



VICEROY

Date: 31/08/2019

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

Dear Sir/Madam,


**Sub: Compliance under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 - Annual Report for the F.Y. 2018-19**

Pursuant to the Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith the Annual Report of our Company along with the Notice of the Annual General Meeting for the Financial Year 2018-19.

Please take the same on record.

Thanking You,  
Yours Faithfully,

**For Viceroy Hotels Limited**

  
**M. Sreedhar Singh**  
Chief Executive Officer



**VICEROY HOTELS LIMITED**

# Viceroy Hotels Limited



2018 - 2019

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## **CORPORATE INFORMATION**

### **Resolution Professional**

#### **Mr. Karuchola Koteswara Rao**

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

Email Id: kkraoirp@gmail.com

Appointed by NCLT vide its orders dated March 12, 2018

### **Board of Directors**

**Mr. P. Prabhakar Reddy** - Chairman and Managing Director  
(Upto 11.03.2018)

**Mrs. P. Kameswari** - Non-Executive Director  
(Upto 11.03.2018)

**Mr. P. Chakradhar Reddy** - Non-Executive Director  
(Upto 11.03.2018) Cessation as  
Director of the company  
w.e.f 17.04.2019)

**Mr. Devraj Govind Raj** - Non-Executive Independent Director  
(Upto 11.03.2018)

### **Company Secretary**

Ms. Sonam Jaiswal (Up to 29.05.2019)

### **Chief Financial Officer**

Mr. Daswanth Kumar Jaya

### **Chief Executive Officer:**

Mr. M. Sreedhar Singh

### **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@viceroymotels.in](mailto:secretarial@viceroymotels.in)

[secretarial.viceroy@gmail.com](mailto:secretarial.viceroy@gmail.com)

Website: [www.viceroyhotels.in](http://www.viceroyhotels.in)

### **Listing**

National Stock Exchange of India Limited (NSE)

Bombay Stock Exchange Limited (BSE)

### **Statutory Auditors**

P C N & Associates.,

Chartered Accountants

Plot No. 12, "N Heights"

Ground Floor, Software Layout Unit,

Cyberabad, Hyderabad – 500081

### **Secretarial Auditor**

Mr. A N Sarma

Practicing Company Secretary

Hyderabad

### **Internal Auditor :**

#### **M/s. Sriramamurthy & Co.**

Hyd. Branch :SreeSarada, Flat No. 201,

SaiDamodar Residency, H.No. 6-3-185,

New Bhoiguda, Secunderabad,

Telangana - 500080. Tel. : 040-64532022

Mobile +91-9666732022, +91-9246162022

E-mail: [info@srmcohyd.in](mailto:info@srmcohyd.in), [pcaofca@srmcohyd.in](mailto:pcaofca@srmcohyd.in)

### **Registrar and Share Transfer Agent**

M/s. Aarathi 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

Bank of Maharashtra

ARCIL

IARCL

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 54<sup>th</sup> Annual General Meeting of the Members of 'Viceroy Hotels Limited' will be held on **Friday, the 27<sup>th</sup> September, 2019 at 3.00 P.M at "Sri Satya Sai Nigamagamam Trust" 8-3-987/2, Srinagar Colony, Hyderabad - 500 073 Telangana, India** to transact the following items of business:

### **ORDINARY BUSINESS:**

#### **1. To receive, consider and adopt:**

- i) Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of Board of Directors and Auditors thereon.
- ii) Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of Auditors thereon.

**For Viceroy Hotels Limited**

Place : Hyderabad  
Date : 13 August, 2019

Sd/-  
**Karuchola Koteswara Rao**  
**Resolution Professional**

### **NOTES FOR MEMBERS:**

1. 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

THE APPOINTMENT OF PROXY SHALL BE IN THE FORM NO. MGT-11. A BLANK PROXY FORM IS ATTACHED.

THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

- i. AS PER SECTION 105 OF THE COMPANIES ACT, 2013 AND RELEVANT RULES MADE THERE UNDER, A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
  - ii. DURING THE PERIOD BEGINNING 24 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING AND ENDING WITH THE CONCLUSION OF THE MEETING, A MEMBER WOULD BE ENTITLED TO INSPECT THE PROXIES LODGED AT ANY TIME DURING THE BUSINESS HOURS OF THE COMPANY, PROVIDED THAT NOT LESS THAN THREE DAYS OF NOTICE IN WRITING IS GIVEN TO THE COMPANY.
2. 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.
  3. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, September 20, 2019 to Friday, September 27, 2019**, both days inclusive for the purpose of the 54<sup>th</sup> Annual General Meeting of the Company.
  4. Viceroy Hotels Limited (Corporate Debtor) is currently under Corporate Insolvency Resolution Process ("CIRP") as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) pursuant to an order of the Honorable National Company Law Tribunal, Hyderabad Bench ("NCLT") dated 12<sup>th</sup> March, 2018. As per the provisions of Section 17 (b) of

the Insolvency and Bankruptcy Code, 2016, “**the powers of the board of directors or the partners of the corporate debtor, as the case may be, shall stand suspended and be exercised by the resolution professional**”. Therefore, no Item for the appointment/re-appointment of Directors, who retires by rotation is proposed as the Company is under CIRP Process.

5. All communications in respect of the share transfers and change in their registered address may be communicated to our RTA at M/s. Aarathi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad-500029, Telangana.
6. 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.
7. Members, who are holding Company's shares in physical form, please contact our Registrar and Share Transfer Agent M/s. Aarathi Consultants Private Limited to update your address, email-ids etc.
8. 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.
9. Member who hold shares in physical form in multiple folios under same name or joint holding are requested to intimate the Registrar and Transfer Agents, M/s. Aarathi Consultants Private Limited about these folios to enable consolidation of all such shareholding into one folio.
10. The Company has designated exclusive Email Id [secretarial@viceroyhotels.in](mailto:secretarial@viceroyhotels.in); [secretarial.viceroy@gmail.com](mailto:secretarial.viceroy@gmail.com) to redress shareholders' complaints/grievances.
11. 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.
12. 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.
13. 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. Aarathi Consultants Private Ltd about these folios to enable consolidation of all such shareholdings into one folio.
14. 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.
15. 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.
16. Route map showing directions to reach venue of Annual General Meeting is attached to this Annual Report.

#### **E-VOTING:**

The business as set out in the Notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (LODR) Regulations, the Company is pleased to offer e-voting facility as an alternate to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 54th Annual General Meeting. The Company has engaged the services of Central Depository Services India Limited (CDSL) to provide the e-voting facility.

The Members whose names appear in the Register of Members / List of Beneficial Owners as on 19th September, 2019 (cut-off date), are entitled to vote on the resolutions set forth in this Notice.

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. 19th September, 2019 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 24, 2019 (9:00 a.m. IST) and ends on September 26, 2019 (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. 19th September, 2019 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:

<b>For Members holding shares in Physical Form/ Demat Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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 8 digits folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Ex: If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field</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 PAN is '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 19th September, 2019. 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, Mr. M. Sreedhar Singh, Compliance officer, #Plot No.20, Sector-I, Survey No.64, 4th Floor, HUDA Techno Enclave, Madhapur, Hyderabad – 500 081, Telangana, Phone Number: +91 40 – 23119695, Email: [secretarial@viceroyhotels.in](mailto:secretarial@viceroyhotels.in); [secretarial.viceroy@gmail.com](mailto:secretarial.viceroy@gmail.com)
- vi) The Scrutinizer, Mr. M Ramana Reddy, Practicing Company Secretary (Membership No. 37864)
- vii) 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.
- viii) 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

**For Viceroy Hotels Limited**

Place: Hyderabad  
Date: 13 August, 2019

Sd/-  
**Karuchola Koteswara Rao**  
**Resolution Professional**

## DIRECTORS' REPORT

**To  
The Members  
Viceroy Hotels Limited**

Your Directors are pleased to present to you the 54<sup>th</sup> Annual Report along with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2019.

### **PERFORMANCE / FINANCIAL RESULTS**

The financial performance of the Company, for the year ended March 31, 2019 is summarized below:

(Rupees in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2018-19	2017-18	2018-19	2017-18
Income from Operations	8808.53	8382.65	12242.67	11810.39
Other Income	44.63	1707.37	308.85	1903.98
<b>Total Revenue</b>	<b>8853.17</b>	<b>10009.02</b>	<b>12551.53</b>	<b>13714.37</b>
Profit before Interest and Depreciation	701.13	2690.75	(52.77)	2630.98
Interest	72.71	2072.37	242.00	2272.16
Depreciation	917.74	832.92	1083.48	1039.07
Profit before Tax and Extraordinary Items	<b>(289.33)</b>	<b>(214.54)</b>	<b>(1378.25)</b>	<b>(680.25)</b>
Exceptional Items	<b>(703.69)</b>	<b>(42659.65)</b>	<b>0</b>	<b>(42659.65)</b>
Provision for Current Tax	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Deferred Tax	255.94	988.68	197.47	996.41
Profit after Tax	<b>(1248.97)</b>	<b>(43862.87)</b>	<b>(1575.73)</b>	<b>(44336.32)</b>

### **APPOINTMENT OF RESOLUTION PROFESSIONAL**

National Company Law Tribunal (NCLT) has initiated Corporate Insolvency Resolution Process (CIRP) in respect of Viceroy Hotels Limited ("the Company") under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") with effect from March 12, 2018.

In this connection, Mr. CMA Karuchola Koteswara Rao (IP Registration No. IBBI/IPA-003/IP-N00039/2017-18/10301) has been appointed as an Interim Resolution Professional (IRP) to carry out the activities relating to CIRP as per the rules, regulations and guidelines prescribed by the Code.

The Committee of Creditors ("COC") in its first meeting held on 09/04/2018 appointed Mr. Karuchola Koteswara Rao (who was appointed as IRP pursuant to an order of the Honorable National Company Law Tribunal, Hyderabad Bench ("NCLT") dated 12th March, 2018) as RP of the company.

During this period, the NCLT has prescribed moratorium period for prohibiting all of the following namely:

- I. the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority.
- II. transferring, encumbering, alienating, or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein.
- III. any action to foreclose recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the securitization and reconstruction of financial assets and enforcement of security interest act, 2002.

IV. the recovery of any property by owner or lessor where such property is occupied by or in the possession of the corporate debtor.

As per Section 17 of the Insolvency and Bankruptcy Code from the date of appointment of the interim Resolution Professional –

- a) the management affairs of the company shall vest in the resolution professional.
- b) the power of the board of directors company shall stand suspended and be exercised by the Resolution Professional.
- c) the officers and managers of the company shall report to the resolution professional and provide access to such documents and records of the company as may be required by the interim resolution professional.
- d) the financial institutions maintaining accounts of the company shall act on the instructions of the interim resolution professional in relating to such accounts furnish all information relating to the company available with them to the Resolution Professional.

During the financial year the Honorable National Company Law Tribunal, Hyderabad Bench ('NCLT') has granted an extension of CIRP period as under.

Date	Particulars	No. of Days
12/03/2018	12/03/2018 to 07/09/2018	180
04/09/2018	08/09/2018 to 06/12/2018	90
06/12/2018	07/12/2018 to 20/01/2019	45
11/01/2019	21/01/2019 to 06/03/2019	45
08/03/2019	07/03/2019 to 26/03/2019	20
	<b>Total</b>	<b>380</b>

As per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) the Committee of Creditors of M/s Viceroy Hotels Limited has been approved by the resolution plan submitted by M/s CFM Asset Reconstruction Company Private Limited through e-voting process (19th March, 2019 - 4.00 p.m to 20th March, 2019- 4.00 p.m.) identified as a successful resolution applicant, subject to approval of the Hon'ble NCLT, Hyderabad bench.

#### PERFORMANCE

Your Company achieved a gross turnover of Rs. 88,08,53,887 /- for the period ended March 31, 2019 as against Rs. 83,82,65,312 /- for the previous year ended March 31, 2018. On an annualized basis, turnover for the current period ended March 31, 2019 increased by 5.08% percent as compared to the previous period.

#### DIVIDEND

In view of loss incurred by your Company, your directors regret and express their inability to recommend dividend for the period ended March 31, 2019.

#### TRANSFER TO RESERVES

For the financial year ended 31st March, 2019, the Company has not transferred any amount to General Reserve Account.

#### SUBSIDIARIES

The Company has 5 subsidiaries as on March 31, 2019. There has been no material change in the nature of the business of the subsidiaries. The Consolidated Financial Statements prepared by the Company include the financial information of subsidiary companies, namely Café D Lake Private Limited, Crustum Products Private Limited, Viceroy Chennai Hotels & Resorts Private Limited, Minerva Hospitalities Private Limited and Banjara Hospitalities Private Limited.

Pursuant to Section 136(1) of the Companies Act, 2013, the Balance Sheet, Statement of Profit and Loss and other documents of the said subsidiary companies are required to be annexed to the accounts of the holding Company. The Companies Act, 2013 had granted general exemption for listed companies from complying with the provisions of section 136 of the Companies Act, 2013 subject to certain conditions being fulfilled by the Company. Accordingly, the Balance Sheet, Profit and loss account and other documents of the subsidiary companies are not being attached with the Balance Sheet of

the Company. A statement containing the brief details of financials of subsidiary companies for the year ended March 31, 2019 is enclosed in the Annual Report. The annual accounts of the said subsidiary companies and relevant information shall be made available to the shareholders who seek such information and are also available for inspection by any shareholder at the Registered Office of the Company, on any working day during business hours. Copy of the said details will be provided upon receipt of written request from the shareholders

**Café D Lake Private Limited:**

The application filed by the Tourism Finance Corporation of India Ltd against the Café D'lake Private Limited under Sec. 7 of The Insolvency Bankruptcy Code 2016 for nonpayment of Loans and an Order has been received by the company from NCLT.

The Hon'ble National Company Law Tribunal ('NCLT') vide its order dated 18th March, 2019 had initiated Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016 ('the Code') in respect of M/s. Cafe D'lake Private Limited, wholly owned subsidiary of the Company and has appointed Mr. M. Vijaya Bhaskara Rao (IP Registration no. IBBI/IPA-002/IP-N00160/2017- 18/10429) as Interim Resolution Professional ('IRP') to carry out the functions as mentioned under the Code.

Further that Hon'ble National Company Law Tribunal, Hyderabad vide its order dt. 29/04/2019 in respect of M/s. Cafe D'lake Private Limited appointed Mr. Mukesh Kumar Gupta (IBBI Registration No. IBBI/IPA-001/IP-P00207/2017-2018/10407) as Resolution Professional of the Company in the place of Mr. M. Vijaya Bhaskara Rao.

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. 34.34 crores for the year ended 31st March, 2019 (un audited) as against Rs.36.24 Crores for previous year. However, there was a net Loss of Rs. 9.14Crores for the year ended 31st March, 2019 as against the loss of Rs. 4.17 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, 2019 is Rs. 1.15 Crores as against net loss of Rs. 0.56 Crores in the previous year.

**Viceroy Chennai Hotels & Resorts Private Limited:**

Viceroy Chennai Hotels & Resorts Private Limited has no operations commenced as on date.

**Minerva Hospitalities Private Limited:**

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

**Banjara Hospitalities Private Limited**

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

**DETAILS OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

During the Financial Year 2018-19, no company ceased to be subsidiary of the company and your company does not have any associates or joint ventures.

**BOARD OF DIRECTORS**

Consequent to an order of the Honorable National Company Law Tribunal, Hyderabad Bench ('NCLT') dated 12th March, 2018, the Company is currently under Corporate Insolvency Resolution Process ('CIRP') as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) and as per Section 17 of the Code, the powers of the Board of Directors of Viceroy Hotels Limited (Corporate Debtor) stands suspended and such powers shall be vested with Mr. Karuchola KoteswaraRao, Resolution Professional.

During the year under review, Mr. Katragadda Rajesh, Independent Director has resigned from the directorship of the Company with effect from 25/04/2018 owing to personal reasons.

Mr. P Chakradhar Reddy Resigned as director of the company w.e.f 17/04/2019 and the same has been accepted.

## KEY MANAGERIAL PERSONNEL

There is no change in the Key managerial Personnel of the Company during the year under review.

However, Mrs. Sonam Jaiswal has resigned as the company secretary and the compliance officer of the company w.e.f 29.05.2019.

Mr. Sreedhar Sing has been appointed as compliance officer of the company w.e.f. 29/05/2019.

## DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they fulfill the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

## MEETINGS OF THE BOARD OF DIRECTORS DURING THE FINANCIAL YEAR

During the year, five meetings of the Board of Directors (RP) were held as more peculiarly disclosed in the attached Report on Corporate Governance. The intervening gap between any two meetings was within the prescribed period.

The number and dates of meetings held by the Board and its Committees, attendance of Directors and details of remuneration paid to them is given separately in Corporate Governance Report in terms of Section 134(3)(b) of the Companies Act, 2013.

## BOARD EVALUATION

As mandated under the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the annual performance evaluation of the Directors individually vis-a-vis the Board and its committees have been carried out. The manner of such evaluation has been disclosed in the Corporate Governance Report.

In terms of Section 17 of the Code, on commencement of the Corporate Insolvency Resolution Process (CIRP), the powers of the Board of Directors of VHL stands suspended and the same are being exercised by Mr. Karuchola Koteswara Rao. The management of the affairs of VHL has been vested with Mr. Karuchola Koteswara Rao.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors confirm that to the best of their knowledge and belief and according to the information and explanation available to them,

- 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 2018- 19 and of the statement of profit 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 2018-19 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.

That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2019 was Rs. 42,40,52,240. During the year under review the company has not issued any shares or any convertible instruments.

## CHANGE IN NATURE OF BUSINESS

There is no change in the nature of business during the year.

## **MATERIAL CHANGES AND COMMITMENTS**

In terms of Section 17 of the Code, on commencement of the Corporate Insolvency Resolution Process (CIRP), the powers of the Board of Directors of VHL stands suspended and the same are being exercised by Mr. Karuchola Koteswara Rao. The management of the affairs of VHL has been vested with Mr. Karuchola Koteswara Rao.

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

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors and Senior Management personnel and fix their remuneration. The Remuneration Policy is posted on the website of the Company at the link: [www.viceroyhotels.in](http://www.viceroyhotels.in)

## **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.

## **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 C N & Associates., Chartered Accountants, Firm's Registration number: 016016S, were appointed as Statutory Auditors of the Company for a period of 5 Years from the Conclusion of 52 Annual General Meeting of the Company till the conclusion of 57 Annual General Meeting of the Company subject to ratification by members in every Annual General Meeting.

However, by the Companies (Amendment) Act, 2017, provisions pertaining to ratification of appointment of Statutory Auditor has been omitted with effect from 7th May, 2018. Hence, the agenda for ratification of appointment of M/s. P C N & Associates., Chartered Accountants, as Statutory Auditors has not been proposed in the Notice convening the Annual General Meeting.

M/s. P C N & Associates.,(Formerly Known as Chandra Babu Naidu & Co.) Chartered Accountants, Firm's Registration number: 016016S, Hyderabad as the Statutory Auditors have been appointed as the Statutory Auditors of the Company for a period of 5 years at the 52nd Annual General Meeting of the company i.e., up to the conclusion of the 57th Annual General Meeting of the company. The Ministry of Corporate Affairs vide its Notification dated 7th May, 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders, every year. Hence, the resolution relating to ratification of Auditor's appointment is not included in the Notice of the ensuing Annual General Meeting.

With reference to observations made in Auditor's report, the notes of account is self-explanatory and therefore do not call for any further comments. The results for the year ended March 31, 2019 have been subjected to an audit by the Statutory Auditors of the company and a qualified report has been issued by them thereon.

## **Qualifications of Auditor for the year 2018-2019**

- 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. However the company has not submitted us any valuation certificate towards capitalization of fixed assets of Rs. 111.94 crores, and the depreciation claimed by the company towards such capitalization of fixed assets for the F.Y 2017-18 is Rs. 358.34 Lakhs and for the F.Y 2018-19 Rs. 599.98 Lakhs As we could not obtain sufficient audit evidence in this regard and the capitalization is not in**

**compliance with the generally accepted accounting principles we are unable to comment upon the true and fair view of the same.**

The company has passed board resolution on 26-08-2017 for converting Capital work in progress of Rs. 111.94 Crores to fixed assets. The depreciation claimed by the company on capitalization of fixed assets for the F.Y 2017-18 is Rs. 358.34 Lakhs and for the F.Y 2018-19 Rs. 599.98 Lakhs.

- b. Forfeiture of advance: The Company has forfeited an advance of amounting to Rs.134.65 Crores received from Mahal Hotel Private Limited, Bhagyanagar Investments and trading private limited and Ganga Industrial Corporation Limited 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 financial year 2017-18 again the company has recognised the forfeited advances in the books of accounts as liability which is not in line with the IND AS accounting policies, also the management of the company has not provided us any supporting document towards re recognition of such advances as liability in the books of accounts in the F.Y 2017-18. As per the Business transfer agreement (BTA) entered between Viceroy Hotels Limited and Mahal Hotels Limited dated 02nd April, 2011, the company M/s Viceroy Hotels Ltd received an advance of Rs.124.52 Crores (Included in above said advance Rs., 134.65 Crores). The date of termination of the agreement is 31.12.2011. In the event of termination, the company is liable to repay the advance along with the interest @2% per month till the date of repayment. However no interest has been paid or provided by the company in its Books of Accounts since the termination of the agreement, which is not in line with the accounting principles. Hence we are unable to comment upon the true and fair view of the same.**

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 in the F.Y 2017-18.

- c. Directorate of Enforcement: The Directorate of Enforcement made a Provisional Attachment Order in PAO No. 04/2019 dated 26.03.2019 passed by the Deputy Director, Directorate of Enforcement against the M/s Viceroy Hotels Limited of OC No.1118/2019 pending adjudication before the Honourable Adjudicating Authority, PMLA, 2002, from alienating the proceeds of crime in the form of movable and immovable properties which are involved in money laundering and the non-attachment may seriously affect and frustrate the proceedings under PMLA, 2002. The resolution professional has challenged the provisional attachment order of Enforcement Directorate, Chennai, before the Hon'ble NCLT, Hyderabad on 08-04-2019. NCLT has raised the attachment of Enforcement Directorate, Chennai. Further proceedings are subject to the respective authorities.**

The company has received provisional attachment of immovable and movable properties having value of Rs. 315.50 Crores from Directorate of Enforcement, Chennai on 26.03.2019.

The resolution professional has challenged the provisional attachment order of Enforcement Directorate, Chennai, before the Hon'ble NCLT, Hyderabad on 08-04-2019. NCLT has raised the attachment of Enforcement Directorate, Chennai.

Further, as per the Hon'ble NCLT, Hyderabad order dated 11.07.2019 declared that immovable and movable properties of Viceroy Hotels limited can't be attached by the Enforcement Directorate - Chennai when the company is under Corporate Insolvency Resolution Process ("CIRP").

- 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 dues and the same has been accepted by the Hon'ble NCLT. Further proceedings are subject to NCLT order. The Resolution Professional has invited Expression of Interest from the prospective bidders for submission of Resolution Plans for revival of the Company. In terms of provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) the resolution plan submitted by M/s CFM Asset Reconstruction Company Private Limited for M/s Viceroy Hotels Limited has been approved by the Committee of Creditors (COC) of the company in its 18th COC meeting and identified as a successful resolution applicant, subject to the approval of the Hon'ble NCLT, Hyderabad bench.**

As per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) the Committee of Creditors of M/s Viceroy Hotels Limited has been approved by the resolution plan submitted by M/s CFM Asset Reconstruction Company Private Limited in its 18th COC through e-voting process identified as a successful resolution applicant, subject to approval of the Hon'ble NCLT, Hyderabad bench.

- 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 in accordance with generally accepted accounting principles. Confirmations from Banks/Financial Institutions are not yet received in this regard, due to the non-provision of interest in the financial statements; the financial statements may not give a true and fair view in this regard.

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.

- f. **Statutory Dues:** The Company has not paid the statutory dues for a period more than 6 months is as follows as per the Books and records verified by us as on 31-03-2019.

Sl.No	Particulars	Amount (Rs. )
1	TDS	3,31,29,274/- (F.Y 2013/14 - Rs.1,65,37,076/-, F.Y 2014/15 - Rs.1,33,91,164/-, F.Y 2015/16 - Rs.17,47,280/-, F.Y 2016/17 - Rs.14,53,754/-)
	<b>Total</b>	<b>3,31,29,274/-</b>

The Company is in the process of clearing outstanding statutory dues.

- g. **Non availability of confirmations Trade Receivables, Trade Payables - In the absence of alternative corroborative evidence, we unable to comment on the extent to which such balances are recoverable.**

The company is in the process of obtaining the confirmation from them.

- h. **Exceptional items:** The management decided to write off various assets, capital work in progress etc for an amount of Rs. 291.94 crores in the F.Y 2017-18 for which there is no provision has made for such amount up to F.Y 2016-17 .

The Company has passed board resolution on 14-02-2018 for Writing off various Assets, Liabilities, Incomes and Expenses.

- i. **In respect of investment in subsidiaries those have significant accumulated Losses as on March 31st 2019. And the Loans and advances given to those subsidiaries. The Management of the company is of the view that the 100 percent provision for made for Loss of such investments in the Profit & Loss account made during the F.y 2017-18 in the accompanying IND As financial statements. In the absence of fair valuation of those investments in the subsidiaries, we are unable to comment on the total provision made by the company in this regard.**

The company believes investments in subsidiaries has been eroded fully have made provision.

- j. **Tax Disputes:** the company has material tax disputes with the Income Tax department as given under as per the information submitted by the management in this regard. However the company has not made provision for such dues in the financial statements for the year ending 31-03-2019. As per the information submitted by the company to us the following are the cases pending at different levels.

Name of the Statue	Nature of Dues	Section under which order is passed	Amount (Rs.)	Period to which it relates	Case is pending at
Income Tax Act, 1961	Income Tax	154	Rs.54,68,19,040/-	AY 2014-15	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	143(3)	Rs.8,30,89,950/-	A.Y 2016-17	Commissioner of Income Tax (Appeals)



It is not possible to predict the outcome of the pending litigations with accuracy, the company believes, based on legal opinions received, that it has meritorious defenses to the claims. The management believes the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the company.

- k. Going Concern** The above conditions indicate the existence of material uncertainties which may cast 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 2018-19.

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.

Further the Auditors' Report for the financial year ended, 31st March, 2019 is appended herewith for your kind perusal and information.

#### **INTERNAL AUDITORS**

The Board (RP) has re-appointed M/s. Sriramamurthy & Co, Chartered Accountants, as the Internal Auditors of your Company. The Internal Auditors are submitting their reports on Quarterly basis. The remuneration of internal auditor's as may be mutually agreed upon between the Board (RP) of the Company and Internal Auditors.

#### **SECRETARIAL AUDIT**

Pursuant to provisions of Section 204 of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board (RP) has appointed Mr. A. N. Sarma, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report, pursuant to Section 204(1) of the Companies Act, 2013, for the financial year ended 31st March, 2019 is given in '**Annexure VI**' attached hereto and forms part of 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 32 and 33 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 VII 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

#### **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 VII

#### **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.

## **EXTRACT OF ANNUAL RETURN**

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

## **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)).

## **FIXED DEPOSITS**

Your Company has not accepted any fixed deposits and as such no principal or interest was outstanding as on the date of the Balance sheet.

## **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE**

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 Honorable National Company Law Tribunal, Hyderabad Bench ('NCLT') dated 12th March, 2018. The Committee of Creditors meeting was conducted and a Resolution Professional was appointed.

Consequent to an order of the Honorable National Company Law Tribunal, Hyderabad Bench ('NCLT') dated 12th March, 2018, the Company is currently under Corporate Insolvency Resolution Process ('CIRP') as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) and as per Section 17 of the Code, the powers of the Board of Directors of Viceroy Hotels Limited (Corporate Debtor) stands suspended and such powers shall be vested with Mr. Karuchola Koteswara Rao, Resolution Professional.

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

## **MANAGEMENT DISCUSSION & ANALYSIS**

The Management Discussion and Analysis as required under Schedule V of the Listing Regulations forms an integral part of this report.

## **CORPORATE SOCIAL RESPONSIBILITY**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as section 135 and rules made there under are not applicable to the company.

## **CORPORATE GOVERNANCE**

Your Company practices a culture that is built on core values and ethical governance practices and is committed to transparency in all its dealings. A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses

(b) to (i) of sub regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this Report.

## HUMAN RESOURCES

Your Company considers its Human Resource as the major strength to achieve its objectives. Keeping this in view, your Company takes all the care to attract, train and retain well qualified and deserving employees. The employees are sufficiently empowered and enabled to work in an environment that inspires them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind fulfilling the Company's vision. Your Company appreciates the contribution of its dedicated employees.

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

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

The following is a summary of sexual harassment complaints received and disposed of during the year:

No. of complaints received: Nil

No. of complaints disposed of: Nil

## ACKNOWLEDGEMENTS

Your Directors express their sincere appreciation to the customers, members, dealers, employees, bankers, State and Central Government, Stock Exchanges and all stakeholders for their cooperation and confidence reposed in the Company.

Place: Hyderabad

Date: 13th day of August, 2019

## FOR VICEROY HOTELS LIMITED

Sd/- <b>P. Prabhakar Reddy</b> Former CMD	Sd/- <b>CMA K.K.Rao</b> Resolution Professional	Sd/- <b>M.Sreedhar Singh</b> CEO
Sd/- <b>Devraj Govind Raj</b> Former Director	Sd/- <b>J.Daswanth Kumar</b> CFO	

## Annexure – I

### Form No. AOC-I

**Statement containing salient features of the financial statements of subsidiaries/ associate companies/joint ventures as on March 31, 2019.**

(Amount In Rupees)

Name of the Subsidiary Company	Subsidiaries				
	Café D'Lake Pvt. Ltd.	Crustum Products Pvt. Ltd.	Minerva Hospitalities Pvt. Ltd.	Viceroy Chennai Hotels & Resorts Pvt. Ltd.	Banjara Hospitalities Pvt. Ltd.
Capital	2,74,45,300	4,00,00,000	4,66,92,670	1,00,000	3,18,00,000
Reserves	(4,17,56,867)	(8,77,90,966)	(51,97,017)	(60,236)	23,06,442
Total Assets	28,69,16,511	30,49,54,118	7,81,76,215	1,00,000	1,21,13,18,165
Total Liabilities	28,69,16,511	30,49,54,118	7,81,76,215	1,00,000	1,21,13,18,165
Turnover	34,34,13,743	0	0	0	0
Profit before taxation/(Loss)	(9,73,11,327)	(1,15,47,021)	(11,500)	(11,500)	(11,500)
Provision for taxation	(9,14,63,921)	0	0	0	0
Profit/ (Loss) after taxation	(8,36,34,217)	(1,15,47,021)	(11,500)	(11,500)	(11,500)
Proposed dividend	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	31,80,000 Equity Shares of Rs.10/- each
Investment	100%	100%	100%	100%	100%

## **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 2018-19.

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

## Annexure – III

# MANAGEMENT DISCUSSION & ANALYSIS

### FORWARD LOOKING STATEMENT

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events. The Company disclaims any obligation to update these forward-looking statements, except as may be required by law.

### INDIA: THE YEAR IN REVIEW

India continued to build its lead as one of the fastest growing large economies in the world during FY 2018-19. Recent estimates as per the Central Statistical Office pegged GDP growth for FY 2018-19 at 7% led by government expenditure on roads and affordable housing, strong gross capital formation and improved exports. A moderate, but resilient private consumption and steady construction activity remain enablers to this growth (Source: Monetary Policy Committee of RBI, April 2019). Domestic consumption is expected to grow into a \$6 trillion opportunity by 2030 (Source: WEF Future of Consumption in Fast-Growth Consumer Markets: India, January 2019). Healthy savings by Indian households (22% of their income), higher proportion of young, working population and policy reforms are the long term drivers for India's Economic growth in future.

Inflation, as measured by the Consumer Price Index (CPI), remained modest for major part of the year owing to benign food inflation (forms ~46% of CPI). The soft food inflation appears to be structural in nature given the increased agricultural productivity in India. Wholesale Price Index (WPI) inflation too remained in low single digits in FY 2018-19 on account of marginal increase in fuel prices. Weak inflation propelled the Reserve Bank of India (RBI) to go back to its 'neutral' stance from 'calibrated tightening' (briefly adopted between October and December 2018). The apex bank announced a 25 basis points cut in repo rate in its last policy of the financial year, in a bid to improve economic growth, as well as inflation. The Government of India adopted prudent policies and hence has managed to keep fiscal deficit in a narrow band during the year. This metric is pegged at 3.4%, slightly higher than the targeted level of 3.3%. The Indian Rupee (INR) remained weak for most part of the year and hit an all-time low of Rs.74.48 against the US Dollar (USD) due to higher oil prices, improving US yields, weak domestic fundamentals and outflows from domestic markets.

### ADVANTAGES OF INDIAN ECONOMY

India's economy will most likely be powered by private consumption, investments and exports in future. Private consumption: Softer interest rates, improving farm realizations and higher disposable incomes will enable this metric.

Investments: Overall investments rebounded in FY 2018-19 with fixed investments growing 12.2%, up from 7.6% in FY 2017-18. Moreover, the investment ratio (investment/GDP) is estimated to have surged to 32.9% after being range bound at 30-31% in the past four to five years.

Exports: India's exports grew at a healthy pace in FY 2018-19, albeit on a low base. The primary factors propelling India's exports during the year under review were the easing constraints posed by Goods and Services Tax (GST) implementation, improved manufacturing and tailwinds of 2017 global trade revival.

### GLOBAL ECONOMY: THE YEAR IN REVIEW

Rising trade tensions between the US and China; financial tightening amid normalisation of monetary policies in larger advanced economies; tighter credit policies in China; volatile crude oil prices and moderating industrial production resulted in a slow-down of global economic activity notably in the second half of 2018. Amongst the advanced economies, the United States' economy grew by 2.9% as per 2018 estimates, higher than the previous two years. Growth in the United Kingdom moderated from 1.7% in 2017 to 1.3% in 2018 mainly due to the uncertainty of its exit from the European Union (Source: World Bank Report on Global Economic Prospects, January 2019).

## THE TRAVEL & TOURISM GLOBAL SCENARIO

Growing international awareness, the desire to travel, improving flight connectivity and expanding disposable income continue to positively impact travel and tourism. The Travel & Tourism industry generated US\$ 8.3 trillion or 10.4% of global GDP in 2017. This reflects 8.6% growth over 2016 and is anticipated to further grow steadily through 2018.

Travel and tourism globally is a key driver of employment. The industry generated 313 million jobs of total global employment. This contribution is anticipated to grow to 413 million jobs by 2028 and represent 11.6% of total employment.

## INDIAN HOSPITALITY AND TOURISM INDUSTRY

Travel and tourism industry contributed 9.2% to India's GDP and registered a growth of 6.7% in 2018 (Source: WTTC). The industry supported 43 million jobs in the country (8.1% of total employment). India offers a diverse portfolio of niche tourism products, including cruises; adventure medical; wellness; sports; meetings incentives, conventions and exhibitions (MICE) eco-tourism; films; rural and religious tourism. The country has been recognised as a destination for spiritual tourism for domestic and international tourists. Besides, the introduction of a new category of visa—the medical visa or M visa—is expected to encourage medical tourism in India.

Total contribution by travel and tourism sector to India's GDP is expected to increase from Rs 15.24 trillion (US\$ 234.03 billion) in 2018 to Rs 32.05 trillion (US\$ 492.21 billion) by 2028.

India was ranked 7th among 184 countries in terms of travel & tourism's total contribution to GDP in 2017. Travel and tourism is the third largest foreign exchange earner for India. During 2018, FEEs from tourism increased 4.70 per cent year-on-year to US\$ 28.59 billion. Foreign Tourist Arrivals (FTAs) increased 5.20 per cent year-on-year to 10.56 million in the same period.

During 2018, arrivals through e-tourist visa increased 39.60 per cent year-on-year to 2.37 million. During January 2019, arrivals through e-tourist visa increased by 21.10 per cent year-on-year to 0.29 million.

It is estimated that 81.1 million people are employed in the tourism sector in India which was 12.38 per cent of total employment in the country. The Government of India has set a target of 20 million foreign tourist arrivals (FTAs) by 2020 and double the foreign exchange earnings as well.

In September 2018, the Indian government launched the 'Incredible India Mobile App' to assist the traveller to India and showcase major experiences for travelling. The Government of India is working to achieve one per cent share in world's international tourist arrivals by 2020 and two per cent share by 2025.

In October 2018, Statue of Sardar Vallabhbhai Patel, also known as 'Statue of Unity', was inaugurated as a tourist attraction. It is the tallest statue in the World standing at a height of 182 metre. It is expected to boost the tourism sector in the country and put India on the world tourism map.

The Government has also been making serious efforts to boost investments in tourism sector. In the hotel and tourism sector, 100 per cent FDI is allowed through the automatic route. A five-year tax holiday has been offered for 2, 3 and 4 star category hotels located around UNESCO World Heritage sites (except Delhi and Mumbai).

Total FDI received by Indian hotel & tourism sector was US\$ 12 billion between April 2000 and December 2018. India is a large market for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, MICE, ecotourism, film, rural and religious tourism. India has been recognized as a destination for spiritual tourism for domestic and international tourists.

- Focus on improving infrastructure, including airports, roads and rail connectivity across the country
- Positive amendments to Coastal Regulation Zones Rules are expected to facilitate development of beach resorts across the coastline
- Digitization of services, including payment mechanisms
- E-visas offered to nationals of 166 countries is expected to increase foreign travellers
- New avenues of funding Real Estate and Hospitality assets through institutional equity by way of listing Real Estate Investment Trusts (REIT) and Initial Public Offers (IPOs) of certain hospitality companies
- Introduction of the Insolvency and Bankruptcy Code (IBC) to resolve insolvencies efficiently, which in turn gives rise to opportunities for expansion.

The industry's concern however, are high GST rates, which at 28% for room tariffs above Rs.7,500 are amongst the highest in South East Asia positioning the country as an expensive destination in comparison with regional peers. Further, the recent turmoil within the airline industry in India leading to a decline in flights has impacted travel, notwithstanding the high demand for air travel.

#### **FINANCIAL PERFORMANCE OF THE COMPANY:**

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

The Company's standalone operating Income has decreased by 13.97 % to Rs.88.53 crores from Rs. 100.90 crores in the previous year.

The turnover of the company has increased by 5.08 % to Rs.88.08 crores from Rs. 83.82 crores in the previous year.

During the Financial Year under the review, the Company's consolidated total income from aggregated Rs. 125.51 Crores. The Company's consolidated profit before taxes aggregated to Rs. (13.78) Crores. The Company's consolidated profit after taxes aggregated to Rs. (15.75) 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 endeavor to complete its projects on time at optimal cost so as to maximize the profitability.

##### **Human Resource Risk**

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

##### **Opportunities:**

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

##### **Cautionary Statement**

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



## Annexure – IV

# REPORT ON CORPORATE GOVERNANCE

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

Your Company has been following fair, transparent and ethical governance practices and believes it to be essential for enhancing long-term shareholder value and retaining invest or trust. The Company believes that the policies and practices should be ethical and sustainable while being competitive.

Your Company believes that Corporate Governance is about best practices of business to be imbibed into the culture of the organization and complying with value systems, ethical business practices, laws and regulations to achieve the main objectives of the Company.

At Viceroy Hotels Limited, the focus is on its core strengths, value systems, hardworking and strategic moves to be in the leading edge of new technology. It also strives to be ahead of competition by taking all the risk assessments well in advance to mitigate the same.

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	Chairman and Managing Director – Executive Director (Promoter)	5	No	01	Nil	02	10,93,124
Mr. P. Chakradhar Reddy DIN: 01425681	Non Executive Director (Promoter)	Nil	No	Nil	Nil	Nil	27,89,351
Mrs.P. Kameswari DIN : 01587727	Non Executive Director (Promoter)	2	No	01	Nil	02	19,75,643
Mr. Devraj Govind Raj DIN: 07526450	Non Executive Director (Independent)	5	No	Nil	Nil	02	Nil
Mr. Katragadda Rajesh (from 13.03.2017 upto 25/04/2018) DIN: 02727491	Non Executive Director (Independent)	0	No	03	Nil	Nil	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).

In terms of Section 17 of the Code, on commencement of the Corporate Insolvency Resolution Process (CIRP), the powers of the Board of Directors of VHL stands suspended and the same are being exercised by Mr. Karuchola Koteswara Rao, Resolution Professional. The management of the affairs of VHL has been vested with Mr. Karuchola Koteswara Rao and as per Securities and Exchange Board of India Notification dated 31 May, 2018 on SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, The provisions as specified in regulations 17, 18, 19, 20 and 21 shall not be applicable during the insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC).

## I. BOARD OF DIRECTORS (RP)

In terms of Section 17 of the Code, on commencement of the Corporate Insolvency Resolution Process (CIRP), the powers of the Board of Directors of VHL stands suspended and the same are being exercised by Mr. Karuchola Koteswara Rao, Resolution Professional. The management of the affairs of VHL has been vested with Mr. Karuchola Koteswara Rao.

As per Securities and Exchange Board of India Notification dated 31 May, 2018 on SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, The provisions as specified in regulations 17 shall not be applicable during the insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC).

### Composition of the Board

- i. As on March 31, 2019, the suspended Viceroy's Board consists of 3 Members of whom 1 (One) is Independent Director.
- ii. There are no pecuniary relationships or transactions with Independent Non-Executive Directors except for sitting fees paid for attending Board and other Committee Meetings.
- iii. The Board of Directors (RP) met Five (5) times during the financial year 2018-19. These were held on 28.05.2018 adjourned to 30.05.2018, 13.08.2018, 14.11.2018, 13.02.2019, and 27.03.2019 and the maximum gap between any two meetings did not exceed 120 days.
- iv. 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.
- v. None of the Directors serves as an independent Director in more than seven Listed Companies.
- vi. 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 30.05.2017 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.

## II. BOARD COMMITTEES

### AUDIT COMMITTEE

Composition, meetings and the attendance during the year:

As per Securities and Exchange Board of India Notification dated 31 May, 2018 on SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, The provisions as specified in regulation 18 shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC) so as per the circular 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 shall be fulfilled by Resolution Professional and powers of the Board of Directors stand suspended.

As per the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, dated 31st May, 2019 the role and responsibilities of Audit Committee after the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016.

During the year under review, 4 (four) meetings of the committee were held on 28.05.2018 adjourned to 30.05.2018, 13.08.2018, 14.11.2018 and 13.02.2019.

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. Devraj Govind Raj	Member	Non Executive Director (Independent)	4
Mr. P. Prabhakar Reddy	Member	Executive Director	4
Mrs. P. kameswari	Member	Non Executive Director	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 (RP) from time to time.

#### **Powers of the Audit Committee includes:**

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

#### **Role of the Audit Committee includes:**

1. Overview of Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of auditors and fixation of audit fee.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - i) 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.
  - ii) Changes, if any, in accounting policies and practices and reasons for the same.
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management.
  - iv) Significant adjustments made in the financial statements arising out of audit findings.
  - v) Compliance with listing and other legal requirements relating to financial statements.
  - vi) Disclosure of any related party transactions.

- vii) Review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements.
- viii) Management Discussion and Analysis of financial conditions and result of operations.
- 5. Review of Statement of significant related party transactions submitted by the management.
- 6. Review of management letters/letters of internal control weaknesses issued by the statutory auditors.
- 7. Review of internal audit reports relating to internal control weaknesses.
- 8. Review of appointment, removal and terms of remuneration of the Chief Internal Auditor.
- 9. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- 10. Review of the financial statements of subsidiary Companies.
- 11. Review and monitor the auditor's independence and performance and effectiveness of audit process.
- 12. Approval or any subsequent modification of transactions of the company with related parties.
- 13. Scrutiny of inter-corporate loans and investments.
- 14. Valuation of undertakings or assets of the Company, wherever it is necessary.
- 15. Evaluation of internal financial controls and risk management systems.
- 16. To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors.
- 17. 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 proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- 18. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 19. 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.
- 20. Discussion with internal auditors of any significant findings and follow up there on.
- 21. Reviewing the risk management policies, practices and the findings of 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 the matter to the Board.
- 22. 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.
- 23. To review the functioning of the Whistle Blower Mechanism.
- 24. Approval of appointment / reappointment / 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.
- 25. Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee.
- 26. Quarterly statements of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- 27. Annual statements of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

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

The Nomination and Remuneration Committee (NR Committee) of the Company is constituted in line with the provisions of Regulation 19 of SEBI LODR Regulations Listing Agreement entered into with the stock exchanges read with Section 178 of

the Companies Act, 2013.

The role and responsibilities of the Committees after the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional and powers of the Board of Directors stand suspended.

During the financial year 2018-19 had no meeting conducted.

**Terms of reference:**

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

1. 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.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity.
4. 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 their appointment and removal.
5. To recommend/review remuneration of Key Managerial Personnel based on their performance and defined assessment criteria.
6. To decide on the elements of remuneration package of all the Key Managerial Personnel i.e. salary, benefits, bonus, stock options, pensions etc.
7. Recommendation of fee / compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
8. Payment / revision of remuneration payable to Managerial Personnel.
9. 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.
10. 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.
11. 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).

**Remunerations paid to the Directors**

a. Independent and Non-Executive Directors

Name of the Director	Relationship with other Directors	Sitting Fees (Rs.)	Total (Rs.)
Devraj Govind Raj	NIL	Nil	Nil
P. Kameswari	Related to Mr. P. Prabhakar Reddy and Mr. P. Chakradhar Reddy	Nil	Nil
P. Chakradhar Reddy	Related to Mr. P. Prabhakar Reddy and Mr. P. Kameswari	Nil	Nil

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
  - a) 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	Paid During 2018-2019 (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 31st March, 2019.

Name of the Director	Designation	Number of Shares held
P. Prabhakar Reddy	Chairman and Managing Director	10,93,124
P. Kameswari	Non Executive Director	19,75,643
P. Chakradhar Reddy	Non Executive Director	27,89,351
Devraj Govind Raj	Non Executive Director Independent Director	NIL

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The role and responsibilities of the Committees after the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors and their Committees stand suspended.

#### 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 13.08.2018, 14.11.2018 and 13.02.2019.

#### Composition of the Committee:

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

Name	Designation in the committee	Category of Directorship	No. of Meetings Attended
Mr. Devraj Govind Raj	Member	Non Executive Director (Independent)	3
Mr. P. Prabhakar Reddy	Member	Non Executive Director	3
Mrs. P. kameswari	Member	Non Executive Director (Independent)	1

The Board has designated Ms. SonamJaiswal, Company Secretary as the Compliance Officer of the company up to 29.05.2019.

The resolution professional appointed Mr. M. Sreedhar Singh as the Compliance Officer of the company w.e.f 29.05.2019.

The Company has designated exclusive e-mail Id called [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, in order to expedite the process and for effective resolution of grievances / complaints, has delegated powers to the Share Transfer Agents i.e., M/s. Aarathi 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, 2019, 42405224 number of Equity Shares of Rs. 10 each representing 96.78% 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, No complaints were received from the shareholders. There were no pending complaints at the close of the financial year.

### **III. 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)).

### **IV. 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

## V. SUBSIDIARIES

### POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

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

### VI. RELATED PARTY TRANSACTIONS

All transactions entered into with related parties as defined under the Companies Act, 2013 and SEBI (LODR) Regulations 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 2018-19, the Company did not have any material pecuniary relationship or transactions with NEDs,

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

### VII. 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
2017-18	Hotel Marriot Convention Centre, Hyderabad Lower Tank Bund, Gandhinagar,	24-09-2018 at 11.00 AM
2016-17	Hotel Marriot Convention Centre, Hyderabad Lower Tank Bund, Gandhinagar,	28-09-2017 at 11.00 AM
2015-16	Sri Sathya Sai Nigamagamam, 8-3-987/2, Sri Nagar Colony, Hyderabad – 500073 Telangana	29-09-2015 at 11.00 AM

#### b) Special Resolutions passed in the previous 3 AGMS

No Special Resolutions were passed in the previous Annual General Meetings held for the Financial Year 2015-16, 2016-17 and 2017-18.

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 Mr. M Ramana Reddy, Scrutinizer for conducting e-voting and as well poll at Annual General Meeting. Mr. M Ramana Reddy, Scrutinizer submitted his 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.

### VIII. 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.

#### IX. 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).

#### X. GENERAL SHAREHOLDERS INFORMATION

a	Annual General Meeting	<b>54<sup>th</sup> Annual General Meeting</b>	
	Date of Annual General Meeting	September 27, 2019	
	Venue	"Sri Satya Sai Nigamagamam Trust" 8-3-987/2, Srinagar Colony, Hyderabad - 500 073 Telangana, India	
	Time	3.00 P.M	
b	Book Closure Date	<b>Friday, September 20, 2019 to Friday, September 27, 2019</b> (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 2018-19	<b>Yet to Paid</b>	

## Stock Price Information

### j) Stock Price Data:

MONTH	BSE			NSE		
	High	Low	No. of Shares	High	Low	No. of Shares
Apr-18	15.75	11.85	1469659	15.80	11.70	7719422
May-18	13.75	6.85	1552175	14.05	6.85	8004749
Jun-18	10.22	7.12	454804	10.40	7.15	1787277
Jul-18	7.68	4.91	368665	7.70	5.05	1914354
Aug-18	9.08	6.72	816880	8.85	6.65	2135033
Sep-18	7.25	4.95	241011	7.35	5.05	944055
Oct-18	6.67	4.82	241683	6.65	4.90	1264645
Nov-18	6.36	5.11	256963	6.30	5.15	1227210
Dec-18	6.1	4.9	206457	6.15	4.80	794847
Jan-19	5.37	3.13	360413	5.40	3.15	535481
Feb-19	3.03	1.9	320765	3.05	1.95	383038
Mar-19	5.02	2.94	750484	4.90	2.90	766868

### 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. Aarhi 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):

#### **Aarhi Consultants Private Limited**

1-2-285, Domalaguda, Hyderabad- 500029

Phones: 040-27638111, 040-66611921;

Fax: 040-27632184

Email: info@aarhiconsultants.com;

Website: www.aarhiconsultants.com

**m) Shareholding Pattern as on March 31, 2019:**

Category	No. of Shares	Percentage
Promoters	9671951	22.81
Financial Institutions / Banks	16380	0.04
Bodies Corporate – Indian	3461225	8.16
Bodies Corporate – Foreign	0	0.00
NRIs	434308	1.02
Mutual Funds	0	0.00
Indian Public	26647408	62.84
Trusts	203	0.00
Clearing Members	2173749	5.13
Others	0	0
<b>Total</b>	<b>4,24,05,224</b>	<b>100</b>

**n) Distribution of Shareholding as on March 31, 2019:**

Sl. No	CATEGORY	HOLDERS	HOLDERS PERCENT AGE	SHARES	AMOUNT	AMOUNT PERCENT AGE
1	1 - 5000	21532	74.34	3451235	34512350	8.14
2	5001 - 10000	3320	11.46	2907676	29076760	6.86
3	10001 - 20000	1800	6.21	2885981	28859810	6.81
4	20001 - 30000	712	2.46	1864341	18643410	4.4
5	30001 - 40000	310	1.07	1124423	11244230	2.65
6	40001 - 50000	380	1.31	1829345	18293450	4.31
7	50001 - 100000	513	1.77	3897859	38978590	9.19
8	100001 & Above	397	1.37	24444364	244443640	57.64
	<b>Total:</b>	<b>28964</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, 2019, 96.78% of the totals shares of the Company have been dematerialized.

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

As on March 31, 2019 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

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

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## DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the company. It is further confirmed that all directors and senior management personnel of the company have affirmed compliance with the code of conduct of the company for the financial year ended on March 31, 2019 as envisaged in the Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the listing agreement with stock exchange.

**For Viceroy Hotels Limited**

Place: Hyderabad  
Date: 13th August, 2019

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

## CEO /CFO CERTIFICATION TO THE BOARD

[Pursuant to Regulation 17 (8) under Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, M. Sreedhar Singh, Chief Executive Officer and J. Dasvanth Kumar, Chief Financial Officer of the Company, to the best of our knowledge and belief, certify that:

- a. We have reviewed the financial statements including cash flow statement (standalone and consolidated) for the financial year ended 31st March, 2019 and to the best of our knowledge and belief:
  - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - II. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.
- d. We have indicated to the auditors and the Audit Committee:
  - I. significant changes in the internal control over financial reporting during the year;
  - II. significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - III. that there are no instances of significant fraud of which they have become aware of and involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

### For Viceroy Hotels Limited

Sd/-

**M. Sreedhar Singh**  
Chief Executive Officer

Sd/-

**J. Dasvanth Kumar**  
Chief Financial Officer

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## CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To

**The Members of  
M/s Viceroy Hotels Limited**

1. We have examined the compliance of conditions of Corporate Governance by M/s Viceroy Hotels Limited ("the Company"), for the year ended on March 31, 2019, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company (Refer our qualified Audit report on the financial statements of the company).
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations. We 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.

Place: Hyderabad  
Date: 29/05/2019.

**P C N & Associates**  
Chartered Accountants  
FRN: 016016S

Sd/-  
**Lakshmi Prasanthi.S**  
Partner  
Membership No. 236578

## Annexure – V

### FORM NO. MGT-9

#### EXTRACT OF ANNUAL RETURN

(As on the Financial Year ended 31-03-2019)

[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
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@viceroyp-hotels.in">secretarial@viceroyp-hotels.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 (NSE & BSE)
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	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)

#### 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	6140728	700000	6840728	16.13	6140728	700000	6840728	16.13	NA
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.	2831223	0	2831223	6.68	2831223	0	2831223	6.68	NA
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>8971951</b>	<b>700000</b>	<b>9671951</b>	<b>22.81</b>	<b>8971951</b>	<b>700000</b>	<b>9671951</b>	<b>22.81</b>	<b>NA</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>8971951</b>	<b>700000</b>	<b>9671951</b>	<b>22.81</b>	<b>8971951</b>	<b>700000</b>	<b>9671951</b>	<b>22.81</b>	<b>NA</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	329963	10100	340063	0.80	16380	0	16380	0.03	(0.77)
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	0	0	0	0	0	0	0	0	NA
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	NA
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	<b>329963</b>	<b>10100</b>	<b>340063</b>	<b>0.80</b>	<b>16380</b>	<b>0</b>	<b>16380</b>	<b>0.03</b>	<b>(0.77)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	6380983	0	6380983	15.05	3461225	0	3461225	8.16	(6.89)
ii) Overseas	3000	0	3000	0.01	0	0	0	0	(0.01)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	16668247	649762	17318009	40.84	18922511	633946	19556457	46.12	5.28
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	6543122	0	6543122	15.43	7090951	0	7090951	16.73	1.30
c) Others (specify)	<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>0</b>
Non Resident Indians	434447	0	434447	1.02	434308	0	434308	1.02	NA
Trusts	203	0	203	0.00	203	0	203	0.00	0
Clearing Members	1712696	0	1712696	4.03	2173749	0	2173749	5.13	1.1
<b>Sub-total (B)(2):-</b>	<b>31743448</b>	<b>649762</b>	<b>32393210</b>	<b>76.39</b>	<b>32082947</b>	<b>633946</b>	<b>32716893</b>	<b>77.15</b>	<b>(0.76)</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	<b>32073411</b>	<b>659862</b>	<b>32733273</b>	<b>77.19</b>	<b>32099327</b>	<b>633946</b>	<b>32733273</b>	<b>77.19</b>	<b>NA</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>41045362</b>	<b>1359862</b>	<b>42405224</b>	<b>100</b>	<b>41045362</b>	<b>1333946</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	27,89,351	6.58	95.91	27,89,351	6.58	95.91	0.00
2	P Kameswari	19,75,643	4.66	58.26	19,75,643	4.66	58.26	0.00
3	P Prabhakar Reddy	10,93,124	2.58	88.74	10,93,124	2.58	88.74	0.00
4	P H Financial Services Ltd	19,18,616	4.52	100	19,18,616	4.52	100	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	0.00
7	Tetra Heights Power Systems Ltd	2,98,180	0.70	0.00	2,98,180	0.70	0.00	0.00
8	Parvathreddy Investment Pvt Ltd	2,46,000	0.58	46.75	2,46,000	0.58	46.75	0.00
9	Parvathreddy Viswanath Reddy	1,32,600	0.31	0.00	1,32,600	0.31	0	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	NirmalaKondalapudi	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	26,760	0.06	9.34	26,760	0.06	9.34	0.00
	<b>Total</b>	<b>96,71,951</b>	<b>22.81</b>	<b>72.76</b>	<b>96,71,951</b>	<b>22.81</b>	<b>72.76</b>	<b>0.00</b>

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

There is no change in Promoters' Shareholding during the year

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

S No.	Name	No. of Shares at the beginning of the year 01/04/2018	% of total shares of the company	Increase/ Decrease in shareholding	Reason	Cumulative Share holding	% of total shares of the Company
1	Crest Logistics And Engineers Private Limited	25,00,000	5.90	No change		25,00,000	5.90
2	Surana Telecom and Power Limited	4,51,807	1.07	5,000	Sold	4,46,807	1.05
3	Jainam Share Consultants Private Limited	7,77,023	1.83	12,54,682	Buy	9,37,032	2.21
				10,94,673	Sold		
4.	DhirenSushil Roy	4,29,601	1.01	2,14,350	Buy	6,43,951	1.52
5	Bhushan Dinesh Mehta (HUF)	2,52,000	0.59	20,700	Buy	2,72,700	0.64
6	ArthaVrddhi Securities Limited	75,500	0.18	3,69,522	Buy	2,73,462	0.64
				1,71,560	Sold		
7	Choice equity broking private limited	6,579	0.02	8,07,399	Buy	2,40,855	0.57
				5,73,123	Sold		
8	Angel Broking Limited	1,24,068	0.29	3,47,358	Buy	2,04,360	0.48
				2,67,066	Sold		
9	PrakashNarasimaiah	1,97,605	0.47	3200	Buy	2,00,805	0.47
10	Tourism Finance Corp Of India Ltd.	2,00,000	0.47	No change		2,00,000	0.47

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

S No.	Name	Shareholding				Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		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)	10,93,124	-	-	10,93,124	No change	10,93,124	2.58
2	P. Kameswari (Director)	19,75,643	-	-	19,75,643	No change	19,75,643	4.66
3	P. Chakradhar Reddy (Director)	27,89,351	-	-	27,89,351	No change	27,89,351	6.58
4	Katragada Rajesh (Up to 25.04.2018)	0	NA	NA	0	NA	0	0.00
5.	DevrajGovindraj	0	NA	NA	0	NA	0	0.00

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

1	Sonam Jaiswal Company Secretary	-	-	-	-	-	-	-
2	M. Sreedhar Singh (Chief Executive Officer)	-	-	-	-	-	-	-
3	Daswanth Kumar Jaya (Chief Financial Officer)	-	-	-	-	-	-	-

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**
**Loans & Debentures position as on 31.03.2019**
**(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	216.67	0.00	0.00	216.67
ii) Interest due but not paid	177.14	0.00	0.00	177.14
iii) Interest accrued but not due	0	0.00	0.00	0
<b>Total (i+ii+iii)</b>	<b>393.81</b>	<b>0.00</b>	<b>0.00</b>	<b>393.81</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	0	0	0	0
• Reduction	1	0	0	1
<b>Net Change</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	215.76	0.00	0.00	215.76
ii) Interest due but not paid	177.14	0.00	0.00	177.14
iii) Interest accrued but not due	0	0.00	0.00	0
<b>Total (i+ii+iii) **</b>	<b>392.91</b>	<b>0.00</b>	<b>0.00</b>	<b>392.91</b>

**\*\* includes an amount of Rs.42.50 Crores pertaining Non-Convertible Debentures.**

**VI. 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	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act	-	-	-

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	CEO	CFO	Total
1.	Gross salary				
	(a) Salary as per Provisions contained in section 17(1) of the Income-tax Act, 1961	3,26,460	12,00,000	9,60,000	24,86,460
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	NA	NA	NA
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NA	NA	NA
2.	Stock Option	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA
4.	Commission	NA	NA	NA	NA
	- as % of profit				
	- others, specify...				
5.	Others, please specify (Medical, Bonus and LTA)	33,540	80,400	70,320	1,84,260
	<b>Total</b>	<b>3,60,000</b>	<b>12,80,400</b>	<b>10,30,320</b>	<b>26,70,720</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL****FOR VICEROY HOTELS LIMITED**

Place: Hyderabad  
Date: 13th day of August, 2019

Sd/-  
**P. Prabhakar Reddy**  
Former CMD

Sd/-  
**CMA K.K.Rao**  
Resolution Professional

Sd/-  
**M.Sreedhar Singh**  
CEO

Sd/-  
**Devraj Govind Raj**  
Former Director

Sd/-  
**J.Daswanth Kumar**  
CFO

## Annexure – VI

### **SECRETARIAL AUDIT REPORT**

**(As per Form No.MR- 3 for the Financial Year ended 31. 3. 2019)**

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

**To**

**The Members**

**Viceroy Hotels Limited**

**Hyderabad**

**CIN :L55101TG 1985 PLC 001048**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Viceroy Hotels Limited (hereafter called “the Company”. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct /statutory compliances and expressing my opinion thereon.

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

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

I have followed the audit practices and processes as are appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and legal records ,legal compliance mechanism and corporate conduct.The verification was done on test check basis to ensure that correct facts as reflected in the secretarial and other records produced to me. I believe that the processes and practices I have followed provides a reasonable basis for my opinion for the purpose of issue of the secretarial audit report.

I have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.

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

The Secretarial Audit Report is neither as assurance 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 the verification of the Company’s 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 the secretarial audit and as per the explanations given and representations made by the management, I hereby report that in my opinion, the company has during the audit period covering the financial year ended 31st March 2019 generally complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent , in the manner and subject to the reporting made here under.

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March 2019 according to the provisions of

- i. The Companies Act, 2013.
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under.
- iii. The Depositories Act, 1996 and the Regulations and Bye laws framed there under.
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations 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 Exchange Board of India (SEBI) Act, 1992.

- a) The Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011.
- b) The Securities Exchange Board of India (prohibition of Insider Trading) Regulations 2015.
- c) The Securities Board of India (Issue of Capital and Disclosure Requirements) 2008 as amended from time to time.
- vi. Listing Agreement entered by the Company with the BSE Limited.
- vii. Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.
- viii. Secretarial Standards issued by the Institute of Company Secretaries of India
- ix. Other laws specifically applicable to the Company viz.,
  - a) Food Safety and Standards Act 2006 and Food Safety and Standards Rules 2011
  - b) Food Safety and Standards (Packaging and Labeling) Regulations 2011.

During the period under the review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standard subject to

- a) Default in repayment of debentures in a manner which will have consequential impact on the directorships and listing obligations for the above.
- b) Non dematerialization of the promoters shares as per listing agreement/SEBI Rules. The same was reported in my previous report also and there is no change in status.

I was informed that during the year under review that the company was not required to maintain any books, papers, minute books or other records or to file any forms /forms /returns according to the provisions of

- a) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees 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 and dealing with the client.
- c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009.
- d) The Securities and Exchange Board of India (BuyBack of Securities) Regulations 1998.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors till the powers of the Board of Directors of the company have been vested with the Insolvency Resolution Professional vide the order of the Hon'ble National Company Law Board Tribunal, Hyderabad Bench dated 12th March 2018.

Adequate notice is given to all directors to schedule the Board meetings agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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 in accordance with the powers vested with the RP.

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

I further report that during the audit period the company has not entered /carried out any activity that has major bearing on the Company's affairs other than

- a) those mentioned in the order of the Hon'ble National Company Law Board Tribunal Hyderabad Bench vide its order dated 12th March 2018.
- b) Stake Holders Relationship committee meetings were held on 13/08/2018, 14/11/2018 and 13/02/2019.
- c) Audit Committee meetings were held on 28/05/2018 adjourned to 30/05/2018, 13/08/2018, 14/11/2018 and 13/02/2019.
- d) Board of Directors meetings were held on 28/05/2018 adjourned to 30/05/2018, 13/08/2018, 14/11/2018, 13/02/2019 and 27/03/2019.

Sd/-

**A N SARMA**

**Practicing Company Secretary**

**FCS 4557 CP 7812**

Place: Hyderabad

Date: 04/05/2019

## Annexure – VII

### PARTICULARS OF EMPLOYEES

**[As per Section 197 of the Companies Act, 2013, Read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**(A) Details pertaining to remuneration as required under Section 197 (12) of the Companies Act, 2013, read with Rule 5(1) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

i. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary, ratio of the remuneration of each Director to the median remuneration of the employees of the company and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Name	Designation	Remuneration of Director KMP for the financial year 2018-19* (amount in Rs.)	Ratio of Remuneration of each Director to median remuneration of employees	% increase in Remuneration in the financial year 2018-19
Mr. P. Prabhakar Reddy	Chairman and Managing Director	Nil	Nil	Nil
Mr. P. Chakradhar Reddy	Director	Nil	Nil	Nil
Mrs. P. Kameswari	Director	Nil	Nil	Nil
Mr. GovindrajanDevraj	Independent Director	Nil	Nil	Nil
Mr. Katragadda Rajesh (Up to 25/04/2018)	Independent Director	Nil	Nil	Nil
Mr. M. Sreedhar Singh	CEO	12,80,400/-	4.50	Nil
Mr. J. Dasvanth Kumar	CFO	10,30,320/-	3.62	Nil
Ms. SonamJaiswal	Company Secretary	3,60,000	1.26	Nil

- ii. The median remuneration of employees' of the Company during the financial year was Rs. 2,83,938/-
- iii. The percentage increase in the median remuneration of employees in the financial year ending 31st March, 2019 : Nil
- iv. There were 44 permanent employees on the rolls of Company as on 31st March, 2019.
- v. **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.

There were no 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.

**(B) Statement of Particulars of Employees Pursuant to Provisions of Rule 5 (2) of Section 197 (12) of the Companies Act 2013 Read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Name of the Employee	Designation	Remuneration Per Month	Nature of employment	Qualification	Date of commencement of employment	Age	Last employment of such employee	% of equity shares held of the employee	Whether the employee is a relative of any director/manager, if yes name of such director and manager
Mohtesham Ali	Asst. Mgr Interiors	1,18,083.00	Project	MHSS Polytechnic-Construction	01/06/2006	40	-	Nil	NO
Siva Kumar Gowd.H	Project Engineer	60,000.00	Project	Diploma in Civil Engg. (Polytechnic)	26/08/2006	49	-	Nil	NO
Kush Roy	Exe. Chef	55,630.00	F&B	5th Class	10/05/2005	46	-	Nil	NO
N.G.S.N.K. Reddy	Sr. Mgr. Project	40,610.00	Project	Diploma in Chemical Engg. (Polytechnic)	1/10/2006	45	-	Nil	NO
Mercy Mathew	Manager - Hr& admin	39,871.00	Administration	B.A , DCCP	1/9/2000	55	-	Nil	NO
A Laxmi Narayana	Dy. Manager - cost controls	36,638.00	Finance	MA	10/6/1993	58	-	Nil	NO
P. Prabhakar Reddy	Project Executive	34,483.00	Project	Inter A/V Tech course	5/7/1987	54	-	Nil	NO
Vamsi Mohan Reddy	Project Executive	33,675.00	Project	B.A Sociology	9/3/2007	47	-	Nil	NO
J. Kanakaiah	Executive secretary to CMD	32,328.00	Admin	B Com	1/4/2006	45	-	Nil	NO
D. Mahesh babu	Dy. Manager - cost controls	31,500.00	Finance	B Com	1/4/2006	42	-	Nil	NO

- i. Details of Employee's drawing remuneration of Rs.8.50 Lacs per month or Rs.102.00 Lacs per annum:Nil
- ii. There 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.
- iii. 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.



# INDEPENDENT AUDITOR'S REPORT

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

## Report on the Audit of Ind AS Standalone Financial Statements

### Qualified Opinion

We have audited the accompanying Ind AS Standalone Financial Statements of **M/s VICEROY HOTELS LIMITED** ("the company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in equity and the Statement of Cash Flows for the year then ended on that date and notes to financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the "Basis for Qualified Opinion" section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of "the Company" as at March 31, 2019, the Loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion:

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of "the Company" in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the standalone financial statements.

### 1. 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. However the company has not submitted us any valuation certificate towards capitalization of fixed assets of Rs.111.94 crores, and the depreciation claimed by the company towards such capitalization of fixed assets for the F.Y 2017-18 is Rs. 358.34 Lakhs and for the F.Y 2018-19 Rs.599.98 Lakhs As we could not obtain sufficient audit evidence in this regard and the capitalization is not in compliance with the generally accepted accounting principles we are unable to comment upon the true and fair view of the same.
- b) **Forfeiture of advance:** The Company has forfeited an advance of amounting to Rs.134.65 Crores received from Mahal Hotel Private Limited, Bhagyanagar Investments and trading private limited and Ganga Industrial Corporation Limited 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 financial year 2017-18 again the company has recognised the forfeited advances in the books of accounts as liability which is not in line with the IND AS accounting policies, also the management of the company has not provided us any supporting document towards re recognition of such advances as liability in the books of accounts in the F.Y 2017-18. As per the Business transfer agreement (BTA) entered between Viceroy Hotels Limited and Mahal Hotels Limited dated 02nd April, 2011, the

company M/s Viceroy Hotels Ltd received an advance of Rs.124.52 Crores (Included in above said advance Rs.,134.65 Crores). The date of termination of the agreement is 31.12.2011. In the event of termination, the company is liable to repay the advance along with the interest @2% per month till the date of repayment. However no interest has been paid or provided by the company in its Books of Accounts since the termination of the agreement, which is not in line with the accounting principles. Hence we are unable to comment upon the true and fair view of the same.

- c) **Directorate of Enforcement:** The Directorate of Enforcement made a Provisional Attachment Order in PAO No. 04/2019 dated 26.03.2019 passed by the Deputy Director, Directorate of Enforcement against the M/s Viceroy Hotels Limited of OC No.1118/2019 pending adjudication before the Honourable Adjudicating Authority, PMLA, 2002, from alienating the proceeds of crime in the form of movable and immovable properties which are involved in money laundering and the non-attachment may seriously affect and frustrate the proceedings under PMLA, 2002. The resolution professional has challenged the provisional attachment order of Enforcement Directorate, Chennai, before the Hon'ble NCLT, Hyderabad on 08-04-2019. NCLT has raised the attachment of Enforcement Directorate, Chennai. Further proceedings are subject to the respective authorities.
- 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 dues and the same has been accepted by the Hon'ble NCLT. Further proceedings are subject to NCLT order. The Resolution Professional has invited Expression of Interest from the prospective bidders for submission of Resolution Plans for revival of the Company. In terms of provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) the resolution plan submitted by M/s CFM Asset Reconstruction Company Private Limited for M/s Viceroy Hotels Limited has been approved by the Committee of Creditors (COC) of the company in its 18th COC meeting and identified as a successful resolution applicant, subject to the approval of the Hon'ble NCLT, Hyderabad bench.
- 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 in accordance with generally accepted accounting principles. Confirmations from Banks/Financial Institutions are not yet received in this regard, due to the non-provision of interest in the financial statements; the financial statements may not give a true and fair view in this regard.
- f) **Statutory Dues:** The Company has not paid the statutory dues for a period more than 6 months is as follows as per the Books and records verified by us as on 31-03-2019.

Sl.No	Particulars	Amount (Rs. )
1	TDS	3,31,29,274/- (F.Y 2013/14 - Rs.1,65,37,076/-, F.Y 2014/15 - Rs.1,33,91,164/-, F.Y 2015/16 - Rs.17,47,280/-, F.Y 2016/17 - Rs.14,53,754/-)
	<b>Total</b>	<b>3,31,29,274/-</b>

- g) Non availability of confirmations Trade Receivables, Trade Payables - In the absence of alternative corroborative evidence, we unable to comment on the extent to which such balances are recoverable.
- h) **Exceptional items:** The management decided to write off various assets, capital work in progress etc for an amount of Rs. 291.94 crores in the F.Y 2017-18 for which there is no provision has made for such amount up to F.Y 2016-17 .
- i) In respect of investment in subsidiaries those have significant accumulated Losses as on March 31st 2019. And the Loans and advances given to those subsidiaries. The Management of the company is of the view that the 100 percent provision for made for Loss of such investments in the Profit & Loss account made during the Fy 2017-18 in the accompanying IND As financial statements. In the absence of fair valuation of those investments in the subsidiaries, we are unable to comment on the total provision made by the company in this regard.

- j) **Tax Disputes:** the company has material tax disputes with the Income Tax department as given under as per the information submitted by the management in this regard. However the company has not made provision for such dues in the financial statements for the year ending 31-03-2019. As per the information submitted by the company to us the following are the cases pending at different levels.

Name of the Statute	Nature of Dues	Section under which order is passed	Amount (Rs.)	Period to which it relates	Case is pending at
Income Tax Act, 1961	Income Tax	154	Rs.54,68,19,040/-	AY 2014-15	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	143(3)	Rs.8,30,89,950/-	A.Y 2016-17	Commissioner of Income Tax (Appeals)

- k) **Going Concern** The above conditions indicate the existence of material uncertainties which may cast 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 2018-19.

#### Key Audit Matters

Key audit matters are those matters that, on our professional judgment, we are of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of financial statements as a whole, and in forming opinion thereon and we do not provide a separate opinion on these matters.

Except for the matters discussed in the Basis of Qualified Opinion Paragraph, there are no Key audit matters to be discussed in the Auditor's report.

#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### 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 Act" with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of "the Act". 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objective is to obtain reasonable assurance whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As our audit is conducted in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities of the Company to express an opinion on the financial statements.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### 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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit 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 except for the matters given in the qualified opinion paragraph.
  - 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 except for the matters described in the Basis of Qualified opinion paragraph.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account except for the matters specified in the Basis of Qualified opinion paragraph.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except for the matter specified in basis for qualified opinion except for the matters specified in the Basis of Qualified Opinion Paragraph.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. (Note No: 35)
    - ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For P C N & Associates,  
Chartered Accountants,  
Firm Registration No: 016016S**

Place : Hyderabad  
Date : 29-05-2019

Sd/-  
**Lakshmi Prasanthi.S**  
Partner  
M.No:236578

## **ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of VICEROY HOTELS LIMITED of even date)**

- i. In respect of the Company's fixed assets:
  - a) The Company has not produced Fixed Assets Register.
  - b) As per the information and explanations given by the management, the fixed assets have been physically verified by the management in a phased periodical manner. But as per the "Basis for Qualified opinion" given by us, there is capitalization of Rs. 111.94 crores in the FY 2017-18 as we haven't obtained any valuation certificate towards capitalization of fixed assets; we are unable to ascertain the verification of fixed assets by the management.
  - c) According to the information and explanation given to us and on verification of documents provided to us, we are of the opinion that the title deeds of immovable properties are held as per note no: 39 of the financial statements. Accordingly the title deeds are not on the Name of the company M/s Viceroy Hotels Limited
- ii. As per the information and explanations given to us, and as per the books and records maintained by the company, 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, unsecured to companies, firms, limited liability partnerships, covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanation provided to us, in respect to loans, investments, guarantees and securities, provisions of section 185 and 186 of the Companies Act, 2013 has been complied with.
- v. The Company has not accepted any deposits during the year from the public within the meaning of the provisions of section 73 of "the Act" and hence directives issued by the reserve bank of India and the provisions of section 73 to 76 or any other relevant provisions of "the Act" the Rules framed there under are not applicable to the Company at present.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the company.
- vii.
  1. The Company is not regular in depositing TDS statutory dues with the appropriate authority. As at the end of the financial year the amounts which were due for more than 6 months from the date they became payable as per books and records of the company are as follows:

SI.No	Particulars	Amount (Rs. )
1	TDS	3,31,29,274/- (FY 2013/14 - Rs.1,65,37,076/-, F.Y 2014/15 - Rs.1,33,91,164/-, F.Y 2015/16 - Rs.17,47,280/-, F.Y 2016/17 - Rs.14,53,754/-)
	<b>Total</b>	<b>3,31,29,274/-</b>

2. 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 for the below mentioned due to income tax, service tax, luxury tax as per the information and explanations given by the company and as per the books and records verified by us.

Name of the Statute	Nature of Dues	Section under which order is passed	Amount (Rs.)	Period to which it relates	Case is pending at
Income Tax Act, 1961	Income Tax	154	Rs.54,68,19,040/-	AY 2014-15	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	143(3)	Rs.8,30,89,950/-	A.Y 2016-17	Commissioner of Income Tax (Appeals)

#### Service Tax

Sl. No.	SCN O.R. No.	OIO/OIA No. and Date	Period	Demand (Rs.)
1	O.R. No.95/2012-Adjn (ST) (Commr) dt.23.04.2012	OIO No.HYD-EXCUS-000-COM-21-16-17 dt.25.05.2016	2006-07 to 2010-11	7,31,65,038/-
2	O.R.No. 54/2013-Adjn (ST) (Commr) dt.18.06.2013	OIO No.HYD-EXCUS-000-COM-22-16-17 dt.25.05.2016	April, 2011 to March, 2012	2,41,663/-
3	O.R.No. 84/2013-Adjn (ST) (Commr) dt.19.05.2014	OIO No.HYD-EXCUS-000-COM-23-16-17 dt.25.05.2016	April, 2012 to June, 2012	2,85,941/-
4	O.R.No. 164/2014-Adjn (ST) (Commr) dt.26.09.2014	OIO No.HYD-EXCUS-000-COM-24-16-17 dt.25.05.2016	July, 2012 to March, 2013	26,01,002/-
5	O.R.No. 45/2015-Adjn (ST) (Commr) dt.16.04.2015	OIO No.HYD-EXCUS-000-COM-25-16-17 dt.25.05.2016	April, 2013 to March, 2014	40,29,335/-
6	O.R.No. 73/2016-Adjn (ST) (JC) dt.30.08.2016	OIA No. HYD-SVTAX-000-AP2-0236-17-18 dt.24.11.2017	July, 2012 to March, 2015	13,14,253
7	O.R No.82/2016-Adjn ST Commr. Dt.22.04.16	OIO No.07/2017-ST dt.19.05.2017	April, 2014 to March, 2015	45,26,905/-
8	F.No.DRI/CZU/HRU/26B/ENQ-08 (INT-7)/2014 dt.29.12.2016	OIO No.68847/2019 dt.15.05.2019	2012 to 2016	3,80,41,131/-
9	C.No.V/15/12/2018-Adjn dt.24.04.2018	OIA No. HYD-EXCUS-SC-AP2-0125-18-19 ST dt.26.03.2019	April 2015 to March 2016	20,13,146/-
10	C.No.V/15/12/2018-Adjn dt.29.10.2018	OIO No.15/2018 dt.30.01.2019	April 2016 to June 2017	15,15,857/-
11	O.R.No.57/2018-19-GST-SEC-Adjn-JC dt.15.11.2018		October 2015 to June 2017	1,25,84,491/-

Luxury Tax/ Sales Tax

Sl. No.	Arrear Notice issued by office of the Assistant Commissioner(ST) Gandhinagar Circle Hyd	Period	Demand	issue	Luxury Tax 50% Paid
1	15.02.2019	2011-12	795429/-	Dispute of Levy of Luxury Tax on Service Tax	397715/-
2	15.02.2019	2012-13	10,77,592/-	Dispute of Levy of Luxury Tax on Service Tax	5,38,796/-
3	15.02.2019	2013-14	7,58,952/-	Dispute of Levy of Luxury Tax on Service Tax	3,79,476/-
4	15.02.2019	2010-11 to 2012-13 (upto 31.10.2012) 01.11.2012 to 30.09.2013	15,88,152/-	Disputed arrears against completion of Revision of Assessment U/VAT Act	-

- viii. According to the information and explanations given to us and as the books and records produced by the company it has defaulted in repayment of dues to various banks and financial institutions which are as follows as on 31-03-2019 as per books and records verified by us . However the company has not made interest provision with regarding to those loans in the books of accounts from financial year 2012-13.

NAME OF THE BANK INSTITUTION	Amount in Crores (Rs.)		
	PRINCIPLE DUE	INTEREST DUE	TOTAL DUES
ARCIL	131.68	91.79	223.47
IARC LTD	1.95	-	1.95
State Bank of India	56.18	50.55	106.73
Canara Bank	24.02	34.81	58.83
<b>Total</b>	<b>213.83</b>	<b>177.15</b>	<b>390.98</b>

We not yet received confirmations from Banks/ Financial institutions/Asset Reconstruction companies for the above outstanding balances.

- ix. The Company has not raised moneys by way of initial public offer or further public offer during the year under consideration (including debt instruments) and the loans defaulted by the company has been given in the Notes to accounts of the financial statements in Note no: 37 and the company is not providing interest in their books of accounts with respect those loans as such the qualification has been given in the Audit report in the Basis of qualified opinion paragraph.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.



- xi. According to information and explanations given to us the company and verification of the records of the company, the company has provided and paid managerial remuneration during the year under consideration in compliance with the provisions of Section 197 of The companies Act 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 wherever applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards (Refer Note no. 38)
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of “the Act” are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For P C N & Associates,  
Chartered Accountants,  
Firm Registration No: 016016S**

Place : Hyderabad  
Date : 29-05-2019

Sd/-  
**Lakshmi Prasanthi.S**  
**Partner**  
**M.No:236578**

## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **VICEROY HOTELS LIMITED** of even date)

### **Report on the Internal Financial Controls over Financial Reporting 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 March 31, 2019 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for qualified opinion on the internal financial controls system over financial reporting of the Company.

#### **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 e 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 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.

#### **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.

**Basis of Qualified Opinion:**

1. The company did not have appropriate internal controls for confirmation and reconciliation of trade receivables, trade payables, other current assets and current liabilities.
2. The company did not have fixed asset register as on 31.03.2019.
3. The company has written off various assets and liabilities as exceptional items during the F.Y 2017-18 due to which we couldn't get appropriate audit evidence in relation to such written off.

As a result of these matters, we have not been able to obtain sufficient and appropriate audit evidence in relation to Internal Financial Controls over Financial Reporting and consequently we are unable to determine whether the company has established adequate internal financial controls over Financial Reporting and also whether such internal financial controls were operating effectively as at March 31st, 2019.

**Qualified Opinion**

In our opinion, as a result of the matters given in the Basis of Qualified opinion paragraph given in the Audit report the company as we have not obtained sufficient appropriate audit evidence in respect of those matters specified in the Basis of Qualified opinion paragraph we are unable to determine whether the company has established adequate internal financial controls over Financial Reporting and also whether such internal financial controls were operating effectively as at March 31st, 2019. Based on 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 C N & Associates,  
Chartered Accountants,  
Firm Registration No: 016016S**

Place : Hyderabad  
Date : 29-05-2019

Sd/-  
**Lakshmi Prasanthi.S**  
**Partner**  
M.No:236578

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

PARTICULARS	Notes	As At 31-03-2019 (₹)	As At 31-03-2018 (₹)
<b>I. ASSETS:</b>			
<b>1. Non Current Assets:</b>			
a) Property Plant and Equipment	3	2,24,46,49,563	2,33,64,24,162
b) Capital Work in Progress			
c) Financial Assets			
i) Non Current Investments	4	18,89,62,420	18,89,62,420
ii) Loans and Advances	5	4,40,53,263	5,44,98,341
iii) Other Non Current Financial Assets			
d) Deferred Tax Asset			
e) Other Non Current Assets	6	6,74,63,877	1,52,14,145
<b>Total Non-Current Assets</b>		<b><u>2,54,51,29,123</u></b>	<b><u>2,59,50,99,068</u></b>
<b>2. Current Assets:</b>			
a) Inventories	7	1,40,87,627	1,14,65,347
b) Financial Assets			
i) Investments			
ii) Trade Receivables	8	11,88,50,860	10,32,13,822
iii) Cash and Cash Equivalents	9	5,04,77,595	(1,13,39,986)
iv) Other Balances with Bank			
v) Loans and Advances			
vi) Other Financial Assets			
c) Other Current Assets	10	3,79,94,681	3,57,42,492
<b>Total Current Assets</b>		<b><u>22,14,10,762</u></b>	<b><u>13,90,81,674</u></b>
<b>TOTAL ASSETS</b>		<b><u>2,76,65,39,886</u></b>	<b><u>2,73,41,80,742</u></b>
<b>II. EQUITY AND LIABILITIES:</b>			
<b>Equity</b>			
a) Equity Share Capital	11	42,40,52,240	42,40,52,240
b) Other Equity	12	(4,13,01,62,871)	(4,00,52,65,450)
<b>Total Equity</b>		<b><u>(3,70,61,10,631)</u></b>	<b><u>(3,58,12,13,210)</u></b>

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

PARTICULARS	Notes	As At 31-03-2019 (₹)	As At 31-03-2018 (₹)
<b>Liabilities</b>			
<b>1. Non Current Liabilities:</b>			
a) Financial Liabilities			
i) Borrowings	13	3,81,72,15,926	3,82,58,05,826
ii) Other Financial Liabilities			
b) Provisions			
c) Deferred Tax Liabilities (Net)	14	30,29,51,139	27,73,56,495
d) Other Non Current Liabilities	15	2,63,42,990	95,04,388
<b>Total Non-Current Liabilities</b>		<b>4,14,65,10,056</b>	<b>4,11,26,66,710</b>
<b>2. Current Liabilities:</b>			
a) Financial Liabilities			
i) Borrowings	16	93,29,184	4,12,77,009
ii) Trade Payables	17	24,65,04,959	19,06,50,100
iii) Other Financial Liabilities			
b) Provisions			
(i) Current Provisions	18A	17,64,83,318	12,83,50,234
(ii) Current Tax Liability	18B		13,77,599
c) Other Current Liabilities	19	1,89,38,23,000	1,84,10,72,300
<b>Total Current Liabilities</b>		<b>2,32,61,40,460</b>	<b>2,20,27,27,243</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>2,76,65,39,885</b>	<b>2,73,41,80,742</b>

As per our report of even date

**FOR VICEROY HOTELS LIMITED**

**For P C N & Associates,**  
Chartered Accountants,  
Firm Registration No: 016016S

Sd/-  
**P. Prabhakar Reddy**  
Former CMD

Sd/-  
**CMA K.K.Rao**  
Resolution Professional

Sd/-  
**M.Sreedhar Singh**  
CEO

Sd/-  
**Lakshmi Prasanthi.S**  
Partner  
M.No:236578

Sd/-  
**Devraj Govind Raj**  
Former Director

Sd/-  
**J.Daswanth Kumar**  
CFO

Sd/-  
**Sonam Jaiswal**  
Company Secretary

Hyderabad  
29-05-2019

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	Notes	As At 31-03-2019 (₹)	As At 31-03-2018 (₹)
<b>INCOME</b>			
Revenue from Operations	20	88,08,53,887	83,82,65,312
Other income	21	44,63,956	17,07,36,699
<b>TOTAL INCOME</b>		<b>88,53,17,843</b>	<b>1,00,90,02,011</b>
<b>EXPENSES</b>			
Cost of material Consumed	22	15,22,69,307	14,79,45,876
Employees benefit Expenses	23	24,16,15,193	22,68,93,661
Finance Costs	24	72,71,558	20,72,37,437
Depreciation and Amortisation Expenses	3	9,17,74,599	8,32,92,502
Other Operating and General Expenses	25	42,13,20,212	36,50,86,574
<b>TOTAL EXPENSES</b>		<b>91,42,50,869</b>	<b>1,03,04,56,051</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(2,89,33,027)</b>	<b>(2,14,54,040)</b>
Exceptional Items	26	7,03,69,750	4,26,59,65,709
<b>Profit/(Loss) before tax</b>		<b>(9,93,02,777)</b>	<b>(4,28,74,19,749)</b>
Tax Expenses:			
(1) Current Tax			
(2) Deferred Tax		2,55,94,644	9,88,67,584
<b>Total</b>			
<b>Profit (Loss) after Tax for the period</b>		<b>(12,48,97,421)</b>	<b>(4,38,62,87,333)</b>
<b>Other Comprehensive Income</b>			
A. (i) Items that will not be reclassified subsequently to Profit or Loss			
(ii) Income Tax relating to items that will not be reclassified to profit or loss			
B. (i) Items that will be reclassified subsequently to Profit or Loss			
(ii) Income Tax relating to items that will be reclassified to profit or loss			
<b>Total (Net of Tax)</b>		<b>0</b>	<b>0</b>
<b>Total Comprehensive Income for the year</b>		<b>(12,48,97,421)</b>	<b>(4,38,62,87,333)</b>
<b>Earnings Per Share:</b>			
a) Basic (Rs.)		(2.95)	(103.44)
b) Diluted (Rs.)		(2.95)	(103.44)
Face Value per Equity Share		10	10

As per our report of even date

**For P C N & Associates,**  
Chartered Accountants,  
Firm Registration No: 016016S

Sd/-  
**Lakshmi Prasanthi.S**  
Partner  
M.No:236578

Hyderabad  
29-05-2019

### FOR VICEROY HOTELS LIMITED

Sd/-  
**P. Prabhakar Reddy**  
Former CMD

Sd/-  
**CMA K.K.Rao**  
Resolution Professional

Sd/-  
**M.Sreedhar Singh**  
CEO

Sd/-  
**Devraj Govind Raj**  
Former Director

Sd/-  
**J.Daswanth Kumar**  
CFO

Sd/-  
**Sonam Jaiswal**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019**

PARTICULARS	Current Year (₹)	Previous Year (₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before tax	(9,93,02,777)	(4,28,74,19,749)
<b>Adjustments for:</b>		
Depreciation and Amortization Expenses	9,17,74,599	8,32,92,502
Profit/Loss on sale of Fixed Assets (Net)		(13,35,49,201)
Finance Costs	72,71,558	20,72,37,437
Interest Income	(21,34,037)	
Interest Expenses		
Exceptional Items		4,26,59,65,709
<b>Cash Operating Profit before working capital changes</b>	<b>(23,90,656)</b>	<b>13,55,26,698</b>
<b>Adjustments for (increase)/decrease in operating assets</b>		
Trade receivables	(1,56,37,038)	57,49,581
Inventories	(26,22,280)	(11,69,542)
Other Current Assets	(5,45,01,922)	3,29,21,702
Other Non Current Assets		89,20,006
<b>Adjustments for increase/(decrease) in operating liabilities</b>		
Borrowings	(85,89,900)	82,70,855
Short Term Provisions	4,81,33,084	(10,61,36,061)
Trade Payables	5,58,54,859	3,66,29,494
Other Current Liabilities	5,13,73,100	(21,68,12,536)
<b>Cash Generated from Operations</b>	<b>7,16,19,247</b>	<b>(9,60,99,804)</b>
Direct Taxes - Refund / (paid)	-	-
<b>Net Cash Generated From Operating Activities (A)</b>	<b>7,16,19,247</b>	<b>(9,60,99,804)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets (net)	-	(1,11,94,06,581)
Sale of Fixed Assets	-	17,86,00,000
Capital Work in Progress	-	1,26,18,47,033
Investments	-	40,06,12,200
Interest Income	21,34,037	-
(Increase)/ decrease in loans and advances	1,04,45,078	(83,66,04,930)
<b>Net Cash Generated/Used In Investing Activities (B)</b>	<b>1,25,79,115</b>	<b>(11,49,52,278)</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

PARTICULARS	Current Year ( ₹ )	Previous Year ( ₹ )
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Financing Charges	(72,71,558)	(20,72,37,437)
Proceeds from Share Capital		
Proceeds/ (Repayment) from Long Term Borrowings	(3,19,47,825)	39,39,35,063
Increase/(decrease) in other non current liabilities	1,68,38,602	(4,38,343)
<b>Net Cash Generated/Used In Financing Activities (C)</b>	<b>(2,23,80,780)</b>	<b>18,62,59,283</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>6,18,17,581</b>	<b>(2,47,92,799)</b>
Opening Cash and Cash Equivalents as at 31st March,2018	(1,13,39,986)	1,34,52,812
Closing Cash and Cash Equivalents as at 31st March 2019	5,04,77,595	(1,13,39,986)

Note: The Cash Flow Statement has been prepared under the indirect method as set out in IND AS 7- Statement of Cash Flows

**FOR VICEROY HOTELS LIMITED**

As per our report of even date

<p><b>For P C N &amp; Associates,</b> Chartered Accountants, Firm Registration No: 016016S</p>	<p style="text-align: center;">Sd/- <b>P. Prabhakar Reddy</b> Former CMD</p>	<p style="text-align: center;">Sd/- <b>CMA K.K.Rao</b> Resolution Professional</p>	<p style="text-align: center;">Sd/- <b>M.Sreedhar Singh</b> CEO</p>
<p>Sd/- <b>Lakshmi Prasanthi.S</b> Partner M.No:236578</p>	<p style="text-align: center;">Sd/- <b>Devraj Govind Raj</b> Former Director</p>	<p style="text-align: center;">Sd/- <b>J.Daswanth Kumar</b> CFO</p>	<p style="text-align: center;">Sd/- <b>Sonam Jaiswal</b> Company Secretary</p>

Hyderabad  
29-05-2019



# STAND-ALONE FINANCIALS

## NOTE NO 3 : PROPERTY, PLANT & EQUIPMENT

(Amount in Rs.)

Particulars	Land	Buildings	Furnitures and Fixtures	Air Conditioners	Electrical Fittings	Vehicles	Plant & Machinery	Generator	Misc. Fixed Assets	Total
<b>Cost at</b>										
As at 31st March 2018	14,17,96,580	1,96,84,86,616	50,54,79,992	16,04,27,348	30,52,81,493	2,95,69,760	56,22,32,466	-	36,45,88,124	4,03,78,62,379
Additions During the Year										-
Disposals During the Year										-
As at 31st March 2019	14,17,96,580	1,96,84,86,616	50,54,79,992	16,04,27,348	30,52,81,493	2,95,69,760	56,22,32,466	-	36,45,88,124	4,03,78,62,379
Depreciation / Amortization										
As at 31st March 2018	-	59,37,60,356	34,65,03,855	15,24,05,980	18,43,63,444	2,85,73,267	4,67,22,931	-	34,91,08,383	1,70,14,38,217
Provided for the Year	-	2,56,93,063	1,27,24,852		1,61,49,623	8,59,131	3,57,86,901		5,61,030	9,17,74,599
Deductions During the Year										-
As at 31st March 2019	-	61,94,53,419	35,92,28,707	15,24,05,980	20,05,13,067	2,94,32,397	8,25,09,832	-	34,96,69,414	1,79,32,12,816
<b>Net Carrying Value</b>										
As at 31st March 2018	14,17,96,580	1,37,47,26,260	15,89,76,137	80,21,368	12,09,18,049	9,96,493	51,55,09,535	-	1,54,79,741	2,33,64,24,162
As at 31st March 2019	14,17,96,580	1,34,90,33,197	14,62,51,285	80,21,368	10,47,68,426	1,37,363	47,97,22,634	-	1,49,18,710	2,24,46,49,563

# STAND-ALONE FINANCIALS

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2019

### NOTE NO 4 : NON CURRENT INVESTMENTS

Particulars	Face Value	March 31, 2019		March 31, 2018	
		Holdings as at	Rs.	Holdings as at	Rs.
<b>Investment in Subsidiary Companies (at cost)</b>					
Café De Lake Pvt Ltd	10	27,44,530	7,03,69,750	27,44,530	7,03,69,750
Crustum Products Pvt Ltd	10	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Minerva Hospitalities Pvt Ltd	10	46,69,267	4,66,92,670	46,69,267	4,66,92,670
Viceroy Chennai Hotels & Resorts Pvt Ltd	10	10,000	1,00,000	10,000	1,00,000
Banjara Hospitalities Pvt Ltd	10	31,80,000	3,18,00,000	31,80,000	3,18,00,000
<b>Total Non Current Investments (net)</b>			<b>18,89,62,420</b>		<b>18,89,62,420</b>

**Note:**

The Company has made provision for loss of investment in Café D Lake Pvt Ltd for an amount of Rs. 7,03,69,750/-

**Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2019**

PARTICULARS	As At 31-03-2019 (₹)	As At 31-03-2018 (₹)
<b>NOTE NO 5 : LOANS AND ADVANCES</b>		
<b>Capital Advances</b>		
Advances Receivable		1,58,97,525
Secured, considered good	48,31,468	99,00,658
Unsecured, considered good	2,17,63,633	
<b>Security Deposits</b>		
Secured, considered good	-	2,23,21,959
Unsecured, Considered good	75,33,679	9,37,425
Subsidiary / Associate Company advances	-	-
Other Advances	80,78,604	35,94,895
Advances recoverable in cash or in kind	18,45,879	18,45,879
<b>Total Loans and Advances</b>	<b>4,40,53,263</b>	<b>5,44,98,341</b>
<b>NOTE NO 6 : OTHER NON CURRENT ASSETS</b>		
Other Non Current Assets	6,74,63,877	1,52,14,145
<b>Total Other Non Current Assets</b>	<b>6,74,63,877</b>	<b>1,52,14,145</b>
<b>NOTE NO 7 : INVENTORIES</b>		
Finished Goods		
Food Inventory	29,71,221	19,91,570
Beverage Inventory	1,10,45,214	93,30,824
Tobacco Inventory	71,191	1,42,953
<b>Total Inventory</b>	<b>1,40,87,627</b>	<b>1,14,65,347</b>
<b>NOTE NO 8 : TRADE RECEIVABLES</b>		
<b>Current - Unsecured</b>		
Considered Good	11,88,50,860	10,32,13,822
<b>Total</b>		
Less: Allowance for Bad and Doubtful Debts		
<b>Total Trade Receivables</b>	<b>11,88,50,860</b>	<b>10,32,13,822</b>
<b>NOTE NO 9 : CASH AND CASH EQUIVALENTS</b>		
Balances with Banks :		
On Current Accounts and Overdraft	4,95,92,710	(1,22,14,169)
Cash on Hand	8,84,885	8,74,183
<b>Total Cash and Cash Equivalents</b>	<b>5,04,77,595</b>	<b>(1,13,39,986)</b>
<b>NOTE NO 10 : OTHER CURRENT ASSETS</b>		
Advance to Employees	907	913
Prepaid Expenses	1,29,05,408	1,33,85,549
Other Advances	2,50,88,367	2,23,56,030
<b>Total Other Current Assets</b>	<b>3,79,94,681</b>	<b>3,57,42,492</b>

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2019

PARTICULARS	As At 31-03-2019 (₹)	As At 31-03-2018 (₹)
<b>NOTE NO 11 : SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
4,50,00,000 Equity Shares of Rs.10 each (March 31,2019: 4,50,00,000 Shares of Rs.10 each) (April 1,2018: 4,50,00,000 Shares of Rs.10 each)	45,00,00,000	45,00,00,000
10,00,000 Preference shares of Rs.100 each (March 31,2019: 10,00,000 Shares of Rs.100 each) (April 1,2018: 10,00,000 Shares of Rs.100 each)	10,00,00,000	10,00,00,000
<b>Issued Share Capital</b>		
4,24,05,224 Equity Shares of Rs.10 each (March 31,2019: 4,24,05,224 Shares of Rs.10 each) (April 1,2018: 4,24,05,224 Shares of Rs.10 each)	42,40,52,240	42,40,52,240
<b>Subscribed and Paid up</b>		
4,24,05,224 Equity Shares of Rs.10 each (March 31,2019: 4,24,05,224 Shares of Rs.10 each) (April 1,2018: 4,24,05,224 Shares of Rs.10 each)	42,40,52,240	42,40,52,240

### Terms and rights attached to equity shares

The Company has only one class of issued, subscribed and paid up equity shares having a par value of Rs.10/- each per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

# STAND-ALONE FINANCIALS

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2019

### NOTE NO 12 : OTHER EQUITY

Particulars	Equity Component of Other Financial Instruments	Other Equity						Total Equity
		Reserves & Surplus						
		Capital Reserve	Securities Premium Reserve	Debt Redemption Reserve	Revaluation Reserve	General Reserve	Retained Earnings	
Balance as at 31st March, 2018		74,33,996	1,71,77,85,670	5,00,00,000	79,19,430	3,20,25,000	(5,82,04,29,546)	(4,00,52,65,450)
Total Of Other Comprehensive Income (Net of Tax)								
Dividend (Including Dividend Distribution Tax) Profit For The Year							(12,48,97,421)	(12,48,97,421)
<b>Balance as at 31st March, 2019</b>		<b>74,33,996</b>	<b>1,71,77,85,670</b>	<b>5,00,00,000</b>	<b>79,19,430</b>	<b>3,20,25,000</b>	<b>(5,94,53,26,967)</b>	<b>(4,13,01,62,871)</b>

#### Nature and purpose of Securities Premium Reserve:

Securities Premium is used to record the premium on shares. The reserves are utilised in accordance with the Provisions of Companies Act, 2013

**Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2019**
**NOTE NO 13 : BORROWINGS**

Particulars	Effective rate of interest	Maturity	March 31, 2019		March 31, 2018	
			Face Value	Amortised cost	Face Value	Amortised cost
<b>Non Convertible Debentures</b>						
Secured						
14% Non-Convertible Debentures	14%		42,50,00,000	42,50,00,000	42,50,00,000	42,50,00,000
<b>Term Loan From Banks</b>						
Secured						
From Banks and financial institutions				1,69,44,02,192	1,69,44,02,192	1,69,44,02,192
From IARC & EARC				2,83,00,000	3,26,00,000	3,26,00,000
<b>Unsecured</b>						
From Related Parties				-	-	-
<b>Loans From Others</b>						
Secured						
Unsecured				1,66,95,13,734	1,67,38,03,634	1,67,38,03,634
Less: Current maturities of long term debt						
<b>Total</b>				<b>3,81,72,15,926</b>		<b>3,82,58,05,826</b>

**Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2019**

PARTICULARS	As At 31-03-2019 (₹)	As At 31-03-2018 (₹)
<b>NOTE NO 14 : DEFERRED TAX LIABILITY</b>		
Opening Balance	27,73,56,495	17,84,88,911
Add/(Less): Provision of Deferred tax charge / (Credit) for the year	2,55,94,644	9,88,67,584
<b>Closing Balance</b>	<b>30,29,51,139</b>	<b>27,73,56,495</b>
<b>NOTE NO 15 : OTHER NON CURRENT LIABILITIES</b>		
Advance from Customers	2,63,42,990	95,04,388
<b>Total</b>	<b>2,63,42,990</b>	<b>95,04,388</b>
<b>NOTE NO 16 : BORROWINGS</b>		
Cash Credit and Working Capital loan From Banks		
Secured	93,29,184	4,12,77,009
<b>Total</b>	<b>93,29,184</b>	<b>4,12,77,009</b>
<b>Details of Cash Credit and Working Capital Loan from Banks</b>		
<b>Particulars</b>	<b>Amount</b>	
Kotak Mahindra Bank (A/C # 24)	(11,90,555)	
Bank of Maharashtra	1,05,19,739	
<b>Total</b>	<b>93,29,184</b>	
<b>NOTE NO 17 : TRADE PAYABLES</b>		
Suppliers	24,65,04,959	19,06,50,100
<b>Total Trade Payables</b>	<b>24,65,04,959</b>	<b>19,06,50,100</b>
<b>NOTE NO 18A : PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	37,125	88,74,931
Provision for Bonus	-	(9,61,700)
Provision for Management Deferred License	-	-
Provision for accruals	16,37,40,439	10,77,34,391
<b>Others</b>		
Provision for FBT	74,919	74,919
Provision for Bad and Doubtful Debts	1,26,30,835	1,26,27,693
<b>Total Provisions</b>	<b>17,64,83,318</b>	<b>12,83,50,234</b>

**Note:**

Provision for gratuity has been taken in accordance with the actuarial report obtained. The accrual gain or loss is not calculated as on 31.03.2019

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2019

PARTICULARS	As At 31-03-2019 (₹)	As At 31-03-2018 (₹)
<b>NOTE NO 18B : CURRENT TAX LIABILITY</b>		
Current Income Tax (Net)	-	13,77,599
<b>Total</b>	<b>-</b>	<b>13,77,599</b>
<b>NOTE NO 19 : OTHER CURRENT LIABILITIES</b>		
Audit Fee Payable	28,48,660	28,48,660
Deposits	2,34,93,732	23,08,732
Bonus Payable	6,46,903	6,46,903
Spirit to serve charity fund	49,857	2,26,783
PF & ESI Payable	24,20,521	15,93,677
Salaries Payable	1,94,43,707	59,60,002
Other Payables	49,60,776	1,57,626
Other Creditors	16,26,318	7,20,646
Statutory Dues	5,11,69,596	5,05,08,873
Interest Accrued and due on Loans	1,77,61,00,397	1,77,61,00,397
Advances Received from Customers	17,01,619	-
Management Fee and Consultancy Charges	93,60,913	-
<b>Total Other Current Liabilities</b>	<b>1,89,38,23,000</b>	<b>1,84,10,72,300</b>
<b>NOTE NO 20 : REVENUE FROM OPERATIONS</b>		
Revenue From Operations:		
(A) Revenue From Sale of Products	83,31,42,151	78,86,26,021
(B) Revenue From Sale of Services	-	-
(C) Other Operating Income	4,77,11,736	4,96,39,291
<b>Total</b>	<b>88,08,53,887</b>	<b>83,82,65,312</b>
<b>NOTE NO 21 : OTHER INCOME</b>		
Profit on sale of PPE	-	14,17,28,655
Other Non Operating Income	12,71,880	2,48,88,355
Interest		
-From Banks	21,34,037	19,92,252
-From Others	6,54,163	-
Net Gain/Loss on Foreign Currency Transactions	4,03,876	21,27,437
<b>Total</b>	<b>44,63,956</b>	<b>17,07,36,699</b>
<b>NOTE NO 22 : FOOD AND BEVERAGES CONSUMED</b>		
Opening Stock	1,02,95,805	1,02,95,805
Add: Purchases	15,60,61,129	14,79,45,876
(Less): Closing Stock	1,40,87,627	1,02,95,805
<b>Total</b>	<b>15,22,69,307</b>	<b>14,79,45,876</b>



**Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2019**

PARTICULARS	As At 31-03-2019 (₹)	As At 31-03-2018 (₹)
<b>NOTE NO 23 : EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages and bonus	22,40,16,819	21,91,48,657
Company's contributions to provident and other funds.	1,41,77,589	72,08,919
Staff welfare expenses	34,20,785	5,36,085
<b>Total</b>	<b>24,16,15,193</b>	<b>22,68,93,661</b>
<b>Note No 24 : Finance Costs</b>		
Interest expense at effective rate on borrowings which are measured at amortised costs		
- Interest on Term loans	10,45,106	19,87,82,231
- Interest on Unsecured Loan	-	27,155
- Loan processing Charges & Bank Charges	3,67,975	6,76,925
- Interest on OD	11,81,291	24,73,260
- Interest on TDS	26,168	2,075
<b>Add : Settlements on interest rate swap contracts</b>		
Credit Card Commission	46,51,018	52,75,790
<b>Total</b>	<b>72,71,558</b>	<b>20,72,37,437</b>
<b>NOTE NO 25 : OTHER OPERATING AND GENERAL EXPENSES</b>		
<b>(i) Operating expenses consist of the following :</b>		
Fuel, Power and Light	9,70,03,766	9,40,82,223
Repairs to Buildings	16,90,939	18,02,344
Repairs & Maintenance	8,70,79,156	4,52,80,593
Other Operating Expenses	83,41,879	16,02,060
<b>(ii) General expenses consist of the following :</b>		
Rent	1,58,99,638	1,50,29,675
Licence Fees	19,92,121	7,64,686
Rates and Taxes	45,92,214	70,21,979
Insurance	58,62,677	43,75,142
Telephone, Postage and Others	40,16,862	42,00,453
Business Promotion Expenses	9,70,76,917	8,90,50,400
Printing and Stationery	71,90,114	24,03,601
Conveyance and Travelling	2,27,37,994	2,81,88,862
Provision for Doubtful Debts/ Bad debts written off	3,142	2,157
Freight & Transportation	58,25,266	66,03,237
Laundry	75,30,425	56,33,590
Director Sitting Fees	-	55,000
Donations	-	5,00,000
Compensation Fees	29,25,000	1,78,75,000

**Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2019**

<b>PARTICULARS</b>	<b>As At 31-03-2019 (₹)</b>	<b>As At 31-03-2018 (₹)</b>
Consultancy Charges	2,16,51,111	1,01,21,944
Office Maintenance	53,63,432	38,21,856
Loss on sale of property	-	81,79,454
Payment made to Statutory Auditors	4,00,000	4,72,000
Miscellaneous Expenses	2,15,78,484	1,80,20,319
Net Loss on foreign currency transaction	25,59,076	-
<b>Total</b>	<b>42,13,20,212</b>	<b>36,50,86,574</b>
<b>NOTE NO 26 : EXCEPTIONAL ITEMS</b>		
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	7,03,69,750	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
Cwip P&L	-	53,08,726
Service Tax Input Not claimed	-	5,92,94,001
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)
Others	-	8,74,930
<b>Total Amount Written off</b>	<b>7,03,69,750</b>	<b>4,26,59,65,709</b>

## Significant Accounting Policies

### Note 1 : Corporate Information

The **Viceroy Hotels Limited** (“VHL” or the “Company”), is primarily engaged in the business of Hoteliering. The company is domiciled and incorporated in India in 1965 and its registered office at HUDA Techna Enclave, Hyderabad Telangana-500081, India. The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorized for issue on May 29, 2019.

### Note 2: Basis of Preparation, Critical Accounting Estimates and Judgments, Significant Accounting Policies and Recent Accounting Pronouncements

The financial statements have been prepared on the following basis:

#### (a) Statement of compliance

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Current Assets do not include elements which are not expected to be realized within 12 months and Current Liabilities do not include items which are due after 12 months, the period of 12 months being reckoned from the reporting date.

#### b) Critical accounting estimates and judgments

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

- Useful lives of property, plant and equipment: The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- Impairment testing: Property, plant and equipment and Intangible assets that are subject to amortization/ depreciation are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- Impairment of investments: The Group reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for and during the current year the company has made Provision for diminution in investments.
- Income Taxes: Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit or Loss. Provision for tax liabilities require judgments on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

## **Significant Accounting Policies**

### **(C) Revenue recognition :**

#### **Income from operations**

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from restaurant is recognized upon rendering of service. Sales are net of discounts. 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.

#### **Interest**

Interest income is accrued on a time proportion basis using the effective interest rate method.

#### **Dividend**

Dividend income is recognized when the Company's right to receive the amount is established.

### **d) Employee Benefits**

#### **i. Provident Fund**

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognized as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognizes such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Employee.

#### **ii. Gratuity Fund**

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. The obligation determined as aforesaid less the fair value of the plan assets is reported as a liability or assets as of the reporting date. Actuarial gains and losses are recognized immediately in the Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

### iii. Post-Retirement Pension Scheme

a) The net present value of the Company's obligation towards post retirement pension scheme is actuarially determined, based on the projected unit credit method. Actuarial gains and losses are recognized immediately in the Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and loss.

b) The Company also has separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Company accounts for the net present value of its obligations therein, based on an independent external actuarial valuation, carried out as at the Balance Sheet date, which is determined on the basis of the projected unit credit method. Actuarial gains and losses are recognized immediately in the Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

### iv. Short Term Obligations

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognized during the period in which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual leave represent the amount which the Company has a present obligation to pay as a result of the employees' services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

#### e) Property, Plant and Equipment:

Property, plant and equipment are stated at cost; less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any. All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it. First time issues of operating supplies for a new hotel property, consisting of linen and chinaware, glassware and silverware (CGS) are capitalized and depreciated over their estimated useful life. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Depreciation is charged to Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets had been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc.

Class of Assets	Useful Life of Asset
Buildings	60 Years
Plant and Equipment	10 Years
Electrical Installation and Equipment	20 Years
Hotel Wooden Furniture	15 Years
End User devices – Computers, Laptops etc	6 Years
Operating supplies (issued on opening of a new hotel property)	2 to 3 Years
Other Miscellaneous Hotel Assets	4 Years

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives.

Freehold land is not depreciated.

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis an item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss for transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date ) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

#### **f) Impairment of assets:**

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount Recoverable amount is the higher of fair value less costs of disposal and value in use In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted if the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount An impairment loss is recognized immediately in the Statement of Profit and Loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years a reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

#### **g) Foreign Currency Translation:**

The functional currency of the Company is Indian rupee

##### **Initial Recognition**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### **Subsequent Recognition**

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined. Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss

#### **h) Inventories:**

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

### **i) Income Taxes:**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### **(i) Current tax:**

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

#### **(ii) Deferred tax:**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised. Deferred tax liabilities and assets are measured at tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. Minimum Alternative Tax ("MAT") credit forming part of Deferred tax assets is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

### **j) Provisions:**

Provisions are recognised when the Company has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law, or constructive because the Company created valid expectations on the part of third parties by accepting certain responsibilities. To record such an obligation it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. The amount recognised as a provision and the indicated time range of the outflow of economic benefits are the best estimate (most probable outcome) of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Noncurrent provisions are discounted if the impact is material.

### **k) Borrowing Costs:**

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of

interest and other costs that the company incurs in connection with the borrowing of funds. Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

### **l) Statement of Cash Flows**

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash Flow for the year is classified by operating, investing and financing activities.

### **m) Earnings Per Share**

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit/ (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

### **n) Exceptional items:**

The company discloses certain financial information both including and excluding exceptional Items. The presentation of information excluding exceptional items allows a better Understanding of the underlying trading performance of the of the underlying trading performance of the company and provides consistency with the company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate Comparison with prior periods and to assess underlying trends in the financial performance of the company. Exceptional items can include, but are not restricted to, gains and losses on the disposal of assets/ investments, impairment charges, exchange gain/ loss on long term borrowings/ assets and changes in fair value of derivative contracts.

### **o) Financial Instruments**

#### **(i) Financial assets**

##### **Initial recognition and measurement**

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

##### **Classification**

- **Cash and Cash Equivalents** – Cash comprises cash on hand and demand deposits with Banks. Cash Equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
- **Debt Instruments** -The Company classifies its debt instruments as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### **(i) Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.



## **(ii) Financial assets at fair value through Other Comprehensive Income (FVOCI)**

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

## **(iii) Financial assets at fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

- **Equity Instruments** - The Company subsequently measures all equity investments (other than the investment in subsidiaries, joint ventures and associates which are measured at cost) at fair value.

Where the Company has elected to present fair value gains and losses on equity investments in Other Comprehensive Income ("FVOCI"), there is no subsequent reclassification of fair value gains and losses to profit or loss.

Dividends from such investments are recognised in the Statement of Profit and Loss as other when the Company's right to receive payment is established. At the date of transition to Ind AS, the Company has made an irrevocable election to present in other Comprehensive income subsequent changes in the fair value of equity investments that are not held for trading. When the equity investment is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

### **De-recognition**

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## **(II) Financial liabilities**

Initial recognition and measurement financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss directly attributable transaction costs. Subsequent measurement after initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

### **De-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### **Derivatives**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-

measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated during the years reported, no hedge relationship was designated.

### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### **(iii) Impairment of financial assets**

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments, requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Company recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

### **p) Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt Instrument. Financial guarantee contracts issued by the Company are measured at their fair values and recognised as income in the Statement of Profit and Loss. Where guarantees in relation to loans or other payables of group companies are provided for no compensation, the fair value are accounted for as contributions and recognised as part of cost of investment

### **q) Business combinations**

Business combinations of entities under common control are accounted using the "pooling of interests" method and assets and liabilities are reflected at the predecessor carrying values and the only adjustments that are made are to harmonise accounting policies. The figures for the previous periods are restated as if the business combination had occurred at the beginning of the preceding period irrespective of the actual date of the combination.

## Notes to Standalone Financial Statements

### 27. Earnings Per Share (Basic EPS)

Particulars	Current Year Rs.	Previous Year Rs.
Net Profit after Tax	(12,48,97,420)	(4,38,62,87,333)
Weighted Average Number of Shares Considered	4,24,05,224	4,24,05,224
Basic EPS	(2.95)	(103.44)
Diluted EPS	(2.95)	(103.44)

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

Particulars	Current Year Rs.	Previous Year Rs.
Deferred Tax Liability	2,55,94,644	98,867,584

### 29. Auditors Remuneration:

Particulars	Current Year Rs.	Previous Year Rs.
Audit Fees	4,00,000	4,72,000

30. According to the information available with the Company, there are no amounts as at 31st March, 2019, due to suppliers who constitute a "small industrial undertaking".

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

i) Guarantees:

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

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

iii) The company was holding a share in Equity Shares of Viceroy Bangalore Hotels Private Limited which was pledged to ASF Infrastructure Private Limited for obtaining a loan of Rs.25 crores for which there was a default in repayment, as a result the company ASF infrastructure Private Limited has confiscated the Share of 31.32% shareholding of Viceroy Hotels Limited in Viceroy Bangalore Hotels Private Limited with effect from 21-07-2017. The company has provided the interest amount in the books of accounts for the year 2016 and 2017. As per the communication received from ASF on dated: 27.02.2018 Rs.14.56 Crores has been disclosed in the books. On 31st March 2018, as per the final agreement letter received from ASF infrastructure the Loan amount becomes Rs.7,09,99,000/-.

### 32. Expenditure in Foreign Currency:

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Royalties & Others	Rs.4.45	Rs.4.29

### 33. 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	13.63	13.64

### 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 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 &220Sq.Yards (4) In Sy.No. 139admeasuring 216.60, 216.60and 216.60 Sq.Yards all are situated in Lower Tank BundRoad, 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	First pariassu 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, Himayath 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, Hydereabad, ranking pariassu with other term lender i.e. Canara Bank, R.P. Road, Branch, Secunderabad, including Equitable Mortgage of Land admeasuring 6263 SqYds situated at Kavadiguda, 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.,

**35. Following are the pending litigations with income tax Department and contingent liabilities:**

i) Guarantee issued by the company to Viceroy Bangalore Hotels Private Limited amount of Rs.317 crores.

ii) Income Tax

Name of the Statute	Nature of Dues	Section under which order is passed	Amount (Rs.)	Period to which it relates	Case is pending at
Income Tax Act, 1961	Income Tax	154	Rs.54,68,19,040/-	AY 2014-15	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	143(3)	Rs.8,30,89,950/-	A.Y 2016-17	Commissioner of Income Tax (Appeals)

iii) Service Tax

Sl. No.	SCN O.R. No.	OIO/OIA No. and Date	Period	Demand (Rs.)
1	O.R. No.95/2012-Adjn (ST) (Commr) dt.23.04.2012	OIO No.HYD-EXCUS-000-COM-21-16-17 dt.25.05.2016	2006-07 to 2010-11	7,31,65,038/-
2	O.R.No. 54/2013-Adjn (ST) (Commr) dt.18.06.2013	OIO No.HYD-EXCUS-000-COM-22-16-17 dt.25.05.2016	April, 2011 to March, 2012	2,41,663/-
3	O.R.No. 84/2013-Adjn (ST) (Commr) dt.19.05.2014	OIO No.HYD-EXCUS-000-COM-23-16-17 dt.25.05.2016	April, 2012 to June, 2012	2,85,941/-
4	O.R.No. 164/2014-Adjn (ST) (Commr) dt.26.09.2014	OIO No.HYD-EXCUS-000-COM-24-16-17 dt.25.05.2016	July, 2012 to March, 2013	26,01,002/-
5	O.R.No. 45/2015-Adjn (ST) (Commr) dt.16.04.2015	OIO No.HYD-EXCUS-000-COM-25-16-17 dt.25.05.2016	April, 2013 to March, 2014	40,29,335/-
6	O.R.No. 73/2016-Adjn (ST) (JC) dt.30.08.2016	OIA No. HYD-SVTAX-000-AP2-0236-17-18 dt.24.11.2017	July, 2012 to March, 2015	13,14,253
7	O.R No.82/2016-Adjn ST Commr. Dt.22.04.16	OIO No.07/2017-ST dt.19.05.2017	April, 2014 to March, 2015	45,26,905/-
8	F.No.DRI/CZU/HRU/26B/ENQ-08 (INT-7)/2014 dt.29.12.2016	OIO No.68847/2019 dt.15.05.2019	2012 to 2016	3,80,41,131/-
9	C.No.V/15/12/2018-Adjn dt.24.04.2018	OIA No. HYD-EXCUS-SC-AP2-0125-18-19 ST dt.26.03.2019	April 2015 to March 2016	20,13,146/-
10	C.No.V/15/12/2018-Adjn dt.29.10.2018	OIO No.15/2018 dt.30.01.2019	April 2016 to June 2017	15,15,857/-
11	O.R.No.57/2018-19-GST-SEC-Adjn-JC dt.15.11.2018		October 2015 to June 2017	1,25,84,491/-

## iv) Luxury Tax/ Sales Tax

Sl. No.	Arrear Notice issued by office of the Assistant Commissioner(ST) Gandhinagar Circle Hyd	Period	Demand	issue	Luxury Tax 50% Paid
1	15.02.2019	2011-12	795429/-	Dispute of Levy of Luxury Tax on Service Tax	397715/-
2	15.02.2019	2012-13	10,77,592/-	Dispute of Levy of Luxury Tax on Service Tax	5,38,796/-
3	15.02.2019	2013-14	7,58,952/-	Dispute of Levy of Luxury Tax on Service Tax	3,79,476/-
4	15.02.2019	2010-11 to 2012-13 (upto 31.10.2012) 01.11.2012 to 30.09.2013	15,88,152/-	Disputed arrears against completion of Revision of Assessment U/VAT Act	-

It is not possible to predict the outcome of the pending litigations with accuracy, the company believes, based on legal opinions received, that it has meritorious defences to the claims. The management believe the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations , cash flows or financial condition of the company.

**36. Gratuity:**

As per Ind AS, the company needs to get the actuarial report having actuarial gain/loss in order to report in other comprehensive income. However the company has obtained actuarial report in normal terms, but couldn't be able to obtain as per Ind AS actuarial gain / loss. The Company is in the process of obtaining the actuarial report as per Ind AS.

**37. Following are the amount outstanding and due to banks and other institutions:**

NAME OF THE BANK INSTITUTION	Amount in Crores (Rs.)		
	PRINCIPLE DUE	INTEREST DUE	TOTAL DUES
ARCIL	131.68	91.79	223.47
IARC LTD	1.95	-	1.95
State Bank of India	56.18	50.55	106.73
Canara Bank	24.02	34.81	58.83
<b>Total</b>	<b>213.83</b>	<b>177.15</b>	<b>390.98</b>

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

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

Name	Nature of Relationship with the company
Café D Lake Pvt Ltd	Subsidiary
Banjaras Hospitalities Pvt Ltd	Subsidiary
J. Daswanth Kumar	Chief Financial Officer
M. Sridhar Singh	Chief Executive Officer
SonamJaiswal	Company Secretary

**Related Party Transactions during the year**

Name of the related Party	Relationship	Nature of Transaction	Transaction value rupees	Balance outstanding – Receivable/ (-) Payable as on date of Balance Sheet	Amount written off/ back
Café D Lake Pvt Ltd	Subsidiary	Office Maintenance Expenses	22,94,400	-21,03,200	
		Rent Expenses	95,58,000	-85,59,000	
		Staff Food Expenses	24,02,290	-24,02,290	
Banjaras Hospitalities Pvt Ltd	Subsidiary	Amount received from Banjaras for the Payment of Loan (EARC)	43,00,000	-43,00,000	
		TDS Expenses Paid	26,875	26,875	
		Fire Service Expenses Paid	4,92,815	4,92,815	
J.Daswanth Kumar	Chief Financial Officer	Salaries Including all perquisites	10,30,320	-	
M. Sridhar Singh	Chief Executive Officer	Salaries Including all perquisites	12,80,400	-	

**39. 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
	<b>Total</b>	<b>21,783.97</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). Subsequently company changes its name several times i.e. from Krishna Cold Drinks Private Limited to ShriKishna Bottlers Private Limited and further as Palace Heights Private Limited.

Palace Heights Private Limited was converted as public limited Company namely Palace Heights Hotels Public Limited and finally became Viceroy Hotels Limited vide incorporation certificate of Registrar of Companies dated 21-09-2001. However, the revenue records are required to be updated to reflect the above name changes and conversions with regard to the title Properties mentioned in S.No.9 is originally in the name of Shri P. Prabhakar Reddy was invested by him as capital in a partnership firm which was subsequently converted as Minerva Enterprises Private Limited and this property was transferred to the company through a scheme of arrangement approved by Hon'ble High of Court of Andhra Pradesh vide its order dated 1st May 2007. However, the revenue records are required to be updated to reflect the above title change.

40. The Hon'ble NCLT has accepted plea filed on the company by Asset Reconstruction Company (India) under Sec.7 of The Insolvency and Bankruptcy code 2016 for non payment of dues. The Resolution Professional has invited Expression of Interest from the prospective bidders for submission of Resolution Plans for revival of the Company. In terms of provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) the resolution plan submitted by M/s CFM Asset Reconstruction Company Private Limited for M/s Viceroy Hotels Limited has been approved by the Committee of Creditors (COC) of the company in its 18th COC meeting. The approval of resolution is subject to Hon'ble NCLT order.

41. The company has a pending adjudication against the Hon'ble Adjudicating Authority, PMLA, 2002. For which The Directorate of Enforcement made a Provisional Attachment Order in PAO No. 04/2019 dated 26.03.2019 passed by the Deputy Director, Directorate of Enforcement against the company. The resolution professional has challenged the provisional attachment order of Enforcement Directorate, Chennai, before the Hon'ble NCLT, Hyderabad on 08-04-2019. NCLT has raised the attachment of Enforcement Directorate, Chennai. Further proceedings are subject to the respective authorities.

42. The Company's only business is Hoteliering and hence disclosure of segment-wise information is not applicable under Indian Accounting Standard 108- 'Segmental Information'. There is no geographical segment to be reported.

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

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

#### As Per Our Audit Report of Even date

**For P C N & Associates,  
Chartered Accountants,  
Firm Registration No: 016016S**

**Lakshmi Prasanthi.S  
Partner  
M.No:236578**

Place: Hyderabad  
Date: 29.05.2019

#### FOR VICEROY HOTELS LIMITED

Sd/- <b>P. Prabhakar Reddy</b> Former CMD	Sd/- <b>CMA K.K.Rao</b> Resolution Professional	Sd/- <b>M.Sreedhar Singh</b> CEO
Sd/- <b>Devraj Govind Raj</b> Former Director	Sd/- <b>J.Daswanth Kumar</b> CFO	Sd/- <b>Sonam Jaiswal</b> Company Secretary



## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of

**M/s VICEROY HOTELS LIMITED**

**Report on the Audit of Consolidated Ind AS Financial Statements**

### Qualified Opinion

We have audited the accompanying Ind AS Consolidated Financial Statements of **M/s VICEROY HOTELS LIMITED** ("the company"), and its subsidiaries (The company and its subsidiaries together referred to as "the Group), which comprise the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of changes in equity and the Statement of Cash Flows for the year then ended on that date and notes to financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the "Basis for Qualified Opinion" section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of "the Company" as at March 31, 2019, the consolidated Loss and consolidated total comprehensive income, Consolidated changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

#### 1. 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. However the company has not submitted us any valuation certificate towards capitalization of fixed assets of Rs.111.94 crores, and the depreciation claimed by the company towards such capitalization of fixed assets for the F.Y 2017-18 is Rs.358.34 Lakhs and for the F.Y 2018-19 Rs.599.98 Lakhs. As we could not obtain sufficient audit evidence in this regard and the capitalization is not in compliance with the generally accepted accounting principles we are unable to comment upon the true and fair view of the same.
- b) **Forfeiture of advance:** The Company has forfeited an advance of amounting to Rs.134.65 Crores received from Mahal Hotel Private Limited, Bhagyanagar Investments and trading private limited and Ganga Industrial Corporation Limited 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 financial year 2017-18 again the company has recognised the forfeited advances in the books of accounts as liability which is not in line with the IND AS accounting policies, also the management of the company has not provided us any supporting document towards re recognition of such advances as liability in the books of accounts in the F.Y 2017-18. As per the Business transfer agreement (BTA) entered between Viceroy Hotels Limited and Mahal Hotels Limited dated 02nd April, 2011, the company M/s Viceroy Hotels Ltd received an advance of Rs.124.52 Crores (Included in above said advance Rs.,134.65 Crores). The date of termination of the agreement is 31.12.2011. In the event of termination, the company is liable to repay the advance along with the interest @2% per month till the date of repayment. However no interest has been paid or provided by the company in its Books of Accounts since the termination of the agreement, which is not in line with the accounting principles.

Hence we are unable to comment upon the true and fair view of the same.

- c) Directorate of Enforcement:** The Directorate of Enforcement made a Provisional Attachment Order in PAO No. 04/2019 dated 26.03.2019 passed by the Deputy Director, Directorate of Enforcement against the M/s Viceroy Hotels Limited of OC No.1118/2019 pending adjudication before the Honourable Adjudicating Authority, PMLA, 2002, from alienating the proceeds of crime in the form of movable and immovable properties which are involved in money laundering and the non-attachment may seriously affect and frustrate the proceedings under PMLA, 2002. The resolution professional has challenged the provisional attachment order of Enforcement Directorate, Chennai, before the Hon'ble NCLT, Hyderabad on 08-04-2019. NCLT has raised the attachment of Enforcement Directorate, Chennai. Further proceedings are subject to the respective authorities.
- 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 dues and the same has been accepted by the Hon'ble NCLT. Further proceedings are subject to NCLT order. The Resolution Professional has invited Expression of Interest from the prospective bidders for submission of Resolution Plans for revival of the Company. In terms of provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) the resolution plan submitted by M/s CFM Asset Reconstruction Company Private Limited for M/s Viceroy Hotels Limited has been approved by the Committee of Creditors (COC) of the company in its 18th COC meeting and identified as a successful resolution applicant, subject to the approval of the Hon'ble NCLT, Hyderabad bench.
- e) Loans from Banks of 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 in accordance with generally accepted accounting principles. Confirmations from Banks/Financial Institutions are not yet received in this regard.
- f) Statutory Dues:** The Company has not paid the statutory dues for a period more than 6 months is as follows:

Sl.No	Particulars	Amount (Rs. )
1	TDS	3,31,29,274/- (F.Y 2013/14 - Rs.1,65,37,076/-, F.Y 2014/15 - Rs.1,33,91,164/-, F.Y 2015/16 - Rs.17,47,280/-, F.Y 2016/17 - Rs.14,53,754/-)
	<b>Total</b>	<b>3,31,29,274/-</b>

- g) Non availability of confirmations Trade Receivables, Trade Payables -** In the absence of alternative corroborative evidence, we unable to comment on the extent to which such balances are recoverable.
- h) Exceptional items:** The management decided to write off various assets, capital work in progress etc for an amount of Rs. 291.94 crores in the FY 2017-18.
- i) In respect of investment in subsidiaries those have significant accumulated Losses as on March 31st 2019.** And the Loans and advances given to those subsidiaries. The Management of the company is of the view that the 100 percent provision for made for Loss of such investments in the Profit & Loss account made during the Fy 2017-18 in the accompanying IND As financial statements. In the absence of fair valuation of those investments in the subsidiaries, we are unable to comment on the total provision made by the company in this regard.
- J) Tax Disputes:** the company has material tax disputes with the Income Tax department as given under as per the information submitted by the management in this regard. However the company has not made provision for such dues in the financial statements for the year ending 31-03-2019. As per the information submitted by the company to us the following are the cases pending at different levels.

Name of the Statute	Nature of Dues	Section under which order is passed	Amount (Rs.)	Period to which it relates	Case is pending at
Income Tax Act, 1961	Income Tax	154	Rs.54,68,19,040/-	AY 2014-15	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	143(3)	Rs.8,30,89,950/-	A.Y 2016-17	Commissioner of Income Tax (Appeals)

- k) Going Concern:** The above conditions indicate the existence of material uncertainties which may cast 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 FY2018-19.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of "the Company" in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

#### Key Audit Matters

Except for the matters described in the basis for qualified opinion section, we have determined that there are no other key audit matters to be communicated in our report.

#### Other Matters

We did not audit the financial statements and other financial information, in respect of all the five subsidiaries, whose Ind AS financial statements include total assets of Rs.18,814 lakhs. As at March 31st 2019 and Total loss of Rs.1,030 lakhs for the year ended. These Ind AS financial Statements of four subsidiaries and other financial information have been audited by other Auditors, whose reports have been furnished to us and our opinion in so far as it relates to the amounts and disclosures included in respect of subsidiaries, is based solely on the report of such subsidiary auditors. The financial statements of M/s Café D' Lake Private Limited (Wholly Owned Subsidiary) are unaudited as IRP has been appointed for such company.

Our opinion is not qualified in respect of this matter.

#### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of "the Act" with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of "the Act". 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(f) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 except for the matters given in the qualified opinion paragraph.
  - 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 except for the matters specified in the qualified opinion paragraph.
  - c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flow dealt with by this Report are in agreement except for the matters specified in the Qualified opinion paragraph as given above 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 Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except for the matter specified in basis of qualified opinion paragraph.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.
  - ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For P C N & Associates,  
Chartered Accountants,  
Firm Registration no: 016016S**

Place: Hyderabad  
Date: 29-05-2019

Sd/-  
**Lakshmi Prasanthi. S**  
**Partner**  
M.No:236578

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of VICEROY HOTELS LIMITED of even date)

Report on the Internal Financial Controls over Financial Reporting under clause (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 March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for qualified opinion on the internal financial controls system over financial reporting of the Company.

### **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 e 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 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.

### **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.

### **Basis for Qualified Opinion:**

1. The company did not have appropriate internal controls for confirmation and reconciliation of trade receivables, trade payables, other current assets and current liabilities.
2. The company did not have fixed asset register as on 31-03-2019.
3. The company has written off various assets and liabilities as exceptional items in the F.y 2017-18 due to which we couldn't get appropriate audit evidence in relation to internal financial controls over financial reporting.

As a result of these matters, we have not been able to obtain sufficient and appropriate audit evidence in relation to Internal Financial Controls over Financial Reporting and consequently we are unable to determine whether the company has established adequate internal financial controls over Financial Reporting and also whether such internal financial controls were operating effectively as at March 31st, 2019.

### **Qualified Opinion**

In our opinion, the company has, in all material respects, except for the matters described in Basis of Qualified opinion paragraph, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, 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 C N & Associates,  
Chartered Accountants,  
Firm Registration no: 016016S**

Place: Hyderabad  
Date: 29-05-2019

Sd/-  
**Lakshmi Prasanthi. S**  
**Partner**  
**M.No:236578**



## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

PARTICULARS	Notes	As At 31-03-2019 (₹)	As At 31-03-2018 (₹)
<b>I. ASSETS:</b>			
<b>1. Non Current Assets:</b>			
a) Property, Plant and Equipment	3	2,73,29,07,703	2,82,03,70,169
b) Capital Work in Progress		91,92,92,981	91,93,25,391
c) Financial Assets			
i) Non Current Investments			
ii) Loans and Advances	4	22,46,61,013	19,54,94,788
iii) Other Non Current Financial Assets			
d) Deferred Tax Asset			
e) Other Non Current Assets	5	21,16,72,486	12,23,44,005
<b>Total Non-Current Assets</b>		<b>4,08,85,34,183</b>	<b>4,05,75,34,353</b>
<b>2. Current Assets:</b>			
a) Inventories	6	2,07,08,242	1,59,25,342
b) Financial Assets			
i) Investments			
ii) Trade Receivables	7	13,78,87,545	11,59,01,166
iii) Cash and Cash Equivalents	8	5,72,73,039	(81,15,398)
iv) Other Balances with Bank			
v) Loans and Advances			
vi) Other Financial Assets			
c) Other Current Assets	9	11,00,98,327	23,54,32,159
<b>Total Current Assets</b>		<b>32,59,67,153</b>	<b>35,91,43,268</b>
<b>TOTAL ASSETS</b>		<b>4,41,45,01,336</b>	<b>4,41,66,77,621</b>
<b>II. EQUITY AND LIABILITIES:</b>			
Equity			
a) Equity Share Capital	10	42,40,52,240	42,40,52,240
b) Other Equity	11	(4,23,41,03,642)	(4,07,65,30,539)
<b>Total Equity</b>		<b>(3,81,00,51,402)</b>	<b>(3,65,24,78,299)</b>

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

PARTICULARS	Notes	As At 31-03-2019 (₹)	As At 31-03-2018 (₹)
<b>Liabilities</b>			
1. Non Current Liabilities:			
a) Financial Liabilities			
i) Borrowings	12	5,38,36,50,810	5,28,78,82,868
ii) Other Financial Liabilities			
b) Provisions			
c) Deferred Tax Liabilities (Net)	13	32,25,83,666	30,28,36,438
d) Other Non Current Liabilities	14	2,63,42,990	95,04,388
<b>Total Non-Current Liabilities</b>		<b>5,73,25,77,466</b>	<b>5,60,02,23,694</b>
2. Current Liabilities:			
a) Financial Liabilities			
i) Borrowings	15	1,31,78,144	4,48,60,697
ii) Trade Payables	16	31,41,51,975	30,10,12,193
iii) Other Financial Liabilities			
b) Provisions			
(i) Current Provisions	17A	10,74,20,062	12,83,50,234
(ii) Current Tax Liability	17B	-	16,55,987
c) Other Current Liabilities	18	2,05,72,25,091	1,99,30,53,115
<b>Total Current Liabilities</b>		<b>2,49,19,75,272</b>	<b>2,46,89,32,226</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>4,41,45,01,336</b>	<b>4,41,66,77,620</b>

As per our report of even date

**FOR VICEROY HOTELS LIMITED**

**For P C N & Associates,  
Chartered Accountants,  
Firm Registration No: 016016S**

Sd/-  
**P. Prabhakar Reddy**  
Former CMD

Sd/-  
**CMA K.K.Rao**  
Resolution Professional

Sd/-  
**M.Sreedhar Singh**  
CEO

Sd/-  
**Lakshmi Prasanthi.S**  
Partner  
M.No:236578

Sd/-  
**Devraj Govind Raj**  
Former Director

Sd/-  
**J.Daswanth Kumar**  
CFO

Sd/-  
**Sonam Jaiswal**  
Company Secretary

Hyderabad  
29-05-2019

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	Notes	As At 31-03-2019 (₹)	As At 31-03-2018 (₹)
<b>INCOME</b>			
Revenue from Operations	19	1,22,42,67,630	1,18,10,39,091
Other income	20	3,08,85,810	19,03,98,058
<b>TOTAL INCOME</b>		<b>1,25,51,53,441</b>	<b>1,37,14,37,149</b>
<b>EXPENSES</b>			
Food and beverages consumed	21	33,39,78,981	31,37,02,470
Employees benefit Expenses	22	30,12,26,197	30,64,89,973
Finance Costs	23	2,42,00,598	22,72,16,819
Depreciation and Amortisation Expenses	3	10,83,48,138	10,39,07,171
Other Operating and General Expenses	24	62,52,25,402	48,81,45,762
<b>TOTAL EXPENSES</b>		<b>1,39,29,79,316</b>	<b>1,43,94,62,195</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(13,78,25,875)</b>	<b>(6,80,25,045)</b>
Exceptional Items	25	-	4,26,59,65,709
<b>Profit/(Loss) before tax</b>		<b>(13,78,25,875)</b>	<b>(4,33,39,90,755)</b>
Tax Expenses:			
(1) Current Tax		-	-
(2) Deferred Tax		1,97,47,228	9,96,41,069
<b>Total</b>			
<b>Profit (Loss) after Tax for the period</b>		<b>(15,75,73,103)</b>	<b>(4,43,36,31,824)</b>
<b>Share of Profit of Associate</b>			
<b>Other Comprehensive Income</b>			
A. (i) Items that will not be reclassified subsequently to Profit or Loss			
(ii) Income Tax relating to items that will not be reclassified to profit or loss			
B. (i) Items that will be reclassified subsequently to Profit or Loss			
(ii) Income Tax relating to items that will be reclassified to profit or loss			
<b>Total (Net of Tax)</b>		<b>0</b>	<b>0</b>
<b>Total Comprehensive Income for the year</b>		<b>(15,75,73,103)</b>	<b>(4,43,36,31,824)</b>
<b>Earnings Per Share:</b>			
a) Basic (Rs.)		(3.72)	(104.55)
b) Diluted (Rs.)		(3.72)	(104.55)
Face Value per Equity Share			

As per our report of even date

### FOR VICEROY HOTELS LIMITED

For P C N & Associates,  
Chartered Accountants,  
Firm Registration No: 016016S

Sd/-  
**P. Prabhakar Reddy**  
Former CMD

Sd/-  
**CMA K.K.Rao**  
Resolution Professional

Sd/-  
**M.Sreedhar Singh**  
CEO

Sd/-  
**Lakshmi Prasanthi.S**  
Partner  
M.No:236578

Sd/-  
**Devraj Govind Raj**  
Former Director

Sd/-  
**J.Daswanth Kumar**  
CFO

Sd/-  
**Sonam Jaiswal**  
Company Secretary

Hyderabad  
29-05-2019

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

PARTICULARS	Current Year (₹)	Previous Year (₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before tax	(13,78,25,875)	(4,33,39,90,755)
<b>Adjustments for:</b>		
Depreciation and Amortization Expenses	10,83,48,138	10,39,07,171
Profit/Loss on sale of Fixed Assets (Net)		(12,65,76,659)
Finance Costs	2,42,00,598	22,72,16,819
Interest Income		
Interest Expenses		
Exceptional Items	-	4,26,59,65,709
<b>Cash Operating Profit before working capital changes</b>	<b>(52,77,139)</b>	<b>13,65,22,285</b>
<b>Adjustments for (increase)/decrease in operating assets</b>		
Trade receivables	(2,19,86,379)	61,47,676
Inventories	(47,82,900)	11,48,826
Other Current Assets	12,53,33,832	1,25,79,560
<b>Adjustments for increase/(decrease) in operating liabilities</b>		
Borrowings	(3,16,82,553)	93,34,481
Short Term Provisions	(2,09,30,172)	(10,65,38,123)
Trade Payables	1,31,39,782	8,70,50,015
Other Current Liabilities	6,25,15,989	(21,04,24,337)
<b>Cash Generated from Operations</b>	<b>11,63,30,459</b>	<b>(6,41,79,617)</b>
Direct Taxes - Refund / (paid)	-	-
<b>Net Cash Generated From Operating Activities (A)</b>	<b>11,63,30,459</b>	<b>(6,41,79,617)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets (net)	(2,08,85,673)	(1,12,41,59,726)
Sale of Fixed Assets		19,97,97,629
Capital Work in Progress	32,410	1,26,12,90,271
Investments		20,11,58,819
(Increase)/ decrease in loans and advances	(2,91,66,225)	(93,30,01,542)
(Increase)/ decrease in other non current assets	(8,93,28,481)	(4,69,78,142)
<b>Net Cash Generated/Used In Investing Activities (B)</b>	<b>(13,93,47,969)</b>	<b>(44,18,92,691)</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

PARTICULARS	Current Year ( ₹ )	Previous Year ( ₹ )
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Financing Charges	(2,42,00,598)	(22,72,16,819)
Proceeds from Share Capital		
Proceeds/ (Repayment) from Long Term Borrowings	9,57,67,943	68,33,13,402
Increase/(decrease) in other non current liabilities	1,68,38,602	(4,38,343)
<b>Net Cash Generated/Used In Financing Activities (C)</b>	<b>8,84,05,947</b>	<b>45,56,58,240</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>6,53,88,437</b>	<b>(5,04,14,068)</b>
Opening Cash and Cash Equivalents as at 31st March,2018	(81,15,398)	4,22,98,669
Closing Cash and Cash Equivalents as at 31st March 2019	5,72,73,039	(81,15,399)

Note: The Cash Flow Statement has been prepared under the indirect method as set out in IND AS 7- Statement of Cash Flows

**FOR VICEROY HOTELS LIMITED**

As per our report of even date

**For P C N & Associates,  
Chartered Accountants,  
Firm Registration No: 016016S**

Sd/-  
**P. Prabhakar Reddy**  
Former CMD

Sd/-  
**CMA K.K.Rao**  
Resolution Professional

Sd/-  
**M.Sreedhar Singh**  
CEO

Sd/-  
**Lakshmi Prasanthi.S**  
Partner  
M.No:236578

Sd/-  
**Devraj Govind Raj**  
Former Director

Sd/-  
**J.Daswanth Kumar**  
CFO

Sd/-  
**Sonam Jaiswal**  
Company Secretary

Hyderabad  
29-05-2019

(Amount in Rs.)

**NOTE NO 3 : PROPERTY, PLANT & EQUIPMENT**

Particulars	Land	Buildings	Furnitures and Fixtures	Air Conditioners	Electrical Fittings	Vehicles	Plant & Machinery	Office Equipment	Computers	Civil Works	Generator	Misc. Fixed Assets	Total
<b>Cost at</b>													
As at 1st April 2018	37,50,71,780	2,07,82,50,087	59,37,25,443	16,04,27,348	32,34,99,675	3,11,93,664	71,78,23,813	1,17,77,652	1,08,66,582	5,62,36,681		36,45,88,124	4,72,34,60,849
Additions During the Year	1,80,00,000	36,000	3,22,793				22,24,084		3,02,796				2,08,85,673
Disposals During the Year													-
As at 31st March 2019	39,30,71,780	2,07,82,86,087	59,40,48,236	16,04,27,348	32,34,99,675	3,11,93,664	72,00,47,897	1,17,77,652	1,11,69,378	5,62,36,681	-	36,45,88,124	4,74,43,46,522
<b>Depreciation / Amortization</b>													
As at 1st April 2018		62,47,40,741	39,43,96,104	15,24,05,980	19,20,51,873	2,99,49,098	13,01,92,288	1,07,90,865	1,03,12,676	91,42,672		34,91,08,383	1,90,30,90,680
Provided for the Year		2,71,72,901	2,03,20,899		1,74,88,568	8,97,315	4,04,19,236	3,97,904	2,71,064	8,19,232		5,61,030	10,83,48,139
Deductions During the Year													-
As at 31st March 2019	-	65,19,13,642	41,47,17,003	15,24,05,980	20,95,40,431	3,08,46,413	17,06,11,524	1,11,88,769	1,05,83,740	99,61,904	-	34,96,69,413	2,01,14,38,819
<b>Net Carrying Value</b>													
As at 31st March 2018	37,50,71,780	1,45,35,09,346	19,93,29,339	80,21,368	13,14,47,802	12,44,566	58,76,31,525	9,86,787	5,53,906	4,70,94,009	-	1,54,79,741	2,82,03,70,169
As at 31st March 2019	39,30,71,780	1,42,63,72,445	17,93,31,233	80,21,368	11,39,59,244	3,47,251	54,94,36,373	5,88,883	5,85,638	4,62,74,777	-	1,49,18,711	2,73,29,07,703

**Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2019**

PARTICULARS	As At 31-03-2019 (₹)	As At 31-03-2018 (₹)
<b>NOTE NO 4 : LOANS AND ADVANCES</b>		
<b>Capital Advances</b>		
Security deposit	-	4,52,220
Secured, considered good	6,00,09,177	8,84,73,909
Unsecured, considered good	2,17,63,633	9,37,425
<b>Deposits</b>		
Secured, considered good	87,44,027	-
Unsecured, Considered good	75,33,679	99,00,658
Unamortised Expenses	15,500	-
Other Advances	1,88,11,458	35,94,895
Advances recoverable in cash or in kind	10,77,83,539	9,21,35,681
<b>Total Loans</b>	<b>22,46,61,013</b>	<b>19,54,94,788</b>
<b>NOTE NO 5 : OTHER NON CURRENT ASSETS</b>		
Other non current assets	6,85,76,446	1,52,14,145
Unamortised Expenses	14,30,96,040	10,71,29,860
<b>Total Other Non Current Assets</b>	<b>21,16,72,486</b>	<b>12,23,44,005</b>
<b>NOTE NO 6 : INVENTORIES</b>		
Finished Goods	-	-
Other Inventory	8,67,558	8,67,558
Food Inventory	29,71,221	19,91,570
Beverage Inventory	1,67,98,272	1,29,23,261
Tobacco Inventory	71,191	1,42,953
<b>Total Inventory</b>	<b>2,07,08,242</b>	<b>1,59,25,342</b>
<b>NOTE NO 7 : TRADE RECEIVABLES</b>		
<b>Current - Unsecured</b>		
Considered Good	13,78,87,545	11,59,01,166
<b>Total Trade Receivables</b>	<b>13,78,87,545</b>	<b>11,59,01,166</b>
<b>NOTE NO 8 : CASH AND CASH EQUIVALENTS</b>		
Balances with Banks :		
On Current Accounts	5,40,55,358	(1,05,89,596)
Cash on Hand	32,17,681	24,74,197
<b>Total Cash and Cash Equivalents</b>	<b>5,72,73,039</b>	<b>(81,15,398)</b>

**Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2019**

<b>PARTICULARS</b>	<b>As At 31-03-2019 (₹)</b>	<b>As At 31-03-2018 (₹)</b>
<b>NOTE NO 9 : OTHER CURRENT ASSETS</b>		
Advance to Employees	907	(26,729)
Prepaid Expenses	1,30,50,198	1,34,26,765
TDS receivable	21,39,659	42,82,352
Security Deposit	1,52,12,657	1,45,98,732
Advances Recoverable in Cash or in kind	4,81,75,956	13,46,23,152
Interest Accrued on Deposits	-	1,15,337
Advance Tax and Others	60,05,836	2,08,62,387
Other Advances	2,50,88,367	4,75,50,163
Other Current Assets	1,73,117	-
Disputed Deposits	2,51,630	-
<b>Total Other Current Assets</b>	<b>11,00,98,327</b>	<b>23,54,32,159</b>

CONSOLIDATED FINANCIALS



## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2019

PARTICULARS	As At 31-03-2019 (₹)	As At 31-03-2018 (₹)
<b>NOTE NO 10 : SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
4,50,00,000 Equity Shares of Rs.10 each (March 31,2019: 4,50,00,000 Shares of Rs.10 each) (April 1,2018: 4,50,00,000 Shares of Rs.10 each)	45,00,00,000	45,00,00,000
10,00,000 Preference shares of Rs.100 each (March 31,2019: 10,00,000 Shares of Rs.100 each) (April 1,2018: 10,00,000 Shares of Rs.100 each)	10,00,00,000	10,00,00,000
<b>Issued Share Capital</b>		
4,24,05,224 Equity Shares of Rs.10 each (March 31,2019: 4,24,05,224 Shares of Rs.10 each) (April 1,2018: 4,24,05,224 Shares of Rs.10 each)	42,40,52,240	42,40,52,240
<b>Subscribed and Paid up</b>		
4,24,05,224 Equity Shares of Rs.10 each (March 31,2019: 4,24,05,224 Shares of Rs.10 each) (April 1,2018: 4,24,05,224 Shares of Rs.10 each)	42,40,52,240	42,40,52,240

### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

	31st March 2019		31st March 2018	
	Number	Rupees	Number	Rupees
At the beginning of the period	4,24,05,224	42,40,52,240	4,24,05,224	42,40,52,240
Issued during the period -	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>4,24,05,224</b>	<b>42,40,52,240</b>	<b>4,24,05,224</b>	<b>42,40,52,240</b>

### b. Terms/rights attached to equity shares.

The company has only one class of equity shares having a face value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 st March 2019, the amount of per share dividend recognized as distributions to equity shareholders is Nil.

### c. Share warrants

The company has not issued any share warrants.

### d. Details of shareholders holding more than 5% shares in the company

Particulars	31 Mar 2019		31 March 2018	
	Number of shares	% holding	Number of shares	% holding
<b>Equity shares of Rs. 10/- each fully paid-up</b>				
Chakradhar Reddy Parvath Reddy	27,89,351	6.58%	27,89,351	6.58%
Crest Logistics and Engineers Private Limited	25,00,000	5.90%	25,00,000	5.90%
Jhunjunwala Rakesh Radheshyam			-	0.00%

**Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2019**  
**NOTE NO 11 : OTHER EQUITY**

Other Equity										
Particulars	Equity Component of Other Financial Instruments	Reserves & Surplus						Other Comprehensive Income		Total Equity
		Capital Reserve	Securities Premium Reserve	Debtenture Redemption Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Equity Instruments through other comprehensive income		
<b>Balance as at 31st March, 2018</b>		74,33,996	1,71,77,85,670	5,00,00,000	79,19,430	3,20,25,000	(5,89,16,94,635)	-	(4,07,65,30,539)	
Total Of Other Comprehensive Income (Net of Tax)										
Profit For The Year		-	-	-	-	-	(15,75,73,103)	-	(15,75,73,103)	
Balance as at 31st March, 2019		74,33,996	1,71,77,85,670	5,00,00,000	79,19,430	3,20,25,000	(6,04,92,67,738)	-	(4,23,41,03,642)	

**Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2019**  
**NOTE NO 12 : BORROWINGS**

**Amount In Rs.**

Particulars	Effective rate of interest	Maturity	March 31, 2019		March 31, 2018	
			Face Value	Amortised cost	Face Value	Amortised cost
<b>Non Convertible Debentures</b>						
Secured						
14% Non-Convertible Debentures			51,73,35,490	51,73,35,490	58,19,25,928	58,19,25,928
<b>Term Loan From Banks</b>						
Secured			-	1,69,44,02,192		-
From Banks and financial institutions			-	93,75,26,959		2,68,99,79,151
From IARC & EARC			-	-		3,26,00,000
<b>Unsecured</b>						
From Related Parties				1,01,35,194		2,71,48,903
From Banks				1,53,35,925		-
<b>Loans From Others</b>						
Secured				1,70,55,84,466		-
Unsecured				24,47,94,210		1,95,62,28,886
Less: Current maturities of long term debt				-		-
Advance for Sale of Plots				25,85,36,374		-
<b>Total</b>				<b>5,38,36,50,810</b>		<b>5,28,78,82,868</b>

### Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2019

PARTICULARS	As At 31-03-2019 (₹)	As At 31-03-2018 (₹)
<b>NOTE NO 13 : DEFERRED TAX LIABILITY</b>		
Opening Balance	30,28,36,438	20,31,95,369
Add/(Less): Provision of Deferred tax charge / (Credit) for the year	1,97,47,228	9,96,41,069
<b>Closing Balance</b>	<b>32,25,83,666</b>	<b>30,28,36,438</b>
<b>NOTE NO 14 : OTHER NON CURRENT LIABILITIES</b>		
Advance from Customers	2,63,42,990	95,04,388
<b>Total</b>	<b>2,63,42,990</b>	<b>95,04,388</b>
<b>NOTE NO 15 : BORROWINGS</b>		
Cash Credit and Working Capital loan From Banks		
Secured	93,29,184	4,48,60,697
Security Deposits	38,48,960	-
<b>Total</b>	<b>1,31,78,144</b>	<b>4,48,60,697</b>
<b>NOTE NO 16 : TRADE PAYABLES</b>		
Suppliers	31,41,51,975	29,73,55,233
Advance from Customers	-	36,56,960
<b>Total Trade Payables</b>	<b>31,41,51,975</b>	<b>30,10,12,193</b>
<b>NOTE NO 17A : PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	37,125	88,74,931
Provision for Bonus	-	(9,61,700)
Provision for accruals	9,46,77,183	10,77,34,391
<b>Others</b>	-	-
Provision for FBT	74,919	74,919
Provision for Bad and Doubtful Debts	1,26,30,835	1,26,27,693
<b>Total Provisions</b>	<b>10,74,20,062</b>	<b>12,83,50,234</b>
<b>NOTE NO 17B : CURRENT TAX LIABILITY</b>		
Current Income Tax (Net)	-	16,55,987
<b>Total</b>	<b>-</b>	<b>16,55,987</b>

**Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2019**

PARTICULARS	As At 31-03-2019 (₹)	As At 31-03-2018 (₹)
<b>Note No 18 : Other Current Liabilities</b>		
Interest Payable	-	3,42,05,350
Outstanding Expenses Payable (Includes Rent Payable)	1,99,23,465	-
Royalty payable	-	54,89,908
Audit Fee Payable	1,04,62,020	1,00,01,120
Electricity Charges Payable	15,16,107	37,61,799
Bonus Payable	6,46,903	6,46,903
Spirit to serve charity fund	49,857	2,26,783
PF & ESI Payable	62,85,986	51,26,796
Salaries Payable	2,88,70,154	1,28,92,167
Other Payables	1,09,25,069	2,09,86,789
Other Creditors	16,26,318	3,95,14,239
Advances Collected from Customers	17,01,619	
Statutory Dues	7,85,65,917	8,41,00,863
Interest Accrued and due on Loans	1,85,83,07,123	1,77,61,00,397
Deposits	2,34,93,732	-
Consultancy Charges and Management fee	93,60,913	-
Royalty payable	54,89,908	-
<b>Total Other Current Liabilities</b>	<b>2,05,72,25,091</b>	<b>1,99,30,53,115</b>
<b>NOTE NO 19 : REVENUE FROM OPERATIONS</b>		
<b>Revenue From Operations:</b>		
(A) Revenue From Sale of Products	1,17,65,55,894	1,13,14,00,827
(B) Revenue From Sale of Services	-	-
(C) Other Operating Income	4,77,11,736	4,96,38,264
<b>Total</b>	<b>1,22,42,67,630</b>	<b>1,18,10,39,091</b>
<b>NOTE NO 20 : OTHER INCOME</b>		
Profit on sale of Fixed Assets	-	14,17,28,655
Scrap Sale	1,26,697	-
Other Non Operating Income	2,74,93,107	4,13,26,355
Interest	73,931	-
-From Banks	21,34,037	19,92,252
-From Others	6,54,163	32,23,359
Net Gain/Loss on Foreign Currency Transactions	4,03,876	21,27,437
<b>Total</b>	<b>3,08,85,810</b>	<b>19,03,98,058</b>

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2019

PARTICULARS	As At 31-03-2019 (₹)	As At 31-03-2018 (₹)
<b>NOTE NO 21 : FOOD AND BEVERAGES CONSUMED</b>		
Opening Stock	1,18,18,073	1,02,95,805
Add: Purchases	33,95,54,660	14,79,45,876
(Less): Closing Stock	1,73,93,752	1,02,95,805
General Materials	-	16,57,56,594
<b>Total</b>	<b>33,39,78,981</b>	<b>31,37,02,470</b>
<b>Note No 22 : Employee Benefit Expenses</b>		
Salaries,Wages and bonus	27,76,93,344	29,08,91,834
Managerial Remuneration	1,49,77,589	12,00,000
Company's contributions to provident and other funds.	61,91,517	1,35,02,715
Staff welfare expenses	23,63,747	8,95,424
<b>Total</b>	<b>30,12,26,197</b>	<b>30,64,89,973</b>
<b>NOTE NO 23 : FINANCE COSTS</b>		
Interest expense at effective rate on borrowings which are measured at amortised costs		
- Interest on Term loans	1,55,85,579	21,34,86,387
- Interest on Unsecured Loan	-	1,83,475
- Loan processing Charges & Bank Charges	3,67,975	6,77,158
- Interest on OD	11,81,291	24,73,260
- Interest on TDS	26,168	2,075
Credit Card Commission	70,32,988	78,71,937
Other borrowing costs	6,597	25,22,527
<b>Total</b>	<b>2,42,00,598</b>	<b>22,72,16,819</b>
<b>NOTE NO 24 : OTHER OPERATING AND GENERAL EXPENSES</b>		
<b>(i) Operating expenses consist of the following :</b>		
Fuel, Power and Light	12,40,75,558	11,77,13,195
Repairs to Buildings	16,90,939	18,02,344
Repairs & Maintenance	10,18,94,039	4,53,00,093
Other Operating Expenses	86,35,487	16,18,060
<b>(ii) General expenses consist of the following :</b>		
Rent	4,77,46,742	4,58,91,513
Licence Fees	32,52,121	7,64,686
Rates and Taxes	2,30,21,280	2,48,77,089
Insurance	61,48,012	49,45,011
Telephone, Postage and Others	46,15,991	49,57,549
Business Promotion Expenses	10,12,58,676	9,29,53,392

**Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2019**

PARTICULARS	As At 31-03-2019 (₹)	As At 31-03-2018 (₹)
Printing and Stationery	79,62,646	36,35,851
Conveyance and Travelling	2,51,45,207	2,87,38,849
Provision for Doubtful Debts/ Bad debts written off	3,142	2,157
Freight & Transportation	67,07,089	66,03,237
Laundry	84,06,916	70,94,385
Director Sitting Fees	-	55,000
Security Charges	43,69,981	1,30,586
Discount expenses	23,78,354	5,00,000
Interest on taxes Paid	19,006	2,35,432
Fabrication Expenses	-	7,66,710
Compensation Fees	29,25,000	1,78,75,000
Consultancy Charges	2,53,96,373	1,21,34,894
Office Maintenance	6,59,70,774	3,60,48,348
Loss on Sale of Property, plant and equipment	-	1,51,51,996
Payment made to Statutory Auditors	11,23,050	11,73,800
Miscellaneous Expenses	4,19,32,778	1,71,76,586
Stamp Duty	2,36,563	-
Loss on lifting of chit	16,59,700	-
Net Loss on foreign currency transaction	25,59,076	-
Prior period adjustment	60,90,904	-
<b>Total</b>	<b>62,52,25,402</b>	<b>48,81,45,762</b>

**NOTE NO 25 : EXCEPTIONAL ITEMS**

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
Cwip P&L	-	53,08,726
Service Tax Input Not claimed	-	5,92,94,001
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)
Others	-	8,74,930
<b>Total Amount Written off</b>	<b>-</b>	<b>4,26,59,65,709</b>

## Significant Accounting Policies

### Note 1: Corporate information

The **Viceroy Hotels Limited** (“VHL” or the “Group”), and its subsidiaries (referred collectively as the “Group”) is primarily engaged in the business of Hoteliering. The Group is domiciled and incorporated in India in 1965 and its registered office at HUDA Techna Enclave, Hyderabad Telangana-500081, India. The consolidated financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorized for issue on May 29, 2019.

### Note 2: Basis of Preparation, Critical Accounting Estimates and Judgments, Significant Accounting Policies and Recent Accounting Pronouncements

The consolidated financial statements have been prepared on the following basis:

#### a) Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Current Assets do not include elements which are not expected to be realized within 12 months and Current Liabilities do not include items which are due after 12 months, the period of 12 months being reckoned from the reporting date.

#### b) Principles of consolidation and equity accounting

##### (i) Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of that entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group transactions, balances and unrealised gains on transactions between entities within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Balance Sheet respectively.

##### c) Critical accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

· Useful lives of property, plant and equipment: The Group has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Group reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.



- Impairment testing: Property, plant and equipment and Intangible assets that are subject to amortization/ depreciation are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant Estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- Impairment of investments: The Group reviews its carrying value of investments annually or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for and during the current year the Group has made Provision for diminution in investments.
- Income Taxes: Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Group estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit or Loss. Provision for tax liabilities require judgments on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.
- Fair value measurement of derivative and other financial instruments: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgments in the selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible. Presently the company is not having any derivatives as at the Balance Sheet Date.
- Defined benefit plans: The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

## Significant accounting policies

### (d) Revenue recognition

#### Income from Operations

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from restaurant is recognized upon rendering of service. Sales are net of discounts. The Group also operates through franchise arrangements with third parties in terms of which the third parties are permitted to use the Group's established trademarks:

Initial Access Premium Fee charged to franchisees, in consideration of being considered as competent to open a restaurant under a Group 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 Group, sales are recognized when the gift vouchers or points are redeemed and on sale of meals to customers.

#### Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

## **Dividend**

Dividend income is recognized when the Group's right to receive the amount is established.

## **e) Employee Benefits**

### **a) Provident Fund**

The eligible employees of domestic components of the Group are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognized as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Group or to respective Regional Provident Fund Commissioner. The Group is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognizes such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Employee.

### **b) Others**

The Group also has separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Group accounts for the net present value of its obligation therein, based on independent external actuarial valuations carried out at the Balance Sheet date.

Certain international subsidiaries operate a defined contribution pension scheme and the pension charge represents the amounts paid/payable by them to the Fund in the period in which the employee renders services.

### **i) Gratuity Fund**

The Group makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Group accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. The obligation determined as aforesaid less the fair value of the plan assets is reported as a liability or assets as of the reporting date. Actuarial gains and losses are recognized immediately in the Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

### **ii) Post-Retirement Pension Scheme**

a) The net present value of the Group's obligation towards post retirement pension scheme is actuarially determined, based on the projected unit credit method. Actuarial gains and losses are recognized immediately in the Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and loss.

b) The Group also participates in an industry-wide defined benefit plan which provides pension linked to final salaries in respect of employees of certain overseas hotel properties. The plan is funded in a manner such that contributions are set at a level that is expected to be sufficient to pay the benefits falling due in the same period. It is not practicable to determine the present values of the Group's obligations as the covered hotel properties have not received information from the plan's administrator. In the absence of sufficient information the plan has been accounted as if it was a defined contribution plan.

c) The Group also has separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Group accounts for the net present value of its obligations therein, based on an independent external actuarial valuation, carried out as at the Balance Sheet date, which is determined on the basis of the projected unit credit method. Actuarial gains and losses are recognized immediately in the Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

### **iii) Short Term Obligations**

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognized during the period in which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual

leave represent the amount which the Group has a present obligation to pay as a result of the employees' services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

**f) Property, Plant and Equipment:**

Property, plant and equipment are stated at cost; less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any. All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it. First time issues of operating supplies for a new hotel property, consisting of linen and chinaware, glassware and silverware (CGS) are capitalized and depreciated over their estimated useful life. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Depreciation is charged to Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets had been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc.

<b>Class of Assets</b>	<b>Useful Life of Asset</b>
Buildings	60 Years
Plant and Equipment	10 Years
Electrical Installation and Equipment	20 Years
Hotel Wooden Furniture	15 Years
End User devices – Computers, Laptops etc	6 Years
Operating supplies (issued on opening of a new hotel property)	2 to 3 Years
Other Miscellaneous Hotel Assets	4 Years

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives.

Freehold land is not depreciated.

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis an item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss for transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date ) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

#### **g) Impairment of assets:**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount Recoverable amount is the higher of fair value less costs of disposal and value in use In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted if the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount An impairment loss is recognized immediately in the Statement of Profit and Loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years a reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

#### **h) Foreign Currency Translation:**

The functional currency of the Group is Indian rupee

##### **Initial Recognition**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### **Subsequent Recognition**

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined. Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss

##### **Translation of financial statements of foreign operations**

Assets and liabilities of foreign entities are translated into Indian Rupees on the basis of the closing exchange rates as at the end of the period. Income and expenditure and cash flow are generally translated using average exchange rates for the period unless those rates do not approximate the actual exchange rates at the dates of specific transactions, in which case the exchange rates as at the dates of transaction are used. All resulting exchange differences are recognised in Other Comprehensive Income. On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in Other Comprehensive Income. When a foreign operation is sold, the associated exchange differences are reclassified to the Statement of Profit and Loss, as a part of gain or loss on sale.

#### **i) Inventories:**

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

#### **j) Income Taxes:**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

**(i) Current tax:**

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

**(ii) Deferred tax:**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in consolidated financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised. Deferred tax liabilities and assets are measured at tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. Minimum Alternative Tax ("MAT") credit forming part of Deferred tax assets is recognized as an asset only when and to the extent there is reasonable certainty that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Group will pay normal income tax during the specified period.

**k) Provisions:**

Provisions are recognised when the Group has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law, or constructive because the Group created valid expectations on the part of third parties by accepting certain responsibilities. To record such an obligation it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. The amount recognised as a provision and the indicated time range of the outflow of economic benefits are the best estimate (most probable outcome) of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Noncurrent provisions are discounted if the impact is material.

**l) Borrowing Costs:**

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

### **m) Statement of Cash Flows**

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash Flows for the year are classified by operating, investing and financing activities.

### **n) Earnings Per Share**

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit/ (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

### **o) Exceptional items:**

The Group discloses certain financial information both including and excluding exceptional Items. The presentation of information excluding exceptional items allows a better Understanding of the underlying trading performance of the underlying trading performance of the Group and provides consistency with the Group's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate Comparison with prior periods and to assess underlying trends in the financial performance of the Group. Exceptional items can include, but are not restricted to, gains and losses on the disposal of assets/ investments, impairment charges, exchange gain/ loss on long term borrowings/ assets and changes in fair value of derivative contracts.

### **(p) Financial Instruments**

#### **a. Financial assets**

##### **Initial recognition and measurement**

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

##### **Classification**

- **Cash and Cash Equivalents** – Cash comprises cash on hand and demand deposits with Banks. Cash Equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
- **Debt Instruments** -The Group classifies its debt instruments as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

##### **(i) Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Group's income in the Statement of Profit and Loss using the effective interest rate method.

##### **(ii) Financial assets at fair value through Other Comprehensive Income (FVOCI)**

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is

derecognised, the cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Group's income in the Statement of Profit and Loss using the effective interest rate method.

### **(iii) Financial assets at fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

- **Equity Instruments** - The Group subsequently measures all equity investments (other than the investment in subsidiaries, joint ventures and associates which are measured at cost) at fair value. Where the Group has elected to present fair value gains and losses on equity investments in Other Comprehensive Income ("FVOCI"), there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other when the Group's right to receive payment is established. At the date of transition to Ind AS, the Group has made an irrevocable election to present in other Comprehensive income subsequent changes in the fair value of equity investments that are not held for trading. When the equity investment is derecognised, the cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

### **De-recognition**

A financial asset is derecognised only when the Group has transferred the rights to receive cash flows from the financial asset. Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### **(b) Financial liabilities**

#### **Initial recognition and measurement**

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss directly attributable transaction costs.

#### **Subsequent measurement**

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

### **De-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### **Derivatives contracts**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated during the years reported, no hedge relationship was designated. During the years reported, no derivative contracts have been entered into by the Company.

### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

### **(c) Impairment of financial assets**

The Group assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments, requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Group recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

### **(r) Business combinations**

The Group uses the "acquisition method" of accounting to account for its business combinations as per which the identifiable assets or liabilities (and contingent liabilities) assumed are recognised at their fair values (with limited exceptions). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of non-controlling interests of the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition date amounts of identifiable assets acquired and the liabilities assumed. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in Other Comprehensive Income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as Capital Reserve. Transaction costs incurred (other than debt related) in connection with a business combination, such as legal fees, due diligence fees and other professional and consulting fees are expensed as incurred. If the Group obtains control over one or more entities that are not businesses, then the bringing together of those entities are not business combinations. The cost of acquisition is allocated among the individual identifiable assets and liabilities of such entities, based on their relative fair values at the date of acquisition. Such transactions do not give rise to goodwill and no non-controlling interest is recognised. Business combinations of entities under common control are accounted using the "pooling of interests" method and assets and liabilities are reflected at the predecessor carrying values and the only adjustments that are made are to harmonise accounting policies. The figures for the previous periods are restated as if the business combination had occurred at the beginning of the preceding period irrespective of the actual date of the combination.



## 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%

**Note:** The company has made provision for impairment of investment during the year under consideration.

### 27. Basic Earnings Per Share (Basic EPS)

Particulars	Current Year Rs.	Previous Year Rs.
Net Profit after Tax	(15,75,73,103.4)	(4,43,36,31,824)
Weighted Average Number of Shares Considered	4,24,05,224	4,24,05,224
Basic EPS	(3.72)	(104.50)
Diluted EPS	(3.72)	(104.50)

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

Particulars	Current Year Rs.	Previous Year Rs.
Current Tax	0	-
Deferred Tax Asset	(1,97,47,228)	(99,641,069)

### 29. Auditors Remuneration:

Particulars	Current Year Rs. in Lakhs	Previous Year Rs. in Lakhs
Audit Fees	11,23,050	11,73,800

30. According to the information available with the Company, there are no amounts as at 31st March, 2019, due to suppliers who constitute a "small industrial undertaking".

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

i) Guarantees:

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

**Note:** the company has not made provision for contingent liabilities in respect of the above bank guarantees during the year under consideration.

**32. Expenditure in Foreign Currency:**

Particulars	Current Year Rs. in Crores	Previous Year Rs.in Crores
Royalties & Others	4.45	4.29

**33. 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	13.63	13.64

**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, 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 Maharashtra	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.,

<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.DevalInfrastructures 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, Maharanipecta, Visakhapatnam Belongs To M/S Banjara Hospitalities Pvt Ltd.

### 35. Gratuity:

As per Ind AS, the company needs to get the actuarial report having actuarial gain/loss in order to report in other comprehensive income. However the company has obtained actuarial report in normal terms, but couldn't be able to obtain as per Ind AS actuarial gain / loss. The Company is in the process of obtaining the actuarial report as per Ind AS.

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

NAME OF THE BANK INSTITUTION	Amount in Crores (Rs.)		
	PRINCIPLE DUE	INTEREST DUE	TOTAL DUES
ARCIL	131.68	91.79	223.47
IARC LTD	1.95	-	1.95
State Bank of India	56.18	50.55	106.73
Canara Bank	24.02	34.81	58.83
<b>Total</b>	<b>213.83</b>	<b>177.15</b>	<b>390.98</b>

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

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

Name	Nature of Relationship with the company
Café D Lake Pvt Ltd	Subsidiary
Banjaras Hospitalities Pvt Ltd	Subsidiary
J. Daswanth Kumar	Chief Financial Officer
M. Sridhar Singh	Chief Executive Officer

**Related Party Transactions during the year**

Name of the related Party	Relationship	Nature of Transaction	Transaction value rupees	Balance outstanding – Receivable/ (-) Payable as on date of Balance Sheet	Amount written off/ back
Café D Lake Pvt Ltd	Subsidiary	Office Maintenance Expenses	22,94,400	-21,03,200	
		Rent Expenses	95,58,000	-85,59,000	
		Staff Food Expenses	24,02,290	-24,02,290	
Banjaras Hospitalities Pvt Ltd	Subsidiary	Amount received from Banjaras for the Payment of Loan (EARC)	43,00,000	-43,00,000	
		TDS Expenses Paid	26,875	26,875	
		Fire Service Expenses Paid	4,92,815	4,92,815	
J.Daswanth Kumar	Chief Financial Officer	Salaries Including all perquisites	10,30,320	-	
M. Sridhar Singh	Chief Executive Officer	Salaries Including all perquisites	12,80,400	-	

**38. Following are the pending litigations with income tax Department :**

- i) Guarantee issued by the company to Viceroy Bangalore Hotels Private Limited amount of Rs.317 crores.  
ii) Income Tax

Name of the Statute	Nature of Dues	Section under which order is passed	Amount (Rs.)	Period to which it relates	Case is pending at
Income Tax Act, 1961	Income Tax	154	Rs.54,68,19,040/-	AY 2014-15	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	143(3)	Rs.8,30,89,950/-	A.Y 2016-17	Commissioner of Income Tax (Appeals)

## iii) Service Tax

Sl. No.	SCN O.R. No.	OIO/OIA No. and Date	Period	Demand (Rs.)
1	O.R. No.95/2012-Adjn (ST) (Commr) dt.23.04.2012	OIO No.HYD-EXCUS-000-COM-21-16-17 dt.25.05.2016	2006-07 to 2010-11	7,31,65,038/-
2	O.R.No. 54/2013-Adjn (ST) (Commr) dt.18.06.2013	OIO No.HYD-EXCUS-000-COM-22-16-17 dt.25.05.2016	April, 2011 to March, 2012	2,41,663/-
3	O.R.No. 84/2013-Adjn (ST) (Commr) dt.19.05.2014	OIO No.HYD-EXCUS-000-COM-23-16-17 dt.25.05.2016	April, 2012 to June, 2012	2,85,941/-
4	O.R.No. 164/2014-Adjn (ST) (Commr) dt.26.09.2014	OIO No.HYD-EXCUS-000-COM-24-16-17 dt.25.05.2016	July, 2012 to March, 2013	26,01,002/-
5	O.R.No. 45/2015-Adjn (ST) (Commr) dt.16.04.2015	OIO No.HYD-EXCUS-000-COM-25-16-17 dt.25.05.2016	April, 2013 to March, 2014	40,29,335/-
6	O.R.No. 73/2016-Adjn (ST) (JC) dt.30.08.2016	OIA No. HYD-SVTAX-000-AP2-0236-17-18 dt.24.11.2017	July, 2012 to March, 2015	13,14,253
7	O.R No.82/2016-Adjn ST Commr. Dt.22.04.16	OIO No.07/2017-ST dt.19.05.2017	April, 2014 to March, 2015	45,26,905/-
8	F.No.DRI/CZU/HRU/26B/ENQ-08 (INT-7)/2014 dt.29.12.2016	OIO No.68847/2019 dt.15.05.2019	2012 to 2016	3,80,41,131/-
9	C.No.V/15/12/2018-Adjn dt.24.04.2018	OIA No. HYD-EXCUS-SC-AP2-0125-18-19 ST dt.26.03.2019	April 2015 to March 2016	20,13,146/-
10	C.No.V/15/12/2018-Adjn dt.29.10.2018	OIO No.15/2018 dt.30.01.2019	April 2016 to June 2017	15,15,857/-
11	O.R.No.57/2018-19-GST-SEC-Adjn-JC dt.15.11.2018		October 2015 to June 2017	1,25,84,491/-

## iv) Luxury Tax / Sales Tax

Sl. No.	Arrear Notice issued by office of the Assistant Commissioner(ST) Gandhinagar Circle Hyd	Period	Demand	issue	Luxury Tax 50% Paid
1	15.02.2019	2011-12	795429/-	Dispute of Levy of Luxury Tax on Service Tax	397715/-
2	15.02.2019	2012-13	10,77,592/-	Dispute of Levy of Luxury Tax on Service Tax	5,38,796/-
3	15.02.2019	2013-14	7,58,952/-	Dispute of Levy of Luxury Tax on Service Tax	3,79,476/-
4	15.02.2019	2010-11 to 2012-13 (upto 31.10.2012) 01.11.2012 to 30.09.2013	15,88,152/-	Disputed arrears against completion of Revision of Assessment U/VAT Act	-

It is not possible to predict the outcome of the pending litigations with accuracy, the company believes, based on legal opinions received, that it has meritorious defences to the claims. The management believe the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the company.

### 39. 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
	<b>Total</b>	<b>21,783.97</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).Subsequently company changes its name several times i.e. from Krishna Cold Drinks Private Limited to ShriKishna Bottlers Private Limited and further as Palace Heights Private Limited

Palace Heights Private Limited was converted as public limited Company namely Palace Heights Hotels Public Limited and finally became Viceroy Hotels Limited vide incorporation certificate of Registrar of Companies dated 21-09-2001. However, the revenue records are required to be updated to reflect the above name changes and conversions with regard to the title Properties mentioned in S.No.9 is originally in the name of ShriP.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.

**40.** The Hon'ble NCLT has accepted plea filed on the company by Asset Reconstruction Company (India) under Sec.7 of The Insolvency and Bankruptcy code 2016 for non payment of dues. The Resolution Professional has invited Expression of Interest from the prospective bidders for submission of Resolution Plans for revival of the Company. In terms of provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) the resolution plan submitted by M/s CFM Asset Reconstruction Company Private Limited for M/s Viceroy Hotels Limited has been approved by the Committee of Creditors (COC) of the company in its 18th COC meeting. The approval of resolution is subject to Hon'ble NCLT order.

**41.** The company has a pending adjudication against the Hon'ble Adjudicating Authority, PMLA, 2002. For which The Directorate of Enforcement made a Provisional Attachment Order in PAO No. 04/2019 dated 26.03.2019 passed by the Deputy Director, Directorate of Enforcement against the company. The resolution professional has challenged the provisional attachment order of Enforcement Directorate, Chennai, before the Hon'ble NCLT, Hyderabad on 08-04-2019. NCLT has raised the attachment of Enforcement Directorate, Chennai. Further proceedings are subject to the respective authorities.

42. The Company's only business is Hoteliering and hence disclosure of segment-wise information is not applicable under Indian Accounting Standard 108- 'Segmental Information'. There is no geographical segment to be reported.
43. Previous year's figures and current year's figures have been regrouped, recasted, wherever necessary.
44. The figures have been rounded off to the nearest rupee.

**As Per Our Audit Report of Even date**

**For P C N & Associates,  
Chartered Accountants,  
Firm Registration no: 016016S**

**FOR VICEROY HOTELS LIMITED**

**Lakshmi Prasanthi.S  
Partner  
M.No:236578**

Sd/-  
**P. Prabhakar Reddy**  
Former CMD

Sd/-  
**CMA K.K.Rao**  
Resolution Professional

Sd/-  
**M.Sreedhar Singh**  
CEO

Place: Hyderabad  
Date: 29/05/2019

Sd/-  
**Devraj Govind Raj**  
Former Director

Sd/-  
**J.Daswanth Kumar**  
CFO

Sd/-  
**Sonam Jaiswal**  
Company Secretary



VICEROY

## 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

### 54<sup>th</sup> ANNUAL GENERAL MEETING- 27<sup>TH</sup> SEPTEMBER, 2019 at 3.00 P.M

(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”.

*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 54th Annual General Meeting of the shareholders of Viceroy Hotels Limited on Friday, the 27th September, 2019 at 3.00 p.m. at “Sri Satya Sai Nigamagamam Trust” 8-3-987/2, Srinagar Colony, Hyderabad - 500 073 Telangana, India.

\_\_\_\_\_  
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/Proxy holder 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



## 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@viceroypalaces.in; secretarial.viceroypalaces@gmail.com Website: www.viceroypalaces.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.viceroypalaces@gmail.com / secretarial@viceroypalaces.in
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/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 54th Annual General Meeting of the Company, to be held on **Friday, the 27th September, 2019 at 3.00 p.m. at "Sri Satya Sai Nigamagamam Trust" 8-3-987/2, Srinagar Colony, Hyderabad - 500 073 Telangana, India** and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No	Brief Description of Resolutions	For	Against
<b>ORDINARY BUSINESS</b>			
<b>1</b>	<b>To receive, consider and adopt:</b>		
i)	Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of Board of Directors and Auditors thereon.		
ii)	Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of Auditors thereon.		

Signed this ..... day of ..... 2019.

Signature of shareholder : \_\_\_\_\_ Signature of Proxy holder(s) : \_\_\_\_\_

Affix Re. 1/- Revenue Stamp.
---------------------------------------

**Notes:**

This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company along with the power of Attorney, if any under which the Proxy Form is signed, not less than 48 hours before the time for holding the meeting, and at any adjournment thereof.



# ROUTE MAP

## AGM VENUE:

“Sri Satya Sai Nigamagamam Trust”,  
8-3-987/2, Srinagar Colony, Hyderabad - 500 073 Telangana, India.



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)