

FORM A Covering Letter of the Annual Audit Report to be filed with the stock exchanges

1.	Name of the Company:	VICEROY HOTELS LIMITED
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	CEO/Managing Director	P.Prabhakar Reddy Managing Director
	• CFO	K.Gurava Raju Chief Financial Officer
	Audit Committee Chairman	A. Vijayavardhan Reddy Audit Committee Chairman for the Meeting
		Refer our Audit Report dated 29th May, 2013 on the Standalone/Consolidated Financial Statements of the Company
	Auditor of the Company	For P.Murali & Co., Chartered Accountants Firm Regn. No: 0072578
		P.Murali Mohana Rao Partner M.No. 023412

VICEROY HOTELS LIMITED



Viceroy Hotels Limited

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CHAIRMAN'S MESSAGE



I am pleased to extend you a warm welcome to the 48th Annual General Meeting of our Company. The global recession started in 2008 is still continuing. The economic uncertainty across all the countries in the world has severely affected the growth prospects in the world, particularly for developing country like India. Interest rates increased by banks as result of RBI's frequent upward revision is putting tremendous pressure on the profitability of the companies and affecting the growth prospects severely. Until the inflation is brought down under control, there is unlikelihood of interest rates coming down. Another problem which is troubling the economy is the steep increase in value of dollar against rupee. Foreign investors are worried about the steep fall of rupee and preferring to wait and watch the situation. Big current account deficit is a matter of great concern for the Central Government as well as the regulators. Any stringent measures taken to curb the inflation and prevent fall of the value of rupee are proving to be counterproductive and is

creating panic in the markets and foreign investors. The confidence of the entrepreneurs, banks, stock markets have been shaken very badly, Central Government and Reserve Bank of India are persistently taking up measures to control inflation and increase the growth rate. Everyone in the country is eagerly looking forward for the revival of economy as otherwise it will have a wider ramifications in the country.

Performance of the Company for FY 2012-13

The standalone performance of the Company in FY 2012-13, we have gross revenue of Rs. 72.38 Cr. as against Rs. 73.96 Cr. in the previous year and consolidated gross revenue is Rs. 109.11 Cr. as against Rs. 110.50 Cr. in the previous year.

Present Status

In the year 2010, we have opened Business Hotel, Courtyard, in Hyderabad, which is adjacent to the Marriott Hotel, Hyderabad. Both the hotels are connected by the bridge for the guests. This is a very strategic combination of Luxury and Business Hotel. Both the hotels have put together have a room strength of 500, which are of great advantage when convention business picks up. As the growth of economy is reeling under the clutches of the slow-down, we are concentrating on the domestic business.

In tough times like this, where the interest rates are going up, to reduce the debt burden, we have hived off Bangalore Renaissance Hotel Project into a separate Company and in that Company J.P.Morgan had invested Rs.90 Cr. for 60% stake. This has resulted in reduction of Rs.150 Cr. of debt from the books of our Company. Similarly, we are hiving off Chennai Project to M/s.Ceebros Hotels Pvt.Ltd., Chennai. We have entered into a Sale Agreement on 29.06.2013. As per the agreement and understanding with the banks the sale transaction is to be completed before 30th September, 2013. The sale of Chennai Project will result in our Company reducing a debt of nearly Rs.560 Cr.

Future Expansion

With substantial reduction in debt, the Company will have enough resources to embark on the future expansion. As our Company is having vast experience of more than 25 years in the restaurant business, we plan to roll-out more F&B outlets in all major metros in the country. We are having 2 very popular restaurant chains namely "Blue Fox" and "Minerva Coffee Shop". We also have master franchise of Boutique Bakery called Break Talk. We already have 7 branches and in next 3 years we plan to have 50 outlets. Similarly, we will be looking at establishing Budget Hotels in Tier-2 and 3 cities in the country. Whenever the economic revival happens in the country, it will be the budget category hotels which will start doing well. The long-term outlook for Budget Hotels in India remains positive, given the country's burgeoning middle class and increasing disposable incomes.

Appreciation

To conclude, I express our sincere thanks to the Government of India for its continued support to Hospitality Industry.

 $Iam\ also\ thankful\ to\ our\ customers,\ suppliers,\ bankers,\ financial\ institutions,\ and\ all\ our\ shareholders.$

My special thanks and appreciation go to the employees of the Company at all levels for their hard work, dedication and continued commitment.

Thank you for sparing your valuable time.

With best wishes,

P. PRABHAKAR REDDY

Chairman



CORPORATE INFORMATION

Board of Directors:

Mr. P. Prabhakar Reddy

Mr. A. Vijayavardhan Reddy

Mr. K. Jayabharat Reddy (IAS Retd)

Mr. K. Narasimha Rao

Mr. R. Subramanian

Mr. P. Narendra

Mr. A. Poornachandra Rao

Mr. K. Gurava Raju

Mr. M. Satish Choudhury

Audit Committee:

Mr. A. Vijayavardhan Reddy

Mr. K. Narasimha Rao

Mr. A. Poornachandra Rao

Auditors:

M/s. P. Murali & Co.,

Chartered Accountants, Hyderabad

Bankers / Institutions:

State Bank of India

Allahabad Bank

State Bank of Bikaner & Jaipur

State Bank of Mysore

Indian Overseas Bank

Central Bank of India

IDFC Limited

Registered Office:

8-2-120/115/14. 5th Floor.

Shangrila Plaza, Road No.2, Banjara Hills

Opp. KBR Park, Hyderabad - 500034

Tel: 040-40349999: Fax: 040-40349828

E-Mail: secretarial@viceroyhotels.com

Website: www.vicerovhotels.com

Listing:

National Stock Exchange of India Ltd (NSE)

BSE Limited (BSE)

Chairman & Managing Director

Non Executive Director

Independent Director

Independent Director

Independent Director

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Independent Director
Independent Director

Chief Financial Officer

Company Secretary and Compliance Officer

Investor Grievance Committee:

Mr. A. Vijayavardhan Reddy

Mr. K. Narasimha Rao

Mr. A. Poornachandra Rao

Secretarial Auditors:

M/s. P.S. Rao & Associates

Company Secretaries, Hyderabad

Axis Bank

Andhra Bank

Canara Bank

UCO Bank

Bank of Maharashtra

HDFC Limited

Registrars and Share Transfer Agents:

Aarthi Consultants Private Limited

1-2-285, Domalguda, Hyderabad – 500029

Tel: 040-27638111; 040-66611921

Fax: 040-27632184

E-Mail: info@aarthiconsultants.com



NOTICE

NOTICE is hereby given that the Forty Eighth Annual General Meeting of 'Viceroy Hotels Limited' will be held on Friday, the 27th day of September 2013 at 11.00 AM at Hotel Marriott Convention Centre, Lower Tank Bund, Gandhinagar, Hyderabad-500080, Andhra Pradesh to transact the following business:

Ordinary Business:

- 1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2013, and the Balance Sheet as at that date together with the Report of the Board of Directors and the Auditors thereon.
- 2. To appoint a director in place of Mr. K. Jayabharat Reddy (IAS Retd) who retires by rotation and being eligible, offers himself for re-appointment.
- 3. To appoint a director in place of Mr. R. Subramanian who retires by rotation.
- 4. To appoint statutory auditors of the Company and fix their remuneration.

By Order of the Board

Hyderabad August 12, 2013

Sd/-M. Satish Choudhury Company Secretary

Notes:

- 1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. The instrument appointing the proxy to be valid shall be lodged at the registered office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of Companies, Societies, Partnership Firms, etc. must be supported by appropriate resolution / authority, as applicable, issued by the member organisation.
- 2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 21, 2013 to Friday, September 27, 2013, both days inclusive for the purpose of the Annual General Meeting of the Company.
- 3. All communications in respect of the share transfers and change in the address may be communicated to our RTA at M/s. Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad 500029, AP.
- 4. Members / Proxies should bring the Attendance slip duly filled in for attending the meeting.
- 5. 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.
- 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. The Company has designated exclusive e-mail lds secretarial@viceroyhotels.com and Companysecretary@viceroyhotels.com for redressal of shareholders' complaints/grievances.
- 8. SEBI vide it's Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 has instructed all Companies for usage of electronic payment modes for making cash payments to the investors. Companies whose securities are listed on Stock Exchanges are directed to use, either directly or through their RTI & STA, any Reserve Bank of India approved electronic mode of payment such as ECS [ECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS)], NEFT etc. Thus, Members are requested to kindly provide their requisite bank account particulars by quoting their reference folio number(s) if shares are held in physical form.
 - If shares are held in demateralised form, Members may kindly provide the requisite bank account details to their Depository Participant, to ensure that future dividend payments are correctly credited to the respective account.
- 9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanant 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.



- 10. The Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by companies through electronic mode, vide its Circular Nos. 17/2011 & 18/2011 dated April 21, 2011 and April 29, 2011, respectively. The Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose.
 - Members are requested to support green initiative by registering/updating their email id address in respect of shares held in dematerlization form with respective depository participants (DP's) and in respect of shares held in physical form update with our registrars(RTA's) by sending email to gogreen_phl@aarthiconsultants.com or send requests to Aarthi Consultants Private Limited along with your Folio No.
- 11. It is also noticed that many members holding shares in physical mode are holding insignificant shares under multiple folios. In order to provide cost effective, faster and prompt service, all Members concerned are requested under relevant clause of Listing Agreement to get their shareholding consolidated in one folio only.
- 12. Members are requested to kindly bring their copies of the Annual Report to the Meeting. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.
- 13. All mandatory registers / documents are open for inspection at the registered office of the Company on all working days (except Saturdays and Sundays) between 11.00 a.m. to 1.00 p.m. prior to the date of Annual General Meeting.

ANNEXURE TO THE NOTICE

Details of Directors seeking re-appointment at the forthcoming AGM

(In Pursuance of Clause 49 (IV) (G) (i) of the Listing Agreement)

Particulars	Sri. K. Jayabharat Reddy
Date of Birth	12-04-1937
Date of Appointment	31-12-2005
Expertise in specific functional areas	General & Public Administration, Financial and Industrial Management
Qualifications	M.A. (Economics), I A S (Retd)
No. of Shares held in the Company as on March 31, 2013	Nil
Directorships held in other companies (excluding private limited and foreign companies)	1. JCT Electronics Ltd. 2. BPL Limited 3. Indus Medicare Limited 4. NCL Alltek & Seccolor Limited 5. Facor Alloys Limited 6. TAJ GVK Hotels and Resorts Ltd.
Positions held in mandatory committees of other companies	Audit Committee Chairman: 1. BPL Ltd. 2. NCL Altech Seccolor Ltd 3. Facor Alloys Ltd. Member: 1. JCT Electronics Ltd. 2. TAJGVK Hotels & Resorts Limited Remuneration Committee Member: 1. BPL Ltd.



DIRECTORS' REPORT

Dear Shareholders.

Your Directors are pleased to present the 48th Annual Report and the audited accounts for the financial year ended March 31, 2013.

Performance / Financial Results

The financial performance of the Company, for the year ended March 31, 2013 is summarized below:

(Rupees in Lakhs)

PARTICULARS	STANDALONE		CONSO	LIDATED
	2012-2013	2011-2012	2012-2013	2011-2012
Income from Operations	7218.91	7380.45	10891.73	11034.66
Other Income	18.77	14.93	18.91	15.04
Total Revenue	7237.68	7395.38	10910.64	11049.70
Profit before Interest and Depreciation	3038.15	3265.02	3223.65	3712.36
Interest	2270.06	2196.64	2381.66	2313.71
Depreciation	1331.56	1312.38	1489.99	1467.73
Profit / Loss before Tax	(563.47)	(244.01)	(648.01)	(69.09)
Provision for Current Tax	-	13.78	30.35	70.39
Deferred Tax	14.94	71.50	14.62	81.15
Profit / Loss after Tax	(578.41)	(329.29)	(692.97)	(220.63)

Dividend:

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

Directors:

During the year under review, Mr. Rakesh Jhunjhunwala, Director of the Company expressed his concern that he was unable to attend all the Board Meetings due to time constraints. He felt that being on the Board of a Company and not in a position to attend all the Board Meetings is not in interest of Good Corporate Governance. Hence, Mr. Rakesh Jhunjhunwala tendered his resignation as director of the Company with effect from October 15, 2012.

Mr. K. Jayabharat Reddy and Mr. R. Subramanian, Directors of the Company retire by rotation at the ensuing Annual General Meeting.

Mr. R. Subramanian due to personal reason did not offer himself for re-appointment. The Board expressed its gratitude to Mr. R. Subramanian for his association with the Company.

However, Mr. K. Jayabharat Reddy, Director of the Company retire by rotation and being eligible, offered himself for reappointment and brief particulars of him is given in the Annexure to the Notice of this Annual General Meeting. The Board recommends his re-appointment as Director of the Company.

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. The new Company under the name of 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 are almost at the finishing stage. The hotel is situated in a very prime location in Bangalore i.e. opposite Race Course. It is a tall structure with 23 floors and has 277 guest rooms, a three-meal restaurant, bar lounge and a large



multi-cuisine restaurant on the top most floor of the hotel with a breath taking view of the city. It has also multi function banquet halls with varied sizes and has also a large function lawn. As per the progress at the site, the project is likely to be completed by January, 2014.

Sale of 'Chennai Project Division':

Members are aware that during the year under review, the 'Chennai Project Division' comprising the 'Chennai Hotel Project' i.e. J.W.Marriott Hotel Project, Chennai and 'Chennai Residential Project', has been sold to Ceebros Hotels Private Limited for a sale consideration of Rs.480 Crores. The Agreement of Sale is registered with Sub-Registrar Office, Mylapore, Chennai. The necessary permissions for selling the J.W.Marriott Hotel Project at Chennai was obtained from our Company's General Body through postal ballot dt.17.06.2013 The same has been informed to the Stock Exchanges. As per the Agreement and arrangement with the banks, the transaction has to be closed by the end of September, 2013. Viceroy Hotels Ltd. is in the process of getting NOCs from the participating banks viz. State Bank of India, State Bank of Mysore, State Bank of Bikaner & Jaipur, Indian Overseas Bank, Allahabad Bank and UCO Bank. The sale transaction will be concluded by the end of September, 2013.

Auditors:

M/s. P. Murali & Co., Chartered Accountants, Hyderabad, the present auditors of the Company, retires at the ensuing Annual General Meeting and is eligible for re-appointment as Statutory Auditors. The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act. The Audit Committee of the Board has recommended their re-appointment and the Board of Directors commends the Resolution for their re-appointment.

Explanation to Observations in the Auditors' Report:

With respect to the audit observation in point no. XI of the Annexure to Auditors' Report for the standalone financial statements for the financial year, the Board has noted the observation and hereby inform the members that Viceroy Hotels Ltd. had defaulted in the repayment of loans and also paying interest amounts to the banks. This is due to the fact that for a quite some time, Viceroy Hotels Ltd. was planning to exit from the Chennai Hotel property. The loans pertaining to Chennai Hotel Project could not be repaid and interests could not be serviced due to the fact that the project is not completed and repayment of the loans have started as per the original schedule. Now that, the Chennai Hotel property is sold with the cooperation of the banks, all the Chennai Project loans are going to be repaid. Once repayment is done through the sale proceeds of Chennai Hotel Project, there will not be any loan defaults to any bank by Viceroy Hotels Ltd.

Directors' Responsibility Statement:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the year ended March 31, 2013, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit of the Company for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.



Particulars of Employees:

No employee was in receipt of remuneration exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956 and the rules framed there under, as amended to date.

Information required under Section 217 (1) (e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules. 1988:

Your Company's effort towards conservation of energy, which results in savings in consumption of electricity, a significant component of the energy cost, is an ongoing process. The Company continues to absorb and upgrade modern technologies and advanced hotel management techniques in various guest contact areas, which include wireless internet connectivity in the hotels.

As required under Section 217(1) (e) of the Companies Act, 1956, read with rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information relating to foreign exchange earnings and outgo is in item nos 32, 33 & 34 of Notes to Accounts of the Balance Sheet and Profit and Loss Account.

Compliance with Notification No. S.O. 301(E) dated 8th February, 2011 issued by the Ministry of Corporate Affairs under Section 211(3) of the Companies Act. 1956:

Since Central Government had issued a notification No. S.O. 301 (E) dated 8th February, 2011 in exercise of the powers conferred by Section 211 (3) of the Companies Act, 1956 granting general exemption to some specified class of companies, including hotel companies, from disclosing certain information in their profit and loss account as required under Part-II of Schedule VI of the Companies Act, 1956 subject to fulfilment of few conditions, your Company has duly complied with all conditions of the notification to seek general exemption under Section 211 (4) of the Companies Act, 1956, paras 3(i)(a) and 3(ii)(d) of Part II of Schedule VI of the Companies Act, 1956 dealing with the disclosure of quantitative details of turnover of each class of goods, opening and closing stock, purchases, production and consumption of raw material in the financial statements for the financial year ended 31st March, 2013. Your Board has passed necessary resolution at its meeting held on August 12, 2013 to comply with the conditions of the notification for the same.

Public Deposits:

During the year under review, your Company has neither invited nor accepted any deposits from the public.

Listing:

The Equity Shares of your Company are listed on 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. A separate statement on corporate governance together with the auditor's certificate of its compliance forms part of this annual report.

Management Discussion & Analysis:

Management discussion and analysis of the financial condition and results of operations of the Company for the period under review as required under Clause 49 of the Listing Agreement with the Stock Exchanges, is given in a separate statement in the Annual Report.

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.



Subsidiaries:

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 no operations during the year.

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. 31.44 Crores for the year ended March 31, 2013 as against Rs.30.59 Crores for the previous year. The Net profit for the year ended March 31, 2013 is Rs.0.60 Crores as against Rs.1.06 Crores in the previous year.

Crustum Products Private Limited:

M/s Crustum Products Private Limited is the Master Franchisee of Breadtalk Singapore. The Company is running out lets at In Orbit Mall, Malad, Mumbai, BG House, Hiranandani, Powai, Mumbai, Gurgoan, New Delhi, Spencer's Mall, Bangalore Q Mart- Hyderabad.

During the year under review, the Company achieved a turnover of Rs.5.29 Crores as against Rs.5.95 Crores for the previous year. The Net loss for the year ended March 31, 2013 is Rs. 1.74 Crores as against net profit of Rs.0.02 Crores in the Previous Year.

In terms of section 212 of the Companies Act, 1956, your Company is required to attach the directors report, balance sheets, profit and loss account of its subsidiary companies to its Annual Report. However, the Ministry of Corporate Affairs (MCA), Government of India, New Delhi vide its Circular No.2/2011, dated: 08-02-2011 has granted a general exemption to all the Companies for not attaching the above documents of subsidiaries with the Annual Report of the Holding Company, subject to compliance of the conditions specified therein.

As required under the said general circular, the Board of Directors of your Company at its meeting held on August 12, 2013 has given its specific consent for not attaching the balance sheets of its subsidiaries, as they would be made available to its members at the Company's website.

In terms of the said notification of the MCA, a summary of the financial information of each of the subsidiaries of your Company is provided as Annexure "A" to this report. Any member intends to have a certified copy of the Balance Sheet and other financial statements of these subsidiaries may write to the Company. Accordingly, this annual report does not contain the reports and other statements of the subsidiary companies. These documents will also be available for inspection during the business hours at the registered office of the Company and also at the registered offices of the respective subsidiary companies.

Acknowledgements:

Your Directors acknowledge with gratitude and wish to place on record their sincere thanks and appreciation for the cooperation received by the Company from various Departments of Central/ State Government, Financial Institutions and Banks for their continued co-operation and the support extended during the year. Your Directors also wish to acknowledge the continued support and confidence reposed in the management by the Shareholders.

By Order and on behalf of the Board

Hyderabad August 12, 2013

Sd/-P. Prabhakar Reddy Chairman



Annexure - A to Directors' Report

Statement pursuant to Section 212 (8) of the Companies Act, 1956 about the financial information of the Subsidiary Companies as on March 31, 2013.

(In Rupees)

Name of the Subsidiary Company	Café D'Lake Pvt. Ltd.	Crustum Products Pvt. Ltd.	Minerva Hospitalities Pvt. Ltd.	Viceroy Chennai Hotels & Resorts Pvt. Ltd.
Issued and Subscribed Share Capital	2,74,45,300	4,00,00,000	4,66,92,670	1,00,000
Reserves	16,78,62,448	(1,57,10,956)	(52,68,428)	-
Total Assets	54,55,75,183	33,42,14,594	7,80,32,067	1,00,000
Total Liabilities	35,02,67,435	30,99,25,550	3,66,07,825	-
Details of Investment (Except in case of investment in subsidiaries)	-	-	-	-
Turnover/Total Income	31,44,11,751	5,28,83,475	28,902	-
Profit / (Loss) before taxation	88,21,219	(1,72,74,712)	28,902	-
Provision for taxation	28,22,777	1,79,157	-	-
Profit / (Loss) after taxation	59,98,442	(1,74,53,869)	28,902	-
Proposed dividend	Nil	Nil	Nil	Nil
Number of shares held by Viceroy Hotels Limited along with its nominees	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
Extent of interest held by Viceroy Hotels Limited along with its nominees	100%	100%	100%	100%

Notes:

- The Ministry of Corporate Affairs (MCA), Government of India, New Delhi vide its Circular No.2/2011, dated 08-02-2011 has granted a general exemption to all the Companies for not attaching the Balance Sheets, Profit & Loss account etc., of Subsidiaries with the Annual Report of the Holding Company, Subject to the compliance of the conditions specified therein.
- The Company will make available the Annual Accounts of the Subsidiary Companies and the related detailed
 information sought by the members of the Company or its Subsidiaries. Further, the annual accounts of the
 Subsidiary Companies will also be kept for inspection by any member of the Company or its Subsidiary at the
 registered office of the Company and that of the Subsidiary Company concerned.



MANAGEMENT DISCUSSION & ANALYSIS

Industry structure, developments, opportunities and outlook:

The hotel industry in the country is going through difficult phase due to the severe economic down-turn globally and also within the country. The flow of foreign guests both business as well as leisure travelers have come down substantially. The additional inventory of rooms had also added to the problems of the hotel industry as the growth got effected due to severe economic recession. During the years 2007 and 2008 when the hotel industry was booming, it was widely felt that the number of rooms in a vast country like ours is hardly sufficient and there is tremendous scope for the hotel industry in future cutting across of the metros in the country. With that kind of prospects, many players have entered into the hotel industry and tied up with international chains for management. When things started going down for the economy and for the hotel industry from 2009 onwards, many developers whose core strength is not the hospitality industry, started withdrawing from constructing hotels. But the hotels which were nearing completion got completed in almost all the metros and they have added to the problems resulting in low percentage of occupancies and lower room rates. Adding to that, the expenditure had also gone up particularly on two counts i.e. Human Resources and Heat, Light and Power. The steep increase in costs have affected the profit margins of the hotels.

As things are likely to settle and the economy expected to do well in the coming years, the hotel industry should pick up.

Our Company has a strong position in the Hyderabad premium market with two properties namely "Marroitt Hyderabad" and "Courtyard By Marriott" which being part of a global brand, provides an international traveller an expectation yard stick with which to judge rooms prior to booking them. We have two very popular restaurant chains namely "Blue Fox" and "Minerva Coffee Shop" and has master franchise of Boutique Bakery called 'BreadTalk'. With substantial debt burden, funding for the new projects could become challenging, however, steps such as the sale of the Chennai hotel Division to raise funds is a positive. The 'Renaissance' hotel at Bangalore which is constructing and developing by the Company's Associate namely 'Viceroy Bangalore Hotels Private Ltd' is all set to be opened in the FY 2013-14. The long-term outlook for Budget Hotels in India remains positive, given the country's burgeoning middle class and increasing disposable incomes.

Financial Performance:

The Company operates only in single segment i.e., hoteliering.

During the financial year 2012-13, the Company's total turnover was Rs.72.38 Crores. The Earning before Interest, Depreciation, Taxation and other Amortizations (EBIDTA) were Rs.30.38 Crores. The Loss before Tax and the Loss after Tax for the year under review were Rs.5.63 Crores and Rs.5.78 Crores respectively.

The Company's consolidated total income aggregated Rs.109.11 Crores. The Company's consolidated loss before taxes aggregated Rs. 6.48 Crores in the financial year 2012-13.

Risks and Concerns:

Economic Risk

The Company's performance is highly reliant on the growth of business and economy in the country. The brake in economic growth in the country may have severe affect on the Company's business. The GDP growth is expected to surge to 7.6 % by FY13, driven by the robust industrial growth and resilient performance of the service sector. The country's consumption boom is brushing up and new job opportunities are lining upwards. With all these factors, 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.

Foreign Exchange Risk

Your Company may be impacted 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.

Internal Control Systems and their Adequacies:

The Company maintains an adequate and proper system of internal controls. All the Company's assets are secured 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.

Material Developments in Human Resources:

'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 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 and efforts are made to provide a highly challenging and healthy environment. Besides all these, the Company places high amount of emphasis on professional etiquette to be exhibited by every employee.

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 uncertainties. They may differ materially from those described. 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.



REPORT ON CORPORATE GOVERNANCE

I. Company'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meet its stakeholders' aspirations and societal expectations. Your Company believes in attainment of highest levels of transparency in all facets of its operations. The Company is committed to maximize the shareholder value by adopting the principles of good corporate governance in line with the provisions stipulated in the listing agreement.

II. BOARD OF DIRECTORS

As on March 31, 2013, Viceroy's Board consists of 7 Members of whom 5 (Five) are Independent Directors. The Composition of the Board is in conformity with the listing requirements.

Board Meetings:

The Board of Directors met four (4) times during the financial year on 14-05-2012, 14-08-2012, 14-11-2012 and 13-02-2013 and the maximum gap between any two meetings was less than four months, as stipulated under Clause 49 of Listing Agreement.

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	Category and Designation	Board Meetings attended during the year	No. of directorships held in other Indian public limited companies	posi held i	ommittee tions 1 other anies
				Chairman	Member
Mr. P. Prabhakar Reddy	Promoter and CMD	04	01	NIL	NIL
Mr. K. Jayabharat Reddy	NED (I)	03	06	3	3
Mr. R. Subramanian	NED (I)	01	NIL	NIL	NIL
*Mr. Rakesh Jhunjhunwala	NED	NIL	08	NIL	01
Mr. P. Narendra	NED (I)	04	02	NIL	NIL
Mr. A. Vijayavardhan Reddy	NED	03	01	NIL	NIL
Mr. A. Poornachandra Rao	NED (I)	03	NIL	NIL	NIL
Mr. K. Narasimha Rao	NED (I)	04	NIL	NIL	NIL
*Mr. Rajiv Agarwal	NED, Alternate to Mr. Rakesh Jhunjhunwala	NIL	03	NIL	01

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

Attendance for AGM 2012:

Mr. P. Prabhakar Reddy, Mr. A. Vijayavardhan Reddy, Mr. A. Poornachandra Rao, and Mr. K. Narasimha Rao attended the last Annual General Meeting held on September 25, 2012.

^{*}Resigned / ceased with effect from October 15, 2012.



III. AUDIT COMMITTEE

Composition, meetings and the attendance during the year:

The Company has complied with all the requirements of Clause 49 (II) (A) of the Listing Agreement relating to the composition of the Audit Committee. During the financial year 2012-2013, (4) Four meetings of the Audit Committee were held on 14-05-2012. 14-08-2012. 14-11-2012 and 13-02-2013.

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	Chairman	NED	3
Mr. K. Narasimha Rao	Member	NED (I)	4
Mr. A. Poornachandra Rao	Member	NED (I)	3

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

Terms of reference:

The terms of reference of the Committee, inter alia covers all the matters specified under Clause 49 of the Listing Agreement with the Stock Exchange as well as those specified in Section 292 (A) of the Companies Act, 1956. Besides, in additions to other terms as may be referred by the Board of Directors, the Audit Committee has the power inter alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company and seek legal and professional advice.

IV. 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	Remune- ration		During 2012 Amount in Rs	I
				Sitting Fees	Salary	Commission	Total
P. Prabhakar Reddy	Relative to Mr. Vijayavardhan Reddy	Promoter	Nil	Nil	30,00,000	Nil	30,00,000
K. Jayabharat Reddy	None	Nil	Nil	15,000	-	-	15,000
R. Subramanian	None	Nil	Nil	5,000	-	-	5,000
A. Vijayavardhan Reddy	Relative to MD	Promoter	Nil	30,000	-	-	30,000
P. Narendra	None	Nil	Nil	20,000	-	-	20,000
A. Poornachandra Rao	None	Nil	Nil	30,000	-	-	30,000
K. Narasimha Rao	None	Nil	Nil	40,000	-	-	40,000



V. INVESTOR GRIEVANCE COMMITTEE

Composition, meetings and the attendance during the year:

The Shareholders/Investors Grievance Committee was 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 Details of composition of the Committee and attendance of the members at the meetings are given below:

Name of the Director	Designation	Category
Mr. A. Vijayavardhan Reddy	Chairman	NED
Mr. K. Narasimha Rao	Member	NED (I)
Mr. A. Poornachandra Rao	Member	NED (I)

The Board has designated Mr. M. Satish Choudhury, Company Secretary as the Compliance Officer.

The Company has designated exclusive e-mail Ids called secretarial@viceroyhotels.com and Companysecretary@viceroyhotels.com for redressal of shareholders complaints / grievances.

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

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

VI. 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
2011-2012	Hotel Marriott Convention Centre, Hyderabad	25-09-2012 at 11.00 AM
2010-2011	Hotel Marriott Convention Centre, Hyderabad	27-09-2011 at 11.00 AM
2009-2010	Hotel Marriott Convention Centre, Hyderabad	20-09-2010 at 11.00 AM

- b) No Special Resolutions were passed in the previous three Annual General Meetings.
- c) Special Resolution passed through postal ballot details of voting pattern:

The Company did not pass any resolution vide postal ballot during the FY 2012-13.

However, the Company has conducted a postal ballot for passing a Ordinay Resolution for the Sale of 'Chennai project Division' of the Company comprising the 'Chennai Hotel Project' and 'Chennai Residential Project' to 'Ceebros Hotels Private Limited', Chennai, for a total cash consideration of Rs 480 crores.

Details of voting pattern:

Date of Special Resolution	Votes cast in Favour (No.& %)	Votes cast in Against (No.& %)	Result
June 17, 2013	11262372 & 99.94%	6785 & 0.06%	Passed with requisite majority



Person who conducted the postal ballot exercise:

The entire process of postal ballot exercise was conducted by Mr. P. Prabhakar Reddy, Managing Director and Mr. M. Satish Choudhury, Company Secretary under the overall supervision of the Scrutinizer Ms. N. Vanitha, Practicing Company Secretary, Hyderabad.

VII. OTHER DISCLOSURES

- 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.

VIII. MEANS OF COMMUNICATION

The un-audited quarterly results and audited results for the year are generally published in one English newspaper 'Business Standard' and at least one vernacular newspaper 'Andhra Prabha' shortly after its submission to the Stock Exchanges. The results are also displayed on the Company's web-site i.e. www.viceroyhotels.com

IX. GENERAL SHAREHOLDERS INFORMATION

a) 48th Annual General Meeting:

Date and Time	Friday, the 27th September 2013 at 11.00 AM
Venue	Hotel Marriott Convention Centre, Lower Tank Bund, Hyderabad- 500080, AP

b) Book Closure Date: September 21, 2013 to September 27, 2013 (inclusive of both days)

c) Financial Year and Calendar 2013-2014:

The Company follows April to March as its Financial Year. The results of every quarter beginning from April are declared within the time specified under the provisions of Listing Agreement.

d) Listing on Stock Exchanges:

- 1) National Stock Exchange of India Limited (NSE)
- 2) BSE Limited (BSE)



e) Listing Fees : Listing fee for the year 2013-2014 has been paid

f) Stock ID / Code : NSE: VICEROY ; BSE: 523796

g) ISIN : INE048C01017

h) Stock Price Data:

MONTH		NSE			BSE	
	High (Rs.)	Low (Rs.)	No. of Shares Traded	High (Rs.)	Low (Rs.)	No. of Shares Traded
April, 2012	34.20	14.65	1,37,030	34.25	14.65	40,05,561
May, 2012	29.90	21.70	5,18,592	28.90	21.60	3,98,649
June, 2012	26.60	21.25	4,89,154	26.65	21.35	3,10,205
July, 2012	28.05	22.10	6,99,249	28.00	22.05	2,81,566
August, 2012	26.60	20.55	8,31,201	26.50	20.75	5,07,461
September, 2012	26.60	20.25	8,55,677	26.20	21.05	6,45,810
October, 2012	31.40	22.75	54,17,381	31.60	22.85	29,68,641
November, 2012	27.10	22.20	18,07,649	27.15	22.30	9,48,350
December, 2012	29.60	23.75	35,44,999	29.60	23.70	21,20,973
January, 2013	28.50	23.95	19,15,621	27.75	24.00	13,07,408
February, 2013	24.95	20.25	5,51,744	24.70	20.25	3,61,503
March, 2013	21.50	14.85	5,86,720	21.40	15.00	4,71,975

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

Aarthi Consultants Private Limited 1-2-285, Domalaguda, Hyderabad-500029 Phones: 040-27638111, 040-66611921;

Fax: 040-27632184

Email: info@aarthiconsultants.com; Website: www.aarthiconsultants.com

i) 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.

The Company appointed M/s. Aarthi Consultants Private Limited as the Registrar and Transfer Agents for dealing with all the activities connected with both physical and demat segments pertaining to the share transactions of the Company.

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.



k) Shareholding Pattern as on March 31, 2013:

Category	No. of Shares	Percentage
Promoters	11173047	26.35
Financial Institutions / Banks	10,100	0.02
Foreign Institutional Investors	37000	0.09
Bodies Corporate	6036889	14.24
NRIs	996699	2.35
Mutual Funds	NIL	NA
Indian Public	23945250	56.46
Trusts	102100	0.24
Clearing Members	104139	0.25
Total	42405224	100.00

I) Distribution of Shareholding as on March 31, 2013:

Nominal Value of Shares in Rupees	No. of Shareholders	% of Shareholders	No. of Shares	% to Total
(1)	(2)	(3)	(4)	(5)
1 5000	20755	84.17	3142210	7.41
5001 10000	1925	7.81	1644449	3.88
10001 20000	906	3.67	1431754	3.38
20001 30000	320	1.30	830162	1.96
30001 40000	128	0.52	458382	1.08
40001 50000	150	0.61	717464	1.69
50001 100000	222	0.90	1671998	3.94
100001 and Above	251	1.02	32508805	76.66
Total	24657	100.00	42405224	100.00

m) Dematerialization of Shares:

The Company's Equity Shares are held in dematerialized form by National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) under ISIN INE048C01017. As on March 31, 2013, 95.17% of the totals shares of the Company have been dematerialized.

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

As on March 31, 2013 the Company has no outstanding GDR /ADR/Warrants/ Options/any other convertible instruments.

o) 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
- 4) BreadTalk outlets at Hyderabad, Mumbai, Bangalore and Gurgaon



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)

p) Address for Investors Correspondence:

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

Registrar and Share Transfer Agents (RTA):

M/s. Aarthi Consultants Private Limited 1-2-285, 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 8-2-120/115/14,5th Floor,Shangrila Plaza

Road No.2, Banjara Hills, Opp. KBR Park, Hyderabad – 500034

Tel: 040-40349999; Fax: 040-40349828 Email: secretarial@viceroyhotels.com / Companysecretary@viceroyhotels.com

Website: www.viceroyhotels.com

Registration of e-mail Id for servicing of documents by the Company under the Companies Act, 1956:

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

q) CEO Certification:

As required by the clause 49 (V) of the Listing Agreement, the certificate from the Managing Director was placed before the Board of Directors.

r) 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 the Annual Report. The Certificate from the statutory auditor will be sent to the stock exchange along with the Annual Report of the Company.

s) Nomination Facility:

Shareholders holding shares in physical form and desirous of making changes in the nomination in respect of their shareholding in the Company, as permitted under section 109A of the Companies Act 1956 are requested to submit to the Compliance Officer in the prescribed form for this purpose, which can be furnished by the Company on request.

DECLARATION BY MANAGING DIRECTOR / CEO

I, *P. Prabhakar Reddy,* Managing Director of Viceroy Hotels Limited hereby declare that for the year ended March 31, 2013 all the board members and senior managerial personnel have affirmed compliance with the code of conduct of the Company laid down for them.

Hyderabad August 12, 2013

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 March 31, 2013:

- We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and 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.

Hyderabad August 12, 2013 Sd/P. PRABHAKAR REDDY
Managing Director

Sd/-**K. GURAVA RAJU** Chief Financial Officer

<u>Auditor's Certificate on Compliance of Conditions of Corporate Governance:</u>

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, 2013 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 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 12, 2013 P. MURALI & CO Chartered Accountants Firm's Regn. No.: 007257S

Sd/-P. MURALI MOHANA RAO Partner Membership No. 23412



INDEPENDENT AUDITOR'S REPORT

To, The Members, VICEROY HOTELS LIMITED

Report on the Financial Statements:

We have audited the acCompanying financial statements of Viceroy Hotels Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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 Financial Statements:

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit or Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a) We have 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 and proper returns adequate for the purposes of our audit have been received from branches not visited by us:
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place: Hyderabad Date: 29-05-2013

Sd/-

P. MURALI MOHANA RAO Partner Membership No. 023412



ANNEXURE TO THE AUDITORS' REPORT

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
 - (c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- 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) The Company is maintaining proper records of inventory and as explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.
- III. (a) The Company has not granted any loans, unsecured to/from Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) As the Company has not granted any loans, the clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under section 301 prejudicial to the interest of Company, is not applicable.
 - (c) As no loans are granted by the Company, the clause of receipt of interest & principal amount from parties, is not applicable to the Company..
 - (d) No loans have been granted to Companies, Firms and other parties listed in the register U/s 301 of the Companies Act, 1956. Hence, over due Amount of more than one lakh does not arise and the clause is not Applicable.
 - (e) The Company has not taken any loans, secured or unsecured from Companies, Firms or other Parties covered in the register maintained U/s 301 of the Companies Act, 1956..
 - (f) As the Company has not taken any loans, the clause of whether the rate of interest and other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is prejudicial to the interest of Company, is not applicable.
 - (g) As no loans are taken by the Company, the clause of repayment of interest & principal amount to parties is not applicable to the Company.
- In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. There is no continuing failure by the Company to correct any major weaknesses in internal control.



- V. (a) According to the information and explanations provided by management, no contracts or arrangements is entered with the parties listed in the register under section 301, therefore applicability of the clause regarding the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 does not arise.
 - (b) According to the information and explanations given to us, as no such contracts or arrangements made by the Company, the applicability of the clause of charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.
- VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us no order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has been received by the Company.
- VII. In our opinion, the Company is having internal audit system, commensurate with its size and nature of its business.
- VIII. In respect of the Company, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section(1) of section 209 of the Companies Act, 1956.
- IX. (a) The Company is generally regular in depositing statutory dues including PF, ESI, Service Tax with the appropriate authorities.
 - (b) According to the information and explanation given to us, there are no dues of sales tax, wealth tax, service tax, customs duty, excise duty and cess which have fallen due on before 31st March 2013 and not been deposited with appropriate authorities on account of any dispute except for Rs. 1,54,10,269/- which is pending in appeals.
- X. The Company has been registered for a period of not less than 5 years, and the Company has no accumulated losses at the end of the financial year and the Company has not incurred cash losses in this financial year and in the immediately preceding financial year.
- XI. According to information and explanations given to us, the Company has defaulted in repayment of dues amounting to Rs.55.74 crores to financial Institutions and Banks.
- XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.
- XIV. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions other than guarantees given to banks for the loan taken by M/s Crustums Products Pvt Ltd., Subsidiary Company and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the Company does not arise.



- XVI. 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.
- XVII. According to the information given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been used for long term investment and vice-versa during the year under audit.
- XVIII. According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act. 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.
- XIX. According to the information and explanations given to us, the Company has issued 500 debentures of Rs. 10.00.000/- each on 21st March 2007 and the has created the security for the debentures issued by the Company.
- XX. According to information and explanations given to us, the Company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by public issue is not applicable.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

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

Place: Hvderabad Date : 29-05-2013

Sd/-

P. MURALI MOHANA RAO **Partner**

Membership No. 023412



BALANCE SHEET AS AT 31ST MARCH, 2013

PARTICULARS	Note No.	AS ON 31-03-2013 (₹)	AS ON 31-03-2012 (₹)
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	1,86,63,43,765	1,92,41,84,966
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	7,57,64,11,802	8,63,10,77,808
(b) Deferred Tax Liabilities (Net)	4	17,39,17,055	17,24,22,876
(c) Other Long Term Liabilities	5	1,44,20,211	12,59,03,913
(d) Long Term Provisions	•	-,,	
(4) Current Liabilities			
(a) Short-Term Borrowings	6	3,08,96,061	4,49,36,785
(b) Trade Payables	7	53,76,65,693	51,43,44,484
(c) Other Current Liabilities	8	3,48,11,20,993	1,51,34,66,493
(d) Short-Term Provisions	9	10,72,09,723	9,50,98,845
	3		
Total II. ASSETS		14,21,20,37,543	13,44,54,88,410
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	3,40,03,14,269	3,52,66,82,416
(ii) Intangible assets	10	5,40,05,14,205	5,52,00,02,410
(iii) Capital work-in-progress		8,66,89,00,154	7,71,79,02,760
(iv) Intangible assets under development		0,00,00,00,101	7,71,70,02,700
(b) Non-current investments	11	63,02,62,770	63,02,62,770
(c) Long Term Loans and advances	12	1,26,60,34,527	1,31,80,54,294
(d) Other Non-Current assets	13	24,82,200	13,09,257
(2) Current assets	. •	_ :,0_,_00	. 0,00,=01
(a) Current investments		_	_
(b) Inventories	14	69,67,744	80,61,974
(c) Trade receivables	15	18,12,87,751	19,44,81,754
(d) Cash and Bank Balances	16	2,25,96,316	2,22,75,727
(e) Short-Term Loans and Advances	17	3,31,91,812	2,64,57,458
(f) Other Current assets	• • •	-	_,0 .,0 .,
Total		14,21,20,37,543	13,44,54,88,410
Significant Accounting Policies	1 to 40		
lotes to Financial Statements AS PER OUR REPORT OF EVEN DATE	1 to 42	FOR AND ON BEHALF	UE THE BUYDD
FOR P. MURALI & CO		FUR AND UN DENALF	UF THE BUAND
Chartered Accountants		Sd/-	Sd/-
Firm's Regn. No. : 007257S	P. PRABH	AKAR REDDY	A. VIJAYAVARDHAN REDD
Sd/-	Managi	ng Director	Director
P. MURALI MOHANA RAO			
Partner Membership No. 023412		Sd/-	Sd/-
VIGITIDGI 31110 IVU. UZ34 IZ			M. SATISH CHOUDHURY
Hyderabad		AAVA RAJU ancial Officer	Company Secretary



PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	Note No.	Year Ended 31-03-2013 (₹)	Year Ended 31-03-2012 (₹)
I. Revenue from Operations	18	72,18,91,266	73,80,45,030
II. Other Income	19	18,77,423	14,93,209
III. Total Revenue (I +II)		72,37,68,689	73,95,38,239
IV. Expenses:			
Cost of Materials Consumed/ Cost of Software Developmen		7,78,64,000	7,64,56,433
Employee Benefit Expenses	21	13,83,17,000	13,69,45,006
Other Operating Expenses	22	11,15,86,050	10,73,00,494
Administrative Expenses	23	9,21,86,951	9,23,34,551
Financial costs	24	22,70,05,707	21,96,64,357
Depreciation and amortization expense	10	13,31,56,003	13,12,38,227
Total Expenses		78,01,15,711	76,39,39,068
V. Profit before exceptional and extraordinary items and tax (III - IV)VI. Exceptional Items		(5,63,47,022)	(2,44,00,829)
VII. Profit before extraordinary items and tax (V - VI)		(5,63,47,022)	(2,44,00,829)
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII - VIII)		(5,63,47,022)	(2,44,00,829)
X. Tax expense: (1) Current tax (2) Deferred tax		- - 14,94,179	- 13,77,599 71,50,490
XI. Profit(Loss) from the period from Continuing Operations (VII - VIII)		(5,78,41,201)	(3,29,28,918)
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax expense of Discounting Operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XII	I)	-	-
XV. Profit/(Loss) for the period (XI + XIV)		(5,78,41,201)	(3,29,28,918)
XVI. Earning per equity share:			
(1) Basic		(1.36)	(0.78)
(2) Diluted		(1.36)	(0.78)

Significant Accounting Policies Notes to Financial Statements

AS PER OUR REPORT OF EVEN DATE

FOR P. MURALI & CO.,

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

Sd/-

P. MURALI MOHANA RAO

Partner

Membership No. 023412

Hyderabad May 29, 2013 1 to 42

FOR AND ON BEHALF OF THE BOARD

Sd/-

P. PRABHAKAR REDDY Managing Director

A. VIJAYAVARDHAN REDDY

Director

Sd/-K. GURAVA RAJU Chief Financial Officer

Sd/-M. SATISH CHOUDHURY Company Secretary

Sd/-



S.N	0	PARTICULARS	AS ON 31-03-2013 (₹)	AS ON 31-03-2012 (₹)
NOTE	E NO	. 1 : SHARE CAPITAL		
A E	Equity	Share Capital		
(a)	Authorised		
		(No. of Equity Shares 4,50,00,000 Current Year) (No. of Preference Shares 10,00,000 Current Year)	45,00,00,000 10,00,00,000	-
		(No. of Equity Shares 4,50,00,000 Previous Year) (No. of Preference Shares 10,00,000 Previous Year)	-	45,00,00,000 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 Current Year)	42,40,52,240	-
		(No. of Shares 4,24,05,224 Previous Year)	((/)/ -	42,40,52,240
(c)	Subscribed & Fully Paid Up	. 110	-
		(No. of Shares 4,24,05,224 Current Year)	42,40,52,240	-
		(No. of Shares 4,24,05,224 Previous Year)	-	42,40,52,240
(d)	Subscribed & not fully paid up	-	-
(e)	Par Value per share Rs. 10/-		
		Total Equity Share capital	42,40,52,240	42,40,52,240
N - 4				

Notes:

Out of the paid up capital 47,83,796 equity shares of Rs.10/- each were alloted on July 14, 2007 as fully paid up shares pursuant to the scheme of arrangement with erstwhile Minerva Restaurant Pvt Ltd., erstwhile Minerva Coffee shop Pvt Ltd., erstwhile Minerva Hotels Pvt Ltd., M/s Cafe D' Lake Pvt. Ltd., erstwhile Blue Fox Bar & Restaurant Pvt. Ltd., M/s Minerva Hospitalities Pvt. Ltd., erstwhile Banjara Hospitalities Pvt. Ltd., M/s Crustum Products Pvt Ltd., and Hotels Division of M/s Minerva Enterprises Pvt Ltd., with the Company.

$B \quad A\,Reconciliation\, of the\, number\, of\, shares\, outstanding\, at\, the\, beginning\, and\, at\, the\, end\, of\, the\, reporting\, period:$

(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)

	No.of	Shares	% of Shar	e Holding
Name of Shareholder	Current Year	Previous Year	Current Year	Previous Year
(1) Jhunjhunwala Rakesh Radheshyam	57,07,566	42,50,000	13.46	10.02
(2) P. Chakradhar Reddy	40,41,453	40,41,453	9.53	9.53
(3) REL Utility Engineers Limited	25,00,000	25,00,000	5.90	5.90



S.NO PARTICULARS		AS ON 31-03-2013 (₹)	AS ON 31-03-2012 (₹)
NOTE NO. 2 : RESERVES AND SURPLUS			
RESERVES AND SURPLUS			
a) Capital reserve			
As at the commencement of the year		74,33,996	5,46,000
Add: Additions during the year		-	68,87,995
Less: Utilised during the year		-	-
	Sub Total	74,33,996	74,33,995
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		C.\\\ -	-
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	- Bly	-	-
<u> </u>	Sub Total	5,00,00,000	5,00,00,000
d) Revaluation reserve		79,19,430	79,19,430
e) General Reserves	, T		
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		<u> </u>	<u> </u>
C),	Sub Total	3,20,25,000	3,20,25,000
f) Surpuls :			
i) Opening Balance - Profit and Loss Acco	ount	10,90,20,870	14,19,49,789
Add: Transfer from Profit & Loss Accour	nt	(5,78,41,201)	(3,29,28,918)
Less: Transfer To General Reserve		-	-
Less: Goodwill Written Off			
	Sub Total	5,11,79,669	10,90,20,871
Total Reserve	s and Surplus	1,86,63,43,765	1,92,41,84,966
NOTE NO. 3 : LONG TERM BORROWINGS			
Long Term borrowings			
a) Bonds/debentures		42,50,00,000	42,50,00,000
Secured		12,30,00,000	12,00,00,000
(500 Bonds, Face Value - Rs. 10,00,000/-	, 14% Interest)		
		42,50,00,000	42,50,00,000



S.NO PAR	TICULARS	AS ON 31-03-2013 (₹)	AS ON 31-03-2012 (₹)
b) i) Term Loans		<u>-</u>	-
From Banks		4,27,28,89,095	5,33,13,70,985
From Financial	Institutions	13,83,60,000	14,28,80,000
From Others		4,02,42,146	4,23,98,393
	Sub Total	4,45,14,91,241	5,51,66,49,378
ii) Un Secured Loa	ns	0 00 00 00 504	0.00.04.00.400
From Others	0.17.1	2,69,99,20,561	2,68,94,28,430
	Sub Total	2,69,99,20,561	2,68,94,28,430
	Total Long Term Borrowings	7,57,64,11,802	8,63,10,77,808
NOTE NO. 4 : DEFERRED	TAX LIABILITY (NET)	Cilli	
Opening Deferred Tax		17,24,22,876	16,52,72,386
	ity for the year (Due to SLM and WDV Differenc		71,50,490
Deferred Tax Liability	for the year (Due to Others)	71	-
	Gross Deferred tax Liability	17,39,17,055	17,24,22,876
NOTE NO. 5 : OTHER LON	IG TERM LIABILITIES		
a) Trade Payables & Of			
- Advance from Cu		1,44,20,211	12,59,03,913
		, , -,	,,,-
	Total Long Term Liabilities	1,44,20,211	12,59,03,913
NOTE NO. 6 : SHORT TER	M BORROWINGS.		
Short term borrowings			
a) Cash Credits and W	Orking Capital Demand Loan from Banks		
- Secured		3,08,96,061	4,49,36,785
	Total Short Term Borrowings	3,08,96,061	4,49,36,785
NOTE NO. 7 : TRADE PAY	ARI FS		
a) Trade Payables(cred		53,76,65,693	51,43,44,484
	Total Trade Payables	53,76,65,693	51,43,44,484
	•		
NOTE NO. 8 : OTHER CUP	RRENT LIABILITIES		
a) Current maturities o	f long term debt	1,74,57,36,000	73,36,48,000
·	f finance lease obligation	-	-
•	not due on borrowings	38,60,049	37,51,242
d) Interest accured and		1,66,13,64,189	67,78,44,578
e) Income received in a	advance.	-	-
f) Unpaid dividend.		-	-



S.NO PARTICULARS	AS ON 31-03-2013 (₹)	AS ON 31-03-2012 (₹)
g) Application money due for refund and interest on the s	ame	-
h) Unpaid matured deposits and interest accured thereon	-	-
i) Unpaid matured debentures and interest accured thereo	n	-
j) Other Payables (Specify the nature.)	-	-
(i) Rent Payable	-	49,75,324
(ii) Audit Fee Payable	14,77,780	10,28,340
(iii) Electricity Charges Payable	18,81,292	20,66,183
(iv) Bonus Payable		-
(v) Statutory Liabilities	5,39,33,908	8,30,58,441
(vi) PF & ESI Payable	83,45,651	15,57,758
(vii) Salaries Payable	38,43,263	55,36,627
(viii) Other Payable (WCT Payable), Ser. Tax Payable	6,78,861	-
Total Other Current Liabil	ities 3,48,11,20,993	1,51,34,66,493
NOTE NO. 9 : SHORT TERM PROVISIONS		
a) Provisions for Employee Benefits		
Provision for Gratuity	96,47,945	91,02,096
Provision for Bonus	82,51,278	63,78,756
Provision for Management deferred license	4,90,94,282	4,40,57,247
Provision for Accurals	92,40,786	1,10,72,516
b) Others		
Provision for Income Tax	13,77,599	13,77,599
Provision for MAT	2,05,85,188	2,05,85,188
Provision for FBT	74,919	74,919
Other Provisions	89,37,726	24,50,524
Total Short Term Provis	sions 10,72,09,723	9,50,98,845



STAND-ALONE FINANCIALS

NOTE NO 10 : FIXED ASSETS AS AT 31-03-2013

		GROSS	GROSS BLOCK			DEPRECIATION	IATION		NET BLOCK	.0СК
DESCRIPTION	Block As at 01-04-2012	Additions During the Year	Sale / Deletions During the year	Total Cost as at 31-03-2013	As on 31-03-2012	For the Year	Adjustments During the Year	Total as at 31-03-2013	As at 31-03-2013	As at 31-03-2012
	1,65,88,58,105	•	•	1,65,88,58,105	•			•	1,65,88,58,105	1,65,88,58,105
	1,62,77,76,035	•	,	1,62,77,76,035	41,08,48,077	5,43,67,720	1	46,52,15,797	1,16,25,60,238	1,21,69,27,958
Furniture & Fixtures	37,66,85,113	•		37,66,85,113	21,83,42,610	2,38,44,168	1	24,21,86,778	13,44,98,335	15,83,42,503
Air Conditioners	16,04,27,348	-	-	16,04,27,348	7,79,07,082	76,20,299	-	8,55,27,381	7,48,99,967	8,25,20,266
Electrical Fittings	19,72,61,937	•	•	19,72,61,937	7,16,27,850	93,69,942	1	8,09,97,792	11,62,64,145	12,56,34,087
	6,94,95,732	70,60,515	11,82,970	7,53,73,277	2,68,50,958	71,68,915	8,33,859	3,31,86,015	4,21,87,262	4,26,44,773
Plant and machinery	7,96,33,252	•	•	7,96,33,252	2,41,58,617	37,82,579		2,79,41,196	5,16,92,056	5,54,74,635
	13,65,000	-	•	13,65,000	3,78,192	64,838	1	4,43,030	9,21,971	9,86,808
Misc. Fixed Asset	38,09,40,599	76,451	•	38,10,17,050	19,56,47,317	2,69,37,543	•	22,25,84,860	15,84,32,190	18,52,93,282
	4,55,24,43,121	71,36,966	11,82,970	4,55,83,97,117	1,02,57,60,703	13,31,56,003	8,33,859	1,15,80,82,848	3,40,03,14,269 3,52,66,82,417	3,52,66,82,417
Previous Year	4,53,14,78,353	2,71,58,099	61,93,331	4,55,24,43,121	89,75,61,226	13,12,38,227	30,38,749	1,02,57,60,704	3,52,66,82,416	3,63,39,17,126



S.NO PARTICULARS	AS ON 31-03-2013 (₹)	AS ON 31-03-2012 (₹)			
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 Pv		1,00,000			
Sub Total	15,71,62,420	15,71,62,420			
2) Investments in Associate					
a) Equity Shares	01,				
Unquoted	71,				
60,00,000 Shares of Rs.10/- each in Viceroy Banglore Hotels Pvt. Ltd	47,31,00,350	47,31,00,350			
Sub Total	47,31,00,350	47,31,00,350			
Total Non Current Investments	63,02,62,770	63,02,62,770			
NOTE NO. 12: LONG TERM LOANS AND ADVANCES					
Capital Advances					
Secured, Considered Good	6,41,215	-			
Unsecured, Considered Good	40,91,83,504	48,37,14,128			
Sub Total	40,98,24,719	48,37,14,128			
Security Deposit					
Secured, Considered Good	3,79,54,762	3,65,88,254			
Unsecured, Considered Good	-	-			
Sub Total	3,79,54,762	3,65,88,254			
Secured, Considered Good					
Loans & Advances to Related Party (Refer Note No.36)					
Subsidiary Company Advances	41,30,29,422	41,51,90,222			
Loans & Advances to Related Parties	21,32,31,612	21,32,31,612			
Sub Total	62,62,61,034	62,84,21,834			
Secured, Considered Good					
Loans Receivable	14,79,99,035	11,03,03,373			
Advances Recoverable in Cash or in kind	4,39,94,977	5,90,26,704			
Sub Total	19,19,94,012	16,93,30,077			
Total Long Term Loans and Advances	1,26,60,34,527	1,31,80,54,294			



NOTE NO. 13 : OTHER ASSETS (CURRENT & NON CURRENT) Unamortised Expenses 13,09,257 13,09,257 11,72,943 11,72,943 11,72,943 11,72,943 11,72,943 11,72,943 11,72,943 11,72,943 13,09,257 14,056 1	S.NO PARTICUL	ARS	AS ON 31-03-2013 (₹)	AS ON 31-03-2012 (₹)
NOTE NO. 14 : INVENTORIES 11,72,943 13,09,257 15,000 16,	NOTE NO. 13: OTHER ASSETS (CURRENT & NON CURRENT)	-	-
NOTE NO. 14 : INVENTORIES 11,72,943 13,09,257 15,000 16,	Unamortised Expenses	•	13,09,257	13,09,257
NOTE NO. 14: INVENTORIES a) Finished goods (i) Food Inventory (ii) Beverage Inventory (iii) Linen Inventory (iv) General Inventory (iv) General Inventory (v) Printing & Stationery (vi) Tobacco Inventory (vi) Tobacco Inventory (vii) Diesel Inventory (vii) Diesel Inventory (viii) Diesel Inventory (vii) Diesel Inventory (viii) Diesel Inventory (vii) Diesel Inv	•			-
a) Finished goods (i) Food Inventory (ii) Beverage Inventory (iii) Beverage Inventory (iii) Linen Inventory (iv) General Inventory (iv) General Inventory (iv) General Inventory (iv) Tobacco Inventory (vi) Tobacco Inventory (viii) Diesel Inventory Total Inventories Other Receivables: Secured, Considered Good Unsecured, Considered Good Unsecured, Considered Good Total Trade Receivables Cash and cash equivalents: a) Balances with banks: 1) On Current Accounts b) Cash on hand 3,51,776 Sub total 77,83,757 Other Bank Balances On Deposit Accounts 1) Having Maturity more than 12 months from the date of deposit 1) Having Maturity more than 12 months from the date of deposit 1) Having Maturity more than 12 months from the date of deposit 1) Having Maturity more than 12 months from the date of deposit 1) Having Maturity more than 12 months from the date of deposit 1) Having Maturity more than 12 months from the date of deposit 1) Having Maturity more than 12 months from the date of deposit 1) Having Maturity more than 12 months from the date of deposit 1) Having Maturity more than 12 months from the date of deposit 1) Having Maturity more than 12 months from the date of deposit 2,22,75,727 NOTE NO. 17: SHORT TERM LOANS AND ADVANCES Secured, Considered Good Loans and Advances to Employees 7,41,813 7,28,595 Prepaid Expense 1,83,12,619 1,62,82,421 Advances Recoverable in Cash or in kind 1,41,37,380 9,44,64,42		Total Other Assets	24,82,200	13,09,257
(ii) Food Inventory (iii) Beverage Inventory (iii) Beverage Inventory (iii) Linen Inventory (iv) General Inventory (iv) General Inventory (iv) Frinting & Stationery (vi) Tobacco Inventory (vii) Diesel Inventory (viii) Dies	NOTE NO. 14: INVENTORIES			
(iii) Beverage Inventory 34,32,403 45,40,561 (iii) Linen Inventory 18,96,699 19,23,548 (iv) Printing & Stationery 83,949 36,723 (vi) Tobacco Inventory 46,423 49,192 (vii) Diesel Inventory 5,77,109 4,23,988 Total Inventories 69,67,744 80,61,974 NOTE NO. 15 : TRADE RECEIVABLES Other Receivables: Secured, Considered Good 18,12,87,751 19,44,81,754 Unsecured, Considered Good 18,12,87,751 19,44,81,754 NOTE NO. 16 : CASH AND BANK BALANCES Cash and cash equivalents: 3) Balances with banks: 1) On Current Accounts 74,21,981 2,16,13,971 b) Cash on hand 3,61,776 6,61,756 6,61,756 Sub total 7,83,757 2,22,75,727 Other Bank Balances On Deposit Accounts 1,48,12,559 - 1) Having Maturity more than 12 months from the date of deposit 1,48,12,559 - Total Cash and Cash Equivalents 2,25,96,316 2,22,75,727 NOTE NO. 17	a) Finished goods			
(iii) Linen Inventory 15,200 (iv) General Inventory 18,96,699 19,23,548 (v) Printing & Stationery 83,949 36,723 (vii) Tobacco Inventory 46,423 49,192 (vii) Diesel Inventory 5,77,109 4,23,988 Total Inventories 69,67,744 80,61,974 NOTE NO. 15 : TRADE RECEIVABLES Other Receivables: Secured, Considered Good 18,12,87,751 19,44,81,754 Unsecured, Considered Good 18,12,87,751 19,44,81,754 NOTE NO. 16 : CASH AND BANK BALANCES Cash and cash equivalents : a) Balances with banks : 1) On Current Accounts 74,21,981 2,16,13,971 b) Cash on hand 3,61,776 6,61,756 Sub total 77,83,757 2,22,75,727 Other Bank Balances On Deposit Accounts 1,48,12,559 - 1) Having Maturity more than 12 months from the date of deposit 1,48,12,559 - Total Cash and Cash Equivalents 2,25,96,316 2,22,75,727 NOTE NO. 17 : SHORT TERM LOANS AND ADVANCES<	(i) Food Inventory		9,31,161	10,72,762
(iv) General Inventory 18,96,699 19,23,548 (v) Printing & Stationery 83,949 36,723 (vi) Tobacco Inventory 46,423 49,192 (vii) Diesel Inventory 5,77,109 4,23,988 Total Inventories 69,67,744 80,61,974 NOTE NO. 15 : TRADE RECEIVABLES Other Receivables: Secured, Considered Good 18,12,87,751 19,44,81,754 Unsecured, Considered Good 18,12,87,751 19,44,81,754 NOTE NO. 16 : CASH AND BANK BALANCES Cash and cash equivalents : a) Balances with banks : 1) On Current Accounts 74,21,981 2,16,13,971 b) Cash on hand 3,61,776 6,61,756 6,61,756 Other Bank Balances On Deposit Accounts 1,48,12,559 - 1) Having Maturity more than 12 months from the date of deposit 1,48,12,559 - Total Cash and Cash Equivalents 2,25,96,316 2,22,75,727 NOTE NO. 17 : SHORT TERM LOANS AND ADVANCES Secured, Considered Good Loans and Advances to Employees	(ii) Beverage Inventory		34,32,403	45,40,561
(v) Printing & Stationery (vi) Tobacco Inventory (vii) Diesel Inventory (vii) Diesel Inventory Total Inventories 69,67,744 NOTE NO. 15: TRADE RECEIVABLES Other Receivables: Secured, Considered Good Unsecured, Considered Good Unsecured, Considered Good Unsecured, Considered Good Unsecured, Considered Good Unsecured, Considered Good Unsecured, Considered Good Unsecured, Considered Good Unsecured, Considered Good Unsecured, Considered Good Unsecured, Considered Good Unsecured, Considered Good Unsecured, Considered Good Unsecured, Considered Good Unsecured, Considered Good Unsecured, Considered Good Unsecured, Considered Good Unsecured, Considered Good Sub total Total Trade Receivables 74,21,981 3,61,776 6,61,756 Sub total 77,83,757 2,22,75,727 Other Bank Balances On Deposit Accounts 1) Having Maturity more than 12 months from the date of deposit 1,48,12,559 Total Cash and Cash Equivalents 2,25,96,316 2,22,75,727 NOTE NO. 17: SHORT TERM LOANS AND ADVANCES Secured, Considered Good Loans and Advances to Employees 7,41,813 7,28,595 Prepaid Expense 1,83,12,619 1,62,82,421 Advances Recoverable in Cash or in kind 1,41,37,380 94,46,442	(iii) Linen Inventory			15,200
(vi) Tobacco Inventory (vii) Diesel Inventory (viii) D	(iv) General Inventory		18,96,699	19,23,548
NOTE NO. 15 : TRADE RECEIVABLES Secured, Considered Good Total Trade Receivables Total Trade T	(v) Printing & Stationery		83,949	36,723
NOTE NO. 15 : TRADE RECEIVABLES	(vi) Tobacco Inventory		46,423	49,192
NOTE NO. 15 : TRADE RECEIVABLES Other Receivables: Secured, Considered Good Unsecured, Considered Good Unsecured, Considered Good Total Trade Receivables Total Trade Receivables 18,12,87,751 19,44,81,754 NOTE NO. 16 : CASH AND BANK BALANCES Cash and cash equivalents: a) Balances with banks: 1) On Current Accounts 5	(vii) Diesel Inventory		5,77,109	4,23,988
Other Receivables: Secured, Considered Good 18,12,87,751 19,44,81,754 Total Trade Receivables 18,12,87,751 19,44,81,754 NOTE NO. 16: CASH AND BANK BALANCES Cash and cash equivalents: a) Balances with banks: 1) On Current Accounts 74,21,981 2,16,13,971 b) Cash on hand 3,61,776 6,61,756 Sub total 77,83,757 2,22,75,727 Other Bank Balances On Deposit Accounts 1) Having Maturity more than 12 months from the date of deposit 1,48,12,559 - Sub total 1,48,12,559 - Total Cash and Cash Equivalents 2,25,96,316 2,22,75,727 NOTE NO. 17: SHORT TERM LOANS AND ADVANCES Secured, Considered Good Loans and Advances to Employees 7,41,813 7,28,595 Prepaid Expense 1,83,12,619 1,62,82,421 Advances Recoverable in Cash or in kind 1,41,37,380 94,46,442		Total Inventories	69,67,744	80,61,974
Other Receivables: Secured, Considered Good 18,12,87,751 19,44,81,754 Total Trade Receivables 18,12,87,751 19,44,81,754 NOTE NO. 16: CASH AND BANK BALANCES Cash and cash equivalents: a) Balances with banks: 1) On Current Accounts 74,21,981 2,16,13,971 b) Cash on hand 3,61,776 6,61,756 Sub total 77,83,757 2,22,75,727 Other Bank Balances On Deposit Accounts 1) Having Maturity more than 12 months from the date of deposit 1,48,12,559 - Sub total 1,48,12,559 - Total Cash and Cash Equivalents 2,25,96,316 2,22,75,727 NOTE NO. 17: SHORT TERM LOANS AND ADVANCES Secured, Considered Good Loans and Advances to Employees 7,41,813 7,28,595 Prepaid Expense 1,83,12,619 1,62,82,421 Advances Recoverable in Cash or in kind 1,41,37,380 94,46,442	NOTE NO. 15 : TRADE RECEIVAL	BLES		
Secured, Considered Good				
Unsecured, Considered Good 18,12,87,751 19,44,81,754 19,44	•		_	_
NOTE NO. 16 : CASH AND BANK BALANCES Cash and cash equivalents : a) Balances with banks : 1) On Current Accounts 74,21,981 2,16,13,971 b) Cash on hand 3,61,776 6,61,756 Sub total 77,83,757 2,22,75,727 Other Bank Balances On Deposit Accounts 1) Having Maturity more than 12 months from the date of deposit 1,48,12,559 Sub total 1,48,12,559 Total Cash and Cash Equivalents 2,25,96,316 2,22,75,727 NOTE NO. 17 : SHORT TERM LOANS AND ADVANCES Secured, Considered Good Loans and Advances to Employees 7,41,813 7,28,595 Prepaid Expense 1,83,12,619 1,62,82,421 Advances Recoverable in Cash or in kind 1,41,37,380 94,46,442			18,12,87,751	19,44,81,754
Cash and cash equivalents: a) Balances with banks: 74,21,981 2,16,13,971 b) Cash on hand 3,61,776 6,61,756 Sub total 77,83,757 2,22,75,727 Other Bank Balances On Deposit Accounts 1) Having Maturity more than 12 months from the date of deposit 1,48,12,559 - Sub total 1,48,12,559 - Total Cash and Cash Equivalents 2,25,96,316 2,22,75,727 NOTE NO. 17: SHORT TERM LOANS AND ADVANCES Secured, Considered Good Loans and Advances to Employees 7,41,813 7,28,595 Prepaid Expense 1,83,12,619 1,62,82,421 Advances Recoverable in Cash or in kind 1,41,37,380 94,46,442		Total Trade Receivables	18,12,87,751	19,44,81,754
Cash and cash equivalents: a) Balances with banks: 74,21,981 2,16,13,971 b) Cash on hand 3,61,776 6,61,756 Sub total 77,83,757 2,22,75,727 Other Bank Balances On Deposit Accounts 1) Having Maturity more than 12 months from the date of deposit 1,48,12,559 - Sub total 1,48,12,559 - Total Cash and Cash Equivalents 2,25,96,316 2,22,75,727 NOTE NO. 17: SHORT TERM LOANS AND ADVANCES Secured, Considered Good Loans and Advances to Employees 7,41,813 7,28,595 Prepaid Expense 1,83,12,619 1,62,82,421 Advances Recoverable in Cash or in kind 1,41,37,380 94,46,442	NOTE NO. 16 : CASH AND BANK	RALANCES		
a) Balances with banks: 1) On Current Accounts 74,21,981 2,16,13,971 b) Cash on hand 3,61,776 Sub total 77,83,757 Other Bank Balances On Deposit Accounts 1) Having Maturity more than 12 months from the date of deposit 1,48,12,559 Sub total 1,48,12,559 Total Cash and Cash Equivalents 2,25,96,316 C2,22,75,727 NOTE NO. 17: SHORT TERM LOANS AND ADVANCES Secured, Considered Good Loans and Advances to Employees Prepaid Expense Advances Recoverable in Cash or in kind 1,41,37,380 94,46,442				
1) On Current Accounts b) Cash on hand 74,21,981 3,61,776 6,61,756 Sub total 77,83,757 2,22,75,727 Other Bank Balances On Deposit Accounts 1) Having Maturity more than 12 months from the date of deposit 1,48,12,559 Sub total 1,48,12,559 Total Cash and Cash Equivalents 2,25,96,316 NOTE NO. 17: SHORT TERM LOANS AND ADVANCES Secured, Considered Good Loans and Advances to Employees Prepaid Expense Advances Recoverable in Cash or in kind 1,41,37,380 94,46,442				
b) Cash on hand Sub total 77,83,757 Other Bank Balances On Deposit Accounts 1) Having Maturity more than 12 months from the date of deposit Sub total Total Cash and Cash Equivalents Secured, Considered Good Loans and Advances to Employees Prepaid Expense Advances Recoverable in Cash or in kind Sub total 3,61,776 2,222,75,727 1,48,12,559 2,222,75,727 1,48,12,559 2,22,75,727 1,41,813 2,28,595 1,62,82,421 1,62,82,421 1,41,37,380 94,46,442			74.21.981	2.16.13.971
Other Bank Balances On Deposit Accounts 1) Having Maturity more than 12 months from the date of deposit Sub total 1,48,12,559 Total Cash and Cash Equivalents 2,25,96,316 NOTE NO. 17: SHORT TERM LOANS AND ADVANCES Secured, Considered Good Loans and Advances to Employees Prepaid Expense Advances Recoverable in Cash or in kind 1,41,37,380 2,22,75,727 2,22,75,727				6,61,756
Other Bank Balances On Deposit Accounts 1) Having Maturity more than 12 months from the date of deposit Sub total 1,48,12,559 Total Cash and Cash Equivalents 2,25,96,316 2,22,75,727 NOTE NO. 17: SHORT TERM LOANS AND ADVANCES Secured, Considered Good Loans and Advances to Employees Prepaid Expense Advances Recoverable in Cash or in kind 1,41,37,380 P4,46,442	,	Sub total		
1) Having Maturity more than 12 months from the date of deposit Sub total 1,48,12,559 Total Cash and Cash Equivalents 2,25,96,316 2,22,75,727 NOTE NO. 17: SHORT TERM LOANS AND ADVANCES Secured, Considered Good Loans and Advances to Employees Prepaid Expense Advances Recoverable in Cash or in kind 1,41,37,380 1,48,12,559 2,22,75,727	Other Bank Balances			
Sub total 1,48,12,559 Total Cash and Cash Equivalents 2,25,96,316 2,22,75,727 NOTE NO. 17 : SHORT TERM LOANS AND ADVANCES Secured, Considered Good 7,41,813 7,28,595 Loans and Advances to Employees 7,41,813 7,28,595 Prepaid Expense 1,83,12,619 1,62,82,421 Advances Recoverable in Cash or in kind 1,41,37,380 94,46,442	On Deposit Accounts			
Total Cash and Cash Equivalents 2,25,96,316 2,22,75,727 NOTE NO. 17 : SHORT TERM LOANS AND ADVANCES Secured, Considered Good Loans and Advances to Employees 7,41,813 7,28,595 Prepaid Expense 1,83,12,619 1,62,82,421 Advances Recoverable in Cash or in kind 1,41,37,380 94,46,442	1) Having Maturity more than	12 months from the date of deposit	1,48,12,559	-
NOTE NO. 17 : SHORT TERM LOANS AND ADVANCES Secured, Considered Good Loans and Advances to Employees 7,41,813 7,28,595 Prepaid Expense 1,83,12,619 1,62,82,421 Advances Recoverable in Cash or in kind 1,41,37,380 94,46,442		Sub total	1,48,12,559	-
Secured, Considered Good Loans and Advances to Employees 7,41,813 7,28,595 Prepaid Expense 1,83,12,619 1,62,82,421 Advances Recoverable in Cash or in kind 1,41,37,380 94,46,442		Total Cash and Cash Equivalents	2,25,96,316	2,22,75,727
Secured, Considered Good Loans and Advances to Employees 7,41,813 7,28,595 Prepaid Expense 1,83,12,619 1,62,82,421 Advances Recoverable in Cash or in kind 1,41,37,380 94,46,442	NOTE NO. 17 : SHORT TERM LO	IANS AND ADVANCES	_	
Loans and Advances to Employees 7,41,813 7,28,595 Prepaid Expense 1,83,12,619 1,62,82,421 Advances Recoverable in Cash or in kind 1,41,37,380 94,46,442				
Prepaid Expense 1,83,12,619 1,62,82,421 Advances Recoverable in Cash or in kind 1,41,37,380 94,46,442	·	lovees	7.41.813	7.28.595
Advances Recoverable in Cash or in kind 1,41,37,380 94,46,442		,		
		h or in kind		94,46,442
			3,31,91,812	2,64,57,458



Notes	To Financial	Statements For	The Year	Ended March 31 ^s	° 2013
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Notes To Financial Statements For The Year Ended March 31st 2013				
S.NO	PARTICULARS	Year Ended 31-03-2013 (₹)	Year Ended 31-03-2012 (₹)	
NOTE NO. 18:	REVENUE FROM OPERATIONS			
Revenue fro	m operations in respect of non-finance Company			
(a) Sale of P	roducts	67,81,40,834	68,31,33,921	
(b) Other Op	erating Revenues	4,37,50,432	5,49,11,109	
Less: Exc	cise Duties	-	-	
	Total Revenue from Operations	72,18,91,266	73,80,45,030	
NOTE NO. 19: (OTHER INCOME	C		
(a) Interest i	ncome	18,69,203	6,38,886	
(b) Other no	n-operating income	8,220	49,914	
	loss on foreign currency translation and transaction an considered as finance cost)	1901, -	8,04,409	
	Total Other Income	18,77,423	14,93,209	
NOTE NO. 20 : (COST OF MATERIALS			
Food & Beve				
Opening Sto		80,61,975	83,80,809	
Add : Purcha	ses During the year	7,67,69,770	7,61,37,598	
Less : Closin	g Stock	69,67,745	80,61,974	
	Total Cost of Material Consumed	7,78,64,000	7,64,56,433	
NOTE NO. 21 : I	EMPLOYEE BENEFIT EXPENSES			
(a) Salaries 8	& Wages	12,41,82,730	12,12,07,701	
(b) Contribut	tion to Provident & Other Funds	1,10,50,619	1,26,82,178	
(c) Manageri	al Remuneration	30,00,000	30,00,000	
(d) Staff Wel	fare Expenses	83,651	55,127	
	Total Employee Benefit Expenses	13,83,17,000	13,69,45,006	
NOTE NO. 22 : (OTHER OPERATING EXPENSES			
(a) Power &	Fuel	7,05,33,000	7,69,83,578	
(b) Repairs t	o Building	25,32,690	20,96,681	
(c) Insurance		21,24,883	20,14,590	
	Taxes (excluding Income Tax)	23,13,295	1,01,94,087	
• •	eous Expenditure	1,69,53,824	1,08,44,524	
(f) Payment	·	-	-	
(i) As Auc		4,49,440	4,49,440	
. ,	on foregin currency transaction	22,30,499	-,,	
(9) 1101 1000	on to og in saltonoy transaction	22,00,100		



S.NO	PARTICULARS		Year Ended 31-03-2013 (₹)	Year Ended 31-03-2012 (₹)
(h) Net los	ss on sale of Assets		2,13,769	1,24,601
(i) Repairs	& maintenance		1,42,34,650	45,92,993
		Total Other Expenses	11,15,86,050	10,73,00,494
NOTE NO. 23	: ADMINISTRATIVE EXPEN	SES		
(a) Teleph	one, Postage and Others		28,15,134	30,89,751
(b) Busine	ss Promotion Expenses		6,68,19,463	7,30,80,732
(c) Convey	/ance		1,09,60,770	90,95,814
(d) Office	Maintenance		17,76,949	18,18,691
(e) Printin	g & Stationery Expenses		32,63,829	29,14,388
(f) Consul	tancy Charges		18,000	18,000
(g) Fright	expenses		4,100	11,455
(h) Launda	ary expenses		7,29,950	6,26,448
(i) Bad del	ots written off		57,98,756	16,79,272
	Total A	Administrative Expenses	9,21,86,951	9,23,34,551
NOTE NO. 24	: FINANCE COST			
(a) Intere	st Expenses		-	-
- Intere	st on Term loans		16,63,28,402	16,13,86,156
- Intere	st on Axis Bank - NCD'S		5,98,26,026	5,77,51,225
- Intere	st on Unsecured Loan		-	90,000
- Loan	processing Charges & Bank	Charges	8,51,279	4,36,976
	Y DI	Total Finance Cost	22,70,05,707	21,96,64,357



Significant Accounting Policies

The financial statements are prepared under historical cost convention on an accrual basis and comply with the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India(ICAI), referred to in Section 211(3C) of the Companies Act, 1956. The significant accounting policies adopted in the presentation of the Accounts are as under:

(a) Accounting Convention and Revenue Recognition:

The Financial statements have been prepared in accordance with historical cost convention except for such fixed assets which are revalued. Both the income and expenditure items are recognized on accrual basis.

(b) Retirement Benefits:

The Company has not obtained Actuarial valuation towards gratuity as per Accounting Standard – 15 (Employee Benefits). However Management of the Company is providing provision for gratuity on estimation basis.

(c) Fixed Assets:

Fixed assets are stated at cost of acquisition and subsequent improvements thereto, inclusive of taxes, freight, and other incidental expenses related to acquisition, improvements and installation, except in case of revaluation of fixed assets where it is stated at revalued amount. Interest during construction period on loans to finance fixed assets is capitalized as per AS-10.

(d) Depreciation:

Depreciation on fixed assets other than land is provided under the straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, as existing on that date as per AS-6.

(e) Transactions in Foreign Exchange:

Sales made in foreign currency are converted at the prevailing applicable exchange rate. Gain/loss arising out of the fluctuation in exchange rate is accounted for on realization.

Payments made in foreign currency are converted at the applicable rate prevailing on the date of remittance as per AS-11.

(f) Borrowing Cost:

Borrowing cost that is attributable to the acquisition/ construction of fixed assets is capitalized as part of the cost of respective assets as per AS-16.

(g) Inventories:

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

(h) Taxes on income:

- 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.



(i) 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 ICAL., 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.

(j) Earnings per Share:

The earning considered in ascertaining the earning per share comprises net profit after tax. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the year as per AS-20.

Notes to Financial Statements

25. Basic Earnings Per Share (Basic EPS)

Particulars	Current Year Rs.	Previous Year Rs.
Net Profit after Tax	(5,78,41,201)	(3,29,28,919)
Weighted Average Number of Shares Considered	4,24,05,224	4,24,05,224
EPS	(1.36)	(0.78)

26. Fixed Assets:

Revaluation Reserve represents increase in the value of land on account of Revaluation made during the financial year 1989-90. Gross Block consists of Value of Chennai land aggregating Rs. 148.55 crores pertaining to the Chennai Hotel project and Rs. 12.99 crores of Hyderabad Courtyard land.

27. In relation of Provision for Current Tax, Deferred Tax:

Particulars	Current Year Rs.	Previous Year Rs.
Provision for Income Tax / Deferred Tax	14,94,179	85,28,090

28. In relation of Managerial Remuneration:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Salaries	30.00	30.00



29. Auditors Remuneration:

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

30. According to the information available with the Company, there are no amounts as at 31st March, 2013, due to suppliers who constitute a "small industrial undertaking".

31. 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/-)
b) Income Tax	AY 2004-05 Rs. 25,95,736 & AY 2005-06 Rs. 73,14,584/-
	(Previous Year AY 2004-05 Rs. 25,95,736/- & AY 2005-06 Rs. 73,14,584/-)

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 availed from Oriental Bank of Commerce.

32. In relation of foreign currency inflows and out flows:

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Out go on account of Capital work in progress expense is	-	-

33. Expenditure in Foreign Currency:

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Royalties & Others	6.46	4.72

34. 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	17.96	20.01



35. In relation of Secured (Term) Loans:

- (i) Term loans from IDFC Limited and Non Convertible Debentures from AXIS Bank aggregating to Rs. 126.00 crores are secured by Pari Passu first charge on the immovable and movable properties of Hyderabad Marriott Hotel.
- (ii) Term loans sanctioned by State Bank of India, State Bank of Mysore, State Bank of Indore, State Bank of Bikaner & Jaipur, Allahabad Bank, Indian Overseas Bank and UCO Bank aggregating to Rs. 350.00 crores for the Chennai Hotel Project are secured by Pari-Passu first charge on the immovable and movable properties of Chennai Hotel Project.
- (iii) Term loans from State Bank of India, Andhra bank and Canara Bank for the Hyderabad Courtyard hotel project aggregating to Rs. 95.00 crores are secured by the first Pari-Passu charge on the fixed assets of the Courtyard hotel project and Rs. 25.00 crores sanctioned during the previous year are secured against present and future credit card receivables and also personal guarantee of Managing Director, Mr. P. Prabhakar Reddy worth Rs. 22.79 crore.
- (iv) The Company has availed Redeemable Non convertible Debentures aggregating Rs.50 crores from Axis Bank Limited. It is secured against the immovable and movable properties of Hyderabad Marriott. The Company has created a Debenture Redemption reserve of Rs. 500 lakhs for the FY 2008. As per the agreement during the financial years 2011-12 and 2012-13 the Company has to repay a sum of Rs. 2 crore and Rs 10 crore of debentures respectively, but the Company has not made the same during the financial years 2011-12 and 2012-13.

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

Name	Relation with the Company
Shri. P. Prabhakar Reddy	Managing Director
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

Particulars	Subsidiaries	Associated
Loans & Advances	41,30,29,422	-
Investments	15,71,62,420	47,31,00,350

- **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.** Sale of Chennai Project Division: The Company has received an approval for the proposal to sell the entire Chennai Project division comprising of Chennai Hotel Project and Chennai Residential Project to Ceebros Hotels, Chennai for a total consideration of Rs.480 crore. The board at its meeting held on May 08, 2013 has approved for the same.

The board also approved the draft postal ballot notice under Companies Act ,1956 read with the Companies (passing of the resolution by Postal Ballot) Rules, 2001 with regard to sale of the above said Chennai Project division.



- 39. Since Central Government has issued a notification No. S.O. 301(E) dated 8th Februray, 2011 in exercise of the powers conferred by Section 211(3) of the Companies Act, 1956 granting general exemption to some specified class of companies, including hotel companies, from disclosing certain information in their profit and loss account as required under Part-II of Schedule VI of the Companies Act. 1956 subject to fulfilment of few conditions, the Company has duly complied with all conditions of the notification to seek general exemption under Section 211(4) of the Companies Act. 1956, paras 3(i)(a) and 3(ii)(d) of Part II of Schedule VI of the Companies Act, 1956 dealing with the disclosure of quantitative details of turnover of each class of goods, opening and closing stock, purchases, production and consumption of raw material in the financial statements for the financial year ended 31st March 2013. In this regard the Board of Directors of the Company has passed necessary resolution to comply with the conditions of the notification for the same.
- 40. The Board of Directors of the Company has by resolution has given consent to avail of the General Circular Nos: 2/2011 and 3/2011 dated 8th February, 2011 and 21st February, 2011 respectively issued by the Ministry of Corporate Affairs. Government of India giving general exemption to the companies under Section 212(8) of the Companies Act. 1956 for not attaching the balance sheet of the subsidiaries. The Company has disclosed necessary information as required in the said Circular in the consolidated balance sheet in aggregate for each subsidiary.
- 41. Previous year's figures and current year's figures have been regrouped, recasted, wherever necessary to improve figures presentation.
- **42.** The figures have been rounded off to the nearest rupee.

FOR AND ON BEHALF OF THE BOARD

AS PER OUR REPORT OF EVEN DATE FOR P. MURALI & CO...

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

Sd/-

P. MURALI MOHANA RAO

Partner

Membership No. 023412

Hvderabad May 29, 2013 Sd/-

P. PRABHAKAR REDDY

Managing Director

Sd/-

K. GURAVA RAJU Chief Financial Officer Sd/-

M. SATISH CHOUDHURY Company Secretary

Sd/-

A. VIJAYAVARDHAN REDDY

Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

PARTICULARS	Current Year (₹)	Previous Year (₹)
I. CASH FLOW FROM OPERATING ACTIVITIES:	,	•
Profit Before Tax	(5,63,47,021)	(2,44,00,829)
Adjustments for :	(=,==,,== .)	(=, : :, ==, ;
Depreciation	13,31,56,003	13,12,38,227
Financial Cost	22,70,05,707	21,96,64,357
Loss on Sale of Fixed Assets	-	1,46,077
Operating cash flow before working capital changes	30,38,14,689	32,65,01,755
(Increase) / Decrease in Inventory	10,94,230	3,18,835
(Increase) / Decrease in Trade Receivables	1,31,94,003	(13,72,63,692)
(Increase) / Decrease in Short Term Loans & Advances	(67,34,354)	(1,85,20,594)
(Increase) / Decrease in Other Non-Current Assets	(11,72,943)	-
Increase / (Decrease) in Short Term Borrowing	(1,40,40,724)	2,76,59,590
Increase / (Decrease) in Trade Payables	2,33,21,209	7,25,98,846
Increase / (Decrease) in Other Current Liabilities	1,96,76,54,500	69,87,06,367
Increase / (Decrease) in Short Term Provisions	1,21,10,878	1,27,11,820
Misc Exps		
CASH GENERATED FROM OPERATIONS	2,29,92,41,488	98,27,12,927
Less : Income Tax Paid	-	-
CASH GENERATED FROM OPERATING ACTIVITIES	2,29,92,41,488	98,27,12,927
II. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed Assets	(71,36,966)	(2,71,58,099)
Sale of fixed Assets	11,82,970	61,93,331
Capital Work in Progress, Pre-operative Expenses	(95,09,97,394)	92,76,25,018
Investment	-	(47,30,00,350)
Adjustments of fixed Assets	(8,33,859)	(30,38,749)
(Increase) / Decrease in Long Term Loans & Advances	5,20,19,768	19,53,51,115
NET CASH AVAILABLE FROM INVESTING ACTIVITIES	(90,57,65,481)	62,59,72,266
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Share Capital	-	-
Repayment of Loan	(1,05,46,66,006)	(1,35,35,18,829)
Share Premium and Capital Reserve	-	68,87,996
Interest Paid	(22,70,05,707)	(21,96,64,357)
Increase / (Decrease) in Other Long Term Liabilities	(11,14,83,702)	(2,20,35,981)
NET CASH USED IN FINANCING ACTIVITIES	(1,39,31,55,414)	(1,58,83,31,171)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,20,591	2,03,54,022
Add: Opening balance of Cash & Cash equivalents	2,22,75,727	19,21,704
Closing balance of Cash & Cash equivalents	2,25,96,316	2,22,75,727
AS PER OUR REPORT OF EVEN DATE FOR P. MURALI & CO.,	FOR AND ON BEHALF	OF THE BOARD
Chartered Accountants	0.14	6.11
Firm's Regn. No. : 007257S	Sd/- P. Prabhakar reddy	Sd/- A. Vijayavardhan redd '
Sd/-	Managing Director	Director
P. MURALI MOHANA RAO		
Partner	Sd/-	Sd/-
Membership No. 023412	K. GURAVA RAJU	M. SATISH CHOUDHURY
Hyderabad	Chief Financial Officer	Company Secretary



CERTIFICATE

To

The Board of Directors,

Viceroy Hotels Limited,

1-3-1036/3/1, Lower Tank Bund Road,

Gandhinagar,

Hyderabad - 500 080.

We have examined the attached Cash Flow Statement of M/s. Viceroy Hotels Limited for the year ended 31st March, 2013. 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, 2013 to the members of the Company.

For P.MURALI & CO., Chartered Accountants

Firm's Regn. No.: 007257S

Place: Hyderabad Date: 29-05-2013

P. MURALI MOHANA RAO

Partner Membership No.023412



INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIALS

To the Board of Directors of Vicerov Hotels Limited

We have audited the acCompanying consolidated financial statements of Viceroy Hotels Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, and 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:

Management is responsible for 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 accounting principles generally accepted in India. This

responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financials. As there is no reporting on 'Other Legal and Regulatory Requirements', there is no necessity of including the heading 'Report on the Financial Statements' above the introductory paragraph 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the consolidated Statement of Profit or Loss, of the loss for the year ended on that date; and
- (c) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For P. MURALI & CO... **Chartered Accountants**

Firm's Regn. No.: 007257S

Sd/-

P.MURALI MOHANA RAO Partner

Membership No. 023412

Place: Hyderabad Date: 29-05-2013



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

PARTICULARS	Note No.	AS ON 31-03-2013 (₹)	AS ON 31-03-2012 (₹)	
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	1,97,03,02,377	2,03,95,69,361	
(2) Share application money pending allotment		_	_	
(3) Non-Current Liabilities				
(a) Long-Term Borrowings	3	7,75,57,41,101	8,80,86,36,535	
(b) Differed Tax Liabilities (Net)	4	19,85,14,065	19,70,52,426	
(c) Other Long Term Liabilities	5	1,85,24,376	12,96,49,538	
(d) Long Term Provisions	J	1,00,24,070	12,30,43,000	
(4) Current Liabilities				
(a) Short-Term Borrowings	6	3,08,96,061	4,49,36,785	
(b) Trade Payables	7	57,21,55,290	54,21,19,287	
(c) Other Current Liabilities	8	3,51,93,37,837	1,54,48,75,239	
(d) Short-Term Provisions	9	11,02,44,198	10,07,60,345	
	J			
Total II. ASSETS		14,59,97,67,545	13,83,16,51,756	
	. ()			
(1) Non-current assets (a) Fixed assets				
(i) Tangible assets	10	3,60,73,02,170	3,74,47,21,904	
(ii) Intangible assets	10	3,00,73,02,170	5,74,47,21,304	
(iii) Capital work-in-progress		8,96,42,09,307	8,00,70,85,567	
(b) Non-current investments	11	47,31,00,350	47,31,00,350	
(c) Defferred tax assets (net)	4	-1,51,00,550		
(d) Long Term Loans and advances	12	1,11,11,68,859	1,15,69,53,494	
(e) Other Non-Current assets	13	24,97,700	13,24,757	
(2) Current assets	10	21,01,100	10,21,707	
(a) Current investments		_	_	
(b) Inventories	14	1,32,61,796	1,40,31,586	
(c) Trade receivables	15	19,14,39,561	20,18,75,664	
(d) Cash and Bank Balances	16	2,96,08,307	3,20,90,697	
(e) Short-Term Loans and Advances	17	20,71,50,593	20,04,38,835	
(f) Other Current assets	18	28,902	28,902	
Total	10	14,59,97,67,545	13,83,16,51,756	
Significant Accounting Policies				
Notes to Financial Statements	1 to 42			
AS PER OUR REPORT OF EVEN DATE FOR P. MURALI & CO.,		FOR AND ON BEHALF	OF THE BOARD	
Chartered Accountants		Sd/-	Sd/-	
Firm's Regn. No.: 007257S		AKAR REDDY	A. VIJAYAVARDHAN REDDY	
Sd/- P. Murali Mohana Rao	Managi	ng Director	Director	
Partner Membership No. 002412	!	Sd/-	Sd/-	
Membership No. 023412		RAVA RAJU	M. SATISH CHOUDHURY	
Hyderabad May 29, 2013	Chief Fina	ancial Officer	Company Secretary	
IVIAY 20, 2010				



CONSOLIDATED PROFIT AND L	OSS STATEMENT FOR THE YEAR	R ENDED 31 ST MARCH, 2013
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PARTICULARS	Note No.	Year Ended 31-03-2013 (₹)	Year Ended 31-03-2012 (₹)
I. Revenue from Operations	19	1,08,91,73,195	1,10,34,65,711
II. Other Income	20	18,90,720	15,04,170
III. Total Revenue (I +II)		1,09,10,63,915	1,10,49,69,881
IV. Expenses:			
Cost of materials consumed/ Cost of Software Develo	pment 21	22,68,97,812	21,24,24,376
Employee Benefit expenses	22	21,86,72,275	21,44,88,061
Other Operating Expenses	23	19,92,64,095	18,29,90,365
Administrative Expenses	24	12,38,65,107	12,38,31,384
Financial costs	25	23,81,66,460	23,13,71,356
Depreciation and amortization expense	10	14,89,98,682	14,67,73,479
Total Expenses		1,15,58,64,429	1,11,18,79,021
V. Profit before exceptional and extraordinary items and tax (III - IV)		(6,48,00,515)	(69,09,141)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)	$\cdot \circ \cdot$	(6,48,00,515)	(69,09,141)
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII - VIII)		(6,48,00,515)	(69,09,141)
X. Tax expense:		-	-
(1) Current tax		30,34,475	70,39,099
(2) Deferred tax		14,61,639	81,15,109
XI. Profit(Loss) from the period from Continuing Operations (VII - VIII)		(6,92,96,628)	(2,20,63,349)
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)		(6,92,96,628)	(2,20,63,349)
XVI. Earning per equity share:			-
(1) Basic		(1.63)	(0.52)
(2) Diluted	1 to 4	(1.63)	(0.52)

Summary of Significant Accounting Policies

The acCompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

FOR P. MURALI & CO.,

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

- ...

Sd/-

P. MURALI MOHANA RAO

Partner

Membership No. 023412

Hyderabad, May 29, 2013 1 to 42

FOR AND ON BEHALF OF THE BOARD

Sd/-**P. Prabhakar reddy**

Managing Director

Sd/- **K. GURAVA RAJU** Chief Financial Officer Sd/-**A. VIJAYAVARDHAN REDDY** Director

Sd/-M. SATISH CHOUDHURY Company Secretary



S.NO	PARTICULARS	AS ON 31-03-2013 (₹)	AS ON 31-03-2012 (₹)
NOTE N	O. 1 : SHARE CAPITAL		
A Sha	re Capital		
(a)	Authorised		
	(No. of Equity Shares 4,50,00,000 Current Year) (No. of Preference Shares 10,00,000 Current Year)	45,00,00,000 10,00,00,000	-
	(No. of Equity Shares 4,50,00,000 Previous Year) (No. of Preference Shares 10,00,000 Previous Year)	-	45,00,00,000 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 Current Year)	42,40,52,240	-
	(No. of Shares 4,24,05,224 Previous Year)	~10°-	42,40,52,240
(c)	Subscribed & Fully Paid Up -	-	
	(No. of Shares 4,24,05,224 Current Year)	42,40,52,240	-
	(No. of Shares 4,24,05,224 Previous Year)	-	42,40,52,240
(d)	Subscribed & not fully paid up		
(e)	Par Value per Equity share Rs.10/- Preference Share Rs.1	00/- Each	
	Total Equity Share capital	42,40,52,240	42,40,52,240

Notes:

Out of the paid up capital 47,83,796 equity shares of Rs.10/- each were alloted on July 14, 2007 as fully paid up shares pursuant to the scheme of arrangement with erstwhile Minerva Restaurant Pvt Ltd., erstwhile Minerva Coffee shop Pvt Ltd., erstwhile Minerva Hotels Pvt Ltd., M/s Cafe D' Lake Pvt. Ltd., erstwhile Blue Fox Bar & Restaurant Pvt. Ltd., M/s Minerva Hospitalities Pvt. Ltd., erstwhile Banjara Hospitalities Pvt. Ltd., M/s Crustum Products Pvt Ltd., and Hotels Division of M/s Minerva Enterprises Pvt Ltd., with the Company.

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
	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)

	No.of Shares		No.of Shares % of Sha	
Name of Shareholder	Current Year	Previous Year	Current Year	Previous Year
(1) Jhunjhunwala Rakesh Radheshyam	57,07,566	42,50,000	13.46	10.02
(2) P. Chakradhar Reddy	40,41,453	40,41,453	9.53	9.53
(3) REL Utility Engineers Limited	25,00,000	25,00,000	5.90	5.90



S.NO PARTICULARS		AS ON 31-03-2013 (₹)	AS ON 31-03-2012 (₹)
NOTE NO. 2 : RESERVES AND SURPLUS RESERVES AND SURPLUS			
a) Capital Reserve			
As at the commencement of the year		74,33,995	5,46,000
Add: Additions during the year		-	68,87,995
Less: Utilised during the year		-	-
	Sub Total	74,33,995	74,33,995
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		C.III-	-
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) Share options outstanding account	O ,	-	-
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			
\sim	Sub Total	3,20,25,000	3,20,25,000
g) Surpuls :			
i) Opening Balance - Profit and Loss Ac		22,44,34,910	24,64,68,615
Add: Transfer from Profit & Loss Acco	unt	(6,92,96,628)	(2,20,63,349)
Less: Transfer To General Reserve		-	-
Less: Goodwill Written Off			
	Sub Total	15,51,38,282	22,44,05,266
Total Reserv	es and Surplus	1,97,03,02,377	2,03,95,69,361
NOTE NO. 3: LONG TERM BORROWINGS			
Long Term borrowings			
a) Bonds/debentures		42,50,00,000	42,50,00,000
Secured		-	-
(500 Bonds, Face Value - Rs.10,00,000	, 14% rate of interest)	42,50,00,000	42,50,00,000



S.N0	PARTICULARS		AS ON 31-03-2013 (₹)	AS ON 31-03-2012 (₹)
b) i) Terr	n Loans			
Fro	m Banks		4,50,84,98,393	5,57,26,05,631
Fro	m Financial Institutions		13,83,60,000	14,28,80,000
Fro	m Others		7,63,12,878	7,84,69,125
	Sub Total		4,72,31,71,271	5,79,39,54,756
ii) Un	Secured Loans			
Fro	m Banks		31,79,099	40,06,137
Fro	m Financial Institutions			-
Fro	m Others		2,60,43,90,730	2,58,56,75,642
Fro	m Related parties and Others			
		Sub Total	2,60,75,69,829	2,58,96,81,779
	Total Long	Term Borrowings	7,75,57,41,101	8,80,86,36,535
NOTE NO. 4:	DEFERRED TAX LIABILITY (NE	т)		
Opening D	Deferred tax Liability		19,70,52,426	18,89,37,317
Add: Defer	red Tax Liability for the year (Due to S	LM and WDV Difference)	14,61,639	81,15,109
Deferred 1	ax Liability for the year (Due to	Others) -	-	
	Def	erred Tax Liability	19,85,14,065	19,70,52,426
NOTE NO. 5 :	OTHER LONG TERM LIABILITIE	S		
a) Trade P	ayables & Others			
- Adva	nce from Customers		1,85,24,376	12,96,49,538
	Total Lor	ng Term Liabilities	1,85,24,376	12,96,49,538
NOTE NO. 6 :	SHORT TERM BORROWINGS.			
Short tern	n borrowings			
a) Cash C	redits and Working Capital Dema	and Loan from Banks		
- Se	ecured		3,08,96,061	4,49,36,785
	Total Shor	t Term Borrowings	3,08,96,061	4,49,36,785
NOTE NO. 7:	TRADE PAYABLES			
a) Trade P			57,21,55,290	54,21,19,287
	Tot	al Trade Payables	57,21,55,290	54,21,19,287



		(₹)
NOTE NO. 8: OTHER CURRENT LIABILITIES		
a) Current maturities of long term debt	1,74,57,36,000	73,36,48,000
b) interest accured but not due on borrowings	38,60,049	37,51,242
c) Interest accured and due on borrowings.	1,66,18,93,160	67,81,96,579
d) Other Payables	-	-
(i). Rent payable	22,77,118	75,63,355
(ii). Audit fee Payable	49,15,968	39,64,908
(iii). Electricity Charges Payable	31,79,663	27,23,288
(iv). Bonus Payable		68,95,937
(v) Statutory Liabilities	7,38,94,970	9,81,59,891
(vi) PF & ESI Payable	90,95,823	22,27,155
(vii)Salaries Payable	78,24,718	71,45,372
(viii) other Payable	20,86,152	5,99,512
(ix) Royalty Payable	45,74,217	-
Total Other Current Liabilities	3,51,93,37,837	1,54,48,75,239
NOTE NO. 9 : SHORT TERM PROVISIONS		
a) Provisions for employee benefits		
Provision for Gratuity	96,47,945	91,02,096
Provision for bonus	82,51,278	63,78,756
Provision for Management deferred license	4,90,94,282	4,40,57,247
Provision for Accurals	92,40,786	1,10,72,516
b) Others		
Provision for income tax	44,12,074	70,39,099
Provision for MAT	2,05,85,188	2,05,85,188
Provision for FBT	74,919	74,919
Provision for Bad & Doubtful debts	89,37,726	24,50,524
Total Short Term Provisions	11,02,44,198	10,07,60,345



CONSOLIDATED FINANCIALS

NOTE NO 10 : FIXED ASSETS AS AT 31-03-2013

		GROS	GROSS BLOCK			DEPRECIATION	HATION		NET BLOCK	.оск
DESCRIPTION	Block As at 01-04-2012	Additions During the Year	Sale / Deletions During the year	Total Cost as at 31-03-2013	As on 31-03-2012	For the Year	Adjustments During the Year	Total as at 31-03-2013	As at 31-03-2013	As at 31-03-2012
Land	1,65,88,58,105			1,65,88,58,105	•		1	•	1,65,88,58,105	1,65,88,58,105
Building	1,73,77,86,976		1	1,73,77,86,976	43,71,13,020	5,80,42,085	1	49,51,55,105	1,24,26,31,871	1,30,06,73,956
Furniture & Fixtures	43,79,93,965	8,09,142		43,88,03,107	24,02,80,712	2,76,24,474	•	26,79,05,186	17,08,97,921	19,77,13,253
Air Conditioners	17,04,83,853		•	17,04,83,853	8,17,36,382	76,20,299	-	8,93,56,681	8,11,27,172	8,87,47,471
Electrical Fittings	20,39,00,814	82,074	ı	20,39,82,888	7,50,73,807	98,42,151	•	8,49,15,958	11,90,66,930	12,88,27,007
Vehicles	8,19,42,686	70,60,515	11,82,970	8,78,20,231	3,07,83,026	83,48,117	8,33,859	3,82,97,284	4,95,22,946	5,11,59,659
Plant and machinery	15,92,50,660	36,91,216		16,29,41,876	4,55,42,809	94,50,813	-	5,49,93,622	10,79,48,254	11,37,07,851
Generator	73,71,549		1	73,71,549	25,70,318	64,838		26,35,156	47,36,393	48,01,231
Misc. Fixed Asset	40,21,95,883	76,451		40,22,72,334	20,36,24,410	2,69,37,543	-	23,05,61,953	17,17,10,381	19,85,71,473
Computers	80,42,929	2,08,660		82,51,589	63,81,770	10,68,364		74,50,134	8,01,455	16,61,159
Total	4,86,78,27,420	1,19,28,058	11,82,970	4,87,85,72,508	1,12,31,06,254	14,89,98,684	8,33,859	1,27,12,71,079	3,60,73,02,170 3,74,47,21,904	3,74,47,21,904
Previous Year	4,83,72,26,063	3,67,94,688	61,93,331	4,86,78,27,420	97,93,71,524	14,67,73,479	30,38,749	1,12,31,06,254	3,74,47,21,904	3,85,78,54,538



S.NO	PARTICULARS		AS ON 31-03-2013 (₹)	AS ON 31-03-2012 (₹)
NOTE NO. 11	1 : NON- CURRENT INVESTMENT	S		
1) Trade	Investments			
a) Inve	estment in Equity Instrument			
Unqu	oted			
60,00,0	000 Equity Shares of Rs.10/- each in Vicero	oy Banglore Hotels Pvt.Ltd	47,31,00,350	47,31,00,350
	Total Non Cur	rent Investments	47,31,00,350	47,31,00,350
NOTE NO. 12	2: LONG TERM LOANS AND ADVA	ANCES	C	
Capital A	dvances			
Secured	, Considered Good		6,41,215	-
Unsecure	ed, Considered Good		40,91,83,504	48,32,57,207
		Sub Total	40,98,24,719	48,32,57,207
Security	•			
·	Considered Good		3,79,54,762	3,65,88,254
Unsecure	ed, Considered Good		<u> </u>	
IIn Sociii	red, Considered Good	Sub Total	3,79,54,762	3,65,88,254
Other Ac			21,32,31,612	21,32,31,612
Other Ac	αναπουσ	Sub Total	21,32,31,612	
Sacurad	, Considered Good	Sub Total	21,32,31,012	21,32,31,612
Security [86,61,212	85,59,078
-	d Advances to others		30,96,62,730	26,45,29,725
	Recoverable in Cash or in kind		13,18,33,825	15,07,87,617
	Ola	Sub Total	45,01,57,766	42,38,76,421
Total L	ong Term Lonas and Advances		1,11,11,68,859	1,15,69,53,494
NOTE NO 13	3 : OTHER NON CURRENT ASSET	·s		
Unamortis	sed Expenses		13,24,757	13,24,757
Rent rece	•		11,72,943	, ,
	Total Other No	n Current Assets	24,97,700	13,24,757
NOTE NO 14	4: INVENTORIES			
	shed Goods		18,67,557	41,79,296
	od Inventory		9,31,161	28,63,078
	verage Inventory		78,58,898	45,40,561
	nen Lnventory		-	15,200
			10.06.600	19,23,548
(v) Ger	neral Inventory		18,96,699	19,23,340



S.NO PARTICULARS	AS ON 31-03-2013 (₹)	AS ON 31-03-2012 (₹)
(vii) Tobacco Inventory	46,423	49,192
(viii) Diesel Inventory	5,77,109	4,23,988
Total Inventories	1,32,61,796	1,40,31,586
NOTE NO. 15 : TRADE RECEIVABLES		
Other Receivables:		
Secured, Considered Good	1,01,51,810	73,93,910
Unsecured, Considered Good	18,12,87,751	19,44,81,754
Total Trade Receivables	19,14,39,561	20,18,75,664
NOTE NO. 16 : CASH AND BANK BALANCES	CIL	
Cash and cash equivalents :		
a) Balances with banks :	· DI	
1) On Current Accounts	1,21,08,125	2,98,95,584
b) Cash on hand	26,87,623	21,95,114
Other Bank Balances		
On Deposit Accounts		
) Having Maturity more than 12 months from the date of deposit	1,48,12,559	-
Total Cash and Cash Equivalents	2,96,08,307	3,20,90,697
NOTE NO. 17 : SHORT TERM LOANS AND ADVANCES		
Security Deposit		
Secured, Considered Good	86,78,398	78,73,250
Unsecured, Considered Good	-	-
Sub Total	86,78,398	78,73,250
Loans & Advances to Related Party Loans & Advances to Related Party (Refer Note No.36)		
Sub Total		_
Secured, Considered Good	-	-
Loans and Advances to Employees	8,50,769	9,15,401
Statutory Payments	-	94,46,442
Prepaid Expense	1,83,54,609	1,62,94,205
Advances Recoverable in Cash or in kind	17,92,23,101	16,59,09,537
TDS Receivable	43,716	-
Sub Total	19,84,72,195	19,25,65,585
Total Short Term Loans and Advances	20,71,50,593	20,04,38,835
NOTE NO. 18 : OTHER CURRENT ASSETS		
Interest Accrued on Deposits	28,902	28,902



Notes To Financial Statements For The Ye	ear Ended March 31st 20	13
S.NO PARTICULARS	Year Ended 31-03-2013 (₹)	Year Ended 31-03-2012 (₹)
NOTE NO. 19 : REVENUE FROM OPERATIONS		
Revenue from operations:		
(a) Sale of Products & Services	1,02,46,58,787	1,03,03,32,057
(b) Other Operating Revenues	6,45,14,408	7,31,33,653
Less: Excise Duties	-	-
Total Revenue from Operations	1,08,91,73,195	1,10,34,65,711
NOTE NO. 20 : OTHER INCOME	C	
(a) Interest income	18,69,203	6,38,886
(b) (I) Dividend from subsidiary companies		-
(ii) Dividend Income	~10°-	-
(c) Other non-operating income	21,517	60,875
(d) Net gain/loss on foreign currency translation and transact (other than considered as finance cost)	ion -	8,04,409
Total Other Income	18,90,720	15,04,170
NOTE NO. 21 : COST OF MATERIALS Food & Beverages		
Opening Stock	89,63,013	14,11,26,950
Add : Purchases During the year	23,11,96,595	7,80,42,851
Less: Closing Stock	1,32,61,796	89,63,013
Total Cost of Material Consumed	22,68,97,812	21,24,24,376
NOTE NO. 22 : EMPLOYEE BENEFIT EXPENSES		
(a) Salaries & Wages	19,43,19,523	18,73,75,448
(b) Contribution to Provident & Other Funds	1,62,10,067	2,05,01,071
(c) Managerial Remuneration	66,00,000	42,00,000
(d) Staff Welfare Expenses	15,42,684	24,11,542
Total Employee Benefit Expenses	21,86,72,275	21,44,88,061
NOTE NO. 23: OTHER OPERATING EXPENSES		
(a) Consumption of Stores & Spares	-	-
(b) Power & Fuel	9,58,58,764	9,53,15,482
(c) Rent	3,51,32,348	3,39,15,688
(d) Repairs to Building	25,32,690	20,96,681
(e) Insurance	24,83,858	26,45,251
(f) Rates & Taxes (excluding Income Tax)	1,70,41,974	2,40,92,993
(g)Miscellaneous Expenditure	2,33,25,705	1,16,71,539
(h) Net loss on foreign currency transaction and translation	22,30,499	22,98,775



Notes To Financial Stateme	ents For The Year I		
S.NO PARTICULARS		Year Ended 31-03-2013 (₹)	Year Ended 31-03-2012 (₹)
(i) Payment to Auditors:		-	-
(i) As Auditor		9,79,150	9,39,824
(j) Selling Expenses		29,10,439	33,54,032
(k) Adjustment to the carrying amount invest	ments	2,94,491	1,30,480
(I) Net loss on sale of Assets		2,13,769	19,36,627
(m) Repairs & maintenance		1,62,60,408	45,92,993
Tota	I Other Expenses	19,92,64,095	18,29,90,365
NOTE NO. 24 : ADMINISTRATIVE EXPENSES)
(a) Telephone, Postage and Others		41,04,278	39,84,567
(b) Business Promotion Expenses		6,68,51,048	7,34,08,925
(c) Conveyance		1,21,10,928	99,72,864
(d) Office Maintenance		2,54,68,425	18,18,691
(e) Printing & Stationery Expenses		44,68,737	41,41,870
(f) Security Charges		68,400	70,419
(g) Rates & Taxes (excluding Income Tax)		1,43,972	21,615
(h) Managerial Remuneration		-	-
(i) Consultancy Charges		24,97,923	25,51,727
(j) Fright expenses	//	4,100	11,455
(k) Laundry expenses) \	20,12,258	22,05,146
(I) Bad debts written off		57,98,756	2,55,90,614
(m) Interest on taxes Payable		3,36,282	53,491
Total Adminis	strative Expenses	12,38,65,107	12,38,31,384
NOTE NO. 25 : FINANCE COST			
(a) Interest Expenses			
- Interest on Term loans		17,04,33,484	16,56,20,282
- Interest on Axis Bank - NCD'S		5,98,26,026	6,12,69,620
- Interest on working Capital Loan		37,96,491	-
- Interest on Unsecured Loan		5,26,917	2,16,000
- Loan processing Charges & Bank Charge	es	29,99,656	29,43,386
(b) Other Borrowing costs		5,83,886	13,22,068
To	otal Finance Cost	23,81,66,460	23,13,71,356



Significant Accounting Policies

a) Significant Accounting Policies to the consolidated Balance sheet and Profit and loss account:

ThThe financial statements are prepared under historical cost convention on an accrual basis and comply with the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI), referred to in Section 211(3C) of the Companies Act, 1956. The significant accounting policies adopted in the presentation of the Accounts are as under:

(a) Accounting Convention and Revenue Recognition:

The Financial statements have been prepared in accordance with historical cost convention except for such fixed assets which are revalued. Both the income and expenditure items are recognized on accrual basis.

(b) Retirement Benefits:

The Company has not obtained Actuarial valuation towards gratuity as per Accounting Standard – 15 (Employee Benefits). However Management of the Company is providing provision for gratuity on estimation basis.

(c) Fixed Assets:

Fixed assets are stated at cost of acquisition and subsequent improvements thereto, inclusive of taxes, freight, and other incidental expenses related to acquisition, improvements and installation, except in case of revaluation of fixed assets where it is stated at revalued amount. Interest during construction period on loans to finance fixed assets is capitalized as per AS-10.

(d) Depreciation:

Depreciation on fixed assets other than land is provided under the straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act. 1956, as existing on that date as per AS-6.

(e) Transactions in Foreign Exchange:

Sales made in foreign currency are converted at the prevailing applicable exchange rate. Gain/loss arising out of the fluctuation in exchange rate is accounted for on realization.

Payments made in foreign currency are converted at the applicable rate prevailing on the date of remittance as per AS-11.

(f) Borrowing Cost:

Borrowing cost that is attributable to the acquisition/ construction of fixed assets is capitalized as part of the cost of respective assets as per AS-16.

(g) Inventories:

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

(h) 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.
- (i) 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 ICAL., 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.

(i) Earnings per Share:

The earning considered in ascertaining the earning per share comprises net profit after tax. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the year as per AS-20.

Notes to Consolidated Financial Statements

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

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

27. Basic Earnings Per Share (Basic EPS)

Particulars	Current Year Rs.	Previous Year Rs.
Net Profit after Tax	(6,92,96,628)	(2,20,63,349)
Weighted Average Number of Shares Considered	4,24,05,224	4,24,05,224
EPS	(1.63)	(0.52)

28. Fixed Assets:

Revaluation Reserve represents increase in the value of land on account of Revaluation made during the financial year 1989-90. Gross Block consists of Value of Chennai land aggregating Rs.148.55 crores pertaining to the Chennai Hotel project and Rs.12.99 crores pertaining to the Hyderabad Courtyard hotel project.

29. In relation of Provision for Current Tax, Deferred Tax & Fringe Benefit Tax:

Particulars	Current Year Rs. in Lakhs	Previous Year Rs. in Lakhs
Current Tax	30.34	70.39
Deferred Tax Liability	14.62	81.15



30. In relation of Managerial Remuneration:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Salaries	66.00	42.00

31. Auditors Remuneration:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Audit Fees Including Service Tax	9.79	9.39

32. According to the information available with the Company, there are no amounts as at 31st March, 2013, due to suppliers who constitute a "small industrial undertaking".

33. 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/-)
b) Income Tax	AY 2004-05 Rs. 25,95,736 & AY 2005-06 Rs. 73,14,584/-
	(Previous Year AY 2004-05 Rs. 25,95,736/- & AY 2005-06 Rs. 73,14,584/-)

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/-

34. In relation of foreign currency inflows and out flows:

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Out go on account of Capital work in progress expense is	-	-

35. Expenditure in Foreign Currency:

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Royalties & Others	6.46	6.85

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

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Earning in Foreign Exchange	18.30	20.29



35. In relation of Secured (Term) Loans:

- (i) Term loans from IDFC Limited and Non Convertible Debentures from AXIS Bank aggregating to Rs. 126.00 crores are secured by Pari Passu first charge on the immovable and movable properties of Hyderabad Marriott Hotel.
- (ii) Term loans sanctioned by State Bank of India, State Bank of Mysore, State Bank of Indore, State Bank of Bikaner & Jaipur, Allahabad Bank, Indian Overseas Bank and UCO Bank aggregating to Rs. 350.00 crores for the Chennai Hotel Project are secured by Pari-Passu first charge on the immovable and movable properties of Chennai hotel project and also secured against the personal gurantee of Director, P. Chakradhar Reddy and Ms. P. Kameshwari.
- (iii) Term loans from State Bank of India, Andhra bank and Canara Bank for the Hyderabad Courtyard hotel project aggregating to Rs. 95.00 crores are secured by the first Pari-Passu charge on the fixed assets of the Courtyard hotel project and Rs. 25.00 crores sanctioned during the previous year are secured against present and future credit card receivables and also personal guarantee of Managing Director, Mr. P. Prabhakar Reddy worth Rs. 22.79 crore.
- (iv) The Company has availed Redeemable Non convertible Debentures aggregating Rs.50 crores from Axis Bank Limited. It is secured against the immovable and movable properties of Hyderabad Marriott. The Company has created a Debenture Redemption reserve of Rs. 500 lakhs for the FY 2008. As per the agreement during the financial years 2011-12 and 2012-13 the Company has to repay a sum of Rs. 2 crore and Rs 10 crore of debentures respectively, but the Company has not made the same during the financial years 2011-12 and 2012-13.
- (v) M/s Cafe D Lake Private Limited: Term Loan from TFCI Limited aggregating to Rs 3.87 crores are secured against the fixed and movable assets of the Eat Street and Water Front at Necklace Road, Hyderabad. The PPA/ working capital loans from Andhra Bank are secured against the current assets and credit card receivables of Minerva Coffeshop and Blue Fox Bar & Restaurants at Himayatnagar and Ameerpet, Hyderabad. The term loan from Andhra Bank of Rs. 0.78 crores are secured against the fixed assets of the Minerva Coffeeshop and Blue Fox Bar & Restaurants at Himayatnagar and Ameerpet, Hyderabad and also secured against the personal guarantee of Director, Mr . P. Chakradhar Reddy and Mr. A. Vijayvardhana Reddy. The Term Loan of Rs. 8.00 Crores from UCO Bank is secured by second charge on Current and Fixed Assets of the Company and also secured by 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.
- (vi) M/s Crustums Products Pvt Ltd., Term Loan from Oriental Bank of Commerce, Ameerpet, Hyderabad aggregating to Rs. 8.65 crores is 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. The Term Loan of Rs. 7.00 Crores from UCO Bank is secured by 2nd 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. In relation to Related Party Disclosures in compliance with Accounting Standard:

Name	Relation with the Company
Shri. P. Prabhakar Reddy	Managing Director
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



Particulars	Subsidiaries	Associated	
Loans & Advances	41,30,29,422	-	
Investments	15,71,62,420	47,31,00,350	

- **37.** Sale of Chennai Project Division: The Company has received an approval for the proposal to sell the entire Chennai Project division comprising of Chennai Hotel Project and Chennai Residential Project to Ceebros Hotels, Chennai for a total consideration of Rs.480 crore. The board at its meeting held on May 08, 2013 has approved for the same.
 - The board also approved the draft postal ballot notice under Companies Act ,1956 read with the Companies (passing of the resolution by Postal Ballot) Rules, 2001 with regard to sale of the above said Chennai Project division.
- **38.** The Company's only business is hoteliering and hence disclosure of segment-wise information is not applicable under Accounting Standard 17- 'Segmental Information' (AS-17). There is no geographical segment to be reported.
- 39. Since Central Government has issued a notification No. S.O. 301(E) dated 8th Februray, 2011 in exercise of the powers conferred by Section 211(3) of the Companies Act, 1956 granting general exemption to some specified class of companies, including hotel companies, from disclosing certain information in their profit and loss account as required under Part-II of Schedule VI of the Companies Act, 1956 subject to fulfilment of few conditions, the Company has duly complied with all conditions of the notification to seek general exemption under Section 211(4) of the Companies Act, 1956, paras 3(i)(a) and 3(ii)(d) of Part II of Schedule VI of the Companies Act, 1956 dealing with the disclosure of quantitative details of turnover of each class of goods, opening and closing stock, purchases, production and consumption of raw material in the financial statements for the financial year ended 31st March 2013. In this regard the Board of Directors of the Company has passed necessary resolution to comply with the conditions of the notification for the same.
- 40. The Board of Directors of the Company has by resolution has given consent to avail of the General Circular Nos: 2/2011 and 3/2011 dated 8th February, 2011 and 21st February, 2011 respectively issued by the Ministry of Corporate Affairs, Government of India giving general exemption to the companies under Section 212(8) of the Companies Act, 1956 for not attaching the balance sheet of the subsidiaries. The Company has disclosed necessary information as required in the said Circular in the consolidated balance sheet in aggregate for each subsidiary.
- **41.** Previous year's figures and current year's figures have been regrouped, recasted, wherever necessary to improve figures presentation.
- **42.** The figures have been rounded off to the nearest rupee.

AS PER OUR REPORT OF EVEN DATE

FOR P. MURALI & CO.,

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

Sd/-

P. MURALI MOHANA RAO

Partner

Membership No. 023412

Hyderabad May 29, 2013 FOR AND ON BEHALF OF THE BOARD

Sd/-

P. PRABHAKAR REDDY

Managing Director

Sd/- **K. GURAVA RAJU** Chief Financial Officer Sd/-

Sd/-**A. Vijayavardhan reddy**

Director

M. SATISH CHOUDHURY Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

PARTICULARS	Current Year (₹)	Previous Year (₹)
I. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	(6,48,00,515)	(69,09,141)
Adjustments for : -		
Depreciation	14,89,98,682	14,67,73,479
Financial Cost	23,81,66,460	23,13,71,356
Loss on Sale of Fixed Assets	-	-
Operating cash flow before working capital changes	32,23,64,627	37,12,35,695
(Increase) / Decrease in Inventory	7,69,790	7,86,012
(Increase) / Decrease in Trade Receivables	1,04,36,103	(13,94,44,268)
(Increase) / Decrease in Short Term Loans & Advances (Increase) / Decrease in Other Non-Current Assets	(67,11,757) (11,72,943)	(1,78,12,983) 26,250
Increase / (Decrease) in Short Term Borrowing	(1,40,40,724)	2,76,59,590
Increase / (Decrease) in Trade Payables	3,00,36,002	7,85,01,705
Increase / (Decrease) in Other Current Liabilities	1,97,44,62,599	70,63,74,275
Increase / (Decrease) in Short Term Provisions	94,83,853	41,97,020
Misc Exps		(48,891)
CASH GENERATED FROM OPERATIONS	2,32,56,27,549	1,03,15,23,294
Less : Income Tax Paid	30,34,475	-
CASH GENERATED FROM OPERATING ACTIVITIES	2,32,25,93,075	1,03,15,23,294
II. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed Assets	(1,19,28,058)	(3,67,93,943)
Sale of fixed Assets	11,82,970	61,93,331
Capital Work in Progress, Pre-operative Expenses	(95,71,23,740)	86,35,97,936
Investment	(0.00.050)	(47,31,00,350)
Adjustments of fixed Assets	(8,33,859)	(30,38,749)
(Increase) / Decrease in Long Term Loans & Advances	4,57,84,635	(7,68,47,028)
NET CASH AVAILABLE FROM INVESTING ACTIVITIES	(92,29,18,053)	28,00,11,197
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Share Capital	- /1 05 00 05 404\	- (1.02.06.56.170)
Repayment of Loan Share Premium and Capital Reserve	(1,05,28,95,434)	(1,03,86,56,170) 68,87,995
Interest Paid	(23,81,66,460)	(23,13,71,356)
Increase / (Decrease) in Other Long Term Liabilities	(11,11,25,162)	(2,19,48,981)
NET CASH USED IN FINANCING ACTIVITIES	(1,40,21,87,056)	(1,28,50,88,513)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(25,12,034)	2,64,45,979
Add: Opening balance of Cash & Cash equivalents	3,20,90,696	56,44,717
Closing balance of Cash & Cash equivalents	2,96,08,307	3,20,90,696

AS PER OUR REPORT OF EVEN DATE

FOR P. MURALI & CO.,

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

Sd/-

P. MURALI MOHANA RAO

Partner

Membership No. 023412

Hyderabad May 29, 2013 FOR AND ON BEHALF OF THE BOARD

Sd/-

P. PRABHAKAR REDDY Managing Director

Sd/-**K. GURAVA RAJU** Chief Financial Officer Sd/-**A. VIJAYAVARDHAN REDDY** Director

Sd/-

M. SATISH CHOUDHURY Company Secretary



CERTIFICATE

To

The Board of Directors,

Viceroy Hotels Limited,

1-3-1036/3/1, Lower Tank Bund Road,

Gandhinagar,

Hyderabad - 500 080.

We have examined the attached Cash Flow Statement of M/s. Viceroy Hotels Limited for the year ended 31st March, 2013. 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, 2013 to the members of the Company.

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

7 mm 3 mogn. No. : 307 207 v

Place: Hyderabad Date: 29-05-2013

P. MURALI MOHANA RAO

Partner Membership No.023412



Statement pursuant to Section 212 (8) of the Companies Act, 1956 about the financial information of the Subsidiary Companies as on March 31, 2013

(In Rupees)

Name of the Subsidiary Company	Café D'Lake Pvt. Ltd.	Crustum Products Pvt. Ltd.	Minerva Hospitalities Pvt. Ltd.	Viceroy Chennai Hotels & Resorts Pvt. Ltd.
Issued and Subscribed Share Capital	2,74,45,300	4,00,00,000	4,66,92,670	1,00,000
Reserves	16,78,62,448	(1,57,10,956)	(52,68,428)	-
Total Assets	54,55,75,183	33,42,14,594	7,80,32,067	1,00,000
Total Liabilities	35,02,67,435	30,99,25,550	3,66,07,825	-
Details of Investment (Except in case of investment in subsidiaries)	-	-	-	-
Turnover/Total Income	31,44,11,751	5,28,83,475	28,902	-
Profit /(Loss) before taxation	88,21,219	(1,72,74,712)	28,902	-
Provision for taxation	28,22,777	1,79,157	-	-
Profit / (Loss) after taxation	59,98,442	(1,74,53,869)	28,902	-
Proposed dividend	Nil	Nil	Nil	Nil
Number of shares held by Viceroy Hotels Limited along with its nominees	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
Extent of interest held by Viceroy Hotels Limited along with its nominees	100%	100%	100%	100%

Notes:

- The Ministry of Corporate Affairs (MCA), Government of India, New Delhi vide its Circular No.2/2011, dated 08-02-2011 has granted a general exemption to all the Companies for not attaching the Balance Sheets, Profit & Loss account etc., of Subsidiaries with the Annual Report of the Holding Company, Subject to the compliance of the conditions specified therein.
- 2. The Company will make available the Annual Accounts of the Subsidiary Companies and the related detailed information sought by the members of the Company or its Subsidiaries. Further, the annual accounts of the Subsidiary Companies will also be kept for inspection by any member of the Company or its Subsidiary at the registered office of the Company and that of the Subsidiary Company concerned.



VICEROY HOTELS LIMITED

Registered Office: 8-2-120/115/14, 5th Floor, Shangrila Plaza, Road No.2, Banjara Hills, Hyderabad-500034, AP

ATTENDANCE SLIP	
Name of the Shareholder/Proxy Present:	
DPIDNo.: Regd. Folio No. :	
Client ID No.: No. of Shares held :	
I/We hereby record my presence at the 48th Annual General Meeting of the members of the Comp Friday, the 27th day of September, 2013 at 11.00 A.M at Hotel Marriott Convention Centre, L Gandhinagar, Hyderabad-500080, AP.	
Shareholders/Proxy's Signature	
Note: Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and entrance of the meeting hall and no gifts/gift coupons will be distributed at the Annual General Meeting.	hand it over at the
X X X X	
PROXY FORM	
DPIDNo.: Regd. Folio No.:	
Client ID No. : No. of Shares held :	
I/Weof	haina
Member(s) of above named Company, hereby appoint	beilig a
or failing him/herof	
proxy to attend and vote for me/us, on my/our behalf of the 48th Annual General Meeting of the Com	
Friday, the 27th day of September, 2013 at 11.00 AM at Hotel Marriott Convention Centre, L	ower Tank Bund
Gandhinagar, Hyderabad-500080, AP and at any adjourned meeting thereof.	
Signedthis September of 2013	
Cincatons of the Chemical day	
Signature of the Shareholder	Affix Re 1/-
Signature of the Shareholder Note:	Affix Re. 1/- Revenue Stamp.

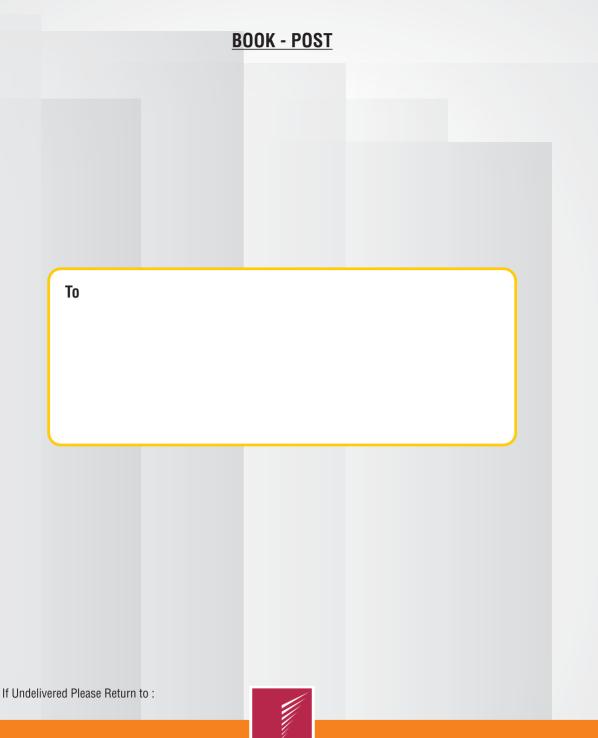
the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

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Viceroy Hotels Limited

Registered Office:

8-2-120/115/14, 5th Floor, Shangrila Plaza, Opp. KBR Park, Road No. 2, Banjara Hills, Hyderabad - 500 034, AP, India Tel.: 040 - 4034 9999 Fax: 040 - 4034 9828