

VICEROY HOTELS LIMITED



ANNUAL REPORT

2014 - 2015

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CHAIRMAN'S MESSAGE

It gives me great pleasure to invite you all to the 50th Annual General Meeting of the Company. With the stable Governments both at the Central and State, we were anticipating quick turnaround in the economy and the growth rate was expected to be rapid. There was lot of expectations by the domestic investors as well as by the global investors that the stumbling block for the revival of the economy will be removed and the growth will be smoother and faster. But unfortunately, inspite of positive steps initiated by the Central Government, the revival of the economy is not what it ought to be. Though the growth is not on the expected lines and the sentiments among the investors is not what it should be, the expectations of the Indian and global investors is still very high. Investors have lot of confidence in the ability of the Central and State Governments to kick start the economy. In spite of the initial disturbances, the economic performance is quite encouraging as we take into consideration some of the following parameters:



- GDP growth in India is estimated at 7.4% is one of the highest among the world.
- Inflation has decreased significantly from 11.2% to 5.2% as of March, 2015.
- Foreign tourist arrivals in India during 2014 was 7.46 million which translates to a 7.1% growth over the previous year.
- Foreign Exchange earnings have grown by 6.6% i.e. nearly US \$ 19.65 billion.

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

Performance of the Company for FY 2014-15

The standalone performance of the Company in FY 2014-15, we have gross revenue of Rs.77.79 Crores as against Rs.71.26 Crores in the previous year and consolidated gross revenue is Rs.110.08 Crores as against Rs.104.96 Crores in the previous year.

Present Status:

The problem of separation of State of Andhra Pradesh is no longer there and uncertainties are no longer felt by the people, the city of Hyderabad has come back to its original glory, and in the recent past we have witnessed a steady growth in occupancy levels as well as the room revenues. With Marriott, Hyd. and Courtyard, Hyd. put together we have 500 rooms and the large convention and meeting spaces. Now that Hyderabad is a preferred destination for its central location, best infrastructure etc., many national and international conferences are being planned in the future. That is a good news for the Hotel Industry as convention means more room occupancy and more sales of F&B. As all of you aware, we have divested Renaissance Hotel Project, Bangalore, to a SPV, where Viceroy Hotels Ltd. holds 40% stake and J.P.Morgan 60%. This hotel will be fully operational by November, 2015.

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

Acknowledgment:

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

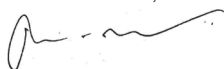
I take this opportunity to thank the Government of India for its support to Hospitality Industry. I also acknowledge the support extended by the State Governments and all other authorities and regulatory agencies.

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

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

Thank you for sparing your valuable time.

With best wishes,



P. PRABHAKAR REDDY
Chairman

CORPORATE INFORMATION

Board of Directors

- Mr. P. Prabhakar Reddy** - Chairman and Managing Director
Mrs. P. Kameswari - Additional Director
Mr. A. Vijayavardhan Reddy - Non-Executive Director
 (upto 30-09-2014)
Mr. P. Chakradhar Reddy - Non-Executive Director
 (from 05-08-2014)
Mr. K. Narasimha Rao - Non-Executive Independent Director
Mr. A. Poornachandra Rao - Non-Executive Independent Director
Mr. P. Narendra - Non-Executive Independent Director

Chief Financial Officer

Mr. K. Gurava Raju

Company Secretary & Compliance Officer

Ms. Y. K. Priyadarshini

Corporate Identification Number

L55101TG1965PLC001048

Registered Office (Upto 26-07-2015)

#8-2-120/115/14, 5th Floor, Shangrila Plaza,
 Road No.2, Opp. KBR Park, Banjara Hills,
 Hyderabad- 500 034, Telangana.

Registered Office (From 27-07-2015)

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

Contact Information:

Tel : +91 40 - 40349999/23119695
 Fax : +91 40 - 40349828
 E-mail : secretarial@viceroymhotels.com;
secretarial@viceroymhotels.in

Website: www.viceroymhotels.com

Listing

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

Statutory Auditors

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

Secretarial Auditors

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

Secretarial Consultants

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

Internal Auditor

Mr. J. Dashwant Kumar

Registrar and Share Transfer Agent

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

Bankers

Andhra Bank
 State Bank of India
 Central Bank of India
 Canara Bank
 Axis Bank
 Bank of Maharashtra
 ARCIL
 IARC

Audit Committee

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

Nomination and Remuneration Committee

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

Stakeholders Relationship Committee

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

Risk Management Committee

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

NOTICE

Notice is hereby given that the **50th Annual General Meeting** of Members of the '**Viceroy Hotels Limited**' will be held on Tuesday, the 29th day of September 2015 at 11.00 A.M, at Hotel Marriott Convention Centre, Lower Tank Bund, Gandhinagar, Hyderabad-500080, Telangana, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and Statement of Profit & Loss Account for the financial year ended on that date together with the report of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. P. Chakradhar Reddy, Director (holding DIN: 01425681), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution:**

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

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

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Section 203, 196 and all other applicable provisions of Companies Act, 2013, if any, and Rules made there under (including any statutory modification or re enactment thereof for the time being in force) and pursuant to Article No. 72 B of Articles of Association of the Company, the Company hereby approves the Re-appointment of Mr. Prabhakar Reddy (holding DIN: 01442233) as Managing Director of the Company with effect from 1st July 2015, for a term of Three Years without any remuneration, whose period of office will not be liable to determination by retirement of rotation."

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

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

"RESOLVED THAT pursuant to section 152 of the Companies Act, 2013 and all other applicable provisions, if any, Mrs. P. Kameswari, (holding DIN:01587727), who was appointed by the Board of Directors as an Additional Director with effect from 27th March, 2015 and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom Company received a notice in writing

from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose period of office will be liable to determination by retirement by rotation.”

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

6. To increase the limits of investments in other bodies corporate

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 186 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors to invest/acquire the securities of any other body corporate by way of subscription/purchase or otherwise, up to a sum of Rs.50 Crores (Fifty Crores) notwithstanding that the aggregate of the investments so far made or to be made exceed the limits/will exceed the limits laid down by the Act.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned investment (s) including the timing, the amount and other terms and conditions of such transactions and , to do all such acts, deeds and things and to give such directions as may be necessary or expedient as the Board in its absolute discretion, may deem fit and its decision shall be final and binding and to settle any question, difficulty that may arise in this regard and to delegate all or any of these powers to any Committee of Directors or Director or officer of the Company or any other person.”

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

Hyderabad
August 14, 2015

**Sd/-
Y. K. Priyadarshini
Company Secretary**

Notes:

1. A member entitled to attend and vote at the Annual General Meeting can appoint one or more proxies to attend instead of himself/ herself and such proxy/proxies need not be a member of the Company.
2. The Instrument of Proxies in order to be effective must be received by the Company at the Registered Office of the Company, duly completed and signed not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of Companies, Societies, Partnership Firms, etc. must be supported duly certified copy of the Board Resolution/authority, as applicable, issued by the member organization.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wenesday, September 23, 2015 to Tuesday, September 29, 2015, both days inclusive for the purpose of the 50th Annual General Meeting of the Company.
4. All communications in respect of the share transfers may be communicated to our RTA at M/s. Aarathi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad-500029, Telangana.
Members whose shareholdings are in dematerialized form are requested to notify changes if any, with respect to the address, email ids, etc. to the depository participant to update the same.
Members, who are holding Company's shares in physical form, please contact our Registrar and Share Transfer Agent M/s. Aarathi Consultants Private Limited to update your address, email-ids, etc.
5. For the convenience of Members and for proper conduct of the meeting, entry to the venue of the Meeting will be regulated by Attendance Slip, which is enclosed with this notice. Members/Proxies are requested to hand over the duly filled and signed Attendance Slip at the entrance for attending the meeting.

6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members who hold shares in physical form in multiple folios under same name or joint holding are requested to intimate to the Registrar and Transfer Agents, M/s. Aarthi Consultants Private Ltd about these folios to enable consolidation of all such shareholdings into one folio.
8. The Company has designated exclusive Email Ids secretarial@viceroys.com and secretarial@viceroys.in for redressal of shareholders' complaints/grievances.
9. Pursuant to Clause 49 of the Listing Agreement details in respect of Directors seeking appointment / re-appointment at the Annual General Meeting, is annexed hereto.
10. Statement as required under Section 102 of the Companies Act, 2013, in respect of special business is annexed hereto.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
13. The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
14. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with RTA / Depositories.
15. 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.

E-VOTING:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide members the Remote E-voting facility to cast their vote by means of electronic voting on all the resolutions set forth in the notice of the ensuing 50th Annual General Meeting, through E-Voting Services provided by Central Depository Services Limited (CDSL).

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

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

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

A. INSTRUCTIONS FOR E-VOTING

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

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

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

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

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

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

If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- h) Click on the relevant EVSN for the "VICEROY HOTELS LIMITED"
- i) On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO.
- j) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Notice of the Annual General Meeting.

- k) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- l) Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.
- m) You can also take out print of the voting done by you by clicking on “Click here to print” option on the voting page.
- n) 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 mail a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

B) REMOTE E-VOTING PERIOD

The voting period begins **on 26-09-2015 (9.00 AM) and ends on 28-09-2015 (5.00 PM)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on **22-09-2015 (the cut-off date)** may cast their vote their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 22-09-2015.

C) THE CONTACT DETAILS OF OFFICIAL RESPONSIBLE

The contact details of official responsible to address the grievance connected with voting by electronic means.

Y. K. Priyadarshini

Company Secretary

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

HUDA Techno Enclave, Madhapur,

Hyderabad – 500 081, Telangana.

Mobile : +91 8790133855

Email : companysecretary@viceroyhotels.com / companysecretary@viceroyhotels.com

The shareholders can download Notice & Annual Report from Company website : www.viceroyhotels.com

D) SCRUTINIZER

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

E) POLL AT AGM

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

F) DECLARATION OF RESULTS

The Scrutinizer after scrutinizing the entire process will unblock the votes cast through e-voting and through poll at AGM in the presence of at least two witness who are not in employment of the Company and will make a combined report not later than three days after the conclusion of the Meeting and submit the same to the Chairman of the Company. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.viceroyhotels.com and on the website of www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

Annexure 1 to the Notice

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

Item No. 4

Keeping in view of the vast experience and significant contribution of Mr. P. Prabhakar Reddy during his tenure, the Board of Directors re-appointed him as Managing Director of the Company (in their meeting held on 30th May, 2015) with effect from 1st July, 2015 for a term of three years. The terms of re-appointment as approved by the Remuneration Committee and the Board (subject to the approval of the Members) are as below:

1. Term of Office

Three years commencing from 1st July, 2015.

2. Remuneration

Without Remuneration

3. Termination

This re-appointment may be terminated by any party herein, by giving to the other party, a six months notice in writing.

The Managing Director shall not be entitled to any sitting fees for attending the meetings of the Board of Directors/ committee of Directors.

This may be treated as written memorandum pursuant to section 190 of the Companies Act, 2013, setting out the terms of re-appointment of Mr. P. Prabhakar Reddy,

Your Directors commend the Resolution for your approval as an **Ordinary Resolution**.

None of the Directors, Key Managerial Personnel or their relatives except Mr. P. Prabhakar Reddy, being an appointee, Mr. P. Chakradhar Reddy, Director and Mrs. P. Kameswari, Additional Director, are concerned or interested in the proposed resolution.

Item No. 5

In compliance of second proviso to Section 149(1) of Companies Act, 2013 and Rules made there under and pursuant to Clause 49 of Listing Agreement for appointment of Woman Director on the Board, Mrs. P. Kameswari, has been appointed as Additional Director by the Board of Directors w.e.f. 27th March, 2015 in accordance with provisions of Section 161 of the Companies Act, 2013. Pursuant to the Section 161 of the Companies Act, 2013, Mrs. P. Kameswari holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing her candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that presence of Mrs. P. Kameswari on the Board is desirable and would be beneficial to the company.

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

None of Directors or Key Managerial Personnel of the Company or their relatives except Mrs. P. Kameswari being an appointee, Mr. P. Prabhakar Reddy, Chairman & Managing Director and Mr. P. Chakradhar Reddy, Director are in any way concerned or interested in this resolution.

Item No. 6

A company may give loans, guarantees or make investment in shares, debentures etc. exceeding the Limits specified by the Companies Act, 2013, with the prior approval of shareholders of the Company by means of a special resolution. The loans made, guarantees given or security provided by the company are exempt from the provisions of Section 186 of the Companies Act, 2013. However, as per Section 186 of the Companies Act, 2013 read with the Rules framed there under, the Company is required to obtain the prior approval of the Members by way of a Special Resolution for acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding the limits specified by the Companies Act.

Hence the approval of the Members is being sought by way of a Special Resolution under Section 186 of the Companies Act, 2013 read with the Rules made there under, to enable the Company to acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, over and the above the limits as specified under Section 186(2) of Companies Act, 2013. The Company, therefore, proposes additional equity and equivalent investment in instruments of up to Rs.50 Crores (Fifty Crores).

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

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

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

Hyderabad
August 14, 2015

Sd/-
**Y. K. Priyadarshini
Company Secretary**

ANNEXURE - II TO THE NOTICE

Information in respect of Directors seeking appointment/re-appointment as required under Clause 49 IV(G) of the Listing Agreement.

Sl. No.	Particulars	
1.	Name of the Director	Mr. P. Prabhakar Reddy
	Date of Birth	12-07-1950
	Date of Appointment	30-10-1990
	Expertise in specific functional areas	Vast experience in Hotel Industry
	Qualifications	Post Graduate and also a Law Graduate
	No. of Shares held as on March 31, 2015	17,43,124
	Directorships held in other companies (excluding private limited and foreign companies)	PH Financial Services Limited
	Positions held in mandatory committees in other companies	Nil
2.	Name of the Director	Mr. P. Chakradhar Reddy
	Date of Birth	14-01-1975
	Date of Appointment	05-08-2014
	Expertise in specific functional areas	Vast experience in hotel industry
	Qualifications	M.B.A.
	No. of Shares held as on March 31, 2015	41,04,351
	Directorships held in other companies (excluding private limited and foreign companies)	Nil
	Positions held in mandatory committees in other companies	Nil
3.	Name of the Director	Mrs. P. Kameswari
	Date of Birth	24-09-1956
	Date of Appointment	27-03-2015
	Expertise in specific functional areas	Having Experience in Hotel Industry
	Qualifications	Post Graduate
	No. of Shares held as on March 31, 2015	19,75,643
	Directorships held in other companies (excluding private limited and foreign companies)	Nil
	Positions held in mandatory committees in other companies	Nil

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

Hyderabad
August 14, 2015

**Sd/-
Y. K. Priyadarshini
Company Secretary**

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to submit 50th Annual Report of Viceroy Hotels Limited (VHL) along with the audited financial statements for the Financial Year ended 31st March, 2015. Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

PERFORMANCE / FINANCIAL RESULTS

The financial performance of the Company, for the year ended 31st March, 2015 is summarized below:

(Rupees in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2014-15	2013-14	2014-15	2013-14
Income from Operations	7730.11	7102.50	10976.73	10470.97
Other Income	28.98	24.27	31.16	24.93
Total Revenue	7759.08	7126.77	11007.89	10495.90
Profit before Interest and Depreciation	(3058.43)	2858.48	3350.85	2960.14
Interest	2414.34	2313.71	2546.32	2391.40
Depreciation	1152.35	1341.98	1409.49	1502.78
Profit before Tax and Extraordinary Items	(508.26)	(797.21)	(604.95)	(934.59)
Extraordinary Items	0	(12287.23)	0	(12287.23)
Provision for Current Tax	0	0	0	25.94
Deferred Tax	2.88	28.80	(3.01)	26.81
Profit after Tax	(505.38)	(13055.65)	(607.97)	(13220.40)

DIVIDEND

The Board does not recommend any dividend for the Financial Year 2014-15.

SUBSIDIARIES

The Company has 4 subsidiaries as on 31st March, 2015. There has been no material change in the nature of the business of the subsidiaries.

Café D Lake Private Limited:

M/s Café D'Lake Private Limited which operates all the restaurants businesses of Minerva Coffee-shop, Blue Fox Bar & Restaurant, Eat Street and Water Front has achieved a turnover of Rs.32.49 Crores for the year ended 31st March, 2015 as against Rs.30.82 Crores for previous year. The Net profit for the year ended 31st March, 2015 is Rs.0.20 Crores as against Rs.0.57 Crores in the previous year.

New Restaurants under the brand names Minerva & Blue Fox have been launched during the months of April & May 2015 respectively at Madhapur, Hyderabad.

Crustum Products Private Limited:

During the year under review, there is no income from operations. The Net loss for the year ended 31st March, 2015 is Rs.1.22 as against net loss of Rs. 2.21 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.

POLICY ON MATERIAL SUBSIDIARIES

Policy for determining material subsidiaries of the Company is available on the website of the Company ([URL: www.viceroyhotels.com/IR](http://www.viceroyhotels.com/IR)).

ASSOCIATE

Viceroy Bangalore Hotels Private Limited

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

Status of ‘Bangalore Hotel Project’

As far as the Bangalore Hotel Project “Renaissance” is concerned, it is a joint venture between J. P. Morgan having 60% stake and Viceroy Hotels Ltd. having 40% stake. Viceroy Bangalore Hotels Private Limited is formed for taking up the Bangalore Hotel Project under the joint venture arrangement. The project work is almost at nearing stage as all the civil works are completed and interiors of rooms and public areas and the mechanical works/ installation of P&M is almost at the finishing stage. The hotel is situated in a very prime location in Bangalore i.e. opposite to Race Course. It is a big project with 23 floors and has 277 guest rooms, a three-meal restaurant, bar lounge multi function banquet halls, large function lawn and a large multi-cuisine restaurant on the top most floor of the hotel with a breath taking view of the city.

FINANCIAL INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATE COMPANIES

Pursuant to First Proviso to Sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of The Companies (Accounts Rules) 2014, a statement containing summary of Financial information of Subsidiaries and Associate Companies is provided in “Form AOC-1” as *Annexure-1* to this report. As per the provisions of section 136 of the Companies Act, 2013 the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

DIRECTORS

Pursuant to the provisions of Section 149 of the Companies Act, 2013, Mr. K. Narasimha Rao, Mr. A. Poornachandra Rao and Mr. P. Narendra were Re-appointed as Independent Directors at the 49th Annual General Meeting of the Company held on September 26, 2014. The terms and conditions of appointment of independent directors are as per Schedule IV of the Companies Act, 2013. They have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as independent director during the year.

Mr. A. Vijayavardhan Reddy retired by rotation and being eligible, he was re-appointed by the shareholders in 49th Annual General Meeting held on September 26, 2014. However, he resigned from the office with effect from October 1, 2014.

Mrs. P. Kameswari, has been appointed as an Additional director on March 27, 2015 and shall hold the office up to ensuing Annual General meeting. Your Company is in receipt of notice under section 160 of the Companies Act, 2013 for her appointment as Director of the Company.

In accordance with Section 152 of the Companies Act, 2013, Mr. P. Chakradhar Reddy, Director of the Company retires by rotation in the ensuing Annual General Meeting to be held on September 29, 2015 and being eligible, offered himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. Such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2014-15 and of the profit or loss of the Company for that period;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance

with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv. The annual accounts for the year 2014-15 have been prepared on a going concern basis.
- v. Those proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi. That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

MEETINGS OF THE BOARD OF DIRECTORS DURING THE FINANCIAL YEAR

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

BOARD EVALUATION

The Board and the Nomination and Remuneration Committee (“NRC”) reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition, the Chairman was also evaluated on the key aspects of his role.

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

POLICY ON DIRECTORS’ APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company’s policy on directors’ appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 has been disclosed in the corporate governance report, which forms part of this report.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

AUDIT COMMITTEE

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

STATUTORY AUDITORS

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013 and all other applicable provisions and rules made there under, M/s. P.Murali & Co, Chartered Accounts, Hyderabad, has been appointed by the Shareholders of the Company in their 49th Annual General Meeting held on September 26, 2014, for a period of three years (i.e. till the conclusion of 52nd Annual General Meeting) subject to the ratification at every subsequent Annual General Meeting held during the above period. Hence, the shareholders will ratify the appointment of Statutory Auditors till the conclusion of 51st Annual General Meeting.

AUDITOR’S OBSERVATIONS

Point No. vii (a) : Company serious pursuing and in the process to clear outstanding TDS/WCT dues.

Point No. ix : Company is making continuous efforts to re-pay the defaulted amounts to the banks through One Time Settlements.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. A. N. Sarma & Co, Company Secretaries; Hyderabad, has been appointed as Secretarial Auditors of the Company for the Financial Year 2014-15. The Secretarial Audit Report is annexed as **Annexure VII** to this report.

INTERNAL AUDITOR

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

PUBLIC DEPOSITS

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

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

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

Particulars of Directors and Key Managerial Persons	Ratio to Median Remuneration
Executive Directors	
Mr. P. Prabhakar Reddy, Chairman and Managing Director	11.48
Non- Executive Directors	
Mr. A. Vijayavardhan Reddy (up to 30-09-2014)*	0.04
Mr. P. Chakradhar Reddy (from 5-08-2014)*	0.08
Mrs. P. Kameswari (from 27-03-2015)	Not Applicable
Mr. K. Narasimha Rao	0.15
Mr. P. Narendra	0.08
Mr. Poornachandra Rao	0.15
Key Managerial Persons	
Mr. K. Gurava Raju	3.17
Ms. Y. K. Priyadarshini	1.86

* Since this information is for part of the year, the same is not comparable.

- The percentage increase in remuneration of each director, chief financial officer, company secretary in the financial year: **Not Applicable**
- The percentage increase in the median remuneration of employees in the financial year: **0.00%**
- The number of permanent employees on the rolls of Company: **59**
- The explanation on the relationship between average increase in remuneration and Company performance: **There was no increase in remuneration**
- Comparison of the remuneration of the key managerial personnel against the performance of the Company:

(Rupees in Crores)

Aggregate remuneration of key managerial personnel (KMP) in FY 2014-15	0.14
Revenue	77.30
Remuneration of KMPs (as % of revenue)	0.18
Profit before Tax (PBT)	(5.08)
Remuneration of KMP (as % of PBT)	(2.75)

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

Particulars	As on 31 st March, 2015	As on 31 st March, 2014	Change%
Market Capitalization	Rs.64,56,19,535	Rs.67,84,83,584	(4.84)
Price Earnings Ratio	Not Applicable	Not Applicable	Not Applicable

* Note: Since EPS is negative, there is no price to earning.

- h. Percentage increase or decrease in the market quotations of the Shares of the Company as compared to the rate at which the Company came out with the last public offer in the year: **Not applicable as the Company has not made any further public issue.**
- i. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: **Not Applicable as there was no such increase in the salaries of employees other than managerial personnel in the last financial year.**
- j. The key parameters for any variable component of remuneration availed by the directors: **Not applicable**
- k. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: **None of employees are in receipt of remuneration in excess of the highest paid director**
- l. Affirmation that the remuneration is as per the remuneration policy of the Company:
The Company affirms that the remuneration paid to Directors, Key Managerial Personnel and other employees is as per the remuneration policy of the Company.

EMPLOYEE RELATIONS

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 of The Companies (Accounts) Rules, 2014, is provided as/under point Nos. 22 & 32 under notes to Accounts of Balance Sheet and Profit and Loss Account.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) of the Companies Act, 2013, the extract of annual return is given in **Annexure VI** in the prescribed **Form MGT-9**, which forms part of this report.

LISTING

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

CORPORATE GOVERNANCE

The Company has taken adequate steps to ensure that the conditions of corporate governance as stipulated in clause 49 of the listing agreement of the stock exchange are complied with. As per Clause 49 of the listing agreements entered into with the stock exchanges, corporate governance report with auditors' certificate thereon and management discussion and analysis are attached as Separate **Annexure No. IV** which forms part of this report.

RISK MANAGEMENT

The Board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The Details about Risk Management Committee and Risk Management Policy are given in the Corporate Governance Report.

FAMILIARISATION PROGRAM TO INDEPENDENT DIRECTORS

Details of the familiarization program of the independent directors are available on the website of the Company (URL: <http://www.viceroyhotels.com/IR>)

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 this report.

TRANSACTIONS WITH RELATED PARTIES

The details transactions with related parties falls under the scope of Section 188(1) of the Companies Act, 2013 are provided under Point No. 35 Notes to Financial Statements. However, information on transaction with related parties pursuant to Section 134(3)(h) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **AOC -2** as **Annexure- II** 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: <http://www.viceroyhotels.com/IR>)

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: <http://www.viceroyhotels.com/IR>)

ACKNOWLEDGEMENTS

Your Directors acknowledge with gratitude and wish to place on record their sincere appreciation for the co-operation received by the Company from various Departments of Central/ State Government, SEBI, Stock Exchanges, RBI, MCA and other Regulatory Bodies for the continued co-operation and support extended during the year. Your Directors also express their sincere thanks to the Shareholders, Customers, Bankers, Suppliers and other Business Associates for their support, co-operation and confidence reposed in the management.

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

Hyderabad
August 14, 2015

**Sd/-
P. Prabhakar Reddy
Chairman**

Annexure – I

Form AOC-I

Statement containing salient features of the financial statements of subsidiaries/ associate companies/joint ventures as on March 31, 2015

(Amount in Rs.)

Name of the Subsidiary Company	Subsidiaries				Associate
	Café D'Lake Pvt. Ltd.	Crustum Products Pvt. Ltd.	Minerva Hospitalities Pvt. Ltd.	Viceroy Chennai Hotels & Resorts Pvt. Ltd.	Viceroy Bangalore Hotels Pvt. Ltd.
Capital	2,74,45,300.00	4,00,00,000.00	4,66,92,670.00	1,00,000.00	19,70,84,730.00
Reserves	16,06,48,673.00	(5,01,42,370.00)	(51,48,017.00)	-	1,52,85,45,339.00
Total Assets	40,64,25,920.00	31,41,02,070.00	7,81,76,215.00	1,00,000.00	4,92,94,23,070.00
Total Liabilities	40,64,25,920.00	31,41,02,070.00	7,81,76,215.00	-	4,92,94,23,070.00
Turnover	32,48,80,216.00	Nil	-	-	NA
Profit before Taxation/(Loss)	31,82,597.00	(1,28, 20,793.00)	24,374.00	(11,236.00)	(1,75,88,087.00)
Provision for Taxation	22,62,551	-	-	-	-
Profit/ (Loss) after Taxation	20,04,513.00	(1,22,31,713.00)	-	-	-
Proposed Dividend	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	1,97,08,473 Equity Shares of Rs.10/- each
Investment	100%	100%	100%	100%	40%

Annexure - II

DETAILS OF RELATED PARTY TRANSACTIONS

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 2014-15.

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

Annexure – III

MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY OVERVIEW

Global

The Year 2014-2015 proved to be another moderately successful year for the Travel and Tourism Sector. Industry witnessed a weaker growth than the predicted on account of various impacting factors and developments at global level such as conflicts between nations, infectious diseases, political instability and unrest, potential volatility in various currencies against dollar etc.

National

Despite the positive measures undertaken by the Government such as introduction e-Tourist Visa and restoration cultural world heritage sites etc., the performance of the Indian Hotel Industry in 2014-15 remained subdued. However the industry witnessed improved occupancy levels in most of the major Cities including Hyderabad due to the increased number Foreign Tourist Arrivals. Even though there is marginal increase in the occupancies, the hospitality sector continues to be effected by flat Average Room Rents (ARRs), increased supply of rooms in almost all locations across the country.

OUT LOOK

As predicted by the World Travel and Tourism Council (WTTC) India has the potential to become the number one tourist destination in the world with the demand growing at 10.1 per cent per annum.

ICRA ltd rating agency expects the revenue growth of Indian hotel industry strengthening to 9-11 per cent in 2015-16. In ICRA's view, pickup in consumer confidence, coupled with improved connectivity from newer airlines and higher travel is expected to revive demand for hotels soon.

Fall in oil prices is expected to bring significant improvements at global level such as increase in disposable household incomes, reduce in airfare.

Government policy decisions to simplify the process of doing business with and in India, efforts to revitalize the manufacturing sector and the emphasis on the Travel and Tourism Industry are expected to result in stronger demand.

Hence, while the Average Room Rates are expected to be largely flat, occupancies are expected to be improved.

FINANCIAL PERFORMANCE OF THE COMPANY:

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

The Companies Standalone Operating Income has registered a growth of 8.87% at Rs. 77.79 Crores in Financial Year 2014-15 as against Rs.71.26 Crores in the previous Financial Year. During the same period Consolidated revenue too grew by 4.88% at Rs.110.08 Crores when compared with Financial Year 2013-14 at Rs.104.96 Crores.

The Earnings before Interest, Depreciation and Taxation and other Amortization (EBIDTA) is 30.58 Crores. The Loss before tax is Rs.5.08 Crores and the loss after tax for the year under review was Rs.5.05 Crores respective. The Company's consolidated loss before taxes aggregated to Rs.6.05 Crores.

RISK AND CONCERNS

The Hotel industry faces a very broad and growing range of risks as it seeks to provide guests with memorable, enjoyable and safe experiences. The Company Specific Risks remain same as enumerated in the last year.

Economic Risk

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

Occupancy Risk

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

Project Implementation Risk

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

Human Resource Risk

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

'Human Resources' is recognized as a key pillar of any successful organization and so is for Viceroy Hotels. The company puts constant efforts in recruiting, retaining and training the employees and ensures to bring out the best of them. The company ensures that all the employees are aware of personnel policies. The needs of the employees are addressed with high importance.

Foreign Exchange Risk

Your Company may be affected by the fluctuation of the Indian Rupee against other foreign currencies. To mitigate this risk the Company has migrated to single currency billing in Indian Rupees.

Apart from the above, other risks associated with the hotel industry, including competition, energy costs and other operating costs, potential unionization, actual or threatened terrorist attacks, any type of flu or disease-related pandemic and downturns in general and local economic conditions.

Further the availability and terms of financing and capital and the general volatility of securities markets, the Company's dependence on third-party managers of its hotels, including its inability to implement strategic business decisions directly.

Further socio-political environment also impact the business organisation in many ways. It could add a risk factor and lead to a major loss.

ADEQUACY OF INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

Company maintains an adequate and proper system of internal controls. All the Company's assets are secured and have appropriate cover for all their risks and protected against loss from illicit use or dispossession. All the transactions are authorized. It is ensured that the company's internal audit is being strengthened from time to time and that all the financial statements and accounting records of the company are reviewed and reliable.

The Audit Committee of the Company monitors the adequacy of the internal control systems and procedures including adequacy of financial controls with reference to the Financial Statement.

Company's Risk Management Committee comprises of Directors and Senior Executives of the Company. The remit of the Risk Management committee is to identify the potential risks associated with the Company's business and to measure the Company's performance against each risk parameter.

CAUTIONARY STATEMENT

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

Annexure – IV

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Our philosophy is to maximize the shareholder value by adopting the principles of good corporate governance in line with the provisions stipulated in the listing agreement. We consider it our inherent responsibility to disclose timely and accurate information regarding our financial and performance as well as the governance of the company.

II. BOARD OF DIRECTORS

As on March 31, 2015, Viceroy's Board consists of 6 (Six) Members of whom 3 (three) are Independent Directors. The Composition of the Board is in conformity with the listing requirements.

Board Meetings:

The Board of Directors met 5 (five) times during the financial year on 22-05-2014, 05-08-2014, 08-11-2014 (Two Times) and 11-02-2015 and the maximum gap between any two meetings was less than four months as stipulated under Clause 49 of Listing Agreement.

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

None of the NEDs serve as IDs in more than seven listed companies as required by Clause 49 of the Listing Agreement, the Company has issued formal letters of appointment to the IDs. The terms and conditions of appointment of IDs is available on the Company's website and can be accessed at www.viceroyhotels.com:

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

Name of the Director	DIN	Category and Designation	Board Meetings attended during the year	No. of directorships held in other Indian public limited companies	No. of Committee positions held in other companies	
					Chairman	Member
Mr.P. Prabhakar Reddy	01442233	CMD (P)	5	01	Nil	Nil
*Mr. A. Vijayavardhan Reddy	00940604	NED (P)	2	Nil	Nil	Nil
**Mr. P. Chakradhar Reddy	01425681	NED (P)	3	Nil	Nil	Nil
***Mrs.P. Kameswari	01587727	NED (P)	-	Nil	Nil	Nil
Mr. P. Narendra	00129551	NED (I)	4	01	Nil	Nil
Mr. A. Poornachandra Rao	01981776	NED (I)	5	Nil	Nil	Nil
Mr. K. Narasimha Rao	01475473	NED (I)	5	Nil	Nil	Nil

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

(* Resigned with effect from October 1, 2014;**Appointed with effect from August 5, 2014; ***Appointed with effect from March 27, 2015)

Attendance for AGM 2014: Mr. P. Prabhakar Reddy and Mr. K. Narasimha Rao attended the last Annual General Meeting held on September 26, 2014.

INDEPENDENT DIRECTORS MEETING

The Independent Directors met on 8th November, 2014 without the presence of Non-Independent Directors and members of the Management. At this meeting, the IDs *inter alia* evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board

REMUNERATION OF DIRECTORS

Details of remuneration paid to Directors are given below

Director	Relationship with other Directors	Business relationship with Viceroy, if any	Loans and advances from Viceroy	Remuneration	Paid During 2014-2015 (Amount in Rs.)		
					Sitting Fees	Salary	Commission
Mr. P. Prabhakar Reddy	Relative to Mr. Vijayavardhan Reddy, Mr. P. Chakradhar Reddy and Mrs. P. Kameswari	Promoter	Nil	Nil	30,00,000	Nil	30,00,000
Mr. A. Vijayavardhan Reddy	Relative to MD	Promoter	Nil	10,000	-	-	10,000
Mr. P. Chakradhar Reddy	Relative to MD and Mrs.P. Kameswari	Promoter	Nil	20,000	-	-	20,000
Mrs. P. Kameswari	Relative to MD and Mr. P. Chakradhar Reddy	Promoter	Nil	NA	-	-	-
Mr. P. Narendra	None	Nil	Nil	20,000	-	-	20,000
Mr. A. Poornachandra Rao	None	Nil	Nil	40,000	-	-	40,000
Mr. K. Narasimha Rao	None	Nil	Nil	40,000	-	-	40,000

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: <http://www.viceroyhotels.com/IR>)

VIGIL MECHANISM

In terms of Section 177(9) of the Companies Act, 2013 and Clause 49 of Listing Agreement, The Board at its meeting held on 8th November, 2014 approved the Vigil Mechanism for all Directors, employees and vendors of the Company. Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases.

Whistle Blower Policy

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees and directors of the Company to report genuine concerns. The provisions of this policy are available on the website of the Company ([URL: http://www.viceroyhotels.com/IR](http://www.viceroyhotels.com/IR))

III. AUDIT COMMITTEE

Composition, meetings and the attendance during the year:

The Company has a qualified and Independent Audit Committee. The Composition, Terms of Reference of Audit Committee is as set out in Clause 49 (III) (A) of the Listing Agreement read with Section 177 of the Companies Act, 2013.

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

During the financial year 2014-15, 4 (Four) meetings of the Audit Committee were held on 22-05-2014, 05-08-2014, 8-11-2014 and 11-02-2015.

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

Name	Designation	Category	No. of meetings attended
Mr. A. Vijayavardhan Reddy (upto 30-09-2014)	Chairman	NED	2
Mr. P. Chakradhar Reddy (From 8-11-2014)	Chairman	NED	2
Mr. K. Narasimha Rao	Member	NED (I)	4
Mr. A. Poornachandra Rao	Member	NED (I)	4

Note:

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

Mr. A. Vijayavardhan Reddy ceased to be a Member of the Committee with effect from 1st October, 2014.

Committee was reconstituted in the Board of Directors Meeting held on 8th November, 2014 in view of the resignation of Mr. A. Vijayavardhan Reddy.

Mr. K. Narasimha Rao, Member of Audit Committee, as authorised by Chairman of the Committee was present at the AGM of the Company held on 26th September, 2014.

IV. NOMINATION AND REMUNERATION COMMITTEE

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

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

3 (Three) Meetings of the Committee were held during the year ended 31st March 2015 i.e. on 5th August, 2014, 8th November, 2014 and 11th February, 2015

Composition of the Committee and the attendance details of the members are given below

Name	Designation	Category	No. of Meetings Attended
Mr. A. Poornachandra Rao	Chairman	NED (I)	3
Mr. A. Vijayavardhan Reddy	Member (upto-30-09-2014)	NED (P)	1
Mr. P. Prabhakar Reddy	Member	Chairman and Managing Director	3
Mr. P. Chkradhar Reddy	Member (From 08-11-2014)	NED(P)	2
Mr. K. Narasimha Rao	Member	NED (I)	3

Note:

Mr. A. Vijayavardhan Reddy ceased to be a Member of the Committee with effect from 1st October, 2014.

The Board of Directors in their meeting held on 8th November, 2014, reconstituted the Nomination and Remuneration Committee in view of the resignation of Mr. A. Vijayavardhan Reddy.

Nomination and Remuneration Policy:

VHL formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

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

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company and also for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company. The Remuneration Policy is attached as **Annexure –V** to this Report and also placed on the website.

V. SUBSIDIARIES

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

In terms of Clause 49 (V) (d) of the Listing Agreement the Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website. The Policy can be accessed at (URL: <http://www.viceroyhotels.com/IR>)

VI. RISK MANAGEMENT COMMITTEE

In terms of Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee (RMC) on 8th November, 2014 for framing, implementing and monitoring the risk management policy of the Company.

The terms of reference of the Committee are:

- a) Overseeing key risks, including strategic, financial, and operational and compliance risks.
- b) Assisting the Board in framing, implementing and monitoring the risk management plan for the Company and reviewing and guiding the risk policy.

- c) Developing risk management policy and risk management system/framework for the Company. 1 (One) meeting of the Committee was held during the year on 11th February, 2015.

Composition of the Committee and the attendance details of the members are given below:

Name of the Members	Designation	No. of Meetings Attended
Mr. P. Chakradhar Reddy	Chairman	1
Mr. P. Prabhakar Reddy	Member	1
Mr. A. Poornachandra Rao	Member	1
Mr. K. Narasimha Rao	Member	1
Mr. K. Gurava Raju	Member	1

VII. RELATED PARTY TRANSACTIONS

All transactions entered into with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement 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.

The Board of Directors have approved and adopted a policy on Related Party Transactions and the same has been uploaded on the website of the Company and can be accessed at: ([URL: http://www.viceroyhotels.com/IR](http://www.viceroyhotels.com/IR))

During the Financial Year 2014-15, 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.

VIII. RECONCILIATION OF SHARE CAPITAL AUDIT

In terms of Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been issued by a Practicing Company Secretary with respect to due compliance of share transfer formalities by the Company. The Practicing Company Secretary carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited ("Depositories") and the total issued and listed capital. The Secretarial Auditor confirms that the total paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with Depositories).

IX. STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of Reference:

The Shareholders/Investors Grievance Committee constituted to look into the redressing of Shareholders and Investors complaints concerning transfer of shares, non receipt of Annual Reports, and non-receipt of Dividend and other allied complaints. The Board of Directors in their Meeting held on November 8, 2014 renamed the existing Investor Grievance Committee as Stakeholders Relationship committee and reconstituted the same in accordance with Section 178 of the Companies Act, 2013.

The remit of the 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.

1 (One) meeting of the Committee was held during the year on 11th February, 2015.

Composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of Meetings Attended
Mr. A. Vijayavardhan Reddy (Up to 30-09-2014)	Chairman	NED	NA
Mr. P. Chakradhar Reddy (From 08-11-2014)	Chairman	NED	1
Mr. K. Narasimha Rao	Member	NED (I)	1
Mr. A. Poornachandra Rao	Member	NED (I)	1

Note:

Mr. A. Vijayavardhan Reddy ceased to be a Member of the Committee with effect from 1st October, 2014.

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

The Company has designated exclusive e-mail Ids called secretarial@viceroypatel.com; secretarial@viceroypatel.in and companysecretary@viceroypatel.in for redressal of shareholders complaints / grievances.

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

During the year under review, 3 (three) complaints of general nature were received from the shareholders which were attended promptly and replied/resolved to the satisfaction of the concerned shareholders. There were no pending complaints at the close of the financial year.

X. GENERAL BODY MEETINGS

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

Financial Year	Venue	Date and Time
2013-2014	Hotel Marriott Convention Centre, Hyderabad	26-09-2014 at 11.00 AM
2012-2013	Hotel Marriott Convention Centre, Hyderabad	27-09-2013 at 11.00 AM
2011-2012	Hotel Marriott Convention Centre, Hyderabad	25-09-2012 at 11.00 AM

b) No Special Resolutions were passed in the previous Annual General Meetings held for the Financial Year 2011-12 and 2012-13. However, Company passed following Special Resolutions in its 49th Annual General Meeting held for the Financial Year 2013-14.

Date of Passing Special Resolutions	Resolution Number	Purpose of Resolution	Votes in Favour of Resolution & %		Votes Against the Resolution & %	
26-09-2014	8	To Authorise Board of Directors to borrow monies under Section 180(1)(c) of the Companies Act, 2013.	10471976	99.996	400	0.004
	9	To Authorise Board of Directors for Creating Charge/Mortgage on the Assets of the Company as per Section 180(1)(a) of the Companies Act, 2013.	10472276	99.999	100	0.001

- c) The Company did not pass any special resolution through Postal Ballot.

In terms of Clause 35B of the Listing Agreement provided e-voting facility to its shareholders to cast their votes electronically through the CDSL e-voting platform. The Company had appointed Ms. N. Vanitha, Scrutinizer for conducting e-voting and as well as poll at Annual General Meeting. Ms. N. Vanitha, Scrutinizer submitted her combined report to the Chairman after completion of scrutiny and the results were then announced and sent to the Stock Exchanges and placed on the Company's website. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

XI OTHER DISCLOSURES

- a) There were no significant related party transactions that may have potential conflict with the interests of the Company at large.
- b) In the preparation of financial statements, no treatment materially different from that prescribed in Accounting Standards had been followed.
- c) There were no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets at any time during the last 3 years.
- d) The Company has complied with all the mandatory requirements of Clause 49.
- e) There were no material pecuniary relationships or transactions of the non-executive directors vis-à-vis the Company, other than payment of Board fees/commission and investments (if any) in shares / securities of the Company.
- f) 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.

XII. MEANS OF COMMUNICATION

a	Annual General Meeting	50th Annual General Meeting
	Date of Annual General Meeting	Tuesday, the 29 th September, 2015
	Venue	Hotel Marriott Convention Centre, Lower Tank Bund, Hyderabad- 500080, Telangana.
	Time	11.00 A.M
b	Book Closure Date	Wednesday, September 23, 2015 to Tuesday, September 29, 2015 (inclusive of both days)
c	Financial Year	April- March
d	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.
e	Listing on Stock Exchanges	National Stock Exchange of India Limited (NSE) BSE Limited (BSE)
	Stock ID/Code	NSE: VICEROY ; BSE: 523796
	ISIN	INE048C01017
	Listing Fee for FY 2015-16	Paid

f) Stock Price Data:

MONTH	NSE			BSE		
	High (Rs.)	Low (Rs.)	No. of Shares Traded	High (Rs.)	Low (Rs.)	No. of Shares Traded
April 2014	20.20	15.90	1531923	20.25	16.00	721272
May 2014	23.80	17.45	6098534	23.70	17.50	2587995
June 2014	26.40	20.85	7210659	26.30	20.95	2870991
July 2014	24.65	19.40	2205598	24.60	19.20	1328238
August 2014	20.95	17.00	1938253	20.90	17.05	867677
September 2014	24.50	18.20	3611966	24.95	18.20	1788420
October 2014	20.80	18.05	1221871	20.90	18.20	550975
November 2014	21.15	18.00	3402193	21.30	18.00	1421073
December 2014	21.40	16.70	2972484	21.40	15.10	1170611
January 2015	19.40	16.50	1623727	19.45	17.20	698864
February 2015	18.70	15.25	1695755	18.25	15.75	663234
March 2015	17.35	14.20	1539976	17.50	14.30	510049

g) Share Transfer System:

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

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

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

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

h) Registrars & Share Transfer Agents (for both physical and demat mode):

Aarathi Consultants Private Limited,
 #1-2-285, Domalaguda, Hyderabad- 500029
 Phones: 040-27638111, 040-66611921
 Fax: 040-27632184
 Email: info@aarthiconsultants.com;
 Website: www.aarthiconsultants.com

i) Shareholding Pattern as on 31st March, 2015:

Category	No. of Shares	Percentage
Promoters	1,10,42,551	26.04
Financial Institutions / Banks	10,100	0.02
Foreign Institutional Investors	37,000	0.09
Bodies Corporate	60,59,797	14.29
NRIs	2,77,735	0.65
Mutual Funds	NIL	NA
Indian Public	2,38,19,334	56.18
Trusts	1,01,100	0.24
Clearing Members	10,57,607	2.49
Total	42405224	100.00

j) Distribution of Shareholding as on 31st March, 2015:

Sl. No	CATEGORY	HOLDERS	HOLDERS PERCENT AGE	SHARES	AMOUNT	AMOUNT PERCENT AGE
1	1 - 5000	19804	81.44	3090196	30901960	7.29
2	5001 - 10000	2159	8.88	1860718	18607180	4.39
3	10001 - 20000	1052	4.33	1678977	16789770	3.96
4	20001 - 30000	366	1.51	948474	9484740	2.24
5	30001 - 40000	159	0.65	567682	5676820	1.34
6	40001 - 50000	214	0.88	1028197	10281970	2.42
7	50001 - 100000	290	1.19	2149673	21496730	5.07
8	100001 & Above	272	1.12	31081307	310813070	73.3
	Total:	24315	100	42405224	424052240	100

k) Dematerialization of Shares:

The Company's Equity Shares are held in dematerialized form by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) under ISIN: INE048C01017. As on 31st March, 2015, 96.68% of the total shares of the Company have been dematerialized.

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

As on 31st March, 2015 the Company has no outstanding GDR /ADR/Warrants/ Options/any other convertible instruments.

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

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

Restaurants:

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

Projects under execution:

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

n) Address for Investors Correspondence:

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

Registrar and Share Transfer Agents (RTA):

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

Company:

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

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@aarthiconsultants.com or send requests along with your folio no. to our RTA at above mentioned address.

o) CEO Certification:

As required by the clause 49 (IX) of the Listing Agreement Managing Director and CFO have given appropriate Certification to the Board of Directors

p) Compliance Certificate of the Auditors:

The Statutory Auditor has certified that the Company has complied with the conditions of the Corporate Governance as stipulated in clause 49 of the listing agreement and the same forms part of this Report. The Certificate from the statutory auditor will be sent to the stock exchange along with the Annual Report of the Company.

DECLARATION BY MANAGING DIRECTOR / CEO

As required under Clause 49 of the Listing Agreement with Stock Exchanges the Board of Directors and Senior Management have confirmed the compliance with the Code of Conduct and Ethics for the year ended 31st March 2015.

Hyderabad
August 14, 2014

Sd/-
P. Prabhakar Reddy
Managing Director

Certificate by CEO / CFO :

Pursuant to the provisions Clause 41 of the Listing Agreement with the Stock Exchanges, it is hereby certified that for the year ended 31st March, 2015:

- a. We have reviewed financial statements and the cash flow statement (standalone and consolidated) for the year and that 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 volatile of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Viceroy Hotels Limited

Sd/-
P. PRABHAKAR REDDY
Chairman & Managing Director
Hyderabad
August 14, 2015

For Viceroy Hotels Limited

Sd/-
K. GURAVA RAJU
Chief Financial Officer
Hyderabad
August 14, 2015

Auditor's Certificate on Compliance of Conditions of Corporate Governance:

To

The Members of Viceroy Hotels Limited

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of corporate governance of Viceroy Hotels Limited ("the Company") for the year ended 31st March, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned listing agreement.

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

Hyderabad
August 14, 2015

M/s. P. MURALI & CO
Chartered Accountants
FRN : 0072575

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

Annexure – V

NOMINATION AND REMUNERATION POLICY

1. Introduction

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

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

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

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

2. Scope:

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

3. Terms and References:

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

- 3.1 “**Director**” means a director appointed to the Board of a Company.
- 3.2 “**Nomination and Remuneration Committee**” means the committee constituted by VHL’s Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement.
- 3.3 “**Independent Director**” means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49(II) (B) of the Equity Listing Agreement.
- 3.4 “**Key Managerial Personnel**” means
 - (i) the Chief Executive Officer or the managing director or the manager;
 - (ii) the company secretary;
 - (iii) the whole-time director;
 - (iv) the Chief Financial Officer; and
 - (v) such other officer as may be prescribed under the Companies Act, 2013

4. Selection of Directors and determining Directors’ independence

4.1 Qualifications and criteria

- 4.1.1 The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company’s global operations.
- 4.1.2 In evaluating the suitability of individual Board members, the NR Committee may take into account factors, such as:
 - ♦ General understanding of the Company’s business dynamics, global business and social perspective;
 - ♦ Educational and professional background Standing in the profession;
 - ♦ Personal and professional ethics, integrity and values;
 - ♦ Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

4.1.3 The proposed appointee shall also fulfill the following requirements:

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

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

4.2 Criteria of Independence

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

4.2.2 The criteria of independence, as laid down in Companies Act, 2013 and Clause 49 of the Equity Listing Agreement, is as below:

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

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither himself nor any of his relatives—
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the company.

- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age.

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

4.3 Other directorships / committee memberships

4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.3.2.A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.

4.3.3.A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

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

5.1.1 The Board, on the recommendation of the Nomination and Remuneration (NR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

5.1.2 The Board, on the recommendation of the NR Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

5.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retrial benefits
- (vi) Annual Performance Bonus

5.1.4 The Annual Plan and Objectives for Executive Directors and Senior Executives shall be reviewed by the NR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

5.2 Remuneration to Non-Executive Directors

5.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

5.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

5.3 Remuneration to other employees

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

Annexure – VI

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

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

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

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L55101TG1965PLC001048
ii	Registration Date	25-02-1965
iii	Name of the Company	VICEROY HOTELS LIMITED
iv	Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
v	Address of the Registered office	(up to 26 th July, 2015) #8-2-120/115/14, 5th Floor, Shangrila Plaza, Opp. KBR Park, Road No. 2, Banjara Hills, Hyderabad-500034, Telangana. (from 27 th July, 2015) #Plot No.20, Sector-I, Survey No.64, 4th Floor, HUDA Techno Enclave, Madhapur, Hyderabad – 500 081, Telangana.
	Contact Details :	Tel : + 91 40 2311 9695 / 40349999 Fax : + 91 40 40349828 Email : secretarial@viceroymhotels.com/ secretarial@viceroymhotels.in Website : www.viceroymhotels.com
vi	Whether listed company	Yes
vii	Name, Address & Contact details of Registrar & Transfer Agent, if any.	Aarathi Consultants Private Limited 1-2-285, Domalguda, Hyderabad – 500029 Telangana. Tel : 040 - 27638111/2734445 Fax : 040 - 27632184 E-mail: info@aarthiconsultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

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

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S No	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section of Companies Act, 2013
1	Crustum Products Private Limited #8-2-120/115/14, 5th Floor, Shangrila Plaza, Road No.2, Opp. KBR Park, Banjara Hills, Hyderabad-500034, Telangana	U15410TG2005PTC046115	Subsidiary	100	2(87)

2	Café D'lake Private Limited T.S. No.5, Block B, Ward No.80, Buddha Purnima Lakefront, opp. Lake Police Station, Necklace Road, Hyderabad- 500005, Telangana	U55101TG2003PTC040419	Subsidiary	100	2(87)
3	Minerva Hospitalities Private Limited Plot No.258, Road No.18, Jubilee Hills, Hyderabad-500033, Telangana	U55101TG2002PTC039768	Subsidiary	100	2(87)
4	Viceroy Chennai Hotels & Resorts Private Limited Plot No.258, Road No.18, Jubilee Hills, Hyderabad – 500033, Telangana	U55101TG2010PTC068776	Subsidiary	100	2(87)
5	Viceroy Bangalore Hotels Private Limited Plot No.258, Road No.18, Jubilee Hills, Hyderabad-500034, Telangana	U55101TG2010PTC067088	Associate	40	2(6)

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

I Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) INDIAN									
a) Individual/HUF	8110028	700000	8810028	20.78	8105728	700000	8805728	20.77	(0.01)
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.	2351007	0	2351007	5.54	2236823	0	2236823	5.27	(0.27)
e) Banks / FI	0	0	0	0	0	0	0	0	NA
f) Any Other....	0	0	0	0	0	0	0	0	NA
Sub-total (A) (1):-	10461035	700000	11161035	26.32	10342551	700000	11042551	26.04	(0.28)
(2) FOREIGN									
g) NRIs - Individuals	0	0	0	0	0	0	0	0	NA
h) Other – Individuals	0	0	0	0	0	0	0	0	NA
i) Bodies Corp.	0	0	0	0	0	0	0	0	NA
j) Banks / FI	0	0	0	0	0	0	0	0	NA
k) Any Other....	0	0	0	0	0	0	0	0	NA
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	NA
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	10461035	700000	11161035	26.32	10342551	700000	11042551	26.04	(0.28)



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	NA
b) Banks / FI	0	10100	10100	0.02	0	10100	10100	0.02	0.00
c) Central Govt	0	0	0	0	0	0	0	0	NA
d) State Govt(s)	0	0	0	0	0	0	0	0	NA
e) Venture Capital Funds	0	0	0	0	0	0	0	0	NA
f) Insurance Companies	0	0	0	0	0	0	0	0	NA
g) FIs	528418	0	528418	1.25	37000	0	37000	0.09	(1.16)
h) Foreign Venture Capital Funds									
i) Others (specify)	0	0	0	0	0	0	0	0	NA
Sub-total (B)(1):-	528418	10100	538518	1.27	37000	10100	47100	0.11	(1.16)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	5600990	25150	5626140	13.27	6034647	25150	6059797	14.29	1.02
ii) Overseas	0	0	0	0	3000	0	3000	0.01	0.01
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	8576975	665368	9242343	21.80	9799064	657862	10456926	24.66	2.86
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	14720641	12700	14733341	34.74	13346708	12700	13359408	31.50	(3.24)
c) Others (specify)	1103847	0	1103847	2.60	1439442	0	1439442	3.39	0.79
Non Resident Indians	480854	0	480854	1.13	277735	0	277735	0.65	(0.48)
Trusts	102100	0	102100	0.24	101100	0	101100	0.24	0.00
Clearing Members	520893	0	520893	1.23	1057607	0	1057607	2.49	1.26
Sub-total (B)(2):-	30002453	703218	30705671	72.41	30619861	695712	31315573	73.85	1.44
Total Public Shareholding (B) = (B)(1)+ (B)(2)	30530871	713318	31244189	73.68	30656861	705812	31362673	73.96	0.28
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	NA
Grand Total (A+B+C)	40991906	1413318	42405224	100.00	40999412	1405812	42405224	100.00	0.00

(ii) Shareholding of Promoters

S No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	P Chakradhar Reddy	41,03,651	9.68	81.50	41,04,351	9.68	81.48	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	17,43,124	4.11	87.20	17,43,124	4.11	87.20	0.00
4	P H Financial Services Ltd	5,73,400	1.35	97.31	5,35,216	1.26	97.12	(0.09)
5	Allampati Vijay Vardhaman Reddy	5,00,000	1.18	0.00	5,00,000	1.18	0.00	0.00
6	Minerva Enterprises Pvt Ltd	3,51,413	0.83	76.83	2,81,413	0.66	71.07	(0.17)
7	Tetra Heights Power Systems Ltd	2,98,180	0.70	0.00	2,98,180	0.70	0.00	0.00
8	Parvathreddy Investment Pvt Ltd	7,06,000	1.66	81.44	7,06,000	1.66	16.29	0.00
9	Parvathreddy Viswanath Reddy	1,32,600	0.31	0.00	1,32,600	0.31	0.00	0.00
10	Parvathreddy Haricharan Reddy	1,13,300	0.27	0.00	1,13,300	0.27	0.00	0.00
11	P H Infotech Pvt Ltd	60,254	0.14	0.00	60,254	0.14	0.00	0.00
12	Nirmala Kondalapudi	60,000	0.14	0.00	60,000	0.14	0.00	0.00
13	Veera Reddy Kondalapudi	60,000	0.14	0.00	60,000	0.14	0.00	0.00
14	P Divya Reddy	52,550	0.12	0.00	52,550	0.12	0.00	0.00
15	Vidya Reddy P	26,660	0.06	0.00	21,660	0.05	0.00	(0.01)
16	Parvathreddy Saraswathamma	42,500	0.10	0.00	42,500	0.10	0.00	0.00
17	Parvath Investments Pvt Ltd	3,61,760	0.85	96.47	3,55,760	0.84	5.34	(0.01)
	Total	1,11,61,035	26.32	69.59	1,10,42,551	26.04	62.21	(0.28)

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

S No.	Name	Shareholding				Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning and %	Increase/ (Decrease)	Date of change	No. of Shares at the ending of FY and %		No. of Shares	% of total shares of the Company
1	P Chakradhar Reddy	41,03,651 (9.68)	700	23-05-2014	41,04,351 (9.68)	Purchase	41,04,351	9.68
2	P Kameswari	19,75,643 (4.66)	-	NA	19,75,643 (4.66)	Nil Movement during the year	19,75,643	4.66
3	P Prabhakar Reddy	17,43,124	-	NA	17,43,124	Nil Movement	17,43,124	4.11
4	P H Financial Services Ltd	5,73,400 (1.35)	(38,184)	17-10-2014	5,35,216 (1.26)	Transfer	5,35,216	1.26
5	Allampati Vijay Vardhaman Reddy	5,00,000 (1.18)	-	NA	5,00,000 (1.18)	Nil Movement during the year	5,00,000	1.18
6	Minerva Enterprises Pvt Ltd	3,51,413 (0.83)	70000	17-10-2014	2,81,413 (0.66)	Purchase	2,81,413	0.66
7	Tetra Heights Power Systems Ltd	2,98,180 (0.70)	-	NA	2,98,180 (0.70)	Nil Movement during the year	2,98,180	0.70
8	Parvathreddy Investments Pvt Ltd	7,06,000 (1.66)	-	NA	7,06,000 (1.66)	Nil Movement during the year	7,06,000	1.66
9	Parvathreddy Viswanath Reddy	1,32,600 (0.31)	-	NA	1,32,600 (0.31)	Nil Movement during the year	1,32,600	0.31
10	Parvathreddy Haricharan Reddy	1,13,300 (0.27)	-	NA	1,13,300 (0.27)	Nil Movement during the year	1,13,300	0.27
11	P H Infotech Pvt Ltd	60,254 (0.14)	-	NA	60,254 (0.14)	Nil Movement during the year	60,254	0.14
12	Nirmala Kondalapudi	60,000 (0.14)	-	NA	60,000 (0.14)	Nil Movement during the year	60,000	0.14
13	Veera Reddy Kondalapudi	60,000 (0.14)	-	NA	60,000 (0.14)	Nil Movement during the year	60,000	0.14
14	P Divya Reddy	52,550 (0.12)	-	NA	52,550 (0.12)	Nil Movement during the year	52,550	0.12
15	Vidya Reddy P	26,660 (0.06)	(5,000)	30-05-2014	21,660 (0.05)	Transfer	21,660	0.05
16	Parvathreddy Saraswathamma	42,500 (0.10)	-	NA	42,500 (0.10)	Nil Movement during the year	42,500	0.10
17	Parvath Investments Pvt Ltd	3,61,760 (0.85)	(6,000)	18-07-2014	3,55,760 (0.84)	Transfer	3,55,760	0.84

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

S No.	Name	Shareholding				Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning and %	Increase/ (Decrease)	Date of change	No. of Shares at the ending of FY and %		No. of Shares	% of total shares of the Company
1	Jhunjhunwala Rakesh Radheshyam	57,07,566 (13.46)	-	NA	57,07,566 (13.46)	Nil Movement during the year	57,07,566	13.46
2	Rel Utility Engineers Ltd	25,00,000 (5.90)	-	NA	25,00,000 (5.90)	Nil Movement during the year	25,00,000	5.90
#3	Indrani Patnaik	15,92,499 (3.76)	(39556) (29131) (5000) (9332) (133960) (411211) (611274) (316900) (21832) (7503)	04-04-2014 18-04-2014 25-04-2014 02-05-2014 09-05-2014 16-05-2014 23-05-2014 30-05-2014 06-06-2014 13-06-2014	6800 (0.02)	Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer	1552943 1523812 1518812 1509480 1375520 964309 353035 36135 14303 6800	3.66 3.59 3.58 3.56 3.24 2.27 0.83 0.09 0.03 0.02
4	Bhagyanagar India Ltd	10,09,600 (2.38)	(11000) (500) (5780) (25239) 15000 (5000)	23-05-2014 30-05-2014 06-06-2014 12-09-2014 19-09-2014 28-11-2014	9,77,081 (2.30)	Transfer Transfer Transfer Transfer Transfer Transfer	998600 998100 992320 967081 982081 977081	2.35 2.35 2.34 2.28 2.32 2.30
5	Ketankumar Ratilal Patel	6,80,000 (1.60)	-	NA	6,80,000 (1.60)	Nil Movement during the year	6,80,000	1.60
6	Jhunjhunwala Rekha Rakesh	5,00,000 (1.18)	-	NA	5,00,000 (1.18)	Nil Movement during the year	5,00,000	1.18
7	Dodona Holdings Ltd	4,91,418 (1.16)	(40500) (140587) (60099) (73339) (27150)	24-10-2014 31-10-2014 07-11-2014 14-11-2014 21-11-2014	149743 (0.35)	Transfer Transfer Transfer Transfer Transfer	450918 310331 250232 176893 149743	1.06 0.73 0.59 0.42 0.35
8	Damani Estate And Finance Pvt Ltd	3,00,000 (0.71)	-	NA	3,00,000 (0.71)	Nil Movement during the year	3,00,000	0.71
9	Satyanarayana Reddi Medapati	2,99,900 (0.71)	(4900) (1001) (999) (1000)	24-10-2014 31-10-2014 07-11-2014 14-11-2014	292000 (0.69)	Transfer Transfer Transfer Transfer	295000 293999 293000 292000	0.70 0.70 0.69 0.69

10	Radhakishan Damani	317986 (0.75)	(69478) (7920) (10080) 20016 9484 (50000)	04-04-2014 11-04-2014 18-04-2014 02-05-2014 09-05-2014 16-05-2014	210008 (0.50)	Transfer Transfer Transfer Purchase Purchase Transfer	248508 240588 230508 250524 260008 210008	0.59 0.57 0.54 0.59 0.61 0.50
*11.	Utpal H Sheth	2,50,000 (0.59)	-	NA	2,50,000 (0.59)	Nil Movement during the year	2,50,000	0.59

*Not in the list of Top 10 shareholders as on April 1, 2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on March 31, 2015.

Ceased to be in the list of Top 10 shareholders as on March 31, 2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on April 1, 2014.

(v) Shareholding of Directors and Key Managerial Personnel:

S No.	Name	Shareholding				Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning and %	Increase/ (Decrease)	Date of change	No. of Shares at the ending of FY and %		No. of Shares	% of total shares of the Company
A. Directors								
1	P. Prabhakar Reddy (Managing Director)	17,43,124 (4.11%)	-	NA	17,43,124 (4.11)		17,43,124	4.11
2	P. Kameswari (Director)	19,75,643 (4.66%)	-	NA	19,75,643 (4.66)		19,75,643	4.66
3	P. Chakradhar Reddy (Director)	41,03,651 (9.68%)	700	23-05-2014	41,04,351 (9.68)	Purchase	41,04,351	9.68
4	K. Narasimha Rao (Director)	2,84,131 (0.67)	(65,000) 50,000 (42,593) (1,20,000)	31-05-2014 31-08-2014 31-12-2014 31-01-2014	1,06,538 (0.25)	Transfer Purchase Transfer Transfer	2,19,131 2,69,131 2,26,538 1,06,538	0.52 0.63 0.53 0.25
5	Purnachandra Rao Adapala (Director)	0 (0.00%)	NA	NA	0		0	0.00
6	Narendra Paruchuri (Director)	0 (0.00%)	NA	NA	0 (0.00%)		0	0.00
B. KEY MANAGERIAL PERSONNEL (KMPs other than MD/WTD)								
1	K. Gurava Raju (CFO)	3,090 (0.01)	-	NA	3,090 (0.01)	Nil Movement during the year	3,090	0.01
2	Y. K. Priyadarsini (Company Secretary)	0.00	-	NA	NA	NA	NA	NA

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lakhs)

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	289.77	0.00	0.00	289.77
ii) Interest due but not paid	90.55	0.00	0.00	90.55
iii) Interest accrued but not due	0.36	0.00	0.00	0.36
Total (i+ii+iii)	380.68	0.00	0.00	380.68
Change in Indebtedness during the financial year				
• Addition	0.00	0.00	0.00	0.00
• Reduction	0.00	0.00	0.00	0.00
Net Change	0.00	0.00	0.00	0.00
Indebtedness at the end of the financial year				
i) Principal Amount	289.86	0.00	0.00	289.86
ii) Interest due but not paid	137.41	0.00	0.00	137.41
iii) Interest accrued but not due	0.36	0.00	0.00	0.36
Total (i+ii+iii)	427.63	0.00	0.00	427.63

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD	Total Amount
		Parvathreddy Prabhakar Reddy	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,00,000.00	30,00,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NA	0
2.	Stock Option	NA	0
3.	Sweat Equity	NA	0
4.	Commission		
	- as % of profit - others, specify...	NA	0
5.	Others, please specify	NA	0
	Total (A)	30,00,000.00	30,00,000.00

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		P Chakradhar Reddy	K Narasimha Rao	P Narendra	A Purnachandra Rao	A Vijayavardhan Reddy	
1	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	NA	40,000.00	20,000.00	40,000.00	NA	1,00,000.00
	Total (1)	NA	40,000.00	20,000.00	40,000.00	NA	1,00,000.00
2	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	20,000.00	NA	NA	NA	10,000.00	30,000.00
	Total (2)	20,000.00	NA	NA	NA	10,000.00	
	Total (B)=(1+2)	20,000.00	40,000.00	20,000.00	40,000.00	10,000.00	1,30,000.00
	Total Managerial Remuneration						1,30,000.00
	Overall Ceiling as per the Act	Maximum of Rs. 1,00,000/- per director					

C. Remuneration to key managerial personnel other than MD/Manager/WTD (Amount in Rupees)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary			
	(a) Salary as per Provisions contained in section 17(1) of the Income-tax Act, 1961	4,52,010.00	7,97,816.00	12,49,826.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	NA	NA
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NA	NA
2.	Stock Option	NA	NA	NA
3.	Sweat Equity	NA	NA	NA
4.	Commission - as % of profit - others, specify...	NA	NA	NA
5.	Others, please specify (Medical, Bonus and LTA)	36,300.00	37,500.00	73,800.00
	Total	4,88,310.00	8,35,316.00	13,23,626.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Annexure – VII

SECRETARIAL AUDIT REPORT

(As per Form No MR – 3)

For the Financial year ended 31.03.2015

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

To
The Members,
M/s. Viceroy Hotels Limited
(CIN: L55101TG1965PLC001048)
Hyderabad

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the Management, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

Wherever required we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of corporate and other applicable laws, rules, regulations standard is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2015 according to the applicable provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment. Overseas Direct investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI ACT) :

- a) The Securities and Exchanges Board of India (Substantial Acquisition of shares and Takeover) Regulations, 2011.
 - b) The Securities and Exchanges Board of India (Prohibition of Insider Trading) Regulations, 1992
 - c) The Securities and Exchanges Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2000 and
 - d) The Securities and Exchanges Board of India (Registrars for an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
6. Other laws such as labour and Industrial laws, Environmental law etc., specifically applicable to the Company We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by the Institute of Company Secretaries of India
 - ii. The Listing Agreements entered into by the Company with BSE Limited & The National Stock Exchange of India Limited.

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

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

Adequate notice is given to all directors to schedule the Board Meetings agenda and detailed notes on agenda were sent at least 7 days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

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

Hyderabad
3rd August, 2015

A N Sarma
CP No.7812
M. No: 4557

INDEPENDENT AUDITOR'S REPORT

To the Members of
VICEROY HOTELS LIMITED

Report on the Financial Statements:

We have audited the accompanying standalone financial statements of Viceroy Hotels Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2015, and its profit and its cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. **As required by section 143(3) of the Act, we further 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 purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note no.30 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

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

Place : Hyderabad
Date : 30-05-2015

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

Annexure referred to in paragraph 1 of Our Report of even date to the members of Viceroy Hotels Ltd the accounts of the company for the year ended 31st March, 2015 Under “Report on other Legal & Regulatory Requirements”

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- ii. (a) The Inventory has been physically verified during the year by the Management and in our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has been noticed or reported.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 and other relevant provisions of the Companies Act, 2013.
- vi. In respect of the company, the Central Government has not prescribed maintenance of Cost records under sub-section (1) of Section 148 of the Act, 2013.
- vii. (a) The Company is generally regular in depositing statutory dues including PF, ESI, Service Tax with the appropriate authorities and at the end of the financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable. However in Respect of TDS & WCT an amount of Rs. 2,19,36,208/- is outstanding which were due for more than 6 months from the date they became payable (i.e Year-wise 2011-12 is Rs.1,13,00,004/-, 2012-13 is Rs.85,94,111/- and 2013-14 is Rs. 6,82,787/- and year 2011-12 WCT is Rs. 13,59,306/-).
- (b) There were no disputed amounts payable in respect of Income tax or Sales tax or Wealth tax or Service tax or Duty of Customs or Duty of Excise or value added tax or Cess as at 31 st March 2015.
- (c) There are no amounts that are due to be transferred to the Investors Education and protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made there under.
- viii. The Company has no accumulated losses as at the end of the financial year and it has not incurred cash losses in this financial year and in the immediately preceding financial year.
- ix. According to the information and explanations given to us, the company has defaulted in repayment of dues amounting to Rs 191.85 crore towards principal and Rs 138.20 crore towards interest to banks and other institutions - refer note no 34 to the financial statements.



- x. According to the information and explanations given to us, the Company has given corporate guarantee for loan taken by M/s Crustums Products Pvt Ltd., from Oriental bank of commerce and the terms and conditions are not prejudicial to the interest of the company.
- xi. According to the information and explanations given to us, the Term Loans obtained by the company were applied for the purpose for which such loans were obtained by the Company.
- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Auditing Practice in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such cases by the management.

Place : Hyderabad

Date : 30-05-2015

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

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

BALANCE SHEET AS AT 31ST MARCH, 2015

PARTICULARS	Note No.	AS ON 31-03-2015 (₹)	AS ON 31-03-2014 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	42,40,52,240	42,40,52,240
(b) Reserves and Surplus	2	35,31,91,172	56,07,79,465
(2) Share application money pending allotment			
		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	3,86,77,81,167	3,46,07,95,310
(b) Deffered Tax Liabilities (Net)	4	17,07,47,812	17,10,36,529
(c) Other Long Term Liabilities	5	1,61,23,199	1,32,72,556
(d) Long Term Provisions		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	6	2,24,83,176	11,15,52,095
(b) Trade Payables	7	15,43,56,544	35,74,05,328
(c) Other Current Liabilities	8	2,29,09,68,812	1,73,50,07,463
(d) Short-Term Provisions	9	21,61,02,896	11,79,70,871
Total		7,51,58,07,018	6,95,18,71,857
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	1,54,25,97,048	1,81,30,01,524
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		3,28,80,64,526	2,64,92,44,572
(iv) Intangible assets under development		-	-
(b) Non-current investments	11	79,69,62,698	70,38,27,244
(c) Long Term Loans and advances	12	1,54,60,57,629	1,54,00,32,809
(d) Other Non-Current assets	13	2,64,65,922	90,57,063
(2) Current assets			
(a) Current investments			
(b) Inventories	14	86,39,360	61,61,467
(c) Trade receivables	15	22,94,22,113	18,32,27,686
(d) Cash and Bank Balances	16	3,07,58,602	1,10,48,323
(e) Short-Term Loans and Advances	17	4,66,79,120	3,62,71,169
(f) Other Current assets		1,60,000	-
Total		7,51,58,07,018	6,95,18,71,857

Significant Accounting Policies Notes to Financial Statements (1 to 39)

AS PER OUR REPORT OF EVEN DATE

FOR P. MURALI & CO.,

Chartered Accountants

Firm's Regn. No. : 007257S

Sd/-

M.V. JOSHI

Partner

Membership No. 024784

Hyderabad

30-05-2015

FOR VICEROY HOTELS LIMITED

Sd/-
P. PRABHAKAR REDDY
Managing Director

Sd/-
P. CHAKRADHAR REDDY
Director

Sd/-
K. GURAVA RAJU
Chief Financial Officer

Sd/-
Y. K. PRIYADARSHINI
Company Secretary

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	Note No.	Year Ended 31-03-2015 (₹)	Year Ended 31-03-2014 (₹)
I. Revenue from Operations	18	77,30,10,766	71,02,49,556
II. Other Income	19	28,97,784	24,27,810
III. Total Revenue (I + II)		77,59,08,550	71,26,77,366
IV. Expenses:			
Cost of materials consumed/ Cost of Software Development	20	8,29,81,003	7,90,38,819
Employee Benefit expenses	21	14,83,64,000	14,01,33,726
Other Operating Expenses	22	13,51,34,494	12,16,00,587
Administrative Expenses	23	10,35,86,401	8,60,56,689
Financial costs	24	24,14,33,637	23,13,71,454
Depreciation and amortization expense	10	11,52,35,456	13,41,97,779
Total Expenses		82,67,34,991	79,23,99,054
V. Profit before exceptional and extraordinary items and tax (III - IV)		(5,08,26,440)	(7,97,21,687)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(5,08,26,440)	(7,97,21,687)
VIII. Extraordinary Items (Loss on Sale of Chennai Project Division)		-	1,22,87,23,137
IX. Profit Before Tax (VII - VIII)		(5,08,26,440)	(1,30,84,44,824)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		2,88,718	(28,80,525)
XI. Profit(Loss) from the period from Continuing Operations (VII - VIII)		(5,05,37,722)	(1,30,55,64,299)
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax expense of Discounting Operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		(5,05,37,722)	(1,30,55,64,299)
XVI. Earning per equity share:			-
(1) Basic		(1.19)	(30.79)
(2) Diluted		(1.19)	(30.79)

Significant Accounting Policies Notes to Financial Statements (1 to 39)

AS PER OUR REPORT OF EVEN DATE

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

Sd/-
M.V. JOSHI
Partner
Membership No. 024784
Hyderabad
30-05-2015

FOR VICEROY HOTELS LIMITED

Sd/-
P. PRABHAKAR REDDY
Managing Director

Sd/-
P. CHAKRADHAR REDDY
Director

Sd/-
K. GURAVA RAJU
Chief Financial Officer

Sd/-
Y. K. PRIYADARSHINI
Company Secretary

Notes To Financial Statements For The Year Ended March 31st 2015

S.NO	PARTICULARS	AS ON 31-03-2015 (₹)	AS ON 31-03-2014 (₹)
NOTE NO. 1 : SHARE CAPITAL			
A Equity Share Capital			
(a)	Authorised		
	(No. of Equity Shares 4,50,00,000)	45,00,00,000	45,00,00,000
	(No. of Preference Shares 10,00,000)	10,00,00,000	10,00,00,000
	Total Authorised Share Capital	55,00,00,000	55,00,00,000
(b)	Issued		
	(No. of Shares 4,24,05,224)	42,40,52,240	42,40,52,240
(c)	Subscribed & Fully Paid Up		
	(No. of Shares 4,24,05,224)	42,40,52,240	42,40,52,240
(d)	Subscribed & not fully paid up	-	-
	<u>Par Value</u> : Per Equity Share Rs. 10/-		
	Per Preference Share Rs. 100/-		
	Total Equity Share capital	42,40,52,240	42,40,52,240

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

(Equity Shares of Rs. 10/- Each, Fully paid up)

At the Beginning	4,24,05,224	4,24,05,224
Issued during the year - Bonus Issue	-	-
Issued during the year - Cash Issue	-	-
Issued during the year - ESOP	-	-
Forfeited / Bought Back during the year	-	-
At the end	4,24,05,224	4,24,05,224

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

(Equity Shares of Rs. 10 each Held By)

Name of Shareholder	No. of Shares		% of Share Holding	
	Current Year	Previous Year	Current Year	Previous Year
(1) Jhunjhunwala Rakesh Radheshyam	57,07,566	57,07,566	13.46	13.46
(2) P. Chakradhar Reddy	41,04,351	41,03,651	9.68	9.68
(3) REL Utility Engineers Limited	25,00,000	25,00,000	5.90	5.90

Notes To Financial Statements For The Year Ended March 31st 2015

S.NO	PARTICULARS	AS ON 31-03-2015 (₹)	AS ON 31-03-2014 (₹)
NOTE NO. 2 : RESERVES AND SURPLUS			
a)	Capital Reserve		
	As at the commencement of the year	74,33,996	74,33,996
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
	Sub Total	74,33,996	74,33,996
b)	Securities Premium Reserve		
	As at the commencement of the year	1,71,77,85,670	1,71,77,85,670
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
	Sub Total	1,71,77,85,670	1,71,77,85,670
c)	Debenture redemption reserve		
	As at the commencement of the year	5,00,00,000	5,00,00,000
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
	Sub Total	5,00,00,000	5,00,00,000
d)	Revaluation Reserve	79,19,430	79,19,430
e)	General Reserves		
	As at the commencement of the year	3,20,25,000	3,20,25,000
	Add: Additions during the year	-	-
	Less: Accumulated Depreciation	-	-
	Sub Total	3,20,25,000	3,20,25,000
f)	Surplus :		
i)	Opening Balance - Profit and Loss Account	(1,25,43,84,630)	5,11,79,669
	Add: Transfer from Profit & Loss Account	(5,05,37,722)	(1,30,55,64,299)
	Less: Transfer To General Reserve	-	-
	Less: Accumulated Depreciation	15,70,50,572	-
	Sub Total	(1,46,19,72,924)	(1,25,43,84,630)
	Total Reserves and Surplus	35,31,91,172	56,07,79,466
NOTE NO. 3 : LONG TERM BORROWINGS			
Long Term borrowings			
a)	Bonds/Debentures	42,50,00,000	42,50,00,000
	Secured (500 NCDs, Face Value - Rs. 10,00,000/-, 14% Interest)		
		42,50,00,000	42,50,00,000

Notes To Financial Statements For The Year Ended March 31st 2015

S.NO	PARTICULARS	AS ON 31-03-2015 (₹)	AS ON 31-03-2014 (₹)
b) i)	Term Loans		
	From Banks & Financial Institutions	1,71,84,27,172	1,55,73,57,208
	From IARC	13,83,60,000	13,83,60,000
	From Others	2,90,25,673	4,22,29,064
	Sub Total	1,88,58,12,845	1,73,79,46,272
ii)	Un Secured Loans		
	From Others	1,55,69,68,322	1,29,78,49,038
	Sub Total	1,55,69,68,322	1,29,78,49,038
	Total Long Term Borrowings	3,86,77,81,167	3,46,07,95,310
NOTE NO. 4 : DEFERRED TAX LIABILITY (NET)			
	Opening Deferred Tax Liability	17,10,36,530	17,39,17,055
	Add: Deferred Tax Liability for the year (Due to SLM and WDV Difference)	(2,88,718)	(28,80,525)
	Deferred Tax Liability for the year (Due to Others)	-	-
	Gross Deferred tax Liability	17,07,47,812	17,10,36,530
NOTE NO. 5 : OTHER LONG TERM LIABILITIES			
a)	Trade Payables & Others		
	- Advance from Customers	1,61,23,199	1,32,72,556
	Total Long Term Liabilities	1,61,23,199	1,32,72,556
NOTE NO. 6 : SHORT TERM BORROWINGS.			
Short term borrowings			
a)	Cash Credits and Working Capital Demand Loan from Banks		
	- Secured	2,24,83,176	7,23,02,185
b)	Advances Payable	-	3,92,49,910
	Total Short Term Borrowings	2,24,83,176	11,15,52,095
NOTE NO. 7 : TRADE PAYABLES			
a)	Trade Payables(creditors)	15,43,56,544	35,74,05,328
	Total Trade Payables	15,43,56,544	35,74,05,328
NOTE NO. 8 : OTHER CURRENT LIABILITIES			
a)	Current maturities of long term debt	65,52,62,971	78,51,00,000
b)	interest accrued but not due on borrowings	38,60,049	38,60,049
c)	Interest accrued and due on borrowings.	1,33,99,17,395	88,10,12,221

Notes To Financial Statements For The Year Ended March 31st 2015

S.NO	PARTICULARS	AS ON 31-03-2015 (₹)	AS ON 31-03-2014 (₹)
d) Other Payables (Specify the nature.)			
	(i) Rent Payable	-	-
	(ii) Audit Fee Payable	19,27,220	19,27,220
	(iii) Electricity Charges Payable	22,19,018	22,03,173
	(iv) Bonus Payable	6,46,903	-
	(v) Statutory Liabilities	5,66,53,236	5,61,63,775
	(vi) PF & ESI Payable	18,23,699	14,60,314
	(vii) Salaries Payable	56,95,263	30,88,948
	(viii) Spirit to serve charity fund	2,55,644	-
	(ix) Other Payable (WCT Payable), Ser. Tax Payable	2,39,535	1,91,764
	(x) Other Creditors	22,24,67,878	-
	Total Other Current Liabilities	2,29,09,68,812	1,73,50,07,464

NOTE NO. 9 : SHORT TERM PROVISIONS

a) Provisions for employee benefits			
	Provision for Gratuity	1,25,97,505	1,08,73,114
	Provision for Bonus	45,32,336	34,87,361
	Provision for Management Deferred License	17,14,88,809	6,04,61,792
	Provision for accruals	1,43,02,169	1,19,16,382
b) Others			
	Provision for Income Tax	13,77,599	13,77,599
	Provision for MAT	-	1,81,41,978
	Provision for FBT	74,919	74,919
	Provision for Bad and Doubtful Debts	1,17,29,559	1,16,37,726
	Total Short Term Provisions	21,61,02,896	11,79,70,871

NOTE NO 10 : FIXED ASSETS :

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Block As at 01-04-2014	Additions During the Year	Sales During the year	Total Cost as at 31-03-2015	Upto 31-03-2014	Transfer to Retained Earnings	For the year	Adjustments during the year	Total as at 31-03-2015	As on 31-03-2015	As on 31-03-2014
Land	17,32,96,830	-	-	17,32,96,830	-	-	-	-	-	17,32,96,830	17,32,96,830
Building	1,62,77,76,035	-	-	1,62,77,76,035	51,95,83,517	-	1,99,19,546	-	53,95,03,063	1,08,82,72,972	1,10,81,92,518
Furniture & Fixtures	37,69,80,752	-	-	37,69,80,752	26,60,39,152	4,66,00,831	1,58,16,966	-	32,84,56,949	4,85,23,803	11,09,41,600
Air Conditioners	16,04,27,348	-	-	16,04,27,348	9,31,47,680	3,80,35,637	70,73,346	-	13,82,56,664	2,21,70,684	6,72,79,668
Electrical Fittings	19,94,81,641	-	-	19,94,81,641	9,04,17,355	90,88,906	3,05,14,270	-	13,00,20,530	6,94,61,111	10,90,64,286
Vehicles	7,50,27,273	1,15,52,972	1,21,70,809	7,44,09,436	2,76,33,765	-	69,00,476	24,99,389	3,20,34,851	4,23,74,585	4,73,93,508
Plant and machinery	8,60,23,299	-	-	8,60,23,299	3,19,40,042	-	46,37,045	-	3,65,77,088	4,94,46,211	5,40,83,257
Generator	13,65,000	-	-	13,65,000	5,07,868	-	3,64,023	-	8,71,890	4,93,110	8,57,133
Misc. Fixed Asset	38,54,03,178	-	-	38,54,03,178	24,35,10,453	6,33,25,199	3,00,09,784	-	33,68,45,436	4,85,57,742	14,18,92,725
Total	3,08,57,81,356	1,15,52,972	1,21,70,809	3,08,51,63,519	1,27,27,79,831	15,70,50,572	11,52,35,456	24,99,389	1,54,25,66,471	1,54,25,97,048	1,81,30,01,525
Previous Year	4,55,63,97,117	4,45,71,125	1,51,71,86,886	3,08,57,81,356	1,15,80,82,849	-	13,41,97,779	1,95,00,796	1,27,27,79,831	1,81,30,01,525	3,40,03,14,268

Notes To Financial Statements For The Year Ended March 31st 2015

S.NO	PARTICULARS	AS ON 31-03-2015 (₹)	AS ON 31-03-2014 (₹)
NOTE NO. 11 : NON- CURRENT INVESTMENTS			
Non- Current Assets			
1) Investment in Subsidiaries			
a) Equity Shares			
Unquoted			
	27,44,530 Shares of Rs.10/- each in Café'd lake Pvt. Ltd.	7,03,69,750	7,03,69,750
	40,00,000 Shares of Rs.10/- each in Crustum Products Pvt. Ltd.	4,00,00,000	4,00,00,000
	46,69,267 Shares of Rs. 10/- each in Minerva Hospitalities Pvt. Ltd.	4,66,92,670	4,66,92,670
	10,000 Shares of Rs.10/- each in Viceroy Chennai Hotels & Resorts Pvt. Ltd.	1,00,000	1,00,000
	Sub Total	15,71,62,420	15,71,62,420
2) Investments in Associate			
a) Equity Shares			
Unquoted			
	78,83,615 Shares of Rs.10/- each in Viceroy Bangalore Hotels Pvt. Ltd	63,98,00,278	54,66,64,825
	Sub Total	63,98,00,278	54,66,64,825
	Total Non Current Investments	79,69,62,698	70,38,27,245
NOTE NO. 12: LONG TERM LOANS AND ADVANCES			
Capital Advances			
	Secured, Considered Good	-	-
	Unsecured, Considered Good	74,41,40,054	48,81,75,732
	Sub Total	74,41,40,054	48,81,75,732
Security Deposit			
	Secured, Considered Good	95,13,195	4,57,64,032
	Unsecured, Considered Good	63,90,318	-
	Sub Total	1,59,03,513	4,57,64,032
Loans & Advances			
	Subsidiary Company Advances	37,58,42,883	67,23,44,838
	Secured, Considered Good	-	-
	Other Advances	40,71,44,166	18,93,90,020
	Sub Total	78,29,87,049	86,17,34,858
	Secured, Considered Good	-	-
	Loans Receivable	11,81,133	5,62,10,226
	Advances Recoverable in Cash or in kind	18,45,879	8,81,47,961
	Sub Total	30,27,012	14,43,58,187
	Total Long Term Loans and Advances	1,54,60,57,629	1,54,00,32,809

Notes To Financial Statements For The Year Ended March 31st 2015

S.NO	PARTICULARS	AS ON 31-03-2015 (₹)	AS ON 31-03-2014 (₹)
NOTE NO. 13 : OTHER ASSETS (CURRENT & NON CURRENT)			
	Unamortised Expenses	-	-
	Rent Receivable	-	90,57,063
	Other Non Current Assets	-	-
	Other Current Assets	2,64,65,922	-
	Total	2,64,65,922	90,57,063
NOTE NO. 14 : INVENTORIES			
a) Finished goods			
	(i) Food Inventory	19,52,527	11,82,860
	(ii) Beverage Inventory	64,81,525	48,74,460
	(iii) Linen Inventory	-	-
	(iv) General Inventory	-	-
	(v) Printing & Stationery	-	-
	(vi) Tobacco Inventory	2,05,308	1,04,147
	(vii) Diesel Inventory	-	-
	Total Inventories	86,39,360	61,61,467
NOTE NO. 15 : TRADE RECEIVABLES			
Other Receivables:			
	Secured, Considered Good	-	-
	Unsecured, Considered Good	22,94,22,113	18,32,27,687
	Total Trade Receivables	22,94,22,113	18,32,27,687
NOTE NO. 16 : CASH AND BANK BALANCES			
Cash and cash equivalents :			
	a) Balances with banks :		
	1) On Current Accounts	1,89,64,393	72,33,120
	b) Cash on hand	1,17,94,209	37,72,203
	Sub total	3,07,58,602	1,10,05,323
Other Bank Balances			
On Deposit Accounts			
	1) Having Maturity more than 12 months from the date of deposit	-	43,000
	Sub total	-	43,000
	Total Cash and Cash Equivalents	3,07,58,602	1,10,48,323

Notes To Financial Statements For The Year Ended March 31st 2015

S.NO	PARTICULARS	Year Ended 31-03-2015 (₹)	Year Ended 31-03-2014 (₹)
NOTE NO. 17 : SHORT TERM LOANS AND ADVANCES			
Secured, Considered Good			
	Loans and Advances to Employees	7,95,496	7,50,063
	Prepaid Expense	3,93,22,551	2,14,84,216
	Advances to related parties	-	-
	Advances Recoverable in Cash or in kind	65,61,073	1,40,36,891
	Total Short Term Loans and Advances	4,66,79,120	3,62,71,170
NOTE NO. 18 : REVENUE FROM OPERATIONS			
Revenue from operations in respect of non-finance Company			
	(a) Sale of Products	69,45,50,010	66,77,39,599
	(b) Sale of Services	3,42,40,512	-
	(c) Other Operating Revenues	4,42,20,244	4,25,09,957
	(d) Rebates	-	-
	(e) Less: Rebates	-	-
	Total Revenue from Operations	77,30,10,766	71,02,49,556
NOTE NO. 19 : OTHER INCOME			
	(a) Interest income	24,25,034	22,39,810
	(b) Dividend Income	-	-
	(c) Other non-operating income	1,69,488	1,88,000
	(d) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)	3,03,262	-
	Total Other Income	28,97,784	24,27,810
NOTE NO. 20 : COST OF MATERIALS			
Food & Beverages			
	Opening Stock	61,61,467	69,67,744
	Add : Purchases During the year	8,54,58,896	7,82,32,542
	Less : Closing Stock	86,39,360	61,61,467
	Total Cost of Material Consumed	8,29,81,003	7,90,38,819
NOTE NO. 21 : EMPLOYEE BENEFIT EXPENSES			
	(a) Salaries & Wages	13,48,26,451	12,73,07,481
	(b) Contribution to Provident & Other Funds	1,04,99,907	1,06,17,045
	(c) Managerial Remuneration	30,00,000	21,00,000
	(d) Staff Welfare Expenses	37,642	1,09,200
	Total Employee Benefit Expenses	14,83,64,000	14,01,33,726

Notes To Financial Statements For The Year Ended March 31st 2015

S.NO	PARTICULARS	Year Ended 31-03-2015 (₹)	Year Ended 31-03-2014 (₹)
NOTE NO. 22 : OTHER OPERATING EXPENSES			
	(a) Power & Fuel	9,34,54,446	7,61,43,990
	(b) Repairs to Building	4,95,553	15,67,392
	(c) Insurance	30,83,696	28,57,961
	(d) Rates & Taxes (excluding Income Tax)	29,10,507	30,34,917
	(e) Miscellaneous Expenditure	1,33,22,798	1,26,17,712
	(f) Payment to Auditors:		
	(i) As Auditor	4,49,440	4,49,440
	(g) Net loss on foregin currency transaction		9,34,572
	(h) Reservation Expenses		
	(i) Water Charges	4,27,225	-
	(j) Net loss on sale of Assets	57,71,420	86,52,315
	(k) Rental Expenses	78,43,381	-
	(l) Repairs & Maintenance	73,76,028	1,53,42,288
	(m) Other Operating Expense	-	-
	Total Other Expenses	13,51,34,494	12,16,00,587
NOTE NO. 23 : ADMINISTRATIVE EXPENSES			
	(a) Telephone, Postage and Others	19,77,173	22,10,813
	(b) Business Promotion Expenses	8,10,64,122	6,50,06,261
	(c) Conveyance	1,22,79,588	1,11,19,154
	(d) Office Maintenance	14,47,722	17,84,156
	(e) Printing & Stationery Expenses	4,90,721	25,82,153
	(f) Consultancy Charges	18,08,563	9,000
	(g) Fright expenses & Transportation Expenses	-	7,342
	(h) Laundry expenses	42,96,679	6,37,810
	(i) License Fee	-	-
	(j) Director Sitting Fee	1,30,000	-
	(k) Royalty Fee	-	-
	(i) Bad debts written off	91,833	27,00,000
	(l) Other Administrative Expenses	-	-
	Total Administrative Expenses	10,35,86,401	8,60,56,689
NOTE NO. 24 : FINANCE COST			
	(a) Interest Expenses		
	- Interest on Term loans	17,42,72,861	16,80,20,769
	- Interest on Axis Bank - NCD'S	5,94,99,999	5,94,99,999
	- Interest on Unsecured Loan	90,000	-
	- Loan processing Charges & Bank Charges	1,53,388	12,57,995
	- Interest on OD	31,53,169	25,92,691
	- Interest on TDS	-	-
	(b) Credit Card commission	42,64,220	-
	Total Finance Cost	24,14,33,637	23,13,71,454

Significant Accounting Policies

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

(a) Basis of preparation of financial Statements.

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

b) Use of estimates

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

(c) Revenue Recognition:

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

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

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

- Initial Access Premium Fee charged to franchisees, in consideration of being considered as competent to open a restaurant under a Company owned trademark, is recognized on formalization of the franchise agreement. The Initial Access Premium Fee is non – refundable, regardless of whether the restaurant outlet under the franchise agreement commences operations or not.56
- Royalty and Management Fee charged to franchisees for the use of the trademarks is calculated as a percentage of monthly sales of the restaurant and accrued for in line with restaurant sales.

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

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

(d) Employee Benefits:

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

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

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

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

(e) Investments

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

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

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

(f) Fixed Assets:

(i) Tangible Assets

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

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

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

(ii) Intangible assets

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

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

Trademarks are amortized uniformly over a period of five years.

(g) Depreciation:

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

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

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

(h) Impairment of Assets:

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

(i) Transactions in Foreign Exchange:

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

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

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

(j) Borrowing Cost:

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

(k) Inventories:

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

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

(l) Taxes on income:

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

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

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

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

Contingent Assets are not recognized in the financial statements.

(n) Earnings per Share:

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

Notes to Financial Statements

25. Basic Earnings Per Share (Basic EPS)

Particulars	Current Year Rs.	Previous Year Rs.
Net Profit after Tax	(5,05,37,722)	(1,30,55,64,299)
Weighted Average Number of Shares Considered	4,24,05,224	4,24,05,224
EPS	(1.19)	(30.79)

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

Particulars	Current Year Rs.	Previous Year Rs.
Provision for Income Tax/ Deferred Tax	2,88,718	(28,80,525)

27. In relation of Managerial Remuneration:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Director Remuneration & Sitting Fee	31.30	21.00

28. Auditors Remuneration:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Audit Fees Including Service Tax	4.49	4.49

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

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

i) Claims against the company pending appellate/ judicial decisions:

a) E.S.I	Rs. 67,70,937/- (Previous Year Rs. 67,70,937/-)
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ii) Guarantees:

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

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

31. Expenditure in Foreign Currency:

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Royalties & Others	4.19	5.93

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

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Earning in Foreign Exchange	10.21	12.20

33. In relation of Secured (Term) Loans:

Asset Reconstruction Company of India Limited - Taken over from Axis Bank Limited.	Subservient charge on movable and immovable assets of Hyderabad Marriott hotel and Subservient charge on movable and immovable fixed assets of company (except Bangalore and Chennai projects). The existing Limit Further secured by Second Charge on Mortgage by Deposit of Title Deeds of Landed Properties In Sy.No.140 (new No. 181) admeasuring 14,092 Sq.yards (2) In Sy.No.139 admeasuring 346.72 Sq.Yards (3) 1-3-1036/1, 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
Andhra Bank Credit Card	1. First Charge on Current Assets of the Hyderabad Marriott Hotel, a Unit of Viceroy Hotels Limited 2. Second Charge on Fixed Block of the Hyderabad Marriott Hotel.
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 Pvt. Ltd - Taken over from Lakshmi 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.
Central Bank of India	The Existing Loan Facilitiy Of Rs.75,00,00,000/- Further Secured By Deposit Of Title Deeds Of The Property Situated At H.No.15-3-23, Open Land Admeasuring 6022.5 Sq.Yards Situated At Venkateswara Nagar, Maharanipeta, Visakhapatnam Belongs To M/S Banjara Hospitalities Pvt Ltd Merged With Viceroy Hotels Limited Pursuant To The Scheme Of Arrangement Aproved By Hon'ble High Count Of Ap Vide Order Dated:1st May,2007. No Other Changes In The Existing Terms And conditions

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 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.,

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

S. NO	NAME OF THE BANK INSTITUTION	AMOUNT OUTSTANDING AND DUE (IN CRORES)	INTEREST OUTSTANDING	TOTAL OUTSTANDING
1	STATE BANK OF INDIA	24.40	32.84	57.24
2	CANARA BANK	9.11	18.79	27.90
3	ANDHRA BANK	14.86	5.66	20.52
4	CENTRAL BANK OF INDIA	45.00	7.35	52.35
5	IARC Pvt. Ltd.	13.84	16.34	30.17
6	ARCIL	22.14	29.39	51.53
7	ARCIL (AXIS – NCDs)	42.50	20.75	63.25
8	ARCIL	20.00	7.08	27.08
	TOTAL	191.85	138.20	330.05

Note : The above balances outstanding are subject to confirmation from banks and other institutions.

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

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

Particulars	Subsidiaries	Associate	Key Managerial Persons	Others	Total
Loans & Advances given	3,52,00,000	18,88,66,285	-	4,52,000	22,45,18,285
Investments	-	9,31,35,453	-	-	9,31,35,453
Unsecured Loans Taken	-	-	-	7,15,37,394	7,15,37,394
Director Remuneration & Sitting fee	-	-	31,30,000	-	31,30,000

36. In accordance with provisions of Schedule II of Companies Act, 2013, in case of fixed assets which have completed the useful life as at 31st March 2014, the carrying value as on 01.04.2014 amounting to Rs.15,70,50,572/- has been recognized in the Retained earnings as a transitional provision.

Further in case of assets acquired prior to 1st April, 2014, the carrying value of assets is depreciated over the remaining useful life as specified in the companies Act, 2013 effective 1st April, 2014.

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

AS PER OUR REPORT OF EVEN DATE

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

Sd/-

M V JOSHI

Partner
Membership No. 024784
Hyderabad
30-05-2015

FOR VICEROY HOTELS LIMITED

Sd/-

P. PRABHAKAR REDDY
Managing Director

Sd/-

P. CHAKRADHAR REDDY
Director

Sd/-

K. GURAVA RAJU
Chief Financial Officer

Sd/-

Y. K. PRIYADARSHINI
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

PARTICULARS	Current Year (₹)	Previous Year (₹)
I. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	(5,08,26,440)	(1,30,84,44,824)
Adjustments for :		
Depreciation	11,52,35,456	13,41,97,779
Financial Cost	24,14,33,637	23,13,71,454
Operating cash flow before working capital changes	30,58,42,653	(94,28,75,592)
(Increase) / Decrease in Inventory	(24,77,893)	8,06,277
(Increase) / Decrease in Trade Receivables	(4,61,94,427)	(19,39,935)
(Increase) / Decrease in Short Term Loans & Advances	(1,04,07,951)	(30,79,357)
(Increase) / Decrease in other current assets	(1,60,000)	-
(Increase) / Decrease in Other Non-Current Assets	(1,74,08,859)	(65,74,863)
Increase / (Decrease) in Short Term Borrowing	(8,90,68,919)	8,06,56,034
Increase / (Decrease) in Trade Payables	(20,30,48,784)	(18,02,60,365)
Increase / (Decrease) in Other Current Liabilities	55,59,61,348	(1,74,61,13,530)
Increase / (Decrease) in Short Term Provisions	9,81,32,025	1,07,61,148
CASH GENERATED FROM OPERATIONS	59,11,69,193	(2,78,86,20,182)
Less : Income Tax Paid	-	-
CASH GENERATED FROM OPERATING ACTIVITIES	59,11,69,193	(2,78,86,20,182)
II. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed Assets	(1,15,52,972)	(4,45,71,125)
Sale of fixed Assets	1,21,70,809	1,51,71,86,886
Capital Work in Progress, Pre-operative Expenses	(63,88,19,954)	6,01,96,55,582
Investment	(9,31,35,454)	(7,35,64,474)
Adjustments of fixed Assets	(24,99,389)	(1,95,00,796)
(Increase) / Decrease in Long Term Loans & Advances	(60,24,820)	(27,39,98,282)
NET CASH AVAILABLE FROM INVESTING ACTIVITIES	(73,98,61,779)	7,12,52,07,790
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Share Capital	-	-
Repayment of Loan	40,69,85,857	(4,11,56,16,552)
Share Premium and Capital Reserve	-	-
Interest Paid	(24,14,33,637)	(23,13,71,454)
Increase / (Decrease) in Other Long Term Liabilities	28,50,643	(11,47,594)
NET CASH USED IN FINANCING ACTIVITIES	16,84,02,864	(4,34,81,35,600)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,97,10,278	(1,15,47,993)
Add : Opening balance of Cash & Cash equivalents	1,10,48,323	2,25,96,316
Closing balance of Cash & Cash equivalents	3,07,58,601	1,10,48,323

AS PER OUR REPORT OF EVEN DATE

FOR P. MURALI & CO.,

Chartered Accountants

Firm's Regn. No. : 007257S

Sd/-

M V JOSHI

Partner

Membership No. 024784

Hyderabad

30-05-2015

FOR VICEROY HOTELS LIMITED

Sd/-
P. PRABHAKAR REDDY
Managing Director

Sd/-
P. CHAKRADHAR REDDY
Director

Sd/-
K. GURAVA RAJU
Chief Financial Officer

Sd/-
Y. K. PRIYADARSHINI
Company Secretary

CERTIFICATE

To

The Board of Directors,

Viceroy Hotels Limited,
8-2-120/115/14, 5th Floor,
Shangrila Plaza, Road No.2,
Banjara Hills, Hyderabad - 500 034

We have examined the attached Cash Flow Statement of M/s. Viceroy Hotels Limited for the year ended 31st March, 2015. The Statement has been prepared by the Company in accordance with requirements of Clause 32 of listing agreement with Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report dated 31st March, 2015 to the members of the Company.

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

Place : Hyderabad
Date : 30-05-2015

M V JOSHI
Partner
Membership No.024784

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIALS STATEMENTS

To the Members of VICEROY HOTELS LIMITED

Report on the consolidated Financial Statements

We have audited the accompanying consolidated financial statements of VICEROY HOTELS LIMITED ("the Company"), its subsidiaries and an associate (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view. In order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Group, as at March 31, 2015, their consolidated loss, and their consolidated cash flows for the year ended on that date.

Other Matter

We have relied on the unaudited financial statements of an associate where in the group's share of loss aggregate Rs.70,35,235/-. These unaudited financial statements as approved by the respective board of directors of these companies have been furnished to us by the management and our report insofar as it relates to the amounts included in respect of these subsidiaries is based solely on such approved unaudited financial statements.

Our report is not qualified in respect of other matters.

Place: Hyderabad
Date : 30-05-2015

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

Sd/-
M V JOSHI
Partner
Membership No. 024784

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

PARTICULARS	Note No.	AS ON 31-03-2015 (₹)	AS ON 31-03-2014 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	42,40,52,240	42,40,52,240
(b) Reserves and Surplus	2	1,02,69,86,788	64,82,99,735
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	4,10,18,25,395	3,14,50,64,634
(b) Deferred Tax Liabilities (Net)	4	19,38,72,543	19,58,32,107
(c) Other Long Term Liabilities	5	1,61,23,199	1,64,85,230
(d) Long Term Provisions		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	6	5,01,60,294	11,15,52,096
(b) Trade Payables	7	20,20,26,493	39,11,88,263
(c) Other Current Liabilities	8	2,34,70,46,569	1,78,33,79,664
(d) Short-Term Provisions	9	21,86,43,835	12,05,64,995
Total		8,58,07,37,356	6,83,64,18,964
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	1,76,67,53,048	2,06,98,50,854
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		3,58,06,20,591	2,83,94,44,572
(iv) Intangible assets under development		-	-
(b) Non-current investments*	11	1,25,12,18,414	54,66,64,825
(c) Deferred tax assets (net)	4	-	-
(d) Long Term Loans and advances	12	1,51,06,81,448	94,71,71,337
(e) Other Non-Current assets	13	7,77,070	90,72,563
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	14	1,41,66,814	1,13,83,574
(c) Trade receivables	15	24,10,57,275	19,33,19,780
(d) Cash and Bank Balances	16	3,80,94,588	1,49,31,634
(e) Short-Term Loans and Advances	17	15,07,42,186	20,44,67,190
(f) Other Current assets	18	2,66,25,922	1,12,635
Total		8,58,07,37,356	6,83,64,18,964

Significant Accounting Policies Notes to Financial Statements (1 to 41)

AS PER OUR REPORT OF EVEN DATE

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

Sd/-
M V JOSHI
Partner
Membership No. 024784
Hyderabad
30-05-2015

FOR VICEROY HOTELS LIMITED

Sd/-
P. PRABHAKAR REDDY
Managing Director

Sd/-
P. CHAKRADHAR REDDY
Director

Sd/-
K. GURAVA RAJU
Chief Financial Officer

Sd/-
Y. K. PRIYADARSHINI
Company Secretary

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	Note No.	Year Ended 31-03-2015 (₹)	Year Ended 31-03-2014 (₹)
I. Revenue from Operations	19	1,09,76,73,258	1,04,70,97,707
II. Other Income	20	31,15,508	24,92,708
III. Total Revenue (I +II)		1,10,07,88,766	1,04,95,90,415
IV. Expenses:			
Cost of materials consumed/ Cost of Software Development	21	21,43,76,906	21,67,02,361
Employee Benefit expenses	22	21,87,08,882	22,08,64,586
Other Operating Expenses	23	19,81,82,613	19,97,93,073
Administrative Expenses	24	13,44,36,151	11,62,16,724
Financial costs	25	25,46,30,906	23,91,40,740
Depreciation and amortization expense	10	14,09,49,926	15,02,78,013
Total Expenses		1,16,12,85,384	1,14,29,95,497
V. Profit before exceptional and extraordinary items and tax (III - IV)		(6,04,96,618)	(9,34,05,082)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(6,04,96,618)	(9,34,05,082)
VIII. Extraordinary Items		-	1,22,87,23,137
IX. Profit Before Tax (VII - VIII)		(6,04,96,618)	(1,32,21,28,219)
X. Tax expense:			
(1) Current tax		22,62,551	25,94,124
(2) Deferred tax		19,62,266	(26,81,958)
XI. Profit(Loss) from the period from Continuing Operations (VII - VIII)		(6,07,96,903)	(1,32,20,40,385)
Share of profit of Associate		(70,35,235)	
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax expense of Discounting Operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		(6,78,32,138)	(1,32,20,40,385)
XVI. Earning per equity share:			
(1) Basic		(1.60)	(31.18)
(2) Diluted		(1.60)	(31.18)

Significant Accounting Policies Notes to Financial Statements (1 to 41)

AS PER OUR REPORT OF EVEN DATE

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

Sd/-
M V JOSHI
Partner
Membership No. 024784
Hyderabad
30-05-2015

FOR VICEROY HOTELS LIMITED

Sd/-
P. PRABHAKAR REDDY
Managing Director

Sd/-
P. CHAKRADHAR REDDY
Director

Sd/-
K. GURAVA RAJU
Chief Financial Officer

Sd/-
Y. K. PRIYADARSHINI
Company Secretary

Notes To Financial Statements For The Year Ended March 31st 2015

S.NO	PARTICULARS	AS ON 31-03-2015 (₹)	AS ON 31-03-2014 (₹)
NOTE NO. 1 : SHARE CAPITAL			
A Share Capital			
(a)	Authorised		
	(No. of Equity Shares 4,50,00,000)	45,00,00,000	45,00,00,000
	(No. of Preference Shares 10,00,000)	10,00,00,000	10,00,00,000
	Total Authorised Share Capital	55,00,00,000	55,00,00,000
(b)	Issued		
	(No. of Shares 4,24,05,224)	42,40,52,240	42,40,52,240
(c)	Subscribed & Fully Paid Up		
	(No. of Shares 4,24,05,224)	42,40,52,240	42,40,52,240
(d)	Subscribed & not fully paid up	-	-
	<u>Par Value</u> : Per Equity Share Rs. 10/- Per Preference Share Rs. 100/-		
	Total Equity Share capital	42,40,52,240	42,40,52,240
B A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:			
(Equity Shares of Rs. 10/- Each, Fully paid up)			
	At the Beginning	4,24,05,224	4,24,05,224
	Issued during the year - Bonus Issue	-	-
	Issued during the year - Cash Issue	-	-
	Issued during the year - ESOP	-	-
	Forfeited / Bought Back during the year	-	-
	At the end	4,24,05,224	4,24,05,224

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

Name of Shareholder	No. of Shares		% of Share Holding	
	Current Year	Previous Year	Current Year	Previous Year
(1) Jhunjhunwala Rakesh Radheshyam	57,07,566	57,07,566	13.46	13.46
(2) P. Chakradhar Reddy	41,04,351	41,03,651	9.68	9.68
(3) REL Utility Engineers Limited	25,00,000	25,00,000	5.90	5.90

Notes To Financial Statements For The Year Ended March 31st 2015

S.NO	PARTICULARS	AS ON 31-03-2015 (₹)	AS ON 31-03-2014 (₹)
NOTE NO. 2 : RESERVES AND SURPLUS			
I. a) Capital Reserve			
	As at the commencement of the year	74,33,996	74,33,996
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
	Sub -Total	74,33,996	74,33,996
b) Securities Premium Reserve			
	As at the commencement of the year	1,71,77,85,670	1,71,77,85,670
	Add: Additions during the year	63,70,86,192	-
	Less: Utilised during the year	-	-
	Sub -Total	2,35,48,71,862	1,71,77,85,670
c) Debenture redemption reserve			
	As at the commencement of the year	5,00,00,000	5,00,00,000
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
	Sub -Total	5,00,00,000	5,00,00,000
d) Revaluation reserve			
		79,19,430	79,19,430
e) Share options outstanding account			
		-	-
f) General Reserves			
	As at the commencement of the year	3,20,25,000	3,20,25,000
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
	Sub -Total	3,20,25,000	3,20,25,000
g) Surplus :			
i) Opening Balance - Profit and Loss Account			
		(1,16,68,73,113)	15,51,78,724
	Add: Transfer from Profit & Loss Account	(8,64,64,961)	(1,32,20,30,083)
	Add:	-	-
	Less: Transfer To General Reserve	-	-
	Less: Goodwill Written Off	-	-
	Less: Retained Earnings Asset	17,19,25,427	-
	Sub -Total	(1,42,52,63,500)	(1,16,68,51,359)
ii) Dividend			
		-	-
iii) Bonus shares			
		-	-
iv) Transfer to/from reserves.			
		-	-
II. A Reserve specifically represented by earmarked investments			
		-	-
III. Negative balance of reserves and surplus account			
		-	-
	Total Reserves and Surplus	1,02,69,86,788	64,82,99,735

Notes To Financial Statements For The Year Ended March 31st 2015

S.NO	PARTICULARS	AS ON 31-03-2015 (₹)	AS ON 31-03-2014 (₹)
NOTE NO. 3 : LONG TERM BORROWINGS			
Long Term borrowings			
a)	Bonds/debentures		
	Secured	42,50,00,000	42,50,00,000
	(500 NCDs, Face Value - 10,00,000 , 14% rate of Interest)		
	Sub -Total	42,50,00,000	42,50,00,000
b) i)	Term Loans		
	From Banks and Financial Institutions	1,71,84,27,172	1,63,81,95,151
	From IARC & TFCI	20,28,60,000	13,83,60,000
	From Others	2,90,25,673	7,82,99,796
	Sub -Total	1,95,03,12,845	1,85,48,54,947
ii)	Un Secured Loans		
	From Banks	4,66,63,565	13,29,037
	From Financial Institutions	-	-
	From Others	1,67,98,48,985	86,38,80,651
	Sub -Total	1,72,65,12,549	86,52,09,688
	Total Long Term Borrowings	4,10,18,25,395	3,14,50,64,635
NOTE NO. 4 : DEFERRED TAX LIABILITY (NET)			
	Opening Deferred tax Liability	19,58,34,809	19,85,14,065
	Add: Deferred Tax Liability for the year (Due to SLM and WDV Difference)	(19,62,266)	(26,81,958)
	Deferred Tax Liability for the year (Due to Others)	-	-
	Deferred Tax Liability	19,38,72,543	19,58,32,107
	Deferred Tax Liability/ (Asset) - Net	19,38,72,543	19,58,32,107
NOTE NO. 5 : OTHER LONG TERM LIABILITIES			
a)	Trade Payables & Others		
	- Advance from Customers	1,61,23,199	1,64,85,230
	- Other Liabilities	-	-
b)	Others	-	-
	Total Long Term Liabilities	1,61,23,199	1,64,85,230
NOTE NO. 6 : SHORT TERM BORROWINGS.			
Short term borrowings			
a)	Cash Credits and Working Capital Demand Loan from Banks		
	- Secured	5,01,60,294	7,23,02,186
b)	Other Loans and advances	-	3,92,49,910
	Total Short Term Borrowings	5,01,60,294	11,15,52,096

Notes To Financial Statements For The Year Ended March 31st 2015

S.NO	PARTICULARS	AS ON 31-03-2015 (₹)	AS ON 31-03-2014 (₹)
NOTE NO. 7 : TRADE PAYABLES			
I. a)	Trade Payables	19,84,38,890	39,11,88,264
	b) Acceptances	35,87,603	-
	b) Dues to Micro & Small Medium Enterprises	-	-
	Total Trade Payables	20,20,26,493	39,11,88,264
NOTE NO. 8 : OTHER CURRENT LIABILITIES			
I. a)	Current maturities of long term debt	65,52,62,971	78,51,00,000
	b) Current maturities of finance lease obligation	-	-
	b) interest accrued but not due on borrowings	38,60,049	38,60,049
	c) Interest accrued and due on borrowings.	1,34,58,15,406	88,10,12,221
	d) Other Payables		
	(i) Rent payable	78,77,942	70,89,701
	(ii). Audit fee Payable	65,65,840	58,56,354
	(iii). Electricity Charges Payable	37,86,149	33,21,203
	(iv). Bonus Payable	6,46,903	-
	(v) Statutory Liabilities	7,99,58,883	7,99,70,868
	(vi) PF & ESI Payable	26,26,485	22,16,415
	(vii)Salaries Payable	1,06,47,986	77,29,219
	(viii) other Payable	20,40,168	17,20,726
	(ix)other creditors	22,24,67,878	-
	(x) Royalty Payable	54,89,908	54,89,908
	Total Other Current Liabilities	2,34,70,46,569	1,78,33,66,664
NOTE NO. 9 : SHORT TERM PROVISIONS			
I. a)	Provisions for employee benefits		
	Provision for Gratuity	1,25,97,505	1,08,73,114
	Provision for bonus	45,32,336	34,87,361
	Provision for Management deferred license	17,14,88,809	6,04,61,792
	Provision for Accruals	1,43,02,169	1,19,16,382
	b) Others		
	Provision for income tax	39,18,538	39,71,723
	Provision for MAT	-	1,81,41,978
	Provision for FBT	74,919	74,919
	Provision for Bad & Doubtful debts	1,17,29,559	1,16,37,726
	Total Short Term Provisions	21,86,43,835	12,05,64,995

CONSOLIDATED FINANCIALS

NOTE NO 10 : FIXED ASSETS :

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As on 01-04-2014	Additions During the Year	Sale / Deletions During the year	as on 31-03-2015	Dep. as on 01-04-2014	Dep. for the year 01-04-2015	Transfer to Retained Earnings	Adjustments During the Year	Total Depreciation	As on 31-03-2015	As on 31-03-2014
Land	17,32,96,830	-	-	17,32,96,830	-	-	-	-	-	17,32,96,830	17,32,96,830
Building	1,73,59,22,871	-	-	1,73,59,22,871	54,49,07,604	2,13,71,597	-	-	56,62,79,201	1,16,96,43,670	1,19,10,15,267
Furniture & Fixtures	43,97,58,338	18,25,841	-	44,15,84,179	29,11,32,040	2,53,29,664	5,28,07,091	-	36,92,68,795	7,23,15,385	14,86,26,298
Air Conditioners	16,04,27,348	-	-	16,04,27,348	9,31,47,680	70,73,346	3,80,35,637	-	13,82,56,664	2,21,70,684	6,72,79,668
Electrical Fittings	20,77,12,362	6,81,371	-	20,83,93,733	9,48,26,883	3,11,19,550	98,20,638	-	13,57,67,070	7,26,26,662	11,28,85,479
Vehicles	8,98,63,283	1,32,93,255	1,50,21,972	8,81,34,566	3,39,43,333	82,56,110	2,92,120	40,31,032	3,84,60,532	4,96,74,034	5,59,19,950
Plant and machinery	22,49,10,995	27,86,316	-	22,76,97,311	7,89,39,209	1,57,74,174	28,77,712	-	9,75,91,095	13,01,06,216	14,59,71,786
Generator	13,65,000	-	-	13,65,000	5,07,868	3,64,023	-	-	8,71,891	4,93,109	8,57,132
Misc. Fixed Asset	42,92,50,619	21,74,560	-	43,14,25,179	25,64,76,674	3,11,10,931	6,80,46,364	-	35,56,33,969	7,57,91,210	17,27,73,945
Computers	93,90,764	7,143	-	93,97,907	81,66,265	5,50,530	45,866	-	87,62,661	6,35,246	12,24,499
TOTAL	3,47,18,98,410	2,07,68,486	1,50,21,972	3,47,76,44,924	1,40,20,47,556	14,09,49,926	17,19,25,427	40,31,032	1,71,08,91,877	1,76,67,53,048	2,06,98,50,854
PREVIOUS YEAR	4,87,85,72,506	11,05,12,790	1,51,71,86,886	3,47,18,98,410	1,27,12,70,340	15,02,78,013	-	1,95,00,797	1,40,20,47,556	2,06,98,50,854	3,60,73,02,166

Notes To Financial Statements For The Year Ended March 31st 2015

S.NO	PARTICULARS	AS ON 31-03-2015 (₹)	AS ON 31-03-2014 (₹)
NOTE NO. 11 : NON- CURRENT INVESTMENTS			
Non- Current Assets			
	1) Investment in Instrument	-	-
Unquoted			
	78,83,615 Equity Shares of Rs.10/- each in Viceroy Bangalore Hotels Pvt.Ltd	1,25,12,18,414	54,66,64,825
	Total Non Current Investments	1,25,12,18,414	54,66,64,825
	Less: Provision for Diminution in Investments	-	-
	Total Non - Current Assets (Net)	1,25,12,18,414	54,66,64,825
NOTE NO. 12: LONG TERM LOANS AND ADVANCES			
Capital Advances			
	Secured, Considered Good	-	-
	Unsecured, Considered Good	74,41,40,054	48,81,75,732
	Less: Provision for Bad & doubtful Capital Advances	-	-
	Sub Total	74,41,40,054	48,81,75,732
Security Deposit			
	Secured, Considered Good	95,13,195	4,57,64,032
	Unsecured, Considered Good	95,08,842	-
	Less: Provision for Bad & doubtful Security Deposit	-	-
	Sub Total	1,90,22,037	4,57,64,032
Un Secured, Considered Good			
	Capital Advances	-	-
	Security Deposit	-	-
	Loans Receivable	-	-
	Other Advances	3,10,11,917	18,93,90,020
	Other Loans & Advances	-	-
	Sub Total	3,10,11,917	18,93,90,020
Secured, Considered Good			
	Capital Advances	-	-
	Security Deposit	-	81,99,186
	Loans and Advances to others	6,00,49,621	9,98,80,174
	Advances for Investment	-	-
	Prepaid Expense	-	-
	Loans Receivable	-	-
	Advances Recoverable in Cash or in kind	61,51,66,818	-
	Sub Total	67,52,16,439	10,80,79,360

Notes To Financial Statements For The Year Ended March 31st 2015

S.NO	PARTICULARS	AS ON 31-03-2015 (₹)	AS ON 31-03-2014 (₹)
Doubtful			
	Capital Advances	-	-
	Security Deposit	-	-
	Loans Receivable	-	-
	Advances Recoverable in Cash or in kind	4,12,91,000	11,57,62,193
	Sub Total	4,12,91,000	11,57,62,193
	Less: Provision for Bad & doubtful Loans & Advances to Related Party	-	-
	Sub Total	4,12,91,000	11,57,62,193
	Total Long Term Loans and Advances	1,51,06,81,448	94,71,71,337
NOTE NO. 13 : OTHER NON CURRENT ASSETS			
I	Unamortised Expenses	6,46,234	15,500
	Interest Accrued on Deposits	1,15,336	-
	Dividend receivable	-	-
	Interest accrued on investments	-	-
	Export incentive Receivable	-	-
	Rent receivable	15,500	90,57,063
	Total Other Non Current Assets	7,77,070	90,72,563
NOTE NO. 14 : INVENTORIES			
a)	(i) Finished Goods	55,27,454	8,67,557
	(ii) Food Inventory	19,52,527	11,82,860
	(iii) Beverage Inventory	64,81,525	92,29,010
	(iv) Linen Inventory	-	-
	(v) General Inventory	-	-
	(vi) Printing & stationary	-	-
	(vii) Tobacco Inventory	2,05,308	1,04,147
	(viii) Diesel Inventory	-	-
b)	Stores and spares	-	-
c)	Loose tools	-	-
d)	Others	-	-
	Total Inventories	1,41,66,814	1,13,83,574
NOTE NO. 15 : TRADE RECEIVABLES			
Outstanding for a period exceeding six months from the date they are due for payment			
	Secured, Considered Good	-	-
	Unsecured, Considered Good	24,10,57,275	19,33,19,780
	Doubtful	-	-
	Less: Allowance for Bad & Doubtful Debts	-	-
	Sub Total	24,10,57,275	19,33,19,780
	Total Trade Receivables	24,10,57,275	19,33,19,780

Notes To Financial Statements For The Year Ended March 31st 2015

S.NO	PARTICULARS	AS ON 31-03-2015 (₹)	AS ON 31-03-2014 (₹)
NOTE NO. 16 : CASH AND BANK BALANCES			
I. Cash and cash equivalents :			
a) Balances with banks :		-	-
1) On Current Accounts		2,46,34,323	89,04,357
2) Margin Money		-	-
3) Bank deposits with more than 12 months maturity		-	-
b) Cash on hand		1,34,60,265	59,84,279
Other Bank Balances		-	-
On Deposit Accounts		-	-
1) Having Maturity more than 12 months from the date of deposit		-	43,000
Total Cash and Cash Equivalents		3,80,94,588	1,49,31,636
NOTE NO. 17 : SHORT TERM LOANS AND ADVANCES			
Security Deposit			
Secured, Considered Good		-	-
Unsecured, Considered Good		1,28,90,039	37,13,960
Doubtful		-	-
Less: Provision for Bad & doubtful Security Deposit		-	-
Sub Total		1,28,90,039	37,13,960
Loans & Advances			
Other Advances		-	13,95,37,975
Sub Total		-	13,95,37,975
Secured, Considered Good			
Loans and Advances to Employees		7,67,854	7,22,421
Statutory payments		-	-
Prepaid Expense		3,93,63,767	2,15,12,932
TDS Receivable		50,89,617	58,879
Advances Recoverable in Cash or in kind		9,26,30,909	3,89,21,024
Sub Total		13,78,52,147	6,12,15,256
Total Short Term Loans and Advances		15,07,42,186	20,44,67,191
NOTE NO. 18 : OTHER CURRENT ASSETS			
I Unamortised Expenses		2,66,25,922	-
Interest Accrued on Deposits		-	1,12,635
Dividend receivable		-	-
Interest accrued on investments		-	-
Export incentive Receivable		-	-
Total Other Current Assets		2,66,25,922	1,12,635

Notes To Financial Statements For The Year Ended March 31st 2015

S.NO	PARTICULARS	Year Ended 31-03-2015 (₹)	Year Ended 31-03-2014 (₹)
NOTE NO. 19 : REVENUE FROM OPERATIONS			
(i) Revenue from operations:			
	(a) Sale of Products & Services	1,00,19,95,412	98,69,23,210
	(b) Sale of Services	3,42,40,512	-
	(c) Other Operating Revenues	6,14,37,334	6,01,74,497
	Less: Excise Duties	-	-
	Total Revenue from Operations	1,09,76,73,258	1,04,70,97,707
NOTE NO. 20 : OTHER INCOME			
I	(a) Interest income	26,42,758	22,95,406
	(b) (i) Dividend from subsidiary companies	-	-
	(ii) Dividend Income	-	-
	(c) Net Gain/Loss on sale of Investments	-	-
	(c) Other non-operating income	1,69,488	1,97,302
	(e) Adjustments to the carrying value of investments (Write-back)	-	-
	(d) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)	3,03,262	-
	Total Other Income	31,15,508	24,92,708
NOTE NO. 21 : COST OF MATERIALS			
I Food & Beverages			
	Opening Stock	61,61,467	88,35,301
	Add : Purchases During the year	21,68,54,799	21,48,96,084
	Less : Closing Stock	86,39,360	70,29,024
	Total Cost of Material Consumed	21,43,76,906	21,67,02,361
NOTE NO. 22 : EMPLOYEE BENEFIT EXPENSES			
	(a) Salaries & Wages	19,94,78,880	19,83,33,618
	(b) Contribution to Provident & Other Funds	1,58,06,574	1,56,19,860
	(c) Expenses on employee stock option scheme (ESOP)	-	-
	(c) Managerial Remuneration	30,00,000	63,00,000
	(d) Staff Welfare Expenses	4,23,428	6,11,108
	Total Employee Benefit Expenses	21,87,08,882	22,08,64,586
NOTE NO. 23 : OTHER OPERATING EXPENSES			
	(a) Consumption of Stores & Spares	-	-
	(b) Power & Fuel	11,49,65,292	10,17,96,666
	(c) Rent	3,32,00,712	3,36,58,225

Notes To Financial Statements For The Year Ended March 31st 2015

S.NO	PARTICULARS	Year Ended 31-03-2015 (₹)	Year Ended 31-03-2014 (₹)
	(d) Repairs to Building	4,95,553	28,30,086
	(e) Insurance	38,29,749	31,09,880
	(f) Rates & Taxes (excluding Income Tax)	1,77,88,151	1,80,82,184
	(g) Miscellaneous Expenditure	1,36,30,491	1,36,50,953
	(h) Net loss on foreign currency transaction and translation	-	9,34,572
	(i) Payment to Auditors:		
	As Auditor	11,25,218	9,92,150
	(j) Selling Expenses	-	7,43,754
	(k) Net loss on sale of Assets	57,71,420	86,52,315
	(l) Repairs & maintenance	73,76,028	1,53,42,288
	(m) other operating expenses	-	-
	Total Other Expenses	19,81,82,613	19,97,93,073

NOTE NO. 24 : ADMINISTRATIVE EXPENSES

(a) Telephone, Postage and Others	27,09,294	32,98,001
(b) Business Promotion Expenses	8,10,66,548	6,78,75,411
(c) Conveyance	1,30,65,330	1,21,56,080
(d) Office Maintenance	2,46,78,848	2,09,80,457
(e) Printing & Stationery Expenses	20,40,506	37,30,733
(f) Security Charges	-	66,395
(g) Consultancy Charges	36,32,563	20,14,000
(h) Fright expenses	-	7,342
(i) Laundry expenses	57,35,188	19,87,633
(j) Director Sitting Fee	1,30,000	-
(k) Bad debts written off	91,833	27,00,000
(l) Interest on taxes Payable	12,86,041	14,00,672
(m) other expenses	-	-
Total Administrative Expenses	13,44,36,151	11,62,16,724

NOTE NO. 25 : FINANCE COST

(a) Interest Expenses		
- Interest on Term loans	18,04,58,379	16,88,90,048
- Interest on ARCIL (Axis Bank) NCDs	5,94,99,999	5,94,99,999
- Interest on working Capital Loan	35,40,672	38,57,184
- Interest on Unsecured Loan	12,45,335	8,24,324
- Loan processing Charges & Bank Charges	65,70,700	32,37,117
(b) Other Borrowing costs	33,15,820	28,32,068
Total Finance Cost	25,46,30,906	23,91,40,740

Significant Accounting Policies

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

(a) Basis of preparation of financial Statements.

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

b) Use of estimates

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

(c) Revenue Recognition:

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

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

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

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

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

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

(d) Employee Benefits:

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

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

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

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

(e) Investments

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

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

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

(f) Fixed Assets:

(i) Tangible Assets

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

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

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

(ii) Intangible assets

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

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

Trademarks are amortized uniformly over a period of five years.

(g) Depreciation:

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

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

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

(h) Impairment of Assets:

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

(i) Transactions in Foreign Exchange:

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

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

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

(j) Borrowing Cost:

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

(k) Inventories:

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

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

(l) Taxes on income:

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

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

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

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

Contingent Assets are not recognized in the financial statements.

(n) Earnings per Share:

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

Notes to Consolidated Financial Statements

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

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

27. Basic Earnings Per Share(Basic EPS)

Particulars	Current Year Rs.	Previous Year Rs.
Net Profit after Tax	(6,78,32,138)	(1,32,20,40,385)
Weighted Average Number of Shares Considered	4,24,05,224	4,24,05,224
EPS	(1.60)	(31.18)

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

Particulars	Current Year Rs.	Previous Year Rs.
Current Tax	22,62,511	25,94,124
Deferred Tax Liability	19,62,266	(26,81,958)

29. In relation of Managerial Remuneration:

Particulars	Current Year Rs. in Lakhs	Previous Year Rs. in lakhs
Director Remuneration and Sitting Fee	31.30	63.00

30. Auditors Remuneration:

Particulars	Current Year Rs. in Lakhs	Previous Year Rs. in lakhs
Audit Fees Including Service Tax	11.25	9.92

31. According to the information available with the Company, there are no amounts as at 31st March, 2014, due to suppliers who constitute a “small industrial undertaking”.

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

i) Claims against the company pending appellate/ judicial decisions:

a) E.S.I	Rs. 67,70,937/- (Previous Year Rs. 67,70,937/-)
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ii) Guarantees:

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

33. Expenditure in Foreign Currency:

Particulars	Current Year Rs. in Crores	Previous Year Rs. in Crores
Royalties & Others	4.19	5.93

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

Particulars	Current Year Rs. in Crores	Previous Year Rs. in Crores
Earning in Foreign Exchange	10.39	12.49

35. In relation of Secured (Term) Loans:

Asset Reconstruction Company of India Limited - Taken over from Axis Bank Limited.	Subservient charge on movable and immovable assets of Hyderabad Marriott hotel and Subservient charge on movable and immovable fixed assets of company (except Bangalore and Chennai projects). The existing Limit Further secured by Second Charge on Mortgage by Deposit of Title Deeds of Landed Properties In Sy.No.140 (new No. 181) admeasuring 14,092 Sq.yards (2) In Sy.No.139 admeasuring 346.72 Sq.Yards (3) 1-3-1036/1, 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
Andhra Bank Credit Card	1. First Charge on Current Assets of the Hyderabad Marriott Hotel, a Unit of Viceroy Hotels Limited 2. Second Charge on Fixed Block of the Hyderabad Marriott Hotel.
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 Pvt. Ltd. - Taken over from Lakshmi 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 1416.66sq.yards.

Central Bank of India	The Existing Loan Facility Of Rs.75,00,00,000/- Further Secured By Deposit Of Title Deeds Of The Property Situated At H.No.15-3-23, Open Land Admeasuring 6022.5 Sq.Yards Situated At Venkateswara Nagar, Maharanipeta, Visakhapatnam Belongs To M/S Banjara Hospitalities Pvt Ltd Merged With Viceroy Hotels Limited Pursuant To The Scheme Of Arrangement Aproved By Hon'ble High Court Of Ap Vide Order Dated:1st May,2007. No Other Changes In The Existing Terms And conditions
Canara Bank	First Charge on the entire fixed assets including mortgage over immovable assets and charge on movables) of Hyderabad Courtyard Hotel Project situated at Municipal Door NO. 1-3-1016 to 1024, lower tank bund Gandhi Nagar, Hyderabad
State Bank of India	First Charge on the entire fixed assets of proposed Hotel Courtyard, Hydereabad, ranking pari passu with other term lender i.e. Canara Bank, R.P, Road, Branch, Secunderabad, including Equitable Mortgage of Land admeasuring 6263 Sq Yds situated at Kavadiguda, Hyderabad.
Bank of Maharastra	Hypothecation Of Stocks & Receivables Of "Countryard By Marriott" Hotel Sitauted At Gandhinagar, Lower Tank Bund Road, Hyderabad With Exclusive First Charge, Hypothecation Of Entire Current Assets, Present And Future Goods, Stocks, Of Raw Materials, Items, Inventories, Stocks, Present And Future Tangible And Intangible Assets Etc.,
Café D Lake Private Limited	
Term loan from TFCI LTD	Secured against the first charge on the whole of moveable properties F & B cuisine restaurant cum bar "Blue Fox" and three small banquet halls at Huda Techno enclave Hitec City. Madhapur (except book debts) and extension of Assignment all rights and interest under BOT agreement to the food court complex viz Eat street at Budha Purnima Lake Front Necklace Road Hyderabad, (As fully described in the deed of hypothecation) Mortgage of lease hold right on built up/ constructed area situated at SY No. 64 Plot No. 20, Sector 1 Huda Techno enclave, Madhapur, Hyderabad (No instrument is executed for this mortgage)
Crustum Products Private Limited	
Term Loan from Oriental Bank of Commerce	Secured against the fixed and movable assets of the Breadtalk outlets at Hyderabad, Mumbai, Bangalore and Gurgaon and also secured against the personal guarantee of Director Mr. P. Chakradhar Reddy and Ms. P. Lakshmi Sruthi.
Term Loan from UCO Bank	Secured by 2 nd charge on Current and Fixed Assets of thCompany 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 Deva infrastructures Pvt. Ltd.

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

S. NO	NAME OF THE BANK INSTITUTION	AMOUNT OUTSTANDING AND DUE (IN CRORES)	INTEREST OUTSTANDING	TOTAL OUTSTANDING
1	STATE BANK OF INDIA	24.40	32.84	57.24
2	CANARA BANK	9.11	18.79	27.90
3	ANDHRA BANK	14.86	5.66	20.52
4	CENTRAL BANK OF INDIA	45.00	7.35	52.35
5	IARC Pvt. Ltd.	13.84	16.34	30.17
6	ARCIL	22.14	29.39	51.53
7	ARCIL (AXIS – NCDs)	42.50	20.75	63.25
8	ARCIL	20.00	7.08	27.08
	TOTAL	191.85	138.20	330.05
Crustum Products Private Limited				
9	OBC Term Loan	1.31		1.31
10	UCO Bank	3.22		3.22
	TOTAL	196.38	138.20	334.58

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

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

Particulars	Key managerial persons	Others	Total
Loans & Advances	-	4,52,000	4,52,000
Unsecured loans taken	-	7,15,37,394	7,15,37,394
Director Remuneration & Sitting fee	31,30,000	-	31,30,000

38. In accordance with provisions of Schedule II of Companies Act,2013,in case of fixed assets which have completed the useful life as at 31st march 2014,the carrying value as on 01.04.2014 amounting to Rs.17,19,25,427 /- has been recognized in the Retained earnings as a transitional provision.

Further in case of assets acquired prior to 1st April, 2014, the carrying value of assets is depreciated over the remaining useful life as specified in the companies Act, 2013 effective 1st April, 2014.

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

AS PER OUR REPORT OF EVEN DATE

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

Sd/-
M V JOSHI
Partner
Membership No. 024784
Hyderabad
30-05-2015

FOR VICEROY HOTELS LIMITED

Sd/-
P. PRABHAKAR REDDY
Managing Director

Sd/-
K. GURAVA RAJU
Chief Financial Officer

Sd/-
P. CHAKRADHAR REDDY
Director

Sd/-
Y. K. PRIYADARSHINI
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

PARTICULARS	Current Year (₹)	Previous Year (₹)
I. CASH FLOW FROM OPERATING ACTIVITIES:	-	(1,32,21,28,219)
Profit Before Tax	(6,04,96,618)	-
Adjustments for : -		
Depreciation	14,09,49,926	15,02,78,013
Financial Cost	25,46,30,906	23,91,40,740
Loss on Sale of Fixed Assets	-	-
Operating cash flow before working capital changes	33,50,84,213	(93,27,09,466)
(Increase) / Decrease in Inventory	(27,83,240)	18,78,222
(Increase) / Decrease in Trade Receivables	(4,77,37,495)	(18,80,219)
(Increase) / Decrease in Short Term Loans & Advances	5,37,25,005	26,83,402
(Increase) / Decrease in Other Non-Current Assets	(2,65,13,287)	(65,74,863)
Increase / (Decrease) in Short Term Borrowing	(6,13,91,802)	8,06,56,035
Increase / (Decrease) in Trade Payables	(18,91,61,770)	(18,09,67,027)
Increase / (Decrease) in Other Current Liabilities	56,36,66,904	(1,73,59,58,173)
Increase / (Decrease) in Short Term Provisions	9,80,78,840	1,03,20,797
(Increase) / Decrease in Other Current Assets	82,95,493	(45,984)
CASH GENERATED FROM OPERATIONS	73,12,62,861	(2,76,25,97,276)
Less : Income Tax Paid	22,62,551	25,94,124
CASH GENERATED FROM OPERATING ACTIVITIES	72,90,00,310	(2,76,51,91,400)
II. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed Assets	(2,07,68,486)	(11,05,12,790)
Sale of fixed Assets	1,50,21,972	1,51,71,86,886
Capital Work in Progress, Pre-operative Expenses	(74,11,76,019)	6,12,47,64,735
Investment	(70,45,53,589)	(7,35,64,475)
Adjustments of fixed Assets	(40,31,032)	(1,95,00,797)
(Increase) / Decrease in Long Term Loans & Advances	(56,35,10,111)	16,39,97,522
NET CASH AVAILABLE FROM INVESTING ACTIVITIES	(2,01,90,17,264)	7,60,23,71,081
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Share Capital	-	-
Repayment of Loan	-	(4,61,06,76,467)
Share Premium and Capital Reserve	61,14,18,135	-
Interest Paid	(25,46,30,906)	(23,91,40,740)
Increase / (Decrease) in Other Long Term Liabilities	95,63,92,678	(20,39,146)
NET CASH USED IN FINANCING ACTIVITIES	1,31,31,79,907	(4,85,18,56,353)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,31,62,954	(1,46,76,672)
Add : Opening balance of Cash & Cash equivalents	1,49,31,635	2,96,08,307
Closing balance of Cash & Cash equivalents	3,80,94,589	1,49,31,635

AS PER OUR REPORT OF EVEN DATE

FOR P. MURALI & CO.,

Chartered Accountants

Firm's Regn. No. : 007257S

Sd/-

M V JOSHI

Partner

Membership No. 024784

Hyderabad

30-05-2015

FOR VICEROY HOTELS LIMITED

Sd/-

P. PRABHAKAR REDDY

Managing Director

Sd/-

K. GURAVA RAJU

Chief Financial Officer

Sd/-

P. CHAKRADHAR REDDY

Director

Sd/-

Y. K. PRIYADARSHINI

Company Secretary

CERTIFICATE

To

The Board of Directors,

Viceroy Hotels Limited,
8-2-120/115/14, 5th Floor,
Shangrila Plaza, Road No.2,
Banjara Hills, Hyderabad - 500 034

We have examined the attached Consolidated Cash Flow Statement of M/s. Viceroy Hotels Limited for the year ended 31st March, 2015. The Statement has been prepared by the Company in accordance with requirements of Clause 32 of listing agreement with Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report dated 31st March, 2015 to the members of the Company.

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

Place : Hyderabad
Date : 30-05-2015

M V JOSHI
Partner
Membership No.024784

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 Id : secretarial@viceroypalaces.com; secretarial@viceroypalaces.in Website: www.viceroypalaces.com

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

(to be surrendered at the venue of the meeting)

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

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

I/We hereby record my presence at the 50th Annual General Meeting of the shareholders of Viceroy Hotels Limited on Tuesday, the 29th September, 2015 at 11.00 A.M. at Hotel Marriott Convention Centre, Lower Tank Bund, Gandhinagar, Hyderabad – 500080, Telangana.

Member's/ Proxy's name in Block Letters

Member's/Proxy's Signature

NOTES:

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

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



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VICEROY HOTELS LIMITED

(CIN: L55101TG1965PLC001048)

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

PROXY FORM

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

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

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

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

as my/ ur proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 50th Annual General Meeting of the Company, to be held on Tuesday, the 29th day of September, 2015 at 11.00 A.M. at Marriot Convention Centre, Lower Tank Bund, Gandhinagar, Hyderabad – 500080, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below :

Sl. No	Resolutions	For	Against
1.	Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors.		
2.	Re-appointment of Mr. P. Chakradhar Reddy who retires by rotation and being eligible, offers himself for re-appointment as a Director.		
3.	Ratification of Appointment of Statutory Auditors.		
4.	Re-appointment of Mr. P. Prabhakar Reddy as Managing Director for a term of three years w.e.f. July 1, 2015 without any remuneration.		
5.	Appointment of Mrs. P. Kameswari as Non-Executive Director		
6.	Increase in the limits of Investments.		

Signed this day of 2015.

Affix Re. 1/- Revenue Stamp.

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

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



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To

If Undelivered Please Return to :



Viceroy Hotels Limited

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.com