



VICEROY

Date: 02/07/2018

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|--|---|
| To<br>Department General Manager<br><b>Bombay Stock Exchange Limited</b><br>Phiroze Jeejabhoy Towers<br>Dalal Street, Fort<br>Mumbai - 400 001 | To<br>Listing Department<br><b>National Stock Exchanges of India Limited</b><br>Exchange Plaza , 5 <sup>th</sup> Floor, Plot No.C/1,<br>G Block, Bandra- kurla Complex,<br>Bandra(East)<br>Mumbai - 400 051 |
| <b>Scrip Code : 523796</b>   | <b>Scrip Code : VICEROY</b>   |

Dear Sir/Madam,

**Sub: Submission of revised Audited Financials Results for the Fourth Quarter and Year Ended 31 March, 2018.**

Ref: Regulation 33 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With respect to E-mail from NSE dated 28/06/2018, Please find the Audited Financials Results along with the Reconciliation of profit and loss (both Standalone and Consolidated), Reconciliation of Equity (both Standalone and Consolidated) and Statement of Modified Opinion (both Standalone and Consolidated) for the Fourth Quarter and Year Ended 31 March, 2018.

Kindly take the same on the record.

Thanking You,  
Yours Faithfully,  
For Viceroy Hotels Limited

CMA K K Rao

Resolution Professional

IP Registration No. IBBI/PA-003/IP-N00039/2017-18/10301



**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  
CIN : L55101TG1965PLC001048

# VICEROY HOTELS LIMITED

Regd. Office: Plot 20, Sector-1, 4th Floor, HUDA Techno Enclave, Sy.No.64, Madhapur, Hyderabad - 500 081.

## AUDITED FINANCIAL RESULTS (STANDALONE) FOR THE 4TH QUARTER & YEAR ENDED 31 MARCH, 2018

(Rs.in Lakhs)

| Particulars   | STANDALONE         |                 |                 |                    |                 |
|---|--------------------|-----------------|-----------------|--------------------|-----------------|
|   | QUARTER ENDED      |                 |                 | YEAR ENDED         |                 |
|   | AUDITED            | UN-AUDITED      | AUDITED         | AUDITED            | AUDITED         |
|   | 31-03-2018         | 31-12-2017      | 31-03-2017      | 31-03-2018         | 31-03-2017      |
| <b>Income</b>   |                    |                 |                 |                    |                 |
| (a) Revenue from operations   | 2,359.25           | 2,214.37        | 2,128.09        | 8,382.65           | 8,076.97        |
| (b) Other Income  | 1,513.11           | 57.68           | 408.01          | 1,707.37           | 607.11          |
| <b>Total Income</b>   | <b>3,872.36</b>    | <b>2,272.05</b> | <b>2,536.10</b> | <b>10,090.02</b>   | <b>8,684.08</b> |
| <b>Expenses</b>   |                    |                 |                 |                    |                 |
| (a) Cost of materials consumed  | 384.30             | 399.38          | 330.07          | 1,479.46           | 1,171.88        |
| (d) Employee benefits expense   | 611.56             | 497.12          | 539.01          | 2,268.94           | 2,033.26        |
| (c) Fuel, Power and Light   | 216.76             | 217.27          | 220.92          | 900.79             | 883.12          |
| (d) Finance Cost  | 1,599.92           | 234.93          | 678.14          | 2,072.37           | 2,555.82        |
| (e) Depreciation and amortisation expense                               | 251.37             | 275.32          | 155.93          | 832.93             | 595.08          |
| (f) Other expenses  | 902.62             | 731.69          | 474.57          | 2,750.08           | 1,710.30        |
| <b>Total Expenses</b>   | <b>3,966.53</b>    | <b>2,355.71</b> | <b>2,398.64</b> | <b>10,304.57</b>   | <b>8,949.46</b> |
| <b>Profit / (Loss) before Exceptional items and Tax</b>                 | <b>(94.17)</b>     | <b>(83.66)</b>  | <b>137.46</b>   | <b>(214.55)</b>    | <b>(265.38)</b> |
| Exceptional items   | 29,194.94          | -               | -               | 42,659.64          | -               |
| <b>Profit / (Loss) before Tax</b>                                       | <b>(29,289.11)</b> | <b>(83.66)</b>  | <b>137.46</b>   | <b>(42,874.19)</b> | <b>(265.38)</b> |
| <b>Tax expense</b>  |                    |                 |                 |                    |                 |
| - Current Tax   | -                  | -               | -               | -                  | -               |
| - Deferred Tax  | 547.60             | -               | -               | 988.68             | -               |
| <b>Profit / (Loss) after Tax</b>  | <b>(29,836.71)</b> | <b>(83.66)</b>  | <b>137.46</b>   | <b>(43,862.87)</b> | <b>(265.38)</b> |
| Extraordinary Item  | -                  | -               | -               | -                  | -               |
| <b>Total Comprehensive Income for the period</b>                        | <b>(29,836.71)</b> | <b>(83.66)</b>  | <b>137.46</b>   | <b>(43,862.87)</b> | <b>(265.38)</b> |
| <b>Paid-up equity share capital</b><br>(Face Value : Rs.10/- per share) | <b>4,240.52</b>    | <b>4,240.52</b> | <b>4,240.52</b> | <b>4,240.52</b>    | <b>4,240.52</b> |
| <b>Earnings per share (Face value of Rs.10/- each)</b>                  |                    |                 |                 |                    |                 |
| (a) Basic   | (70.36)            | (0.20)          | 0.32            | (103.44)           | (0.63)          |
| (b) Diluted   | (70.36)            | (0.20)          | 0.32            | (103.44)           | (0.63)          |

For VICEROY HOTELS LIMITED



Place: HYDERABAD  
Date: 30-05-2018

*P. Prabhakar Reddy*  
P. Prabhakar Reddy  
Former CMD

*Devraj Govind Raj*  
Devraj Govind Raj  
Former Director

*CMA K.K.Rao*  
CMA K.K.Rao  
Resolution Professional

*J.Daswanth Kumar*  
J.Daswanth Kumar  
CFO

*M.Sridhar Singh*  
M.Sridhar Singh  
CEO

*Sonam Jaiswal*  
Sonam Jaiswal  
Company Secretary





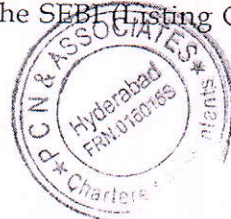
**P C N & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Plot No. 12, "N Heights"  
Ground Floor, Software Layout Unit  
Cyberabad, Hyderabad - 500 081.

Tel. : (91-40) 2311 9499  
E-mail : pcnassociates@yahoo.com

**Auditor's Report on Standalone Quarterly Financial Results and Year to Date Financial Results of M/s Viceroy Hotels Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015**

To  
The Board of Directors  
M/s Viceroy Hotels Limited

1. We have audited the quarterly standalone financial results of M/s Viceroy Hotels Limited for the quarter ended March 31, 2018 and to the year to date financial results for the year ended March 31, 2018, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. The quarterly financial results are the derived figures between the audited figures in respect of the year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The financial results for the quarter ended March 31, 2018 have been prepared on the basis of the financial results for the nine-month period ended December 31, 2017, the audited annual financial statements as at and for the year ended March 31, 2018, and the relevant requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these Financial results based on our review of the financial results for the nine-month period ended December 31, 2017 which was prepared in accordance with applicable Ind AS and other recognised accounting policies laid down in Accounting Standards prescribed under section 133 of the act, read with rules issued there under and other accounting principles generally accepted in India and our audit of the annual financial statements as at and for the year ended March 31, 2018; and the relevant requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
2. These standalone financial results have been prepared on the basis of Ind AS financial statements and reviewed quarterly financial results up to the end of the third quarter, which are the responsibility of Companies Management. Our responsibility is to express an opinion on these financial results based on our Audit of such annual Ind AS Financial statements, which has been prepared in accordance with the recognised and measurements principles laid down in Indian Accounting Standards, prescribed under section 133 of the Companies Act, 2013 and the relevant requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.







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3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
4. In our opinion and to the best of our information and according to the explanations except for the effects/ possible effects of our observation stated in para 5 below given to us, these quarterly financial results as well as the year to date financial results:
- i) (i) are presented in accordance with the requirements of Regulation 33 of the SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015 read with circular No: CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016 in this regard: and
- (ii) give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2018 as well as the year to date results for the period from April 1, 2017 to March 31, 2018.
5. **Basis of Qualified Opinion:**
- a. **Capital Work In Progress:** The Company has converted capital work in progress into Fixed Assets during the F.Y 2017-18 of an amount of Rs. 111.94 Crores.
- b. **Forfeiture of Advance:** the company has forfeited an advance of amount Rs.134.65 Crores in the F.Y 2013-14. However the Board decided to agree for the Liability during the year .(Note No: 1)
- c. **Corporate guarantee:** The Company Viceroy Hotels Limited has given corporate guarantee for an amount of Rs. 317 Crores to Edelweiss Asset Reconstruction Company Limited. ( Note no: 3)
- d. **NCLT:** The Asset Reconstruction Company (India) Ltd (ARCIL) has filed Plea under Sec.7 of The Insolvency and Bankruptcy code -2016 against M/s Viceroy Hotels Limited for non payment of Loans and an Order has been received by the company from NCLT for the same. (Note no:2 & 5)
- e. **Loans From Banks or Financial Institutions:** During the current financial year , the company has not provided interest on the loans obtained from various Banks and Financial institutions which is not accordance with accepted accounting principles. Confirmations from banks and Financial institutions is not yet received. (refer Note No:4)





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- f. **Statutory Dues:** The Company has not paid the statutory dues for more than 6 months is as follows:

| Sl.No | Particulars  | Amount (Rs )         |
|-------|--------------|----------------------|
| 1.    | TDS          | 3,47,38,983/-        |
| 2.    | ESI          | 15,177/-             |
| 3.    | PF           | 1,22,949/-           |
|       | <b>Total</b> | <b>3,48,77,109/-</b> |

- g. **Trade Payables and Trade Receivables:** The Trade payables and Trade receivables of Rs. 19,05,100/- and Rs. 10,32,13,822/- Respectively could not be verified as confirmation of balances is not received.
- h. **Exceptional items:** The board decided to written off various assets, capital work in progress etc for an amount of Rs.291.94/- Crores (Note No:6)
- i. **Going Concern:** The above conditions indicate the existence of material uncertainties which may caste significant doubt on the Company's abilities to continue as going concern. In the event that the going concern assumption of the company is inappropriate, adjustments will have to be made as not a going concern. However the financials has not been made with such adjustments for the F.Y 2017-18.







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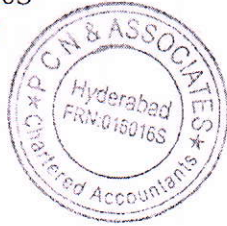
Tel. : (91-40) 2311 9499  
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6. Further read with paragraph 1 above, we report that the figures for the quarter ended March 31<sup>st</sup> 2018 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2018 and the published year to date figures upto December 31, 2017, being the date of the end of the quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Regulation 33, of The SEBI ( Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No: CIR/CFD/FAC/62/2016 dated July 5, 2016.

For P C N & Associates,  
(Formerly Known as Chandra Babu Naidu & Co)  
Chartered Accountants,  
Firm Registration no: 016016S

*Lakshmi Prasanthi*

Lakshmi Prasanthi.S  
Partner  
M.No:236578



Place: Hyderabad  
Date: 30-05-2018.

# VICEROY HOTELS LIMITED

Regd. Office: Plot 20, Sector-I, 4th Floor, HUDA Techno Enclave, Sy.No.64, Madhapur, Hyderabad - 500 081.

## AUDITED FINANCIAL RESULTS (CONSOLIDATED) FOR THE 4TH QUARTER & YEAR ENDED 31 MARCH, 2018

(Rs. in Lakhs)

| Particulars   | CONSOLIDATED       |                 |                 |                    |                  |
|---|--------------------|-----------------|-----------------|--------------------|------------------|
|   | QUARTER ENDED      |                 |                 | YEAR ENDED         |                  |
|   | AUDITED            | UN-AUDITED      | AUDITED         | AUDITED            | AUDITED          |
|   | 31-03-2018         | 31-12-2017      | 31-03-2017      | 31-03-2018         | 31-03-2017       |
| <b>Income</b>   |                    |                 |                 |                    |                  |
| (a) Revenue from operations   | 3,032.24           | 2,873.86        | 3,108.85        | 11,810.39          | 12,441.35        |
| (b) Other Income  | 1,636.35           | 66.21           | 440.71          | 1,903.98           | 388.82           |
| <b>Total Income</b>   | <b>4,668.59</b>    | <b>2,940.07</b> | <b>3,549.56</b> | <b>13,714.37</b>   | <b>12,830.17</b> |
| <b>Expenses</b>   |                    |                 |                 |                    |                  |
| (a) Cost of materials consumed  | 705.13             | 765.14          | 785.68          | 3,137.03           | 2,906.78         |
| (d) Employee benefits expense   | 733.25             | 605.80          | 714.65          | 3,064.90           | 2,982.29         |
| (c) Fuel, Power and Light   | 271.84             | 259.54          | 287.19          | 1,137.09           | 1,156.53         |
| (d) Finance Cost  | 1,643.77           | 276.69          | 760.18          | 2,272.16           | 2,795.31         |
| (e) Depreciation and amortisation expense                               | 287.31             | 323.41          | 264.26          | 1,039.08           | 883.88           |
| (f) Other expenses  | 1,215.91           | 914.57          | 899.89          | 3,744.37           | 2,912.42         |
| <b>Total expenses</b>   | <b>4,857.21</b>    | <b>3,145.15</b> | <b>3,711.85</b> | <b>14,394.63</b>   | <b>13,637.21</b> |
| <b>Profit / (Loss) before Exceptional items and Tax</b>                 | <b>(188.62)</b>    | <b>(205.08)</b> | <b>(162.29)</b> | <b>(680.26)</b>    | <b>(807.04)</b>  |
| Exceptional items   | 29,194.94          | -               | -               | 42,659.64          | -                |
| <b>Profit / (Loss) before Tax</b>                                       | <b>(29,383.56)</b> | <b>(205.08)</b> | <b>(162.29)</b> | <b>(43,339.90)</b> | <b>(807.04)</b>  |
| <b>Tax expense</b>  |                    |                 |                 |                    |                  |
| - Current Tax   | -                  | -               | -               | -                  | -                |
| - Deferred Tax  | 547.31             | -               | -               | 996.41             | -                |
| <b>Profit / (Loss) after Tax</b>  | <b>(29,930.87)</b> | <b>(205.08)</b> | <b>(162.29)</b> | <b>(44,336.31)</b> | <b>(807.04)</b>  |
| Extraordinary Item  | -                  | -               | -               | -                  | -                |
| Share of profit / (Loss) of Associates                                  | -                  | -               | -               | -                  | -                |
| <b>Total Comprehensive Income for the period</b>                        | <b>(29,930.87)</b> | <b>(205.08)</b> | <b>(162.29)</b> | <b>(44,336.31)</b> | <b>(807.04)</b>  |
| <b>Paid-up equity share capital</b><br>(Face Value : Rs.10/- per share) | <b>4,240.52</b>    | <b>4,240.52</b> | <b>4,240.52</b> | <b>4,240.52</b>    | <b>4,240.52</b>  |
| <b>Earnings per share (Face value of Rs.10/- each)</b>                  |                    |                 |                 |                    |                  |
| (a) Basic   | (70.58)            | (0.48)          | (0.38)          | (104.55)           | (1.90)           |
| (b) Diluted   | (70.58)            | (0.48)          | (0.38)          | (104.55)           | (1.90)           |

For VICEROY HOTELS LIMITED



Place: HYDERABAD  
Date: 30-05-2018

*[Signature]*  
P. Prabhakar Reddy  
Former CMD

*[Signature]*  
CMA K.K.Rao  
Resolution Professional

*[Signature]*  
M.Sridhar Singh  
CEO

*[Signature]*  
Devraj Govind Raj  
Former Director

*[Signature]*  
J.Daswanth Kumar  
CFO

*[Signature]*  
Sonam Jaiswal  
Company Secretary





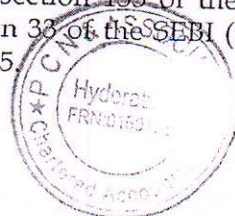
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**Auditor's Report on Quarterly Consolidated Financial Results and Year to Date Financial Results of Viceroy Hotels Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.**

To  
The Board of Directors  
Viceroy Hotels Limited

1. We have audited the accompanying statement of quarterly consolidated financial results of Viceroy Hotels Limited (the Company) and its Subsidiaries (the company and its subsidiaries together referred as the Group) for the quarter ended March 31, 2018 and to the year to date financial results for the year ended March 31, 2018, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, except for the disclosures regarding Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. The quarterly financial results are the derived figures between the audited figures in respect of the year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The financial results for the quarter ended March 31, 2018 have been prepared on the basis of the financial results for the nine-month period ended December 31, 2017, the audited annual financial statements as at and for the year ended March 31, 2018, and the relevant requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these Financial results based on our review of the financial results for the nine-month period ended December 31, 2017 which was prepared in accordance with applicable Ind AS and other recognised accounting policies laid down in Accounting Standards prescribed under section 133 of the act, read with rule 7 of the companies (Accounts) Rules 2014 and other accounting principles generally accepted in India and our audit of the annual financial statements as at and for the year ended March 31, 2018; and the relevant requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
2. These financial results have been prepared on the basis of Ind AS financial statements and reviewed quarterly financial results up to the end of the third quarter, which are the responsibility of Companies Management. Our responsibility is to express an opinion on these financial results based on our Audit of such annual Ind AS Financial statements, which has been prepared in accordance with the recognised and measurements principles laid down in Indian Accounting Standards, prescribed under section 133 of the Companies Act, 2013 and the relevant requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.







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3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
4. In our opinion and to the best of our information and according to the explanations except for the effects/ possible effects of our observation stated in Para 5 below given to us, these quarterly financial results as well as the year to date financial results:
- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015 read with circular No: CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016 in this regard: and
  - (ii) give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2018 as well as the year to date results for the period from April 1, 2017 to March 31, 2018.
5. **Basis of Qualified Opinion:**
- Capital Work In Progress:** The Company has converted capital work in progress into Fixed Assets during the F.Y 2017-18 of an amount of Rs. 111.94 Crores in third quarter and claimed Depreciation
  - Forfeiture of Advance:** the company has forfeited an advance of amount Rs.134.65 Crores in the F.Y 2013-14. However the Board decided to agree for the Liability during the year .(Note No: 1)
  - Corporate guarantee:** The Company Viceroy Hotels Limited has given corporate guarantee for an amount of Rs. 317 Crores to Edelweiss Asset Reconstruction Company Limited. (Refer Note no: 3)
  - NCLT:** The Asset Reconstruction company (India) Ltd (ARCIL) has filed Plea under Sec.7 of The Insolvency and Bankruptcy code -2016 against M/s Viceroy Hotels Limited for non payment of Loans and an Order has been received by the company from NCLT for the same. (Note no: 2 & 5)







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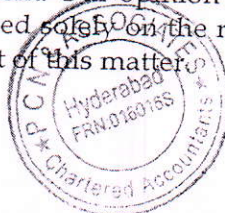
Tel. : (91-40) 2311 9499  
E-mail : pcnassociates@yahoo.com

- e. **Loans From Banks or Financial Institutions:** During the current financial year, the company has not provided interest on the loans obtained from various Banks and Financial institutions which is not accordance with accepted accounting principles. Confirmations from banks and financial institutions are not yet received. (refer Note No:4)
- f. **Statutory Dues:** The Company has not paid the statutory dues for more than 6 months is as follows:

| Sl.No | Particulars  | Amount (Rs )         |
|-------|--------------|----------------------|
| 1.    | TDS          | 3,47,38,983/-        |
| 2.    | ESI          | 15,177/-             |
| 3.    | PF           | 1,22,949/-           |
|       | <b>Total</b> | <b>3,48,77,109/-</b> |

- g. **Trade Payables and Trade Receivables:** The Trade payables and Trade receivables of Rs. 19,05,100/- and Rs. 10,32,13,822/- Respectively could not be verified as confirmation of balances is not received.
- h. **Exceptional items:** The board decided to written off various assets, capital work in progress etc for an amount of Rs.291.94/- Crores (Note No:6)
- i. **Going Concern:** The above conditions indicate the existence of material uncertainties which may caste significant doubt on the Company's abilities to continue as going concern. In the event that the going concern assumption of the company is inappropriate, adjustments will have to be made as not a going concern. However the financials has not been made with such adjustments for the F.Y 2017-18.
6. **Other Matter:**

We didn't audited the financial statements and other financial information, in respect of all the five subsidiaries, whose IND As financial statements include total assets of Rs. 16,824.97/- lakhs As at march 31<sup>st</sup>,2018 and Total revenues of Rs.3,624.35/- lakhs And for the quarter and year ended on that date respectively. These IND AS financial Statements of such subsidiary and other financial information have been audited by other Auditors, which financial statements, other financial information and Auditor's reports have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiaries is based solely on the report of other auditor's. our opinion is not qualified in respect of this matter.







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Ground Floor, Software Layout Unit  
Cyberabad, Hyderabad - 500 081.

Tel. : (91-40) 2311 9499  
E-mail : pcnassociates@yahoo.com

7. Further read with paragraph 1 above, we report that the figures for the quarter ended March 31<sup>st</sup> 2018 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2018 and the published year to date figures upto December 31, 2017, being the date of the end of the quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Regulation 33 of The SEBI ( Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No: CIR/CFD/FAC/62/2016 dated July 5, 2016.

For P C N & Associates,  
(Formerly Known as Chandra Babu Naidu & Co)  
Chartered Accountants,  
Firm Registration no: 016016S

*Lakshmi Prasanthi*

Lakshmi Prasanthi.S  
Partner  
M.No:236578



Place: Hyderabad  
Date: 30-05-2018.

# VICEROY HOTELS LIMITED

Regd. Office: Plot 20, Sector-I, 4th Floor, HUDA Techno Enclave, Sy.No.64, Madhapur, Hyderabad - 500 081.

## STANDALONE & CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

| S.No.    | Items                                      | STANDALONE                         | CONSOLIDATED                       |
|----------|--|------------------------------------|------------------------------------|
|          |  | Rs.in lakhs                        |                                    |
|          |  | AUDITED<br>Year Ended<br>31-Mar-18 | AUDITED<br>Year Ended<br>31-Mar-18 |
| <b>A</b> | <b>ASSETS</b>                              |                                    |                                    |
| 1        | <b>Non-Current Assets</b>                  |                                    |                                    |
|          | a) Property, Plant and Equipment           | 23,364.24                          | 28,203.70                          |
|          | b) Capital work-in-progress                | -                                  | 9,193.25                           |
|          | c) Intangible Assets                       | -                                  | -                                  |
|          | d) Financial Assets                        | -                                  | -                                  |
|          | i. Investments                             | 1,889.62                           | -                                  |
|          | ii. Loans                                  | 544.98                             | 1,954.95                           |
|          | iii. Other financial assets                | -                                  | -                                  |
|          | e) Other Non-Current Assets                | 152.14                             | 1,223.44                           |
|          | <b>Sub-total - Non-Current Assets</b>      | <b>25,950.98</b>                   | <b>40,575.34</b>                   |
| 2        | <b>Current Assets</b>                      |                                    |                                    |
|          | a Inventories                              | 114.65                             | 159.25                             |
|          | b Financial Assets                         | -                                  | -                                  |
|          | i. Investments                             | -                                  | -                                  |
|          | ii. Trade Receivables                      | 1,032.14                           | 1,159.01                           |
|          | iii. Cash and Cash equivalents             | (113.39)                           | (81.15)                            |
|          | iv. Bank balances other than (iii) above   | -                                  | -                                  |
|          | v. Other financial assets                  | -                                  | -                                  |
|          | c Other Current Assets                     | -                                  | -                                  |
|          | i. Advances other than Capital Advances    | 357.42                             | 1,220.91                           |
|          | ii. Other Assets                           | -                                  | 1,133.41                           |
|          | <b>Sub-total - Current Assets</b>          | <b>1,390.82</b>                    | <b>3,591.43</b>                    |
|          | <b>TOTAL - ASSETS</b>                      | <b>27,341.80</b>                   | <b>44,166.77</b>                   |
| <b>B</b> | <b>EQUITY AND LIABILITIES</b>              |                                    |                                    |
| 1        | <b>Shareholders Funds</b>                  |                                    |                                    |
|          | a Share Capital                            | 4,240.52                           | 4,240.52                           |
|          | b Other Equity                             | (40,052.65)                        | (40,765.31)                        |
|          | <b>Sub-total - Shareholders Funds</b>      | <b>(35,812.13)</b>                 | <b>(36,524.79)</b>                 |
| 2        | <b>Non-Current Liabilities</b>             |                                    |                                    |
|          | a Long Term Provisions                     | 95.04                              | 95.04                              |
|          | b Deferred Tax Liabilities (net)           | 2,773.56                           | 3,028.36                           |
|          | <b>Sub-total - Non-Current Liabilities</b> | <b>2,868.60</b>                    | <b>3,123.40</b>                    |
| 3        | <b>Current Liabilities</b>                 |                                    |                                    |
|          | a Financial Liabilities                    |                                    |                                    |
|          | i. Borrowings                              | 38,258.05                          | 52,878.83                          |
|          | ii. Trade Payable                          | 1,906.50                           | 3,010.12                           |
|          | iii. Other financial liabilities           | -                                  | -                                  |
|          | b Other Current Liabilities                |                                    |                                    |
|          | i. Other Liabilities                       | 18,410.72                          | 19,930.53                          |
|          | ii. Short Term Borrowings                  | 412.78                             | 448.61                             |
|          | c Short Term Provisions                    | 1,297.28                           | 1,300.07                           |
|          | <b>Sub-total - Current Liabilities</b>     | <b>60,285.33</b>                   | <b>77,568.16</b>                   |
|          | <b>TOTAL - EQUITY AND LIABILITIES</b>      | <b>27,341.80</b>                   | <b>44,166.77</b>                   |


  
P. Prabhakar Reddy  
Former CMD

  
CMA K.K.Rao  
Resolution Professional

  
M.Sridhar Singh  
CEO

  
Devraj Govind Raj  
Former Director

  
J.Daswanth Kumar  
CFO

  
Sonam Jaiswal  
Company Secretary



Place: Hyderabad

Date: 30/05/2018



**Notes:**

1. The company Viceroy Hotels has forfeited and amount of Advance of Rs.134.65 crores erroneously in the financial year 2013-14 (Bhagyanagar Investment & trading Private Limited- Rs.11.77 Crores, Ganga Industrial Corporation- Rs.0.65 Crores, Mahal Hotel Private Limited Rs.122.23 crores) and the same is taken back into the Books as Exceptional Item.
2. The Asset Reconstruction company (India) Ltd (ARCIL) has filed Plea under Sec.7 of The Insolvency and Bankruptcy code -2016 against M/s Viceroy Hotels Limited for an amount of Rs.525 crores (along with interest) . The NCLT process is under way, with Committee of Creditors (COC) formed and the Resolution professional Appointed.
3. The company has given corporate guarantee for an amount of Rs.317 Crores to Edelweiss Asset Reconstruction Company Limited on behalf of Viceroy Bangalore Hotels Private Limited and the above mentioned amount is beyond the limits prescribed in Section 186 of The Companies Act 2013.
4. **Loans from Banks or Financial Institutions:** During the year no provision for interest has been created by the company for the loans outstanding. Default in repayment of Loans To various banks and Financial institutions is as follows for the year ended 31-03-2018 is as mentioned below:

| Name of The bank/<br>Financial Institution | Sanctioned    | Principle Dues | Interest Dues | Total Dues    | Status |
|--|---------------|----------------|---------------|---------------|--------|
| ARCIL- (Axis Bank Ltd- NCD's)              | 42.50         | 42.50          | 38.67         | 81.17         | NPA    |
| ARCIL- (IDFC Limited)                      | 76.00         | 69.18          | 53.09         | 122.27        | NPA    |
| EARC- (Andhra Bank Credit card Loan)       | 5.53          | 1.31           | -             | 1.31          |        |
| ARCIL- Axis Bank Ltd                       | 20.00         | 20.00          | 17.87         | 37.87         | NPA    |
| IARC- Laxmi Vilas Bank Loan                | 15.04         | 1.95           | -             | 1.95          |        |
| State bank of India                        | 64.00         | 56.18          | 59.47         | 115.65        | NPA    |
| Canara Bank                                | 31.00         | 24.02          | 43.86         | 67.88         | NPA    |
|  |               |                |               |               |        |
| <b>Total</b>                               | <b>254.07</b> | <b>215.14</b>  | <b>212.96</b> | <b>428.10</b> |        |

5. The Plea filed by the Asset Reconstruction Company (India) Ltd (ARCIL) against the company under Sec. 7 of The Insolvency Bankruptcy Code 2016, has been approved by the NCLT and the order to initiate Corporate Insolvency Resolution Process was also passed. The Committee of Creditors meeting was conducted and a Resolution Professional was appointed.
6. Exceptional Items reported in the Quarter ended and year ended 31<sup>st</sup> march 2018, represents Written off various Assets, Liabilities, Incomes and Expenses as follows for which the Board Resolutions are obtained on 14/02/2018.

| Particulars                                 | Amount (Rs)             |
|---|-------------------------|
| Loans and Advances Written Off              | 60,97,95,051            |
| Capital Work In Progress Written Off to P&L | 2,18,50,05,568          |
| Forfeiture of Advance                       | 1,34,64,70,860          |
| Provision for Loss of Investment            | 8,67,92,670             |
| Advances Written Off                        | 16,58,015               |
| Loss on Investments VBHPL                   | 25,03,79,606            |
| Payables Written Off                        | (1,21,23,173)           |
| Other Payables written back                 | (27,96,41,072)          |
| Advances Written Off                        | 1,82,000                |
| Capital Work In progress written off        | 53,08,726               |
| Service Tax Input Not claimed               | 1,30,72,658             |
| Other Advances written off                  | 4,62,21,343             |
| Other Payables Written Back                 | (7,33,826)              |
| Provision for Loss on Investments           | 76,75,000               |
| Advances Written off                        | 1,11,33,598             |
| Other Advances Written Back                 | (27,961)                |
| Other payables Written Back                 | (60,78,285)             |
| Other Advances written off                  | 8,74,930                |
| <b>Total Amount Written off</b>             | <b>4,26,59,65,709/-</b> |

Amounts mentioned in brackets are items considered as income



7. The following are the list of Subsidiary Companies included in the consolidated Financial Results:

| S. No | Name of the Company                              | Relationship |
|-------|--|--------------|
| 1     | Crustum Products Private Limited                 | Subsidiary   |
| 2     | Café D'lake Private Limited                      | Subsidiary   |
| 3     | Minerva Hospitalities Private Limited            | Subsidiary   |
| 4     | Viceroy Chennai Hotels & Resorts Private Limited | Subsidiary   |
| 5     | Banjara Hospitalities Private Limited            | Subsidiary   |

8. Beginning April 2017: The company has for the first time adopted the Indian Accounting Standards (IND AS) with a transition date of April 2016, and accordingly these financial statements have been prepared in accordance with the recognition and measurement principles laid down in The IND AS prescribed under section 133 of Companies Act, 2013 read with relevant rules issued there under.
9. Previous year's figures have been regrouped, wherever necessary for the purpose of comparison.
10. The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the company at their meeting held on 30-05-2018.

**11. (a) Standalone**

Reconciliation of equity as on March 31, 2017 as previously reported under previous GAAP to Ind AS is as under

(Rs. in Lakhs)

| Particulars                               | As on March 31, 2017 |
|---|----------------------|
| Other equity reported under previous GAAP | 3810.22              |
| Adjustments                               | -                    |
| Other equity reported under Ind AS        | 3810.22              |

**(b) Consolidated**

Reconciliation of equity as on March 31, 2017 as previously reported under previous GAAP to Ind AS is as under

(Rs. in Lakhs)

| Particulars                               | As on March 31, 2017 |
|---|----------------------|
| Other equity reported under previous GAAP | 12040.84             |
| Adjustments                               | -                    |
| Other equity reported under Ind AS        | 12040.84             |

## 12. (a) Standalone

Consequent to transition from the Previous GAAP to the Ind AS, the reconciliation of profit is provided as below for the quarter and year ended 31-03-2017:

(Rs. in Lakhs)

| Particulars                                    | Quarter Ended<br>March 31, 2017 | Year Ended<br>March 31, 2017 |
|--|---------------------------------|------------------------------|
| Reconciliation of Net loss as reported earlier | (682.65)                        | (1154.23)                    |
| Add/(less):                                    |                                 |                              |
| Adjustments                                    | -                               | -                            |
| Net loss as per Ind AS                         | (682.65)                        | (1154.23)                    |
| Other Comprehensive Income (net of tax)        | -                               | -                            |
| <b>Total Comprehensive Income under Ind AS</b> | <b>(682.65)</b>                 | <b>(1154.23)</b>             |

## (b) Consolidated

Consequent to transition from the Previous GAAP to the Ind AS, the reconciliation of profit is provided as below for the quarter and year ended 31-03-2017:

| Particulars                                    | Quarter Ended<br>March 31, 2017 | Year Ended<br>March 31, 2017 |
|--|---------------------------------|------------------------------|
| Reconciliation of Net loss as reported earlier | (975.01)                        | (1457.60)                    |
| Add/(less):                                    |                                 |                              |
| Adjustments                                    | -                               | -                            |
| Net loss as per Ind AS                         | (975.01)                        | 1457.60                      |
| Other Comprehensive Income (net of tax)        | -                               | -                            |
| <b>Total Comprehensive Income under Ind AS</b> | <b>(975.01)</b>                 | <b>1457.60</b>               |

13. As per Indian Accounting Standard (Ind AS) 108 Operating segments, Segment wise report is not applicable to this Company.
14. The Standalone and Consolidated Audited Results have been prepared and subjected to Limited Review by the Statutory Auditors in accordance with the Indian Accounting Standards (IND -AS) as notified by Ministry of Corporate Affairs: Regulation 33 of SEBI (LODR) Regulations, 2015 and Schedule III division II of Companies Act, 2013. The Limited review was carried out by Statutory Auditors for the quarter / year ended 31<sup>st</sup> March, 2018.
15. The results are also available on the website of the company.

  
M. Sridhar Singh  
CEO

Place: Hyderabad  
Date: 30/05/2018



  
J. Daswanth Kumar  
CFO







**STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG-WITH ANNUAL AUDITED FINANCIAL RESULTS – STANDALONE BASIS-VICEROY HOTELS LIMITED**

*(Rs.in Lakhs except for EPS)*

| Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2018 |   |   |   |   |
|--|---|---|---|---|
| [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]              |   |   |   |   |
| I.   | SI. No.   | Particulars   | Audited Figures (as reported before adjusting for qualifications) | Adjusted Figures (audited figures after adjusting for qualifications) |
|  | 1.  | Turnover / Total income   | 10,090.02   | 10,090.02   |
|  | 2.  | Total Expenditure   | 53,952.89   | 53,952.89   |
|  | 3.  | Net Profit/(Loss)   | (43,862.87)   | (43,862.87)   |
|  | 4.  | Earnings Per Share  | (103.44)  | (103.44)  |
|  | 5.  | Total Assets  | 27,341.80   | 27,341.80   |
|  | 6.  | Total Liabilities   | 27,341.80   | 27,341.80   |
|  | 7.  | Net Worth   | (35,812.13)   | (35,812.13)   |
|  | 8.  | Any other financial item(s) (as felt appropriate by the management) | -   | -   |
| II.  | <b>Audit Qualification</b>  |   |   |   |
| II(1)  | <b>a. Details of Audit Qualification:</b>   |   |   |   |
|  | <b>Capital Work In progress:</b> The Company has converted capital work in progress into Fixed Assets during the F.Y. 2017-18 of an amount of Rs. 111.94 Crores.  |   |   |   |
|  | <b>b. Type of Audit Qualification :</b> Qualified Opinion   |   |   |   |
|  | <b>c. Frequency of qualification:</b> Appeared first time   |   |   |   |
|  | <b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>   |   |   |   |
|  | <b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>   |   |   |   |
|  | <b>(i) Management's estimation on the impact of audit qualification:</b> NA   |   |   |   |
|  | <b>(ii) If management is unable to estimate the impact, reasons for the same:</b> The company has passed board resolution on 26-08-2017 for converting Capital work in progress of Rs. 111 .94 Crores to fixed assets. Depreciation has been calculated accordingly.  |   |   |   |
|  | <b>(iii) Auditors' Comments on (i) or (ii) above:</b> Since the company has not submitted us any valuation certificate towards capitalization of fixed assets of Rs.111.94 crores, the depreciation claimed by the company an amount of Rs.3.56 crores, towards capitalized amount during the year not ascertainable. |   |   |   |
| II(2)  | <b>a. Details of Audit Qualification:</b>   |   |   |   |
|  | <b>Forfeiture of Advance:</b> The company has forfeited an advance of amount Rs.134.65 Crores in the F.Y 2013-14. However the Board decided to agree for the Liability during the year.   |   |   |   |
|  | <b>b. Type of Audit Qualification :</b> Qualified Opinion   |   |   |   |

|       |  |
|-------|--|
|       | c. <b>Frequency of qualification:</b> Appeared first time  |
|       | d. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>  |
|       | e. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>  |
|       | (i) <b>Management's estimation on the impact of audit qualification:</b> NA  |
|       | (ii) <b>If management is unable to estimate the impact, reasons for the same:</b> The company has forfeited an amount of Advance of Rs.134.65crores erroneously in the Financial year 2013-14 (Bhagyanagar Investment & Trading Private Limited- Rs.11.77 Crores, Ganga Industrial Corporation- Rs.0.65 Crores, Mahal Hotel Private Limited Rs.122.23 crores) and the same is taken back into the Books as Exceptional Item, which was qualified by the auditors.  |
|       | (iii) <b>Auditors' Comments on (i) or (ii) above:</b> The Company has forfeited advance an amount of Rs. 134.65 crores in the F.Y 2013-14 and adjusted in Slump sale proceeds as disclosed in the annual report of F.Y 2013-14. In the current financial year again the company has recognized the forfeited advances in the books of Accounts as outstanding liability which is not in line with IND AS accounting policies. Also the management of the company has not provided to any supporting document towards re recognition of such advances liability in the books of accounts of the current financial year 2017-18. |
| II(3) | a. <b>Details of Audit Qualification:</b><br><b>Corporate guarantee:</b> The Company Viceroy Hotels Limited has given corporate guarantee for an amount of Rs. 317 Crores to Edelweiss Asset Reconstruction Company Limited.   |
|       | b. <b>Type of Audit Qualification :</b> Qualified Opinion  |
|       | c. <b>Frequency of qualification:</b> Appeared first time  |
|       | d. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>  |
|       | e. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>  |
|       | (i) <b>Management's estimation on the impact of audit qualification:</b> NA  |
|       | (ii) <b>If management is unable to estimate the impact, reasons for the same:</b> As the Bank Guarantee is a contingent item, the amount cannot be crystalized until the event arises. So the same cannot be quantified.   |
|       | (iii) <b>Auditors' Comments on (i) or (ii) above:</b> the company has given corporate guarantee of Rs.317 crores to Edelweiss Asset Reconstruction company Limited in respect of loans taken by M/s Viceroy Bangalore Hotels Private Limited in the previous year's which is violating the provisions specified U/s 186 of the Companies Act 2013. The company could not obtained shareholders permission in the General meeting for such corporate guarantee given.   |
| II(4) | a. <b>Details of Audit Qualification:</b><br><b>NCLT:</b> The Asset Reconstruction company (India) Ltd (ARCIL) has filed application under Sec.7 of The Insolvency and Bankruptcy code -2016 against M/s Viceroy Hotels Limited for nonpayment of Loans and an Order has been received by the company from NCLT for the same.  |
|       | b. <b>Type of Audit Qualification :</b> Qualified Opinion  |
|       | c. <b>Frequency of qualification:</b> Appeared first time  |
|       | d. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>  |
|       | e. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> NA   |
|       | (i) <b>Management's estimation on the impact of audit qualification:</b>   |



|       | <p><b>(ii) If management is unable to estimate the impact, reasons for the same:</b><br/>The application filed by the Asset Reconstruction Company (India) Ltd (ARCIL) against the company under Sec. 7 of The Insolvency Bankruptcy Code 2016, has been approved by the NCLT and the order to initiate Corporate Insolvency Resolution Process was also passed. The Committee of Creditors meeting was conducted and a Resolution Professional was appointed. The final impact/effect can be known based on the approval of resolution plan.</p>                     |               |             |              |    |     |               |    |     |          |    |    |            |  |       |               |
|-------|---|---------------|-------------|--------------|----|-----|---------------|----|-----|----------|----|----|------------|--|-------|---------------|
|       | <p><b>(iii) Auditors' Comments on (i) or (ii) above:</b>The Company is in the process of corporate insolvency Resolution process, which may affect the going concern of the company.</p>  |               |             |              |    |     |               |    |     |          |    |    |            |  |       |               |
| II(5) | <p><b>a. Details of Audit Qualification:</b></p> <p><b>Loans From Banks or Financial Institutions:</b> During the current financial year, the company has not provided interest on the loans obtained from various Banks and Financial institutions which is not accordance with accepted accounting principles. Confirmations from banks and Financial institutions are not yet received.</p>  |               |             |              |    |     |               |    |     |          |    |    |            |  |       |               |
|       | <p><b>b. Type of Audit Qualification :</b> Qualified Opinion</p>  |               |             |              |    |     |               |    |     |          |    |    |            |  |       |               |
|       | <p><b>c. Frequency of qualification:</b> Appeared first time</p>  |               |             |              |    |     |               |    |     |          |    |    |            |  |       |               |
|       | <p><b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>NA</p>  |               |             |              |    |     |               |    |     |          |    |    |            |  |       |               |
|       | <p><b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p>  |               |             |              |    |     |               |    |     |          |    |    |            |  |       |               |
|       | <p><b>(i) Management's estimation on the impact of audit qualification:</b></p>   |               |             |              |    |     |               |    |     |          |    |    |            |  |       |               |
|       | <p><b>(ii) If management is unable to estimate the impact, reasons for the same:</b>As the loans turned as Non-Operating Assets, there is no correspondence from the banks and financial institutions regarding the interest provision, hence as a result the company could not provide for the interest expense during the year</p>  |               |             |              |    |     |               |    |     |          |    |    |            |  |       |               |
|       | <p><b>(iii) Auditors' Comments on (i) or (ii) above :</b>The company has not provided , interest on the loans obtained from various Banks and Financial Institutions , which is not in accordance with the Generally Accepted Accounting Principles and all the Loans has been turned out as NPA's.</p>   |               |             |              |    |     |               |    |     |          |    |    |            |  |       |               |
| II(6) | <p><b>a. Details of Audit Qualification:</b></p> <p><b>Statutory Dues:</b> The Company has not paid the statutory dues for more than 6 months is as follows:</p> <table border="1" data-bbox="326 1352 1346 1545"> <thead> <tr> <th>Sl.No</th> <th>Particulars</th> <th>Amount (Rs )</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>TDS</td> <td>3,47,38,983/-</td> </tr> <tr> <td>2.</td> <td>ESI</td> <td>15,177/-</td> </tr> <tr> <td>3.</td> <td>PF</td> <td>1,22,949/-</td> </tr> <tr> <td></td> <td>Total</td> <td>3,48,77,109/-</td> </tr> </tbody> </table> | Sl.No         | Particulars | Amount (Rs ) | 1. | TDS | 3,47,38,983/- | 2. | ESI | 15,177/- | 3. | PF | 1,22,949/- |  | Total | 3,48,77,109/- |
| Sl.No | Particulars   | Amount (Rs )  |             |              |    |     |               |    |     |          |    |    |            |  |       |               |
| 1.    | TDS   | 3,47,38,983/- |             |              |    |     |               |    |     |          |    |    |            |  |       |               |
| 2.    | ESI   | 15,177/-      |             |              |    |     |               |    |     |          |    |    |            |  |       |               |
| 3.    | PF  | 1,22,949/-    |             |              |    |     |               |    |     |          |    |    |            |  |       |               |
|       | Total   | 3,48,77,109/- |             |              |    |     |               |    |     |          |    |    |            |  |       |               |
|       | <p><b>b. Type of Audit Qualification :</b> Qualified Opinion</p>  |               |             |              |    |     |               |    |     |          |    |    |            |  |       |               |
|       | <p><b>c. Frequency of qualification:</b> Appeared first time</p>  |               |             |              |    |     |               |    |     |          |    |    |            |  |       |               |
|       | <p><b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p>  |               |             |              |    |     |               |    |     |          |    |    |            |  |       |               |
|       | <p><b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p>  |               |             |              |    |     |               |    |     |          |    |    |            |  |       |               |
|       | <p><b>(i) Management's estimation on the impact of audit qualification:</b></p>   |               |             |              |    |     |               |    |     |          |    |    |            |  |       |               |
|       | <p><b>(ii) If management is unable to estimate the impact, reasons for the same:</b>The Company is in the process of clearing outstanding statutory dues.</p>   |               |             |              |    |     |               |    |     |          |    |    |            |  |       |               |
|       | <p><b>(iii) Auditors' Comments on (i) or (ii) above:</b> The Company has not paid statutory dues of TDS, PF and ESI as per the books of Accounts.</p>   |               |             |              |    |     |               |    |     |          |    |    |            |  |       |               |

|       |   |
|-------|---|
| II(7) | <p><b>a. Details of Audit Qualification:</b></p> <p><b>Trade Payables and Trade Receivables:</b> The Trade payables and Trade receivables of Rs. 19,05,100/- and Rs. 10,32,13,822/- Respectively could not be verified as confirmation of balances is not received.</p>   |
|       | <p><b>b. Type of Audit Qualification :</b> Qualified Opinion</p>  |
|       | <p><b>c. Frequency of qualification:</b> Appeared first time</p>  |
|       | <p><b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:.</b></p>   |
|       | <p><b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p>  |
|       | <p><b>(i) Management's estimation on the impact of audit qualification:</b></p>   |
|       | <p><b>(ii) If management is unable to estimate the impact, reasons for the same:</b>Trade Payables and Trade Receivables are true and fair as per the record of the company. The company is in the process of obtaining the confirmation from them.</p>   |
|       | <p><b>(iii) Auditors' Comments on (i) or (ii) above:</b> the trade receivables and trade payables could not be verified as confirmation of balances have not been received for the same and during the year the company.</p>  |
| II(8) | <p><b>a. Details of Audit Qualification:</b></p> <p><b>Exceptional items:</b> The board decided to write off various assets, capital work in progress etc for an amount of Rs.291.94/- Crores</p>   |
|       | <p><b>b. Type of Audit Qualification :</b> Qualified Opinion</p>  |
|       | <p><b>c. Frequency of qualification:</b> Appeared first time</p>  |
|       | <p><b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p>  |
|       | <p><b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p>  |
|       | <p><b>(i) Management's estimation on the impact of audit qualification:</b></p>   |
|       | <p><b>(ii) If management is unable to estimate the impact, reasons for the same:</b>The company has passed board resolution on 14-02-2018 for Writing off various Assets, Liabilities, Incomes and Expenses.</p>  |
|       | <p><b>(iii) Auditors' Comments on (i) or (ii) above:</b> The company has written off various current and Noncurrent assets during the year for which there is no provision has been created by the company up to previous year and those written off assets, will not going to generate any future cash flows to the company and the same is as per IND AS accounting policies.</p>   |
| II(9) | <p><b>a. Details of Audit Qualification:</b></p> <p><b>Going Concern:</b> The above conditions indicate the existence of material uncertainties which may caste significant doubt on the Company's abilities to continue as going concern. In the event that the going concern assumption of the company is inappropriate, adjustments will have to be made as not a going concern. However the financials has not been made with such adjustments for the F.Y 2017-18.</p> |
|       | <p><b>b. Type of Audit Qualification :</b> Qualified Opinion</p>  |
|       | <p><b>c. Frequency of qualification:</b> Appeared first time</p>  |
|       | <p><b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p>  |
|       | <p><b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p>  |
|       | <p><b>(i) Management's estimation on the impact of audit qualification:</b></p>   |



|  |  |
|--|--|
|  | <p><b>(ii) If management is unable to estimate the impact, reasons for the same:</b> Management believes the status of going concern is not affected and is confident of maintaining the going concern status and is undergoing the process of IBC Code, 2016. The final status can be known on approval of resolution plan.</p> |
|  | <p><b>(iii) Auditors' Comments on (i) or (ii) above:</b> the above situations indicate the existence of material uncertainty that may cast significant doubt on the company's ability to meet its financial obligations including repayment of loans obtained and unpaid interest.</p>   |

|            |   |
|------------|---|
| <p>III</p> | <p><b>Signatories</b></p> <div data-bbox="250 436 1445 630"> <br/> <b>M. Sridhar Singh</b><br/>           CEO         </div> <div data-bbox="250 630 1445 823"> <br/> <b>J. Daswanth Kumar</b><br/>           CFO         </div> <div data-bbox="250 823 1445 1222"> <p><b>Statutory Auditors:</b></p> <p>For P C N &amp; Associates,<br/>           (Formerly Known as Chandra Babu Naidu &amp; Co)<br/>           chartered Accountants,<br/>           Firm Registration no: 0160168</p>   <p><b>Lakshmi Prasanthi.S</b><br/>           Partner<br/>           M.No:236578</p> </div> <div data-bbox="250 1222 1445 1306"> <p>Place: HYDERABAD</p> </div> <div data-bbox="250 1306 1445 1388"> <p>Date: 30/05/2018</p> </div> |
|------------|---|

*Chandra Babu Naidu*  
 CMA K K R Rao  
 Resolution professional



**STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG-WITH ANNUAL AUDITED FINANCIAL RESULTS – CONSOLIDATED BASIS-VICEROY HOTELS LIMITED**

*(Rs.in Lakhs except for EPS)*

| Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2018 |   |   |   |   |
|--|---|---|---|---|
| [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]              |   |   |   |   |
| I.   | SI. No.   | Particulars   | Audited Figures (as reported before adjusting for qualifications) | Adjusted Figures (audited figures after adjusting for qualifications) |
|  | 1.  | Turnover / Total income   | 13,714.37   | 13,714.37   |
|  | 2.  | Total Expenditure   | 58,050.68   | 58,050.68   |
|  | 3.  | Net Profit/(Loss)   | (44,336.31)   | (44,336.31)   |
|  | 4.  | Earnings Per Share  | (104.55)  | (104.55)  |
|  | 5.  | Total Assets  | 44,166.17   | 44,166.17   |
|  | 6.  | Total Liabilities   | 44,166.17   | 44,166.17   |
|  | 7.  | Net Worth   | (36,524.79)   | (36,524.79)   |
|  | 8.  | Any other financial item(s) (as felt appropriate by the management) | -   | -   |
| <b>II.</b>   | <b>Audit Qualification</b>  |   |   |   |
| II(1)  | <b>a. Details of Audit Qualification:</b>   |   |   |   |
|  | <b>Capital Work In progress:</b> The Company has converted capital work in progress into Fixed Assets during the F.Y. 2017-18 of an amount of Rs. 111.94 Crores.  |   |   |   |
|  | <b>b. Type of Audit Qualification :</b> Qualified Opinion   |   |   |   |
|  | <b>c. Frequency of qualification:</b> Appeared first time   |   |   |   |
|  | <b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>   |   |   |   |
|  | <b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>   |   |   |   |
|  | <b>(i) Management's estimation on the impact of audit qualification:</b> NA   |   |   |   |
|  | <b>(ii) If management is unable to estimate the impact, reasons for the same:</b> The company has passed board resolution on 26-08-2017 for converting Capital work in progress of Rs. 111 .94 Crores to fixed assets. Depreciation has been calculated accordingly.  |   |   |   |
|  | <b>(iii) Auditors' Comments on (i) or (ii) above:</b> Since the company has not submitted us any valuation certificate towards capitalization of fixed assets of Rs.111.94 crores, the depreciation claimed by the company an amount of Rs.3.56 crores, towards capitalized amount during the year not ascertainable. |   |   |   |
| II(2)  | <b>a. Details of Audit Qualification:</b>   |   |   |   |
|  | <b>Forfeiture of Advance:</b> The company has forfeited an advance of amount Rs.134.65 Crores in the F.Y 2013-14. However the Board decided to agree for the Liability during the year.   |   |   |   |
|  | <b>b. Type of Audit Qualification :</b> Qualified Opinion   |   |   |   |



|       |  |
|-------|--|
|       | c. <b>Frequency of qualification:</b> Appeared first time  |
|       | d. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>  |
|       | e. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>  |
|       | (i) <b>Management's estimation on the impact of audit qualification:</b> NA  |
|       | (ii) <b>If management is unable to estimate the impact, reasons for the same:</b> The company has forfeited an amount of Advance of Rs.134.65crores erroneously in the Financial year 2013-14 (Bhagyanagar Investment & Trading Private Limited- Rs.11.77 Crores, Ganga Industrial Corporation- Rs.0.65 Crores, Mahal Hotel Private Limited Rs.122.23 crores) and the same is taken back into the Books as Exceptional Item, which was qualified by the auditors.  |
|       | (iii) <b>Auditors' Comments on (i) or (ii) above:</b> The Company has forfeited advance an amount of Rs. 134.65 crores in the F.Y 2013-14 and adjusted in Slump sale proceeds as disclosed in the annual report of F.Y 2013-14. In the current financial year again the company has recognized the forfeited advances in the books of Accounts as outstanding liability which is not in line with IND AS accounting policies. Also the management of the company has not provided to any supporting document towards re recognition of such advances liability in the books of accounts of the current financial year 2017-18. |
| II(3) | a. <b>Details of Audit Qualification:</b><br><b>Corporate guarantee:</b> The Company Viceroy Hotels Limited has given corporate guarantee for an amount of Rs. 317 Crores to Edelweiss Asset Reconstruction Company Limited.   |
|       | b. <b>Type of Audit Qualification :</b> Qualified Opinion  |
|       | c. <b>Frequency of qualification:</b> Appeared first time  |
|       | d. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>  |
|       | e. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>  |
|       | (i) <b>Management's estimation on the impact of audit qualification:</b> NA  |
|       | (ii) <b>If management is unable to estimate the impact, reasons for the same:</b> As the Bank Guarantee is a contingent item, the amount cannot be crystalized until the event arises. So the same cannot be quantified.   |
|       | (iii) <b>Auditors' Comments on (i) or (ii) above:</b> the company has given corporate guarantee of Rs.317 crores to Edelweiss Asset Reconstruction company Limited in respect of loans taken by M/s Viceroy Bangalore Hotels Private Limited in the previous year's which is violating the provisions specified U/s 186 of the Companies Act 2013. The company could not obtained shareholders permission in the General meeting for such corporate guarantee given.   |
| II(4) | a. <b>Details of Audit Qualification:</b><br><b>NCLT:</b> The Asset Reconstruction company (India) Ltd (ARCIL) has filed application under Sec.7 of The Insolvency and Bankruptcy code -2016 against M/s Viceroy Hotels Limited for nonpayment of Loans and an Order has been received by the company from NCLT for the same.  |
|       | b. <b>Type of Audit Qualification :</b> Qualified Opinion  |
|       | c. <b>Frequency of qualification:</b> Appeared first time  |
|       | d. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>  |
|       | e. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> NA   |
|       | (i) <b>Management's estimation on the impact of audit qualification:</b>   |

**(ii) If management is unable to estimate the impact, reasons for the same:**

The application filed by the Asset Reconstruction Company (India) Ltd (ARCIL) against the company under Sec. 7 of The Insolvency Bankruptcy Code 2016, has been approved by the NCLT and the order to initiate Corporate Insolvency Resolution Process was also passed. The Committee of Creditors meeting was conducted and a Resolution Professional was appointed. The final impact/effect can be known based on the approval of resolution plan.

**(iii) Auditors' Comments on (i) or (ii) above:** The Company is in the process of corporate insolvency Resolution process, which may affect the going concern of the company.

II(5) **a. Details of Audit Qualification:**

**Loans From Banks or Financial Institutions:** During the current financial year, the company has not provided interest on the loans obtained from various Banks and Financial institutions which is not accordance with accepted accounting principles. Confirmations from banks and Financial Institutions are not yet received.

**b. Type of Audit Qualification :** Qualified Opinion

**c. Frequency of qualification:** Appeared first time

**d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**NA

**e. For Audit Qualification(s) where the impact is not quantified by the auditor:**

**(i) Management's estimation on the impact of audit qualification:**

**(ii) If management is unable to estimate the impact, reasons for the same:**As the loans turned as Non-Operating Assets, there is no correspondence from the banks and financial institutions regarding the interest provision, hence as a result the company could not provide for the interest expense during the year

**(iii) Auditors' Comments on (i) or (ii) above :**The company has not provided , interest on the loans obtained from various Banks and Financial Institutions , which is not in accordance with the Generally Accepted Accounting Principles and all the Loans has been turned out as NPA's.

II(6) **a. Details of Audit Qualification:**

**Statutory Dues:** The Company has not paid the statutory dues for more than 6 months is as follows:

| Sl.No | Particulars | Amount (Rs )  |
|-------|-------------|---------------|
| 1.    | TDS         | 3,47,38,983/- |
| 2.    | ESI         | 15,177/-      |
| 3.    | PF          | 1,22,949/-    |
|       | Total       | 3,48,77,109/- |

**b. Type of Audit Qualification :** Qualified Opinion

**c. Frequency of qualification:** Appeared first time

**d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

**e. For Audit Qualification(s) where the impact is not quantified by the auditor:**

**(i) Management's estimation on the impact of audit qualification:**

**(ii) If management is unable to estimate the impact, reasons for the same:**The Company is in the process of clearing outstanding statutory dues.

**(iii) Auditors' Comments on (i) or (ii) above:** The company has not paid statutory dues of TDS, PF and ESI as per the books of Accounts.



|       |   |
|-------|---|
| II(7) | <p><b>a. Details of Audit Qualification:</b></p> <p><b>Trade Payables and Trade Receivables:</b> The Trade payables and Trade receivables of could not be verified as confirmation of balances is not received.</p>   |
|       | <p><b>b. Type of Audit Qualification :</b> Qualified Opinion</p>  |
|       | <p><b>c. Frequency of qualification:</b> Appeared first time</p>  |
|       | <p><b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:.</b></p>   |
|       | <p><b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p>  |
|       | <p><b>(i) Management's estimation on the impact of audit qualification:</b></p>   |
|       | <p><b>(ii) If management is unable to estimate the impact, reasons for the same:</b>Trade Payables and Trade Receivables are true and fair as per the record of the company. The company is in the process of obtaining the confirmation from them.</p>   |
|       | <p><b>(iii) Auditors' Comments on (i) or (ii) above:</b>the trade receivables and trade payables could not be verified as confirmation of balances have not been received for the same and during the year the company.</p>   |
| II(8) | <p><b>a. Details of Audit Qualification:</b></p> <p><b>Exceptional items:</b> The board decided to write off various assets, capital work in progress etc for an amount of Rs.291.94/- Crores</p>   |
|       | <p><b>b. Type of Audit Qualification :</b> Qualified Opinion</p>  |
|       | <p><b>c. Frequency of qualification:</b> Appeared first time</p>  |
|       | <p><b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p>  |
|       | <p><b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p>  |
|       | <p><b>(i) Management's estimation on the impact of audit qualification:</b></p>   |
|       | <p><b>(ii) If management is unable to estimate the impact, reasons for the same:</b>The company has passed board resolution on 14-02-2018 for Writing off various Assets, Liabilities, Incomes and Expenses.</p>  |
|       | <p><b>(iii) Auditors' Comments on (i) or (ii) above:</b> The company has written off various current and Noncurrent assets during the year for which there is no provision has been created by the company up to previous year and those written off assets, will not going to generate any future cash flows to the company and the same is as per IND AS accounting policies.</p>   |
| II(9) | <p><b>a. Details of Audit Qualification:</b></p> <p><b>Going Concern:</b> The above conditions indicate the existence of material uncertainties which may caste significant doubt on the Company's abilities to continue as going concern. In the event that the going concern assumption of the company is inappropriate, adjustments will have to be made as not a going concern. However the financials has not been made with such adjustments for the F.Y 2017-18.</p> |
|       | <p><b>b. Type of Audit Qualification :</b> Qualified Opinion</p>  |
|       | <p><b>c. Frequency of qualification:</b> Appeared first time</p>  |
|       | <p><b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p>  |
|       | <p><b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p>  |
|       | <p><b>(i) Management's estimation on the impact of audit qualification:</b></p>   |

|  |  |
|--|--|
|  | <p><b>(ii) If management is unable to estimate the impact, reasons for the same:</b> Management believes the status of going concern is not affected and is confident of maintaining the going concern status and is undergoing the process of IBC Code, 2016. The final status can be known on approval of resolution plan.</p> |
|  | <p><b>(iii) Auditors' Comments on (i) or (ii) above:</b> the above situations indicate the existence of material uncertainty that may cast significant doubt on the company's ability to meet its financial obligations including repayment of loans obtained and unpaid interest.</p>   |

|     |  |
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| III | <p><b>Signatories</b></p> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 45%;"> <br/> <b>M. Sridhar Singh</b><br/> CEO </div> <div style="width: 45%; text-align: center;">  </div> </div> <hr/> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 45%;"> <br/> <b>J. Daswanth Kumar</b><br/> CFO </div> </div> <hr/> <p><b>Statutory Auditors:</b></p> <p><b>For P C N &amp; Associates,</b><br/> <b>( Formerly Known as Chandra Babu Naidu &amp; Co)</b><br/> <b>chartered Accountants,</b><br/> <b>Firm Registration no: 016016S.</b></p> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 45%;"> <br/> <b>Lakshmi Prasanthi.S</b><br/> <b>Partner</b><br/> <b>M.No:236578</b> </div> <div style="width: 45%; text-align: center;">  </div> </div> <hr/> <p>Place: HYDERABAD</p> <hr/> <p>Date: 30/05/2018</p> |
|-----|--|

*J. Krishna Rao*  
CMA K.K.RAO  
Resolution Professional

