</b>	<b>2,26,25,88,823</b>
ii)	Un Secured Loans		
	From Related Parties	57,37,500	57,37,500
	From Others	81,30,27,813	94,67,38,590
	<b>Sub Total</b>	<b>81,87,65,313</b>	<b>95,24,76,090</b>
	<b>Total Long Term Borrowings</b>	<b>3,43,18,70,763</b>	<b>3,64,00,64,913</b>
<b>NOTE NO. 4 : DEFERRED TAX LIABILITY ( NET )</b>			
	Opening Deferred Tax Liability	16,93,98,322	17,07,47,812
	Add: Deferred Tax Liability for the year ( Due to SLM and WDV Difference )	90,90,589	(13,49,491)
	Deferred Tax Liability for the year ( Due to Others )	-	-
	<b>Gross Deferred tax Liability</b>	<b>17,84,88,911</b>	<b>16,93,98,322</b>
<b>NOTE NO. 5 : OTHER LONG TERM LIABILITIES</b>			
a)	Trade Payables & Others		
	Advance from Customers	99,42,731	1,12,51,674
	<b>Total Long Term Liabilities</b>	<b>99,42,731</b>	<b>1,12,51,674</b>
<b>NOTE NO. 6 : SHORT TERM BORROWINGS.</b>			
	<b>Short term borrowings</b>		
a)	Cash Credits and Working Capital Demand Loan from Banks		
	- Secured	3,30,06,154	1,82,47,973
b)	Advances Payable	-	-
c)	Other Short term borrowings	-	-
	<b>Total Short Term Borrowings</b>	<b>3,30,06,154</b>	<b>1,82,47,973</b>

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2017

S.NO	PARTICULARS	AS ON 31-03-2017 ( ₹ )	AS ON 31-03-2016 ( ₹ )
<b>NOTE NO. 7 : TRADE PAYABLES</b>			
a) Trade Payables(creditors)		17,22,22,064	16,67,84,329
	<b>Total Trade Payables</b>	<b>17,22,22,064</b>	<b>16,67,84,329</b>
<b>NOTE NO. 8 : OTHER CURRENT LIABILITIES</b>			
a) Current maturities of long term debt		-	-
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.		1,97,60,64,155	1,62,60,59,673
(e) Deposits		23,08,732	23,08,732
f) Other Payables ( Specify the nature.)			
(i) Rent Payable		-	-
(ii) Audit Fee Payable		28,36,660	23,76,660
(iii) Electricity Charges Payable		7,50,055	7,91,597
(iv) Bonus Payable		6,46,903	6,46,903
(v) Statutory Liabilities		6,06,93,531	5,88,45,281
(vi) PF & ESI Payable		17,63,493	19,17,192
(vii) Salaries Payable		91,02,962	67,48,884
(viii) Spirit to serve charity fund		3,18,281	4,04,387
(ix) Other Payable (WCT Payable), Ser. Tax Payable		2,45,627	2,40,045
(x) Other creditors		22,03,75,285	22,51,59,147
	<b>Total Other Current Liabilities</b>	<b>2,27,89,65,733</b>	<b>1,92,93,58,550</b>
<b>NOTE NO. 9 : SHORT TERM PROVISIONS</b>			
a) Provisions for employee benefits			
Provision for Gratuity		1,43,92,841	1,40,33,367
Provision for Bonus		39,58,682	38,00,864
Provision for Management Deferred License		8,71,47,680	17,70,55,745
Provision for accruals		1,65,10,241	1,92,79,089
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		1,26,25,536	1,20,06,091
	<b>Total Short Term Provisions</b>	<b>13,60,87,498</b>	<b>22,76,27,674</b>

## NOTE NO 10 : FIXED ASSETS :

DESCRIPTION OF ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Block As at 01-04-2016	Additions During the Year	Sales During the year	Total Cost as at 31-03-2017	Upto 31-03-2016	Transfer to Retained Earnings	For the year	Adjustments during the year	Total as at 31-03-2017	As on 31-03-2017	As on 31-03-2016
Land	14,18,96,580	-	-	14,18,96,580	-	-	-	-	-	14,18,96,580	14,18,96,580
Building	1,62,77,76,035	-	-	1,62,77,76,035	55,94,22,609	-	1,99,19,546	-	57,93,42,155	1,04,84,33,880	1,06,83,53,426
Furniture & Fixtures	37,69,80,752	-	-	37,69,80,752	34,42,73,915	-	81,97,543	-	35,24,71,458	2,45,09,294	3,27,06,837
Air Conditioners	16,04,27,348	-	-	16,04,27,348	14,53,30,010	-	42,33,982	-	14,95,63,992	1,08,63,356	1,50,97,338
Electrical Fittings	19,94,81,641	-	-	19,94,81,641	16,05,34,800	-	1,10,41,338	-	17,15,76,138	2,79,05,503	3,89,46,841
Vehicles	7,44,09,436	11,31,136	57,60,797	6,97,79,775	3,54,56,438	-	72,35,847	-	4,26,92,285	2,70,87,490	3,89,52,998
Plant and machinery	8,60,23,299	-	-	8,60,23,299	4,12,14,133	-	46,37,045	-	4,58,51,178	4,01,72,121	4,48,09,166
Generator	13,65,000	-	-	13,65,000	12,35,913	-	60,837	-	12,96,750	68,250	1,29,087
Misc. Fixed Asset	38,54,03,178	-	-	38,54,03,178	35,67,11,931	-	41,82,282	-	36,08,94,214	2,45,08,964	2,86,91,247
Total	3,05,37,63,269	11,31,136	57,60,797	3,04,91,33,608	1,64,41,79,748	-	5,95,08,421	-	1,70,36,88,169	1,34,54,45,439	1,40,95,83,521
Previous Year	3,08,51,63,519	-	3,14,00,250	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

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2017

S.NO	PARTICULARS	AS ON 31-03-2017 ( ₹ )	AS ON 31-03-2016 ( ₹ )
<b>NOTE NO. 11 : NON- CURRENT INVESTMENTS</b>			
	<b>Non- Current Assets</b>		
	1) Investment in Subsidiaries		
	a) Equity Shares		
	<b>Unquoted</b>		
	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	3,18,00,000
	<b>Sub Total</b>	<b>18,89,62,420</b>	<b>18,89,62,420</b>
	2) Investments in Associate		
	a) Equity Shares		
	<b>Unquoted</b>		
	80,12,244 Shares of Rs.10/- each in Viceroy Bangalore Hotels Pvt. Ltd	65,09,91,806	64,91,91,776
	<b>Sub Total</b>	<b>65,09,91,806</b>	<b>64,91,91,776</b>
	<b>Total Non Current Investments</b>	<b>83,99,54,226</b>	<b>83,81,54,196</b>
<b>NOTE NO. 12: LONG TERM LOANS AND ADVANCES</b>			
	<b>Capital Advances</b>		
	Secured, Considered Good	-	-
	Unsecured, Considered Good	94,11,45,657	74,20,64,496
	<b>Sub Total</b>	<b>94,11,45,657</b>	<b>74,20,64,496</b>
	<b>Security Deposit</b>		
	Secured, Considered Good	2,10,22,487	1,93,30,882
	Unsecured, Considered Good	16,54,996	16,54,996
	<b>Sub Total</b>	<b>2,26,77,483</b>	<b>2,09,85,878</b>
	<b>Loans &amp; Advances</b>		
	Subsidiary / Associate Company Advances	16,45,96,085	37,84,40,852
	Secured, Considered Good	-	-
	Other Advances	30,00,000	-
	<b>Sub Total</b>	<b>16,75,96,085</b>	<b>37,84,40,852</b>
	Secured, Considered Good	-	-
	Loans Receivable	75,54,639	63,87,743

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2017

S.NO	PARTICULARS	AS ON 31-03-2017 ( ₹ )	AS ON 31-03-2016 ( ₹ )
	Other Advances	4,62,85,230	20,93,96,459
	Advances Recoverable in Cash or in kind	18,45,879	18,45,879
	<b>Sub Total</b>	<b>5,56,85,748</b>	<b>21,76,30,081</b>
	<b>Total Long Term Loans and Advances</b>	<b>1,18,71,04,974</b>	<b>1,35,91,21,308</b>

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

Unamortised Expenses	-	-
Rent Receivable	-	-
Other Non Current Assets	-	-
Other Current Assets	2,41,34,151	2,74,42,536
<b>Total</b>	<b>2,41,34,151</b>	<b>2,74,42,536</b>

### NOTE NO. 14 : INVENTORIES

#### a) Finished goods

(i) Food Inventory	21,92,592	25,77,813
(ii) Beverage Inventory	79,46,213	89,48,493
(iii) Linen Inventory	-	-
(iv) General Inventory	-	-
(v) Printing & Stationery	-	-
(vi) Tobacco Inventory	1,57,000	1,72,377
(vii) Diesel Inventory	-	-

<b>Total Inventories</b>	<b>1,02,95,805</b>	<b>1,16,98,683</b>
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### NOTE NO. 15 : TRADE RECEIVABLES

#### Other Receivables:

Secured, Considered Good	-	-
Unsecured, Considered Good	10,89,63,397	22,23,45,459
<b>Total Trade Receivables</b>	<b>10,89,63,397</b>	<b>22,23,45,459</b>

### NOTE NO. 16 : CASH AND BANK BALANCES

#### Cash and cash equivalents :

##### a) Balances with banks :

1) On Current Accounts	1,11,18,682	(57,24,985)
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b) Cash on hand	23,34,131	31,73,654
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<b>Sub total</b>	<b>1,34,52,813</b>	<b>(25,51,332)</b>
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<b>Total Cash and Cash Equivalents</b>	<b>1,34,52,813</b>	<b>(25,51,332)</b>
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## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2017

S.NO	PARTICULARS	Year Ended 31-03-2017 (₹)	Year Ended 31-03-2016 (₹)
<b>NOTE NO. 17 : SHORT TERM LOANS OR ADVANCES</b>			
	<b>Secured, Considered Good</b>		
	Loans or Advances to Employees	7,31,645	7,31,645
	Prepaid Expense	5,93,37,219	4,38,63,191
	Advances to related parties	-	-
	Advances Recoverable in Cash or in kind	93,85,702	74,94,768
	<b>Total Short Term Loans and Advances</b>	<b>6,94,54,566</b>	<b>5,20,89,604</b>
<b>NOTE NO. 18 : REVENUE FROM OPERATIONS</b>			
	<b>Revenue from operations in respect of non-finance Company</b>		
	(a) Sale of Products	75,04,55,382	75,43,44,187
	(b) Sale of Services	3,19,61,699	3,53,58,055
	(c) Other Operating Revenues	4,90,17,021	5,25,19,113
	(d) Rebates	-	-
	(e) Less: Rebates	-	-
	<b>Total Revenue from Operations</b>	<b>83,14,34,102</b>	<b>84,22,21,355</b>
<b>NOTE NO. 19 : OTHER INCOME</b>			
	(a) Interest income	26,39,220	57,89,428
	(b) Dividend Income	-	-
	(c) Other non-operating income	3,37,33,178	3,96,090
	(d) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)	6,01,162	(4,00,827)
	<b>Total Other Income</b>	<b>3,69,73,560</b>	<b>57,84,691</b>
<b>NOTE NO. 20 : COST OF MATERIALS</b>			
	<b>Food &amp; Beverages</b>		
	Opening Stock	1,16,98,683	86,39,360
	Add : Purchases During the year	11,57,86,489	11,22,57,981
	Less : Closing Stock	1,02,95,805	1,16,98,683
	<b>Total Cost of Material Consumed</b>	<b>11,71,89,367</b>	<b>10,91,98,658</b>
<b>NOTE NO. 21 : EMPLOYEE BENEFIT EXPENSES</b>			
	(a) Salaries & Wages	19,29,74,976	16,01,60,238
	(b) Contribution to Provident & Other Funds	1,03,38,088	1,07,85,193
	(c) Managerial Remuneration	-	-
	(d) Staff Welfare Expenses	13,166	41,304
	<b>Total Employee Benefit Expenses</b>	<b>20,33,26,230</b>	<b>17,09,86,735</b>



## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2017

S.NO	PARTICULARS	Year Ended 31-03-2017 (₹)	Year Ended 31-03-2016 (₹)
<b>NOTE NO. 22 : OTHER OPERATING EXPENSES</b>			
	(a) Power & Fuel	8,83,88,699	9,40,64,276
	(b) Repairs to Building	8,90,444	9,32,852
	(c) Insurance	24,66,476	27,43,259
	(d) Rates & Taxes (excluding Income Tax)	26,87,351	29,11,987
	(e) Miscellaneous Expenditure	1,45,47,374	1,49,66,255
	(f) Payment to Auditors:	-	-
	(i) As Auditor	4,60,000	4,58,000
	(g) Net loss on foreign currency transaction	-	-
	(h) Reservation Expenses	-	-
	(i) Water Charges	-	-
	(j) Net loss on sale of Assets	-	-
	(k) Rental Expenses	42,01,372	76,77,036
	(l) Repairs & maintenance	3,18,23,786	1,71,13,267
	(m) Other Operating Expense	-	-
	<b>Total Other Expenses</b>	<b>14,54,65,502</b>	<b>14,08,66,932</b>
<b>NOTE NO. 23 : ADMINISTRATIVE EXPENSES</b>			
	(a) Telephone, Postage and Others	38,27,603	24,52,705
	(b) Business Promotion Expenses	8,34,75,150	8,89,88,163
	(c) Conveyance	1,43,47,208	1,38,40,237
	(d) Office Maintenance	9,30,744	19,99,704
	(e) Printing & Stationery Expenses	10,95,779	6,88,679
	(f) Consultancy Charges	9,17,491	4,45,631
	(g) Fright expenses & Transportation Expenses	-	-
	(h) Laundry expenses	84,94,347	80,08,483
	(i) License Fee	-	-
	(j) Director Sitting Fee	1,70,000	2,00,000
	(k) Royalty Fee	-	-
	(l) Bad debts written off	6,19,445	2,76,532
	(m) Other Administrative Expenses	-	-
	<b>Total Administrative Expenses</b>	<b>11,38,77,767</b>	<b>11,69,00,134</b>
<b>NOTE NO. 24 : FINANCE COST</b>			
	(a) Interest Expenses		
	- Interest on Term loans	19,07,28,723	18,31,74,226
	- Interest on Axis Bank - NCD'S	5,94,99,999	5,96,63,012
	- Interest on Unsecured Loan	81,000	90,000
	- Loan processing Charges & Bank Charges	4,59,045	3,08,502
	- Interest on OD	-	-
	- Interest on TDS	-	-
	(b) Credit Card commission	48,13,417	51,10,817
	<b>Total Finance Cost</b>	<b>25,55,82,184</b>	<b>24,83,46,556</b>

## 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 11 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 on-going 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	(11,54,22,771)	14,32,53,486
Weighted Average Number of Shares Considered	4,24,05,224	4,24,05,224
EPS	(2.72)	3.38

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

Particulars	Current Year Rs.	Previous Year Rs.
Deferred Tax Liability/(Asset)	90,90,589	(13,49,491)

### 27. Auditors Remuneration:

Particulars	Current Year Rs.	Previous Year Rs.
Audit Fees Including Service Tax	4,60,000	4,58,000

28. According to the information available with the Company, there are no amounts as at 31st March, 2017, due to suppliers who constitute a "small industrial undertaking".

### 29. Contingent Liabilities not provided for in respect of:-

- Corporate Guarantee given to subsidiary company M/s.Crustum Products Pvt Ltd for Rupee Term Loan of Rs.1.31Crores Sanctioned by Oriental Bank of Commerce.
- The company is having Income Tax liability A.Y 2014-15 of amount Rs.67,48,29,450/- in Income Tax Appeals.

### 30. Expenditure in Foreign Currency:

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Royalties & Others	8.85	5.21

### 31. 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	18.52	14.08

### 32. 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.,

**33. Following are the amount outstanding and due to banks and other institutions:**
**Amount in Crores (Rs.)**

NAME OF THE BANK INSTITUTION			PRINCIPLE DUE	INTEREST DUE	TOTAL DUES
ARCIL	Principal	Interest	<b>131.68</b>	<b>92.93</b>	<b>224.61</b>
Axis Bank Ltd- NCDs	42.50	32.67			
IDFC Ltd	69.18	45.99			
Axis Bank Ltd	20.00	14.27			
IARC LTD			13.58	19.23	32.81
State Bank of India			56.76	50.55	107.31
Canara Bank			24.30	34.81	59.11
<b>Total</b>			<b>226.32</b>	<b>197.52</b>	<b>423.84</b>

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

**34. 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
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 (Rs.)**

Particulars	Subsidiaries	Associate	Others	Total
Loans & Advances given	-	-	0.43	0.43
Investments	-	0.18	-	0.18
Loans or Advances Taken		-	0.68	0.68

### 35. 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, Minerva, Himayath Nagar,Hyderabad
	<b>Total</b>	<b>23,200.63</b>	

- Properties mentioned in S.No.1 to 4 are originally in the name of M/s.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 M/s.Krishna Cold Drinks Pvt Ltd (the then name of M/s.Viceroy Hotels Limited). Subsequently company changes its name several times i.e. from M/s.Krishna Cold Drinks Private Limited to M/s.ShriKishna Bottlers Private Limited and further as M/s.Palace Heights Private Limited  
Palace Heights Private Limited was converted as public limited Company namely M/s.Palace Heights Hotels Public Limited and finally became M/s.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 M/s.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



### 36. Disclosure on Specified Bank Notes:

During the year, the Company had Specified Bank Notes(SBN's) or other denomination notes as defined in the MCA notifications, G.S.R. 308(E), dated March 31, 2017. The details of SBN's held and transactions during the period from November 8, 2016 to December 31, 2016, the denomination wise SRN's and other notes as per the notification are as follows:

Particulars	SBNs	Other denomination Notes	Total
Closing cash in hand as on November 8th 2016	Nil	7,00,708	7,00,708
Add : Permitted receipts	Nil	1,95,000	1,95,000
Less : Permitted payments	Nil	43,939	43,939
Less: Amount deposited in banks	Nil	5,66,500	5,66,500
Closing cash in hand as on 30th December 2016	Nil	2,85,269	2,85,269

37. 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.
38. The company is not having company secretary as at year end.
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

30-05-2017

**FOR VICEROY HOTELS LIMITED**

Sd/-

**P. PRABHAKAR REDDY**

Managing Director

Sd/-

**P. CHAKRADHAR REDDY**

Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

PARTICULARS	Current Year (₹)	Previous Year (₹)
<b>I. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit Before Tax	(10,63,32,182)	14,19,03,995
<b>Adjustments for :</b>		
Depreciation	5,95,08,421	10,53,70,394
Financial Cost	25,55,82,184	24,83,46,556
Extraordinary Items	7,97,90,375	(18,55,67,359)
<b>Operating cash flow before working capital changes</b>	<b>28,85,48,797</b>	<b>31,00,53,587</b>
(Increase) / Decrease in Inventory	14,02,878	(30,59,323)
(Increase) / Decrease in Trade Receivables	11,33,82,063	70,76,654
(Increase) / Decrease in Short Term Loans & Advances	(1,73,64,962)	(54,10,484)
(Increase) / Decrease in other current assets	-	1,60,000
(Increase) / Decrease in Other Non-Current Assets	33,08,385	(9,76,614)
Increase / (Decrease) in Short Term Borrowing	1,47,58,181	(42,35,203)
Increase / (Decrease) in Trade Payables	54,37,735	1,24,27,784
Increase / (Decrease) in Other Current Liabilities	34,96,07,183	(8,08,85,863)
Increase / (Decrease) in Short Term Provisions	(9,15,40,176)	1,15,24,778
Misc Exps		
<b>CASH GENERATED FROM OPERATIONS</b>	<b>66,75,40,079</b>	<b>24,66,75,316</b>
Less : Income Tax Paid	-	-
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>66,75,40,079</b>	<b>24,66,75,316</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed Assets	(11,31,136)	(32,390)
Sale of fixed Assets		
Capital Work in Progress, Pre-operative Expenses	(61,51,50,637)	(21,84,40,458)
Investment	2,98,99,970	(94,91,499)
Adjustments of fixed Assets	-	-
(Increase) / Decrease in Long Term Loans & Advances	17,20,16,333	87,80,061
<b>NET CASH AVAILABLE FROM INVESTING ACTIVITIES</b>	<b>(41,43,65,470)</b>	<b>(21,91,84,286)</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Share Capital	-	-
(Repayment)/Borrowing of Loan	(20,81,94,150)	(5,04,20,120)
Share Premium and Capital Reserve	-	-
Interest Paid	(2,76,67,378)	(55,09,318)
Increase / (Decrease) in Other Long Term Liabilities	(13,08,943)	(48,71,525)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(23,71,70,471)</b>	<b>(6,08,00,963)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,60,04,138</b>	<b>(3,33,09,933)</b>
Add : Opening balance of Cash & Cash equivalents	(25,51,331)	3,07,58,601
<b>Closing balance of Cash &amp; Cash equivalents</b>	<b>1,34,52,813</b>	<b>(25,51,331)</b>

AS PER OUR REPORT OF EVEN DATE

**FOR P. MURALI & CO.,**

Chartered Accountants  
Firm's Regn. No. : 007257S

**FOR VICEROY HOTELS LIMITED**

Sd/-

**M V JOSHI**

Partner

Membership No. 024784

Hyderabad

30-05-2017

Sd/-

**P. PRABHAKAR REDDY**

Managing Director

Sd/-

**P. CHAKRADHAR REDDY**

Director

## 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 31<sup>st</sup> March, 2017. 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 31<sup>st</sup> March, 2017 to the members of the Company.

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

Place : Hyderabad  
Date : 30-05-2017

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

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

**To the Members of M/s. 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, 2017, 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 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 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 2017, 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 profit aggregate Rs.2,47,25,628/-. 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, 2017 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, 2017 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, 2017 on the consolidated financial position of the Group.
    - 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.
    - iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in SBN's during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the company.

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

Place : Hyderabad  
 Date: 30-05-2017

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, 2017.**

### **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, 2017, we have audited the internal financial controls over financial reporting of M/s Viceroy Hotels Limited ('the Holding Company') 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 2017, 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: 30-05-2017

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

Sd/-  
**M V Joshi**  
**Partner**  
Membership No 024784

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

PARTICULARS	Note No.	AS ON 31-03-2017 ( ₹ )	AS ON 31-03-2016 ( ₹ )
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	42,40,52,240	42,40,52,240
(b) Reserves and Surplus	2	1,20,40,84,380	1,22,93,82,432
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	4,60,45,69,466	4,85,90,27,554
(b) Deferred Tax Liabilities (Net)	4	20,14,78,532	19,36,06,000
(c) Other Long Term Liabilities	5	99,42,731	1,12,51,674
(d) Long Term Provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6	3,55,26,216	2,04,20,716
(b) Trade Payables	7	23,21,63,636	22,59,30,809
(c) Other Current Liabilities	8	2,42,45,58,349	2,00,52,09,273
(d) Short-Term Provisions	9	13,67,67,948	22,79,06,062
<b>Total</b>		<b>9,27,31,43,499</b>	<b>9,19,67,86,760</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	1,87,34,83,141	1,95,32,13,953
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		4,36,56,21,230	4,08,44,49,663
(iv) Intangible assets under development		-	-
(b) Non-current investments*	11	1,29,88,51,128	1,35,36,25,344
(c) Deferred tax assets (net)	4	-	-
(d) Long Term Loans and advances	12	1,29,24,90,510	1,34,38,06,477
(e) Other Non-Current assets	13	5,12,31,712	45,13,619
<b>(2) Current assets</b>			
(a) Current investments		-	-
(b) Inventories	14	1,70,74,168	1,90,11,998
(c) Trade receivables	15	12,20,48,836	23,64,58,065
(d) Cash and Bank Balances	16	4,22,98,669	1,18,21,089
(e) Short-Term Loans and Advances	17	18,56,81,659	16,23,28,680
(f) Other Current assets	18	2,43,62,447	2,75,57,872
<b>Total</b>		<b>9,27,31,43,499</b>	<b>9,19,67,86,760</b>

Significant Accounting Policies & Notes on Accounts (1 to 42)

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

30-05-2017

\*Investment in Viceroy Bangalore Hotels Pvt Ltd - Associate 80,12,244 shares of Rs.10. each fully paid (Goodwill-Rs.56,91,32,773/-)

**FOR VICEROY HOTELS LIMITED**

Sd/-

**P. PRABHAKAR REDDY**

Managing Director

Sd/-

**P. CHAKRADHAR REDDY**

Director



## CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

PARTICULARS	Note No.	Year Ended 31-03-2017 (₹)	Year Ended 31-03-2016 (₹)
I. Revenue from Operations	19	1,24,41,35,274	1,24,11,57,929
II. Other Income	20	3,88,81,994	62,85,190
<b>III. Total Revenue (I +II)</b>		<b>1,28,30,17,268</b>	<b>1,24,74,43,119</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	21	29,06,78,031	27,18,29,166
Employee Benefit expenses	22	29,82,29,151	27,75,95,884
Other Operating Expenses	23	23,10,90,922	21,87,03,340
Administrative Expenses	24	17,58,03,267	15,13,55,648
Financial costs	25	27,95,31,481	27,04,27,634
Depreciation and amortization expense	10	8,83,88,367	13,39,85,139
<b>Total Expenses</b>		<b>1,36,37,21,219</b>	<b>1,32,38,96,811</b>
<b>V. Profit before exceptional and extraordinary items and tax ( III - IV)</b>		<b>(8,07,03,951)</b>	<b>(7,64,53,692)</b>
VI. Exceptional Items		-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>(8,07,03,951)</b>	<b>(7,64,53,692)</b>
VIII. Extraordinary Items		(7,97,90,375)	18,55,67,359
<b>IX. Profit Before Tax (VII - VIII)</b>		<b>(16,04,94,326)</b>	<b>10,91,13,667</b>
X. Tax expense:			
(1) Current tax		4,02,062	-
(2) Deferred tax		95,89,369	2,66,543
<b>XI. Profit(Loss) from the period from Continuing Operations ( VII - VIII)</b>		<b>(17,04,85,757)</b>	<b>10,93,80,210</b>
Share of profit of Associate		2,47,25,628	(74,92,549)
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax expense of Discounting Operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
<b>XV. Profit/(Loss) for the period (XI + XIV)</b>		<b>(14,57,60,129)</b>	<b>10,18,87,661</b>
XVI. Earning per equity share:			
(1) Basic		(3.44)	2.40
(2) Diluted		(3.44)	2.40

Significant Accounting Policies & Notes on Accounts (1 to 42)

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  
30-05-2017

**FOR VICEROY HOTELS LIMITED**

Sd/-  
**P. PRABHAKAR REDDY**  
Managing Director

Sd/-  
**P. CHAKRADHAR REDDY**  
Director

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2017

S.NO	PARTICULARS	AS ON 31-03-2017 (₹)	AS ON 31-03-2016 (₹)
<b>NOTE NO. 1 : SHARE CAPITAL</b>			
<b>A Share Capital</b>			
(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
	<b>Total Authorised Share Capital</b>	<b>55,00,00,000</b>	<b>55,00,00,000</b>
(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/-		
	<b>Total Equity Share capital</b>	<b>42,40,52,240</b>	<b>42,40,52,240</b>

**B 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	40,39,351	9.53	9.53
(3) Crest Logistics & Engineers Pvt Ltd	25,00,000	25,00,000	5.90	5.90

**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	-	-
<b>Sub -Total</b>	<b>74,33,996</b>	<b>74,33,996</b>

**b) Securities Premium Reserve**

As at the commencement of the year	2,44,78,87,294	2,35,48,71,862
Add: Additions during the year	16,99,03,826	9,30,15,433
Less: Utilised during the year	-	-
<b>Sub -Total</b>	<b>2,61,77,91,121</b>	<b>2,44,78,87,294</b>

### Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2017

S.NO	PARTICULARS	AS ON 31-03-2017 ( ₹ )	AS ON 31-03-2016 ( ₹ )
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	-	-
	<b>Sub -Total</b>	<b>5,00,00,000</b>	<b>5,00,00,000</b>
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	-	-
	<b>Sub -Total</b>	<b>3,20,25,000</b>	<b>3,20,25,000</b>
g)	Surplus :		
i)	Opening Balance - Profit and Loss Account	1,51,10,85,166	(1,31,58,73,780)
	Add: Transfer from Profit & Loss Account	(17,04,85,757)	10,93,80,210
	Add:	-	-
	Less: Retained earning	2,47,25,628	-
	Less: Goodwill Written Off	-	-
	Less: Transitional effect of change in the useful live of assets, as per the provisions of schedule II of the Companies Act 2013	-	-
	<b>Sub -Total</b>	<b>(1,31,58,83,290)</b>	<b>(1,42,52,63,500)</b>
	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	-	-
	<b>Total Reserves and Surplus</b>	<b>1,20,40,84,380</b>	<b>1,22,93,82,432</b>

### 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 )		
	(2,00,000 NCDs, Face Value - Rs 1000/- to EARC )	20,00,00,000	6,00,00,000
	<b>Sub -Total</b>	<b>62,50,00,000</b>	<b>48,50,00,000</b>

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2017

S.NO	PARTICULARS	AS ON 31-03-2017 ( ₹ )	AS ON 31-03-2016 ( ₹ )
b) i) Term Loans			
	From Banks and Financial Institutions	2,66,51,87,747	2,68,89,29,652
	From IARC, EARC & TFCI	15,91,60,000	18,61,60,000
	From Others	36,20,28,435	39,40,69,903
	<b>Sub -Total</b>	<b>3,18,63,76,182</b>	<b>3,26,91,59,555</b>
ii) Un Secured Loans			
	From Banks	7,59,05,822	7,42,39,213
	From Others	71,72,87,463	1,03,06,28,786
	<b>Sub -Total</b>	<b>79,31,93,284</b>	<b>1,10,48,67,999</b>
	<b>Total Long Term Borrowings</b>	<b>4,60,45,69,466</b>	<b>4,85,90,27,554</b>

### NOTE NO. 4 : DEFERRED TAX LIABILITY ( NET )

Opening Deferred tax Liability	19,36,06,000	19,38,72,543
Add: Deferred Tax Liability for the year ( Due to SLM and WDV Difference )	95,89,369	(2,66,543)
Deferred Tax Liability for the year ( Due to Others )	-	-
<b>Deferred Tax Liability</b>	<b>20,14,78,532</b>	<b>19,36,06,000</b>
<b>Deferred Tax Liability/ ( Asset ) - Net</b>	<b>20,14,78,532</b>	<b>19,36,06,000</b>

### NOTE NO. 5 : OTHER LONG TERM LIABILITIES

a) Trade Payables & Others		
- Advance from Customers	99,42,731	1,12,51,674
- Other Liabilities	-	-
b) Others	-	-
<b>Total Long Term Liabilities</b>	<b>99,42,731</b>	<b>1,12,51,674</b>

### NOTE NO. 6 : SHORT TERM BORROWINGS.

#### Short term borrowings

a) Cash Credits and Working Capital Demand Loan from Banks		
- Secured	3,55,26,216	2,04,20,716
b) b) Other Loans repayable on demand	-	-
<b>Total Short Term Borrowings</b>	<b>3,55,26,216</b>	<b>2,04,20,716</b>

### NOTE NO. 7 : TRADE PAYABLES

I. a) Trade Payables	22,97,06,676	22,34,79,403
b) Acceptances	24,56,960	24,51,406
c) Dues to Micro & Small Medium Enterprises	-	-
<b>Total Trade Payables</b>	<b>23,21,63,636</b>	<b>22,59,30,809</b>

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2017

S.NO	PARTICULARS	AS ON 31-03-2017 ( ₹ )	AS ON 31-03-2016 ( ₹ )
<b>NOTE NO. 8 : OTHER CURRENT LIABILITIES</b>			
I. a)	Current maturities of long term debt	-	-
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.	2,02,41,38,211	1,63,42,06,451
e)	Deposits	23,08,732	23,08,732
f)	Other Payables	-	-
(i).	Rent payable	1,80,75,390	1,40,05,243
(ii).	Audit fee Payable	92,87,320	79,17,650
(iii).	Electricity Charges Payable	27,40,460	19,95,296
(iv).	Bonus Payable	6,46,903	6,46,903
(v)	Statutory Liabilities	9,40,48,834	8,72,66,882
(vi)	PF & ESI Payable	53,86,388	53,59,937
(vii)	Salaries Payable	1,86,53,316	1,27,95,986
(viii)	other Payable	1,93,01,926	39,57,043
(ix)	other creditors	22,06,20,912	22,53,99,192
(x)	Royalty Payable	54,89,908	54,89,908
<b>Total Other Current Liabilities</b>		<b><u>2,42,45,58,349</u></b>	<b><u>2,00,52,09,273</u></b>

## NOTE NO. 9 : SHORT TERM PROVISIONS

I. a)	Provisions for employee benefits		
	Provision for Gratuity	1,43,92,841	1,40,33,367
	Provision for bonus	39,58,682	38,00,864
	Provision for Management deferred license	8,71,47,680	17,70,55,745
	Provision for Accruals	1,65,10,241	1,92,79,089
b)	Others		
	Provision for income tax	20,58,049	16,55,987
	Provision for MAT	-	-
	Provision for FBT	74,919	74,919
	provision for Bad & Doubtful debts	1,26,25,536	1,20,06,091
<b>Total Short Term Provisions</b>		<b><u>13,67,67,948</u></b>	<b><u>22,79,06,062</u></b>

# CONSOLIDATED FINANCIALS

## NOTE NO 10 : FIXED ASSETS :

DESCRIPTION	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As on 01-04-2016	Additions During the Year	Sale / Deletions During the year	as on 31-03-2017	Dep. as on 01-04-2016	Dep. for the year 2016-17	Transfer to Retained Earnings	Adjustments During the Year	Total Depreciation	As on 31-03-2017	As on 31-03-2016
Land	37,51,39,389		-	37,51,39,389	-	-	-	-	-	37,51,39,389	37,51,39,389
Building	1,73,59,22,871		-	1,73,59,22,871	58,76,50,798	2,13,71,597	-	-	60,90,22,395	1,12,69,00,476	1,14,82,72,073
Furniture & Fixtures	49,07,03,071	20,95,564		49,27,98,635	39,47,01,379	1,81,46,693	-	-	41,28,48,073	7,99,50,563	9,60,01,692
Air Conditioners	16,04,27,348			16,04,27,348	14,53,30,010	42,33,982	-	-	14,95,63,992	1,08,63,356	1,50,97,338
Electrical Fittings	21,91,32,677	2,62,565		21,93,95,241	16,78,40,731	1,24,61,803	-	-	18,03,02,534	3,90,92,707	5,12,91,946
Vehicles	8,81,34,566	11,31,136	57,60,797	8,35,04,905	4,68,54,576	84,51,188	-	-	5,15,48,648	3,19,56,257	4,12,79,990
Plant and machinery	25,39,38,684	36,63,115		25,76,01,799	11,47,71,401	1,69,65,352	-	-	13,17,36,753	12,58,65,046	13,91,67,283
Generator	13,65,000			13,65,000	12,35,914	60,837	-	-	12,96,751	68,250	1,29,086
Misc. Fixed Asset	46,19,45,917	25,98,072		46,45,43,989	37,69,10,013	57,03,149	-	-	38,26,13,162	8,19,30,827	8,50,68,296
Computers	1,13,49,055	9,43,175		1,22,92,230	95,82,194	9,93,765	-	-	1,05,75,959	17,16,271	17,66,861
TOTAL	3,79,80,58,578	1,06,93,627	57,60,797	3,80,29,91,408	1,84,48,77,016	8,83,88,367	-	-	1,92,95,08,267	1,87,34,83,141	1,95,32,13,954
PREVIOUS YEAR	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	1,76,67,53,048

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2017

S.NO	PARTICULARS	AS ON 31-03-2017 ( ₹ )	AS ON 31-03-2016 ( ₹ )
<b>NOTE NO. 11 : NON- CURRENT INVESTMENTS</b>			
	<b>Non- Current Assets</b>		
	1) Investment in Instrument	-	-
	<b>Unquoted</b>		
	80,12,244 Equity Shares of Rs.10/- each in Viceroy Bangalore Hotels Pvt.Ltd	<b>1,29,88,51,128</b>	<b>1,35,36,25,344</b>
	<b>Total Non Current Investments</b>	<b>1,29,88,51,128</b>	<b>1,35,36,25,344</b>
	Less: Provision for Diminution in Investments	-	-
	<b>Total Non - Current Assets ( Net )</b>	<b>1,29,88,51,128</b>	<b>1,35,36,25,344</b>
<b>NOTE NO. 12: LONG TERM LOANS AND ADVANCES</b>			
	<b>Capital Advances</b>		
	Secured, Considered Good	-	-
	Unsecured, Considered Good	94,11,45,657	74,20,64,496
	Less: Provision for Bad & doubtful Capital Advances	-	-
	<b>Sub Total</b>	<b>94,11,45,657</b>	<b>74,20,64,496</b>
	<b>Security Deposit</b>		
	Secured, Considered Good	9,24,91,338	1,95,07,113
	Unsecured, Considered Good	46,22,520	59,63,165
	Less: Provision for Bad & doubtful Security Deposit	-	-
	<b>Sub Total</b>	<b>9,71,13,858</b>	<b>2,54,70,278</b>
	<b>Un Secured, Considered Good</b>	-	-
	Capital Advances	-	-
	Security Deposit	-	-
	Loans Receivable	-	-
	Other Advances	-	-
	Other Loans or Advances	2,67,30,489	2,68,22,940
	<b>Sub Total</b>	<b>2,67,30,489</b>	<b>2,68,22,940</b>
	<b>Secured, Considered Good</b>	-	-
	Capital Advances	-	-
	Security Deposit	-	-
	Loans or Advances to others	6,00,09,177	6,00,09,177
	Advances for Investment	-	-
	Prepaid Expense	-	-
	Loans Receivable	-	-
	Advances Recoverable in Cash or in kind	12,43,54,450	44,63,02,707
	<b>Sub Total</b>	<b>18,43,63,627</b>	<b>50,63,11,884</b>

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2017

S.NO	PARTICULARS	AS ON 31-03-2017 ( ₹ )	AS ON 31-03-2016 ( ₹ )
<b>Doubtful</b>			
	Capital Advances	-	-
	Security Deposit	-	-
	Loans Receivable	-	-
	Advances Recoverable in Cash or in kind	4,31,36,879	4,31,36,879
	<b>Sub Total</b>	<b>4,31,36,879</b>	<b>4,31,36,879</b>
	Less: Provision for Bad & doubtful Loans & Advances to Related Party	-	-
	<b>Sub Total</b>	<b>4,31,36,879</b>	<b>4,31,36,879</b>
	<b>Total Long Term Loans and Advances</b>	<b>1,29,24,90,510</b>	<b>1,34,38,06,477</b>

### NOTE NO. 13 : OTHER NON CURRENT ASSETS

I	Unamortised Expenses	5,12,16,212	44,98,119
	Interest Accrued on Deposits	-	-
	Dividend receivable	-	-
	Interest accrued on investments	-	-
	Export incentive Receivable	-	-
	Rent receivable	15,500	15,500
	<b>Total Other Non Current Assets</b>	<b>5,12,31,712</b>	<b>45,13,619</b>

### NOTE NO. 14 : INVENTORIES

a)	(i) Finished Goods	67,78,363	73,13,315
	(ii) Food Inventory	21,92,592	25,77,813
	(iii) Beverage Inventory	79,46,213	89,48,493
	(iv) Linen Inventory	-	-
	(v) General Inventory	-	-
	(vi) Printing & stationary	-	-
	(vii) Tobacco Inventory	1,57,000	1,72,377
	(viii) Diesel Inventory	-	-
b)	Stores and spares	-	-
c)	Loose tools	-	-
d)	Others	-	-
	<b>Total Inventories</b>	<b>1,70,74,168</b>	<b>1,90,11,998</b>

### NOTE NO. 15 : TRADE RECEIVABLES

Outstanding for a period exceeding six months from the date they are due for payment

	Secured, Considered Good	1,14,90,394	1,25,17,560
	Unsecured, Considered Good	11,05,58,442	22,39,40,505
	Doubtful	-	-
	Less: Allowance for Bad & Doubtful Debts	-	-
	<b>Sub Total</b>	<b>12,20,48,836</b>	<b>23,64,58,065</b>
	<b>Total Trade Receivables</b>	<b>12,20,48,836</b>	<b>23,64,58,065</b>



## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2017

S.NO	PARTICULARS	AS ON 31-03-2017 ( ₹ )	AS ON 31-03-2016 ( ₹ )
<b>NOTE NO. 16 : CASH AND BANK BALANCES</b>			
<b>I. Cash and cash equivalents :</b>			
a) Balances with banks :		-	-
1) On Current Accounts		3,77,92,868	72,42,709
2) Margin Money		-	-
3) Bank deposits with more than 12 months maturity		-	-
b) Cash on hand		45,05,801	45,78,380
Other Bank Balances		-	-
On Deposit Accounts		-	-
1) Having Maturity more than 12 months from the date of deposit		-	-
<b>Total Cash and Cash Equivalents</b>		<b>4,22,98,669</b>	<b>1,18,21,089</b>
<b>NOTE NO. 17 : SHORT TERM LOANS AND ADVANCES</b>			
<b>Security Deposit</b>			
Secured, Considered Good		-	-
Unsecured, Considered Good		1,38,93,898	89,57,089
Doubtful		-	-
Less: Provision for Bad & doubtful Security Deposit		-	-
<b>Sub Total</b>		<b>1,38,93,898</b>	<b>89,57,089</b>
<b>Secured, Considered Good</b>			
Loans and Advances to Employees		7,04,003	7,04,003
Statutory payments		-	-
Prepaid Expense		5,93,78,435	4,39,04,407
TDS Receivable		62,45,354	52,07,682
Advances Recoverable in Cash or in kind		10,54,59,969	10,35,55,499
<b>Sub Total</b>		<b>17,17,87,761</b>	<b>15,33,71,591</b>
<b>Total Short Term Loans and Advances</b>		<b>18,56,81,659</b>	<b>16,23,28,680</b>
<b>NOTE NO. 18 : OTHER CURRENT ASSETS</b>			
I Unamortised Expenses		2,41,34,151	2,74,42,536
Interest Accrued on Deposits		1,15,337	1,15,337
Dividend receivable		-	-
Interest accrued on investments		-	-
Export incentive Receivable		1,12,959	-
<b>Total Other Current Assets</b>		<b>2,43,62,447</b>	<b>2,75,57,872</b>

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2017

S.NO	PARTICULARS	Year Ended 31-03-2017 (₹)	Year Ended 31-03-2016 (₹)
<b>NOTE NO. 19 : REVENUE FROM OPERATIONS</b>			
(i)	<b>Revenue from operations:</b>		
	(a) Sale of Products & Services	1,15,08,29,754	1,13,70,20,888
	(b) Sale of Services	3,19,61,699	3,53,58,055
	(c) Other Operating Revenues	6,13,43,821	6,87,78,986
	Less: Excise Duties	-	-
	<b>Total Revenue from Operations</b>	<b>1,24,41,35,274</b>	<b>1,24,11,57,929</b>
<b>NOTE NO. 20 : OTHER INCOME</b>			
I	(a) Interest income	39,43,384	59,26,698
	(b) (i) Dividend from subsidiary companies	-	-
	(ii) Dividend Income	-	-
	(c) Net Gain/Loss on sale of Investments	-	-
	(d) Other non-operating income	3,43,37,449	7,59,319
	(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)	6,01,162	(4,00,827)
	<b>Total Other Income</b>	<b>3,88,81,994</b>	<b>62,85,190</b>
<b>NOTE NO. 21 : COST OF MATERIALS</b>			
I	<b>Food &amp; Beverages</b>		
	Opening Stock	1,16,98,683	1,32,99,256
	Add : Purchases During the year	28,92,75,153	27,66,74,350
	Less : Closing Stock	1,02,95,805	1,81,44,440
	<b>Total Cost of Material Consumed</b>	<b>29,06,78,031</b>	<b>27,18,29,166</b>
<b>NOTE NO. 22 : EMPLOYEE BENEFIT EXPENSES</b>			
	(a) Salaries & Wages	27,98,31,420	25,90,47,671
	(b) Contribution to Provident & Other Funds	1,79,39,340	1,81,31,191
	(c) Expenses on employee stock option scheme (ESOP)	-	-
	(d) Managerial Remuneration	-	-
	(e) Staff Welfare Expenses	4,58,391	4,17,022
	<b>Total Employee Benefit Expenses</b>	<b>29,82,29,151</b>	<b>27,75,95,884</b>
<b>NOTE NO. 23 : OTHER OPERATING EXPENSES</b>			
	(a) Consumption of Stores & Spares	-	-
	(b) Power & Fuel	11,57,31,601	11,95,00,446
	(c) Rent	7,02,53,671	5,76,36,216

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2017

S.NO	PARTICULARS	Year Ended 31-03-2017 (₹)	Year Ended 31-03-2016 (₹)
	(d) Repairs to Building	8,90,444	9,32,852
	(e) Insurance	29,29,814	31,12,493
	(f) Rates & Taxes (excluding Income Tax)	2,50,68,669	2,09,11,341
	(g) Miscellaneous Expenditure	1,45,47,374	1,49,66,380
	(h) Payment to Auditors:		
	(i) As Auditor	13,78,331	13,60,370
	(i) Net loss on sale of Assets	-	-
	(j) Prior Period Items	-	-
	(k) Repairs & maintenance	-	-
	(l) other operating expenses	2,91,019	2,83,241
	<b>Total Other Expenses</b>	<b>23,10,90,922</b>	<b>21,87,03,340</b>

### NOTE NO. 24 : ADMINISTRATIVE EXPENSES

(a) Telephone, Postage and Others	48,74,640	33,76,009
(b) Business Promotion Expenses	8,42,39,481	8,91,18,705
(c) Conveyance	1,57,36,525	1,46,30,336
(d) Office Maintenance	9,30,744	19,99,704
(e) Printing & Stationery Expenses	29,32,578	24,73,777
(f) Consultancy Charges	28,68,741	23,17,131
(g) Laundry expenses	1,01,96,449	93,83,088
(h) Director Sitting Fee	1,70,000	2,00,000
(i) Bad debts written off	6,19,445	2,76,532
(j) Interest on taxes Payable	28,837	2,20,247
(k) other expenses	5,32,05,827	2,73,60,119
<b>Total Administrative Expenses</b>	<b>17,58,03,267</b>	<b>15,13,55,648</b>

### NOTE NO. 25 : FINANCE COST

(a) Interest Expenses		
- Interest on Term loans	20,60,92,539	19,61,16,780
- Interest on Axis Bank - NCD'S	5,94,99,999	5,96,63,012
- Interest on working Capital Loan	-	4,68,938
- Interest on Unsecured Loan	6,10,491	10,36,709
- Loan processing Charges & Bank Charges	34,17,146	31,29,211
(b) Other Borrowing costs	99,11,306	1,00,12,984
<b>Total Finance Cost</b>	<b>27,95,31,481</b>	<b>27,04,27,634</b>

## 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	(14,57,60,129)	10,18,87,661
Weighted Average Number of Shares Considered	4,24,05,224	4,24,05,224
EPS	(3.44)	2.40

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

Particulars	Current Year Rs.	Previous Year Rs.
Current Tax	4,02,062	-
Deferred Tax Asset	(95,89,369)	2,66,543

### 29. Auditors Remuneration:

Particulars	Current Year Rs.	Previous Year Rs.
Audit Fees Including Service Tax	13,78,331	13,60,370

30. According to the information available with the Company, there are no amounts as at 31st March, 2017, due to suppliers who constitute a "small industrial undertaking".

### 31. Contingent Liabilities not provided for in respect of:-

- Corporate Guarantee given to subsidiary company M/s.Crustum Products Pvt Ltd for Rupee term loan of Rs.1.31 Crores Sanctioned by Oriental Bank of Commerce.
- The company is having Income Tax liability A.Y 2014-15 of amount Rs.67,48,29,450/- in Income Tax Appeals.

### 32. Expenditure in Foreign Currency:

Particulars	Current Year Rs. in Crores	Previous Year Rs.in Crores
Royalties & Others	8.85	5.21

**33. 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	18.52	14.08

**34. 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, Hyderabad 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, Hyderabad, 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.,



<b>Café D Lake Private Limited</b>	
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)
<b>Crustum Products Private Limited</b>	
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 <sup>nd</sup> charge on Current and Fixed Assets of the Company and also secured by extension of collateral security of vacant land admeasuring 2926.50 sq. Yards in Survey No. 129/73/2&3 situated at Road No.3,Banjara Hills, Hyderabad – 500034 owned by M/s.Devalninfrastructures Pvt. Ltd.,
<b>Banjara Hospitalities Private Limited</b>	
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, Maharanipeta, Visakhapatnam Belongs To M/S Banjra Hospitalities Pvt Ltd.

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

**Amount in Crores (Rs.)**

NAME OF THE BANK INSTITUTION			PRINCIPLE DUE	INTEREST DUE	TOTAL DUES
ARCIL	Principal	Interest			
Axis Bank Ltd- NCDs	42.50	32.67			
IDFC Ltd	69.18	45.99			
Axis Bank Ltd	20.00	14.27	<b>131.68</b>	<b>92.93</b>	<b>224.61</b>
IARC LTD			13.58	19.23	32.81
State Bank of India			56.76	50.55	107.31
Canara Bank			24.30	34.81	59.11
<b>Total</b>			<b>226.32</b>	<b>197.52</b>	<b>423.84</b>
<b>Crustum Products Private Limited</b>					
OBC Term Loan			1.31	0.51	1.82
UCO Bank Loan			3.22	1.27	4.49
Sub Total			4.53	1.78	6.31
<b>Total</b>			<b>230.85</b>	<b>201.08</b>	<b>436.46</b>

**36. 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
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**
**(Rs. in Crores)**

Particulars	Associate	Others	Total
Loans or Advances Given	-	0.43	0.43
Investments	0.18	-	0.18
Loans or Advances Taken	-	0.68	0.68

**37. 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, Minerva, Himayathnagar,Hyderabad
	<b>Total</b>	<b>23,200.63</b>	

- 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).Subsequentlycompany changed its name several times i.e. from M/s.Krishna Cold Drinks Private Limited to M/s. ShriKrishna Bottlers Private Limited and further as M/s.Palace Heights Private Limited.

M/s.Palace Heights Hotels Private Limited was converted as public limited Company namely M/s.Palace HeightsPublic Limited and finally became M/s. 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.

### 38. Disclosure on Specified Bank Notes:

During the year, the Company had Specified Bank Notes (SBN's) or other denomination notes as defined in the MCA notifications, G.S.R. 308(E), dated March 31, 2017. The details of SBN's held and transactions during the period from November 8, 2016 to December 31, 2016, the denomination wise SRN's and other notes as per the notification are as follows:

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on November 8th 2016	48,46,500	14,93,962	63,40,462
Add : Permitted receipts	-	6,25,32,705	6,25,32,705
Less : Permitted payments	-	5,15,24,215	5,15,24,215
Less: Amount deposited in banks	48,46,500	92,55,537	1,41,02,037
Closing cash in hand as on 30th December 2016	-	32,46,915	32,46,915

39. 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.
40. The company is not having company secretary as at year end.
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  
30-05-2017

**FOR VICEROY HOTELS LIMITED**

Sd/-  
**P. PRABHAKAR REDDY**  
Managing Director

Sd/-  
**P. CHAKRADHAR REDDY**  
Director

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

PARTICULARS	Current Year ( ₹ )	Previous Year ( ₹ )
<b>I. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit Before Tax	(16,04,94,326)	10,91,13,667
<b>Adjustments for : -</b>		
Depreciation	8,83,88,367	13,39,85,139
Financial Cost	27,95,31,481	27,04,27,634
Extraordinary Items	(7,97,90,375)	(18,55,67,359)
<b>Operating cash flow before working capital changes</b>	<b>12,76,35,147</b>	<b>32,79,59,081</b>
(Increase) / Decrease in Inventory	19,37,830	(48,45,184)
(Increase) / Decrease in Trade Receivables	11,44,09,229	43,02,342
(Increase) / Decrease in Short Term Loans & Advances	(2,33,52,979)	(1,58,67,048)
(Increase) / Decrease in other current assets	31,95,426	8,48,565
(Increase) / Decrease in Other Non-Current Assets	(4,67,18,093)	(27,77,809)
Increase / (Decrease) in Short Term Borrowing	1,51,05,500	(2,97,39,578)
Increase / (Decrease) in Trade Payables	62,32,827	2,35,30,085
Increase / (Decrease) in Other Current Liabilities	41,93,49,076	(6,34,35,589)
Increase / (Decrease) in Short Term Provisions	(9,11,38,114)	92,62,227
Misc Exps	-	-
<b>CASH GENERATED FROM OPERATIONS</b>	<b>52,66,55,849</b>	<b>24,92,37,090</b>
Less : Income Tax Paid	-	-
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>52,66,55,849</b>	<b>24,92,37,090</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed Assets	7,97,30,813	(13,48,76,685)
Sale of fixed Assets	-	-
Capital Work in Progress, Pre-operative Expenses	(28,11,71,567)	(11,70,65,726)
Investment	5,47,74,216	(94,91,499)
Adjustments of fixed Assets	-	-
(Increase) / Decrease in Long Term Loans & Advances	5,13,15,966	(3,64,64,657)
<b>NET CASH AVAILABLE FROM INVESTING ACTIVITIES</b>	<b>(9,53,50,572)</b>	<b>(29,78,98,567)</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Share Capital	-	1,00,000
(Repayment)/Borrowing of Loan	(25,44,58,087)	4,91,42,254
Share Premium and Capital Reserve	-	-
Interest Paid	(14,50,60,669)	(2,19,82,750)
Increase / (Decrease) in Other Long Term Liabilities	(13,08,943)	(48,71,526)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(40,08,27,699)</b>	<b>2,23,87,978</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3,04,77,578</b>	<b>(2,62,73,498)</b>
Add : Opening balance of Cash & Cash equivalents	1,18,21,090	3,80,94,589
<b>Closing balance of Cash &amp; Cash equivalents</b>	<b>4,22,98,669</b>	<b>1,18,21,090</b>

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

30-05-2017

**FOR VICEROY HOTELS LIMITED**

Sd/-

**P. PRABHAKAR REDDY**

Managing Director

Sd/-

**P. CHAKRADHAR REDDY**

Director

## 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 31<sup>st</sup> March, 2017. 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 31<sup>st</sup> March, 2017 to the members of the Company.

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

Place : Hyderabad  
Date : 30-05-2017

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 52<sup>nd</sup> Annual General Meeting of the shareholders of Viceroy Hotels Limited on Thursday, the 28<sup>th</sup> September, 2017 at 11.00 A.M. at **Marriott Convention Centre, Lower Tank Bund, Gandhinagar, Hyderabad – 500080, Telangana**

\_\_\_\_\_  
Member's/ Proxy's name in Block Letters

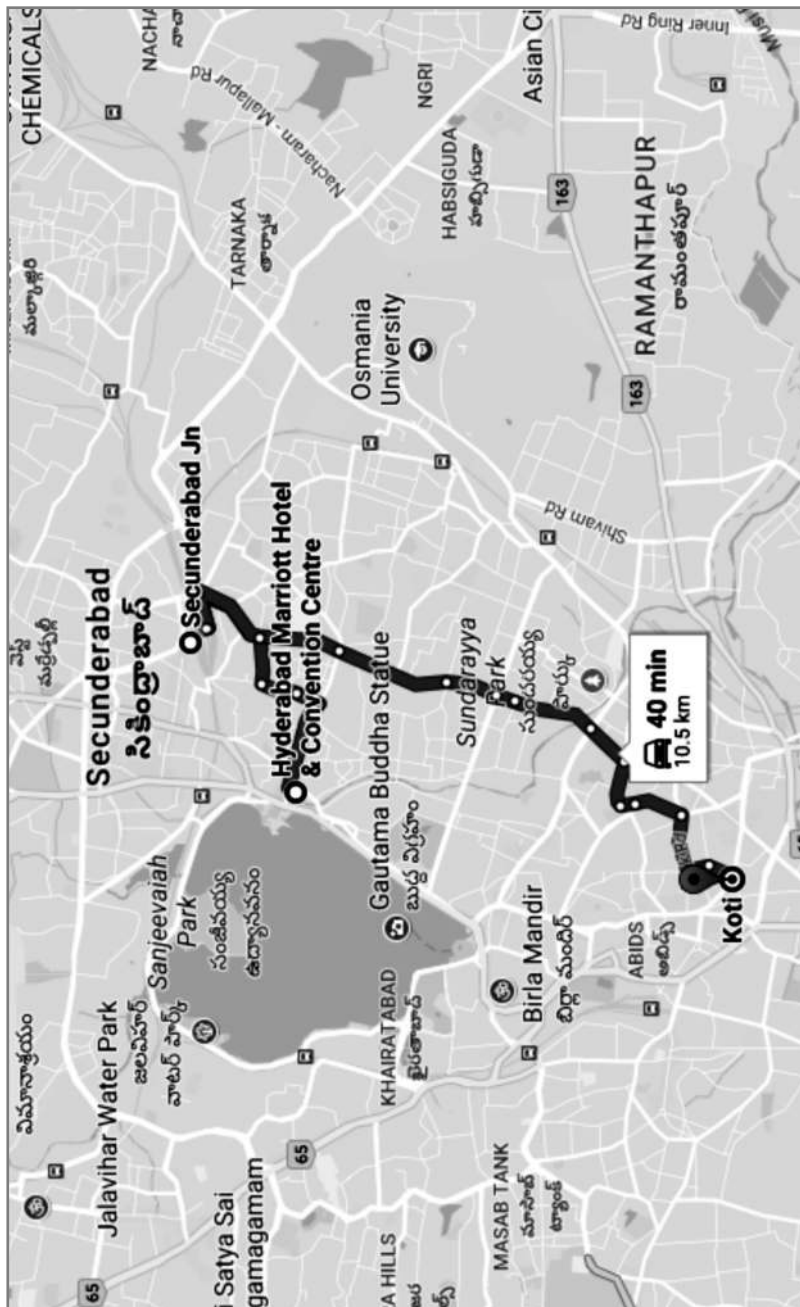
\_\_\_\_\_  
Member's/Proxy's Signature

#### 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



### Directions :

1. From Secunderabad Railway Station
2. From Koti



## 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@viceroyp-hotels.in; secretarial.viceroyp@gmail.com Website: www.viceroyp-hotels.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	<b>Viceroy Hotels Limited</b>
Registered Office	Plot No.20, Sector-I, Survey No.64, 4th Floor, HUDA Techno Enclave, Madhapur, Hyderabad – 500081, Telangana, India
Email Id	secretarial@viceroyp-hotels.in / companysecretary@viceroyp-hotels.in secretarial.viceroyp@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	
	<b>Or failing him</b>			
2	Name			
	Address			
	Email Id		Signature	
	<b>Or failing him</b>			
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 52<sup>nd</sup> Annual General Meeting of the Company, to be held on Thursday, the 28<sup>th</sup> day of September, 2017 at 11.00 A.M. at **Marriott Convention Centre, Lower Tank Bund, Gandhinagar, Hyderabad – 500080, 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 Mr. P. Chakradhar Reddy, who retires by rotation and being eligible, offers himself for re-appointment as a Director.		
3.	Appointment of M/s. Chandra Babu Naidu & Co., Chartered Accountants (Registration No.0160165), Hyderabad as the Statutory Auditors of the Company.		
4.	Regularization of Mr. Katragadda Rajesh, Additional Director (Non-Executive Independent Category) as the Director of the Company.		

Signed this ..... day of ..... 2017.

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.

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To

If Undelivered Please Return to :



**Viceroy Hotels Limited**

**Regd. Office :** # 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](http://www.viceroyhotels.in)