



VICEROY

**Date: 08.09.2023**

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

Dear Sir/Madam,

**Subject: Notice of 58th Annual General Meeting (AGM).**

Pursuant to Regulation 30 read with Schedule III Para A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Notice of the 58th Annual General Meeting (AGM) of the Company to be held on Saturday, September 30, 2023 at 3.00 p.m. through electronic mode (Video conference or other audio-visual means), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

The said Notice forms part of the Annual Report 2022-23 which is also being sent through electronic mode to those members whose email addresses are registered with the company /Depository Participants / Registrar and Share Transfer Agent. The Annual Report for the Financial Year 2022-23 and other related documents are availed on the website of the company at [www.viceroyhotels.in](http://www.viceroyhotels.in).

As per provisions of the Act and read with Listing Regulations, the Members holding shares either in physical form or dematerialized form, as on the cut-off date i.e., 23rd September 2023, may cast their vote electronically on the business set forth in the Notice of AGM through electronic voting system of the Central Depository Services (India) Limited ("CDSL"). The instructions for e-voting are mentioned in the e-voting notice and email covering letter.

The Register of Members and Share Transfer books of the Company shall remain closed from Sunday, September 24, 2023 to Saturday, September 30, 2023 (both days inclusive) for the purpose of the AGM as per clause 42(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and record.

Thanking You,  
Yours Faithfully,

**For Viceroy Hotels Limited**

**Dr. Govindarajula Venkata Narasimha Rao**  
**Resolution Professional for Viceroy Hotels Limited**  
**IP Registration No. IBBI/IPA-003/IP-N00093/2017-18/10893**

**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)  
CIN : L55101TG1965PLC001048



Viceroy Hotels Limited

**58th**  
**ANNUAL**  
**REPORT**

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**2022-23**

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



## CORPORATE INFORMATION

### Resolution Professional:

#### **Dr. Govindarajula Venkata Narasimha Rao**

Resolution Professional in the matter of  
M/s Viceroy Hotels Ltd  
Regn no. IBBI/IPA-003/IP-N00093/2017-18/10893  
Email ID: Raogvn@gmail.com  
Appointed by NCLT vide its orders dated April 13, 2022

### Suspended Board of Directors:

Mr. P. Prabhakar Reddy	Chairman and Managing Director
Mrs. P. Kameswari	Non-Executive Director
Mr. K. Narsimha Rao	Non-Executive Director
Mr. Devraj Govind Raj	Non-Executive Independent Director

### Company Secretary

Ms. N. Sharon Sneha (Cessation w.e.f 10/08/2022)

### Chief Executive Officer:

Mr. M. Sreedhar Singh (Superannuation w.e.f 31/05/2022)

### Corporate Identification Number:

L55101TG1965PLC001048

### Registered Office:

1-3-1036/3/1 Tank Bund Road,  
Gandhi Nagar, Hyderabad - 500080,  
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. Someshwara Rao & Associates  
Practicing Company Secretary  
Hyderabad

### Registrar and Share Transfer Agent

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

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## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 58<sup>th</sup> Annual General Meeting of the Members of 'Viceroy Hotels Limited' will be held on Saturday, the 30<sup>th</sup> September, 2023 at 03.00 P.M IST through Video Conference ("VC")/ Other Audio-Visual Means ("OAVM") facility to transact the following business:

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### **ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a) Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of Suspended Board of Directors and Auditors thereon.
  - b) Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of Auditors thereon.

**Place: Hyderabad**  
**Date: 08.09.2023**

**For Viceroy Hotels Limited**

**Sd/-**  
**Dr. Govindarajula Venkata Narasimha Rao**  
**Resolution Professional**

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### **VICEROY HOTELS LIMITED**

Regd. Office: # Plot No. 20, Sector-I, 4th Floor, Huda Techno Enclave, Sy. No. 64, Madhapur, Hyderabad - 500 081.  
Phone: 91-40-2311 9695 Fax: 91-40-4034 9828 Website: www.viceroyhotels.in  
CIN : L55101TG1965PLC001048

## **NOTES:**

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circulars dated General Circular Nos. 14/ 2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/ 2020 dated May 5,2020, 2/ 2021 dated January 13, 2021, 19/2021/ dated December 8, 2021, 21/ 2021 dated December 14, 2021, 2/ 2022 dated May 5, 2022 and 10/ 2022 dated December 28, 2022, read with the relevant circulars issued by the Securities and Exchange Board of India ("SEBI"), from time to time (hereinafter collectively referred to as "the Circulars"), permitted the holding of the Annual General Meeting ("AGM") through VC/ OAVM, without the physical presence of the Members at a common venue. Accordingly, the AGM of the Company is being held through VC/OAVM. The facility of VC/OAVM and also casting votes by a member using remote e-Voting as well as e-Voting system on the date of the AGM will be provided by National Securities Depository Limited ("NSDL"). The Registered Office of the Company shall be deemed Venue for the AGM.
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 Ms. Soumya Dafthardar Practicing Company Secretary (Membership No. F11754) 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, 23rd September, 2023 ("cut-off date").
9. A person who is not a Member as on Saturday, 23rd September, 2023 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, 23rd September, 2023 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, 24<sup>th</sup> September, 2023 to Saturday, 30<sup>th</sup> September, 2023 (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, 2020, 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 11digit 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, 23rd September, 2023 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 circulars, the Notice calling the AGM on with the Annual Report for 2022-23 ("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 [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 Wednesday, 27<sup>th</sup> Day of September, 2023. Members seeking to inspect such documents are requested to write to the Company at [secretarial@viceroyhotels.in](mailto:secretarial@viceroyhotels.in).
19. Investor Grievance Redressal: The Company has designated an e-mail ID i.e. [secretarial@viceroyhotels.in](mailto:secretarial@viceroyhotels.in) 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 Wednesday, 27<sup>th</sup> Day of September 2023 from 10:00 a.m. (IST) and ends on Friday, 29<sup>th</sup> September, 2023 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, 23<sup>rd</sup> September, 2023, 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 10digit 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 (“EVSN”) 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@viceroyhotels.in](mailto:secretarial@viceroyhotels.in).
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@viceroyhotels.in](mailto:secretarial@viceroyhotels.in).
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> 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 the meeting** mentioning their name, demat account number/folio number, email id, mobile number at ([secretarial.viceroy@gmail.com](mailto: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](mailto: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 authorized by him in writing and communicated to the Stock Exchanges.

**Place: Hyderabad**

**Date: 08.09.2023**

**For Viceroy Hotels Limited**

**Sd/-**

**Dr. Govindarajula Venkata Narasimha Rao  
Resolution Professional**

# BOARD'S REPORT

To

The Members,

**VICEROY HOTELS LIMITED**

The Resolution Professional presents the 58<sup>th</sup> Annual Report of Viceroy Hotels Limited along with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March 2023.

## PERFORMANCE / FINANCIAL RESULTS/STATE OF COMPANY'S AFFAIRS:

The financial performance of the Company, for the year ended March 31, 2023 is summarized below:

(Rupees in Thousands)

PARTICULARS	STANDALONE	
	2022-23	2021-22
Income from Operations	9,63,996	4,29,806
Other Income	23,544	39,955
<b>Total Revenue</b>	<b>987530</b>	<b>4,69,761</b>
Cost of Materials Consumed	1,32,440	96,702
Employee Benefit Expenses	1,89,899	1,32,106
Fuel, Power & Light	91,677	62,116
Finance Cost	8,624	4,319
Depreciation and Amortization Expenses	84,426	84,994
Other Expenses	4,26,244	1,89,750
<b>Total Expenses</b>	<b>9,35,265</b>	<b>5,59,987</b>
Profit before Tax and Extraordinary Items	52,265	(90,227)
Exceptional Items	-	-
Provision for Current Tax	-	-
Deferred Tax	4,640	8,230
<b>Profit after Tax</b>	<b>47,625</b>	<b>(98,456)</b>

(Rupees in Thousands)

PARTICULARS	CONSOLIDATED	
	2022-23	2021-22
Income from Operations	11,59,530	6,52,600
Other Income	40,450	54,701
<b>Total Revenue</b>	<b>11,99,980</b>	<b>7,07,301</b>
Cost of materials Consumed	3,38,661	3,69,186
Employee Benefit Expenses	2,06,348	1,44,994
Fuel, Power & Light	91,677	53,495
Finance Cost	8,706	7,465
Depreciation and Amortization Expenses	85,936	91,105
Other Expenses	4,66,154	3,00,101
<b>Total Expenses</b>	<b>11,95,481</b>	<b>9,66,346</b>
Profit before Tax and Extraordinary Items	<b>4,499</b>	<b>(2,59,045)</b>
Exceptional Items	-	-
Provision for Current Tax	-	-
Deferred Tax	5,048	4,038
<b>Profit after Tax</b>	<b>(549)</b>	<b>(2,63,083)</b>

## FINANCIAL PERFORMANCE

### STANDALONE

Your Company achieved a gross turnover of Rs. 96,39,96,000 for the period ended March 31, 2023 as against Rs. 42,98,06,000 for the previous year ended March 31, 2022. On an annualized basis, turnover for the current period ended March 31, 2023 increased as compared to the previous period.

### CONSOLIDATED

Your Company achieved a gross turnover of Rs. 1,15,95,30,000 for the period ended March 31, 2023 as against Rs. 65,26,00,000 for the previous year ended March 31, 2022. On an annualized basis, turnover for the current period ended March 31, 2023 increased as compared to the previous period.

## 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, Dr. 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.

The Committee of Creditors ('COC') in its meeting held on 28/03/2022 appointed Dr. Govindarajula Venkata Narasimha Rao as Resolution Professional in place of Mr. Karuchola Koteswara Rao pursuant to an order of the Honorable National Company Law Tribunal, Hyderabad Bench ('NCLT') dated 13th April, 2022) as Resolution Professional 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 Anirudh Agro Farms Limited identified as a successful resolution applicant. The said resolution plan has been rejected by Hon'ble NCLT, Hyderabad Bench vide order dt. 09.06.2023. CoC has filed an appeal in Hon'ble NCLAT against said order. The same is subjudice.

## **DIVIDEND**

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

## **TRANSFER TO RESERVES**

For the financial year ended 31<sup>st</sup>March, 2023, the Company has not transferred any amount to General Reserve Account.



## SUBSIDIARIES

The Company has 5 subsidiaries as on March 31, 2023. 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:**

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. 6.39 crores for the year ended 31st March, 2023 against Rs.5.55 Crores for previous year. However, there was a net Loss of Rs. 0.89 Crores for the year ended 31st March, 2023 as against the loss of Rs. 8.53 Crores for the previous year.

### **Crustum Products Private Limited:**

During the year under review there is no income from operations. The net loss for the year ended 31st March, 2023 is Rs. 0.11 Lakhs as against net loss of Rs. 0.12 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 2022-23, 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 Dr. Govindarajula Venkata Narasimha Rao, Resolution Professional.

Dr. Govindarajula Venkata Narasimha Rao (Registration No. IBBI/IPA-003/IPN00093/2017-18/10893) has been appointed as the new Resolution Professional (RP) in place of Mr. Karuchola Koteswara Rao, Insolvency Professional (Registration No. IBBI/IPA-003/IPN00039/2017-18/10301) for conducting Corporate Insolvency Resolution Process of Viceroy Hotels Limited in terms of the Order dated April 13, 2022 of the Hon'ble National Company Law Tribunal, Hyderabad.

## KEY MANAGERIAL PERSONNEL

There are change in the Key managerial Personnel of the Company during the year under review.

Ms. N. Sharon Sneha has resigned from the post of Company Secretary and Compliance Officer of the company w.e.f 10/08/22 and Mr. Sreedhar Singh Munisingh was super annuated from the post of Chief Executive Officer of the Company with effect from 30th May, 2022.

## **DECLARATION BY INDEPENDENT DIRECTORS**

NOT APPLICABLE since 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 Dr. Govindarajula Venkata Narasimha Rao. The management of the affairs of VHL has been vested with Dr. Govindarajula Venkata Narasimha Rao.

## **STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR: NOT APPLICABLE**

## **MEETINGS**

During the year, Five 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-à-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 Dr. Govindarajula Venkata Narasimha Rao. The management of the affairs of VHL has been vested with Mr. Govindarajula Venkata Narasimha 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 2022-23 and of the statement of Loss of the Company for that period;
- III. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. The annual accounts for the year 2022-23 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, 2023 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 Dr. Govindarajula Venkata Narasimha Rao. The management of the affairs of VHL has been vested with Dr. Govindarajula Venkata Narasimha Rao.

## **POLICY ON DIRECTOR'S 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.

## **ANNUAL RETURN:**

A Copy of Annual Return of your Company, in terms of section 92(3) of the Companies Act, 2013 is placed on the website of the Company at [www.viceroyhotels.in](http://www.viceroyhotels.in)

## **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 VI' 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 the 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, Firms Registration number: 016016S, were appointed as Statutory Auditors of the Company for a period of 5 Years from the Conclusion of 57 Annual General Meeting of the Company till the conclusion of 62 Annual General Meeting of the Company subject to ratification by members in every Annual General Meeting.

With reference to observations made in Auditors 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, 2023 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 2022-23:**

- 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 and FY 2020-21 is Rs.600.05 lakhs and FY 2021-22 is Rs.600.24 Lakhs and FY 2022-23 is Rs.600.02 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.42)

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 is Rs.599.98 Lakhs, FY 2019-20 is Rs. 601.63 Lakhs and FY 2020-21 is 600.05 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 recognized 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 02<sup>nd</sup> 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:43)

The company has forfeited an amount of Advance of Rs.134.65 crores erroneously in the Financial year 2013-14 (Bhagyanagar Investment & Trading Private Limited- Rs.11.77 Crores, Ganga Industrial Corporation- Rs.0.65 Crores, Mahal Hotel Private Limited Rs.122.23 crores) and the same is taken back into the Books as Exceptional Item in the F.Y2017-18.

- c) **Directorate of Enforcement:** The Directorate of Enforcement made a Provisional Attachment Order in PAO No. 04/2019 dated 26.03.2019 passed by the Deputy Director, Directorate of Enforcement against the M/s Viceroy Hotels Limited of OC No.1118/2019 pending adjudication before the Honorable 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© no. 008259/2020. (Note No: 41)

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© 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 18<sup>th</sup> COC meeting and identified as a successful resolution applicant. However, Hon'ble NCLT, Hyderabad has rejected the resolution plan. The case is pending with Hon'ble NCLAT. The Hon'ble NCLT, Hyderabad appointed Dr G.V. Narasimha Rao as new Resolution Professional for conducting Corporate Insolvency Resolution Process vide order dated April 13, 2023.

Pursuant to COC's approval of resolution plan dated 29.09.2022 submitted by successful resolution applicant, RP has filed an application for approval of resolution plan before Hon'ble NCLT on 11.11.2022. The Contours of the resolution plan were presented before the Hon'ble NCLT bench and the matter is reserved for orders.(Note No:39)

The Appeal has been filed by IARC seeking to set aside the order of the Hyd NCLT rejecting the Resolution Plan of CFM ARC dated 01-Sep-2021. Both IARC and RP have completed the pleadings and written submissions the primary issue being whether an ARC is disqualified to be a Resolution Applicant. CFM has filed an affidavit in this Appeal seeking to withdraw its Plan and have the Performance Bank Guarantee returned. The NCLAT has passed 2 interim orders one directing the RP to keep the CD as a going concern and the other to have the PBG extended. The next hearing is posted for dated 21<sup>st</sup> June 2023.

e) **NCLAT:** The Appeal has been filed by IARC seeking to set aside the order of the Hyd NCLT rejecting the Resolution Plan of CFM ARC dated 01-Sep-2021. Both IARC and RP have completed the pleadings and written submissions the primary issue being whether an ARC is disqualified to be a Resolution Applicant. CFM has filed an affidavit in this Appeal seeking to withdraw its Plan and have the

Performance Bank Guarantee returned. The NCLAT has passed 2 interim orders one directing the RP to keep the CD as a going concern and the other to have the PBG extended. The next hearing is posted for dated 21<sup>st</sup> June 2023. (Note No:40)

- f) **Loans from Banks or Financial Institutions:** During the 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:44)

#### **MANAGEMENT REPLY**

As per the provisions of IBC and CIRP Regulations, claims of all bank / financial institutions are admitted as Financial creditor claims. Since NCLT has prescribed moratorium during the ongoing CIRP process and claims of financial creditors are being dealt in accordance with the provisions of IBC and CIRP regulations. Hence, the company could not provide for the interest expense during the year.

- g) **Statutory Dues:** The Company has not paid the statutory dues for a period more than 6 months is as follows: (Note No:45)

S.No	Particulars	Amount in Rs.
1	TDS	3,34,20,321/-
2	PT	2,56,000/-
	Total	3,36,76,321/-

#### **MANAGEMENT REPLY**

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

- h) **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:46)

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

- i) **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:47)

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

- 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 31-03-2023. As per the information submitted by the company to us the following are the cases pending at different levels including the Subsidiary company of M/s Café D Lake Private Limited.(Note No:37)

#### MANAGEMENT REPLY

The company has provided impairment for the investments from F.Y 2017-18 as there is forceable future cash flows from such investments.

- k) **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 31-03-2022. As per the information and explanation submitted by the company to us the following are the cases pending at different levels. (Note No: 37)

Name of the Statue	Nature of Dues	Notice/Demand as per Section/ Order No.	Amount (Rs)	Period to which it relates
Income Tax Act, 1961	Income Tax	154	Rs.44,78,07,687/-	A.Y 2014-15
Income Tax	Income Tax	143(3)	Rs.67,48,29,450/-	A.Y 2014-15

Act, 1961				
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	147 r.w.s 144	17,56,93,044	A.Y 2015 -16
Income Tax Act, 1961	Income Tax	147 r.w.s 144	12,11,14,973	A.Y 2016-17
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
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	31,51,882	F.Y 2010-13

		dated: 26.02.2020		
Telangana Value Added Tax Act,2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated:	3,48,128	F.Y 2015-16
Telangana Value Added Tax Act,2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	3,26,732	F.Y 2015-16
Telangana Value Added Tax Act,2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	1,59,426	F.Y 2016-17
Telangana Value Added Tax Act,2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	3,41,030	F.Y 2016-17
Telangana Value Added Tax Act,2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	17,33,783	F.Y 2016-17

Telangana Value Added Tax Act,2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	1,74,256	F.Y 2016-17
Telangana Value Added Tax Act,2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 05-01- 2021	2,46,905/-	F.Y 2016-17
Telangana Value Added Tax Act,2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 05-01- 2021	2,69,675/-	F.Y 2016-17
Service tax Act	Service tax	Deferential service tax amount	85,061/-	F.Y 2017-18

### 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 ( up to 31.10.2012)01.1 1.2012 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.

**l) 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.Y2022-23. (Note No:50)

Management believes the status of going concern is not affected and is confident of maintaining the going concern status and is undergoing the CIRP process of IBC Code, 2016

**m) Corporate Guarantee:** The Company has given corporate guarantee for an amount of Rs.317 crores to Edelweiss Asset Reconstruction company Limited in respect of loans taken by Viceroy Bangalore Hotels Limited which is violating the provisions Specified U/s 186 of The Companies Act 2013. The company has not obtained shareholders permission in the general meeting for such corporate guarantee given( note 37(a).



Hon'ble NCLT vide order dt 02.05.2023 has dismissed the claim of Edelweiss ARC Limited of invocation of corporate guarantee of Rs. 317 Crores. Accordingly, the said contingent liability is extinguished.

Further the Auditors Report for the financial year ended, 31st March, 2023 is appended herewith for your kind perusal and information.

**a) The Company has not appointed Chief Financial officer (CFO) for the FY 2022-23. (Note No: 51)**

The company have noted the observation and would like to inform you that a potential candidate is shortlisted, who will be appointed in the month of September 2023.

**b) The Company has not appointed Company Secretary (CS) for the FY 2022-23. (Note 51)**

The company have noted the observation and would like to inform you that a potential candidate is shortlisted, who will be appointed in the month of September 2023.

**c) The Company has not appointed Chief Executive Officer (CEO) for the FY 2022-23. (Note 51)**

The Company is under CIRP and is in the process of appointing the Chief Executive Officer and so looking for a suitable person to look after the Company.

**DETAILS OF FRAUDS REPORTED BY AUDITORS:**

During the period under review, there were no frauds reported to the Central Government by the statutory Auditors under Section 143(12) of the Companies Act, 2013.

**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. Someshwara Rao, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2022-23. The Secretarial Audit Report, pursuant to Section 204(1) of the Companies Act, 2013, for the financial year ended 31st March, 2023 is given in 'Annexure V' attached hereto and forms part of this Report.

## Replies to Qualifications of Secretarial Audit Report for the year 2022-23:

### 1. Appointment of Company Secretary:

The company have noted the observation and would like to inform you that a potential candidate is shortlisted, who will be appointed in the month of September 2023.

### 2. Appointment of Chief Executive Officer:

The Company is under CIRP and is in the process of appointing the Chief Executive Officer and so looking for a suitable person to look after the Company.

### 3. Appointment of Chief Financial Officer:

The company have noted the observation and would like to inform you that a potential candidate is shortlisted, who will be appointed in the month of September 2023.

### 4. Appointment of Internal Auditor under section 138 of the Companies Act, 2013:

The Company is under CIRP and is in the process of appointing the Internal Auditor who is to be appointed under section 138 of the Companies Act, 2013. The company will comply the same at the earliest.

## 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 codes 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 Dr. Govindarajula Venkata Narasimha 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.

## **DEPOSITS:**

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. There are no unpaid or unclaimed deposits as the Company has never accepted deposits within the meaning of the said Act and the rules made there under.

## **MAINTENANCE OF COST RECORDS AND COST AUDIT:**

Pursuant to Section 148 of the Companies Act, 2013 maintenance of Cost records and Cost Audit is not applicable to the Company.

## **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.

#### **SECRETARIAL STANDARDS DISCLOSURE:**

During the year under review the Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

#### **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

#### **DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:**

During the year under review the Company has not made any application and there is no pending proceeding under Insolvency and Bankruptcy Code, 2016.

## DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

During the year under review the Company has not taken any loan from any bank or Financial Institution.

## 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: 08.09.2023**

**Sd/-**

**P. Prabhakar Reddy**

**CMD**

**Sd/-**

**Govindarajula Venkata Narasimha Rao**

**Resolution Professional**

**Sd/-**

**Devraj Govind Raj**

**Director**

**Form No. AOC-I**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statements of subsidiaries/ associate companies/joint ventures as on March 31, 2023.**

<b>Subsidiaries</b>						(Indian Rupees)
<b>Name of the Subsidiary Company</b>	<b>Café De 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 Private Limited</b>	
Capital	2,74,45,300	4,00,00,000	4,66,92,670	1,00,000	3,18,00,000	
Reserves	(15,26,30,947)	(8,78,62,166)	(52,43,017)	(94,736)	(13,79,63,191)	
Total Assets	10,29,69,719	30,49,45,118	7,81,76,215	1,00,000	71,51,26,895	
Total Liabilities	10,29,69,719	30,49,45,118	7,81,76,215	1,00,000	71,51,26,895	
Turnover	6,39,94,241	-	-	-	-	
Profit before taxation/(Loss)	(89,66,809)	(11,800)	(11,500)	(11,500)	(3,91,72,816)	
Provision for taxation	-	-	-	-	-	
Profit/(Loss) after taxation	(89,66,809)	(11,800)	(11,500)	(11,500)	(3,91,72,816)	
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 2023, 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	Rent Expenses	1,19,88,000	9,99,000	Nil

**MANAGEMENT DISCUSSION & ANALYSIS**

**PREAMBLE:**

**ECONOMIC OVERVIEW**

**ECONOMIC OUTLOOK (POST-COVID-19)**

**Global scenario:**

Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. The global economy is poised to slow this year, before rebounding next year. Growth will remain weak by historical standards, as the fight against inflation and Russia's war in Ukraine weigh on activity.

Despite these headwinds, the outlook is less gloomy than in our October forecast, and could represent a turning point, with growth bottoming out and inflation declining.

Economic growth proved surprisingly resilient in the third quarter of last year, with strong labor markets, robust household consumption and business investment, and better-than-expected adaptation to the energy crisis in Europe. Inflation, too, showed improvement, with overall measures now decreasing in most countries—even if core inflation, which excludes more volatile energy and food prices, has yet to peak in many countries.

Elsewhere, China's sudden re-opening paves the way for a rapid rebound in activity. And global financial conditions have improved as inflation pressures started to abate. This, and a weakening of the US dollar from its November high, provided some modest relief to emerging and developing countries.

Accordingly, we have slightly increased our 2022 and 2023 growth forecasts. Global growth will slow from 3.4 percent in 2022 to 2.9 percent in 2023 then rebound to 3.1 percent in 2024.

For advanced economies, the slowdown will be more pronounced, with a decline from 2.7 percent last year to 1.2 percent and 1.4 percent this year and next. Nine out of 10 advanced economies will likely decelerate.

US growth will slow to 1.4 percent in 2023 as Federal Reserve interest-rate hikes work their way through the economy. Euro area conditions are more challenging despite signs of resilience to the energy crisis, a mild winter, and generous fiscal support. With the European Central Bank tightening monetary policy, and a negative terms-of-trade shock—due to the increase in the price of its imported energy—we expect growth to bottom out at 0.7 percent this year.

Emerging market and developing economies have already bottomed out as a group, with growth expected to rise modestly to 4 percent and 4.2 percent this year and next.

The restrictions and COVID-19 outbreaks in China dampened activity last year. With the economy now re-opened, we see growth rebounding to 5.2 percent this year as activity and mobility recover.

India remains a bright spot. Together with China, it will account for half of global growth this year, versus just a tenth for the US and euro area combined. Global inflation is expected to decline this year but even by 2024, projected average annual headline and core inflation will still be above pre-pandemic levels in more than 80 percent of countries.

### **Indian Scenario:**

India's gross domestic product (GDP) has touched the \$3.75 trillion-mark in 2023 so far from around \$2 trillion in 2014, said finance minister Nirmala Sitharaman on June 12. FM Sitharaman has called India a 'bright spot' in the global economy, highlighting its position as the fifth largest economy in the world. At current prices, India's GDP ranks above the UK (\$3,159 billion), France (\$2,924 billion), Canada (\$2,089 billion), Russia (\$1,840 billion), and Australia (\$1,550 billion) at current prices.

Last year, India surpassed UK to become the fifth largest economy and is now only behind US (\$26,854 billion), China (\$19,374 billion), Japan (\$4,410 billion), and Germany (\$4,309 billion) according to projections by the International Monetary Fund (IMF).

Recent government data revealed that India's GDP grew by 6.1 per cent in the fourth quarter of fiscal year 2022-23 beating Street estimates. For the entire fiscal 2022-23, the growth rate came in at 7.2 per cent underscoring the country's economic resilience amid geopolitical conflicts and global headwinds.

Additionally, Chief Economic Advisor Dr V Anantha Nageswaran also lauded the 7.2 per cent growth recorded in the last fiscal and said that this is the first reliable estimate of GDP growth and 'as more and more data become available, further revision will be for upside from 7.2 per cent.'

"Private consumption has caught up with the pre-pandemic trend. It is almost as though the pandemic did not happen hurting consumption of households. The catch up has been swift. Of course, mainly driven by urban consumption," said CEA Nageswaran.

Recently, ratings agency Moody's estimated the Indian economy to clock a 6-6.3 per cent growth in the April-June quarter, while also flagging risks of fiscal slippage arising from weaker-than-expected government revenues in the current fiscal. In an interview with news agency PTI, Moody's Investors Service Associate Managing Director Gene Fang said India has a relatively high level of general government debt at around 81.8 per cent of GDP for 2022-23, and low debt affordability.

## **INDUSTRY INSIGHT**

### **Global Hospitality and Tourism Industry Global tourism**

According to the latest UNWTO World Tourism Barometer, of the year shows that the sector's swift recovery has continued into 2023,

Overall, international arrivals reached 80% of pre-pandemic levels in the first quarter of 2023

An estimated 235 million tourists travelled internationally in the first three months, more than double the same period of 2022.

Tourism has continued to show its resilience. Revised data for 2022 shows over 960 million tourists travelling internationally last year, meaning two-thirds (66%) of pre-pandemic numbers were recovered.

The Middle East saw the strongest performance as the only region exceeding 2019 arrivals (+15%) and the first to recover pre-pandemic numbers in a full quarter.

Europe reached 90% of pre-pandemic levels, driven by strong intra-regional demand.

Africa reached 88% and the Americas about 85% of 2019 levels

Asia and the Pacific accelerated its recovery with 54% of pre-pandemic levels, but this upward trend is set to accelerate now that most destinations, particularly China, have re-opened.

The UNWTO data also analyses recovery by sub-region and by destination: Southern Mediterranean Europe and North Africa have also recovered pre-pandemic levels in Q1 2023, while Western Europe, Northern Europe, Central America and the Caribbean all came close to reaching those levels.

UNWTO Secretary-General Zurab Pololikashvili says: "The start of the year has shown again tourism's unique ability to bounce back. In many places, we are close to or even above pre-pandemic levels of arrivals. However, we must remain alert to challenges ranging from geopolitical insecurity, staffing shortages, and the potential impact of the cost-of-living crisis on tourism, and we must ensure tourism's return delivers on its responsibilities as a solution to the climate emergency and as a driver of inclusive development."

International tourism receipts grew back to hit the USD1 trillion mark in 2022, growing 50% in real terms compared to 2021, driven by the important rebound in international travel. International visitor spending reached 64% of pre-pandemic levels (-36% compared to 2019, measured in real terms). By regions, Europe enjoyed the best results in 2022 with nearly USD 550 billion in tourism receipts (EUR 520 billion), or 87% of pre-pandemic levels. Africa recovered 75% of its pre-pandemic receipts, the Middle East 70% and the Americas 68%. Due to prolonged border shutdowns, Asian destinations earned about 28%.

(Source: UNWTO, Barometer May 2023).

### **Indian Hospitality and Tourism Industry:**

- The Tourism and Hospitality industry in India is one of the largest service industries. Tourism is an integral pillar of the Make in India programme.

- Tourism and Hospitality sector is one of the largest employment generating sector in India.\*
- India is the 8th largest country in terms of contribution to travel & tourism GDP.
- India is ranked 10th out of the top 46 countries in the World in the Medical Tourism Index FY21.
- The travel industry in India is expected to increase to USD 125 Bn by FY27 from its estimated worth of USD 75 Bn in FY20.
- The World Heritage List has 38 sites inscribed which include 30 cultural, 7 natural and 1 mixed category site. There are 3686 monuments/sites under the protection of the Archaeological Survey of India (ASI).
- India is estimated to contribute 250 Bn USD GDP from Tourism, 137 mn jobs in the Tourism sector, 56 bn USD in Foreign Exchange Earnings and 25 mn foreign arrivals are expected to be achieved by 2030.
- By 2029, the Indian tourism sector is likely to grow at 6.7% per annum and achieve 9.2% of GDP with USD 488 bn.

The G-20 Presidency will give India's tourism sector an unparalleled opportunity to highlight India's tourism offerings and share India's tourism success stories on a global stage.\*

Tourism is the third largest foreign exchange earner for the country.

India has a diverse portfolio of niche tourism products which includes cruises, adventure, medical, wellness, sports such as Golf and Polo, MICE (meetings, incentives, conferencing, exhibitions), eco-tourism, film, rural and religious tourism.

The Ministry has put in place a System for Assessment, Awareness and Training in Hospitality Industry (SAATHI) to ensure compliance with COVID 19 Safety and Hygiene guidelines and to ensure safety and health of employees / customers. \*

Gol is making efforts to improve income and employment opportunities of people living around basins through 'Arth Ganga', and cultural tourism in the region. \*

Tourism Ministry has undertaken 'NamasteIndia' Campaign for encouraging International visitors to travel to India. \*

Ministry of Tourism launched the National Strategy for Sustainable Tourism and Responsible Traveller Campaign that identifies the strategic pillars for the development of sustainable tourism like Promoting Environmental Sustainability, Protecting Biodiversity, Promoting Economic Sustainability, Promoting Socio-Cultural Sustainability, Scheme for Certification of Sustainable Tourism, IEC and Capacity Building and Governance.\*

Tourism Ministry has formulated National Strategy for Adventure Tourism to promote India as a preferred adventure tourism destination globally.

Foreign tourist arrivals (FTAs) in India, as per statistics provided by the Ministry of Tourism, averages at more than 6.19 million during the year. FTAs in March, 2023 were 7,95,827 with a positive growth rate of 132.5% as compared to 3,42,308 in March, 2022. FTAs during the period January- March, 2023 were 25,29,766 as compared to 7,84,750 in January-March, 2022 registering a positive growth of 222.4%.

### **Management Analysis and Review on its Business:**

The domestic travel, weddings, social and leisure sector as expected has started to pick up. It remains to be seen how the corporate segment responds amid constant lock downs and a culture of work from home.

Management is undertaking various cost saving initiatives to conserve cash. The economic impact of the pandemic is highly dependent on variables that are difficult to predict. The Company is keeping a close watch on the developments and is constantly evolving its strategy based on the situation. The Company has carried out a risk assessment and it does not foresee any disruption in raw material supplies or any incremental risk on recoverability of assets.

### **Financial and Operating Performance:**

The total revenue from operations of the Company for the year was recorded at Rs. 9875.30 Lakhs for the period ended March 31, 2023 as against Rs. 4697.61 Lakhs for the previous year ended March 31, 2022. On an annualized basis, turnover for the current period ended March 31, 2022 increased by 47.56% percent as compared to the previous period.

### **Internal Control Systems and Their Adequacy**

Adequate internal controls have been laid down by the Company to safeguard and protect its assets as well as to improve the overall productivity of its operations. The Internal Audit Department of the Company together with Internal Auditors.

### **Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo [Pursuant to Companies (Accounts) Rules, 2014]:**

A. Conservation of Energy: The Company has a longstanding history of stewardship through efficient management of all its assets and resources. The Company's conscious efforts are aligned with safeguarding the communities and environment at the heart of doing business. In this rapidly transforming world, our sustainability goals will certainly evolve as our industry grow and as per the needs arising in the society.

B. Technology Absorption: There is no material information on technology absorption to be furnished. The Company continues to adopt and use the latest technologies to improve the efficiency and effectiveness of its business operations

## **Cautionary Statement**

Statements contained in the Management Discussion and Analysis describing the Company's estimates, projections and expectations are forward looking statements and based upon certain assumptions and expectations of future events over which the Company has no control and which could cause actual results to differ materially from those reflected in such statements. Readers should carefully review other information in this Annual Report and in the Company's periodic reports. The Company undertakes no obligation to update or revise any of these futuristic statements, whether as a result of new information, future events, or otherwise.

The Board takes this opportunity to thank all employees for their unwavering commitment to guests and the organisation and for their dedication and co-operation.

**ANNEXURE-IV**  
**REPORT ON CORPORATE GOVERNANCE**

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

Your Company appreciates the system of Corporate Governance, 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 Dr. Govindarajula Venkata Narasimha Rao, Resolution Professional. The management of the affairs of VHL has been vested with Dr. Govindarajula Venkata Narasimha 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 Dr. Govindarajula Venkata Narasimha Rao, Resolution***



**Professional. The management of the affairs of VHL has been vested with Dr. Govindarajula Venkata Narasimha 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 2022-23	Attended AGM held on 30.12.2022	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)	5	No	Nil	1	2	Nil
Mrs. P. Kameswari DIN: 01587727	Former Non-Executive Director (Promoter)	Nil	No	Nil	1	2	Nil
Mr. Devraj Govind Raj DIN: 07526450	Former Non-Executive Director (Independent)	Nil	No	Nil	1	2	Nil
Mr. Narasimha Rao Koppuravuri DIN: 01475473	Former Non-Executive Director (Independent)	Nil	No	Nil	Nil	2	Nil

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

#### Composition of the Board

- i. As on 31<sup>st</sup> March, 2023, the suspended Viceroy's Board consists of 4 Directors of whom 2 (Two) are Independent Directors.
- ii. There are no pecuniary relationships or transactions with Independent Non-Executive Directors except for sitting fees paid for attending Board and other Committee Meetings.

- iii. The Board of Directors (RP) met Five (5) times during the financial year 2022-23. These were held on 30th May 2022, 10th August 2022, 14th November 2022, 05th December 2022 and 10th February 2023, the maximum gap between any two meetings did not exceed 120 days.
- iv. None of the Directors on the board is a member in more than 10 committees or Chairman in more than 5 committees, across all the companies in which he is a director.
- v. None of the Directors serves as an independent Director in more than seven Listed Companies.
- vi. The names and categories of Directors on the Board, their attendance at the Board Meeting and at the Annual General Meeting and details of other directorships, committee chairmanships/memberships held by the Directors in other committees during the year are as follows:

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

#### **Relationship of Directors with Other Directors:**

Mr. P. Prabhakar Reddy, Chairman and Managing Director of the Company and Mrs. P. Kameswari, Director of the Company are related being husband and wife. Except these, no Director is related to any other director on the Board.

#### **NUMBER OF SHARES HELD BY DIRECTORS**

<b>Name of the Director</b>	<b>Designation</b>	<b>No. of Shares held</b>
Mr. P. Prabhakar Reddy	Former Chairman and Managing Director – Executive Director (Promoter)	7,98,165
Mr. Narasimha Rao Koppuravuri	Former Non-Executive Director (Independent)	Nil
Mrs. P. Kameswari	Former Non-Executive Director (Promoter)	18,51,000
Mr. DevrajGovind 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 30th May 2022, 10th August 2022, 14th November 2022 and 10th February 2023.

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:

<b>Name</b>	<b>Designation in the committee</b>	<b>Category of Directorship</b>	<b>No. of meetings attended</b>
Mr. Devraj Govind Raj	Member	Non-Executive Director (Independent)	-
Mr. P. Prabhakar Reddy	Member	Executive Director	4
Mrs. P. kameswari	Member	Non-Executive Director	-
Mr. Narasimha Rao Koppuravuri	Member	Non-Executive Director (Independent)	-

#### **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 being 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, 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 2022-23, No Meetings were 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

<b>Name of the Director</b>	<b>Relationship with other Directors</b>	<b>Sitting Fees (Rs.)</b>	<b>Total (Rs.)</b>
Mr. Devraj Govind Raj	Nil	Nil	Nil
Mr. P. Prabhakar Reddy	Related to Ms. P Kameswari	Nil	Nil
Mrs. P. kameswari	Related to Mr. P. Prabhakar Reddy	Nil	Nil
Mr. Narasimha Rao Koppuravuri	Nil	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 2022-23 (Amount in Rs.)		
					Sitting fees	Salary	Commission
P. Prabhakar Reddy	Related to Mrs. P.Kameswari	Promoter	Nil	Nil	Nil	Nil	Nil

The details with respect to criteria for making payments to non-executive directors are available on the company's website

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

#### **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.

During the financial year 2022-23, No meetings were held.

#### **Composition of the Committee:**

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



<b>Name</b>	<b>Designation in the committee</b>	<b>Category of Directorship</b>
Mr. DevrajGovind Raj	Member	Non-Executive Director (Independent)
Mr. P. Prabhakar Reddy	Member	Non-Executive Director
Mrs. P. kameswari	Member	Non-Executive Director (Independent)

Mr. M. Sreedhar Singh, CEO of the Company has been superannuated w.e.f 30.05.2022.

However, in the Board Meeting (RP) held on 10<sup>th</sup> August, 2022, Ms. N Sharon Sneha, has resigned to the post of the Company Secretary/ Compliance Officer of the Company.

The Company has designated exclusive e-mail Id called [secretarial@viceroypalaces.in](mailto:secretarial@viceroypalaces.in) 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., 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, However RTA ceased to provide services from third Quarter of the Financial Year due to Company's default in payment of their Professional Fees.

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 the reconciliation 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 was carried out by Ms. Soumya Dafthardar, Practicing Company Secretary (Membership No. 11754) for the Quarter ending June, 2022, September 2022, December 2022 and March, 2023.

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 31<sup>st</sup> March, 2023, 41043873 number of Equity Shares of Rs. 10 each representing 96.79% 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 2022-23, 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
2021-22	Audio Video Conference	30-12-2022 at 3.00 PM
2020-21	Audio Video Conference	30-12-2021 at 3.00 PM
2019-20	Audio Video Conference	28-09-2020 at 3.00 PM

## b) Special Resolutions passed in the previous 3 Annual General Meetings

No Special Resolutions were passed in the previous Annual General Meetings held for the Financial Year 2019-20, 2020-21 and 2021-22.

- 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. In the Financial Year 2021- 2022, The Company had appointed Ms. Soumya Dafthardar, Practicing Company Secretary as Scrutinizer for conducting e-voting and as well poll at Annual General Meeting. Ms. Soumya Dafthardar, Scrutinizer submitted her combined report to the Chairman after completion of scrutiny and the results were then announced and sent to the Stock Exchanges and 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) The Company being in distress due to lack of Funds, Pre and Post Pandemic conditions, could not able to comply with some of the mandatory requirements of SEBI (LODR) Regulations, 2015.

## 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>58<sup>th</sup> Annual General Meeting</b>
	Annual General Meeting Date, Time and Venue	Saturday, 30 <sup>th</sup> September, 2023 at 3.00 PM through Video Conference ("VC")/ Other Audio Visual Means ("OAVM")
b	Book Closure Date	<b>24<sup>th</sup> September, 2023 to 30<sup>th</sup> September, 2023</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 <a href="http://www.viceroyhotels.in">www.viceroyhotels.in</a>	
f	Listing on Stock Exchanges	<b>National Stock Exchange of India Ltd</b> Exchange Plaza, C-1, Block G, BandraKurla Complex, Bandra (E) Mumbai – 400 051	<b>BSE Limited</b> Phiroze Jeejabhoy Towers Dalal Street, Fort Mumbai - 400 001
g	Stock ID/Code	NSE: <b>VICEROY</b> ; BSE: <b>523796</b>	
h	ISIN	<b>EQUITY : INE048C01017 (listed on BSE &amp; NSE)</b> <b>DEBENTURES: INE984T07014 (listed on BSE)</b>	
i	Listing Fee for FY 2022-23	<b>Paid</b>	

## Stock Price Information

### J Stock Price Data:

Month	BSE			NSE		
	High	Low	No. of Shares In Lakhs	High	Low	No. of Shares In lakhs
Apr-22	4.25	3.04	3.32	4.25	3.00	3.32
May-22	3.85	3.18	1.65	3.80	3.20	1.65
Jun-22	3.65	2.09	6.34	3.55	2.05	6.34
Jul-22	2.12	1.52	18.29	2.10	1.55	18.29
Aug-22	1.90	1.64	1.74	1.85	1.70	1.74
Sep-22	2.89	1.71	6.45	2.80	1.70	6.45
Oct-22	2.50	2.06	0.17	2.60	2.10	0.17
Nov-22	2.24	1.67	7.19	2.10	1.70	7.19

Dec-22	1.93	1.67	4.03	1.85	1.70	4.03
Jan-23	2.60	1.63	7.79	2.55	1.70	7.79
Feb-23	2.71	2.01	2.79	2.70	2.05	2.79
Mar-23	2.50	2.21	0.39	2.50	2.50	0.39

**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. Aarthi 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):**

Aarthi Consultants Private Limited  
1-2-285, Domalaguda, Hyderabad- 500029  
Phones: 040-27638111, 040-66611921;  
Fax: 040-27632184  
Email: info@arthiconsultants.com;  
Website: [www.arthiconsultants.com](http://www.arthiconsultants.com)

**m) Shareholding Pattern as on March 31, 2023**

<b>Category</b>	<b>No. of Shares</b>	<b>Percentage</b>
Promoters	5687781	13.41
Financial Institutions / Banks	10100	0.02
NBFCs registered with RBI	250	0.00
Bodies Corporate – Indian	2571184	6.06
Bodies Corporate – Foreign	0	0.00
NRIs	535673	1.26
Mutual Funds	0	0.00
Indian Public	33543526	79.2
Trusts	50203	0.12
Clearing Members	6507	0.02
Others	0	0
<b>Total</b>	<b>4,24,05,224</b>	<b>100</b>

**n) Distribution of Shareholding as on March 31, 2023**

<b>SL NO</b>	<b>CATEGORY</b>	<b>HOLDERS</b>	<b>HOLDERS PERCENTAGE</b>	<b>SHARES</b>	<b>AMOUNT</b>	<b>AMOUNT PERCENTAGE</b>
1	1 - 5000	27834	96.87	13574925	135749250	32.01
2	5001 - 10000	491	1.71	3739046	37390460	8.82
3	10001 - 20000	197	0.68	2744583	27445830	6.47
4	20001 - 30000	84	0.29	2098119	20981190	4.95
5	30001 - 40000	31	0.11	1089173	10891730	2.57
6	40001 - 50000	21	0.07	975936	9759360	2.30
7	50001 - 100000	39	0.14	2665806	26658060	6.29
8	100001 & Above	37	0.13	15517636	155176360	36.59
	<b>Total:</b>	<b>28734</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, 2023, 96.79% of the totals shares of the Company have been dematerialized.

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

As on March 31, 2023 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 & Waterfront 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:

**Registrar and Share Transfer Agents (RTA):**

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

**Company:**

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



Registration of e-mail Id for servicing of documents by the Company under the Companies Act, 2013:

Members holding shares in dematerialized form are requested to provide/refresh/update their email address with their respective Depository Participants (DPs) and members holding shares in physical form and who are desirous of receiving the Annual Reports / communication / documents in electronic form are requested to provide their email address to [gogreen\\_phl@aarthiconsultants.com](mailto:gogreen_phl@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.

**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, Dr. Govindarajula Venkata Narasimha Rao, Resolution Professional 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 2022-23 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 2022-23, 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 2022-23.

(ii) significant changes in accounting policies during the year 2022-23 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: 08.09.2023

Sd/-  
**Dr. Govindarajula Venkata Narasimha Rao**  
**Resolution Professional for Viceroy Hotels Limited**  
**IP Registration No. IBBI/IPA-003/IP-N00093/2017-18/10893**

## **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, 2023 as envisaged in the Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Hyderabad  
Date : 08.09.2023

**For Viceroy Hotels Limited**

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

**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 Dr. Govindarajula Venkata Narasimha Rao, 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 : 08.09.2023

Sd/-  
**Dr. Govindarajula Venkata Narasimha Rao**  
Resolution Professional in the matter of  
M/s Viceroy Hotels Ltd  
Regn no. IBBI/IPA-003/IP-N00093/2017-18/10893  
Email ID: Raogvn@gmail.com

# ARS & Associates Company Secretaries LLP

(LLP Regd. No. AAG-3878)

## CERTIFICATE OF CORPORATE GOVERNANCE

Under Regulation 34(3) read with Schedule V (E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

To  
**The Members of  
Viceroy Hotels Limited  
Hyderabad.**

1. The Corporate Governance Report prepared by 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, 2023. 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

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Phone : 040- 6662 3101

**Branch Office :** Plot No. 250, Opp. Darpan Boutique, Near Birla Mandir,  
Adarsh Nagar, Hyderabad-500063.  
Ph: 040-23242325/26, Cell : 9848024525

# ARS & Associates Company Secretaries LLP

(LLP Regd. No. AAG-3878)

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

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# ARS & Associates Company Secretaries LLP

(LLP Regd. No. AAG-3878)

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, 2023 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.

For **ARS & Associates Companies Secretaries LLP**

  


**DAFTHARDAR SOUMYA**

Designated Partner

FCS No.: 11754

C P No.: 13199

Date: 07/09/2023

Place: Hyderabad

UDIN: F011754E000963144

7702227041 | mail@arscallp.com

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+91-8142 6789 63  
**Email:** somesh\_a2000@yahoo.com  
somesha2000@gmail.com



**A. Someswara Rao**  
B.Com., LL.B., ACS  
Practicing Company Secretary

**A. SOMESWARA RAO & ASSOCIATES**  
Company Secretaries

Form No. MR-3

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

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2023**

To  
The Members,  
VICEROY HOTELS LIMITED  
Plot No.20, Sector-I, Survey No.64,  
4th Floor, HUDA Techno Enclave  
Hyderabad TG 500081

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other documents/ records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company and relied on the information provided by the management and its officers for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- III. The Depositories Act, 1996 and the Regulations and byelaws framed there under;
- IV. The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-

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- (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

I have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) which the Company is in process of adopting.

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

**Under Companies Act, 2013:**

- 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 the 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.

**PENDING COMPLIANCES AS UNDER SEBI REGULATIONS & RULES**

- 01. Appointment of Company Secretary
- 02. Appointment of Chief Executive Officer
- 03. Appointment of Chief Financial Officer
- 04. Appointment of internal auditor under section 138 of the companies act 2013

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**I further report that**

- A. The Board of Directors of the Company was constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors- **NOT APPLICABLE**- as 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.
- B. 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- **NOT APPLICABLE** as 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.

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.- **NOT APPLICABLE** as 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

Based on the information, documents provided and the representations made by the Company, its officers during my audit process in my opinion, there are adequate systems and processes exist in the Company commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The compliance by the Company of the applicable financial laws, labour laws, filing of periodical returns, maintenance of financial records and books of accounts have not been reviewed by us since the same have been subject to review by Statutory Auditors, Internal Auditors and other professionals.

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 not held during the audit period.

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- b) Audit Committee meeting were held on 30<sup>th</sup> May 2022, 10<sup>th</sup> August 2022, 14<sup>th</sup> November 2022 and 10<sup>th</sup> February 2023
- c) Board of Directors meetings were held 30<sup>th</sup> May 2022, , 10<sup>th</sup> August 2022, , 14<sup>th</sup> November 2022, , 05<sup>th</sup> December 2022 and 10<sup>th</sup> February 2023

Date:09/08/2023  
Place: Hyderabad

*A. Someswara Rao*  
A. Someswara Rao & Associates  
Company Secretary in Practice  
ACS No.: 18979  
C P No.: 19530  
UDIN: A018979E000768585  
Peer Review No: S2012AN193800



NOTE: This report is to be read with my letter of even date which is annexed as 'Annexure' and forms an integral part of this report.

'Annexure'

To,  
The Members,  
VICEROY HOTELS LIMITED

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of applicable laws, rules and regulations etc.
5. The compliance of the provisions of Companies Act, 2013 and other applicable laws, Rules, Regulations, secretarial standards issued by ICSI is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. I further report that, based on the information provided by the Company, its officers, authorized representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/ Company Secretary/ Managing Director taken on record by the Board of the Company, in my opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws and Data protection policy.
8. I further report that the compliance by the Company of applicable fiscal laws like Direct & Indirect tax laws have not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

Date:09/08/2023  
Place: Hyderabad

*A. Someswara Rao*

A. Someswara Rao & Associates  
Company Secretary in Practice  
ACS No.: 18979  
C P No.: 19530  
UDIN: A018979E000768585



## 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 suspended Board of Director, Chief Executive Officer, Chief Financial Officer and Company Secretary, ratio of the remuneration of each Director to the median remuneration of the employees of the company and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Name	Designation	Remuneration of Director KMP for the financial year 2022-23 (Amount in Rs.)	Ratio of Remuneration of each Director to median remuneration of employees	% increase in Remuneration in the financial year 2022-23
Mr. P. Prabhakar Reddy	Chairman and Managing Director	Nil	Nil	Nil
Mrs. P. Kameswari	Director	Nil	Nil	Nil
Mr. Govindrajan Devraj	Independent Director	Nil	Nil	Nil

ii. The median remuneration of employees' of the Company during the financial year was Rs.366,492/-

iii. The percentage increase in the median remuneration of employees in the financial year ending 31st March, 2023 : 44.9%

iv. There were 366 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2023.

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 Rule5 (2) of Section197 (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 FY 2022-23	Nature of employment	Qualification	Date of commencement in 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	AMIT SACHDEVA	CLUSTER GENERAL MANAGER	6046438.00	Permanent	Bachelors in Hotel Management	6-Jul-22	44	DLF Limited	Nil	NO
2	A K SUDEESH NAIR	MULTI PROPERTY DIRECTOR OF FINANCE	3889555.00	Permanent	Bachelor of Commerce	15-NOV-2021	52	Crown Plaza	Nil	NO
3	ANJALI NAIK	DIRECTOR OF SALES & MARKETING	3532801.00	Permanent	Bachelors in Hotel Management	07-DEC-2018	42	Weligama Bay Marriott Resort & Spa	Nil	NO

4	KIRANPREET KAUR	MULTI PROPE RTY DIRECT OR OF HUMAN RESOU RCES	1764417.00	Permane nt	Post Graduate Diploma in Business Management	30-08-2022	39	Raffles Udaipur	Nil	NO
5	SUBHASH CHAND	EXECU TIVE HOUSE KEEPE R	1278754.00	Permane nt	Bachelor of Commerce	25-Jun-22	42	Le Meridie n Mahaba leshwar	Nil	NO
6	BALVINDE R PAL SINGH LUBANA	EXECU TIVE CHEF	2891220.00	Permane nt	BHMCT	10-NO V-2021	36	Courtya rd by Marriott Gurugr am	Nil	NO
7	TANAY SHANKAR KALA	FOOD & BEVER AGE MANAG ER	107102.00	Permane nt	Diploma in Hotel Management	27-Feb -23	37	Westin Powai Mumbai	Nil	NO
8	SAUMIK SUR	ROOMS DIVISIO N MANAG ER	186103.00	Permane nt	Diploma in Hotel Management	16-Feb -23	38	JW Marriott Chadni garh	Nil	NO
9	RANJIT SADASHIV SHIRGAON KAR	DIRECT OR OF ENGIN EERIN G	1684595.00	Permane nt	Diploma in Mechanical	21-NO V-2019	54	The Orchid Mumbai	Nil	NO

10	VANAPART I SREENIVAS	DIRECTOR OF LOSS PREVENTION	1607791.0 0	Permanent	Diploma in Pharmacy and Diploma in Fire and Safety	01- DE C- 202 1	50	Green Park	Nil	NO
11	SHAIK KHAJA MOINUDDIN	MULTI PROPERTY IT MANAGER	526446.00	Permanent	B.COM COMPUTERS	14- 08- 199 3	30	Le Meridien Hyderabad	Nil	NO
12	ASHWIN SUNIL VAIDYA	DIRECTOR OF OPERATIONS	2168376.0 0	Permanent	Bachelors in Hotel Management	10- Oct- 22	37	Grand Hyatt Mumbai	Nil	NO

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



## INDEPENDENT AUDITOR'S REPORT

To,

**The Members of M/s VICEROY HOTELS LIMITED**

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

### **Qualified Opinion**

We have audited the accompanying Ind AS Standalone Financial Statements of M/s **VICEROY HOTELS LIMITED** ("the company"), which comprise the Balance Sheet as at 31st March, 2023, 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, 2023 and its Profit including other 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.

**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 and FY 2020-21 is Rs.600.05 lakhs and FY 2021-22 is Rs.600.24 Lakhs and FY 2022-23 is Rs.600.02 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.48)

**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.44)

**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. However, Hon'ble NCLT, Hyderabad has rejected the resolution plan. The case is pending with Hon'ble NCLAT. The Hon'ble NCLT, Hyderabad appointed Dr G.V. Narasimha Rao as new Resolution Professional for conducting Corporate Insolvency Resolution Process vide order dated April 13, 2023.

Pursuant to COC's approval of resolution plan dated 29.09.2022 submitted by successful resolution applicant, RP has filed an application for approval of resolution plan before Hon'ble NCLT on 11.11.2022. The Contours of the resolution plan were presented before the Hon'ble NCLT bench and the matter is reserved for orders. (Note No.42)

**e) NCLAT:** The Appeal has been filed by IARC seeking to set aside the order of the Hyd NCLT rejecting the Resolution Plan of CFM ARC dated 01-Sep-2021. Both IARC and RP have completed the pleadings and written submissions the primary issue being whether an ARC is disqualified to be a Resolution Applicant. CFM has filed an affidavit in this Appeal seeking to withdraw its Plan and have the Performance Bank Guarantee returned. The NCLAT has passed 2 interim orders one directing the RP to keep the CD as a going concern and the other to have the PBG extended. The next hearing is posted for dated 21st June 2023. (Note No.43)

**f) Loans from Banks or Financial Institutions:** During the 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 (IND AS). Confirmations from Banks/Financial Institutions are not yet received. Due to the non-provision of interest in the financial statements; the financial statements won't give a true and fair view in this regard. (Note No.51)

**g) 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 31-03-2023.

S.No	Particulars	Amount in Rs.
1	TDS	3,34,20,321/-
2	PT	2,56,000/-
	Total	3,36,76,321/-

**h) 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 No.46)

**i) 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 on the profit and loss account for the F.Y 2106-17 and on the balance sheet.(Note No.28)

**j) In respect of investments, loans and advances and Corporate Guarantees given to subsidiaries that have significant accumulated Losses as at March 31st 2023, and the Loans and advances given to those subsidiaries. Based on management's internal assessment, the management of the Company is of the view that the carrying value of the investments and provision of Impairment on Investments in its subsidiary Companies as at March 31, 2023 is appropriate in the accompanying consolidated Ind AS financial statements. In absence of fair valuation of these investments, 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.52)**

**k) 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 31-03-2023. As per the information submitted by the company to us the following are the cases pending at different levels. (Note No: 37)

Name of Statute	Nature of Dues	Section under which order passed	Amount (Rs)	Period to which it relates	Case is pending at
Income Act, 1961	Income Tax	154	Rs.44,78,07,687/-	A.Y 2014-15	Commissioner of Income Tax (Appeals)
Income Act, 1961	Income Tax	143(3)	Rs.67,48,29,450/-	A.Y 2014-15	Commissioner of Income Tax (Appeals)
Income Act, 1961	Income Tax	143(3)	Rs.9,20,44,470/-	A.Y 2016-17	Commissioner of Income Tax (Appeals)
Income 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 (Commr) dt.23.04.2012	OIO No.HYD-EXCUS-000-C 21-16-17 dt.25.05.2016	2006-07 to 2010	7,31,65,038/-
2	O.R.No. 54/2013-Adjn (Commr) dt.18.06.2013	OIO No.HYD-EXCUS-000-C 22-16-17 dt.25.05.2016	April, 2011 March, 2012	2,41,663/-
3	O.R.No. 84/2013-Adjn (Commr) dt.19.05.2014	OIO No.HYD-EXCUS-000-C 23-16-17 dt.25.05.2016	April, 2012 to ] 2012	2,85,941/-
4	O.R.No. 164/2014-Adjn (Commr) dt.26.09.2014	OIO No.HYD-EXCUS-000-C 24-16-17 dt.25.05.2016	July, 2012 to M 2013	26,01,002/-

5	O.R.No. 45/2015-Adjn (Commr) dt.16.04.2015	OIO No.HYD-EXCUS-000-C 25-16-17 dt.25.05.2016	April, 2013 March, 2014	40,29,335/-
6	O.R.No. 73/2016-Adjn (ST) dt.30.08.2016	OIA No. HYD-SVTAX-000- 0236-17-18 dt.24.11.2017	July, 2012 to M 2015	13,14,253
7	O.R No.82/2016-Adjn Commr. Dt.22.04.16	OIO No.07/201 dt.19.05.2017	April, 2014 March, 2015	45,26,905/-
8	F.No.DRI/CZU/HRU/26B NQ-08 (INT-7)/ dt.29.12.2016	OIO No.68847/ 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- 0125-18-19 ST dt.26.03.2019	April 2015 to M 2016	20,13,146/-
10	C.No.V/15/12/2018-Adjn dt.29.10.2018	OIO No.15/2018 dt.30.01.201	April 2016 to 2017	15,15,857/-

Luxury Tax/ Sales Tax

S.No	Arrear Notice issued office of the Assis Commissioner(ST) Gandhinagar Circle Hyd	Period	Demand	Issue	Luxury 50% Paid
1	15.02.2019	2011-12	7,95,429	Dispute of of Luxury Ta Service Tax	3,97,715
2	15.02.2019	2012-13	10,77,592	Dispute of of Luxury Ta Service Tax	5,38,796
3	15.02.2019	2013-14	7,58,952	Dispute of of Luxury Ta Service Tax	3,79,476

4	15.02.2019	2010-11 2012-13 (31.10.2012) 1.2012 30.09.2013	15,88,152	Disputed ar against completion Revision Assessment U/VAT Act	0.00
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**l) 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 2022-23.(Note No:49)

**m) Corporate Guarantee:** The Company has given corporate guarantee for an amount of Rs.317 crores to Edelweiss Asset Reconstruction Company Limited in respect of loans taken by Viceroy Bangalore Hotels Limited which is violating the provisions Specified U/s 186 of The Companies Act 2013. The company has not obtained shareholders permission(special resolution) in the general meeting for such corporate guarantee given.

**n) The Company has not appointed Chief Financial officer (CFO) for the FY 2022-23.(Note No:47)**

**o) The Company has not appointed Company Secretary (CS) for the FY 2022-23. (Note 50)**

**p) The Company has not appointed Chief Executive Officer (CEO) for the FY 2022-23. (Note 50)**

**q) The company has not obtained Acturial Valuation Report for Gratuity and Leave Encashment as per IND AS which effects the Other Comprehensive Income**



component of Profit and loss account and Balance Sheet.

### **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)(i) 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, 2020 ("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 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. However, Hon'ble NCLT, Hyderabad has rejected the resolution plan. The case is pending with Hon'ble NCLAT. The Hon'ble NCLT, Hyderabad appointed Dr. G.V. Narasimha Rao as new Resolution Professional for conducting Corporate Insolvency Resolution Process vide order dated April 13, 2023.

Pursuant to COC's approval of resolution plan dated 29.09.2022 submitted by successful resolution applicant, RP has filed an application for approval of resolution plan before Hon'ble NCLT on 11.11.2022. The Contours of the resolution plan were presented before the Hon'ble NCLT bench and the matter is reserved for orders.

- 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 Chief Financial Officer (CFO) for the F.Y2022-23.
  - v. The Company has not appointed Company Secretary (CS) and Chief Executive Officer (CEO) for the FY 2022-23.

**For P C N & Associates,**

**Chartered Accountants,**

**Firm Registration no: 016016S**

**Sd/-**

**K. Gopala Krishna**

**Partner**

**Membership No. 0203605**

**Place: Hyderabad**

**Date:29.05.2023**

**UDIN: 23203605BGRTP6924**

## **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) (a) (A) The Company has not maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company does not have any Intangible Assets. Accordingly, this clause of the Order is not applicable.
  - (b) As per the information and explanations given by the management, the Property, Plant and Equipment have not 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 Property, Plant and Equipment; we are unable to ascertain the verification of Property, Plant and Equipment 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 deed of all immovable property are not held in the name of Viceroy Hotels Limited and it is disclosed in notes to financial statements( Note N.o 41).
  - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment(including Right of Use assets) or intangible assets or both during the year.
  - (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.
- ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage

as followed by the management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, clause 3(iii) of the Order is not applicable to the Company.
- iv) The Company has not granted any loans or made any Investments, or provided any guarantee or security to the parties covered under section 185 and 186 of the Act during the year.
- v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.
- vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of The Companies Act, 2013.
- vii) a) According to the information and explanations given to us and based on the records of the company examined by us, the company is not regular in depositing the undisputed statutory dues namely, Provident Fund, Employees' State Insurance, Income-tax, with the appropriate authorities in India. There were undisputed amounts payable as on March 31, 2023 for a period of more than 6 months from the date they became payable as given below:



S.No	Particulars	Amount in Rs.
1	TDS	3,34,20,321/-
2	PT	2,56,000/-
	Total	3,36,76,321/-

(b) According to the information and explanations given to us and based on the records of the company examined by us, the following are the dues which have not been deposited on account of disputes as follows-

**Income Tax:-**

Name of Statute	Nature Dues	Section	Amount (Rs)	Period to which relates	Case is pending
Income Tax 1961	Income Tax	154	Rs.44,78,07,687/-	A.Y 2014-15	Commissioner Income (Appeals)
Income Tax 1961	Income Tax	143(3)	Rs.67,48,29,450/-	A.Y 2014-15	Commissioner Income (Appeals)
Income Tax 1961	Income Tax	143(3)	Rs.9,20,44,470/-	A.Y 2016-17	Commissioner Income (Appeals)
Income Tax 1961	Income Tax	143(3)	Rs.9,14,07,210/-	A.Y 2017-18	Commissioner Income (Appeals)

**Service Tax:-**

Sl. No	SCN O.R. No.	OIO/OIA No. and Date	Period	Demand (Rs.)
1	O.R. No.95/2012-Adjn (Commr) dt.23.04.2012	OIO No.HYD-EXCUS COM-21-16-17 dt.25.05.201	2006-07 to 2010-	7,31,65,038/-
2	O.R.No. 54/2013-Adjn (Commr) dt.18.06.2013	OIO No.HYD-EXCUS COM-22-16-17 dt.25.05.201	April, 2011 March, 2012	2,41,663/-
3	O.R.No. 84/2013-Adjn (Commr) dt.19.05.2014	OIO No.HYD-EXCUS COM-23-16-17 dt.25.05.201	April, 2012 to J 2012	2,85,941/-
4	O.R.No. 164/2014-Adjn (Commr) dt.26.09.2014	OIO No.HYD-EXCUS COM-24-16-17 dt.25.05.201	July, 2012 to M 2013	26,01,002/-
5	O.R.No. 45/2015-Adjn (Commr) dt.16.04.2015	OIO No.HYD-EXCUS COM-25-16-17 dt.25.05.201	April, 2013 March, 2014	40,29,335/-
6	O.R.No. 73/2016-Adjn (ST) dt.30.08.2016	OIA No. HYD-SVTAX AP2-0236-17-18 dt.24.11.20	July, 2012 to M 2015	13,14,253
7	O.R No.82/2016-Adjn Commr. Dt.22.04.16	OIO No.07/201 dt.19.05.2017	April, 2014 March, 2015	45,26,905/-
8	F.No.DRI/CZU/HRU/26B NQ-08 (INT-7)/ dt.29.12.2016	OIO No.68847/ 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 AP2-0125-18-19 dt.26.03.2019	April 2015 to M 2016	20,13,146/-
10	C.No.V/15/12/2018-Adjn dt.29.10.2018	OIO No.15/2018 dt.30.01.2	April 2016 to 2017	15,15,857/-
11	O.R.No.57/2018-19-GST-SF Adjn-JC dt.15.11.2018		October 2015 June 2017	1,25,84,491/-

**Luxury/ Sales tax:-**

S.No	Arrear Notice issued office of the Assis Commissioner(ST) Gandhinagar Circle Hyc	Period	Demand	Issue	Luxury 50% Paid
1	15.02.2019	2011-12	7,95,429	Dispute of Lev Luxury Tax Service Tax	3,97,715
2	15.02.2019	2012-13	10,77,592	Dispute of Lev Luxury Tax Service Tax	5,38,796
3	15.02.2019	2013-14	7,58,952	Dispute of Lev Luxury Tax Service Tax	3,79,476
4	15.02.2019	2010-11 2012-13 ( 31.10.2012) 1.2012 30.09.2013	15,88,152	Disputed ar against complet Revision Assessment U/ Act	-

- viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix) 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 31-03-2023 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 the financial year 2012-13.(Note no.39)

<b>Name of the Bank/Institution</b>	<b>Principle Due</b>	<b>Interest Due</b>	<b>Total Dues</b>
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 havenot yet received confirmations from Banks/ Financial institutions/Asset Reconstruction companies for the above outstanding balances.

- b) The company has not been declared as wilful defaulter by the above banks/Financial institutions.
- c) We have not yet received any corroborative evidence regarding whether the above loans were applied only for those purposes for which the loans were obtained or not.
- d) We have not yet received any information whether the above term loans were raised for short term basis or long term basis.
- e) We have not yet received any information whether the company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures or not.
- f) According to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly this clause is not applicable to the company.

- x) a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the year under consideration. Accordingly, the provisions of this clause are not applicable to the company.  
b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xi) a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.  
b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.  
c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- 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 Indian Accounting standards(Refer Note no. 40)
- xiv) a) Based on information and explanations given to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of the business.  
  
b) We have considered the internal audit reports of the company issued till date for the period under audit.

- xv) In our opinion and according to the information and explanations given to us, 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. Accordingly, clause 3(xvi) of the Order is not applicable.
- xvii) The Company has incurred cash losses during the immediately preceding financial year but has not incurred any cash losses during the current financial year.

**Cash loss for the FY 2021-22**

<b>Particulars</b>	<b>FY 2021-22</b>
<b>Net Profit/(Loss) during the year</b>	(9,84,55,034)/-
<b>Add/(Less):</b>	
Deferred tax	82,28,738
Depreciation	8,49,95,108
<b>Total Cash loss</b>	<b>(52,31,459)/-</b>

- xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, there is an existence of material uncertainties as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet. 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 with such adjustments for

the F.Y 2022-23. We, however, state that this is not an assurance as to the future viability of the Company.

- xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

**Sd/-**

**K. Gopala Krishna**

**Partner**

**Membership No. 0203605**

**Place: Hyderabad**

**Date: 29.05.2023**

**UDIN: 23203605BGRTP6924**

## **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, 2023 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 maintain PPE register for the FY-2022-23.
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 Chief Financial Officer (CFO) for the F.Y 2022-23
5. The Company has not appointed Chief Executive Officer (CEO) and Company Secretary (CS) for the FY 2022-23

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 31<sup>st</sup>, 2023.

### **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 specifies 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 31<sup>st</sup>, 2023. Based internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute Of Chartered Accountants of India.

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

**Sd/-**

**K. Gopala Krishna**

**Partner**

**Membership No. 0203605**

**Place: Hyderabad**

**Date: 29.05.2023**

**UDIN: 23203605BGRTTP6924**

## VICEROY HOTELS LIMITED

Standalone Balance Sheet as at 31st March, 2023

(Rs. in Thousands)

Particulars	Note No	As at 31-03-2023 Rs.	As at 31-03-2022 Rs.
<b>I. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Property Plant and Equipment	3	19,00,996	19,85,422
(b) Capital work-in-progress			
(c) Financial Assets			
(i) Investments	4	31,800	1,88,962
(ii) Other Financial Assets	5	18,974	26,877
(d) Deferred tax Asset(net)		-	-
(e) Other Non-Current assets	6	84,122	62,962
<b>Total Non-Current Assets</b>		<b>20,35,892</b>	<b>22,64,223</b>
<b>(2) Current assets</b>			
(a) Inventories	7	8,896	6,547
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	8	79,497	38,587
(iii) Cash and Cash Equivalents	9	2,22,266	21,319
(c) Other Current assets	10	79,936	56,239
<b>Total Current Assets</b>		<b>3,90,596</b>	<b>1,22,692</b>
<b>Total Assets</b>		<b>24,26,488</b>	<b>23,86,915</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	11	4,24,052	4,24,052
(b) Other equity	12	(44,35,633)	(44,83,259)
<b>Total Equity</b>		<b>(40,11,581)</b>	<b>(40,59,206)</b>
<b>Liabilities</b>			
<b>(1) Non-Current Liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	13	38,17,302	38,17,302
(b) Provisions			
(c) Deffered Tax Liabilities (Net)	14	2,96,808	2,92,168
(d) Other Non Current Liabilities	15	34,788	15,892
<b>Total Non- Current liabilities</b>		<b>41,48,898</b>	<b>41,25,362</b>
<b>(2) Current Liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	16	1,17,548	10,613
(ii) Trade Payables	17		
(A) total outstanding dues of micro enterprises andsmall enterprises; and			
(B) total outstanding dues of creditors other than microenterprises and small enterprises.		1,81,057	1,76,375
(iii) Other Financial Liabilities			
(b) Other Current Liabilities	18	19,53,908	19,47,877
(c) Provisions	19	36,659	1,85,894
<b>Total Current liabilities</b>		<b>22,89,171</b>	<b>23,20,759</b>
<b>Total Equity &amp; Liabilities</b>		<b>24,26,488</b>	<b>23,86,915</b>

Summary of significant accounting policies

The accompanying notes form are an integral part of the financial statements

As Per Our Report of Even Date

For P C N &amp; Associates.,

Chartered Accountants

Firm Regn. No: 016016S

For and on behalf of the Board Of Directors of  
of Viceroy Hotels Limited

Sd/

K.Gopala Krishna

Partner

M.No:0203605

Sd/-

P.Prabhakar Reddy

Director

Sd/

Govind Raj Devraj

Former Director

Place: Hyderabad

Date: 29.05.2023

UDIN: 23203605BGRTP6924

Sd/

G.V. Narasimha Rao

Resolution Professional

<b>VICEROY HOTELS LIMITED</b>			
<b>Statement of Profit and Loss for the year ended 31st March, 2023</b>			
<b>(Rs. in Thousands)</b>			
<b>Particulars</b>	<b>Note No</b>	<b>For the Year ended 31.03.2023 Rs.</b>	<b>For the Year ended 31.03.2022 Rs.</b>
<b>I. Income:</b>			
Revenue from Operations	20	9,86,519	4,68,859
Other Income	21	1,011	902
<b>Total Income</b>		<b>9,87,530</b>	<b>4,69,761</b>
<b>II. Expenses:</b>			
Cost of materials consumed	22	1,32,440	96,702
Employee Benefit expenses	23	1,89,855	1,32,106
Financial costs	24	8,624	4,319
Depreciation and amortization expense	3	84,426	84,995
Other Expenses	25	5,19,921	2,41,865
<b>Total Expenses</b>		<b>9,35,265</b>	<b>5,59,987</b>
III. Profit before exceptional and extraordinary items and tax (I - II)		<b>52,265</b>	<b>(90,227)</b>
IV. Exceptional Items		-	-
V. Profit before extraordinary items and tax (III - IV)		<b>52,265</b>	<b>(90,227)</b>
VI. Extraordinary Items		-	-
VII. Profit Before Tax (V - VI)		<b>52,265</b>	<b>(90,227)</b>
VIII. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		4,640	8,229
IX. Profit/(Loss) from the period		<b>47,625</b>	<b>(98,455)</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 Comprehensive Income for the year</b>		<b>47,625</b>	<b>(98,455)</b>
XIV. Earning per equity share:			
(1) Basic		0.0011	(0.0023)
(2) Diluted		0.0011	(0.0023)
Summary of significant accounting policies			
The accompanying notes form an integral part of the financial statements			
As Per Our Report of Even Date		<b>For and on behalf of the Board Of Directors of Viceroy Hotels Limited</b>	
<b>For P C N &amp; Associates.,</b>			
Chartered Accountants			
Firm Regn. No: 016016S			
<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>	
<b>K.Gopala Krishna</b>	<b>I.P.Prabhakar Reddy</b>	<b>Govind Raj Devraj</b>	
<b>Partner</b>	<b>Director</b>	<b>Former Director</b>	
M.No:0203605			
Place: Hyderabad	<b>Sd/-</b>		
<b>Date: 29.05.2023</b>	<b>G.V. Narasimha Rao</b>		
<b>UDIN:23203605BGRTP6924</b>	<b>Resolution Professional</b>		

## VICEROY HOTELS LIMITED

Standalone Cash Flow Statement For The Year Ended 31st March, 2023

(Rs. in Thousands)

Particulars	For the Year Ended	For the Year Ended
	31st March 2023	31st March 2022
<b>I. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit Before Tax	52,265	(90,227)
<b>Adjustments for :-</b>		
Depreciation and Amortization expenses	84,426	84,995
Financial Cost	8,624	4,319
Interest Income	(919)	(879)
<b>Cash Operating Profit before working capital changes</b>	<b>1,44,395</b>	<b>(1,791)</b>
<b>Adjustments for (increase)/decrease in operating assets</b>		
(Increase) / Decrease in Inventory	(2,349)	3,053
(Increase) / Decrease in Trade Receivables	(40,911)	9,908
(Increase) / Decrease in other current assets	(23,697)	(13,406)
(Increase) / Decrease in Other Non-Current Assets	(21,160)	4,665
(Increase) / Decrease in Other Financial Assets		
<b>Adjustments for increase/(decrease) in operating liabilities</b>	<b>(88,117)</b>	<b>4,219</b>
Increase / (Decrease) in Borrowing	1,06,934	94
Increase / (Decrease) in Trade Payables	4,681	(80,957)
Increase / (Decrease) in Other Current Liabilities	6,031	76,363
Increase / (Decrease) in Short Term Provisions	7,928	(9,035)
Increase / (Decrease) in Other non -Current Liabilities	18,896	11,747
<b>CASH GENERATED FROM OPERATIONS</b>	<b>2,00,749</b>	<b>640</b>
Less : Income Tax Paid	-	-
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>2,00,749</b>	<b>640</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed Assets	-	-
Sale of fixed Assets	-	-
Capital Work in Progress, Pre-operative Expenses	-	-
Investment	-	-
Interest income	919	879
Adjustments of fixed Assets	-	-
(Increase) / Decrease in Long Term Loans & Advances	7,903	22,243
<b>NET CASH AVAILABLE FROM INVESTING ACTIVITIES</b>	<b>8,822</b>	<b>23,122</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Share Capital	-	-
(Repayment)/Borrowing of Loan	-	-
Share Premium and Capital Reserve	-	-
Interest Paid	(8,624)	(4,319)
Increase / (Decrease) in Other Long Term Liabilities	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(8,624)</b>	<b>(4,319)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,00,947</b>	<b>19,443</b>
<b>Add : Opening balance of Cash &amp; Cash equivalents</b>	<b>21,319</b>	<b>1,876</b>
<b>Closing balance of Cash &amp; Cash equivalents</b>	<b>2,22,266</b>	<b>21,319</b>

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statements

As Per Our Report of Even Date

For P C N &amp; Associates.,

Chartered Accountants

Firm Regn. No: 016016S

For and on behalf of the Board Of Directors of  
Viceroy Hotels Limited

Sd/-

K.Gopala Krishna

Partner

M.No:0203605

Sd/-

P.Prabhakar Reddy

Director

Sd/-

Govind Raj Devraj

Former Director

Place: Hyderabad

Date: 29.05.2023

UDIN:23203605BGRTP6924

Sd/-

G.V. Narasimha Rao  
Resolution Professional

**VICEROY HOTELS LIMITED**  
Notes to Financial Statements for the as at 31st March, 2023

Note No 3 : Property, Plant & Equipment									(Rs. in Thousands)
Particulars	Land	Buildings	Furnitures and Fixtures	Air Conditioners	Electrical Fitting	Vehicles	Plant & Machinery	Misc. Fixed Assets	Total
<b>Cost at</b>									
As at 31st March 2022	1,41,797	19,68,487	5,05,480	1,60,427	3,05,281	29,570	5,62,232	3,64,683	40,37,957
Additions during the year									-
Disposals during the year									
<b>Total as at 31st March 2023</b>	<b>1,41,797</b>	<b>19,68,487</b>	<b>5,05,480</b>	<b>1,60,427</b>	<b>3,05,281</b>	<b>29,570</b>	<b>5,62,232</b>	<b>3,64,683</b>	<b>40,37,957</b>
<b>Depreciation as at 31st March 2022</b>		6,96,549	3,97,425	1,52,406	2,35,295	29,570	1,89,957	3,51,274	20,52,475
During the year		25,693	12,685	-	10,256		35,787	4	84,426
Deductions During the Year									-
<b>As at 31st March 2023</b>	<b>-</b>	<b>7,22,242</b>	<b>4,10,110</b>	<b>1,52,406</b>	<b>2,45,551</b>	<b>29,570</b>	<b>2,25,743</b>	<b>3,51,277</b>	<b>21,36,900</b>
<b>Net Carrying Value</b>									
As at 31st March 2022	1,41,797	12,71,938	1,08,055	8,021	69,986	-	3,72,276	13,409	19,85,482
As at 31st March 2023	1,41,797	12,46,245	95,370	8,021	59,730	-	3,36,489	13,405	19,01,057

## VICEROY HOTELS LIMITED

Notes to Financial Statements for the as at 31st March, 2023

(Rs. in Thousands)

NOTE NO.4 : NON CURRENT INVESTMENTS		As at	As at
S.No.	Particulars	31-03-2023	31-03-2022
I	<b>Non- Current Investments</b>		
	1) Investment in Subsidiaries		
	a) Equity Shares		
	Unquoted		
	27,44,530 Shares of Rs.10/- each in Café'd lake Pvt Ltd	70,370	70,370
	40,00,000 Shares of Rs.10/- each in Crustum Products Pvt. Ltd	40,000	40,000
	46,69,267 Shares of Rs. 10/- each in Minerva Hospitalities Pvt Ltd	46,693	46,693
	10,000 Shares of Rs.10/- each in Viceroy Chennai Hotels & Resorts Pvt.Ltd	100	100
	31,80,000 Shares or Rs.10/- each in Banjara Hospitalities Pvt. Ltd	31,800	31,800
		<b>1,88,962</b>	<b>1,88,962</b>
	(-) Provision for investments	(1,57,162)	
	<b>Total Non Current Investments</b>	<b>31,800</b>	<b>1,88,962</b>
NOTE NO.5 : OTHER FINANCIAL ASSETS			
S.No.	Particulars	31-03-2023	31-03-2022
I	<b>Capital Advances</b>	13,529	13,790
	<b>Sub Total</b>	<b>13,529</b>	<b>13,790</b>
	<b>Security Deposit</b>	5,768	5,768
	<b>Sub Total</b>	<b>5,768</b>	<b>5,768</b>
	<b>Advances</b>		
	Other Advances	(324)	(324)
	<b>Sub Total</b>	<b>(324)</b>	<b>(324)</b>
	Advances Recoverable in Cash or in kind	-	7,642
	<b>Total Other Financial Assets</b>	<b>18,974</b>	<b>26,877</b>
NOTE NO. 6: OTHER NON- CURRENT ASSETS			
S.No.	Particulars	31-03-2023	31-03-2022
I	Other Non Current Assets	84,122	62,962
	<b>Total</b>	<b>84,122</b>	<b>62,962</b>
NOTE NO.7: INVENTORIES			
S.No.	Particulars	31-03-2023	31-03-2022
	Finished goods	-	
	(i) Beverage Inventory	8,896	6,547
	<b>Total Inventories</b>	<b>8,896</b>	<b>6,547</b>
NOTE NO.8 : TRADE RECEIVABLES			
S.No.	Particulars	31-03-2023	31-03-2022
	Other Receivables:		
	Secured, Considered Good	1,887	2,765
	Unsecured, Considered Good	77,610	35,822
	<b>Total Trade Receivables</b>	<b>79,497</b>	<b>38,587</b>
	Refer Note no.52 (v) for ageing analysis		
NOTE NO.9 : CASH AND CASH EQUIVALENTS			
S.No.	Particulars	31-03-2023	31-03-2022
	a) Balances with banks :		
	1) On Current Accounts	2,21,311	20,433
	b) Cash on hand	955	886
	<b>Total Cash and Cash Equivalents</b>	<b>2,22,266</b>	<b>21,319</b>
NOTE NO. 10: OTHER CURRENT ASSETS			
S.No.	Particulars	31-03-2023	31-03-2022
	Loans and Advances to Employees	463	463
	Prepaid Expense	47,145	35,973
	Advances to related parties(HO)	24,534	18,394
	Advances Recoverable in Cash or in kind	7,794	1,409
	<b>Total Short Term Loans and Advances</b>	<b>79,936</b>	<b>56,239</b>



## VICEROY HOTELS LIMITED

Notes to Financial Statements for the as at 31st March, 2023

(Rs. in Thousands)

NOTE NO. 11 : SHARE CAPITAL		As at	As at
		31-03-2023	31-03-2022
<b>S.No.</b>	<b>Particulars</b>		
A	Equity Share Capital		
	(a) Authorised		
	4,50,00,000 Equity Shares of Rs.10 each	4,50,000	4,50,000
	( March 31,2023 4,50,00,000 Shares of Rs.10 each )		
	( March 31,2022 4,50,00,000 Shares of Rs.10 each )		
	10,00,000 Preference shares of Rs.100 each	1,00,000	1,00,000
	(March 31,2023: 10,00,000 Shares of Rs.100 each)		
	(March 31,2022: 10,00,000 Shares of Rs.100 each)		
	(b) Issued		
	4,24,05,224 Equity Shares of Rs.10 each	4,24,052	4,24,052
	(March 31,2023: 4,24,05,224 Shares of Rs.10 each)		
	(March 31,2022: 4,24,05,224 Shares of Rs.10 each)		
	(c) Subscribed & Fully Paid Up		
	4,24,05,224 Equity Shares of Rs.10 each	4,24,052	4,24,052
	(March 31,2023: 4,24,05,224 Shares of Rs.10 each)		
	(March 31,2022: 4,24,05,224 Shares of Rs.10 each)		
	(d) Subscribed & not fully paid up		
	(e) Par Value per share Rs. 10/-		
	<b>Total Equity Share capital</b>	<b>4,24,052</b>	<b>4,24,052</b>
B	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:		
	Equity Shares of Rs.10/Each, Fully paid up		
	At the Beginning	4,24,052	4,24,052
	Issued during the year - Bonus Issue	-	-
	Issued during the year - Cash Issue	-	-
	Issued during the year - ESOP	-	-
	Forfeited / Bought Back during the year	-	-
	<b>At the end</b>	<b>4,24,052</b>	<b>4,24,052</b>
D	<b>Terms and rights attached to equity shares</b>		
	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.		
E	<b>Bonus Shares/ Buy back shares for consideration other than cash issued during the past five years:</b>		
	(1) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in Cash - Nil		
	(2) Aggregate number and class of shares allotted as fully paid up by way of Bonus shares - Nil		
	(3) Aggregate number and class of Shares bought back - Nil		

## NOTE NO. 12 : Other Equity

S.No.	Particulars	31-03-2023	31-03-2022
I	<b>RESERVES AND SURPLUS</b>		
	a) Capital reserve	7,434	7,434
	As at the commencement of the year	-	-
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
	<b>subtotal</b>	<b>7,434</b>	<b>7,434</b>
	b) Securities Premium Reserve	17,17,786	17,17,786
	As at the commencement of the year	-	-
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
	<b>subtotal</b>	<b>17,17,786</b>	<b>17,17,786</b>
	c) Debenture redemption reserve	50,000	50,000
	As at the commencement of the year	-	-
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
	<b>subtotal</b>	<b>50,000</b>	<b>50,000</b>
	d) Revaluation reserve	7,919	7,919
	e) General Reserves		
	As at the commencement of the year	32,025	32,025
	Add: Additions during the year	-	-
	Less: Accumulated Depreciation	-	-
	<b>subtotal</b>	<b>32,025</b>	<b>32,025</b>
	f) Surplus :		
	i) Opening Balance - Profit and Loss Account	(62,98,423)	(61,99,967)
	Add: Transfer from Profit & Loss Account	47,625	(98,455)
	Less: Transfer To General Reserve	-	-
	Less: Transitional effect of change in the useful live of assets, as per the provisions of schedule II of the Companies Act 2013	-	-
	<b>subtotal</b>	<b>(62,50,797)</b>	<b>(62,98,423)</b>
	<b>Total Reserves and Surplus</b>	<b>(44,35,633)</b>	<b>(44,83,259)</b>

(3) Aggregate number and class of Shares bought back - Nil

F There are no share holders holding more than 5% of the paid up share capital of the company.

Shares held by promoters at the end of the year		31-03-2023	
S No	Promoter name	No. of Shares	% of total shares
1	VEERA REDDY KONDALAPUDI	60,000	0.14
2	MINERVA ENTERPRISES PRIVATE LTD	1,32,600	0.31
3	P PRABHAKAR REDDY	7,98,165	1.88
4	NIRMALA KONDALAPUDI	60,000	0.14
5	PARVATHREDDY HARICHARAN REDDY	1,13,300	0.27
6	P CHAKRADHAR REDDY	17,82,350	4.20
7	P KAMESWARI	18,51,000	4.37
8	P DIVYA REDDY	52,550	0.12
9	VIDYA REDDY P	6,559	0.02
10	PARVATHREDDY SARASWATHAMMA	42,500	0.10
11	TETRA HEIGHTS POWER SYSTEMS LIMITED	2,98,180	0.70
12	MINERVA ENTERPRISES PRIVATE LTD	1,06,415	0.25
13	P H FINANCIAL SERVICES LTD	1,66,150	0.39
14	P H INFOTECH PRIVATE LIMITED	60,254	0.14
15	PARVATH INVESTMENTS PRIVATE LIMITED	26,760	0.06
16	PARVATH REDDY INVESTMENTS PVT LTD	1,31,000	0.31
	Total	56,87,781	13.40

## VICEROY HOTELS LIMITED

Notes to Financial Statements for the as at 31st March, 2023

(Rs. in Thousands)

		As at	As at
<b>NOTE NO. 13 : BORROWINGS</b>			
S.No.	Particulars	31-03-2023	31-03-2022
I	Long Term borrowings		
	a) Non Convertible Debentures (Secured) ( 500 NCDs, Face Value - Rs. 10,00,000/- , 14% Interest )	4,25,000	4,25,000
	<b>Sub Total</b>	<b>4,25,000</b>	<b>4,25,000</b>
	b) i) Term Loans		
	From Banks and financial institutions	18,01,113	16,94,402
	From IARC & EARC	28,300	28,300
	<b>Sub Total</b>	<b>18,29,413</b>	<b>17,22,702</b>
	ii) Unsecured Loans		
	From Others	16,69,600	16,69,600
	<b>Sub Total</b>	<b>16,69,600</b>	<b>16,69,600</b>
	<b>Total Long Term Borrowings</b>	<b>39,24,013</b>	<b>38,17,302</b>
<b>NOTE NO. 14 : DEFERRED TAX LIABILITY ( NET )</b>			
S.No.	Particulars	31-03-2023	31-03-2022
I	Opening Deferred tax Liability	2,92,168	2,83,939
	Add:		
	Deferred Tax Liability for the year ( Due to SLM and WDV Difference )	4,640	8,229
	<b>Gross Deferred tax Liability</b>	<b>2,96,808</b>	<b>2,92,168</b>
<b>NOTE NO.15: OTHER NON CURRENT LIABILITIES</b>			
S.No.	Particulars	31-03-2023	31-03-2022
I	Advance from Customers	34,788	15,892
	<b>Total Other Non current liabilities</b>	<b>34,788</b>	<b>15,892</b>
<b>NOTE NO. 16 : BORROWINGS</b>			
S.No.	Particulars	31-03-2023	31-03-2022
I	Short term borrowings		
	a) Cash Credits and Working Capital Demand Loan from Banks		
	- Secured	10,836	10,613
	<b>Total Short Term Borrowings</b>	<b>10,836</b>	<b>10,613</b>
<b>NOTE NO. 17 : TRADE PAYABLES</b>			
S.No.	Particulars	31-03-2023	31-03-2022
I	a) Suppliers (Other than MSME's)	1,81,057	1,76,375
	<b>Total Trade Payables</b>	<b>1,81,057</b>	<b>1,76,375</b>
	<b>Refer Note no.52 (iv) for ageing analysis</b>		
<b>NOTE NO. 18 : OTHER CURRENT LIABILITES</b>			
S.No.	Particulars	31-03-2023	31-03-2022
I	a) Current maturities of long term debt		-
	b) Current maturities of finance lease obligation	8,57,412	8,57,412
	c) interest accrued but not due on borrowings	9,18,689	9,18,689
	d) Interest accrued and due on borrowings.	-	-
	e) Income received in advance.	-	-
	f) Unpaid dividend.	-	-
	g) Application money due for refund and interest on the same.	-	-
	h) Unpaid matured deposits and interest accrued thereon.	-	-
	i) Unpaid matured debentures and interest accrued thereon.	-	-
	(j) Deposits	(13,579)	(12,743)
	k) Advances received from customers	1,450	852
	Other Payables	77,516	1,03,892
	(i) Rent Payable	-	-
	(ii) Audit Fee Payable	1,478	1,478
	(iii) Electricity Charges Payable	-	-
	(iv) Bonus Payable	1,147	1,147
	(v) Statutory Liabilities	37,198	36,114
	(vi) GST Payables	6,837	-
	(vii) PF & ESI Payable	1,950	1,551
	(viii) Salaries Payable	13,073	5,052
	(ix) Spirit to serve charity fund	153	26
	(x) Other Payable (WCT Payable), Ser. Tax Payable etc.	28,104	158
	(xi) Management fee and Consultancy Charges	22,481	34,251
	<b>Total Other Current Liabilites</b>	<b>19,53,908</b>	<b>19,47,877</b>
<b>NOTE NO.19 : PROVISIONS</b>			
S.No.	Particulars	31-03-2023	31-03-2022
I	a) Provisions for employee benefits		
	Provision for Gratuity	17	11
	Provision for pension	8,081	9248.78014
	Provision for accruals	16,570	1,69,968
	b) Others		
	Provision for FBT	75	75
	Provision for Bad and Doubtful Debts	11,916	6,590
	<b>Total Short Term Provisions</b>	<b>36,659</b>	<b>1,85,894</b>

## VICEROY HOTELS LIMITED

Notes to Financial Statements for the year ended 31st March, 2023

(Rs. in Thousands)

**NOTE NO.20 : REVENUE FROM OPERATIONS**

S.No.	PARTICULARS	31-03-2023	31-03-2022
(i)	Revenue from operations		
	(a) Sale of Products	9,31,175	4,29,805
	(b) Sale of Services	-	-
	(c) Other Operating Revenues	55,343	39,053
	<b>Total Revenue from Operations</b>	<b>9,86,519</b>	<b>4,68,859</b>

**NOTE NO.21: OTHER INCOME**

S.No.	PARTICULARS	31-03-2023	31-03-2022
I	(a) Interest income	919	879
	(b) Net gain/loss on foreign currency translation and transaction	92	24
	<b>Total Other Income</b>	<b>1,011</b>	<b>902</b>

**NOTE NO. 22 : COST OF MATERIALS CONSUMED**

S.No.	PARTICULARS	31-03-2023	31-03-2022
	Food & Beverages		
	Opening Stock	6,547	9,600
	Add : Purchases During the year	1,34,789	93,650
	Less : Closing Stock	8,896	6,547
	<b>Total Cost Of Material Consumed</b>	<b>1,32,440</b>	<b>96,702</b>

**NOTE NO. 23 : EMPLOYEE BENEFIT EXPENSES**

S.No.	PARTICULARS	31-03-2023	31-03-2022
I	(a) Salaries & Wages	1,65,120	1,20,350
	(b) Contribution to Provident & Other Funds	8,591	9,159
	(c) Staff Welfare Expenses	16,144	2,597
	<b>Total Employee Benefit Expenses</b>	<b>1,89,855</b>	<b>1,32,106</b>

**NOTE NO. 24 : FINANCE COST**

S.No.	PARTICULARS	31-03-2023	31-03-2022
I	(a) Interest Expenses		
	- Loan processing Charges & Bank Charges	56	296
	(b) Credit Card commission	8,568	4,023
	<b>Total Finance Cost</b>	<b>8,624</b>	<b>4,319</b>

## VICEROY HOTELS LIMITED

Notes to Financial Statements for the year ended 31st March, 2023

(Rs. in Thousands)

## NOTE NO. 25 : OTHER EXPENSES

S.No.	PARTICULARS	31-03-2023	31-03-2022
I	<b>Operating expenses</b>		
	(a) Power & Fuel	91,677	52,115
	(b) Repairs to Building	-	2,816
	(c) Insurance	3,579	7,432
	(d) Rates & Taxes (excluding Income Tax)	28,049	3,425
	(e) Miscellaneous Expenditure	19,566	3,894
	(f) Payment to Auditors:	400	400
	(i) As Statutory Auditor	-	-
	(g) Rental Expenses	18,839	13,467
	(h) Repairs & maintenance	63,022	55,417
	(i) Other Operating Expense	15,553	5,384
	(j) Internal Audit fee	300	-
I	<b>General Expenses</b>		
	(a) Telephone, Postage and Others	567	1,421
	(b) Business Promotion Expenses	87,659	36,276
	(c) Conveyance & Travelling expenses	7,692	5,470
	(d) Office Maintenance	2,703	3,934
	(e) Printing & Stationery Expenses	132	269
	(f) Consultancy Charges	26,618	14,172
	(g) Fright expenses & Transportation Expenses	-	-
	(h) Laundry expenses	4,896	3,901
	(i) License Fee	5,666	2,875
	(j) Director Sitting Fee	-	-
	(k) Royalty Fee	41,114	14,083
	(l) Bad debts written off	6,675	6,834
	(m) Donations	-	-
	(n) Rental expense	36	-
	(o) Other Administrative Expenses	30,629	8,278
	(p) FF-E Escrow Expense	49,331	-
	(q) Owner Realized FX Loss	13,684	-
	(r) Interest and late fee	1,533	-
	<b>Total Expenses</b>	<b>5,19,921</b>	<b>2,41,865</b>

## **Notes to Standalone Financial Statements for the year ended March 31, 2023.**

### **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, 2023 were approved by the Board of Directors and authorized for issue on 29<sup>th</sup> May 2023.

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

The Financial Statements are presented in Indian Rupees (Rounded Off to Thousands). The financial statements have been prepared on the following basis:

#### **a) Statement of Compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Companies Act, 2013 as amended from time to time.

#### **b) 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.

All assets and liabilities are classified as current and non-current as per company’s normal operating cycle of 12 months which is based on the nature of business of the Company. 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.

#### **c) 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.

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 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 Company 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.
- **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.
- **Litigation:** From time to time, the Company is subject to legal proceedings, the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of un favorable outcome and

the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- **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:**

Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e., on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

### **Income from operations**

Revenue is recognized at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognized once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

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.

### **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.

### **e) 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. 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.

## **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 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 Buildings on Leasehold Land, depreciation 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 or expected lease period, whichever is lower.

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. Proportionate depreciation is charged for the addition and disposal made during the year.

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) Intangible Assets**

Intangible assets are measured on initial recognition at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as finite. Intangible assets are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense is recognized in the statement of profit or loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

#### **h) Impairment of assets:**

Assets that are subject to amortization 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.

### **i) 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.

### **j) 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 realizable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. 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.

### **k) 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 recognized in statement of profit and loss, except when they relate to items that are recognized 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 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 utilized.

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 utilized. 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 realized, 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

**1) Provisions and Contingent Liabilities:**

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.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

#### **m) 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.

#### **n) 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.

#### **o) 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.

#### **p) 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 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.

## **q) 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 amortized 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 amortized cost**

Financial assets are subsequently measured at amortized 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 derecognized, 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 amortized 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 derecognized, the cumulative gain or loss previously recognized Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

### **De-recognition**

A financial asset is derecognized 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 derecognized where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized 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 amortized cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognized, and through the amortization 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 recognizes 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) 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

**s) 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 harmonies 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.

## VICEROY HOTELS LIMITED

### Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

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 in the financial year 2017-18.

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

Particulars	Current Year	Previous Year
Net Profit after Tax (Amount in Rs.)	4,76,25,203.65	(9,84,55,304)
Weighted Average Number of Shares Considered	4,24,05,224	4,24,05,224
Basic EPS	1.12	(2.32)
Diluted EPS	1.12	(2.32)

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

Particulars	Current Year Amount in Rs.	Previous Year Amount in Rs.
Deferred Tax Liability/(Asset)	46,39,842	82,28,738

#### 31. Auditors Remuneration:

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

32. According to the information available with the Company, there are no amounts as at 31<sup>st</sup> March, 2023, due to suppliers who constitute a "Micro, Small and Medium Enterprises".

#### 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 (Amount in Rs)	Rs. 16,22,500
Previous Year (Amount in Rs)	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.

## VICEROY HOTELS LIMITED

### Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

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.15.81	Rs.0.48

#### 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	Rs 20.58	Rs. 5.315

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

Party	Secured Loans
Asset Reconstruction Company of India Limited- Taken over from Axis Bank Limited	Subservient charge on movable and immovable assets of Hyderabad Marriott hotel and Subservient charge on movable and immovable fixed assets of company (except Bangalore and Chennai projects).  The existing Limit Further secured by Second Charge on Mortgage by Deposit of Title Deeds of Landed Properties In Sy.No.140 (new No. 181) admeasuring 14,092 Sq.yards (2) In Sy.No.139 admeasuring 346.72 Sq.Yards (3) 1-3-1-36/1 admeasuring 220 &220Sq.Yards (4) In Sy.No. 139admeasuring 216.60, 216.60and 216.60 Sq.Yards all are situated in Lower Tank BundRoad, Kavadiguda, Hyderabad.
Asset Reconstruction Company of India Limited- Taken over from IDFC Limited	A first charge by way of hypothecation of all the Company's immovable properties movable plant and machinery etc. and on Receivables excluding the receivables required by Operator as operating expenses for operation of the Project, present and future, subject to prior charge of the working capital lenders for securing the working capital facilities to the maximum of Rs. 4 crores; and

## VICEROY HOTELS LIMITED

### Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

	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 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 Kavadiguda, 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.,

## VICEROY HOTELS LIMITED

### Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

#### 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.

Hon'ble NCLT vide order dt 02.05.2023 has dismissed the claim of Edelweiss ARC Limited of invocation of corporate guarantee of Rs. 317 Crores. Accordingly, the said contingent liability is extinguished.

ii) Income Tax

Name of the Statute	Nature of Dues	Section under which order is passed	Amount in (Rs)	Period to which it relates	Case is pending at
Income Tax Act, 1961	Income Tax	154	Rs.44,78,07,687/-	A.Y 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	143(3)	Rs.67,48,29,450/-	A.Y 2014-15	Commissioner of Income Tax (Appeals) Dismissed at CIT 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)
Income Tax Act, 1961	Income Tax	147 r.w.s144	Rs. 17,56,93,044/-	A.Y 2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	147 r.w.s144	Rs. 12,11,14,973/-	A.Y 2016-17	Commissioner of Income Tax (Appeals)

**VICEROY HOTELS LIMITED**

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**

iii) Service Tax

<b>Sl. No.</b>	<b>SCN O.R. No.</b>	<b>OIO/OIA No. and Date</b>	<b>Period</b>	<b>Demand (Amount in Rs.)</b>
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/E NQ-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/-

**VICEROY HOTELS LIMITED****Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**

## iv) 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 (Amount in RS)
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.



**VICEROY HOTELS LIMITED****Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023****39. Following are the amount outstanding and due to banks and other institutions:****Amount in Crores (Rs.)**

<b>Name of the Bank/Institution</b>	<b>Principle Due</b>	<b>Interest Due</b>	<b>Total Dues</b>
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 Indian Accounting Standard:**

<b>Name</b>	<b>Nature of Relationship with the company</b>
Café D Lake Pvt Ltd	Subsidiary

**Related Party Transactions during the year: ( Amount in Rs)**

<b>Name of the related Party</b>	<b>Relationship</b>	<b>Nature of Transaction</b>	<b>Transaction value during the reporting period</b>	<b>Balance outstanding - Receivable/(-) Payable as on date of Balance Sheet</b>
Café D Lake Pvt Ltd	Subsidiary	Rent expense	1,19,88,000Cr	(9,99,000) Payable

## VICEROY HOTELS LIMITED

### Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

#### 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 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.

## VICEROY HOTELS LIMITED

### Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

42. The Asset Reconstruction Company (India) Ltd (ARCIL) has filed plea under Sec.7 of The Insolvency and Bankruptcy Code, 2016 against M/s Viceroy Hotels Limited for an amount of Rs.525 crores (along with interest). The NCLT process is under way, with Committee of Creditors (CoC) formed and the Resolution Professional appointed.

M/s. Marriott Hotels India Private Limited has filed an petition against the Resolution Professional of M/s Viceroy Hotels Limited to make a payment of USD 18,77,151/- (INR 14.5 Crores) in accordance with the Marriott and Courtyard Agreements, as CIRP costs. As per NCLT order dt. 16.09.2022, claim of Rs. 10.4 Crores are considered as part of CIRP costs, are duly paid during the FY 22-23 and remaining amount of claim related to Pre-CIRP period and the same has not been admitted, Marriott has filed a claim form with RP in this regard and same is admitted as operational creditors claim.

The Hon'ble NCLT, Hyderabad appointed Dr G.V. Narasimha Rao as new Resolution Professional for conducting Corporate Insolvency Resolution Process vide order dated April 13, 2022.

Pursuant to COC's approval of resolution plan dated 29.09.2022 submitted by successful resolution applicant, RP has filed an application for approval of resolution plan before Hon'ble NCLT on 11.11.2022. The Contours of the resolution plan were presented before the Hon'ble NCLT bench and the matter is reserved for orders.

43. The Appeal has been filed by IARC seeking to set aside the order of the Hyd NCLT rejecting the Resolution Plan of CFM ARC dated 01-Sep-2021. Both IARC and RP have completed the pleadings and written submissions the primary issue being whether an ARC is disqualified to be a Resolution Applicant. CFM has filed an affidavit in this Appeal seeking to withdraw its Plan and have the Performance Bank Guarantee returned. The NCLAT has passed 2 interim orders one directing the RP to keep the CD as a going concern and the other to have the PBG extended. The next hearing is posted for dated 21<sup>st</sup> June 2023.

44. 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.

## VICEROY HOTELS LIMITED

### Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

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.

45. 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.
46. The company is in the process of getting confirmation for Trade receivables and Trade payables amount for the FY 2022-23.
47. The company is in the process of appointing Chief financial officer (CFO), CS and CEO for the FY-2022-23.
48. 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.
49. 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.
50. 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
51. The company is planning to convert the advances given to subsidiaries as investments in the future.
52. **Additional Regulatory Information**
  - i. The company has Land in its Financial Statements and the title deeds of those immovable properties are held in the name of the Company.
  - ii. The Company has not revalued its Property, Plant and Equipment since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

## VICEROY HOTELS LIMITED

### Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

iii. The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment.

iv. Trade payables(TP) disclosure as per Division-II of Schedule III of the Companies Act, 2013-  
(Amount in Rs.)

**Trade payables Ageing schedule for FY 2022-23**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME					
Others	7,43,61,059			10,66,95,549	18,10,56,608
Disputed Dues MSME's					
Disputed Dues- Others					

v. Trade Receivables (TR) disclosure as per Division-II of Schedule III of the Companies Act, 2013-(Amount in Rs.)

**Trade receivables Ageing schedule for FY 2022-23**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	5,84,07,683	2,10,89,652				7,94,97,335
ii) Undisputed Trade Receivables - which have significant increase in credit risk						
iii) Undisputed Trade Receivables - credit impaired						
(iv) Disputed Trade Receivables- considered good						
v) Disputed Trade Receivables - which have significant increase in credit risk						
(vi) Disputed Trade Receivables - credit impaired						

vi. The Company does not hold any Benami Property. Thus, there are no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

## VICEROY HOTELS LIMITED

### Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

- vii. The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.
- viii. The Company is not declared as wilful defaulter by any bank or financial institution or other lenders.
- ix. The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.
- x. There are no charges or satisfactions yet to be registered with ROC beyond the statutory period by the Company.
- xi. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

#### xii. Financial Ratios

Ratio	Numerator	Denominator	31-03-2023	31-03-2022	% of variance
Current ratio	Total current assets	Total current liabilities	0.18	0.05	238.53%
Debt equity ratio	Total debt (Non-Current+Current Liabilities)	Shareholder's Equity	(1.52)	(1.59)	-4.17%
Debt service coverage ratio	Net Profit after tax +Depreciation+Interest	Interest +Principal Re Payments	-	-	-
Return on equity ratio	Net Profit after tax - Preference dividend	Net worth	-0.01	0.02	-148.95%
Inventory turnover ratio	Turnover	Avg Inventory	127.8	58.07	120.00%
Trade receivables turnover ratio	Turnover	Avg Accounts receivables	16.7	10.77	55.17%
Trade payables turnover ratio	Purchases	Avg trade payables	0.75	2.16	-65.12%
Net capital turnover ratio	Net sales	Working capital	-0.55	(0.21)	158.11%
Net profit ratio	Net profit	Net sales	0.05	(0.21)	-122.99%
Return on capital employed	Earnings before interest and taxes	Total assets - Total current liabilities	0.2	(1.30)	-119.21%
Return on investment	Return	Investment	-	-	-

## VICEROY HOTELS LIMITED

### Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

- xiii. There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.
- xiv. The Company, other than as disclosed in the notes to accounts, has not advanced or loaned or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- xv. The company has also not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- xvi. The Company, other than as disclosed in the notes to accounts, has not received any funds from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- xvii. The provisions of section 135 of the Companies Act, 2013 for constitution of CSR committee is not applicable to the Company.
- xviii. The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.

**VICEROY HOTELS LIMITED**

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**

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

54. The figures have been rounded off to Thousands and decimals thereof.

**As per our Audit Report of Even date**

**For and on behalf of the Board of Directors of  
M/s Viceroy Hotels Limited**

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

**Sd/-  
Prabhakar Reddy  
Director**

**Sd/-  
Govind Raj Devraj  
Director**

**Sd/-  
Dr. G.V. Narasimha Rao  
Resolution Professional**

**K. Gopala Krishna  
Partner  
Membership No. 0203605  
UDIN:2320365BGRTTP6924**

**Place: Hyderabad  
Date: 29.05.2023**



## INDEPENDENT AUDITOR'S REPORT

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, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of changes in equity and the Statement of Cash Flows for the year then ended on that date and notes to financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the "Basis for Qualified Opinion" section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of "the Company" as at March 31, 2023, the consolidated Loss including 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 FY 2019-20 is Rs. 601.63 Lakhs and FY 2020-21 is Rs.600.05 lakhs and FY 2021-22 is Rs.600.24 Lakhs and FY 2022-23 is Rs.600.02 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.(Note No:42)

- 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:43)
- 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 Honorable 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: 41)

**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. However, Hon'ble NCLT, Hyderabad has rejected the resolution plan. The case is pending with Hon'ble NCLAT. The Hon'ble NCLT, Hyderabad appointed Dr G.V. Narasimha Rao as new Resolution Professional for conducting Corporate Insolvency Resolution Process vide order dated April 13, 2023.

Pursuant to COC's approval of resolution plan dated 29.09.2022 submitted by successful resolution applicant, RP has filed an application for approval of resolution plan before Hon'ble NCLT on 11.11.2022. The Contours of the resolution plan were presented before the Hon'ble NCLT bench and the matter is reserved for orders.(Note No:39)

**e) NCLAT:** The Appeal has been filed by IARC seeking to set aside the order of the Hyd NCLT rejecting the Resolution Plan of CFM ARC dated 01-Sep-2021. Both IARC and RP have completed the pleadings and written submissions the primary issue being whether an ARC is disqualified to be a Resolution Applicant.CFM has filed an affidavit in this Appeal seeking to withdraw its Plan and have the Performance Bank Guarantee returned. The NCLAT has passed 2 interim orders one directing the RP to keep the CD as a going concern and the other to have the PBG extended. The next hearing is posted for dated 21st June 2023. (Note No:40)

**f) Loans from Banks or Financial Institutions:** During the 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:44)

**g) Statutory Dues:** The Company has not paid the statutory dues for a period more than 6 months is as follows: (Note No:45)

S.No	Particulars	Amount in Rs.
1	TDS	3,34,20,321/-
2	PT	2,56,000/-
	Total	3,36,76,321/-

**h) 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:46)

**i) 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:47)

**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 31-03-2023. As per the information submitted by the company to us the following are the cases pending at different levels including the Subsidiary company of M/s Café D Lake Private Limited.(Note No:37)

Name of the Statue	Nature of Dues	Notice/Demand as per Section/ Order No.	Amount (Rs)	Period to which it relates
Income Tax Act, 1961	Income Tax	154	Rs.44,78,07,687/-	A.Y 2014-15
Income Tax Act, 1961	Income Tax	143(3)	Rs.67,48,29,450/-	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	147 r.w.s 144	17,56,93,044	A.Y 2015 -16
Income Tax Act, 1961	Income Tax	147 r.w.s 144	12,11,14,973	A.Y 2016-17
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
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 Value Added Tax Act,2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated:	3,48,128	F.Y 2015-16

Telangana Value Added Tax Act,2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	3,26,732	F.Y 2015-16
Telangana Value Added Tax Act,2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	1,59,426	F.Y 2016-17
Telangana Value Added Tax Act,2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	3,41,030	F.Y 2016-17
Telangana Value Added Tax Act,2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	17,33,783	F.Y 2016-17
Telangana Value Added Tax Act,2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	1,74,256	F.Y 2016-17

Telangana Value Added Tax Act,2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 05-01- 2021	2,46,905/-	F.Y 2016-17
Telangana Value Added Tax Act,2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 05-01- 2021	2,69,675/-	F.Y 2016-17
Service tax Act	Service tax	Deferential service tax amount	85,061/-	F.Y 2017-18

### 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/E NQ-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(S T) 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	3,79,476



				on Service Tax	
4	15.02.2019	2010-11 to 2012-13 ( up to 31.10.2012)01.1 1.2012 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.Y2022-23.(Note No:50)

**l) Corporate Guarantee:** The Company has given corporate guarantee for an amount of Rs.317 crores to Edelweiss Asset Reconstruction company Limited in respect of loans taken by Viceroy Bangalore Hotels Limited which is violating the provisions Specified U/s 186 of The Companies Act 2013. The company has not obtained shareholders permission in the general meeting for such corporate guarantee given( note 37(a)).

**m) The Company has not appointed Chief Financial officer (CFO) for the FY 2022-23. (Note No: 51)**

**n) The Company has not appointed Company Secretary (CS) for the FY 2022-23. (Note 51)**

**o) The Company has not appointed Chief Executive Officer (CEO) for the FY 2022-23. (Note 51)**

The subsidiary companies has given the below mentioned qualifications with their respective companies which is reproduced as below.

#### **CRUSTUM PRODUCTS PRIVATE LIMITED:**

1. The company has obtained term loan from OBC and UCO which has become NPA in the year 2016. The company is not making any provision for interest on Loans obtained from the Banks which is not in accordance with the applicable accounting principles and as per IND AS. Our opinion is not qualified in respect of this matter.
2. **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 have not been made with such adjustments for the F.Y 2022-23.

#### **CAFÉ D LAKE PRIVATE LIMITED:**

1. There are irregularities in compliance of statutory provisions with respect to TDS, VAT, PF, ESI, PT and GST.
2. In the absence of alternative corroborative evidence, we are unable to comment on the extent to which trade receivables and Trade Payables are recoverable/Payable.
3. In respect to Loans and advances given to its holding company (Viceroy Hotels Limited). Those advances, having regard to the financial position of the Holding company and age of such advances, in our opinion, are doubtful of recovery. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such and advances.
4. The company has sold its business on "as is where is basis" to Minerva Express LLP on 30<sup>th</sup> June of 2021, however, liquor license was not transferred to the purchaser (Minerva Express LLP) till 31/03/2023. Since liquor license transferred on 31<sup>st</sup> march of 2023 and no other branch is operating, there is a significant doubt on the entity's ability to continue as going concern.
5. **Going Concern:** The matters discussed in the qualified opinion paragraph and in Emphasis matter paragraph, 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 2022-23.

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. 1,19,65,34,506 /-as at March 31<sup>st</sup>2023 and Total Revenue of Rs.21,24,50,081 /- and total Loss after Tax of Rs. (4,81,74,425)/- And total comprehensive loss of Rs. (4,81,74,425)/- for the year ended 31st March 2023 respectively. 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)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matters given in the qualified opinion paragraph.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters specified in the 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, 2023 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2023 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 49)
    - 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.
2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of

respective companies included in the Consolidated Financial Statements, , we report that in respect of those companies where audits have been completed under Section 143 of the Act, there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the Consolidated Financial Statements.

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

**Sd/-  
K. Gopala Krishna  
Partner  
Membership No. 0203605**

**Place: Hyderabad  
Date: 29.05.2023  
UDIN:23203605BGRTTP6924**



## **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(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, 2023 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 PPE register as on 31-03-2023.
3. The company has written off various assets and liabilities as exceptional items in the F.Y 2017-18 due to which we couldn't get appropriate audit evidence in relation to internal financial controls over financial reporting.
4. During the year under consideration, the company has not appointed Chief Financial Officer (CFO), Company Secretary (CS) and Chief Executive Officer (CEO) which is not in compliance with the provisions 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 31<sup>st</sup> March, 2023 based on the internal financial controls over financial reporting criteria established 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 FY 2022-2023, and these material weaknesses affect our opinion on IND AS financial statements of the company for the year ended 31<sup>st</sup> March, 2023{our report dated 29<sup>th</sup> May 2023,which expressed a qualified opinion on these IND AS financial statements of the company.

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

**Sd/-  
K. Gopala Krishna  
Partner  
MembershipNo.0203605**

**Place: Hyderabad  
Date:29.05.2023  
UDIN: 23203605BGRTTP6924**

**VICEROY HOTELS LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023 (Ind AS)**

Particulars	Notes	As At 31 March,23	As At 31 March,22
<b>I. ASSETS:</b>			
<b>1. Non Current Assets:</b>			
a) Property, Plant and Equipment	3	2,21,66,10,209	2,30,25,46,563
b) Capital Work in Progress		56,74,26,711	1,00,21,01,484
c) Financial Assets			
i) Non Current Investments			
ii) Loans and Advances	4	16,22,49,070	16,55,45,160
d) Other Non Current Assets	5	8,41,37,259	6,29,77,198
<b>Total Non-Current Assets</b>		<b>3,03,04,23,250</b>	<b>3,53,31,70,405</b>
<b>2. Current Assets:</b>			
a) Inventories	6	1,25,45,636	91,05,633
b) Financial Assets			
i) Investments			
ii) Trade Receivables	7	9,22,17,119	5,64,98,367
iii) Cash and Cash Equivalents	8	23,47,96,169	2,90,90,332
c) Other Current Assets	9	22,12,40,404	18,66,91,895
<b>Total Current Assets</b>		<b>56,07,99,329</b>	<b>28,13,86,227</b>
<b>TOTAL ASSETS</b>		<b>3,59,12,22,578</b>	<b>3,81,45,56,632</b>
<b>II. EQUITY AND LIABILITIES:</b>			
<b>Equity</b>			
a) Equity Share Capital	10	42,40,52,240	42,40,52,240
b) Other Equity	11	(4,87,13,18,711)	(4,87,07,99,830)
<b>Total Equity</b>		<b>(4,44,72,66,471)</b>	<b>(4,44,67,47,590)</b>
<b>Liabilities</b>			
<b>1. Non Current Liabilities:</b>			
a) Financial Liabilities			
i) Borrowings	12	5,07,46,61,200	5,46,60,01,461
b) Deferred Tax Liabilities (Net)	13	31,86,00,727	31,35,52,551
c) Other Non Current Liabilities	14	3,47,88,090	1,58,91,790
<b>Total Non-Current Liabilities</b>		<b>5,42,80,50,017</b>	<b>5,79,54,45,802</b>
<b>2. Current Liabilities:</b>			
a) Financial Liabilities			
i) Borrowings		12,87,00,789	1,37,39,851
ii) Trade Payables	27	21,68,03,176	20,34,30,933
b) Provisions			
(i) Current Provisions	17A	19,51,45,066	18,72,59,152
c) Other Current Liabilities	18	2,06,97,90,002	2,06,14,28,484
<b>Total Current Liabilities</b>		<b>2,61,04,39,033</b>	<b>2,46,58,58,420</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>3,59,12,22,578</b>	<b>3,81,45,56,632</b>

As Per Our Report of Even Date  
For P C N & Associates.,  
Chartered Accountants  
Firm Regn. No: 016016S

For and on behalf of the Board Of Directors of  
Viceroy Hotels Limited

Sd/  
K.Gopala Krishna  
Partner  
M.No:0203605

Sd/-  
P.Prabhakar Reddy  
Director

Sd/  
Govind Raj Devraj  
Director

Place: Hyderabad  
Date: 29.05.2023  
UDIN: 23203605BGRTP6924

Sd/  
G.V. Narasimha Rao  
Resolution Professional

**VICEROY HOTELS LIMITED**

Statement of Profit and Loss for the year ended 31 st March, 2023

Particulars	Notes	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>INCOME</b>			
Revenue from Operations	19	1,03,36,64,753	52,43,99,635
Other income	20	16,63,15,479	18,29,01,702
<b>TOTAL INCOME</b>		1,19,99,80,232	70,73,01,337
<b>EXPENSES</b>			
Food and beverages consumed	21	33,86,61,316	36,91,86,325
Employees benefit Expenses	22	20,53,47,691	14,49,93,169
Finance Costs	23	87,05,344	74,65,710
Depreciation and Amortisation Expenses	3	8,59,36,354	9,11,06,148
Other Operating and General Expenses	24	55,68,30,573	35,35,96,062
<b>TOTAL EXPENSES</b>		1,19,54,81,277	96,63,47,415
<b>Profit/(Loss) before exceptional items and tax</b>		44,98,954	(25,90,46,078)
Exceptional Items	25	-	-
<b>Profit/(Loss) before tax</b>		44,98,954	(25,90,46,078)
Tax Expenses:			
(1) Current Tax			
(2) Deferred Tax		50,48,176	40,37,706
<b>Total</b>			
<b>Profit (Loss) after Tax for the period</b>		(5,49,221)	(26,30,83,784)
<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>		(5,49,221)	(26,30,83,784)
<b>Earnings Per Share:</b>			
a) Basic (Rs.)		(0.01)	(6.20)
b) Diluted (Rs.)		(0.01)	(6.20)
Face Value per Equity Share			

As Per Our Report of Even Date  
For P C N & Associates.,  
Chartered Accountants  
Firm Regn. No: 016016S

Sd/  
K.Gopala Krishna  
Partner  
M.No:0203605

Place: Hyderabad  
Date: 29.05.2023  
UDIN: 23203605BGRTP6924

For and on behalf of the Board Of Directors of  
Viceroy Hotels Limited

Sd/-  
P.Prabhakar Reddy  
Director

Sd/  
Govind Raj Devraj  
Director

Sd/  
G.V. Narasimha Rao  
Resolution Professional



**Note No.3- Property, Plant and Equipment**

Particulars	Land	Buildings	Furniture's and Fixtures	Air Conditioners	Electrical Fittings	Vehicles	Plant & Machinery	Computers	Civil Works	Misc. Fixed Assets	Total
<b>Cost at</b>											
<b>As at 1st April 2022</b>	39,30,71,780	1,96,84,86,616	54,92,14,148	16,04,27,348	30,82,14,585	2,96,54,487	64,43,72,207	43,88,463	4,32,47,289	36,46,48,294	4,46,57,25,218
<b>Additions During the Year</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Disposals During the Year</b>	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31st March 2023</b>	39,30,71,780	1,96,84,86,616	54,92,14,148	16,04,27,348	30,82,14,585	2,96,54,487	64,43,72,207	43,88,463	4,32,47,289	36,46,48,294	4,46,57,25,218
<b>Depreciation / Amortization</b>											
<b>As at 1st April 2022</b>	-	69,65,48,691	44,05,94,515	15,24,05,980	23,76,24,192	2,96,50,278	24,38,27,360	43,82,003	68,71,984	35,12,73,652	2,16,31,78,655
<b>Provided for the Year</b>	-	2,56,93,063	1,30,09,061	-	1,04,15,873	663	3,61,44,902	6,460	6,62,524	3,808	8,59,36,354
<b>Deductions During the Year</b>	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31st March 2023</b>	-	72,22,41,754	45,36,03,576	15,24,05,980	24,80,40,065	2,96,50,941	27,99,72,262	43,88,463	75,34,508	35,12,77,460	2,24,91,15,009
<b>Net Carrying Value</b>											
<b>As at 31st March 2023</b>	39,30,71,780	1,24,62,44,862	9,56,10,572	80,21,368	6,01,74,520	3,546	36,43,99,945	-	3,57,12,781	1,33,70,834	2,21,66,10,209
<b>As at 31st March 2022</b>	39,30,71,780	1,27,19,37,925	10,86,19,634	80,21,368	7,05,90,393	4,872	40,03,66,654	6,460	3,63,75,306	1,33,73,980	2,30,25,46,563



**Note No 4 : Loans**

Particulars	As At 31.03.2023	As At 31.03.2022
<b>Advances</b>		
Security deposit	57,68,183	1,23,31,737
Secured, considered good	-	-
Unsecured, considered good	1,82,27,173	1,42,85,934
<b>Deposits</b>		
Secured, considered good	9,40,720	32,12,669
Other Advances	3,28,75,157	3,21,02,265
Advances recoverable in cash or in kind	8,99,37,837	13,66,82,218
Advance for the purchase of TDR	1,45,00,000	1,45,00,000
<b>Total Loans</b>	<b>16,22,49,070</b>	<b>21,31,14,823</b>

**Note No 5 : Other Non Current Assets**

Particulars	As At 31.03.2023	As At 31.03.2022
Other Current Assets	8,41,21,759	6,76,26,504
Unamortised Expenses	15,500	15,500
<b>Total Other Non Current Assets</b>	<b>8,41,37,259</b>	<b>6,76,42,004</b>

**Note No 6 : Inventories**

Particulars	As At 31.03.2023	As At 31.03.2022
Finished Goods	8,67,558	42,45,712
Other Inventory		
Beverage Inventory	1,16,78,078	96,00,012
<b>Total Inventory</b>	<b>1,25,45,636</b>	<b>1,38,45,724</b>

**Note No 7 : Trade Receivables**

Particulars	As At 31.03.2023	As At 31.03.2022
<b>Current - Unsecured</b>		
Considered Good	9,22,17,119	9,03,82,291
<b>Total</b>	<b>-</b>	<b>-</b>
Less: Allowance for Bad and Doubtful Debts	-	-
<b>Total Trade Receivables</b>	<b>9,22,17,119</b>	<b>9,03,82,291</b>

**Note No 8 : Cash and Cash Equivalents**

Particulars	As At 31.03.2023	As At 31.03.2022
Balances with Banks :		
On Current Accounts	23,26,55,389	73,38,956
Cash on Hand	21,40,781	19,45,008
<b>Total Cash and Cash Equivalents</b>	<b>23,47,96,169</b>	<b>92,83,964</b>

**Note No 9 : Other Current Assets**

Particulars	As At 31.03.2023	As At 31.03.2022
Advance to Employees	4,63,096	2,25,99,179
Prepaid Expenses	4,71,99,525	54,112
TDS receivable	1,21,37,769	82,83,600
Security Deposit	72,09,535	54,02,735
Advances to Related Parties	2,45,33,636	1,83,93,740
Advances Recoverable in Cash or in kind	12,90,06,633	10,94,92,183
Interest Accrued on Deposits	1,15,337	1,15,337
Advance Tax and Others	5,74,648	22,72,825
Other Current Assets	225	4,30,762
<b>Total Other Current Assets</b>	<b>22,12,40,404</b>	<b>16,70,44,472</b>

**Note No 10 : Share Capital**

Particulars	As At 31.03.2023	As At 31.03.2022
<b>Authorised Share Capital</b>		
4,50,00,000 Equity Shares of Rs.10 each (March 31,2023: 4,50,00,000 Shares of Rs.10 each) (April 1,2022: 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 31,2023: 10,00,000 Shares of Rs.100 each) (April 1,2022: 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 31,2023: 4,24,05,224 Shares of Rs.10 each) (April 1,2022: 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 31,2023: 4,24,05,224 Shares of Rs.10 each) (April 1,2022: 4,24,05,224 Shares of Rs.10 each)	42,40,52,240	42,40,52,240

**Foot Notes**

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

	31st March 2023		31st March 2022	
	Number	Rupees	Number	Rupees
<b>At the beginning of the period</b>	4,24,05,224	42,40,52,240	4,24,05,224	42,40,52,240
<b>Issued during the period</b>	-	-	-	-
<b>Outstanding at the end of the period</b>	4,24,05,224	42,40,52,240	4,24,05,224	42,40,52,240

**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 2023, 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.

<b>d. Details of shareholders holding more than 5% shares in the company</b>				
Particulars	31 Mar 2023		31 Mar 2022	
	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	6.58%	40,39,351	9.53%
Jhunjhunwala Rakesh Radheshyam	-	0.00%	52,07,566	12.28%

**Note No 11 : Other Equity**

Other Equity									
Particulars	Equity Component of Other Financial Instruments	Reserves & Surplus						Other Comprehensive Income	Total Equity
		Capital Reserve	Securities Premium Reserve	Debenture Redemption Reserve	Revaluation reserve	General Reserve	Retained Earnings	Equity Instruments through other comprehensive income	
<b>Balance as at 31st March, 2022</b>	-	74,33,996	1,71,77,85,670	5,00,00,000	79,19,430	3,20,25,000	(6,68,59,33,586)	-	(4,87,07,69,490)
Total Of Other Comprehensive Income (Net of Tax)									
Profit For The Year	-	-	-	-	-		(5,49,221)	-	(5,49,221)
<b>Balance as at 31st March, 2023</b>	-	74,33,996	1,71,77,85,670	5,00,00,000	79,19,430	3,20,25,000	(6,68,64,82,808)	-	(4,87,13,18,711)

**Note No 12 : Borrowings**

Particulars	31-Mar-23		31-Mar-22	
	Face Value	Amortised cost	Face Value	Amortised cost
<b>Non Convertible Debentures</b>				
Secured				
14% Non-Convertible Debentures	51,73,35,490	42,51,35,490	51,73,35,490	42,51,35,490
<b>Term Loan From Banks</b>				
Secured				
From Banks and financial institutions	-	1,94,66,29,151		2,16,41,29,151
From IARC & EARC	-	2,83,00,000		2,83,00,000
		-		-
Unsecured		-		-
From Related Parties		7,04,19,270		7,04,19,270
From Banks		5,67,83,972		7,58,40,289
<b>Loans From Others</b>		-		-
Secured	-	3,60,70,732		3,60,70,732
Unsecured	-	1,89,64,72,335		1,89,17,74,335
Less: Current maturities of long term debt	-	-		-
Advance for Sale of Plots		61,48,50,250		72,98,38,186
<b>Total</b>		<b>5,07,46,61,200</b>		<b>5,42,15,07,453</b>

**Note No 13 : Deferred Tax Liability**

Particulars	As At 31.03.2023	As At 31.03.2022
Opening Balance	31,35,52,551	33,97,54,011
Add/(Less): Provision of Deferred tax charge / (Credit) for the year	50,48,176	(3,86,21,230)
<b>Closing Balance</b>	<b>31,86,00,727</b>	<b>30,11,32,781</b>

**Note No 14 : Other Non Current Liabilities**

Particulars	As At 31.03.2023	As At 31.03.2022
Advance from Customers	3,47,88,090	41,45,153
<b>Total</b>	<b>3,47,88,090</b>	<b>41,45,153</b>

**Note No 15 : Borrowings**

Particulars	As At 31.03.2023	As At 31.03.2022
<b>Cash Credit and Working Capital loan From Banks</b>		
Secured	1,08,36,429	1,05,19,357
Security Deposits	1,11,53,260	32,72,460
<b>Total</b>	<b>2,19,89,689</b>	<b>1,37,91,817</b>

**Note No 16 : Trade Payables**

Particulars	As At 31.03.2023	As At 31.03.2022
Suppliers	20,89,80,763	30,07,55,357
Advance from Customers	78,22,414	
<b>Total Trade Payables</b>	<b>21,68,03,176</b>	<b>30,07,55,357</b>

**Note No 17A : Provisions**

Particulars	As At 31.03.2023	As At 31.03.2022
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	16,749	9,916
Provision for pension	80,81,337	
Provision for accruals	1,78,34,552	18,35,10,908
<b>Others</b>		
Provision for FBT	74,919	74,919
Provision for Bad and Doubtful Debts	1,19,15,888	1,26,39,903
Audit Fee provision	59,200	35,600
<b>Total Provisions</b>	<b>19,51,45,066</b>	<b>19,62,71,246</b>

**Note No 18 : Other Current Liabilities**

Particulars	As At 31.03.2023	As At 31.03.2022
Interest Payable	2,46,23,010	2,46,23,010
Outstanding Expenses Payable (Includes Rent Payable)	5,14,356	2,09,47,191
Royalty payable	1,07,22,209	54,89,908
Audit Fee Payable	37,82,633	81,15,388
Electricity Charges Payable	-	1,90,032
Bonus Payable	11,46,903	11,46,903
Income Received in advance	14,50,224	8,51,818
Spirit to serve charity fund	1,52,606	26,038
PF & ESI Payable	54,03,520	52,20,698
Salaries Payable	2,13,18,314	1,19,90,775
Other Payables	13,19,10,169	10,92,61,998
Statutory Dues	6,80,65,134	6,72,30,563
Current maturities of Long Term Borrowings	85,74,11,509	85,74,11,509
Interest Accrued but not due on Loans	91,86,88,888	91,86,88,888
Deposits	(1,35,79,299)	(1,27,43,113)
Consultancy Charges and Management fee	2,24,81,414	3,42,50,759
GST Payable	1,56,98,413	87,26,119
<b>Total Other Current Liabilities</b>	<b>2,06,97,90,002</b>	<b>2,06,14,28,484</b>

**Note No 19 : Revenue From Operations**

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>Revenue From Operations:</b>		
(A) Revenue From Sale of Products	97,83,21,445	32,18,60,410
(B) Revenue From Sale of Services	-	-
(C) Other Operating Income	5,53,43,307	2,57,87,764
<b>Total</b>	<b>1,03,36,64,753</b>	<b>34,76,48,175</b>

**Note No 20 : Other Income**

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Sale of plots	14,83,98,000	3,87,60,000
Scrap Sale	35,66,667	32,870
Other Non Operating Income	1,32,28,376	1,97,31,750
Interest	10,30,161	6,81,736
Net Gain/Loss on Foreign Currency Transactions	92,275	(4,19,147)
<b>Total</b>	<b>16,63,15,479</b>	<b>5,87,87,209</b>

**Note No 21 : Purchases**

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Opening Stock	-	-
Add: Purchases	33,86,61,316	16,31,14,601
(Less): Closing Stock	-	-
General Materials	-	-
<b>Total</b>	<b>33,86,61,316</b>	<b>16,31,14,601</b>

**Note No 22 : Employee Benefit Expenses**

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Salaries, Wages and bonus	18,00,36,707	11,39,80,677
Managerial Remuneration	-	-
Company's contributions to provident and other funds.	86,55,954	63,01,994
Staff welfare expenses	1,66,55,029	34,75,324
<b>Total</b>	<b>20,53,47,691</b>	<b>12,37,57,995</b>

**Note No 23 : Finance Costs**

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Interest expense at effective rate on borrowings which are measured at amortised costs		
- Loan processing Charges & Bank Charges	55,598	4,89,315
Add : Settlements on interest rate swap contracts	-	-
Credit Card Commission	86,49,746	55,86,612
Less : Interest Capitalised	-	-
<b>Total</b>	<b>87,05,344</b>	<b>60,75,927</b>

**Note No 24 : Other Operating and General expenses**

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>(i) Operating expenses consist of the following :</b>		
Fuel, Power and Light	9,16,76,853	4,38,41,289
Repairs to Buildings	-	14,39,898
Repairs & Maintenance	6,33,42,260	5,01,09,277
Other Operating Expenses	1,56,46,095	1,61,26,717
<b>(ii) General expenses consist of the following :</b>		
Rent	3,92,06,380	2,29,07,426
Licence Fees	76,99,452	57,45,388
Rates and Taxes	3,09,61,612	75,21,726
Insurance	35,78,687	48,72,858
Telephone, Postage and Others	5,67,417	21,17,701
Business Promotion Expenses	8,76,78,990	4,12,89,196
Printing and Stationery	2,66,081	5,08,784
Conveyance and Travelling	83,11,998	50,30,662
Freight & Transportation	-	2,00,891
Laundry	48,96,256	28,07,829
Security Charges	5,04,000	74,87,156
Discount expenses	4,85,477	10,48,452
Interest on taxes Paid	-	6,269
Other Administration Expenses	8,57,21,224	1,01,33,242
Consultancy Charges	2,66,18,188	1,57,73,582
Office Maintenance	27,02,961	31,91,818
Royalty fee	4,11,13,735	-
Loss on Sale of Property, plant and equipment	(65,253)	-
Payment made to Statutory Auditors	11,23,050	11,23,050
Miscellaneous Expenses	2,26,02,072	1,50,76,462
Bad debts written off	66,75,467	-
Interest and late fee	15,33,219	-
Net Loss on foreign currency transaction	1,36,84,351	-
Internal auditor fee	3,00,000	-
<b>Total</b>	<b>55,68,30,573</b>	<b>25,83,59,672</b>

**Note No 25 : Exceptional Items**

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Loans and Advances Written Off	-	-
Others	-	-
<b>Total Amount Written off</b>	<b>-</b>	<b>-</b>

## **Notes to Consolidated financial statements for the year ended March 31, 2023**

### **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, 2023, were approved by the Board of Directors and authorized for issue on 30th May 2023.

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

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

#### **a) Basis of preparation**

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

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

##### **(i) Subsidiaries**

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

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group transactions, balances and unrealized gains on transactions between entities within the Group are eliminated. Unrealized 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.

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 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 amortization 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 realizable 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 utilized.

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 utilized. 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 realized, 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 is 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 amortized 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 amortized cost**

Financial assets are subsequently measured at amortized 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 derecognized, 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 amortized 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 derecognized, 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 derecognized 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 derecognized where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized 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 amortized cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognized, and through the amortization 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 recognizes 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 harmonize 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 THE 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%

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

Particulars	Current Year	Previous Year
Net Profit after Tax (Amount in Rs)	(5,49,221)	(26,30,83,784)
Weighted Average Number of Shares Considered	4,24,05,224	4,24,05,224
Basic EPS	(0.01)	(6.2)
Diluted EPS	(0.01)	(6.2)

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

Particulars	Current Year (Rs.in thousands)	Previous Year (Rs.in thousands)
Current Tax	-	-
(Deferred Tax Asset)/Deferred tax Liability	3,18,601	3,13,553

### 28. Auditors Remuneration:

Particulars	Current Year	Previous Year
Audit Fees (Amount in Rs.)	11,23,050	11,23,050

29. According to the information available with the Company, there are no amounts as at 31st March, 2023, due to suppliers who constitute a “Micro, Small and Medium Enterprises (MSME’s)”.

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 (Amount in Rs)	Rs. 16,22,500
Previous Year (Amount in Rs)	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	Rs.15.81	0.48

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	Rs 20.58	5.315

33. In relation of Secured (Term) Loans:

Party	Secured Loan
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, Kavadiguda, Hyderabad.
Asset Reconstruction Company of India Limited- Taken over from IDFC Limited	A first charge by way of hypothecation of all the Company's immovable properties movable plant and machinery etc. and on Receivables excluding the receivables required by Operator as operating expenses for operation of the Project, present and future, subject to prior charge of the working capital lenders for securing the working capital facilities to the maximum of Rs. 4 crores; and charge on all intangibles. Charge/assignment on all the Company's contracts/documents for the Projects
Asset Reconstruction Company of India Limited- Taken over from Axis Bank Limited	First pari-passu charge on movable assets at Hyderabad Marriott 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 1,416.66 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 paripassu with other term lender i.e. Canara Bank, R.P, Road, Branch, Secunderabad, including Equitable Mortgage of Land admeasuring 6263 Sq.Yds situated at Kavadiguda, Hyderabad.
Bank of Maharashtra	Hypothecation Of Stocks & Receivables Of "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.,
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 BudhaPurnima 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)
Term Loan from Oriental Bank of X 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 2nd charge on Current and Fixed Assets of the Company and also secured by extension of collateral security of vacant land admeasuring 2,926.50 sq. Yards in Survey No. 129/73/2&3 situated at Road No. 3 Banjara Hills, Hyderabad - 500034 owned by M/s Deva infrastructures Pvt. Ltd.



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 6,022.5 Sq. Yards Situated At Venkateswara Nagar, Maharaniipeta, Visakhapatnam Belongs To M/S Banjara Hospitalities Pvt Ltd.
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#### 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:

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.

#### 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
Minerva Hospitalities Private Limited	Subsidiary
Viceroy Chennai Hotels & Resorts Private Limited	Subsidiary
Banjara Hospitalities Private Limited	Subsidiary
Crustum Products Private Limited	Subsidiary

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
Café D Lake Pvt Ltd	Subsidiary	Rent Expenses	1,19,88,000Cr	(9,99,000) Payable

**37. Following are the pending litigations:**

- a) Guarantee issued by the company to Viceroy Bangalore Hotels Private Limited amount of Rs. 317 crores.  
Hon'ble NCLT vide order dt 02.05.2023 has dismissed the claim of Edelweiss ARC Limited of invocation of corporate guarantee of Rs. 317 Crores. Accordingly, the said contingent liability is extinguished.

b) **Income Tax:**

Name of the Statute	Nature of Dues	Notice/Demand as per Section/ Order No.	Amount (Rs)	Period to which it relates
Income Tax Act, 1961	Income Tax	154	Rs.44,78,07,687/ -	A.Y 2014-15
Income Tax Act, 1961	Income Tax	143 (3)	Rs.67,48,29,450/ -	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	147 r.w.s 144	17,56,93,044	A.Y 2015 -16
Income Tax Act, 1961	Income Tax	147 r.w.s 144	12,11,14,973	A.Y 2016-17
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
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 2010-11
Telangana Value Added Tax Act, 2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated:	3,48,128	F.Y 2015-16
Telangana Value Added Tax Act, 2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	3,26,732	F.Y 2015-16
Telangana Value Added Tax Act, 2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	1,59,426	F.Y 2016-17

Telangana Value Added Tax Act, 2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	3,41,030	F.Y 2016-17
Telangana Value Added Tax Act, 2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	17,33,783	F.Y 2016-17
Telangana Value Added Tax Act, 2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 26.02.2020	1,74,256	F.Y 2016-17
Telangana Value Added Tax Act, 2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 05-01-2021	2,46,905/-	F.Y 2016-17
Telangana Value Added Tax Act, 2005	Entertainment Tax	As per Telangana Commercial taxes department arrears notice dated: 05-01-2021	2,69,675/-	F.Y 2016-17
Service tax Act	Service tax	Deferential service tax amount	85,061/-	F.Y 2017-18

c) 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/E NQ-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/-

d) Luxury/ 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
	Total	21,783.97	

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 Asset Reconstruction Company (India) Ltd (ARCIL) has filed plea under Sec. 7 of The Insolvency and Bankruptcy Code, 2016 against M/s Viceroy Hotels Limited for an amount of Rs. 525 crores (along with interest). The NCLT process is under way, with Committee of Creditors (CoC) formed and the Resolution Professional appointed.

M/s. Marriott Hotels India Private Limited has filed an petition against the Resolution Professional of M/s Viceroy Hotels Limited to make a payment of USD 18,77,151/- (INR 14.5 Crores) in accordance with the Marriott and Courtyard Agreements, as CIRP costs. As per NCLT order dt. 16.09.2022, claim of Rs. 10.4 Crores are considered as part of CIRP costs, are duly paid during the FY 22-23 and remaining amount of claim related to Pre-CIRP period and the same has not been admitted, Marriott has filed a claim form with RP in this regard and same is admitted as operational creditors claim.

The Hon'ble NCLT, Hyderabad appointed Dr G.V. Narasimha Rao as new Resolution Professional for conducting Corporate Insolvency Resolution Process vide order dated April 13, 2022.

Pursuant to COC's approval of resolution plan dated 29.09.2022 submitted by successful resolution applicant, RP has filed an application for approval of resolution plan before Hon'ble NCLT on 11.11.2022. The Contours of the resolution plan were presented before the Hon'ble NCLT bench and the matter is reserved for orders.

40. The Appeal has been filed by IARC seeking to set aside the order of the Hyd NCLT rejecting the Resolution Plan of CFM ARC dated 01-Sep-2021. Both IARC and RP have completed the pleadings and written submissions the primary issue being whether an ARC is disqualified to be a Resolution Applicant. CFM has filed an affidavit in this Appeal seeking to withdraw its Plan and have the Performance Bank Guarantee returned. The NCLAT has passed 2 interim orders one directing the RP to keep the CD as a going concern and the other to have the PBG extended. The next hearing is posted for dated 21st June 2023.



41. The company has a pending adjudication against the Hon'ble Adjudicating Authority, PMLA, 2002. For which The Directorate of Enforcement made a Provisional Attachment Order in PAO No. 04/2019 dated 26.03.2019 passed by the Deputy Director, Directorate of Enforcement against the company. The 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.

42. 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.

43. 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.

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

45. 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.

47. 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.
48. 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
49. 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.
50. 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.
51. The company is in the process of appointing Chief Financial Officer (CFO),CS and CEO for the FY 2022-23.
52. 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. Additional Regulatory Information
- (i) There are no proceedings initiated or pending against the company or the group for holding any benami property under the benami transaction (prohibition) Act, 1988.
  - (ii) None of the companies included in the group Have been declared as wilful defaulter by any bank or financial institution.
  - (iii) The Companies included in the group doesn't have any transactions or relationship with struck off companies.
  - (iv) There are no charges or satisfaction of charges yet to be registered with ROC beyond the statutory period.
  - (v) The company and its subsidiaries have not applied for any scheme of arrangements in terms of section 230 to 237 of the companies Act, 2013.

(vi) The company and its subsidiaries doesn't have any transactions which are not recorded in books of accounts that has been surrender or disclosed for tax assessments under Income Tax Act, 1961 during the year.

55. There are no significant events that occurred after the Balance Sheet Date.

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

57. The figures have been rounded off to Thousands and decimals thereof.

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

**For and on behalf of the Board of Directors of  
Viceroy Hotels Limited**

**For P C N & Associates,  
Chartered Accountants,**

**Firm Registration no: 016016S**

**P. Prabhakar Reddy  
Director**

**Govind Raj Devraj  
Director**

**K. Gopala Krishna  
Partner**

**Membership No. 0203605**

**Place: Hyderabad**

**Date:**

**Dr. G.V. Narasimha Rao  
Resolution Professional**