

Viceroy Hotels Limited

**55<sup>th</sup>**  
**ANNUAL**  
**REPORT**

---

**2019-2020**

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

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## **CORPORATE INFORMATION**

### **Resolution Professional:**

#### **Karuchola Koteswara Rao**

Resolution Professional in the matter of  
M/s Viceroy Hotels Ltd  
Regn no. IBBI/IPA-003/IP-N00039/2017-18/10301  
Email ID: kkrainp@gmail.com  
Appointed by NCLT vide its orders dated March 12, 2018

### **Board of Directors:**

- Mr. P. Prabhakar Reddy** - Chairman and Managing Director  
(Upto 11.03.2018)
- Mrs. P. Kameswari** - Non-Executive Director  
(Upto 11.03.2018)
- Mr. P. Chakradhar Reddy** - Non-Executive Director  
(Upto 11.03.2018 & Cessation as  
Director of the company  
w.e.f 17.04.2019)
- Mr. Devraj Govind Raj** - Non-Executive Independent Director  
(Upto 11.03.2018)

### **Company Secretary:**

Ms. Sonam Jaiswal (Up to 29.05.2019)

### **Chief Financial Officer:**

Mr. Daswanth Kumar Jaya (Retirement w.e.f 31/05/2020)

### **Chief Executive Officer:**

Mr. M. Sreedhar Singh

### **Corporate Identification Number:**

L55101TG1965PLC001048

### **Registered Office:**

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

### **Contact Information:**

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

### **Listing:**

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

### **Statutory Auditors:**

#### **P C N & Associates**

Chartered Accountants  
Plot No. 12, "N Heights"  
Ground Floor, Software Layout Unit,  
Cyberabad, Hyderabad – 500081.

### **Secretarial Auditor:**

Mr. A N Sarma  
Practicing Company Secretary  
Hyderabad

### **Internal Auditors:**

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

Hyd. Branch :SreeSarada, Flat No. 201,  
SaiDamodar Residency, H.No. 6-3-185,  
New Bhoiguda, Secunderabad,  
Telangana - 500080. Tel. : 040-64532022  
Mobile +91-9666732022, +91-9246162022  
E-mail: [info@srmcohyd.in](mailto:info@srmcohyd.in), [pcraofca@srmcohyd.in](mailto:pcraofca@srmcohyd.in)

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

#### **M/s. Aarathi Consultants Private Limited**

1-2-285, Domulguda, Hyderabad -500 029,  
Telangana. Tel : 040 -2763811/66611921  
Fax: 040 -27632184  
Email: [info@aarthiconsultants.com](mailto:info@aarthiconsultants.com)

### **Bankers:**

State Bank of India  
Canara Bank  
Bank of Maharashtra  
ARCIL  
IARCL

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 55th Annual General Meeting of the Members of 'Viceroy Hotels Limited' will be held on Monday, the 28th September, 2020 at 03.00 P.M IST through Video Conference ("VC") / Other Audio Visual Means ("OAVM") facility to transact the following business:

### **ORDINARY BUSINESS:**

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

- a) Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020 together with the Reports of Board of Directors and Auditors thereon.
- b) Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 together with the Reports of Auditors thereon.

**For Viceroy Hotels Limited**

Place : Hyderabad  
Date : 02-09-2020

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

### **NOTES :**

1. Considering the extra-ordinary circumstances caused by COVID-19 and in light of the social distancing norms, the Ministry of Corporate Affairs ("MCA") has vide its circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 ("MCA Circulars") permitted the holding of the Annual General Meeting of a company through VC / OAVM. In compliance with the provisions of the Act, MCA Circulars and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI Listing Regulations"), the 55th Annual General Meeting of the Company ("AGM") is being held through VC / OAVM on Monday, September 30, 2020 at 3:00 p.m.

The procedure for joining the AGM through VC/OAVM is mentioned in this Notice.

2. Since the AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. The Proxy Form as well as the Attendance Slip are therefore, not annexed to this Notice.
3. Members shall have the option to vote electronically ("e-voting") either before the AGM ("remote e-voting") or during the AGM.

In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and any amendments thereto, Secretarial Standard on General Meetings ("SS-2"), Regulation 44 of the SEBI Listing Regulations and MCA Circulars, the facility for remote e-voting and e-voting in respect of the business to be transacted at the AGM is being provided by the Company through Central Depository Services (India) Limited ("CDSL").

Necessary arrangements have been made by the Company with CDSL to facilitate remote e- voting and e-voting during the AGM.

4. The Company has appointed Mr. M Ramana Reddy, Practicing Company Secretary (Membership No. 37864) as the scrutinizer for scrutinizing the entire e-voting process i.e. remote e-voting and e-voting during the AGM, to ensure that the process is carried out in a fair and transparent manner.

5. Members are permitted to join the AGM through VC/OAVM, 15 minutes before the scheduled time of commencement of AGM and during the AGM, by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without any restrictions pertaining to joining the AGM on a first come first served basis. Institutional Investors who are Members of the Company, are encouraged to attend and vote at the AGM.
6. The attendance of the Members joining the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
7. Members attending the AGM through VC / OAVM should note that those who are entitled to vote but have not exercised their right to vote by remote e-voting, may vote during the AGM through e-voting for all businesses specified in the Notice. The Members who have exercised their right to vote by remote e-voting may attend the AGM but cannot vote during the AGM.
8. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the Member / Beneficial Owner list maintained by the depositories as on the cutoff date i.e. Saturday, September 19, 2020 (“cut-off date”).
9. A person who is not a Member as on Saturday, September 19, 2020 should treat this Notice for information purposes only.
10. A person, whose name is recorded in the Register of Members / Beneficial Owners list maintained by the depositories as on Saturday, September 19, 2020 only shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.
11. Register of Members and Share Transfer Books will remain closed from Sunday, September 20, 2020 to Monday, September 28, 2020 (both days inclusive).
12. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote during the AGM.
13. Members who still hold share certificate(s) in physical form are advised to dematerialize their shareholding to avail the benefits of dematerialization, which includes easy liquidity since trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents. Further, with effect from April 1, 2019, requests for transfer of securities are not permitted unless the securities are held in a dematerialized form with a depository except in case of transmission or transposition of securities as per SEBI Listing Regulations. Members who still hold share certificate(s) in physical form are advised to dematerialize their shareholding at the earliest.
14. Members holding shares in dematerialized form are requested to update with their respective Depository Participants (“DP”), their bank account details (account number, 9 digit MICR and 11 digit IFSC), e-mail IDs and mobile number. Members holding shares in physical form may communicate details to the Company / Registrar and Transfer Agent viz. Aarthi Consultants Private Limited (“RTA”) before Saturday, September 19, 2020 by quoting the Folio No. and attaching a scanned copy of the cancelled cheque leaf of their bank account and a self-attested scanned copy of the PAN card.
15. Members can avail of the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act.
16. In line with MCA Circulars and SEBI circular dated May 12, 2020, the Notice calling the AGM along with the Annual Report for 2019-20 (“Annual Report”) is being sent through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice of AGM and Annual Report will also be available on the website of the Company at [www.viceroyhotels.in](http://www.viceroyhotels.in), the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The Notice is also disseminated on the website of CDSL (agency providing the remote e-voting facility and e-voting during the AGM) at

also disseminated on the website of CDSL (agency providing the remote e-voting facility and e-voting during the AGM) at [www.evotingindia.com](http://www.evotingindia.com).

For the purpose of receiving the Notice of the AGM and the Annual Report through electronic mode in case the email address is not registered with the respective DPs / Company / RTA, Members may register the email IDs using the facility provided by the Company through the following link available on its website: [www.aarthiconsultants.com / investor\\_services](http://www.aarthiconsultants.com/investor_services) - Under that link Go Green Feedback tab. Members who have not yet registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in dematerialized form and with Company/ RTA in case the shares are held by them in physical form.

17. Since the AGM will be held through VC / OAVM, the route map is not annexed to the Notice.
18. All the documents referred in the Notice are available for inspection electronically from the date of dispatch of Notice till Monday, September 28, 2020. Members seeking to inspect such documents are requested to write to the Company at [secretarial.viceroy@gmail.com](mailto:secretarial.viceroy@gmail.com).
19. Investor Grievance Redressal: The Company has designated an e-mail ID i.e. [secretarial.viceroy@gmail.com](mailto:secretarial.viceroy@gmail.com) to enable the investors to register their complaints/send correspondence, if any.
20. Unclaimed Dividends: Pursuant to the provisions of Sections 124 and 125 of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, dividends which remain unclaimed / unpaid for a period of 7 years are required to be transferred to Investor Education and Protection Fund.

The Company requests the Members to claim the unclaimed dividends within the prescribed period. The details of the unclaimed dividends are available on the website of the Company at [www.viceroyhotels.in](http://www.viceroyhotels.in) and Ministry of Corporate Affairs at [www.iepf.gov.in/](http://www.iepf.gov.in/). Members can contact the RTA for claiming the unclaimed dividends standing to the credit in their account.

#### **Procedure for remote e-voting, ATTENDING the AGM and e-voting during the AGM:**

##### **A. Procedure and instructions for remote e-voting:**

- (i) The voting period begins on Friday, September 25, 2020 from 10:00 a.m. (IST) and ends on Sunday, September 27, 2020 at 5:00 p.m. (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, September 19, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter and the same will be enabled during the AGM for the Members who have not casted their vote through remote e-voting.
- (ii) Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- (iii) Members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter the User ID
  - a. For CDSL: 16 digits beneficiary ID
  - b. For NSDL: 8 character DP ID followed by 8 digits client ID
  - c. Members holding shares in physical form should enter folio number registered with the Company.
- (vi) Next: Enter the image verification as displayed and click on "Login".
- (vii) If you are holding shares in dematerialized form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier resolution of any other company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in dematerialized form and physical form</b>	
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both i.e. shares held in dematerialized form as well as physical form)</p> <ul style="list-style-type: none"> <li>▪ Members who have not updated their PAN with the Company/Depository Participant are requested to write to the R&amp;T agent at <a href="mailto:info@aarthiconsultants.com">info@aarthiconsultants.com</a></li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in dematerialized form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting on resolutions of any other company on which they are eligible to vote, provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e- voting on the resolutions contained in this Notice.
- (xii) Click on Electronic Voting Sequence Number (“EVS”) of “Viceroy Hotels Limited”.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the details of the resolution.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the voting page.
- (xviii) If a demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on “Forgot Password” and enter the details as prompted by the system.
- (xix) Members can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective stores. Please follow the instructions as prompted by the mobile app while remote e-voting through your mobile.

**PROCESS FOR THOSE MEMBER WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [info@aarthiconsultants.com](mailto:info@aarthiconsultants.com) or [secretarial.viceroy@gmail.com](mailto:secretarial.viceroy@gmail.com).
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [info@aarthiconsultants.com](mailto:info@aarthiconsultants.com) or [secretarial.viceroy@gmail.com](mailto:secretarial.viceroy@gmail.com).
3. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

**INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the

remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (secretarial.viceroy@gmail.com.). These queries will be replied to by the company suitably by email.
6. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

#### **INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the members through the e-voting available during the AGM and if the same member have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.
4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

#### **Note for Non – individual Members and Custodians**

- Non-individual Members (i.e. other than individuals, HUF, NRI etc.) and Custodians are required to log onto [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporate” module.
- A scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details, a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, non-individual Members are required to send the relevant Board resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the scrutinizer and to the Company at the email address viz; [secretarial.viceroy@gmail.com](mailto:secretarial.viceroy@gmail.com), if they have voted from individual tab & not uploaded in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.



All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

**Declaration of Results:**

- 1) The scrutinizer shall, immediately after the conclusion of voting during the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson of the Company or the person authorized by him, who shall countersign the same.
- 2) Based on the scrutinizer's report, the Company will submit within 48 hours of the conclusion of the AGM to the Stock Exchanges, details of the voting results as required under Regulation 44(3) of the SEBI Listing Regulations.
- 3) The results declared along with the scrutinizer's report, will be hosted on the website of the Company at [www.viceroyhotels.in](http://www.viceroyhotels.in) and on the website of CDSL, immediately after the declaration of the result by the Chairperson or a person authorised by him in writing and communicated to the Stock Exchanges.

**For Viceroy Hotels Limited**

Place: Hyderabad  
Date: 02-09-2020

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

## DIRECTORS REPORT

Dear Members,

The Directors present the 55th Annual Report of Viceroy Hotels Limited along with the Audited Statement of Accounts of the Company for the year ended 31st March, 2020.

### PERFORMANCE / FINANCIAL RESULTS

The financial performance of the Company, for the year ended March 31, 2020 is summarized below:

(Rupees in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2019-20	2018-19	2019-20	2018-19
Income from Operations	8811.37	8808.54	12238.58	12242.67
Other Income	25.58	44.64	458.11	308.85
<b>Total Revenue</b>	<b>8836.95</b>	<b>8853.18</b>	<b>12696.69</b>	<b>12551.53</b>
Profit/Loss before Interest and Depreciation	220.36	(2.58)	(388.00)	(52.77)
Interest	52.18	72.71	77.10	242.01
Depreciation	892.76	917.74	1049.30	1083.48
Profit before Tax and Extraordinary Items	<b>(724.58)</b>	<b>(289.33)</b>	<b>(1514.40)</b>	<b>(1378.26)</b>
Exceptional Items	0	0	0	0
Provision for Current Tax	0	0	0	0
Deferred Tax	195.47	255.94	171.22	197.47
Profit after Tax	<b>(920.05)</b>	<b>(1248.97)</b>	<b>(1685.62)</b>	<b>(1575.73)</b>

### PERFORMANCE HIGHLIGHTS

Your Company achieved a gross turnover of Rs. 88,11,37,280 /- for the period ended March 31, 2020 as against Rs. 88,08,53,887 /- for the previous year ended March 31, 2019. On an annualized basis, turnover for the current period ended March 31, 2019 increased by 0.03% percent as compared to the previous period. But for the last quarter sales was decreased 26.40 compared to last year of same period.

### COVID-19 PANDEMIC

On March 11, 2020, the WHO (World Health Organization) declared Covid-19 outbreak as a pandemic. The lockdowns and restrictions imposed on various activities due to COVID-19 pandemic have posed challenges on the businesses of Company. As on 31st March 2020, the Company faces significant economic uncertainties due to COVID-19 which have impacted the operations particularly minimal occupancy in hotels and reduction in average realization rate per room and revenue from Restaurant & Banquets. The ongoing COVID-19 pandemic and the worldwide reaction to it has compelled companies to radically rethink their strategies and the way they operate. The increasing need among the companies is to perform tasks on time, within budget and with right resources.

### APPOINTMENT OF RESOLUTION PROFESSIONAL

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

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

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

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

- I. The institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority.
- II. Transferring, encumbering, alienating, or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein.
- III. Any action to foreclose recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the securitization and reconstruction of financial assets and enforcement of security interest act, 2002.
- IV. The recovery of any property by owner or lessor where such property is occupied by or in the possession of the corporate debtor.

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

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

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

#### **DIVIDEND**

In view of loss incurred by your Company, your directors (RP) regret and express their inability to recommend dividend for the period ended March 31, 2020.

#### **TRANSFER TO RESERVES**

For the financial year ended 31st March, 2020, the Company has not transferred any amount to General Reserve Account.

#### **SUBSIDIARIES**

The Company has 5 subsidiaries as on March 31, 2020. There has been no material change in the nature of the business of the subsidiaries. The Consolidated Financial Statements prepared by the Company include the financial information of subsidiary companies, namely Café D Lake Private Limited, Crustum Products Private Limited, Viceroy Chennai Hotels & Resorts Private Limited, Minerva Hospitalities Private Limited and Banjara Hospitalities Private Limited.

#### **Café D Lake Private Limited:**

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

The Hon'ble National Company Law Tribunal ('NCLT') vide its order dated 18th March, 2019 had initiated Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016 ('the Code') in respect of M/s. Cafe D Lake Private Limited, wholly owned subsidiary of the Company.

Café d Lake Pvt Ltd. approached TFCI for One-time Settlement and repaid the loan same after that Tourism Finance

Corporation of India Limited has withdrawn the Corporate Insolvency Resolution Process (“CIRP”) as per the Honorable National Company Law Tribunal, Hyderabad Bench (“NCLT”) order dated 10th January, 2020.

M/s Café D’Lake Private Limited which operates all the restaurants businesses of Minerva Coffee-shop, Blue Fox Bar & Restaurant, Eat Street and Water Front has achieved a turnover of Rs. 34.27 crores for the year ended 31st March, 2020 against Rs.34.34 Crores for previous year. However, there was a net Loss of Rs. 6.96 Crores for the year ended 31st March, 2020 as against the loss of Rs. 2.61 Crores for the previous years.

**Crustum Products Private Limited:**

During the year under review there is no income from operations. The net loss for the year ended 31st March, 2020 is Rs. 0.23 Lakhs as against net loss of Rs. 115.47 Lakhs in the previous year.

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

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

**Minerva Hospitalities Private Limited:**

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

**Banjara Hospitalities Private Limited**

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

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

During the Financial Year 2019-20, no company ceased to be subsidiary of the company and your company does not have any associates or joint ventures.

**CONSOLIDATED FINANCIAL STATEMENTS**

As required pursuant to the provisions of Section 129 of the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015, the Consolidated Financial Statements of the Company are prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India on the basis of the audited financial statements of the Company and its subsidiaries.

The Statement containing salient features of the financial statements of the subsidiaries in Form AOC-1 is attached as ‘Annexure I’ to this Annual Report.

**BOARD OF DIRECTORS**

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

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

**KEY MANAGERIAL PERSONNEL**

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

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

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

**DECLARATION BY INDEPENDENT DIRECTORS**

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

## MEETINGS

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

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

## BOARD EVALUATION

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

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

## DIRECTORS RESPONSIBILITY STATEMENT

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

- I. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- II. Such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2019-20 and of the statement of profit of the Company for that period;
- III. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. The annual accounts for the year 2019-20 have been prepared on a going concern basis;
- V. That the proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

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

## SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2020 was Rs. 42,40,52,240. During the year under review the company has not issued any shares or any convertible instruments.

## CHANGE IN NATURE OF BUSINESS

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

## MATERIAL CHANGES AND COMMITMENTS

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

On March 11, 2020, the World Health Organization (WHO) declared COVID-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020 which was extended in a phased manner till May 31, 2020. All businesses and services except those catering towards essential services had been closed during the period of lockdown. However, in order to mitigate the economic and social hardships induced by the COVID-19 pandemic and resultant lock-down, there has been a partial lifting of lock-down and dilution of

stringent measures imposed since the beginning of June 2020. The hotel business has been severely impacted on account of COVID-19. Many of the hotels have been closed since the mandated lockdown from March 22, 2020. The Company is currently operating a few hotels with low occupancy and expects all the hotels to become operational in a staggered manner depending upon the business environment.

However, revenues are expected to be softer in the initial phase after the lifting of the lockdown mainly due to lower occupancies arising out of reduced business and leisure travel.

The Company is taking all necessary measures to contain costs, rationalise resources taking initiatives to uplift revenue which includes invoking force majeure condition in the lease/license agreements in respect of leased/licenses hotel properties for waiver or deferment of lease rentals during the lockdown period, holding back on discretionary spending, postponing renovations and implementing various cost optimization measures.

The Company has assessed the potential impact of Covid-19 on the carrying value of property, plant and equipment, right of use assets, intangible assets, investments, trade receivables, inventories, and other current assets appearing in the financial statements of the Company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the company has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets and do not foresee any impairment in the values of these assets

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

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

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

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

#### **EXTRACT OF ANNUAL RETURN**

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013, read with Rule 12(1) of the

Companies (Management and Administration) Rules, 2014, an Extract of Annual Return as on the financial year ended on 31st March, 2020, in Form No. MGT-9 is annexed herewith and marked as '**Annexure V**' forming part of this report.

#### **PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in '**Annexure VII**' to this report.

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

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

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

#### **STATUTORY AUDITORS**

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

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

With reference to observations made in Auditor's report, the notes of account is self-explanatory and therefore do not call for any further comments. The results for the year ended March 31, 2020 have been subjected to an audit by the Statutory Auditors of the company and a qualified report has been issued by them thereon.

#### **Qualifications of Auditor for the year 2019-2020:**

**a) Capital Work In progress:** The Company has converted capital work in progress into Fixed Assets during the F.Y 2017-18 of an amount of Rs.111.94 Crores. However the company has not submitted us any valuation certificate towards capitalization of fixed assets of Rs.111.94 crores, and the depreciation claimed by the company towards such capitalization of fixed assets for the F.Y 2017-18 is Rs.358.34 Lakhs, F.Y 2018-19 Rs.599.98 Lakhs and FY 2019-20 is Rs. 601.63 Lakhs which increase the Loss to that Extent ,As we could not obtain sufficient audit evidence in this regard and the capitalization is not in compliance with the generally accepted accounting principles we are unable to comment upon the true and fair view of the same.

The company has passed board resolution on 26-08-2017 for converting Capital work in progress of Rs. 111 .94 Crores to fixed assets. The depreciation claimed by the company on capitalization of fixed assets for the F.Y 2017-18 is Rs.358.34 Lakhs, F.Y 2018-19 Rs.599.98 Lakhs and FY 2019-20 is Rs. 601.63 Lakhs.

**b) Forfeiture of advance:** The Company has forfeited an advance of amounting to Rs.134.65 Crores received from Mahal Hotel Private Limited, Bhagyanagar Investments and trading private limited and Ganga Industrial Corporation Limited in the F.Y 2013-14 and adjusted in slump sale proceeds as disclosed in the annual report of F.Y 2013-14. In the financial year 2017-18 again the company has recognised the forfeited advances in the books of accounts as liability which is not in line with the IND AS accounting policies, also the management of the company has not provided us any supporting document towards re recognition of such advances as liability in the books of accounts in the F.Y 2017-18. As per the Business transfer agreement (BTA) entered between Viceroy Hotels Limited and Mahal Hotels Limited dated 02nd April, 2011, the company M/s Viceroy Hotels Ltd received an advance of Rs.124.52 Crores (Included in above said advance Rs., 134.65 Crores). The date of termination of the agreement is 31.12.2011. In the event of termination, the company is liable to repay the advance along with the interest @2% per month till the date of repayment. However no interest has been paid or provided by the company in its Books of Accounts since the termination of the agreement, which is not in line with the accounting principles. Hence we are unable to comment upon the true and fair view of the same.

The company has forfeited an amount of Advance of Rs.134.65crores erroneously in the Financial year 2013-14 (Bhagyanagar Investment &Trading Private Limited- Rs.11.77 Crores, Ganga Industrial Corporation- Rs.0.65 Crores, Mahal Hotel Private Limited Rs.122.23 crores) and the same is taken back into the Books as Exceptional Item in the F.Y 2017-18.

**Directorate of Enforcement:** The Directorate of Enforcement made a Provisional Attachment Order in PAO No. 04/2019 dated 26.03.2019 passed by the Deputy Director, Directorate of Enforcement against the M/s Viceroy Hotels Limited of OC No.1118/2019 pending adjudication before the Honourable Adjudicating Authority, PMLA, 2002, from alienating the proceeds of crime in the form of movable and immovable properties which are involved in money laundering and the non-attachment may seriously affect and frustrate the proceedings under PMLA, 2002. The Directorate of Enforcement has also filed an application under Insolvency and Bankruptcy code 2016 against M/s Viceroy Hotels Limited in respect advances taken from Mahal Hotels Ltd and the same has been accepted by the Hon'ble NCLT on dated 06-05-2019. The resolution professional has challenged the provisional attachment order of Enforcement Directorate, Chennai, before the Hon'ble NCLT, Hyderabad on 08-04-2019. NCLT has raised the attachment of Enforcement Directorate, Chennai. Subsequently Directorate of Enforcement, Chennai has gone to High Court, Chennai vide their writ petition number: WP/29970/2019 which was declared in their favour. Then the resolution professional of Viceroy Hotels Limited has approached Supreme Court and at present it is pending at Supreme Court. vide order no SLP(C) no. 008259/2020

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

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

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

Insolvency Resolution Process (“CIRP”). Subsequently Directorate of Enforcement, Chennai has gone to High Court, Chennai vide their writ petition number: WP/29970/2019 which was declared in their favour. Then the resolution professional of Viceroy Hotels Limited has approached Supreme Court vide registration number . SLP(C) no. 008259/2020 which is pending at the Supreme Court.

**d) NCLT: The Asset Reconstruction Company (India) Ltd (ARCIL) has filed plea under Sec.7 of The Insolvency and Bankruptcy code 2016 against M/s Viceroy Hotels Limited for non payment of dues and the same has been accepted by the Hon’ble NCLT. Further proceedings are subject to NCLT order. The Resolution Professional has invited Expression of Interest from the prospective bidders for submission of Resolution Plans for revival of the Company. In terms of provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) the resolution plan submitted by M/s CFM Asset Reconstruction Company Private Limited for M/s Viceroy Hotels Limited has been approved by the Committee of Creditors (COC) of the company in its 18th COC meeting and identified as a successful resolution applicant, subject to the approval of the Hon’ble NCLT, Hyderabad bench.**

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

**e) Loans from Banks or Financial Institutions: During the current Financial Year, the company has not provided interest on the loans obtained from various Banks and financial Institutions which is not in accordance with generally accepted accounting principles. Confirmations from Banks/Financial Institutions are not yet received in this regard, due to the non provision of interest in the financial statements; the financial statements may not give a true and fair view in this regard.**

As the loans turned as Non-Operating Assets, there is no correspondence from the banks and financial institutions regarding the interest provision, hence as a result the company could not provide for the interest expense during the year.

**f) Statutory Dues: The Company has not paid the statutory dues for a period more than 6 months is as follows as per the Books and records verified by us as on 31-03-2020.**

SI.No	Particulars	Amount In Rs.
1	TDS	3,37,42,758/-
2	ESI	36,883/-
3	PF	2,15,675/-
	<b>Total</b>	<b>3,39,95,316/-</b>

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

**g) Non availability of confirmations Trade Receivables, Trade Payables - In the absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are recoverable. (Note :45)**

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

**h) Exceptional items: The management decided to written off various assets, capital work in progress etc for an amount of Rs. 291.94 crores in the F.Y 2017-18 for which there is no provision has made for such amount up to F.Y 2016-17 . As there is no sufficient appropriate audit evidence for such written off , we are unable to comment on the True and Fair Value of such written off. (Refer Note No:28)**

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

**i) In respect of investment in subsidiaries those have significant accumulated Losses as on March 31st 2019, and the Loans and advances given to those subsidiaries. The Management of the company is of the view that the 100 percent provision for made for Loss of such investments in the Profit & Loss account made during the F.y 2017-18 in the accompanying IND As financial statements. In the absence of fair valuation of those investments in the subsidiaries, we are unable to comment on the total provision made by the company in this regard. we are unable to comment upon the carrying value of these investments, recoverability of loans and advances and the consequential impact, if any on the consolidated financial statements. We are unable to comment on the provisions if any required for the corporate guarantees given to its Subsidiary Companies and the provision for interest of loans and advances given to such subsidiaries.**



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

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

Name of the Statute	Nature of Dues	Section under which order is passed	Amount (Rs)	Period to which it relates	Case is pending at
Income Tax Act, 1961	Income Tax	154	Rs.53,78,32,209/-	A.Y 2014-15	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	143(3)	Rs.9,20,44,470/-	A.Y 2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	143(3)	Rs.9,14,07,210/-	A.Y 2017-18	Commissioner of Income Tax (Appeals)

#### Service Tax

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

### Luxury Tax/ Sales Tax

S. No	Arrear Notice issued by office of the Assistant Commissioner(ST) Gandhinagar Circle Hyd	Period	Demand	issue	Luxury Tax 50% Paid
1	15.02.2019	2011-12	7,95,429	Dispute of Levy of Luxury Tax on Service Tax	3,97,715
2	15.02.2019	2012-13	10,77,592	Dispute of Levy of Luxury Tax on Service Tax	5,38,796
3	15.02.2019	2013-14	7,58,952	Dispute of Levy of Luxury Tax on Service Tax	3,79,476
4	15.02.2019	2010-11 to 2012-13 (upto 31.10.2012) 01.11.2012 to 30.09.2013	15,88,152	Disputed arrears against completion of Revision of Assessment U/VAT Act	0.00

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

**k) Going Concern** The above conditions indicate the existence of material uncertainties which may cast significant doubt on the Company's abilities to continue as going concern. In the event that the going concern assumption of the company is inappropriate, adjustments will have to be made as not a going concern. However the financials has not been made with such adjustments for the F.Y 2019-20.

Management believes the status of going concern is not affected and is confident of maintaining the going concern status and is undergoing the process of IBC Code, 2016. The final status can be known on approval of resolution plan.

**l) The company has not appointed company secretary for the Financial Year 2019-20, which is not in compliance of the provisions of the Companies Act 2020.**

The management is putting ever effort in appointing the Company Secretary at the earliest.

Further the Auditors' Report for the financial year ended, 31st March, 2020 is appended herewith for your kind perusal and information.

#### INTERNAL AUDITORS

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

#### SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board (RP) has appointed Mr. A. N. Sarma, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report, pursuant to Section 204(1) of the Companies Act, 2013, for the financial year ended 31st March, 2020 is given in 'Annexure VI' attached hereto and forms part of this Report.

#### VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has formulated a Whistle Blower Policy in terms of Section 177 of the Companies Act, 2013, as per Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015. For the employees to report their grievances / concerns about instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct by means of Protected Disclosure to the Authorized Officer or the Chairman of the Audit Committee.

The vigil mechanism / whistle blower policy may be accessed on the Company's website at the link: [www.viceroyhotels.in](http://www.viceroyhotels.in).

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

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

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

As required under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, the information relating to foreign exchange earnings and expenses is set out in Notes 34 and 35 of the Notes to the Financial Statements.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY**

All related party transactions that were entered into during the financial year were at an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

During the year, all Related Party Transactions were placed before the Audit Committee and also to the Board for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which were of a foreseen and repetitive nature.

The Policy on Related Party Transactions as approved by the Board of Directors of the Company is uploaded on the website of the Company and the same can be accessed at the link: [www.viceroyhotels.in](http://www.viceroyhotels.in)

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, in Form AOC-2 and disclosures under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed as 'Annexure II' to this report.

### **INSIDER TRADING**

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the code of Conduct and Code on Fair Disclosure and these code are available on the website of the company (URL: [www.viceroyhotels.in](http://www.viceroyhotels.in)).

### **DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY**

The company has risk management mechanism and policy in place which mitigates the risk at appropriate situations and there are no elements of risk, which in opinion of board of directors may threaten the existence of the company.

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

The application filed by the Asset Reconstruction Company (India) Ltd (ARCIL) against the company under Sec. 7 of The Insolvency Bankruptcy Code 2016, has been approved by the Honorable National Company Law Tribunal, Hyderabad Bench ('NCLT') dated 12th March, 2018. The Committee of Creditors meeting was conducted and a Resolution Professional was appointed.

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

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

## FIXED DEPOSITS

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

## MANAGEMENT DISCUSSION & ANALYSIS

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

## CORPORATE SOCIAL RESPONSIBILITY

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

## CORPORATE GOVERNANCE

Your Company practices a culture that is built on core values and ethical governance practices and is committed to transparency in all its dealings. A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this Report.

## HUMAN RESOURCES

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

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

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

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

No. of Complaints received: Nil

No. of Complaints disposed of : Nil

## ACKNOWLEDGMENTS

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

### For Viceroy Hotels Limited

Place: Hyderabad

Date: 02-09-2020

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

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

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

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

## Annexure – I

### Form No. AOC-I

**Statement containing salient features of the financial statements of subsidiaries/ associate companies/joint ventures as on March 31, 2020.**

(Amount In Rupees)

<b>Subsidiaries</b>					
<b>Name of the Subsidiary Company</b>	<b>Café D'Lake Pvt. Ltd.</b>	<b>Crustum Products Pvt. Ltd.</b>	<b>Minerva Hospitalities Pvt. Ltd.</b>	<b>Viceroy Chennai Hotels &amp; Resorts Pvt. Ltd.</b>	<b>Banjara Hospitalities Pvt. Ltd.</b>
Capital	2,74,45,300	4,00,00,000	4,66,92,670	1,00,000	3,18,00,000
Reserves	(4,60,96,361)	(8,78,14,766)	(52,08,517)	(71,736)	2,294,942
Total Assets	28,30,13,406	30,49,45,118	7,81,76,215	1,00,000	1,20,09,85,477
Total Liabilities	28,30,13,406	30,49,45,118	7,81,76,215	1,00,000	1,20,09,85,477
Turnover	34,27,20,936	0	0	0	0
Profit before taxation/(Loss)	(7,20,54,094)	(23,800)	(11,500)	(11,500)	(11,500)
Provision for taxation	(24,25,567)	0	0	0	0
Profit/ (Loss) after taxation	(6,96,28,527)	(23,800)	(11,500)	(11,500)	(11,500)
Proposed dividend	Nil	Nil	Nil	Nil	Nil
No. of Shares	27,44,530 Equity Shares of Rs.10/- each	40,00,000 Equity Shares of Rs.10/- each	46,69,267 Equity Shares of Rs.10/- each	10,000 Equity Shares of Rs.10/- each	31,80,000 Equity Shares of Rs.10/- each
Investment	100%	100%	100%	100%	100%

## Annexure - II

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2020, which were not at arm's length basis.

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

Name of the related Party	Relationship	Nature of Transaction	Transaction value rupees	Balance outstanding -Receivable/ (-) Payable as on date of Balance Sheet	Amount written off/ back
Café D'Lake Private Limited	Subsidiary	Office Maintenance	22,94,400	11,90,200	Nil
		Rent Expenses	1,19,88,000		

## **Annexure – III**

# **MANAGEMENT DISCUSSION & ANALYSIS**

### **FORWARD LOOKING STATEMENT**

Your Company has been reporting consolidated results taking into account the results of its joint venture. This discussion, therefore, covers the financial results of your Company from April 2019 to March 2020. The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events. The Company disclaims any obligation to update these forward-looking statements, except as may be required by law.

### **ECONOMIC OVERVIEW GLOBAL ECONOMY: THE YEAR IN REVIEW**

The International Monetary Fund (IMF) had forecast global growth of 2.9% in 2019, its slowest pace since the global financial crisis in 2009, and downgraded its earlier forecast from 3.3%. Although trade tensions between China and the United States (US) stabilised somewhat, they impacted output and global trade. The GDP growth of the US and United Kingdom (UK) was 2.3% and 1.4% respectively, while China, India and ASEAN-5 countries' growth was better at 6.1%, 4.2% and 4.8% respectively.

### **INDIAN ECONOMY: THE YEAR**

The Indian economy grew at 4.2 per cent in 2019-20, lower than the 6.1 per cent figure registered in 2018-19, as the Covid-19 pandemic adversely impacted economic activity in the last month of the fiscal year, especially manufacturing and construction. The full-year GDP growth is the lowest India has registered in 11 years. The Central Statistics Office had earlier forecast that the economy would grow at 5 per cent in 2019-20. In the January-March quarter, GDP grew at 3.1 per cent as against 5.7 per cent in the corresponding year ago period. These are the first set of GDP numbers showing the impact of the Covid-19 pandemic and the nationwide lockdown, which came into effect from 25 March, 2020.

Economists expect a massive contraction in the first quarter of 2020-21 due to the two month lock down, which likely to pull down the full year growth to a 5-7 per cent contraction. The Reserve Bank of India's monetary policy committee refrained from providing any growth projections for the first time in its history, citing the huge uncertainties around the pandemic and its impact on various sectors. India has announced a Rs.21 lakh crore economic package comprising mainly credit support measures to different sectors. A sharp decline in domestic consumption and private investment, stress caused by the liquidity crisis at Non-Banking Financial Companies (NBFCs) and weakening credit growth had prompted the revision. Sluggish global growth caused by the downturn in manufacturing, trade and demand had also adversely impacted the Indian economy. However, the services sector continued to outperform the industrial and agricultural sectors in terms of gross value added (GVA), with service exports outperforming goods exports in the recent years. The government's fiscal stimulus through the lowering of corporate tax rates, merger of public sector banks, focus on manufacturing, support for affordable housing, together with the Reserve Bank of India's monetary stimulus through the reduction in policy rates, and subdued oil prices were expected to propel the Indian economy. (Source: Economic Survey 2019-20)

### **ECONOMIC OUTLOOK (Post COVID-19) India:**

The Indian government has announced a series of fiscal stimulus packages and subsidies to support small and medium-sized enterprises, farmers, migrant labour, etc. It has also introduced six-month moratoriums on loans through banks, automatic collateral-free loans to small businesses, reduced withholding tax rates and extended payment due dates. The

RBI too has announced a series of monetary measures to mitigate the risk of a liquidity crisis during economic recovery apart from reducing lending rates to offset a likely credit crunch.

In the post-COVID-19 scenario, India's growth rate for 2020 was projected by the IMF in April, 2020 at 1.9%, assuming that the pandemic is brought under control and containment efforts can be gradually scaled back, restoring consumer and investor confidence. However, a recent World Bank Report projects India's economy to contract by 3.2%. The wide range of economic forecasts notwithstanding, India's recovery will depend to a large extent on how effectively it manages the health crisis, selectively isolates containment zones, reopens other zones for reviving economic activity as well as how effectively it manages geo-political dependencies. (Source: IMF World Economic Outlook, May 2020 and World Bank Global Economic Prospects, June, 2020)

## **GLOBAL SCENARIO**

As COVID-19 continues to take its toll on human health, government responses to arrest this pandemic across the world are severely impacting economic activity. Several countries have announced large stimulus packages to support the marginalised and working-class families who have been most disadvantaged by the crisis. The US has released a US\$ 2.2 trillion coronavirus relief package, consisting of cash disbursement to families, financial assistance to small and medium enterprises and big businesses impacted by the virus, as well as hospitals, medical suppliers and public and non-profit health organisations for bolstering life care capabilities, critical supplies and vaccine research. The UK extended a business rates holiday to all businesses in the retail and hospitality sector for twelve months, a cash grant for survival and access to loans on attractive terms.

Countries reliant on tourism, travel, hospitality and entertainment for their growth have been particularly affected. Emerging market and developing economies face additional challenges amid unprecedented reversals in capital flows with the waning of global risk appetite, currency pressures, the stress created by weaker healthcare systems and the limited fiscal space to provide support. (Source: IMF-The Great Lockdown – World Economic Outlook). In its Report, World Economic Outlook, April, 2020, the IMF projected the global economy to contract by 3.0% in 2020. It projected the US economy to contract by 5.9%, that of the UK by 6.5%, Euro area by 7.5% and South Africa by 5.8%. Countries like Maldives could be severely impacted as they are heavily dependent on tourism, especially arrivals from China, the Middle East and Europe. In its recent report on Global Economic Prospects, June, 2020, the World Bank has forecast the global economy to contract by 5.2% in 2020 with advanced economies projected to contract by 7.0% and that of emerging market and developing economies by 2.5%.

## **INDUSTRY INSIGHT**

### **GLOBAL HOSPITALITY AND TOURISM INDUSTRY (PRE-COVID-19)**

Globally, international tourism witnessed 1.5 billion arrivals in 2019, recording a 4% growth in overnight visitors, which was lower than the growth rate of 6% in 2018. This was partly because of the slackening demand in advanced economies, particularly in Europe. Geopolitical stress, social unrest and a global economic slowdown contributed to a lower growth in 2019. With an 8% growth in arrivals and double the global average, the Middle East emerged as the fastest-growing region for international tourism. Although Europe continued to lead, with 743 million international tourists last year and a command of 51% of the global market, Asia and the Pacific saw a healthy 5% increase in international arrivals. In spite of the global economic slowdown, tourism spending continued to grow, with France reporting the strongest increase in international tourism expenditure among the world's top 10 outbound markets with an 11% increase, while the US, with a 6% increase, led growth in absolute terms, aided by a strong dollar.

(Source: UNWTO Barometer Jan 2020)

### **GLOBAL HOSPITALITY OUTLOOK (POST-COVID-19)**

According to UNWTO, a global organisation for promotion of tourism, the pandemic has already caused a drop of 22% in international tourist arrivals from January-March 2020, and could lead to a further decline of 60-80% due to COVID-19 during the year. With 67 million less international arrivals owing to lockdowns, March 2020 saw a sharp drop of 57% in arrivals and a loss of USD 80 billion in tourism exports. The Asia-Pacific region bore the biggest impact with a decline of 33 million arrivals, while the drop in Europe was 22 million.



UNWTO has given three scenarios for 2020 based on possible dates for the gradual opening up of international borders in early July, early September or in early December. The impact translates into 850 million-1.1 billion less international tourists, loss of US\$ 910 billion-1.2 trillion in revenues from tourism exports and risk to 100-120 million direct tourism jobs. Domestic leisure demand is expected to recover faster than the international demand, according to a survey by a UNWTO panel of experts. (Source: UNWTO, May 2020). As a sign of hope, Europe, China and South Korea seem to be easing up for domestic tourism, while Iceland has already confirmed that it would welcome international guests from June, 2020 after health checks, which could be the new normal.

### **INDIAN HOSPITALITY AND TOURISM INDUSTRY (PRE-COVID-19)**

India is a tourism hotspot, given its diverse landscape, rich cultural heritage, and the opportunities it offers to businesses with its start-up culture and availability of a young, educated workforce. During 2019, foreign tourist arrivals (FTAs) in India stood at 10.9 million, an increase of 3.2% over 2018. Of this, 2.9 million tourists arrived on e-tourist visa as compared to 2.4 million during 2018, registering a growth of 21%.

### **INDIAN HOSPITALITY OUTLOOK (POST-COVID-19)**

FTA footfall in India, particularly that of leisure travellers, started softening in February 2020, as COVID-19 spread across the globe. Although domestic flights resumed in June 2020, the restrictions on the entry of international travellers means that FTA is not about to pick up any time soon. Even though some countries are reopening, travel bans are expected to be rolled down only by the end of the year. The situation may not improve drastically for the hospitality sector. Except for the smaller-sized hotels, which are now covered under the MSME (micro, small and medium-sized enterprises) the hospitality sector in India has not benefited from the stimulus packages rolled out by the government.

India ranks 3rd in World Travel & Tourism Council's list for Travel & Tourism Power and Performance. It markedly improved its position from the 40th rank in 2018 to 34th in 2019 in the World Economic Forum's Travel and Tourism Competitive Index (TTCI).

The COVID-19 pandemic has impacted all businesses, though in varying degrees a major impact of the pandemic has been felt by the travel and tourism sector consisting of airlines, hospitality, cruise liners, road and railway transportation, travel and tour operators, in addition to industries such as real estate, construction, passenger vehicles, luxury retail, etc. The COVID-19 pandemic, being highly infectious in nature, has impacted the tourism industry in an unprecedented manner, more so as the industry is highly people-centric in nature, and service delivery involves close interactions between service providers and guests.

The industry has been further impacted by the government's responses to contain the virus, including social distancing, travel advisories, suspension of visas, prohibition against mass gatherings, cancellation of sporting and cultural events, stoppage of interstate transport, railways, etc. The hospitality and tourism industry is facing a dire and hitherto-unknown situation that has thrown up new challenges and taken the industry by surprise. Even though the government and the RBI announced stimulatory measures to mitigate the immediate challenges faced by the industries and businesses, considering the diverse nature of the hospitality and tourism industry, especially the fact that it is one of the major contributors to the GDP and also a major employment provider, the industry feels that specific measures from the government are extremely crucial for its survival in these challenging times. In this regard, the Federation of Associations in Indian Tourism & Hospitality (FAITH), has made a representation to the task force set up by the government for relief and bailout packages for the industry. Despite the challenges posed by the pandemic, the hospitality industry is taking all possible measures to survive in the short term, revive in the short-to medium-term and thrive in the long term. The new challenges will assist the industry in preparing for a 'new normal', where there will be a sea-change in customer perceptions, with hygiene and safety gaining top priority, both amongst businesses and customers, and an exponential increase in the usage of digital solutions, as the world deals with the concept of 'contact-less' interchanges between people. The travel industry, worth around US\$ 1.6 trillion globally, accounts for one-tenth of the world's GDP. More importantly, the industry creates greater indirect employment opportunities, thereby helping multiply economic growth. The revival of this sector would largely depend on effective containment measures and treatments.

## COMPANY OVERVIEW

Your Company delivered a healthy operating performance during FY 2019-20 in spite of decline in revenues compared to previous year. The decline in revenue was primarily due to Covid-19 pandemic in the last 45 days of the FY2019-20. The renovations undertaken in flagship properties is expected to further enhance the operating margins and revenues in the coming years.

### FINANCIAL PERFORMANCE OF THE COMPANY:

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

The Company's standalone operating Income has decreased by 0.19 % to Rs.88.36 crores from Rs. 88.53 crores in the previous year.

The turnover of the company has increased by 0.03 % to Rs.88.11 crores from Rs. 88.08 crores in the previous year.

During the Financial Year under the review, the Company's consolidated total income from aggregated Rs. 126.96 Crores. The Company's consolidated profit before taxes aggregated to Rs. (15.14) Crores. The Company's consolidated profit after taxes aggregated to Rs. (16.85) Crores.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has institutionalized an adequate system of internal controls, with documented procedures covering all corporate functions and hotel operating units. Internal controls provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations.

Your Company's Internal Auditors carryout audit of the transactions of the Company periodically, in order to ensure that recording and reporting are adequate and proper. The Internal Audit also verifies whether internal controls and checks & balances in the systems are adequate, proper and up to date. Corrective actions for any weaknesses in the system that may be disclosed by the Audits are taken. The focus of these reviews is:

- Identification of weaknesses and improvement areas
- Compliance with defined policies and processes
- Compliance with applicable statutes
- Safeguarding tangible and intangible assets
- Managing risk environment, including operational, financial, social and regulatory risks

The Board's Audit & Risk Management Committee oversees the adequacy of the internal control environment through periodic reviews of audit findings and monitoring implementations of internal audit recommendations through compliance reports.

The internal controls currently in place at your Company are commensurate with the size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorisation and ensuring compliance with corporate policies. The Statutory Auditors have opined in their report that there are adequate internal controls over financial reporting at your Company.

### HUMAN RESOURCES:

#### Human Capital

The term human capital formation means, "The process of acquiring and increasing the number of persons who have the skills, education and experience which are critical for the development of the company. Modern technology is becoming more and more complex. With the growth of science, machinery and equipment are becoming more sophisticated. Their efficient operation requires skill and technical knowledge. Therefore, capital development is very

significant and your Company endeavours to take a more strategic and supportive approach to recruiting and retention to find and retain the new breed of evolving talent.

## **RISKS AND CONCERNS**

### **Industry Risk**

General economic conditions The hospitality industry is prone to the impact of changes in global and domestic economies, local market conditions, hotel room supply, international or local demand for hotel rooms and associated services, competition in the industry, government policies and regulations, fluctuation in interest rates and foreign exchange rates and other social factors. The demand for hotels is affected by global economic sentiments; and therefore, any change impacting the other segments/industries/geographies will invariably impact the hotel industry too.

### **Socio-political Risks**

In addition to economic risks, your Company faces risks from the socio-political environment nationally and internationally. It is affected by events like political instability, conflict between nations, threat of terrorist activities, occurrence of infectious diseases, extreme weather conditions and natural calamities. These may affect travel and business activity considerably.

### **Company-specific Risks**

The Company-specific risks have been reviewed and some of the critical risks are:

#### **Heavy dependence on India**

A significant portion of your Company's revenues are realised from its operations, making it susceptible to domestic, socio-political and economic conditions. Moreover, within India, the operations and earnings are primarily concentrated in South India, with key properties located in Hyderabad.

#### **High Operating Leverage**

The industry in general has a high operating leverage, which has further increased with on-going renovations, increased staff costs, cost of light, power and fuel. However, your Company has been able to earn higher revenues with acceptance of its products and improved RevPAR (revenue per available room) in the markets it operates in. Some of our hotels operate under lease/licence arrangements with third parties. Such arrangements are subject to various risks including unfavourable terms and conditions on renewal or non-renewal, which has a potential to impact our business. Your Company has attempted to mitigate such risks by entering into relatively long-term arrangements.

#### **Risk Mitigation Initiatives**

Your Company employs various policies, processes and methods to counter the following risks effectively:

- Continuously evaluates options for improving profitability of its assets.
- Counters the risk from growing competition and new supply by extensively improving its service standards, as also progressively renovating its properties, across the multi-brand portfolio.
- Counters the security/terrorism risk by constantly reviewing and implementing various security measures at all its properties.
- With the advent and increasing use of online transactions, there is an increasing proportion of sharing of revenues with online travel agents. Adequate measures were taken to educate customers on the benefits of booking directly on the Taj website and the website has also been revamped to enhance the customer experience. Additionally, mobile platforms have been developed for customers, specially targeted at the loyalty and 'on-the-go' segments.

#### **COVID-19 Pandemic – Impact and mitigation measures**

Your Company has carried out risk assessment to ascertain any potential COVID-19 related risks. As of now, it does not foresee any disruption in raw material supplies. Your Company does not see incremental risk to recoverability of assets (Inventories, Investments, Receivables, etc.) given the measures being taken to mitigate the risks. There is also no

impact on internal financial controls due to the COVID-19 situation. However, as the situation is uncertain, dynamic, constantly evolving and beyond the control of your Company, it aims to reassess its position periodically.

Your Company has submitted a detailed response to the Stock Exchanges under Regulations 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The following section provides a recap of the same.

### **Impact of COVID-19**

The COVID-19 pandemic in India is part of the worldwide pandemic of coronavirus disease 2019 (COVID-19) caused by Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2). The first case of COVID-19 in India, which originated from China, was reported on 30th January 2020. The outbreak has been declared an epidemic across India, where provisions of the Epidemic Diseases Act, 1897 have been invoked, leading to the temporary closure of all commercial establishments. All tourist visas have been suspended, as a majority of the confirmed cases were mainly imports.

On 22nd March, India observed a 14-hour voluntary public curfew at the instance of the Hon'ble Prime Minister Mr. Narendra Modi. It was followed by mandatory lockdowns in COVID-19 hotspots and all major cities. Further, on 24th March, 2020 the Prime Minister ordered a nationwide lockdown for 21 days, affecting the entire 1.3 billion population of India. On 14 April, the PM extended the nationwide lockdown till 3rd May which was followed by two-week extension starting 3rd and further two-week extension starting from 17th May 2020 with some relaxations during these phases of lockdown. Beginning 1st June the Government has started un-locking the country (barring containment zones) in 3 phases.

The lockdowns and restrictions imposed on various activities due to COVID – 19 have posed challenges to the Viceroy Hotels limited. The company was faced with lot of cancellations of confirmed bookings and thereby impacting the financials of the company.

The Indian hospitality industry is undoubtedly one of the biggest casualties of the COVID-19 outbreak as demand has declined to an all-time low. Global travel advisories, suspension of Visas, the imposition of Section-144 (prohibition against mass gatherings) and the ramifications of which are unprecedented. Lockdown guidelines issued by Central/State governments mandated closure of hotel operations and cessation of air traffic and other forms of public transport. This has resulted in low occupancies / shutdowns of some of the company hotels.

### **Steps taken to ensure smooth functioning of operations**

The Company is taking all necessary measures to reduce fixed costs, rationalize resources, taking initiatives to uplift revenue. The company has put in place a series steps to optimize cost across all the lines namely Raw Material, manpower, Power & Fuel, Corporate Overheads & other costs. The Company is also in discussion with its lessors for waiver or deferment of lease rentals or concession fee during the lockdown period. Cash Conservation measures have also been initiated such as deferral of Capex & Renovation plans unless absolutely required for upkeep of the operations.

During these pandemic times, the safety of our employees has been our top-most priority and the company has taken several measures to ensure their well-being. All employees in our hotels and offices have been working from home in accordance with the guidelines issued by the Central/State/Municipal authorities. The safety of essential employees who are now required to step out for work is being ensured and they have been mandated to use protective gear and take all safety precautions. All employees have been instructed to download the Arogya Setu app launched by the Government of India.

### **Estimation of the future impact of COVID-19 on its operations**

Since the situation is exceptional and is changing dynamically, the Company is not in a position to gauge with certainty, the future impact on its operations. We believe there will be impact in sales volumes, revenue, and profitability for Q1 and Q2 FY21 as our hotel operations are presently shut and will gradually ramp up only after the resolution of the pandemic. However, the Company is confident about adapting to the changing business environment and respond suitably to fulfill the needs of its customers.

The Company does not foresee any challenge in recovery, post the revival of the economy and more the Tourism and Hospitality sector. However, revenues are expected to be softer in the initial phase of the lockdown and for some time after the lifting of the lockdown mainly due to lower occupancies & limited F & B off take arising out of reduced business and leisure travel.

Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business

The Company is well positioned to fulfil its obligations and existing contracts/arrangements. We have judiciously invoked the Force Majeure clauses for reliefs during the lock down period. At present, we do not foresee any contract/agreements which will have significant impact on the business in case of non-fulfilment of obligations by any party.

### **Financial Statements**

The financial statements to be submitted under Regulation 33 of the LODR, shall also specify the impact of the CoVID-19 pandemic on the Company, to the extent possible. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company shall use internal and external sources of information and based on current estimates, the impact of the global health pandemic may be different from that estimated and the Company would continue to closely monitor any material changes to future economic conditions. This update is dynamic and will change as the situation changes, which is not in the control of the Company. We will keep our investors & other stakeholders updated with relevant updates from time to time.

### **Details of the impact of COVID-19 on your Company**

- a) Capital and financial resources – Your Company not having sufficient working capital to operate. It is quite pertinent that the collections of receivables and payment to vendors will delay due to the lockdown.
- b) Profitability – The profitability of your Company has been adversely affected for the first quarter of FY 2020-21 due to the non operation of hotels on account of the lockdown. The situation is expected to gradually improve in the second quarter with the opening up of the market and travel industry.
- c) Liquidity position – Your Company has sufficient liquidity to operate with, and therefore, there is no concern on account of the same. We are vigilant on the same and monitoring it continuously. It is also managed through strict control on various cost overheads and deferral of capital expenditure.
- d) Assets – Your Company does not see incremental risk in recoverability of assets like inventory, debtors etc. The capex requirements have been deferred.
- e) Internal Financial Reporting and Control – Our internal financial reporting and control are fully functional and not impacted due to COVID-19.
- f) Supply chain – Your Company does not foresee any impact on its supply chain.
- g) Demand for its products/services – The overall demand of the hospitality services has been impacted during lockdown.

We expect that the demand of our services will improve post lockdown, on resumption of domestic and international travels.

## **Annexure – IV**

# **REPORT ON CORPORATE GOVERNANCE**

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

Your Company appreciates the system of Corporate Governance and has been following fair, transparent and ethical governance practices and believes it to be essential for enhancing long-term shareholder value and retaining investor trust. Your Company believes that Corporate Governance is about best practices of business to be imbibed into the culture of the organization and complying with value systems, ethical business practices, laws and regulations to achieve the main objects of the Company through best practices.

The Company believes to grow and be successful by following policies and practices which are ethical and sustainable while being competitive.

Policies processes, practices and actions of the Company are carefully designed to further the objectives of Good Corporate Governance of the Company, thereby enhancing its performance and increasing stakeholder's value and fulfilling obligations towards the Government, its shareholders, employees and other stakeholders.

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

### **BOARD OF DIRECTORS (RP)**

A report on Corporate Governance is set out in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Collectively referred as SEBI (LODR) Regulations)

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

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

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

Name of the Director and DIN	Category and Designation	No. of Board Meetings attended During 2019-20	Attended AGM held on 27.09.2019	Directorships in other listed entities and category of Directorship and names of listed entities	Directorships in other Indian Public Companies	Memberships held in committees*	Chairmanships held in committees*
Mr.P. Prabhakar Reddy DIN : 01442233	Former Chairman and Managing Director – Executive Director (Promoter)	4	No	Nil	1	2	Nil
Mr. P. Chakradhar Reddy DIN: 01425681 up to 17.04.2019	Former Non Executive Director (Promoter)	Nil	No	Nil	Nil	Nil	Nil
Mrs. P. Kameswari DIN: 01587727	Former Non Executive Director (Promoter)	4	No	Nil	1	2	Nil
Mr. Devraj Govind Raj DIN: 07526450	Former Non Executive Director (Independent)	4	No	Nil	Nil	2	Nil

\* Membership/Chairmanship of Audit Committees and Stakeholders' Relationship Committees

#### Composition of the Board

- i. As on March 31, 2020, the suspended Viceroy's Board consists of 3 Members of whom 1 (One) is Independent Director.
- ii. There are no pecuniary relationships or transactions with Independent Non-Executive Directors except for sitting fees paid for attending Board and other Committee Meetings.
- iii. The Board of Directors (RP) met Five (4) times during the financial year 2018-19. These were held on 29th May, 2019, 13th August, 2019, 13th November, 2019 and 13th February, 2020 and the maximum gap between any two meetings did not exceed 120 days.
- iv. None of the Directors on the board is a member in more than 10 committees or Chairman in more than 5 committees, across all the companies in which he is a director.
- v. None of the Directors serves as an independent Director in more than seven Listed Companies.
- vi. The names and categories of Directors on the Board, their attendance at the Board Meeting and at the Annual General Meeting and details of other directorships, committee chairmanships/memberships held by the Directors in other committees during the year are as follows:

*Committee positions only of the Audit Committee and the Stakeholders Relationship Committee in Public Companies has been disclosed. Memberships of the Directors in various committees are within permissible limits of Companies Act, 2013 and SEBI (LODR) Regulations, 2015*

## NUMBER OF SHARES HELD BY DIRECTORS

Name of the Director	Designation	No. of Shares held
Mr. P. Prabhakar Reddy	Former Chairman and Managing Director – Executive Director (Promoter)	9,21,289
Mr. P. Chakradhar Reddy up to 17.04.2019	Former Non Executive Director (Promoter)	18,96,351
Mrs. P. Kameswari	Former Non Executive Director (Promoter)	19,75,643
Mr. Devraj Govind Raj	Former Non Executive Director (Independent)	Nil

## INDEPENDENT DIRECTORS MEETING

After the Commencement of Corporate Insolvency Resolution Process (CIRP), the Independent Directors had no Meeting during the period.

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

## BOARD COMMITTEES

### AUDIT COMMITTEE

Composition, meetings and the attendance during the year:

As per Securities and Exchange Board of India Notification dated 31 May, 2018 on SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, The provisions as specified in regulation 18 shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC) so as per the circular the composition of the Audit committee is in accordance with the requirements of the Regulation under Securities and Exchange Board of India (Listing Obligation and Disclosure Regulations) 2015 and also Section 177 of the Companies Act, 2013 and Rule 6 and 7 of Companies (Meetings of Board and its Powers) Rules, 2014 shall be fulfilled by Resolution Professional and powers of the Board of Directors stand suspended.

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

During the year under review, 4 (four) meetings of the committee were held on 29th May, 2019, 13th August, 2019, 13th November, 2019 and 13th February, 2020.

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

Name	Designation in the committee	Category of Directorship	No. of Meetings Attended
Mr. Devraj Govind Raj	Member	Non Executive Director (Independent)	4
Mr. P. Prabhakar Reddy	Member	Executive Director	4
Mrs. P. kameswari	Member	Non Executive Director	4



## Terms of Reference-

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

### Powers of the Audit Committee includes:

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

### Role of the Audit Committee includes:

1. Oversight of Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of auditors and fixation of audit fee.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - ii) Changes, if any, in accounting policies and practices and reasons for the same.
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management.
  - iv) Significant adjustments made in the financial statements arising out of audit findings.
  - v) Compliance with listing and other legal requirements relating to financial statements.
  - vi) Disclosure of any related party transactions.
  - vii) Review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements.
  - viii) Management Discussion and Analysis of financial conditions and result of operations.
5. Review of Statement of significant related party transactions submitted by the management.
6. Review of management letters/letters of internal control weaknesses issued by the statutory auditors.
7. Review of internal audit reports relating to internal control weaknesses.
8. Review of appointment, removal and terms of remuneration of the Chief Internal Auditor.
9. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
10. Review of the financial statements of subsidiary Companies.
11. Review and monitor the auditor's independence and performance and effectiveness of audit process.
12. Approval or any subsequent modification of transactions of the company with related parties.
13. Scrutiny of inter-corporate loans and investments.
14. Valuation of undertakings or assets of the Company, wherever it is necessary.
15. Evaluation of internal financial controls and risk management systems.
16. To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors.
17. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
18. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
19. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
20. Discussion with internal auditors of any significant findings and follow up there on.
21. Reviewing the risk management policies, practices and the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
22. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

23. To review the functioning of the Whistle Blower Mechanism.
24. Approval of appointment / reappointment / remuneration of CFO (or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
25. Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee.
26. Quarterly statements of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
27. Annual statements of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee (NR Committee) of the Company is constituted in line with the provisions of Regulation 19 of SEBI LODR Regulations Listing Agreement entered into with the stock exchanges read with Section 178 of the Companies Act, 2013.

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

During the financial year 2019-20 had no meeting conducted.

### **Terms of reference:**

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

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

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

## Remunerations paid to the Directors

### a. Independent and Non-Executive Directors

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

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

1. Disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013
  - a) All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.
  - b) Managing Director and Executive Directors

Name of the Director	Relationship with other Directors	Business relationship with Viceroy, if any	Loans and advances from Viceroy	Remuneration	Paid During 2019-20 (Amount in Rs.)		
					Sitting fees	Salary	Commission
Mr. P. Prabhakar Reddy	Related to Mrs.P.Kameswari and Mr. P. Chakradhar Reddy.	Promoter	Nil	Nil	Nil	Nil	Nil

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

## STAKEHOLDERS RELATIONSHIP COMMITTEE

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

### Terms of Reference:

The remit of the Stakeholders Relationship Committee is to consider and resolve the grievances of the security holders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends, and such other grievances as may be raised by the security holders from time to time.

Meeting of the Committee was held during the year on 29th May, 2019, 13th August, 2019, 13th November, 2019 and 13th February, 2020.

### Composition of the Committee:

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

Name	Designation in the committee	Category of Directorship	No. of Meetings Attended
Mr. Devraj Govind Raj	Member	Non Executive Director (Independent)	4
Mr. P. Prabhakar Reddy	Member	Non Executive Director	4
Mrs. P. Kameswari	Member	Non Executive Director (Independent)	4

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

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

The Company has designated exclusive e-mail Id called secretarial.viceroy@gmail.com for redressal of shareholders complaints / grievances.

#### Terms of reference

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

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

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

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

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

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

As mandated by SEBI, the Quarterly Reconciliation of Share Capital Audit, highlighting there conciliation of total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vis-a-vis the total issued and listed capital is being carried out by Mr. M Ramana Reddy, Practicing Company Secretary (Membership No. 37864). This Audit confirms that the total issued and paid up capital is in agreement with the total number of shares held in physical and dematerialized form with NSDL and CDSL.

As on 31st March, 2020, 42405224 number of Equity Shares of Rs. 10 each representing 96.78% of the total No. of shares are in dematerialized form.

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

During the year under review, No complaints were received from the shareholders. There were no pending complaints at the close of the financial year.

### I. CODE OF CONDUCT

The Company has adopted the Code of Conduct for Board of Directors and Senior Management Personnel of the Company. This Code is designed to help the Board of Directors and Senior Management in discharging their duties with due diligence and care. The Company has received confirmations from the Directors as well as Senior Management Personnel regarding compliance of the Code during the year under review. The Code of Conduct is available at: (URL: [www.viceroyhotels.com/investors](http://www.viceroyhotels.com/investors)).

### II. WHISTLE BLOWER POLICY AND VIGIL MECHANISM

In terms of Section 177(9) of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Company has in place of Whistle Blower Policy to provide Vigil Mechanism for all Directors, employees to report their genuine concerns about any wrongful conduct, unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. It also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases. The details of vigil mechanism are also available on the Company's website [www.viceroyhotels.in](http://www.viceroyhotels.in)

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

### III. SUBSIDIARIES

#### POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

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

### IV. RELATED PARTY TRANSACTIONS

All transactions entered into with related parties as defined under the Companies Act, 2013 and SEBI (LODR) Regulations during the year were on an arm's length price basis and in the ordinary course of business. These have been approved by the Audit Committee.

Policy on Related Party Transactions and the same has been uploaded on the website of the Company and can be accessed at: (URL: [www.viceroyhotels.in](http://www.viceroyhotels.in)).

During the Financial Year 2019-20, the Company did not have any material pecuniary relationship or transactions with NEDs,

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

### V. 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
2018-19	"Sri Satya Sai Nigamagamam Trust" 8-3-987/2, Srinagar Colony, Hyderabad - 500 073 Telangana, India	27-09-2019 at 3.00 PM
2017-18	Hotel Marriot Convention Centre, Lower Tank Bund, Gandhinagar, Hyderabad	24-09-2018 at 11.00 AM
2016-17	Hotel Marriot Convention Centre, Lower Tank Bund, Gandhinagar, Hyderabad	28-09-2017 at 11.00 AM

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

No Special Resolutions were passed in the previous Annual General Meetings held for the Financial Year 2016-17, 2017-18 and 2019-20

- c) The Company did not pass any special resolution through Postal Ballot.
- d) In terms of Companies Act, 2013 and SEBI (LODR) Regulations, your company provided e-voting facility to its shareholders to cast their votes electronically through the CDSL e-voting platform. The Company had appointed Mr. M Ramana Reddy, Scrutinizer for conducting e-voting and as well poll at Annual General Meeting. Mr. M Ramana Reddy, Scrutinizer submitted his combined report to the Chairman after completion of scrutiny and the results were then announced and sent to the Stock Exchanges and displayed on the Company's website. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

**VI. OTHER DISCLOSURES**

- a) There were no significant related party transactions that may have potential conflict with the interests of the Company at large.
- b) In the preparation of financial statements, no treatment materially different from that prescribed in Accounting Standards had been followed.
- c) There were no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets at any time during the last 3 years.
- d) The Company has complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015.
- e) Managing Director and Chief Financial Officer (CFO) of the Company has furnished the requisite Certificate to the Board of Directors under Clause 49 of the Listing Agreement.

**VII. MEANS OF COMMUNICATION**

The un-audited quarterly results and audited results for the year are generally published in widely circulated Nationwide English newspaper and also in widely circulated vernacular newspaper within the prescribed time lines of Listing Agreement. The results are also displayed on the Company's web-site i.e. on [www.viceroyhotels.in](http://www.viceroyhotels.in).

### VIII. GENERAL SHAREHOLDERS INFORMATION

a	Annual General Meeting	<b>55<sup>th</sup> Annual General Meeting</b>
	Annual General Meeting Date, Time and Venue	Monday, September 28, 2020 at 3.00 PM through Video Conference ("VC")/Other Audio Visual Means ("OAVM")
b	Book Closure Date	<b>Sunday, September 20, 2020 to Monday, September 28, 2020</b> (inclusive of both days)
c	Financial Year	April – March
d	Dividend Payment Date	Not Applicable
e	Calendar for Declaration of Quarterly Results	The results of every quarter beginning from April are declared within the time specified under the provisions of Listing Regulations. These results normally published by the Company in the Leading English News Papers line Financial Express/Business Standard and in one vernacular newspaper within specified time. The Copies of all quarterly results on website www.viceroyhotels.in
f	Listing on Stock Exchanges	<b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block G, Bandra - Kurla Complex, Bandra (E) Mumbai - 400 051 <b>BSE Limited (BSE)</b> PhirozeJeejeebhoy Towers Dalal Street, Fort Mumbai - 400 001
g	Stock ID/Code	NSE: <b>VICEROY</b> ; BSE: <b>523796</b>
h	ISIN	<b>EQUITY : INE048C01017 (listed on BSE &amp; NSE)</b> <b>DEBENTURES: INE984T07014 (listed on BSE)</b>
l	Listing Fee for FY 2019-20	<b>yet to pay</b>

### Stock Price Information

#### j) Stock Price Data:

MONTH	BSE			NSE		
	High	Low	No. of Shares	High	Low	No. of Shares
Apr-19	3.80	3.04	2,07,811	3.65	3.00	5,58,286
May-19	3.33	2.57	1,71,152	3.30	2.60	4,44,631
Jun-19	3.04	1.53	1,76,554	3.00	1.55	3,70,983
Jul-19	1.73	1.24	1,73,386	1.70	1.20	6,58,774
Aug-19	1.45	1.14	94,101	1.40	1.15	2,49,497
Sep-19	1.38	1.15	1,67,822	1.45	1.20	3,88,378
Oct-19	1.38	1.08	1,57,950	1.45	1.10	4,21,299
Nov-19	1.76	1.26	1,75,591	1.75	1.30	4,64,262
Dec-19	2.12	1.64	1,47,890	1.95	1.65	3,26,403
Jan-20	1.78	1.30	89,693	1.65	1.30	3,91,502
Feb-20	1.38	1.08	1,20,187	1.35	1.10	5,51,255
Mar-20	1.14	0.78	1,07,163	1.15	0.70	4,56,909

### k) Share Transfer System:

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

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

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

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

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

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

1-2-285, Domalaguda, Hyderabad- 500029

Phones: 040-27638111, 040-66611921;

Fax: 040-27632184

Email: [info@aarhiconsultants.com](mailto:info@aarhiconsultants.com);

Website: [www.aarhiconsultants.com](http://www.aarhiconsultants.com)

### m) Shareholding Pattern as on March 31, 2020:

Category	No. of Shares	Percentage
Promoters	80,57,091	19.00
Financial Institutions / Banks	10,110	0.02
NBFCs registered with RBI	250	0.00
Bodies Corporate – Indian	45,92,031	10.83
Bodies Corporate – Foreign	0	0.00
NRIs	379792	0.90
Mutual Funds	0	0.00
Indian Public	29221733	68.91
Trusts	203	0.00
Clearing Members	144014	0.34
Others	0	0
<b>Total</b>	<b>4,24,05,224</b>	<b>100</b>



**n) Distribution of Shareholding as on March 31, 2020:**

Sl. No	CATEGORY	HOLDERS	HOLDERS PERCENTAGE	SHARES	AMOUNT	AMOUNT PERCENTAGE
1	1 - 5000	21242	74	3380782	33807820	7.97
2	5001 - 10000	3211	11.19	2812910	28129100	6.63
3	10001 - 20000	1854	6.46	2977809	29778090	7.02
4	20001 - 30000	743	2.59	1948956	19489560	4.6
5	30001 - 40000	334	1.16	1209348	12093480	2.85
6	40001 - 50000	361	1.26	1740070	17400700	4.1
7	50001 - 100000	542	1.89	4137582	41375820	9.76
8	100001 & Above	420	1.46	24197767	241977670	57.06
	<b>Total:</b>	<b>28707</b>	<b>100</b>	<b>42405224</b>	<b>424052240</b>	<b>100</b>

**o) Dematerialization of Shares:**

The Company's Equity Shares are held in dematerialized form by National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) under ISIN INE048C01017. As on March 31, 2020, 96.78% of the totals shares of the Company have been dematerialized.

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

As on March 31, 2020 the Company has no outstanding GDR /ADR/Warrants/ Options/any other convertible instruments.

**q) Location of Hotels, Restaurants and Projects under execution:**

**Hotels:**

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

**Restaurants:**

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

**r) Address for Investors Correspondence:**

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

<p><b>Registrar and Share Transfer Agents (RTA):</b>  M/s. Aarathi Consultants Private Limited  1-2-285, Domalaguda, Hyderabad- 500029  Tel: 040-27638111, 040-66611921;  Fax: 040-27632184  Email: info@aarthiconsultants.com  Website: www.aarthiconsultants.com</p>	<p><b>Company:</b>  M/s. Viceroy Hotels Limited  Plot No.20, Sector-I, Survey No.64, HUDA Techno Enclave  Madhapur, Hyderabad – 500 081, Telangana  Tel: 040-40349999; Fax: 040-40349828  Email: secretarial@viceroyhotels.in/secretarial.viceroy@gmail.com  Website: <a href="http://www.viceroyhotels.in">www.viceroyhotels.in</a></p>
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Registration of e-mail Id for servicing of documents by the Company under the Companies Act, 2013:

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

**s) Declaration pertaining compliance with Code of Conduct of Board of Directors and Senior Management:**

As required under SEBI (LODR) Regulations, 2015 the Managing Director has given appropriate Certification to the Board of Directors

**t) Compliance Certificate of the Auditors:**

The Statutory Auditor has certified that the Company has complied with the conditions of the Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015 and the same forms part of the Annual Report. The Certificate from the statutory auditor will be sent to the stock exchange along with the Annual Report of the Company.

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### **CEO / CFO CERTIFICATION TO THE BOARD**

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

I, M. Sreedhar Singh, Chief Executive Officer of the Company responsible for the finance function hereby certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year 2019-20 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulation.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year 2019-20, which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to 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 2019-20.
  - (ii) significant changes in accounting policies during the year 2019-20 and that the same have been disclosed in the notes to the financial statements;
  - (iii) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For Viceroy Hotels Limited**

Place : Hyderabad  
Date : 29-07-2020

Sd/-  
**M. Sreedhar Singh**  
Chief Executive Officer

## **DECLARATION ON CODE OF CONDUCT**

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the company. It is further confirmed that all directors and senior management personnel of the company have affirmed compliance with the code of conduct of the company for the financial year ended on March 31, 2020 as envisaged in the Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Hyderabad

Date : 02-09-2020

**For Viceroy Hotels Limited**

Sd/-

**P. Prabhakar Reddy**  
**Former Chairman and Managing Director**

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## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

**To**

**The members of**

**Viceroy Hotels Limited**

This is to bring to your kind notice that the Honorable National Company Law Tribunal, Hyderabad Bench ("NCLT"), vide order dated 12 March, 2018 initiation Corporate Insolvency Resolution Process ("CIRP") in respect of Viceroy Hotels Limited as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) and as per Section 17 of the Code, the powers of the Board of Directors of Viceroy Hotels Limited (Corporate Debtor) stands suspended and such powers shall be vested with Mr. Karuchola KoteswaraRao, Resolution Professional.

As per Section 17 of the Code, their no board in Viceroy Hotels Limited hence certificate from a company secretary in practice is not required as per the Insolvency and Bankruptcy Code, 2016 (IBC).

Place : Hyderabad

Date : 02-09-2020

Sd/-

**Karuchola Koteswara Rao**  
Resolution Professional in the matter of  
M/s Viceroy Hotels Ltd  
Regn no. IBBI/IPA-003/IP-N00039/2017-18/10301  
Email ID:kkraoip@gmail.com

**Independent Auditor's Certificate on compliance with the condition of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure) Regulations, 2015**

To

**The Members of Viceroy Hotels Limited**

1. The Corporate Governance Report prepared by M/s Viceroy Hotels Limited ("the Company") contains details as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure) Regulations, 2015 as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for year ended 31st March, 2020. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.
2. The Hon'ble National Company Law Tribunal ("NCLT"), Hyderabad Bench, admitted petition for initiation of Corporate Insolvency Process ("CIRP") u/s 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code") filed by financial creditors vide order no. CP(IB)/219/7/HDB/2017 delivered on 12th March, 2018 and appointed an Interim Resolution Professional ("IRP") to manage affairs of the Company in accordance with the provisions of Code. The Committee of Creditors of the Company, in its meeting held on 09/04/2018 confirmed the IRP as Resolution Professional ("RP") for the Company. In view of pendency of the CIRP the management of affairs of the Company and power of Board of Directors were vested with RP. The Resolution Professional has invited Expression of Interest from the prospective bidders for submission of Resolution Plans for revival of the Company. In terms of provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) the resolution plan submitted by M/s CFM Asset Reconstruction Company Private Limited for M/s Viceroy Hotels Limited has been approved by the Committee of Creditors (COC) of the company in its 18th COC meeting and identified as a successful resolution applicant, subject to the approval of the Hon'ble NCLT, Hyderabad bench.
3. As per Notification no. SEBI/LAD-NRO/GN/2018/21 dated May 31, 2018, regulations 17, 18, 19, 20 and 21 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, related to Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee respectively, shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing CIRP. According to the provisions of section 17 of the Insolvency and Bankruptcy Code, 2016 (the Code) Powers of Board of Directors be exercised by resolution professional.

**Management's and Monitoring Committee's Responsibility**

4. The preparation of the Corporate Governance Report is the responsibility of the Management/ RP of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
5. The Management / RP along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**Auditor's Responsibility**

6. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations to the extent applicable for the company.
7. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the

ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. (Refer to our qualified opinion paragraph in the Independent auditors Report).

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. The procedures selected depend on the auditors' judgment, including the assessment of the risks associated in Compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from former directors including RP (Resolution Professional).
10. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness and accuracy of any of the financial information or the financial statement of the company taken as a whole (Refer to our Qualified opinion in the Independent Auditor's Report)

#### Opinion

11. Based on the procedures performed by us as referred in paragraph 9 and 10 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of the Corporate Governance as stipulated in the listing regulations, to the extent applicable, for the year ended 31st March, 2020 referred to in the paragraph 1 above read with paragraph 3 above (and also our Independent Audit report Basis of qualified opinion paragraph)

#### Other Matter and Restriction on Use

12. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the RP has conducted the affairs of the Company.
13. This certificate is addressed to and provided to the members of the Company for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

Place: Hyderabad  
Date: 02/09/2020.

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

Sd/-  
**Lakshmi Prasanthi.S**  
**Partner**  
**Membership No. 236578**  
**Udin: 20236578AAAAAW3479**

## Annexure – V

### FORM NO. MGT-9

#### EXTRACT OF ANNUAL RETURN

(As on the Financial Year ended 31-03-2020)

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

#### I. REGISTRATION AND OTHER DETAILS:

i	CIN	L55101TG1965PLC001048
ii	Registration Date	25-02-1965
iii	Name of the Company	VICEROY HOTELS LIMITED
iv	Category / Sub-Category of the Company	Company Limited by Shares
v	Address of the Registered office	#Plot No.20, Sector-I, Survey No.64, 4th Floor, HUDA Techno Enclave Madhapur, Hyderabad – 500 081, Telangana.
	Contact Details :	Tel : + 91 40 2311 9695 / 40349999 Fax : + 91 40 40349828 Email : <a href="mailto:secretarial@viceroyp-hotels.in">secretarial@viceroyp-hotels.in</a> / <a href="mailto:secretarial.viceroy@gmail.com">secretarial.viceroy@gmail.com</a> Website : <a href="http://www.viceroyhotels.in">www.viceroyhotels.in</a>
vi	Whether listed company	Yes
vii	Name, Address & Contact details of Registrar & Transfer Agent, if any.	Aarathi Consultants Private Limited 1-2-285, Domalguda, Hyderabad – 500029 Telangana. Tel : 040 - 27638111/2734445 Fax : 040 - 27632184 E-mail: <a href="mailto:info@aarathiconsultants.com">info@aarathiconsultants.com</a>

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

#### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S No	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section of Companies Act, 2013
1	<b>Crustum Products Private Limited</b> Plot No.20, Sector-I, Survey No.64, 4th Floor, HUDA Techno Enclave, Madhapur, Hyderabad – 500 081, Telangana	U15410TG2005PTC046115	Subsidiary	100	2(87)
2	<b>Café D'lake Private Limited</b> T.S. No.5, Block B, Ward No.80, Buddha Purnima Lakefront, Opp. Lake Police Station, Necklace Road, Hyderabad- 500005, Telangana	U55101TG2003PTC040419	Subsidiary	100	2(87)

3	<b>Minerva Hospitalities Private Limited</b> Plot No.258, Road No.18, Jubilee Hills, Hyderabad-500033, Telangana	U55101TG2002PTC039768	Subsidiary	100	2(87)
4	<b>Viceroy Chennai Hotels &amp; Resorts Private Limited</b> Plot No.258, Road No.18, Jubilee Hills, Hyderabad – 500033, Telangana	U55101TG2010PTC068776	Subsidiary	100	2(87)
5.	<b>Banjara Hospitalities Private Limited</b> #Plot No.20, Sector-I, Survey No.64, 4th Floor, HUDA Techno Enclave, Madhapur, Hyderabad – 500 081, Telangana.	U74900TG2015PTC101458	Subsidiary	100	2(87)

#### IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	61,40,728	7,00,000	68,40,728	16.13	50,60,792	7,00,000	57,60,792	13.58	(2.55)
b) Central Govt	0	0	0	0	0	0	0	0	-
c) State Govt (s)	0	0	0	0	0	0	0	0	-
d) Bodies Corp.	28,47,823	0	28,47,823	6.72	22,96,299	0	22,96,299	5.42	(1.30)
e) Banks / FI	0	0	0	0	0	0	0	0	-
f) Any Other....	0	0	0	0	0	0	0	0	-
<b>Sub-total (A) (1):-</b>	<b>89,88,551</b>	<b>7,00,000</b>	<b>96,88,551</b>	<b>22.85</b>	<b>73,57,091</b>	<b>7,00,000</b>	<b>80,57,091</b>	<b>19.00</b>	<b>(3.85)</b>
<b>(2) Foreign</b>									
g) NRIs - Individuals	0	0	0	0	0	0	0	0	-
h) Other – Individuals	0	0	0	0	0	0	0	0	-
i) Bodies Corp.	0	0	0	0	0	0	0	0	-
j) Banks / FI	0	0	0	0	0	0	0	0	-
k) Any Other....	0	0	0	0	0	0	0	0	-
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>89,88,551</b>	<b>7,00,000</b>	<b>96,88,551</b>	<b>22.85</b>	<b>73,57,091</b>	<b>7,00,000</b>	<b>80,57,091</b>	<b>19.00</b>	<b>(3.85)</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	-
b) Banks / FI	880	10100	10980	0.03	10	10,100	10,110	0.02	(0.01)
c) Central Govt	0	0	0	0	0	0	0	0	-
d) State Govt(s)	0	0	0	0	0	0	0	0	-
e) Venture Capital Funds	0	0	0	0	0	0	0	0	-
f) Insurance Companies	0	0	0	0	0	0	0	0	-
g) FIs	0	0	0	0	0	0	0	0	-
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	-
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	<b>880</b>	<b>10100</b>	<b>10980</b>	<b>0.03</b>	<b>10</b>	<b>10,100</b>	<b>10,110</b>	<b>0.02</b>	<b>(0.01)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	34,44,625	0	34,44,625	8.12	48,73,758	24,750	48,98,508	11.55	3.42
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	1,89,22,511	6,33,946	1,95,56,457	46.12	1,91,76,912	6,29,626	1,98,06,538	46.71	0.59
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	70,90,951	0	70,90,951	16.72	91,76,848	0	91,76,848	21.64	4.92
c) Others (specify)	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Non Resident Indians	4,34,308	0	4,34,308	1.02	3,92,659	0	3,92,659	0.93	(0.09)
Trusts	203	0	203	0.00	203	0	203	0.00	0
Clearing Members	21,73,749	0	21,73,749	5.13	63,017	0	63,017	0.15	(4.98)
NBFCs registered with RBI	5400	0	5400	0.01	250	0	250	0.00	0
<b>Sub-total (B)(2):-</b>	<b>3,20,71,747</b>	<b>6,33,946</b>	<b>3,27,05,693</b>	<b>77.12</b>	<b>3,36,83,647</b>	<b>6,54,376</b>	<b>3,43,38,023</b>	<b>80.98</b>	<b>3.86</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	<b>3,20,72,627</b>	<b>6,44,046</b>	<b>3,27,16,673</b>	<b>77.15</b>	<b>3,36,83,657</b>	<b>6,64,476</b>	<b>3,43,48,133</b>	<b>80.99</b>	<b>3.84</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	NA
<b>Grand Total (A+B+C)</b>	<b>4,10,61,178</b>	<b>13,44,046</b>	<b>4,24,05,224</b>	<b>100</b>	<b>4,10,40,748</b>	<b>13,64,476</b>	<b>42405224</b>	<b>100</b>	<b>0.00</b>





## (ii) Shareholding of Promoters

S No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Parvathreddy Viswanath Reddy	1,32,600	0.31	0.00	1,32,600	0.31	0.00	0.00
2	Allampati Vijay Vardhan Reddy	5,00,000	1.18	0.00	5,00,000	1.18	0.00	0.00
3	P Prabhakar Reddy	10,93,124	2.58	88.74	9,21,289	2.17	86.64	(0.41)
4	Nirmala Kondalapudi	60,000	0.14	0.00	60,000	0.14	0.00	0.00
5	P Divya Reddy	52,550	0.12	0.00	52,550	0.12	0.00	0.00
6	Chakradhar Reddy Parvathreddy	27,89,351	6.58	95.91	18,96,351	4.47	93.99	(2.11)
7	Veera Reddy Kondalapudi	60,000	0.14	0.00	60,000	0.14	0.00	0.00
8	Parvathreddy Haricharan Reddy	1,13,300	0.27	0.00	1,13,300	0.27	0.00	0.00
9	Vidya Reddy P	21,660	0.05	0.00	6,559	0.02	0.00	(0.03)
10	P Kameswari	19,75,643	4.66	58.26	19,75,643	4.66	58.26	0.00
11	Parvathreddy Saraswathamma	42,500	0.10	0.00	42,500	0.10	0.00	0.00
12	P H Financial Services Limited	19,35,216	4.56	100.00	16,73,692	3.95	100.00	(0.61)
13	Parvath Investments Private Limited	26,760	0.06	9.34	26,760	0.06	9.34	0.00
14	Tetra Heights Power Systems Limited	2,98,180	0.70	0.00	2,98,180	0.70	0.00	0.00
15	Parvath Reddy Investments Pvt Ltd	2,46,000	0.58	46.75	1,31,000	0.31	0.00	(0.27)
16	Minerva Enterprises Private Ltd	2,81,413	0.66	71.07	1,06,413	0.25	23.49	(0.41)
17	P H Infotech Private Limited	60,254	0.14	0.00	60,254	0.14	0.00	0.00
	<b>Total</b>	<b>96,88,551</b>	<b>22.85</b>	<b>72.76</b>	<b>80,57,091</b>	<b>19.00</b>	<b>67.43</b>	<b>(3.85)</b>

**(iii) Change in Promoters' Shareholding**

Sl.No.	Promoter Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No of Shares	% of Total shares of the Company	No of Shares	% of Total shares of the Company
<b>1</b>	<b>P PRABHAKAR REDDY</b>				
	At the beginning of the year	<b>10,93,124</b>	<b>2.58</b>		
	Increase/ Decrease in promoters shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Sale (1,71,835)	(0.41)	9,21,289	2.17
	At the end of the year			<b>9,21,289</b>	<b>2.17</b>
<b>2</b>	<b>P CHAKRADHAR REDDY</b>				
	At the beginning of the year	<b>27,89,351</b>	<b>6.58</b>		
	Increase/ Decrease in promoters shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Sale (8,93,000)	(2.11)	18,96,351	4.47
	At the end of the year			<b>18,96,351</b>	<b>4.47</b>
<b>3</b>	<b>VIDYA REDDY P</b>				
	At the beginning of the year	<b>21,660</b>	<b>0.05</b>		
	Increase/ Decrease in promoters shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Sale (15,101)	(0.03)	6,559	0.02
	At the end of the year			<b>6,559</b>	<b>0.02</b>
<b>4</b>	<b>P H FINANCIAL SERVICES LIMITED</b>				
	At the beginning of the year	<b>19,35,216</b>	<b>4.56</b>		
	Increase/ Decrease in promoters shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Sale (2,61,524)	(0.61)	16,73,692	3.95
	At the end of the year			<b>16,73,692</b>	<b>3.95</b>
<b>5</b>	<b>PARVATH REDDY INVESTMENTS PVT LTD</b>				
	At the beginning of the year	<b>2,46,000</b>	<b>0.58</b>		
	Increase/ Decrease in promoters shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Sale (1,15,000)	(0.27)	1,31,000	0.31
	At the end of the year			<b>1,31,000</b>	<b>0.31</b>
<b>6</b>	<b>MINERVA ENTERPRISES PRIVATE LTD</b>				
	At the beginning of the year	<b>2,81,413</b>	<b>0.66</b>		
	Increase/ Decrease in promoters shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Sale (1,75,000)	(0.41)	1,06,413	0.25
	At the end of the year			<b>1,06,413</b>	<b>0.25</b>

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

S. No.	Name	No. of Shares at the beginning of the year	% of total shares of the company	Increase/ Decrease in shareholding	Reason	Cumulative Share holding	% of total shares of the Company
1	Crest Logistics And Engineers Private Limited	25,00,000	5.90	No change		25,00,000	5.90
2.	Dhiren Sushil Roy	6,43,951	1.52	No change		6,43,951	1.52
3.	Gopalchand Prithviraj Malu	5000	0.01	5,53,245	Buy	5,58,245	1.31
4.	Surana Telecom and Power Limited	4,46,807	1.05	No change		4,46,807	1.05
5.	Ajay Bachu Doshi	2,00,000	0.47	2,20,000	Buy	4,20,000	0.99
6.	Bhushan Dinesh Mehta (HUF)	3,00,000	0.70	34,837	Buy	3,34,837	0.78
7.	ICPA Health Products Ltd	2,50,000	0.58	No change		2,50,000	0.58
8.	Jainam Share Consultants Private Limited	9,37,032	2.21	483120	Buy	2,42,000	0.57
				1178152	Sold		
9.	Prakash Narasimaiah	2,00,805	0.47	No change		2,00,805	0.47
10.	Tourism Finance Corp Of India Ltd	2,00,000	0.47	No change		2,00,000	0.47

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

Sl.No.	Shareholding of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No of Shares	% of Total shares of the Company	No of Shares	% of Total shares of the Company
1	P. Prabhakar Reddy	10,93,124	2.58	9,21,289	2.17
2	P. Kameswari	19,75,643	4.66	19,75,643	4.66
3	P. Chakradhar Reddy (Up to 17.04.2019)	27,89,351	6.58	18,96,351	4.47
4	Devraj Govindraj	-	-	-	-
5	Sonam Jaiswal (Company Secretary) (Up to 29/05/2019)	-	-	-	-
6	M. Sreedhar Singh (Chief Executive Officer)	-	-	-	-
7	Dasvanth Kumar Jaya (Chief Financial Officer)	-	-	-	-

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**
**Loans & Debentures position as on 31.03.2020**
**(Rs. in Crores)**

	Secured Loans Excluding deposits and including NCDs	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	215.70	166.95	0.00	382.65
ii) Interest due but not paid	177.61	0.00	0.00	177.61
iii) Interest accrued but not due	0	0.00	0.00	0
<b>Total (i+ii+iii)</b>	<b>393.31</b>	<b>166.95</b>	<b>0.00</b>	<b>520.26</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	0	0.01	0	0.01
• Reduction	(0.27)	0	0	(0.27)
<b>Net Change</b>	<b>(0.27)</b>	<b>0.01</b>	<b>0</b>	<b>(0.26)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	215.82	166.96	0.00	382.78
ii) Interest due but not paid	177.22	0.00	0.00	177.22
iii) Interest accrued but not due	0	0.00	0.00	0
<b>Total (i+ii+iii) **</b>	<b>393.04</b>	<b>166.96</b>	<b>0.00</b>	<b>560.00</b>

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



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

(Amount in Rupees)

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

B. Remuneration to other directors: NIL

(Amount in Rupees)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	-	-
2.	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-	-
	<b>Overall Ceiling as per the Act</b>	-	-	-	-	-

**C. Remuneration to key managerial personnel other than md/manager/wtd:**

(Amount in Rupees)

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary	CEO	CFO	Total
1.	Gross salary				
	(a) Salary as per Provisions contained in section 17(1) of the Income-tax Act, 1961	54,410	1,00,000	9,60,000	11,14,410
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify (Medical, Bonus and LTA)	5,590	6,700	70,320	82,610
	<b>Total</b>	<b>60,000</b>	<b>1,06,700</b>	<b>10,30,320</b>	<b>11,97,020</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## Annexure – VI

### SECRETARIAL AUDIT REPORT

(As per Form MR3 for the Financial Year ended 31st March 2020)

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

To

**The Members  
Viceroy Hotels Limited  
Hyderabad**

CIN :L55101TG 1985 PLC 001048

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

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

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

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

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

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

The Secretarial Audit Report is neither as assurance to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on the verification of the Company's books, forms and returns filed and other records maintained by the Company and also the information provided by the Company ,its officers, agents and authorized representatives during the conduct of the secretarial audit and as per the explanations given and representations made by the management, I hereby report that in my opinion, the company has during the audit period covering the financial year ended 31st March 2020 generally complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent , in the manner and subject to the reporting made here under.

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March 2020 according to the provisions of

- i. The Companies Act,2013.
- ii. The Securities Contracts (Regulation) Act,1956 (SCRA) and the rules made there under.
- iii. The Depositories Act, 1996 and the Regulations and Bye laws framed there under.
- iv. Foreign Exchange Management Act,1999 and the rules and regulations there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- v. The following regulations and guidelines prescribed under the Securities Exchange Board of India (SEBI) Act,1992.
  - a) The Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011.

- b) The Securities Exchange Board of India (prohibition of Insider Trading) Regulations 2015.
- c) The Securities Board of India (Issue of Capital and Disclosure Requirements) 2008 as amended from time to time.
- vi. Listing Agreement entered by the Company with the BSE Limited.
- vii. Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2018.
- viii. Secretarial Standards issued by the Institute of Company Secretaries of India
- ix. Other laws specifically applicable to the Company viz.,
  - a) Food Safety and Standards Act 2006 and Food Safety and Standards Rules 2011
  - b) Food Safety and Standards (Packaging and Labeling) Regulations 2011.

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

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

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

- a) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999.
- b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding the Companies and dealing with the client.
- c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009.
- d) The Securities and Exchange Board of India (Buy Back of Securities) Regulations 1998.

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

Adequate notice is given to all directors to schedule the Board meetings agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaning full participation at the meeting in accordance with the powers vested with the Resolution Professional appointed by the Hon'ble NCLT Hyderabad Bench as mentioned above.

All decisions at Board meetings and committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or committee of the Board as the case may be in accordance with the powers vested with the RP.

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

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

those mentioned in the order of the Hon'ble National Company Law Board Tribunal Hyderabad Bench vide its order dated 12th March 2018.

- a) Stake holders Relationship committee meetings were held on 29/5/2019, 13/8/2019, 13/11/2019 and 13/2/2020.
- b) Audit Committee meetings were held on 29/5/2019, 13/8/2019, 13/11/2019 and 13/2/2020.
- c) Board of Directors meetings were held 29/5/2019, 13/8/2019, 13/11/2019 and 13/2/2020.

**A N SARMA**  
**Practicing Company Secretary**  
**FCS 4557 CP 7812**  
UDIN: F004557B000355204

Place: Hyderabad

Date: 29/05/2020



## Annexure – VII

### PARTICULARS OF EMPLOYEES

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

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

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

Name	Designation	Remuneration of Director KMP for the financial year 2019-20* (amount in Rs.)	Ratio of Remuneration of each Director to median remuneration of employees	% increase in Remuneration in the financial year 2019-20
Mr. P. Prabhakar Reddy	Managing Director	Nil	Nil	Nil
Mr. P. Chakradhar Reddy (Up to 17/04/2019)	Director	Nil	Nil	Nil
Mrs. P. Kameswari	Director	Nil	Nil	Nil
Mr. Govindrajan Devraj	Independent Director	Nil	Nil	Nil
Mr. M. Sreedhar Singh	CEO	1,00,000/-	0.55	Nil
Mr. J. Dasvanth Kumar	CFO	10,30,320/-	5.72	Nil
Ms. SonamJaiswal (Up to 29/05/2019)	Company Secretary	60,000/-	0.33	Nil

- ii. The median remuneration of employees' of the Company during the financial year was Rs. 1,80,000/-
- iii. The percentage increase in the median remuneration of employees in the financial year ending 31st March, 2020 : Nil
- iv. There were 463 permanent employees on the rolls of Company as on 31st March, 2020.
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

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

There were no exceptional circumstances for increase in the managerial remuneration The Company affirms that remuneration to the Directors and Key Managerial Personnel is as per the remuneration policy of the Company.

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

Sl. No.	Name of the Employee	Designation	Remuneration for the FY 2019-20	Nature of employment	Qualification	Date of commencement of employment	Age	Last employment of such employee	% of equity shares held of the employee	Whether the employee is a relative of any director/manager, if yes name of such director and manager
1.	SUDEEP SHARMA	GENERAL MANAGER	4992000	Permanent	Bachelors in Hotel Management	21-MAR-2019	39	Fairfield by Marriott Lucknow	Nil	NO
2.	DEEPAK KUMAR MOHANTY	DIRECTOR OF FINANCE	3182160	Permanent	MBA - Finance	27-OCT-2017	43	Sheraton Colombo Hotel	Nil	NO
3.	JOMY ABRAHAM	DIRECTOR OF OPERATIONS	2952072	Permanent	PGDM- Hospitality Management	02-MAR-2017	39	JW Marriott, Pune	Nil	NO
4.	ANJALI NAIK	DIRECTOR OF SALES & MARKETING	2305920	Permanent	Bachelors in Hotel Management	07-DEC-2018	38	Weligama Bay Marriott Resort & Spa	Nil	NO
5.	PANKAJ KUMAR PRADHAN	DIRECTOR OF HUMAN RESOURCES	1927656	Permanent	Post Graduate in PM & IR	10-NOV-2017	37	Courtyard By Marriott, Pune Chakan	Nil	NO
6.	GEETHA SUDESH	DIRECTOR OF SERVICE	1848000	Permanent	Bachelors in Hotel Management	10-MAR-1993	54	Hyderabad Marriott Hotel & Convention Center	Nil	NO
7.	NAVEEN HANDA	EXECUTIVE CHEF	1424400	Permanent	Bachelors in Hotel Management	07-OCT-2019	43	JW Marriott Chandigarh	Nil	NO
8.	SAYAK ROY	FOOD & BEVERAGE MANAGER	1121784	Permanent	BHMCT	16-JAN-2018	36	JW Marriott Chandigarh	Nil	NO
9.	BRENDA BARETTO	ROOMS DIVISION MANAGER	1021680	Permanent	Bachelors in Hotel Management	22 JULY-2019	33	Courtyard by Marriott, Pune, Hinjewadi	Nil	NO
10.	KAZI JAMIRODDIN MOHEDDIN	DIRECTOR OF ENGINEERING	618810	Permanent	B.E. Mechanical	21-NOV-2019	34	The Westin Sohna Resort	Nil	NO

- i. Details of Employee's drawing remuneration of Rs.8.50 Lacs per month or Rs.102.00 Lacs per annum: Nil
- ii. They are no other employees drawing Rs.8.50 Lacs per month or Rs.102.00 Lacs per annum, whether employed throughout the year or part of the Financial year.
- ii. Throughout or part of the financial year No employees are covered under rule 5(2)(iii) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

# INDEPENDENT AUDITOR'S REPORT

To,  
Members of Viceroy Hotels Limited

M/s VICEROY HOTELS LIMITED  
Report on the Audit of Ind AS Standalone Financial Statements

## Qualified Opinion

We have audited the accompanying Ind AS Standalone Financial Statements of M/s VICEROY HOTELS LIMITED ("the company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in equity and the Statement of Cash Flows for the year then ended on that date and notes to financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the "Basis for Qualified Opinion" section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of "the Company" as at March 31, 2020, the Loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

## Basis for Qualified Opinion:

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

### 1. Qualified Opinion:

- a) **Capital Work In progress:** The Company has converted capital work in progress into Fixed Assets during the F.Y 2017-18 of an amount of Rs.111.94 Crores. However the company has not submitted us any valuation certificate towards capitalization of fixed assets of Rs.111.94 crores, and the depreciation claimed by the company towards such capitalization of fixed assets for the F.Y 2017-18 is Rs.358.34 Lakhs, F.Y 2018-19 Rs.599.98 Lakhs and FY 2019-20 is Rs. 601.63 Lakhs which increase the Loss to that Extent ,As we could not obtain sufficient audit evidence in this regard and the capitalization is not in compliance with the generally accepted accounting principles we are unable to comment upon the true and fair view of the same. (Refer Note no.27)
- b) **Forfeiture of advance:** The Company has forfeited an advance of amounting to Rs.134.65 Crores received from Mahal Hotel Private Limited, Bhagyanagar Investments and trading private limited and Ganga Industrial Corporation Limited in the F.Y 2013-14 and adjusted in slump sale proceeds as disclosed in the annual report of F.Y 2013-14. In the financial year 2017-18 again the company has recognised the forfeited advances in the books of accounts as liability which is not in line with the IND AS accounting policies, also the management of the company has not provided us any supporting document towards re recognition of such advances as liability in the books of accounts in the F.Y 2017-18. As per the Business transfer agreement

(BTA) entered between Viceroy Hotels Limited and Mahal Hotels Limited dated 02nd April, 2011, the company M/s Viceroy Hotels Ltd received an advance of Rs.124.52 Crores (Included in above said advance Rs.,134.65 Crores). The date of termination of the agreement is 31.12.2011. In the event of termination, the company is liable to repay the advance along with the interest @2% per month till the date of repayment. However no interest has been paid or provided by the company in its Books of Accounts since the termination of the agreement, which is not in line with the accounting principles.

Hence we are unable to comment upon the true and fair view of the same. (Note No:47)

- c) Directorate of Enforcement:** The Directorate of Enforcement made a Provisional Attachment Order in PAO No. 04/2019 dated 26.03.2019 passed by the Deputy Director, Directorate of Enforcement against the M/s Viceroy Hotels Limited of OC No.1118/2019 pending adjudication before the Honourable Adjudicating Authority, PMLA, 2002, from alienating the proceeds of crime in the form of movable and immovable properties which are involved in money laundering and the non-attachment may seriously affect and frustrate the proceedings under PMLA, 2002. The Directorate of Enforcement has also filed an application under Insolvency and Bankruptcy code 2016 against M/s Viceroy Hotels Limited in respect advances taken from Mahal Hotels Ltd and the same has been accepted by the Hon'ble NCLT on dated 06-05-2019. The resolution professional has challenged the provisional attachment order of Enforcement Directorate, Chennai, before the Hon'ble NCLT, Hyderabad on 08-04-2019. NCLT has raised the attachment of Enforcement Directorate, Chennai. Subsequently Directorate of Enforcement, Chennai has gone to High Court, Chennai vide their writ petition number: WP/29970/2019 which was declared in their favour. Then the resolution professional of Viceroy Hotels Limited has approached Supreme Court and at present it is pending at Supreme Court. vide order no SLP(C) no. 008259/2020 (Note No:43)
- d) NCLT:** The Asset Reconstruction Company (India) Ltd (ARCIL) has filed plea under Sec.7 of The Insolvency and Bankruptcy code 2016 against M/s Viceroy Hotels Limited for non payment of dues and the same has been accepted by the Hon'ble NCLT. Further proceedings are subject to NCLT order. The Resolution Professional has invited Expression of Interest from the prospective bidders for submission of Resolution Plans for revival of the Company. In terms of provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) the resolution plan submitted by M/s CFM Asset Reconstruction Company Private Limited for M/s Viceroy Hotels Limited has been approved by the Committee of Creditors (COC) of the company in its 18th COC meeting and identified as a successful resolution applicant, subject to the approval of the Hon'ble NCLT, Hyderabad bench. (Note No: 42)
- e) Loans from Banks or Financial Institutions:** During the current Financial Year, the company has not provided interest on the loans obtained from various Banks and financial Institutions which is not in accordance with generally accepted accounting principles. Confirmations from Banks/Financial Institutions are not yet received in this regard, due to the non provision of interest in the financial statements; the financial statements may not give a true and fair view in this regard. (Note No:49)
- f) Statutory Dues:** The Company has not paid the statutory dues for a period more than 6 months is as follows as per the Books and records verified by us as on 31-03-2020.

S.No	Particulars	Amount In Rs.
1	TDS	3,37,42,758/-
2	ESI	36,883/-
3	PF	2,15,675/-
	<b>Total</b>	<b>3,39,95,316/-</b>

- g) g) Non availability of confirmations Trade Receivables, Trade Payables -** In the absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are recoverable. (Note :45)
- h) h) Exceptional items:** The management decided to written off various assets, capital work in progress etc for an amount of Rs. 291.94 crores in the FY 2017-18 for which there is no provision has made for such amount up to F.Y 2016-17 . As there is no sufficient appropriate audit evidence for such written off , we are unable to comment on the True and Fair Value of such written off. (Refer Note No:28)

- i) In respect of investment in subsidiaries those have significant accumulated Losses as on March 31st 2020, and the Loans and advances given to those subsidiaries. The Management of the company is of the view that the 100 percent provision for made for Loss of such investments in the Profit & Loss account made during the F.Y 2017-18 in the accompanying IND As financial statements. In the absence of fair valuation of those investments in the subsidiaries, we are unable to comment on the total provision made by the company in this regard. We are unable to comment upon the carrying value of these investments, recoverability of loans and advances and the consequential impact, if any on the consolidated financial statements. We are unable to comment on the provisions if any required for the corporate guarantees given to its Subsidiary Companies and the provision for interest of loans and advances given to such subsidiaries. (Note No: 13)
- j) **Tax Disputes:** The company has material tax disputes with the Income Tax department , service tax and sales tax departments as given under which is as per the information submitted by the management in this regard. However the company has not made provision for such dues in the financial statements for the year ending 31-03-2020. As per the information submitted by the company to us the following are the cases pending at different levels. (Note No: 37)

Name of the Statute	Nature of Dues	Section under which order is passed	Amount (Rs)	Period to which it relates	Case is pending at
Income Tax Act, 1961	Income Tax	154	Rs.53,78,32,209/-	A.Y 2014-15	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	143(3)	Rs.9,20,44,470/-	A.Y 2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	143(3)	Rs.9,14,07,210/-	A.Y 2017-18	Commissioner of Income Tax (Appeals)

#### Service Tax

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

### Luxury Tax/ Sales Tax

S. No	Arrear Notice issued by office of the Assistant Commissioner(ST) Gandhinagar Circle Hyd	Period	Demand	issue	Luxury Tax 50% Paid
1	15.02.2019	2011-12	7,95,429	Dispute of Levy of Luxury Tax on Service Tax	3,97,715
2	15.02.2019	2012-13	10,77,592	Dispute of Levy of Luxury Tax on Service Tax	5,38,796
3	15.02.2019	2013-14	7,58,952	Dispute of Levy of Luxury Tax on Service Tax	3,79,476
4	15.02.2019	2010-11 to 2012-13 (upto 31.10.2012) 01.11.2012 to 30.09.2013	15,88,152	Disputed arrears against completion of Revision of Assessment U/VAT Act	0.00

- k) Going Concern The above conditions indicate the existence of material uncertainties which may cast significant doubt on the Company's abilities to continue as going concern. In the event that the going concern assumption of the company is inappropriate, adjustments will have to be made as not a going concern. However the financials has not been made with such adjustments for the F.Y 2019-20.(Note No:48)
- l) The company has not appointed company secretary for the Financial Year 2019-20, which is not in compliance of the provisions of Sec 203 of the Companies Act 2020. (Note No:46)

### Key Audit Matters

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

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

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

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

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

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

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

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of "the Act" with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under

section 133 of “the Act”. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company except for the matters given in the qualified opinion paragraph so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 .
  - e) The Honorable National Company Law Tribunal, Hyderabad Bench ("NCLT"), vide order dated 12 March, 2018 initiation Corporate Insolvency Resolution Process ("CIRP") in respect of Viceroy Hotels Limited as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) and as per Section 17 of the Code, the powers of the Board of Directors of Viceroy Hotels Limited (Corporate Debtor) stands suspended and such powers shall be vested with Mr. Karuchola KoteswaraRao, Resolution Professional.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the pending litigations in its notes to accounts in the financial statements of the company (Note No:37)
    - ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The company has not appointed Company Secretary for the F.Y 2019-20 as per Provisions of Sec.203 of The companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014(Refer note no:46)

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

Place : Hyderabad  
Date : 29-07-2020

Sd/-  
**Lakshmi Prasanthi.S**  
Partner  
M.No:236578  
Udin: 20236578AAAAAP7274



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

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

- I In respect of the Company's fixed assets:
- a) The Company has not produced Fixed Assets Register.
  - b) As per the information and explanations given by the management, the fixed assets have been physically verified by the management in a phased periodical manner. But as per the "Basis for Qualified opinion" given by us, there is capitalization of Rs. 111.94 crores in the FY 2017-18 as we haven't obtained any valuation certificate towards capitalization of fixed assets; we are unable to ascertain the verification of fixed assets by the management.
  - c) According to the information and explanation given to us and on verification of documents provided to us, we are of the opinion that the title deeds of immovable properties are held as per note no: 41 of the financial statements. Accordingly the title deeds are not on the Name of the company M/s Viceroy Hotels Limited
- ii. As per the information and explanations given to us, and as per the books and records maintained by the company, the physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on such verification.
  - iii. The company has not granted any loans secured, unsecured to companies, firms, limited liability partnerships, covered in the register maintained under section 189 of the Companies Act, 2013.
  - iv. In our opinion and according to the information and explanation provided to us, in respect to loans, investments, guarantees and securities, provisions of section 185 and 186 of the Companies Act, 2013 has been complied with.
  - v. The Company has not accepted any deposits during the year from the public within the meaning of the provisions of section 73 of "the Act" and hence directives issued by the reserve bank of India and the provisions of section 73 to 76 or any other relevant provisions of "the Act" the Rules framed there under are not applicable to the Company at present.
  - vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the company.
  - vii.
    1. The Company is not regular in depositing statutory dues including TDS, PF, ESI with the appropriate authorities. As at the end of the financial year the amounts which were due for more than 6 months from the date they became payable as per books and records of the company are as follows:

<b>S.No</b>	<b>Particulars</b>	<b>Amount In Rs.</b>
1	TDS	3,37,42,758/-
2	ESI	36,883/-
3	PF	2,15,675/-
	<b>Total</b>	<b>3,39,95,316/-</b>

2. According to the information and explanations given to us, no disputed amounts are payable in respect of Income Tax and any other statutory dues as at the end of the period except for the below mentioned due to income tax, service tax, luxury tax as per the information and explanations given by the company and as per the books and records verified by us. (Note no.37)

Name of the Statute	Nature of Dues	Section under which order is passed	Amount (Rs)	Period to which it relates	Case is pending at
Income Tax Act, 1961	Income Tax	154	Rs.53,78,32,209/-	A.Y 2014-15	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	143(3)	Rs.9,20,44,470/-	A.Y 2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	143(3)	Rs.9,14,07,210/-	A.Y 2017-18	Commissioner of Income Tax (Appeals)

### Service Tax

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

**Luxury Tax/ Sales Tax**

S. No	Arrear Notice issued by office of the Assistant Commissioner(ST) Gandhinagar Circle Hyd	Period	Demand	issue	Luxury Tax 50% Paid
1	15.02.2019	2011-12	7,95,429	Dispute of Levy of Luxury Tax on Service Tax	3,97,715
2	15.02.2019	2012-13	10,77,592	Dispute of Levy of Luxury Tax on Service Tax	5,38,796
3	15.02.2019	2013-14	7,58,952	Dispute of Levy of Luxury Tax on Service Tax	3,79,476
4	15.02.2019	2010-11 to 2012-13 (upto 31.10.2012) 01.11.2012 to 30.09.2013	15,88,152	Disputed arrears against completion of Revision of Assessment U/VAT Act	0.00

viii. According to the information and explanations given to us and as the books and records produced by the company it has defaulted in repayment of dues to various banks and financial institutions which are as follows as on 31-03-2020 as per books and records verified by us. However the company has not made interest provision with regarding to those loans in the books of accounts from financial year 2012-13. (Note no.39)

Name of the Bank/Institution	Amount in Crores (Rs.)		
	Principle Due	Interest Due	Total Dues
ARCIL	131.68	91.79	223.47
EARCL	0.88	-	0.88
IARC LTD	1.95	-	1.95
State Bank of India	56.18	50.55	106.73
Canara Bank	24.07	34.81	58.88
<b>Total</b>	<b>214.76</b>	<b>177.15</b>	<b>391.91</b>

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

- ix. The Company has not raised moneys by way of initial public offer or further public offer during the year under consideration (including debt instruments) and the loans defaulted by the company has been given in the Notes to accounts of the financial statements in Note no: 39 and the company is not providing interest in their books of accounts with respect those loans as such the qualification has been given in the Audit report in the Basis of qualified opinion paragraph.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to information and explanations given to us the company and verification of the records of the company, the company has provided and paid managerial remuneration during the year under consideration in compliance with the provisions of Section 197 of The companies Act 2013.



- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 wherever applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards (Refer Note no. 40)
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of "the Act" are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Place : Hyderabad  
Date : 29-07-2020

Sd/-  
**Lakshmi Prasanthi.S**  
Partner  
M.No:236578  
Udin: 20236578AAAAAP7274

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

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

### **Report on the Internal Financial Controls over Financial Reporting under clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **VICEROY HOTELS LIMITED** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for qualified opinion on the internal financial controls system over financial reporting of the Company.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance e of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Basis for Qualified Opinion:**

1. The company did not have appropriate internal controls for confirmation and reconciliation of trade receivables, trade payables, other current assets and current liabilities.
2. The company did not have fixed asset register as on 31.03.2020.
3. The company has written off various assets and liabilities as exceptional items during the F.Y 2017-18 due to which we couldn't get appropriate audit evidence in relation to such written off.
4. The company has not appointed company secretary for the F.Y 2019-20, which is not in compliance with the provisions of Sec.203 of Companies Act 2013.

As a result of these matters, we have not been able to obtain sufficient and appropriate audit evidence in relation to Internal Financial Controls over Financial Reporting and consequently we are unable to determine whether the company has established adequate internal financial controls over Financial Reporting and also whether such internal financial controls were operating effectively as at March 31st, 2020.

**Qualified Opinion**

In our opinion, as a result of the matters given in the Basis of Qualified opinion paragraph given in the Audit report the company as we have not obtained sufficient appropriate audit evidence in respect of those matters specified in the Basis of Qualified opinion paragraph we are unable to determine whether the company has established adequate internal financial controls over Financial Reporting and also whether such internal financial controls were operating effectively as at March 31st, 2020. Based on internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute Of Chartered Accountants of India.

Place : Hyderabad  
Date : 29-07-2020

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

Sd/-  
**Lakshmi Prasanthi.S**  
Partner  
M.No:236578  
Udin: 20236578AAAAAP7274

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2020 (Ind AS)

PARTICULARS	Notes	As At 31-03-2020 (₹)	As At 31-03-2019 (₹)
<b>I. ASSETS:</b>			
<b>1. Non Current Assets:</b>			
a) Property Plant and Equipment	3	2,15,53,73,107	2,24,46,49,563
b) Capital Work in Progress			
c) Financial Assets			
i) Non Current Investments	4	18,89,62,420	18,89,62,420
ii) Loans and Advances	5	4,58,55,971	4,40,53,263
iii) Other Non Current Financial Assets			
d) Deferred Tax Asset			
e) Other Non Current Assets	6	5,15,13,053	6,74,63,877
<b>Total Non-Current Assets</b>		<b><u>2,44,17,04,551</u></b>	<b><u>2,54,51,29,123</u></b>
<b>2. Current Assets:</b>			
a) Inventories	7	1,52,90,358	1,40,87,627
b) Financial Assets			
I Investments			
ii) Trade Receivables	8	8,57,48,152	11,88,50,860
iii) Cash and Cash Equivalents	9	1,20,33,627	5,04,77,595
iv) Other Balances with Bank			
v) Loans and Advances			
vi) Other Financial Assets			
c) Other Current Assets	10	5,98,92,281	3,79,94,681
<b>Total Current Assets</b>		<b><u>17,29,64,418</u></b>	<b><u>22,14,10,762</u></b>
<b>TOTAL ASSETS</b>		<b><u>2,61,46,68,969</u></b>	<b><u>2,76,65,39,886</u></b>
<b>II. EQUITY AND LIABILITIES:</b>			
<b>Equity</b>			
a) Equity Share Capital	11	42,40,52,240	42,40,52,240
b) Other Equity	12	(4,22,21,68,431)	(4,13,01,62,871)
<b>Total Equity</b>		<b><u>(3,79,81,16,191)</u></b>	<b><u>(3,70,61,10,631)</u></b>

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2020 (Ind AS)

PARTICULARS	Notes	As At 31-03-2020 (₹)	As At 31-03-2019 (₹)
<b>Liabilities</b>			
<b>1. Non Current Liabilities:</b>			
a) Financial Liabilities			
i) Borrowings	13	3,81,73,02,288	3,81,72,15,926
ii) Other Financial Liabilities			
b) Provisions			
c) Deferred Tax Liabilities (Net)	14	32,24,98,439	30,29,51,139
d) Other Non Current Liabilities	15	1,01,08,455	2,63,42,990
<b>Total Non-Current Liabilities</b>		<b>4,14,99,09,181</b>	<b>4,14,65,10,056</b>
<b>2. Current Liabilities:</b>			
a) Financial Liabilities			
i) Borrowings	16	1,05,19,783	93,29,184
ii) Trade Payables	17	21,92,27,329	24,65,04,959
iii) Other Financial Liabilities			
b) Provisions			
(i) Current Provisions	18A	19,61,87,808	17,64,83,318
(ii) Current Tax Liability	18B		
c) Other Current Liabilities	19	1,83,69,41,058	1,89,38,23,001
<b>Total Current Liabilities</b>		<b>2,26,28,75,979</b>	<b>2,32,61,40,461</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>2,61,46,68,969</b>	<b>2,76,65,39,886</b>

Summary of significant accounting policies 2

The accompanying notes 1 to 51 are an integral part of the financial statements

**As Per Our Report of Even Date**

**For Viceroy Hotels Limited**

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

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

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

Sd/-  
**Lakshmi Prasanthi.S**  
Partner  
M.No:236578  
Udin:20236578AAAAAP7274

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

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

Hyderabad  
29-07-2020



## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	Notes	As At 31-03-2020 (₹)	As At 31-03-2019 (₹)
<b>INCOME</b>			
Revenue from Operations	20	88,11,37,280	88,08,53,887
Other income	21	25,58,379	44,63,956
<b>TOTAL INCOME</b>		<b>88,36,95,659</b>	<b>88,53,17,843</b>
<b>EXPENSES</b>			
Cost of material Consumed	22	15,40,13,589	15,22,69,307
Employees benefit Expenses	23	24,46,30,844	24,16,15,193
Finance Costs	24	52,18,684	72,71,558
Depreciation and Amortisation Expenses	3	8,92,76,456	9,17,74,599
Other Operating and General Expenses	25	46,30,14,347	42,13,20,212
<b>TOTAL EXPENSES</b>		<b>95,61,53,920</b>	<b>91,42,50,869</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(7,24,58,261)</b>	<b>(2,89,33,027)</b>
Exceptional Items	26	-	7,03,69,750
<b>Profit/(Loss) before tax</b>		<b>(7,24,58,261)</b>	<b>(9,93,02,777)</b>
Tax Expenses:			
(1) Current Tax			
(2) Deferred Tax		1,95,47,300	2,55,94,644
<b>Total</b>			
<b>Profit (Loss) after Tax for the period</b>		<b>(9,20,05,560)</b>	<b>(12,48,97,421)</b>
<b>Other Comprehensive Income</b>			
A. (i) Items that will not be reclassified subsequently to Profit or Loss			
(ii) Income Tax relating to items that will not be reclassified to profit or loss			
B. (i) Items that will be reclassified subsequently to Profit or Loss			
(ii) Income Tax relating to items that will be reclassified to profit or loss			
<b>Total (Net of Tax)</b>		<b>0</b>	<b>0</b>
<b>Total Comprehensive Income for the year</b>		<b>(9,20,05,560)</b>	<b>(12,48,97,421)</b>
<b>Earnings Per Share:</b>			
a) Basic (Rs.)		(2.17)	(2.95)
b) Diluted (Rs.)		(2.17)	(2.95)
Face Value per Equity Share		10	10

As per our report of even date

**For Viceroy Hotels Limited**

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

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

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

Sd/-  
**Lakshmi Prasanthi.S**  
Partner  
M.No:236578  
Udin:20236578AAAAAP7274

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

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

Hyderabad  
29-07-2020

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020**

PARTICULARS	Current Year ( ₹ )	Previous Year ( ₹ )
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before tax	(7,24,58,261)	(9,93,02,777)
<b>Adjustments for:</b>		
Depreciation and Amortization Expenses	8,92,76,456	9,17,74,599
Profit/Loss on sale of Fixed Assets (Net)		
Finance Costs	52,18,684	72,71,558
Interest Income	(18,03,141)	(21,34,037)
Interest Expenses		
Exceptional Items		
<b>Cash Operating Profit before working capital changes</b>	<b>2,02,33,738</b>	<b>(23,90,656)</b>
<b>Adjustments for (increase)/decrease in operating assets</b>		
Trade receivables	3,31,02,708	(1,56,37,038)
Inventories	(12,02,731)	(26,22,280)
Other Current Assets	(2,18,97,599)	(5,45,01,922)
Other Non Current Assets	1,59,50,824	
<b>Adjustments for increase/(decrease) in operating liabilities</b>		
Borrowings	11,90,600	(85,89,900)
Short Term Provisions	1,97,04,490	4,81,33,084
Trade Payables	(2,72,77,630)	5,58,54,859
Other Current Liabilities	(5,68,81,942)	5,13,73,101
<b>Cash Generated from Operations</b>	<b>(1,70,77,542)</b>	<b>7,16,19,248</b>
Direct Taxes - Refund / (paid)	-	
<b>Net Cash Generated From Operating Activities (A)</b>	<b>(1,70,77,542)</b>	<b>7,16,19,248</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets (net)	-	-
Sale of Fixed Assets	-	-
Capital Work in Progress	-	-
Investments	-	-
Interest Income	18,03,141	21,34,037
<b>(Increase)/ decrease in loans and advances</b>	<b>(18,02,708)</b>	<b>1,04,45,078</b>
<b>Net Cash Generated/Used In Investing Activities (B)</b>	<b>432</b>	<b>1,25,79,115</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020**

PARTICULARS	Current Year ( ₹ )	Previous Year ( ₹ )
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Financing Charges	(52,18,684)	(72,71,558)
Proceeds from Share Capital		
Proceeds/ (Repayment) from Long Term Borrowings	86,362	(3,19,47,825)
Increase/(decrease) in other non current liabilities	(1,62,34,535)	1,68,38,602
<b>Net Cash Generated/Used In Financing Activities (C)</b>	<b>(2,13,66,857)</b>	<b>(2,23,80,780)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(3,84,43,967)</b>	<b>6,18,17,582</b>
Opening Cash and Cash Equivalents as at 31st March,2019	5,04,77,596	(1,13,39,986)
Closing Cash and Cash Equivalents as at 31st March 2020	1,20,33,628	5,04,77,596

As per our report of even date

**FOR VICEROY HOTELS LIMITED**

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

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

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

Sd/-  
**Lakshmi Prasanthi.S**  
Partner  
M.No:236578  
Udin:20236578AAAAAP7274

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

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

Hyderabad  
29-07-2020

**NOTE NO 3 : PROPERTY, PLANT & EQUIPMENT**
**( Amount in Rs.)**

Particulars	Land	Buildings	Furnitures and Fixtures	Air Conditioners	Electrical Fittings	Vehicles	Plant & Machinery	Generator	Misc. Fixed Assets	Total
Cost at										
As at 31st March 2019	14,17,96,580	1,96,84,86,616	50,54,79,992	16,04,27,348	30,52,81,493	2,95,69,760	56,22,32,466	-	36,45,88,124	4,03,78,62,379
Additions During the Year										-
Disposals During the Year										-
As at 31st March 2020	14,17,96,580	1,96,84,86,616	50,54,79,992	16,04,27,348	30,52,81,493	2,95,69,760	56,22,32,466	-	36,45,88,124	4,03,78,62,379
Depreciation / Amortization										
As at 31st March 2019	-	61,94,53,419	35,92,28,707	15,24,05,980	20,05,13,067	2,94,32,397	8,25,09,832	-	34,96,69,414	1,79,32,12,816
Provided for the Year	-	2,57,09,145	1,27,55,277		1,42,69,372	1,37,363	3,58,72,922		5,32,377	8,92,76,456
Deductions During the Year	-									-
As at 31st March 2020	-	64,51,62,564	37,19,83,984	15,24,05,980	21,47,82,439	2,95,69,760	11,83,82,754	-	35,02,01,791	1,88,24,89,272
Net Carrying Value										
As at 31st March 2019	14,17,96,580	1,34,90,33,197	14,62,51,285	80,21,368	10,47,68,426	1,37,363	47,97,22,634	-	1,49,18,710	2,24,46,49,563
As at 31st March 2020	14,17,96,580	1,32,33,24,052	13,34,96,008	80,21,368	9,04,99,054	(0)	44,38,49,712	-	1,43,86,333	2,15,53,73,107

Particulars	Face Value	March 31, 2020		March 31, 2019	
		Holdings as at	Rs.	Holdings as at	Rs.
<b>Investment in Subsidiary Companies (at cost)</b>					
Café De Lake Pvt Ltd	10	27,44,530	7,03,69,750	27,44,530	7,03,69,750
Crustum Products Pvt Ltd	10	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Minerva Hospitalities Pvt Ltd	10	46,69,267	4,66,92,670	46,69,267	4,66,92,670
Viceroy Chennai Hotels & Resorts Pvt Ltd	10	10,000	1,00,000	10,000	1,00,000
Banjara Hospitalities Pvt Ltd	10	31,80,000	3,18,00,000	31,80,000	3,18,00,000
<b>Total Non Current Investments (net)</b>			<b>18,89,62,420</b>		<b>18,89,62,420</b>

**Note:**

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

**Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2020**

PARTICULARS	As At 31-03-2020 (₹)	As At 31-03-2019 (₹)
<b>NOTE NO 5 : LOANS AND ADVANCES</b>		
<b>Capital Advances</b>		
Advances Receivable		48,31,468
Secured, considered good		2,17,63,633
Unsecured, considered good	2,48,16,628	
<b>Security Deposits</b>		
Secured, considered good		75,33,679
Unsecured, Considered good	1,23,47,637	
Subsidiary / Associate Company advances		-
Other Advances	68,45,827	80,78,604
Advances recoverable in cash or in kind	18,45,879	18,45,879
<b>Total Loans and Advances</b>	<b>4,58,55,971</b>	<b>4,40,53,263</b>
<b>NOTE NO 6 : OTHER NON CURRENT ASSETS</b>		
Other Non Current Assets	5,15,13,053	6,74,63,877
<b>Total Other Non Current Assets</b>	<b>5,15,13,053</b>	<b>6,74,63,877</b>
<b>NOTE NO 7 : INVENTORIES</b>		
Finished Goods		
Food Inventory	18,51,945	29,71,221
Beverage Inventory	1,33,63,530	1,10,45,214
Tobacco Inventory	74,883	71,191
<b>Total Inventory</b>	<b>1,52,90,358</b>	<b>1,40,87,627</b>
<b>NOTE NO 8 : TRADE RECEIVABLES</b>		
<b>Current - Unsecured</b>		
Considered Good	8,57,48,152	11,88,50,860
<b>Total</b>		
Less: Allowance for Bad and Doubtful Debts		
<b>Total Trade Receivables</b>	<b>8,57,48,152</b>	<b>11,88,50,860</b>
<b>NOTE NO 9 : CASH AND CASH EQUIVALENTS</b>		
Balances with Banks :		
On Current Accounts and Overdraft	89,16,388	4,95,92,710
Cash on Hand	4,35,912	8,84,885
FD for Bank Guarantee	26,81,326	
<b>Total Cash and Cash Equivalents</b>	<b>1,20,33,627</b>	<b>5,04,77,595</b>
<b>NOTE NO 10 : OTHER CURRENT ASSETS</b>		
Advance to Employees	3,82,150	907
Prepaid Expenses	3,35,67,041	1,29,05,408
Other Advances	2,59,43,090	2,50,88,367
<b>Total Other Current Assets</b>	<b>5,98,92,281</b>	<b>3,79,94,681</b>

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2020

PARTICULARS	As At 31-03-2020 (₹)	As At 31-03-2019 (₹)
<b>NOTE NO 11 : SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
4,50,00,000 Equity Shares of Rs.10 each (March 31,2020: 4,50,00,000 Shares of Rs.10 each) (April 1,2019: 4,50,00,000 Shares of Rs.10 each)	45,00,00,000	45,00,00,000
10,00,000 Preference shares of Rs.100 each (March 31,2020: 10,00,000 Shares of Rs.100 each) (April 1,2019: 10,00,000 Shares of Rs.100 each)	10,00,00,000	10,00,00,000
<b>Issued Share Capital</b>		
4,24,05,224 Equity Shares of Rs.10 each (March 31,2020: 4,24,05,224 Shares of Rs.10 each) (April 1,2019: 4,24,05,224 Shares of Rs.10 each)	42,40,52,240	42,40,52,240
<b>Subscribed and Paid up</b>		
4,24,05,224 Equity Shares of Rs.10 each (March 31,2020: 4,24,05,224 Shares of Rs.10 each) (April 1,2019: 4,24,05,224 Shares of Rs.10 each)	42,40,52,240	42,40,52,240

### Terms and rights attached to equity shares

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

**NOTE NO 12 : OTHER EQUITY**

Other Equity									
Particulars	Equity Component of Other Financial Instruments	Reserves & Surplus						Other Comprehensive Income	Total Equity
		Capital Reserve	Securities Premium Reserve	Debt Redemption Reserve	Revaluation Reserve	General Reserve	Retained Earnings		
<b>Balance as at 31st March, 2019</b>		74,33,996	1,71,77,85,670	5,00,00,000	79,19,430	3,20,25,000	(5,94,53,26,967)		(4,13,01,62,871)
Total Of Other Comprehensive Income (Net of Tax)									
Dividend									
(Including Dividend Distribution Tax) Profit For The Year							(9,20,05,560)		(9,20,05,560)
<b>Balance as at 31st March, 2020</b>		74,33,996	1,71,77,85,670	5,00,00,000	79,19,430	3,20,25,000	(6,03,73,32,527)		(4,22,21,68,431)

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

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



**NOTE NO 13 : BORROWINGS**

Particulars	Effective rate of interest	Maturity	March 31, 2020		March 31, 2019	
			Face Value	Amortised cost	Face Value	Amortised cost
<b>Non Convertible Debentures</b>						
Secured						
14% Non-Convertible Debentures	14%		42,50,00,000	42,50,00,000	42,50,00,000	42,50,00,000
<b>Term Loan From Banks</b>						
Secured						
From Banks and financial institutions				1,69,44,02,192	1,69,44,02,192	
From IARC & EARC				2,83,00,000	2,83,00,000	
<b>Unsecured</b>						
From Related Parties				-	-	
<b>Loans From Others</b>						
Secured						
Unsecured				1,66,96,00,096	1,66,95,13,734	
Less: Current maturities of long term debt						
<b>Total Borrowings</b>				<b>3,81,73,02,288</b>		<b>3,81,72,15,926</b>

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2020

PARTICULARS	As At 31-03-2020 (₹)	As At 31-03-2019 (₹)
<b>NOTE NO 14 : DEFERRED TAX LIABILITY</b>		
Opening Balance	30,29,51,139	27,73,56,495
Add/(Less): Provision of Deferred tax charge / (Credit) for the year	1,95,47,300	2,55,94,644
<b>Closing Balance</b>	<b>32,24,98,439</b>	<b>30,29,51,139</b>
<b>NOTE NO 15 : OTHER NON CURRENT LIABILITIES</b>		
Advance from Customers	1,01,08,455	2,63,42,990
<b>Total Other Non Current Liabilities</b>	<b>1,01,08,455</b>	<b>2,63,42,990</b>
<b>NOTE NO 16 : BORROWINGS</b>		
Cash Credit and Working Capital loan From Banks		
Secured	1,05,19,783	93,29,184
<b>Total Borrowings</b>	<b>1,05,19,783</b>	<b>93,29,184</b>
<b>Details of Cash Credit and Working Capital Loan from Banks</b>		
<b>Particulars</b>	<b>Amount</b>	
Bank of Maharashtra	1,05,19,783	
<b>Total</b>	<b>1,05,19,783</b>	
<b>NOTE NO 17 : TRADE PAYABLES</b>		
Suppliers	21,92,27,329	24,65,04,959
<b>Total Trade Payables</b>	<b>21,92,27,329</b>	<b>24,65,04,959</b>
<b>NOTE NO 18A : PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	1,21,727	37,125
Provision for Bonus	-	
Provision for Management Deferred License		-
Provision for accruals	18,32,96,521	16,37,40,439
Provision for Audit Fee	4,00,000	
<b>Others</b>		
Provision for FBT	74,919	74,919
Provision for Bad and Doubtful Debts	1,22,94,641	1,26,30,835
<b>Total Provisions</b>	<b>19,61,87,808</b>	<b>17,64,83,318</b>

**Note:**

Provision for gratuity has been taken in accordance with the actuarial report obtained. The accrual gain or loss is not calculated as on 31.03.2020

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2020

PARTICULARS	As At 31-03-2020 (₹)	As At 31-03-2019 (₹)
<b>NOTE NO 18B : CURRENT TAX LIABILITY</b>		
Current Income Tax (Net)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>NOTE NO 19 : OTHER CURRENT LIABILITIES</b>		
Interest Payable		
Outstanding Expenses Payable		
Audit Fee Payable	14,77,780	28,48,660
Deposits	49,45,032	2,34,93,732
Bonus Payable	11,46,903	6,46,903
Income Received in advance		
Spirit to serve charity fund	22,641	49,857
PF & ESI Payable	34,62,780	24,20,521
Salaries Payable	19,31,141	1,94,43,707
Other Payables	1,21,96,631	49,60,776
Other Creditors	29,99,636	16,26,318
Advances Collected from Customers		
Directors Remuneration Payable		
Statutory Dues	2,88,34,758	5,11,69,596
Current maturities of Long Term Borrowings		
Interest Accrued and due on Loans	1,77,22,40,348	1,77,61,00,397
Unclaimed Dividend		
Interest Accrued but not due on Loans	38,60,049	
Advances Received from Customers	9,89,539	17,01,619
Management Fee and Consultancy Charges	28,33,820	93,60,913
<b>Total Other Current Liabilities</b>	<b>1,83,69,41,058</b>	<b>1,89,38,23,000</b>
<b>NOTE NO 20 : REVENUE FROM OPERATIONS</b>		
<b>Revenue From Operations:</b>		
(A) Revenue From Sale of Products	81,43,85,744	83,31,42,151
(B) Revenue From Sale of Services		-
(C) Other Operating Income	6,67,51,536	4,77,11,736
<b>Total</b>	<b>88,11,37,280</b>	<b>88,08,53,887</b>
<b>NOTE NO 21 : OTHER INCOME</b>		
Profit on sale of PPE	-	
Other Non Operating Income	14,373	12,71,880
Interest		
-From Banks	18,03,141	21,34,037
-From Others		6,54,163
Net Gain/Loss on Foreign Currency Transactions	7,40,865	4,03,876
<b>Total</b>	<b>25,58,379</b>	<b>44,63,956</b>

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2020

PARTICULARS	As At 31-03-2020 (₹)	As At 31-03-2019 (₹)
<b>NOTE NO 22 : FOOD AND BEVERAGES CONSUMED</b>		
Opening Stock	1,40,87,627	1,02,95,805
Add: Purchases	15,52,16,320	15,60,61,129
(Less): Closing Stock	1,52,90,358	1,40,87,627
<b>Total</b>	<b>15,40,13,589</b>	<b>15,22,69,307</b>
<b>NOTE NO 23 : EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages and bonus	22,95,20,600	22,40,16,819
Company's contributions to provident and other funds.	1,17,02,867	1,41,77,589
Staff welfare expenses	34,07,378	34,20,785
<b>Total</b>	<b>24,46,30,844</b>	<b>24,16,15,193</b>
<b>Note No 24 : Finance Costs</b>		
Interest expense at effective rate on borrowings which are measured at amortised costs		
- Interest on Term loans	5,13,148	10,45,106
- Interest on Unsecured Loan		-
- Loan processing Charges & Bank Charges	1,63,436	3,67,975
- Interest on OD		11,81,291
- Interest on TDS	13,106	26,168
<b>Add : Settlements on interest rate swap contracts</b>		
Credit Card Commission	45,28,994	46,51,018
<b>Total</b>	<b>52,18,684</b>	<b>72,71,558</b>
<b>NOTE NO 25 : OTHER OPERATING AND GENERAL EXPENSES</b>		
<b>(i) Operating expenses consist of the following :</b>		
Fuel, Power and Light	8,91,47,600	9,70,03,766
Repairs to Buildings	19,94,051	16,90,939
Repairs & Maintenance	13,60,92,728	8,70,79,156
Other Operating Expenses	2,44,95,813	83,41,879
<b>(ii) General expenses consist of the following :</b>		
Rent	2,31,86,521	1,58,99,638
Licence Fees	3,84,396	19,92,121
Rates and Taxes	66,35,049	45,92,214
Insurance	36,31,729	58,62,677
Telephone, Postage and Others	15,24,146	40,16,862
Business Promotion Expenses	9,16,38,534	9,70,76,917
Printing and Stationery	30,31,119	71,90,114
Conveyance and Travelling	2,06,36,703	2,27,37,994

**Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2020**

PARTICULARS	As At 31-03-2020 ₹	As At 31-03-2019 (₹)
Provision for Doubtful Debts/ Bad debts written off	(3,36,194)	3,142
Freight & Transportation	40,17,155	58,25,266
Laundry	1,07,61,779	75,30,425
Director Sitting Fees	-	-
Donations	-	-
Compensation Fees	-	29,25,000
Consultancy Charges	1,87,68,139	2,16,51,111
Office Maintenance	54,28,325	53,63,432
Loss on sale of property	-	-
Payment made to Statutory Auditors	4,00,000	4,00,000
Miscellaneous Expenses	2,15,76,754	2,15,78,484
Net Loss on foreign currency transaction	-	25,59,076
<b>Total</b>	<b>46,30,14,347</b>	<b>42,13,20,212</b>

**NOTE NO 26 : EXCEPTIONAL ITEMS**

Loans and Advances Written Off	-	-
Capital Work In Progress Written Off to P& L	-	-
Forfeiture of Advance	-	-
Provision for Loss of Investment	-	7,03,69,750
Advances Written Off	-	-
Loss on Investments VBHPL	-	-
Payables Written Off	-	-
Other Payables written back	-	-
Advances Written Off	-	-
Cwip P&L	-	-
Service Tax Input Not claimed	-	-
Other Payables Written Back	-	-
Provision for Loss on Investments	-	-
Advances Written off	-	-
Other Advances Written Back	-	-
Other payables Written Back	-	-
Others	-	-
<b>Total Amount Written off</b>	<b>-</b>	<b>7,03,69,750</b>

## Significant Accounting Policies

### Note 1: Corporate Information

The **Viceroy Hotels Limited** (“VHL” or the “Company”), is primarily engaged in the business of Hoteliering. The company is domiciled and incorporated in India in 1965 and its registered office at HUDA Techna Enclave, Hyderabad Telangana-500081, India. The financial statements for the year ended March 31, 2020 were approved by the Board of Directors (RP) and authorized for issue on July 29th 2020.

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

The financial statements have been prepared on the following basis:

#### a) Basis of preparation

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

#### b) Critical accounting estimates and judgments

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

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

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

## Significant Accounting Policies

### (C) Revenue recognition :

#### Income from operations

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

Initial Access Premium Fee charged to franchisees, in consideration of being considered as competent to open a restaurant under a Company owned trademark, is recognized on formalization of the franchise agreement. The Initial Access Premium Fee is non – refundable, regardless of whether the restaurant Outlet under the franchise agreement commences operations or not. Royalty and Management Fee charged to franchisees for the use of the trademarks is calculated as a percentage of monthly sales of the restaurant and accrued for in line with restaurant sales. Revenue from displays and sponsorships are recognized based on the period for which the products or the sponsor's advertisements are promoted/displayed. In respect of gift vouchers and point awards scheme operated by the company, sales are recognized when the gift vouchers or points are redeemed and on sale of meals to customers.

#### Interest

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

#### Dividend

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

### d) Employee Benefits

#### i. Provident Fund

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

#### ii. Gratuity Fund

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

### iii. Post-Retirement Pension Scheme

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

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

### iv. Short Term Obligations

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

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

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

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

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



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

**Freehold land is not depreciated.**

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

**f) Impairment of assets:**

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

**g) Foreign Currency Translation:**

The functional currency of the Company is Indian rupee

**Initial Recognition**

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

**Subsequent Recognition**

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

**h) Inventories:**

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

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

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

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

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

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

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

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

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

### **j) Provisions:**

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

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

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

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

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

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is

adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash Flow for the year is classified by operating, investing and financing activities.

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

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

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

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

### **o) Financial Instruments**

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

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

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

##### **Classification**

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

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

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

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

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

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

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

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

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

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

### **De-recognition**

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

## **(II) Financial liabilities**

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

### **De-recognition**

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

## **Derivatives**

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

## **Equity instruments**

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

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

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

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

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

### **q) Business combinations**

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

## Notes to Standalone Financial Statements

27. The company has passed board resolution on 26-08-2017 for converting Capital work in progress of Rs. 111 .94 Crores to fixed assets. Depreciation has been calculated accordingly.
28. The Company has passed board resolution on 14-02-2018 for Writing off various Assets, Liabilities, Incomes and Expenses.

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

Particulars	Current Year Rs.	Previous Year Rs.
Net Profit after Tax	(9,20,05,560)	(12,48,97,421)
Weighted Average Number of Shares Considered	4,24,05,224	4,24,05,224
Basic EPS	(2.17)	(2.95)
Diluted EPS	(2.17)	(2.95)

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

Particulars	Current Year Rs.	Previous Year Rs.
Deferred Tax Liability	1,95,47,300	2,55,94,644

### 31. Auditors Remuneration:

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

32. According to the information available with the Company, there are no amounts as at 31st March, 2020, due to suppliers who constitute a "small industrial undertaking".
33. Contingent Liabilities not provided for in respect of:-

i) Guarantees:

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

- ii) Corporate Guarantee given to subsidiary company M/s Crustum Products Pvt Ltd for Rupee term loan of Rs. 8.65 Crores Sanctioned by Oriental Bank of Commerce.
- iii) The company was holding a share in Equity Shares of Viceroy Bangalore Hotels Private Limited which was pledged to ASF Infrastructure Private Limited for obtaining a loan of Rs.25 crores for which there was a default in repayment, as a result the company ASF infrastructure Private Limited has confiscated the Share of 31.32% shareholding of Viceroy Hotels Limited in Viceroy Bangalore Hotels Private Limited with effect from 21-07-2017. The company has provided the interest amount in the books of accounts for the year 2016 and 2017. As per the communication received from ASF on dated: 27.02.2018 Rs.14.56 Crores has been disclosed in the books. On 31st March 2018, as per the final agreement letter received from ASF infrastructure the Loan amount becomes Rs.7,09,99,000/-.

**34. Expenditure in Foreign Currency:**

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Royalties & Others	Rs.3.45	Rs.4.45

**35. 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	16.83	13.63

**36. In relation of Secured (Term) Loans:**

Asset Reconstruction Company of India Limited- Taken over from Axis Bank Limited	Subservient charge on movable and immovable assets of Hyderabad Marriott hotel and Subservient charge on movable and immovable fixed assets of company (except Bangalore and Chennai projects). The existing Limit Further secured by Second Charge on Mortgage by Deposit of Title Deeds of Landed Properties In Sy.No.140 (new No. 181) admeasuring 14,092 Sq.yards (2) In Sy.No.139 admeasuring 346.72 Sq.Yards (3) 1-3-1-36/1 admeasuring 220 & 220 Sq.Yards (4) In Sy.No. 139 admeasuring 216.60, 216.60 and 216.60 Sq.Yards all are situated in Lower Tank Bund Road, Kavadi guda, Hyderabad.
Asset Reconstruction Company of India Limited– Taken over from IDFC Limited	A first charge by way of hypothecation of all the Company's immovable properties movable plant and machinery etc. and on Receivables excluding the receivables required by Operator as operating expenses for operation of the Project, present and future, subject to prior charge of the working capital lenders for securing the working capital facilities to the maximum of Rs. 4 crores; and charge on all intangibles. Charge/assignment on all the Company's contracts/documents for the Projects.
Asset Reconstruction Company of India Limited- Taken over from Axis Bank Limited	First pari passu charge on movable assets at Hyderabad Marriot Hotel b) First pari-passu charge on immovable assets of Hyderabad Marriott Hotel (by way of deposition title deeds with IDFC (at present with ARCIL) as an agent of Debenture Trustee).
IARC Ltd – Taken over from Laxmivilas bank	Hypothecation of Machinery/Goods/ Stocks and Book Debts in business. Extension of equitable mortgage already created over the Land and Commercial Building Property situated at D. No. 3-6-199 and 3-6-199/1, Himayath Nagar, Hyderabad admeasuring 1416.66 sq.yards.
Canara Bank	First Charge on the entire fixed assets including mortgage over immovable assets and charge on movables) of Hyderabad Courtyard Hotel Project situated at Municipal Door NO. 1-3-1016 to 1024, lower tank bund Gandhi Nagar, Hyderabad.
State Bank Of India	First Charge on the entire fixed assets of proposed Hotel Courtyard, Hyderabad, ranking pari passu with other term lender i.e. Canara Bank, R.P. Road, Branch, Secunderabad, including Equitable Mortgage of Land admeasuring 6263 SqYds situated at Kavadi guda, Hyderabad.
Bank of Maharashtra	Hypothecation Of Stocks & Receivables Of "Courtyard By Marriott" Hotel Situated At Gandhinagar, Lower Tank Bund Road, Hyderabad With Exclusive First Charge, Hypothecation Of Entire Current Assets, Present And Future Goods, Stocks, Of Raw Materials, Items, Inventories, Stocks, Present And Future Tangible And Intangible Assets Etc.,

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

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

Name of the Statute	Nature of Dues	Section under which order is passed	Amount (Rs)	Period to which it relates	Case is pending at
Income Tax Act, 1961	Income Tax	154	Rs.53,78,32,209/-	A.Y 2014-15	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	143(3)	Rs.9,20,44,470/-	A.Y 2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	143(3)	Rs.9,14,07,210/-	A.Y 2017-18	Commissioner of Income Tax (Appeals)

**Service Tax**

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



**Luxury Tax/ Sales Tax**

S. No	Arrear Notice issued by office of the Assistant Commissioner(ST) Gandhinagar Circle Hyd	Period	Demand	issue	Luxury Tax 50% Paid
1	15.02.2019	2011-12	7,95,429	Dispute of Levy of Luxury Tax on Service Tax	3,97,715
2	15.02.2019	2012-13	10,77,592	Dispute of Levy of Luxury Tax on Service Tax	5,38,796
3	15.02.2019	2013-14	7,58,952	Dispute of Levy of Luxury Tax on Service Tax	3,79,476
4	15.02.2019	2010-11 to 2012-13 (upto 31.10.2012) 01.11.2012 to 30.09.2013	15,88,152	Disputed arrears against completion of Revision of Assessment U/VAT Act	0.00

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

**38. Gratuity:**

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

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

Name of the Bank/Institution	Principle Due	Interest Due	Total Dues
ARCIL	131.68	91.79	223.47
EARCL	0.88	-	0.88
IARC LTD	1.95	-	1.95
State Bank of India	56.18	50.55	106.73
Canara Bank	24.07	34.81	58.88
<b>Total</b>	<b>214.76</b>	<b>177.15</b>	<b>391.91</b>

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

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

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

**Related Party Transactions during the year:**

Name of the related Party	Relationship	Nature of Transaction	Transaction value rupees	Balance outstanding – Receivable/ (-) Payable as on date of Balance Sheet	Amount written off/ back
Café D Lake Pvt Ltd	Subsidiary	Office Maintenance Expenses	22,94,400	11,90,200	Nil
		Rent Expenses	1,19,88,000		Nil
J.Daswanth Kumar	Chief Financial Officer	Salaries Including all perquisites	10,11,333	-	Nil
M. Sridhar Singh	Chief Executive Officer	Salaries Including all perquisites	1,00,000	-	Nil

**41. In Relation to immovable property**

S. No	Name of the Asset	Extent (In Sq Yards)	Place of Location
1	Land	1,070.00	1-3-1016 to 1021, Kavadiguda,Hyderabad
2	Land	193.00	1-3-1022, Kavadiguda,Hyderabad
3	Land	800.00	1-3-1023, Kavadiguda,Hyderabad
4	Land	4,192.45	1-3-1024, Kavadiguda,Hyderabad
5	Land	649.80	1-3-1036, Kavadiguda, Hyderabad
6	Land	440.00	1-3-1036/1, Kavadiguda, Hyderabad
7	Land	346.72	1-3-1036/2, Kavadiguda, Hyderabad
8	Land	14,092.00	Sy.No 181 & 182, Kavadiguda, Hyderabad
<b>Total</b>		<b>21,783.97</b>	

Properties mentioned in S.No 1 to 4 are originally in the name of Minerva Enterprises Pvt Ltd and these were transferred to the company through a scheme of arrangement approved by Hon'ble High of Court of Andhra Pradesh vide its order dated 1st May 2007. However, the revenue records are required to be updated to reflect the above title change.

Properties mentioned in S.No 5 to 8 were originally in the name of Krishna Cold Drinks Pvt Ltd (the then name of Viceroy Hotels Limited). Subsequently company changes its name several times i.e. from Krishna Cold Drinks Private Limited to Shri Kishna Bottlers Private Limited and further as Palace Heights Private Limited.

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

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

43. The company has a pending adjudication against the Hon'ble Adjudicating Authority, PMLA, 2002. For which The Directorate of Enforcement made a Provisional Attachment Order in PAO No. 04/2019 dated 26.03.2019 passed by the Deputy Director, Directorate of Enforcement against the company. The Directorate of Enforcement has also filed an application under Insolvency and Bankruptcy code 2016 against the company in respect advances taken from Mahal hotels Ltd and the same has been accepted by the Hon'ble NCLT on dated 06-05-2019. The resolution professional has challenged the provisional attachment order of Enforcement Directorate, Chennai, before the Hon'ble NCLT, Hyderabad on 08-04-2019. NCLT has raised the attachment of Enforcement Directorate, Chennai.

Further, as per the Hon'ble NCLT, Hyderabad order dated 11.07.2019 declared that immovable and movable properties of Viceroy Hotels limited can't be attached by the Enforcement Directorate - Chennai when the company is under Corporate Insolvency Resolution Process ("CIRP"). Subsequently Directorate of Enforcement, Chennai has gone to High Court, Chennai vide their writ petition number: WP/29970/2019 which was declared in their favour. Then the resolution professional of Viceroy Hotels Limited has approached Supreme Court vide order no SLP(C) no. 008259/2020 which is pending at Supreme Court.

Further proceedings are subject to the respective authorities order.

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

45. The company is in the process of getting confirmation for Trade receivables and Trade payables amount for the FY 2019-20.

46. The company is in the process of appointing Company Secretary .

47. The company has forfeited an amount of Advance of Rs.134.65crores erroneously in the Financial year 2013-14 (Bhagyanagar Investment & Trading Private Limited- Rs.11.77 Crores, Ganga Industrial Corporation- Rs.0.65 Crores, Mahal Hotel Private Limited Rs.122.23 crores) and the same is taken back into the Books as Exceptional Item, which was qualified by the auditors.

48. Management believes the status of going concern is not affected and is confident of maintaining the going concern status and is undergoing the process of IBC Code, 2016. The final status can be known on approval of resolution plan.

49. As the loans turned as Non-Operating Assets, there is no correspondence from the banks and financial institutions regarding the interest provision, hence as a result the company could not provide for the interest expense during the year.

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

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

**For Viceroy Hotels Limited**

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

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

**Lakshmi Prasanthi.S  
Partner**  
M.No:236578  
Udin: 20236578AAAAAP7274

Place: Hyderabad  
Date: 29.07.2020

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

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

#### Qualified Opinion

We have audited the accompanying Ind AS Consolidated Financial Statements of **M/s VICEROY HOTELS LIMITED** ("the company"), and its subsidiaries (The company and its subsidiaries together referred to as "the Group), which comprise the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of changes in equity and the Statement of Cash Flows for the year then ended on that date and notes to financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the "Basis for Qualified Opinion" section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of "the Company" as at March 31, 2020, the consolidated Loss and consolidated total comprehensive income, Consolidated changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

##### 1. Qualified Opinion:

- a) **Capital Work In progress:** The Company has converted capital work in progress into Fixed Assets during the F.Y 2017-18 of an amount of Rs.111.94 Crores. However the company has not submitted us any valuation certificate towards capitalization of fixed assets of Rs.111.94 crores, and the depreciation claimed by the company towards such capitalization of fixed assets for the F.Y 2017-18 is Rs.358.34 Lakhs, F.Y 2018-19 Rs.599.98 Lakhs and for the FY 2019-20 Rs. 601.63 Lakhs respectively. As we could not obtain sufficient audit evidence in this regard and the capitalization is not in compliance with the generally accepted accounting principles we are unable to comment upon the true and fair view of the same. (Note No:41)
- b) **Forfeiture of advance:** The Company has forfeited an advance of amounting to Rs.134.65 Crores received from Mahal Hotel Private Limited, Bhagyanagar Investments and trading private limited and Ganga Industrial Corporation Limited in the F.Y 2013-14 and adjusted in slump sale proceeds as disclosed in the annual report of F.Y 2013-14. In the financial year 2017-18 again the company has recognised the forfeited advances in the books of accounts as liability which is not in line with the IND AS accounting policies, also the management of the company has not provided us any supporting document towards re recognition of such advances as liability in the books of accounts in the F.Y 2017-18. As per the Business transfer agreement (BTA) entered between Viceroy Hotels Limited and Mahal Hotels Limited dated 02nd April, 2011, the company M/s Viceroy Hotels Ltd received an advance of Rs.124.52 Crores (Included in above said advance Rs.,134.65 Crores). The date of termination of the agreement is 31.12.2011. In the event of termination, the company is liable to repay the advance along with the interest @2% per month till the date of repayment. However no interest has been paid or provided by the company in its Books of Accounts since the termination of the agreement, which is not in line with the accounting principles. Hence we are unable to comment upon the true and fair view of the same. (Note No:42)

- c) Directorate of Enforcement:** The Directorate of Enforcement made a Provisional Attachment Order in PAO No. 04/2019 dated 26.03.2019 passed by the Deputy Director, Directorate of Enforcement against the M/s Viceroy Hotels Limited of OC No.1118/2019 pending adjudication before the Honourable Adjudicating Authority, PMLA, 2002, from alienating the proceeds of crime in the form of movable and immovable properties which are involved in money laundering and the non-attachment may seriously affect and frustrate the proceedings under PMLA, 2002. The Directorate of Enforcement has also filed an application under Insolvency and Bankruptcy code 2016 against M/s Viceroy Hotels Limited in respect advances taken from Mahal hotels Ltd and the same has been accepted by the Hon'ble NCLT on dated 06-05-2019. Further, as per the Hon'ble NCLT, Hyderabad order dated 11.07.2019 declared that immovable and movable properties of Viceroy Hotels limited can't be attached by the Enforcement Directorate - Chennai when the company is under Corporate Insolvency Resolution Process ("CIRP"). Subsequently Directorate of Enforcement, Chennai has gone to High Court, Chennai vide their writ petition number: WP/29970/2019 which was declared in their favour. Then the resolution professional of Viceroy Hotels Limited has approached Supreme Court vide registration number. SLP(C) no. 008259/2020 which is pending at the Supreme Court. (Note No: 43)
- d) NCLT:** The Asset Reconstruction Company (India) Ltd (ARCIL) has filed plea under Sec.7 of The Insolvency and Bankruptcy code 2016 against M/s Viceroy Hotels Limited for non payment of dues and the same has been accepted by the Hon'ble NCLT. Further proceedings are subject to NCLT order. The Resolution Professional has invited Expression of Interest from the prospective bidders for submission of Resolution Plans for revival of the Company. In terms of provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) the resolution plan submitted by M/s CFM Asset Reconstruction Company Private Limited for M/s Viceroy Hotels Limited has been approved by the Committee of Creditors (COC) of the company in its 18th COC meeting and identified as a successful resolution applicant, subject to the approval of the Hon'ble NCLT, Hyderabad bench. (Note No:44)
- e) Loans from Banks or Financial Institutions:** During the current Financial Year, the company has not provided interest on the loans obtained from various Banks and financial Institutions which is not in accordance with generally accepted accounting principles. Confirmations from Banks/Financial Institutions are not yet received in this regard. (Note No:45)
- f) Statutory Dues:** The Company has not paid the statutory dues for a period more than 6 months is as follows: (Note No:46)

S.No	Particulars	Amount In Rs.
1	TDS	3,37,42,758/-
2	ESI	36,883/-
3	PF	2,15,675/-
	<b>Total</b>	<b>3,39,95,316/-</b>

- g) Non availability of confirmations Trade Receivables, Trade Payables -** In the absence of alternative corroborative evidence, we unable to comment on the extent to which such balances are recoverable. (Note No:47)
- h) Exceptional items:** The management decided to written off various assets, capital work in progress etc for an amount of Rs. 291.94 crores in the F.Y 2017-18. However the company has not made any provision for the same until FY 2016-17 . As there is no sufficient appropriate audit evidence for such written off , we are unable to comment on the True and fair value of such written off. (Note No:48)
- i) In respect of investment in subsidiaries those have significant accumulated Losses as on March 31st 2020.** And the Loans and advances given to those subsidiaries. The Management of the company is of the view that the 100 percent provision for made for Loss of such investments in the Profit & Loss account made during the Fy 2017-18 in the accompanying IND As financial statements. In the absence of fair valuation of those

investments in the subsidiaries, we are unable to comment on the total provision made by the company in this regard. (Note No:49)

- j) **Tax Disputes:** the company has material tax disputes with the Income Tax department as given under as per the information submitted by the management in this regard. However the company has not made provision for such dues in the financial statements for the year ending 31-03-2020. As per the information submitted by the company to us the following are the cases pending at different levels including the Subsidiary companies of M/s Crustom Products Private Limited and M/s Café D Lake Private Limited. (Note No:50)

Name of the Statute	Nature of Dues	Section under which order is passed	Amount (Rs)	Period to which it relates
Income Tax Act, 1961	Income Tax	154	53,78,32,209	A.Y 2014-15
Income Tax Act, 1961	Income Tax	143(3)	9,20,44,470	A.Y 2016-17
Income Tax Act, 1961	Income Tax	143(3)	9,14,07,210	A.Y 2017-18
Income Tax Act, 1961	Income Tax	U/S 115 WE	2,49,758	A.Y. 2009-10
Income Tax Act, 1961	Income Tax	U/S 154	9,51,500	A.Y. 2009-10
Income Tax Act, 1961	Income Tax	U/S 154	4,86,570	A.Y. 2010-11
Income Tax Act, 1961	Income Tax	U/S 154	21,68,058	A.Y. 2011-12
Income Tax Act, 1961	Income Tax	U/S 143 1a	7,71,640	A.Y. 2012-13
Income Tax Act, 1961	Income Tax	U/S 154	4,23,100	A.Y. 2015-16
Income Tax Act, 1961	Income Tax	U/S 220(2)	2,83,835	A.Y 2009-10
Income Tax Act, 1961	Income Tax	U/S 220(2)	2,59,688	A.Y 2009-10
Income Tax Act,1961	Income Tax	U/S 143(1)	31,80,277	A.Y. 2007-08
Income Tax Act,1961	Income Tax	U/S 115 WE(1)	13,479	A.Y. 2007-08
Income Tax Act,1961	Income Tax	U/S 143 1a	7,73,400	A.Y. 2011-12
Income Tax Act,1961	Income Tax	U/S 143 1a	1,99,220	A.Y. 2012-13
Telangana Entertainment Tax Act,1939	Entertainment Tax	ADC Order No. 1082, dated 29.12.2016	40,98,379	F.Y.2010-11 to F.Y. 2013-14
Telangana Entertainment Tax Act,1939	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	31,51,882	F.Y 2010-13
Telangana Entertainment Tax Act,1939	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated:	3,48,128	F.Y 2015-16
Telangana Entertainment Tax Act,1939	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	3,26,732	F.Y 2015-16
Telangana Entertainment Tax Act,1939	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	3,26,732	F.Y 2015-16

Name of the Statute	Nature of Dues	Section under which order is passed	Amount (Rs)	Period to which it relates
Telangana Entertainment Tax Act,1939	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	1,59,426	F.Y 2016-17
Telangana Entertainment Tax Act,1939	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated:	3,41,030	F.Y 2016-17
Telangana Entertainment Tax Act,1939	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	17,33,783	F.Y 2016-17
Telangana Entertainment Tax Act,1939	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	1,74,256	F.Y 2016-17

#### Service Tax

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1	O.R. No.95/2012-Adjn (ST) (Commr) dt.23.04.2012	OIO No.HYD-EXCUS-000-COM-21-16-17 dt.25.05.2016	2006-07 to 2010-11	7,31,65,038/-
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10	C.No.V/15/12/2018-Adjn dt.29.10.2018	OIO No.15/2018 dt.30.01.2019	April 2016 to June 2017	15,15,857/-
11	O.R.No.57/2018-19-GST-SEC-Adjn-JC dt.15.11.2018		October 2015 to June 2017	1,25,84,491/-

**Luxury Tax/ Sales Tax**

S. No	Arrear Notice issued by office of the Assistant Commissioner(ST) Gandhinagar Circle Hyd	Period	Demand	issue	Luxury Tax 50% Paid
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3	15.02.2019	2013-14	7,58,952	Dispute of Levy of Luxury Tax on Service Tax	3,79,476
4	15.02.2019	2010-11 to 2012-13 (upto 31.10.2012) 01.11.2012 to 30.09.2013	15,88,152	Disputed arrears against completion of Revision of Assessment U/VAT Act	0.00

- k) **Going Concern:** The above conditions indicate the existence of material uncertainties which may cast significant doubt on the Company's abilities to continue as going concern. In the event that the going concern assumption of the company is inappropriate, adjustments will have to be made as not a going concern. However the financials has not been made with such adjustments for the F.Y 2019-20. (Note No:51)
- l) The company has not appointed company secretary for the Financial Year 2019-20, which is not in compliance of the provisions of Sec 203 of the Companies Act 2020. (Note No: 52)

**CRUSTUM PRODUCTS PRIVATE LIMITED:**

- The company has obtained term loan from OBC and UCO which has become NPA in the year 2016 and the balance outstanding as per books of accounts towards principal is Rs.4.53 Crores and towards interest is Rs.1.69Crores. The company has not made interest provision in the books of accounts which is not in compliance with the generally accepted accounting principles and as per IND AS
- Going Concern: The above conditions indicate the existence of material uncertainties which May caste significant doubt on the Company's abilities to continue as going concern. In the event that the going concern assumption of the company is inappropriate, adjustments will have to be made as not a going concern. However the financials has not been made with such adjustments for the F.Y 2019-20.

**CAFÉ D LAKE PRIVATE LIMITED:**

- There are irregularities in compliance of statutory provisions with respect to TDS, VAT, PF and GST. During the year, there are certain attachments to its bank accounts. (Refer clause vii(b) of Company Auditor's Report Order (CARO), 2016)
- In the absence of alternative corroborative evidence, we unable to comment on the extent to which trade receivables and trade payables amounting to Rs.3,24,32,856/- and Rs.7,12,50,788/- respectively are recoverable/payable.
- In respect of loans and advances of Rs.1,85,06,140/- given to its holding company (Viceroy Hotels Limited). Those advances, having regard to financial position of its holding company and age of such advances, in our opinion, are doubtful of recovery. The management is yet to assess the change in risk.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of "the Company" in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of



India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

### **Key Audit Matters**

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

### **Other Matters**

We did not audit the financial statements and other financial information, in respect of all the five subsidiaries, whose Ind AS financial statements include total assets of Rs.18,672.20 lakhs. As at March 31st 2020 and Total loss of Rs.721.12 lakhs for the year ended. These Ind AS financial Statements of five subsidiaries and other financial information have been audited by other Auditors, whose reports have been furnished to us and our opinion in so far as it relates to the amounts and disclosures included in respect of subsidiaries, is based solely on the report of such subsidiary auditors.

Our opinion is not qualified in respect of this matter.

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

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

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

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

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

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of "the Act" with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of "the Act". This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit

matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. 1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matters given in the qualified opinion paragraph.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters specified in the basis of qualified opinion paragraph.
  - c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flow dealt with by this Report are in agreement except for the matters specified in the Qualified opinion paragraph as given above with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except for the matter specified in basis of qualified opinion paragraph.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements in (Note No:37 and 50)
    - ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place: Hyderabad  
Date: 29-07-2020

Sd/-  
**Lakshmi Prasanthi. S**  
Partner  
M.No:236578  
Udin: 20236578AAAAAQ2186

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

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

### **Report on the Internal Financial Controls over Financial Reporting under clause (of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”))**

We have audited the internal financial controls over financial reporting of **VICEROY HOTELS LIMITED** (“the Company”) as of March 31, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for qualified opinion on the internal financial controls system over financial reporting of the Company.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance e of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion

or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Basis for Qualified Opinion:**

1. The company did not have appropriate internal controls for confirmation and reconciliation of trade receivables, trade payables, other current assets and current liabilities.
2. The company did not have fixed asset register as on 31-03-2020.
3. The company has written off various assets and liabilities as exceptional items in the Fy 2017-18 due to which we couldn't get appropriate audit evidence in relation to internal financial controls over financial reporting.
4. During the year under consideration, the company has not appointed company secretary which is not in compliance with the provisions of Section 203 of Companies Act 2013.

A material weakness is a deficiency or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion , except for the effects/ possible effects of the material weakness described above under qualified opinion paragraph on the achievement of the objectives of the control criteria, the company has in all material respects an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020 based on the internal financial controls over financial reporting criteria established b the company considering essential components of internal control stated in the Guidance note on Audit of internal financial controls over financial reporting issued by the ICAI.

We have determined, material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the March, 31st 2020, IND AS financial statements of the company and these material weaknesses affect our opinion on IND AS financial statements of the company for the year ended 31st March, 2020 (our report dated 29th July 2020 , which expressed a qualified opinion on these IND AS financial statements of the company)

Place: Hyderabad  
Date: 29-07-2020

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

Sd/-  
**Lakshmi Prasanthi. S**  
Partner  
M.No:236578  
Udin: 20236578AAAAAQ2186

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

PARTICULARS	Notes	As At 31-03-2020 (₹)	As At 31-03-2019 (₹)
<b>I. ASSETS:</b>			
<b>1. Non Current Assets:</b>			
a) Property, Plant and Equipment	3	2,62,83,99,623	2,73,29,07,703
b) Capital Work in Progress		92,01,73,347	91,92,92,981
c) Financial Assets			
i) Non Current Investments			
ii) Loans and Advances	4	17,29,79,892	22,46,61,013
iii) Other Non Current Financial Assets			
d) Deferred Tax Asset			
e) Other Non Current Assets	5	19,62,79,106	21,16,72,486
<b>Total Non-Current Assets</b>		<b><u>3,91,78,31,968</u></b>	<b><u>4,08,85,34,183</u></b>
<b>2. Current Assets:</b>			
a) Inventories	6	2,11,58,152	2,07,08,242
b) Financial Assets			
I Investments			
ii) Trade Receivables	7	11,97,76,053	13,78,87,545
iii) Cash and Cash Equivalents	8	29,66,345	5,72,73,039
iv) Other Balances with Bank			
v) Loans and Advances			
vi) Other Financial Assets			
c) Other Current Assets	9	23,11,94,247	11,00,98,327
<b>Total Current Assets</b>		<b><u>37,50,94,796</u></b>	<b><u>32,59,67,153</u></b>
<b>TOTAL ASSETS</b>		<b><u>4,29,29,26,764</u></b>	<b><u>4,41,45,01,336</u></b>
<b>II. EQUITY AND LIABILITIES:</b>			
Equity			
a) Equity Share Capital	10	42,40,52,240	42,40,52,240
b) Other Equity	11	(4,40,26,66,069)	(4,23,41,03,642)
<b>Total Equity</b>		<b><u>(3,97,86,13,829)</u></b>	<b><u>(3,81,00,51,402)</u></b>

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

PARTICULARS	Notes	As At 31-03-2020 (₹)	As At 31-03-2019 (₹)
<b>Liabilities</b>			
1. Non Current Liabilities:			
a) Financial Liabilities			
i) Borrowings	12	5,45,47,69,308	5,38,36,50,810
ii) Other Financial Liabilities			
b) Provisions			
c) Deferred Tax Liabilities (Net)	13	33,97,05,399	32,25,83,666
d) Other Non Current Liabilities	14	1,01,08,455	2,63,42,990
<b>Total Non-Current Liabilities</b>		<b>5,80,45,83,161</b>	<b>5,73,25,77,466</b>
2. Current Liabilities:			
a) Financial Liabilities			
i) Borrowings	15	1,42,48,744	1,31,78,144
ii) Trade Payables	16	30,45,47,764	31,41,51,975
iii) Other Financial Liabilities			
b) Provisions			
(i) Current Provisions	17A	19,75,06,102	10,74,20,062
(ii) Current Tax Liability	17B	-	-
c) Other Current Liabilities	18	1,95,06,54,823	2,05,72,25,091
<b>Total Current Liabilities</b>		<b>2,46,69,57,432</b>	<b>2,49,19,75,272</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>4,29,29,26,764</b>	<b>4,41,45,01,336</b>

Summary of significant accounting policies 2

The accompanying notes 1 to 55 are an integral part of the financial statements

As per our report of even date

FOR VICEROY HOTELS LIMITED

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

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

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

Sd/-  
**Lakshmi Prasanthi.S**  
Partner  
M.No:236578  
Udin:20236578AAAAAQ2186

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

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

Hyderabad  
29-07-2020

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	Notes	As At 31-03-2020 (₹)	As At 31-03-2019 (₹)
<b>INCOME</b>			
Revenue from Operations	19	1,22,38,58,216	1,22,42,67,630
Other income	20	4,58,11,714	3,08,85,810
<b>TOTAL INCOME</b>		<b>1,26,96,69,930</b>	<b>1,25,51,53,441</b>
<b>EXPENSES</b>			
Food and beverages consumed	21	32,16,78,013	33,39,78,981
Employees benefit Expenses	22	30,28,59,633	30,12,26,197
Finance Costs	23	77,10,108	2,42,00,598
Depreciation and Amortisation Expenses	3	10,49,30,390	10,83,48,138
Other Operating and General Expenses	24	68,39,32,481	62,52,25,402
<b>TOTAL EXPENSES</b>		<b>1,42,11,10,625</b>	<b>1,39,29,79,316</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(15,14,40,695)</b>	<b>(13,78,25,875)</b>
Exceptional Items		-	-
<b>Profit/(Loss) before tax</b>		<b>(15,14,40,695)</b>	<b>(13,78,25,875)</b>
Tax Expenses:			
(1) Current Tax			
(2) Deferred Tax	28	1,71,21,732	1,97,47,228
<b>Total</b>			
<b>Profit (Loss) after Tax for the period</b>		<b>(16,85,62,427)</b>	<b>(15,75,73,103)</b>
<b>Share of Profit of Associate</b>			
<b>Other Comprehensive Income</b>			
A. (i) Items that will not be reclassified subsequently to Profit or Loss			
(ii) Income Tax relating to items that will not be reclassified to profit or loss			
B. (i) Items that will be reclassified subsequently to Profit or Loss			
(ii) Income Tax relating to items that will be reclassified to profit or loss			
<b>Total (Net of Tax)</b>			
<b>Total Comprehensive Income for the year</b>		<b>(16,85,62,427)</b>	<b>(15,75,73,103)</b>
<b>Earnings Per Share:</b>			
a) Basic (Rs.)		(3.98)	(3.72)
b) Diluted (Rs.)		(3.98)	(3.72)
Face Value per Equity Share			

As per our report of even date

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

Sd/-  
**Lakshmi Prasanthi.S**  
Partner  
M.No:236578  
Udin:20236578AAAAAQ2186  
Hyderabad  
29-07-2020

**FOR VICEROY HOTELS LIMITED**

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

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

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

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



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

PARTICULARS	Current Year (₹)	Previous Year (₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before tax	(15,14,40,695)	(13,78,25,874)
<b>Adjustments for:</b>		
Depreciation and Amortization Expenses	10,49,30,390	10,83,48,138
Profit/Loss on sale of Fixed Assets (Net)		
Finance Costs	77,10,108	2,42,00,598
Interest Income		
Interest Expenses		
Exceptional Items	-	-
<b>Cash Operating Profit before working capital changes</b>	<b>(3,88,00,196)</b>	<b>(52,77,138)</b>
<b>Adjustments for (increase)/decrease in operating assets</b>		
Trade receivables	1,81,11,492	(2,19,86,379)
Inventories	(4,49,910)	(47,82,900)
Other Current Assets	(12,10,95,920)	12,53,33,832
Non Current Loans	5,16,81,121	(2,91,66,225)
Other Non Current Assets	1,53,93,380	(8,93,28,481)
<b>Adjustments for increase/(decrease) in operating liabilities</b>		
Borrowings	10,70,600	(3,16,82,553)
Short Term Provisions	9,00,86,040	(2,09,30,172)
Trade Payables	(96,04,211)	1,31,39,782
Other Non Current Liabilities	(1,62,34,535)	1,68,38,602
Other Current Liabilities	(10,65,70,269)	6,25,15,989
<b>Cash Generated from Operations</b>	<b>(11,64,12,407)</b>	<b>1,46,74,357</b>
Direct Taxes - Refund / (paid)		-
<b>Net Cash Generated From Operating Activities (A)</b>	<b>(11,64,12,407)</b>	<b>1,46,74,357</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets (net)	(4,22,310)	(2,08,85,673)
Sale of Fixed Assets		
Capital Work in Progress	(8,80,366)	32,410
Investments		
Dividend Income		
Interest Income		
<b>Net Cash Generated/Used In Investing Activities (B)</b>	<b>(13,02,676)</b>	<b>(2,08,53,263)</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

PARTICULARS	Current Year ( ₹ )	Previous Year ( ₹ )
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Financing Charges	(77,10,108)	(2,42,00,598)
Proceeds from Share Capital		
Proceeds/ (Repayment) from Long Term Borrowings	7,11,18,498	9,57,67,943
<b>Net Cash Generated/Used In Financing Activities (C)</b>	<b>6,34,08,390</b>	<b>7,15,67,345</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(5,43,06,693)</b>	<b>6,53,88,439</b>
Opening Cash and Cash Equivalents as at 31st March,2019	5,72,73,039	(81,15,398)
Closing Cash and Cash Equivalents as at 31st March 2020	29,66,346	5,72,73,039

### FOR VICEROY HOTELS LIMITED

As per our report of even date

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

Sd/-  
**Lakshmi Prasanthi.S**  
Partner  
M.No:236578  
Udin:20236578AAAAAQ2186

Hyderabad  
29-07-2020

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

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

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

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

**NOTE NO 3 : PROPERTY, PLANT & EQUIPMENT**
**(Amount in Rs.)**

Particulars	Land	Buildings	Furnitures and Fixtures	Air Conditioners	Electrical Fittings	Vehicles	Plant & Machinery	Office Equipment	Computers	Civil Works	Generator	Misc. Fixed Assets	Total
<b>Cost at</b>													
As at 1st April 2019	39,30,71,780	2,07,82,86,087	59,40,48,236	16,04,27,348	32,34,99,675	3,11,93,664	72,00,47,897.00	1,17,77,652	1,11,69,378	5,62,36,681		36,45,88,124	4,74,43,46,522
Additions During the Year					30,300		3,88,410		3,600				4,22,310
Disposals During the Year													-
As at 31st March 2020	39,30,71,780	2,07,82,86,087	59,40,48,236	16,04,27,348	32,35,29,975	3,11,93,664	72,04,36,307	1,17,77,652	1,11,72,978	5,62,36,681		36,45,88,124	4,74,47,68,832
<b>Depreciation / Amortization</b>													
As at 1st April 2019		65,19,13,642	41,47,17,002.90	15,24,05,980	20,95,40,431	3,08,46,413	17,06,11,524	1,11,88,769	1,05,83,740	99,61,904		34,96,69,413	2,01,14,38,819
Provided for the Year		2,71,88,983	1,99,82,855		1,56,11,816	1,75,547	4,04,86,810		1,31,460	8,20,542		5,32,377	10,49,30,390
Deductions During the Year													
As at 31st March 2020	-	67,91,02,625	43,46,99,858	15,24,05,980	22,51,52,247	3,10,21,960	21,10,98,334	1,11,88,769	1,07,15,200	1,07,82,446		35,02,01,790	2,11,63,69,209
<b>Net Carrying Value</b>													
As at 31st March 2019	39,30,71,780	1,42,63,72,445	17,93,31,233	80,21,368	11,39,59,244	3,47,251	54,94,36,373	5,86,883	5,85,638	4,62,74,777		1,49,18,711	2,73,29,07,703
As at 31st March 2020	39,30,71,780	1,39,91,83,462	15,93,48,378	80,21,368	9,83,77,728	1,71,704	50,93,37,973	5,88,883	4,57,778	4,54,54,235		1,43,86,334	2,62,83,99,623

**Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2020**

PARTICULARS	As At 31-03-2020 (₹)	As At 31-03-2019 (₹)
<b>NOTE NO 4 : LOANS AND ADVANCES</b>		
<b>Advances</b>		
Security deposit		
Secured, considered good	-	6,00,09,177
Unsecured, considered good	2,48,16,628	2,17,63,633
<b>Deposits</b>		
Secured, considered good	9,45,035	87,44,027
Unsecured, Considered good	1,91,93,464	75,33,679
Subsidiary / Associate Company advances	-	
Unamortised Expenses	15,500	15,500
Other Advances	-	61,45,684
Advances recoverable in cash or in kind	12,82,43,114	10,77,83,539
Other Advances	(2,33,849)	1,26,65,774
<b>Total Loans</b>	<b>17,29,79,892</b>	<b>22,46,61,013</b>
<b>NOTE NO 5 : OTHER NON CURRENT ASSETS</b>		
Other Current Assets	5,15,13,053	6,85,76,446
Unamortised Expenses	14,47,66,053	14,30,96,040
<b>Total Other Non Current Assets</b>	<b>19,62,79,106</b>	<b>21,16,72,486</b>
<b>NOTE NO 6 : INVENTORIES</b>		
Other Inventory	8,67,558	8,67,558
Food Inventory	18,51,945	29,71,221
Beverage Inventory	1,83,63,766	1,67,98,272
Tobacco Inventory	74,883	71,191
<b>Total Inventory</b>	<b>2,11,58,152</b>	<b>2,07,08,242</b>
<b>NOTE NO 7 : TRADE RECEIVABLES</b>		
<b>Current - Unsecured</b>		
Considered Good	11,97,76,053	13,78,87,545
Total	-	
Less: Allowance for Bad and Doubtful Debts	-	
<b>Total Trade Receivables</b>	<b>11,97,76,053</b>	<b>13,78,87,545</b>

**Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2020**

<b>PARTICULARS</b>	<b>As At 31-03-2020 (₹)</b>	<b>As At 31-03-2019 (₹)</b>
<b>NOTE NO 8 : CASH AND CASH EQUIVALENTS</b>		
Balances with Banks :		
On Current Accounts	(17,28,286)	5,40,55,358
Cash on Hand	20,13,305	32,17,681
bank guarantee	26,81,326	
<b>Total Cash and Cash Equivalents</b>	<b>29,66,345</b>	<b>5,72,73,039</b>
<b>NOTE NO 9 : OTHER CURRENT ASSETS</b>		
Advance to Employees	3,82,150	907
Prepaid Expenses	3,36,14,688	1,30,50,198
TDS recievable	48,30,588	21,39,659
Security Deposit	1,47,19,373	1,52,12,657
Advances to Related Parties	2,45,33,636	2,30,84,358
Advances Recoverable in Cash or in kind	12,12,12,702	4,81,75,956
Interest Accrued on Deposits	-	
Advance Tax and Others	54,057	60,05,836
Other Advances	3,16,73,936	20,04,009
Other Current Assets	1,73,117	1,73,117
Disputed Deposits	-	251630
<b>Total Other Current Assets</b>	<b>23,11,94,247</b>	<b>11,00,98,327</b>

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2020

PARTICULARS	As At 31-03-2020 (₹)	As At 31-03-2019 (₹)
<b>NOTE NO 10 : SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
4,50,00,000 Equity Shares of Rs.10 each (March 31,2020: 4,50,00,000 Shares of Rs.10 each) (April 1,2019: 4,50,00,000 Shares of Rs.10 each)	45,00,00,000	45,00,00,000
10,00,000 Preference shares of Rs.100 each (March 31,2020: 10,00,000 Shares of Rs.100 each) (April 1,2019: 10,00,000 Shares of Rs.100 each)	10,00,00,000	10,00,00,000
<b>Issued Share Capital</b>		
4,24,05,224 Equity Shares of Rs.10 each (March 31,2020: 4,24,05,224 Shares of Rs.10 each) (April 1,2019: 4,24,05,224 Shares of Rs.10 each)	42,40,52,240	42,40,52,240
<b>Subscribed and Paid up</b>		
4,24,05,224 Equity Shares of Rs.10 each (March 31,2020: 4,24,05,224 Shares of Rs.10 each) (April 1,2019: 4,24,05,224 Shares of Rs.10 each)	42,40,52,240	42,40,52,240

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

	31st March 2020		31st March 2019	
	Number	Rupees	Number	Rupees
At the beginning of the period	4,24,05,224	42,40,52,240	4,24,05,224	42,40,52,240
Issued during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>4,24,05,224</b>	<b>42,40,52,240</b>	<b>4,24,05,224</b>	<b>42,40,52,240</b>

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

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

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

### c. Share warrants

The company has not issued any share warrants.

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

Particulars	31 Mar 2020		31 March 2019	
	Number of shares	% holding	Number of shares	% holding
<b>Equity shares of Rs. 10/- each fully paid-up</b>				
Crest Logistics and Engineers Private Limited	25,00,000	5.90%	25,00,000	5.90%
Chakradhar Reddy Parvath Reddy	-	-	27,89,351	658.00%

**Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2020**  
**NOTE NO 11 : OTHER EQUITY**

Particulars	Equity Component of Other Financial Instruments	Other Equity						Total Equity
		Reserves & Surplus						
		Capital Reserve	Securities Premium Reserve	Debt Redemption Reserve	Revaluation Reserve	General Reserve	Retained Earnings	
Balance as at 31st March, 2019	-	74,33,996	1,71,77,85,670	5,00,00,000	79,19,430	3,20,25,000	(6,04,92,67,738)	(4,23,41,03,642)
Total Of Other Comprehensive Income (Net of Tax)								
Profit For The Year	-	-	-	-	-		(16,85,62,427)	(16,85,62,427)
<b>Balance as at 31st March, 2020</b>	-	<b>74,33,996</b>	<b>1,71,77,85,670</b>	<b>5,00,00,000</b>	<b>79,19,430</b>	<b>3,20,25,000</b>	<b>(6,21,76,30,165)</b>	<b>(4,40,26,66,069)</b>

**Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2020**  
**NOTE NO 12 : BORROWINGS**

**Amount In Rs.**

Particulars	Effective rate of interest	Maturity	March 31, 2020		March 31, 2019	
			Face Value	Amortised cost	Face Value	Amortised cost
<b>Non Convertible Debentures</b>						
Secured						
14% Non-Convertible Debentures			51,73,35,490	42,80,77,196	51,73,35,490	51,73,35,490
<b>Term Loan From Banks</b>						
<b>Secured</b>						
From Banks and financial institutions			6,12,78,437	2,63,94,07,588		1694402192
From IARC & EARC			-	2,83,00,000		93,75,26,959
<b>Unsecured</b>						
From Related Parties				7,04,19,270		1,01,35,194
From Banks				2,86,83,812		1,53,35,925
<b>Loans From Others</b>						
Secured						
Unsecured				3,60,70,732		1,70,55,84,466
Less: Current maturities of long term debt			-	1,89,52,74,335		24,47,94,210
Advance for Sale of Plots			-	-		
				32,85,36,374		25,85,36,374
<b>Total</b>				<b>5,45,47,69,308</b>		<b>5,38,36,50,810</b>



## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2020

PARTICULARS	As At 31-03-2020 (₹)	As At 31-03-2019 (₹)
<b>NOTE NO 13 : DEFERRED TAX LIABILITY</b>		
Opening Balance	32,25,83,666	30,28,36,438
Add/(Less): Provision of Deferred tax charge / (Credit) for the year	1,71,21,732.30	1,97,47,228
<b>Closing Balance</b>	<b>33,97,05,399</b>	<b>32,25,83,666</b>
<b>NOTE NO 14 : OTHER NON CURRENT LIABILITIES</b>		
Advance from Customers	1,01,08,455	2,63,42,990
<b>Total</b>	<b>1,01,08,455</b>	<b>2,63,42,990</b>
<b>NOTE NO 15 : BORROWINGS</b>		
Cash Credit and Working Capital loan From Banks		
Secured	1,05,19,751	93,29,184
Security Deposits	37,28,992	3848960
<b>Total</b>	<b>1,42,48,744</b>	<b>1,31,78,144</b>
<b>NOTE NO 16 : TRADE PAYABLES</b>		
Suppliers	30,45,47,764	31,41,51,975
Advance from Customers		
<b>Total Trade Payables</b>	<b>30,45,47,764</b>	<b>31,41,51,975</b>
<b>NOTE NO 17A : PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	1,21,727	37,125
Provision for Bonus	-	
Provision for Management Deferred License	-	
Provision for accruals	18,46,14,815	9,46,77,183
<b>Others</b>	-	
Provision for FBT	74,919	74,919
Provision for Bad and Doubtful Debts	1,22,94,641	1,26,30,835
Audit Fee provision	4,00,000	
<b>Total Provisions</b>	<b>19,75,06,102</b>	<b>10,74,20,062</b>
<b>NOTE NO 17B : CURRENT TAX LIABILITY</b>		
Current Income Tax (Net)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2020

PARTICULARS	As At 31-03-2020 (₹)	As At 31-03-2019 (₹)
<b>Note No 18 : Other Current Liabilities</b>		
Interest Payable	-	
Outstanding Expenses Payable (Includes Rent Payable)	1,97,75,197	1,99,23,465
Royalty payable	-	
Audit Fee Payable	98,02,392	1,04,62,020
Electricity Charges Payable	12,43,881	15,16,107
Bonus Payable	11,46,903	6,46,903
Income Received in advance	-	-
Spirit to serve charity fund	22,641	49,857
PF & ESI Payable	80,68,524	62,85,986
Salaries Payable	83,36,673	2,88,70,154
Other Payables	1,58,54,940	1,09,25,069
Other Creditors	29,99,636	16,26,318
Advances Collected from Customers	9,89,539	17,01,619
Directors Remuneration Payable	-	
Statutory Dues	6,64,16,972	7,85,65,917
Current maturities of Long Term Borrowings	-	
Interest Accrued but not due on Loans	38,60,049	
Interest Accrued and due on Loans	1,79,88,68,715	1,85,83,07,123
Unclaimed Dividend	-	
Deposits	49,45,032	2,34,93,732
Consultancy Charges and Management fee	28,33,820	93,60,913
Royalty payable	54,89,908	54,89,908
<b>Total Other Current Liabilities</b>	<b>1,95,06,54,823</b>	<b>2,05,72,25,091</b>
<b>NOTE NO 19 : REVENUE FROM OPERATIONS</b>		
<b>Revenue From Operations:</b>		
(A) Revenue From Sale of Products	1,15,71,06,681	1,17,65,55,894
(B) Revenue From Sale of Services	-	-
(C) Other Operating Income 6,67,51,536	4,77,11,736	
<b>Total</b>	<b>1,22,38,58,216</b>	<b>1,22,42,67,630</b>
<b>NOTE NO 20 : OTHER INCOME</b>		
Profit on sale of Fixed Assets -		
Scrap Sale	75,910	1,26,697
Other Non Operating Income	4,30,63,098	2,74,93,107
Interest	19,31,841	73,931

### Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2020

PARTICULARS	As At 31-03-2020 (₹)	As At 31-03-2019 (₹)
-From Banks	-	21,34,037
-From Others	-	6,54,163
Net Gain/Loss on Foreign Currency Transactions	7,40,865	4,03,876
<b>Total</b>	<b>4,58,11,714</b>	<b>3,08,85,810</b>
<b>NOTE NO 21 : FOOD AND BEVERAGES CONSUMED</b>		
Opening Stock	16,76,64,424	1,18,18,073
Add: Purchases	15,40,13,589	33,95,54,660
(Less): Closing Stock	-	1,73,93,752
General Materials	-	-
<b>Total</b>	<b>32,16,78,013</b>	<b>33,39,78,981</b>
<b>Note No 22 : Employee Benefit Expenses</b>		
Salaries,Wages and bonus	28,22,93,972	27,76,93,344
Managerial Remuneration	-	1,49,77,589
Company's contributions to provident and other funds.	1,52,08,353	61,91,517
Staff welfare expenses	53,57,309	23,63,747
<b>Total</b>	<b>30,28,59,633</b>	<b>30,12,26,197</b>
<b>NOTE NO 23 : FINANCE COSTS</b>		
Interest expense at effective rate on borrowings which are measured at amortised costs		
- Interest on Term loans	5,13,148	1,55,85,579
- Interest on Axis Bank - NCD'S	-	-
- Interest on Unsecured Loan	-	-
- Loan processing Charges & Bank Charges	1,63,436	3,67,975
- Interest on OD	-	11,81,291
- Interest on TDS	13,106	26,168
Add : Settlements on interest rate swap contracts	-	-
Credit Card Commission	70,20,378	70,32,988
On Tax Demands	-	-
Other borrowing costs	41	6,597
Less : Interest Capitalised (Refer Footnote)	-	-
<b>Total</b>	<b>77,10,108</b>	<b>2,42,00,598</b>

## Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2020

PARTICULARS	As At 31-03-2020 (₹)	As At 31-03-2019 (₹)
<b>NOTE NO 24 : OTHER OPERATING AND GENERAL EXPENSES</b>		
<b>(i) Operating expenses consist of the following :</b>		
Fuel, Power and Light	11,45,99,087	12,40,75,558
Repairs to Buildings	19,94,051	16,90,939
Repairs & Maintenance	14,02,11,142	10,18,94,039
Other Operating Expenses	1,24,19,840	86,35,487
<b>(ii) General expenses consist of the following :</b>		
Rent	5,78,51,680	4,77,46,742
Licence Fees	33,88,510	32,52,121
Rates and Taxes	2,11,53,511	2,30,21,280
Insurance	39,29,277	61,48,012
Telephone, Postage and Others	20,37,909	46,15,991
Business Promotion Expenses	10,16,41,699	10,12,58,676
Printing and Stationery	37,52,459	79,62,646
Conveyance and Travelling	2,19,42,737	2,51,45,207
Provision for Doubtful Debts/ Bad debts written off	(3,36,194)	3,142
Freight & Transportation	50,56,037	67,07,089
Laundry	1,15,05,411	84,06,916
Director Sitting Fees	-	-
Security Charges	-	43,69,981
Discount expenses	41,00,984	23,78,354
Interest on taxes Paid	1,73,581	19,006
Fabrication Expenses	-	-
Compensation Fees	-	29,25,000
Consultancy Charges	1,97,96,775	2,53,96,373
Office Maintenance	1,82,08,739	6,59,70,774
Loss on Sale of Property, plant and equipment	-	-
Payment made to Statutory Auditors	11,23,050	11,23,050
Miscellaneous Expenses	13,31,88,904	4,19,32,778
Stamp Duty	-	2,36,563
Loss on lifting of chit	-	16,59,700
Net Loss on foreign currency transaction	-	25,59,076
Prior period adjustment	-	60,90,904
<b>Total</b>	<b>67,77,39,191</b>	<b>62,52,25,403</b>

## Significant Accounting Policies

### Note 1: Corporate information

The **Viceroy Hotels Limited** (“VHL” or the “Group”), and its subsidiaries (referred collectively as the “Group”) is primarily engaged in the business of Hoteliering. The Group is domiciled and incorporated in India in 1965 and its registered office at HUDA Techna Enclave, Hyderabad Telangana-500081, India. The consolidated financial statements for the year ended March 31, 2020 were approved by the Board of Directors (RP) and authorized for issue on 29 July, 2020.

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

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

#### a) Basis of preparation

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

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

(Subsidiaries)

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

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

#### c) Critical accounting estimates and judgments

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

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

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

## Significant accounting policies

### (d) Revenue recognition

#### Income from Operations

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

Initial Access Premium Fee charged to franchisees, in consideration of being considered as competent to open a restaurant under a Group owned trademark, is recognized on formalization of the franchise agreement. The Initial Access Premium Fee is non – refundable, regardless of whether the restaurant Outlet under the franchise agreement commences operations or not. Royalty and Management Fee charged to franchisees for the use of the trademarks is calculated as a percentage of monthly sales of the restaurant and accrued for in line with restaurant sales. Revenue from displays and sponsorships are recognized based on the period for which the products or the sponsor's advertisements are promoted/displayed. In respect of gift vouchers and point awards scheme operated by the Group, sales are recognized when the gift vouchers or points are redeemed and on sale of meals to customers.

#### Interest

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

## **Dividend**

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

## **e) Employee Benefits**

### **a) Provident Fund**

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

### **b) Others**

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

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

### **i) Gratuity Fund**

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

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

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

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

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

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

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

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

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

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

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

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

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

Freehold land is not depreciated.

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



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

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

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

The functional currency of the Group is Indian rupee

##### **Initial Recognition**

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

##### **Subsequent Recognition**

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

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

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

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

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

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

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

**(i) Current tax:**

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

**(ii) Deferred tax:**

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

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

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

**k) Provisions:**

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

**l) Borrowing Costs:**

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

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

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

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

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

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

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

### **p) Financial Instruments**

#### **(a) Financial assets**

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

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

##### **Classification**

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

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

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

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

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

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

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

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

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

#### **De-recognition**

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

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

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

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

#### **Subsequent measurement**

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

#### **De-recognition**

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

#### **Derivatives contracts**

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

### **Equity instruments**

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

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

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

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

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

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

## Notes to Consolidated Financial Statements

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

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

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

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

Particulars	Current Year Rs.	Previous Year Rs.
Net Profit after Tax	(16,85,62,427)	(15,75,73,103)
Weighted Average Number of Shares Considered	4,24,05,224	4,24,05,224
Basic EPS	(3.98)	(3.72)
Diluted EPS	(3.98)	(3.72)

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

Particulars	Current Year Rs.	Previous Year Rs.
Current Tax	-	-
Deferred Tax Asset	(1,71,21,732)	(1,97,47,228)

### 28. Auditors Remuneration:

Particulars	Current Year Rs.	Previous Year Rs.
Audit Fees	11,23,050	11,23,050

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

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

(i) Guarantees:

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

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

**31. Expenditure in Foreign Currency:**

Particulars	Current Year Rs. in Crores	Previous Year Rs. in Crores
Royalties & Others	3.45	4.45

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

Particulars	Current Year Rs. in Crores	Previous Year Rs. in Crores
Earning in Foreign Exchange	16.83	13.63

**33. In relation of Secured (Term) Loans:**

Asset Reconstruction Company of India Limited- Taken over from Axis Bank Limited	Subservient charge on movable and immovable assets of Hyderabad Marriott hotel and Subservient charge on movable and immovable fixed assets of company (except Bangalore and Chennai projects). The existing Limit Further secured by Second Charge on Mortgage by Deposit of Title Deeds of Landed Properties (1) In Sy.No.140 (new No. 181) admeasuring 14,092 Sq.yards (2) In Sy.No.139 admeasuring 346.72 Sq.Yards (3) 1-3-1-36/1 admeasuring 220 & 220 Sq.Yards (4) In Sy.No. 139 admeasuring 216.60, 216.60 and 216.60 Sq.Yards all are situated in Lower Tank Bund Road, Kavadi guda, Hyderabad.
Asset Reconstruction Company of India Limited- Taken over from IDFC Limited	A first charge by way of hypothecation of all the Company's immovable properties movable plant and machinery etc. and on Receivables excluding the receivables required by Operator as operating expenses for operation of the Project, present and future, subject to prior charge of the working capital lenders for securing the working capital facilities to the maximum of Rs.4 Crores and charge on all intangibles. Charge/assignment on all the Company's contracts/documents for the Projects
Asset Reconstruction Company of India Limited-Taken over from Axis Bank Limited	a) First pari passu charge on movable assets at Hyderabad Marriot Hotel b) First pari-passu charge on immovable assets of Hyderabad Marriot Hotel (by way of deposition title deeds with IDFC (at present with ARCIL) as an agent of Debenture Trustee)
IARC Ltd – Taken over from Laxmi vilas Bank	Hypothecation of Machinery/Goods/ Stocks and Book Debts in business. Extension of equitable mortgage already created over the Land and Commercial Building Property situated at D. No. 3-6-199 and 3-6-199/1, Himayat Nagar, Hydrabad admeasuring 1416.66 sq.yards.
Canara Bank	First Charge on the entire fixed assets including mortgage over immovable assets and charge on movables) of Hyderabad Courtyard Hotel Project situated at Municipal Door NO. 1-3-1016 to 1024, lower tank bund Gandhi Nagar, Hyderabad
State Bank of India	First Charge on the entire fixed assets of proposed Hotel Courtyard, Hyderabad, ranking pari passu with other term lender i.e. Canara Bank, R.P. Road, Branch, Secunderabad, including Equitable Mortgage of Land admeasuring 6263 Sq Yds situated at Kavadi guda, Hyderabad.
Bank of Maharashtra	Hypothecation Of Stocks & Receivables Of "Countryard By Marriott" Hotel Situated At Gandhinagar, Lower Tank Bund Road, Hyderabad With Exclusive First Charge, Hypothecation Of Entire Current Assets, Present And Future Goods, Stocks, Of Raw Materials, Items, Inventories, Stocks, Present And Future Tangible And Intangible Assets Etc.,

<b>Café D Lake Private Limited</b>	
Term loan from TFCI LTD	Secured against the first charge on the whole of moveable properties F & B cuisine restaurant cum bar “Blue Fox” and three small banquet halls at Huda Techno enclave Hitec City. Madhapur (except book debts) and extension of Assignment all rights and interest under BOT agreement to the food court complex viz Eat street at Budha Purnima Lake Front Necklace Road Hyderabad, (As fully described in the deed of hypothecation)  Mortgage of lease hold right on built up/ constructed area situated at SY No. 64 Plot No. 20, Sector 1 Huda Techno enclave, Madhapur, Hyderabad ( No instrument is executed for this mortgage)
<b>Crustum Products Private Limited</b>	
Term Loan from Oriental Bank of Commerce	Secured against the fixed and movable assets of the Breadtalk outlets at Hyderabad, Mumbai, Bangalore and Gurgaon and also secured against the personal guarantee of Director Mr. P. Chakradhar Reddy and Ms. P. Lakshmi Sruthi.
Term Loan from UCO Bank	Secured by 2 <sup>nd</sup> charge on Current and Fixed Assets of the Company and also secured by extension of collateral security of vacant land admeasuring 2926.50 sq. Yards in Survey No. 129/73/2&3 situated at Road No.3,Banjara Hills, Hyderabad – 500034 owned by M/s.DevalInfrastructures Pvt. Ltd.
<b>Banjara Hospitalities Private Limited</b>	
Edelweiss Asset Reconstruction Company Limited	The Existing Loan Facility of Rs.75,00,00,000/- Further Secured By Deposit of Title Deeds of The Property Situated At H.No.15-3-23, Open Land Admeasuring 6022.5 Sq.Yards Situated At Venkateswara Nagar, MaharaniPeta, Visakhapatnam Belongs To M/S Banjara Hospitalities Pvt Ltd.

#### 34. Gratuity:

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

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

NAME OF THE BANK INSTITUTION	Amount in Crores (Rs.)		
	PRINCIPLE DUE	INTEREST DUE	TOTAL DUES
ARCIL	131.68	91.79	223.47
EARCL	0.88	-	0.88
IARC LTD	1.95	-	1.95
State Bank of India	56.18	50.55	106.73
Canara Bank	24.07	34.81	58.88
<b>Total</b>	<b>214.76</b>	<b>177.15</b>	<b>391.91</b>

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

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

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



**Related Party Transactions during the year**

Name of the related Party	Relationship	Nature of Transaction	Transaction value rupees	Balance outstanding – Receivable/ (-) Payable as on date of Balance Sheet	Amount written off/ back
Café D Lake Pvt Ltd	Subsidiary	Office Maintenance Expenses	22,94,400	11,90,200	Nil
		Rent Expenses	1,19,88,000		Nil
J.Daswanth Kumar	Chief Financial Officer	Salaries Including all perquisites	10,11,333	-	Nil
M. Sridhar Singh	Chief Executive Officer	Salaries Including all perquisites	1,00,000	-	Nil

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

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

Name of the Statute	Nature of Dues	Section under which order is passed	Amount (Rs)	Period to which it relates
Income Tax Act, 1961	Income Tax	154	53,78,32,209	A.Y 2014-15
Income Tax Act, 1961	Income Tax	143(3)	9,20,44,470	A.Y 2016-17
Income Tax Act, 1961	Income Tax	143(3)	9,14,07,210	A.Y 2017-18
Income Tax Act, 1961	Income Tax	U/S 115 WE	2,49,758	A.Y. 2009-10
Income Tax Act, 1961	Income Tax	U/S 154	9,51,500	A.Y. 2009-10
Income Tax Act, 1961	Income Tax	U/S 154	4,86,570	A.Y. 2010-11
Income Tax Act, 1961	Income Tax	U/S 154	21,68,058	A.Y. 2011-12
Income Tax Act, 1961	Income Tax	U/S 143 1a	7,71,640	A.Y. 2012-13
Income Tax Act, 1961	Income Tax	U/S 154	4,23,100	A.Y. 2015-16
Income Tax Act, 1961	Income Tax	U/S 220(2)	2,83,835	A.Y 2009-10
Income Tax Act, 1961	Income Tax	U/S 220(2)	2,59,688	A.Y 2009-10
Income Tax Act, 1961	Income Tax	U/S 143(1)	31,80,277	A.Y. 2007-08
Income Tax Act, 1961	Income Tax	U/S 115 WE(1)	13,479	A.Y. 2007-08
Income Tax Act, 1961	Income Tax	U/S 143 1a	7,73,400	A.Y. 2011-12
Income Tax Act, 1961	Income Tax	U/S 143 1a	1,99,220	A.Y. 2012-13
Telangana Entertainment Tax Act, 1939	Entertainment Tax	ADC Order No. 1082, dated 29.12.2016	40,98,379	F.Y.2010-11 to F.Y. 2013-14
Telangana Entertainment Tax Act, 1939	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	31,51,882	F.Y 2010-13

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Section under which order is passed</b>	<b>Amount (Rs)</b>	<b>Period to which it relates</b>
Telangana Entertainment Tax Act, 1939	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated:	3,48,128	F.Y 2015-16
Telangana Entertainment Tax Act, 1939	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	3,26,732	F.Y 2015-16
Telangana Entertainment Tax Act, 1939	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	3,26,732	F.Y 2015-16
Telangana Entertainment Tax Act, 1939	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	1,59,426	F.Y 2016-17
Telangana Entertainment Tax Act, 1939	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated:	3,41,030	F.Y 2016-17
Telangana Entertainment Tax Act, 1939	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	17,33,783	F.Y 2016-17
Telangana Entertainment Tax Act, 1939	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	1,74,256	F.Y 2016-17

**Service Tax**

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

**Luxury Tax/Sales Tax**

S. No	Arrear Notice issued by office of the Assistant Commissioner(ST) Gandhinagar Circle Hyd	Period	Demand	issue	Luxury Tax 50% Paid
1	15.02.2019	2011-12	7,95,429	Dispute of Levy of Luxury Tax on Service Tax	3,97,715
2	15.02.2019	2012-13	10,77,592	Dispute of Levy of Luxury Tax on Service Tax	5,38,796
3	15.02.2019	2013-14	7,58,952	Dispute of Levy of Luxury Tax on Service Tax	3,79,476
4	15.02.2019	2010-11 to 2012-13 (upto 31.10.2012) 01.11.2012 to 30.09.2013	15,88,152	Disputed arrears against completion of Revision of Assessment U/VAT Act	0.00

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

### 38. In Relation to immovable property

S. No	Name of the Asset	Extent (In Sq Yards)	Place of Location
1	Land	1,070.00	1-3-1016 to 1021, Kavadiguda,Hyderabad
2	Land	193.00	1-3-1022, Kavadiguda,Hyderabad
3	Land	800.00	1-3-1023, Kavadiguda,Hyderabad
4	Land	4,192.45	1-3-1024, Kavadiguda,Hyderabad
5	Land	649.80	1-3-1036, Kavadiguda, Hyderabad
6	Land	440.00	1-3-1036/1, Kavadiguda, Hyderabad
7	Land	346.72	1-3-1036/2, Kavadiguda, Hyderabad
8	Land	14,092.00	Sy.No 181 & 182, Kavadiguda, Hyderabad
	<b>Total</b>	<b>21,783.97</b>	

Properties mentioned in S.No 1 to 4 are originally in the name of Minerva Enterprises Pvt Ltd and these were transferred to the company through a scheme of arrangement approved by Hon'ble High of Court of Andhra Pradesh vide its order dated 1st May 2007. However, the revenue records are required to be updated to reflect the above title change.

Properties mentioned in S.No 5 to 8 were originally in the name of Krishna Cold Drinks Pvt Ltd (the then name of Viceroy Hotels Limited). Subsequently company changes its name several times i.e. from Krishna Cold Drinks Private Limited to ShriKishna Bottlers Private Limited and further as Palace Heights Private Limited

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

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

**40.** The company has a pending adjudication against the Hon'ble Adjudicating Authority, PMLA, 2002. For which The Directorate of Enforcement made a Provisional Attachment Order in PAO No. 04/2019 dated 26.03.2019 passed by the Deputy Director, Directorate of Enforcement against the company. The Directorate of Enforcement has also filed an application under Insolvency and Bankruptcy code 2016 against the company in respect advances taken from Mahal hotels Ltd and the same has been accepted by the Hon'ble NCLT on dated 06-05-2019.

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

Chennai. Further, as per the Hon'ble NCLT, Hyderabad order dated 11.07.2019 declared that immovable and movable properties of Viceroy Hotels limited can't be attached by the Enforcement Directorate - Chennai when the company is under Corporate Insolvency Resolution Process ("CIRP"). Subsequently Directorate of Enforcement, Chennai has gone to High Court, Chennai vide their writ petition number: WP/29970/2019 which was declared in their favour. Then the resolution professional of Viceroy Hotels Limited has approached Supreme Court vide registration number. SLP(C) no. 008259/2020 which is pending at the Supreme Court.

**41.** The company has passed board resolution on 26-08-2017 for converting Capital work in progress of Rs. 111 .94 Crores to fixed assets. Depreciation has been calculated accordingly.

**42.** The company has forfeited an amount of Advance of Rs.134.65crores erroneously in the Financial year 2013-14 (Bhagyanagar Investment & Trading Private Limited- Rs.11.77 Crores, Ganga Industrial Corporation- Rs.0.65 Crores, Mahal Hotel Private Limited Rs.122.23 crores) and the same is taken back into the Books as Exceptional Item, which was qualified by the auditors.

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

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

Further, as per the Hon'ble NCLT, Hyderabad order dated 11.07.2019 declared that immovable and movable properties of Viceroy Hotels limited can't be attached by the Enforcement Directorate - Chennai when the company is under Corporate Insolvency Resolution Process ("CIRP"). Subsequently Directorate of Enforcement, Chennai has gone to High Court, Chennai vide their writ petition number: WP/29970/2019 which was declared in their favour. Then the resolution professional of Viceroy Hotels Limited has approached Supreme Court vide registration number. SLP(C) no. 008259/2020 which is pending at the Supreme Court.

**44.** The application filed by the Asset Reconstruction Company (India) Ltd (ARCIL) against the company under Sec. 7 of The Insolvency Bankruptcy Code 2016, has been approved by the NCLT and the order to initiate Corporate Insolvency Resolution Process was also passed. The Committee of Creditors meeting was conducted and a Resolution Professional was appointed. The resolution plan submitted by M/s CFM Asset Reconstruction Company Private Limited for M/s Viceroy Hotels Limited has been approved by the Committee of Creditors (COC) of the company in its 18th COC meeting and identified as a successful resolution applicant, subject to the approval of the Hon'ble NCLT, Hyderabad bench.

**45.** As the loans turned as Non-Operating Assets, there is no correspondence from the banks and financial institutions regarding the interest provision, hence as a result the company could not provide for the interest expense during the year.

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

**47.** Trade Payables and Trade Receivables are true and fair as per the record of the company. The company is in the process of obtaining the confirmation from them.

**48.** The Company has passed board resolution on 14-02-2018 for Writing off various Assets, Liabilities, Incomes and Expenses for the F.Y 2017-18, however the company has not created provision for the same until previous year.

**49.** The company has provided impairment for the investments from F.Y 2017-18 as there is no force able future cash flows from such investments. However as the subsidiary companies have not stopped operations, we have considered the same in our consolidation of financials until FY 2019-20

**50.** The company is in the process of accumulating funds for repaying the Income tax and other Statutory dues amount , and for the matters which the company has went for appeal , the company is confident that it can win the respective appeals, Hence provision for those has not been made in the standalone and consolidated financials .

**51.** Management believes the status of going concern is not affected and is confident of maintaining the going concern status and is undergoing the process of IBC Code, 2016. The final status can be known on approval of resolution plan.

52. The company is in the process of appointing Company Secretary .

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

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

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

**For Viceroy Hotels Limited**

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

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

**Lakshmi Prasanthi.S  
Partner  
M.No:236578  
Udin: 20236578AAAAAQ2186**

Place: Hyderabad  
Date: 29/07/2020

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

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

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

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



To

If Undelivered Please Return to :



## Viceroy Hotels Limited

**Regd. Office :** # Plot No. 20, Sector-I, 4th Floor, Huda Techno Enclave,

Sy. No. 64, Madhapur, Hyderabad - 500 081.

Phone: 91-40-2311 9695 Fax : 91-40-4034 9828

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