

CAFÉ D' LAKE PRIVATE LIMITED

9th Annual Report
2011 - 2012

CORPORATE INFORMATION

Board of Directors :

Mr. P. Prabhakar Reddy	-	Director
Mr. A.Vijayavardhan Reddy	-	Director
Mr. P. Chakradhar Reddy	-	Director
Mr. K. Narasimha Rao	-	Director

Auditors:

M/s. P. Murali & Co.,
Chartered Accountants
6-3-655/2/3, 1st Floor, Somajiguda
Hyderabad – 500 082

Financial Institutions:

TFCI Limited

Bankers:

Andhra Bank

Registered Office:

TS No. 5, Block B, Ward No. 80,
Buddhapurnima Lake Front,
Opp. Lake Police Station
Necklace Road,
Hyderabad.

NOTICE

NOTICE is hereby given that the 9th Annual General Meeting of the Members of the Company will be held at Registered Office at Hyderabad on Friday the 31st August, 2012 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March 2012 together with the Report's of the Directors and Auditors thereon.
2. To Appoint a Director in place of Mr. K. Narasimha Rao who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint statutory auditors of the Company and fix their remuneration.

Hyderabad
20-07-2012

By order of the Board

Sd/-
P. Prabhakar Reddy
Director

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting 9th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2012.

OPERATIONS:

Cafe 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. 3059.09 Lakhs for the year ended 31st March, 2012 as against Rs. 2990.21 Lakhs for the previous year. The Net Profit for the year ended 31st March, 2012 is Rs.106.59 Lakhs as against Rs. 284.64 Lakhs.

DIVIDEND:

As the Company's profits are inadequate the Board does not recommend any dividend during the year under review.

DIRECTORS:

Mr. K. Narasimha Rao retires by rotation and being eligible offered himself for reappointment. The Board commends his re-appointment as Director.

AUDITORS:

M/s. P. MURALI & CO., Chartered Accountants, Auditors of the Company retires at the ensuing Annual General Meeting the Company received a letter from them expressing their willingness to be re-appointed as Statutory Auditors to the effect that their appointment, if made will be in accordance with the provisions of section 224(1B) of the Companies Act, 1956. Hence the Board recommends their appointment as Statutory Auditors for the FY 2012-13.

AUDIT REPORT:

Regarding the Auditors observations and comments in their report for the FY 2011-12, they are self-explanatory and the Company is making efforts / steps to comply the same.

PARTICULARS OF EMPLOYEES:

There are no employees, who are covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975. Information required under Section 217(1)(e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.

- a) Conservation of Energy:
Proper Control points are set up at all levels to identify the wastage in Power & Fuel consumption and to take/initiate corrective steps.
- b) Research and Development and Technology Absorption:
 - i. Our Research & Development Cell has been making continuous efforts to ensure the best quality standards.
 - ii. No technology either indigenous or Foreign is involved.

c) Foreign Exchange Earnings and Outgo:

During the year the Company has earned Foreign Exchange to the extent of Rs. 27.58 lakhs (Previous year Rs. 15.29 lakhs through International Credit Cards etc., The corresponding foreign exchange out go during the year was Nil (Previous year Rs. 1.51 lakhs) and Net Foreign Exchange earned is of Rs. 27.58 lakhs (Previous year Rs. 13.78 lakhs).

DEPOSITS:

During the year under review, the Company has not accepted deposits from the Directors, Relatives and Public.

EMPLOYEE RELATIONS:

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

DIRECTOR'S RESPONSIBILITY STATEMENT :

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

- (i) in the preparation of the annual accounts for the year ended March 31, 2012, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the Company for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

ACKNOWLEDGEMENTS:

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

Your Directors also wish to acknowledge the continued support and confidence proposed in the management by the Shareholders.

Hyderabad
20-07-2012

For CAFÉ D LAKE PRIVATE LIMITED

Sd /-
P. PRABHAKAR REDDY
CHAIRMAN OF THE MEETING

COMPLIANCE CERTIFICATE

{Rule 3 of the Companies (Compliance Certificate) Rules, 2001 read with Section 383A of Companies Act, 1956}

Reg. No. of the Company : 01- 040419
Authorized Capital : Rs. 3,50,00,000/-
Paid-up Capital : Rs. 2,74,45,300/-

To

The Members

CAFÉ D' LAKE PRIVATE LIMITED

TS No. 5, Block B, Ward No. 80,
Buddhapurnima Lake Front,
Opp. Lake Police Station, Necklace Road,
Hyderabad – 500001, AP

We have examined the registers, records, books and papers of **CAFÉ D' LAKE PRIVATE LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended 31st March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, and its officers, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, A.P.
3. The Company being a Private Limited Company which is Wholly Owned Subsidiary (WOS) of public limited company, has the minimum prescribed paid up capital and its maximum number of members during the said financial year was **two** and the company during the year under scrutiny:
 - i. has not invited public to subscribe for its shares or debentures; and
 - ii. has not invited or accepted any deposits from persons other than its members, directors or their relatives, during the financial year 2011-2012
4. The Board of Directors met 6 times on 12-05-2011, 20-06-2011, 25-07-2011, 13-08-2011, 06-01-2012 and 14-02-2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the financial year under review.
6. The Annual General Meeting of the Company for the financial year ended on 31st March, 2011 was held on 31st August, 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meetings was held during the financial year.
8. The Company has not made any loan, has not given any guarantee and has not provided any security in connection with a loan made by any director or relative of any such director or any firm in which any such director or relative is a partner as referred under the provisions of Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act during the financial year under scrutiny.

10. The Company has made necessary entries in the register maintained under Section 301(3) of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, during the financial year under scrutiny, the Company has not obtained any approval from the Board of Directors, members and previous approval of the Central Government.
12. The Company has not issued any duplicate share certificates during the financial year 2011-2012.
13. The Company has:
 - i) not allotted any securities during the year under review and not made any transfer/transmission of securities during the financial year under review.
 - ii) not declared any dividend including interim dividend during financial year under review.
 - iii) not required to pay/post warrants for dividends during the year under review.
 - iv) there were no amounts lying with the Company in unpaid dividend account or any application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years or more.
 - v) the Company has complied with requirements of Section 217 of the Act.
14. The Board of Directors is duly constituted and there were no instances of appointment of directors, additional directors, alternate directors and directors to fill casual vacancies during the financial year under review.
15. The Company has not appointed any Managing Director and as Whole-time Director during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year 2011-2012.
17. There were no instances wherein the Company was required to obtain any approval from the Central Government, Company Law Board, Regional Director, Registrar or such other authorities, under the various provisions of the Act during the financial year under scrutiny.
18. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under during the year under review.
19. The Company has not issued any shares, debentures or other securities during the financial year under review.
20. The Company has not bought back any shares during the financial year under review.
21. There was no redemption of preference shares/Debentures during the year under review as the Company has not issued any such shares/debentures.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares during the financial year 2011-2012.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act, during the financial year 2011-2012.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 31, March 2012 was within the borrowing limits of the company as referred under section 293(1) (d) of the Act.
25. The Company has not made any loan and investment or given any guarantee or provided security to other bodies corporate as referred under Section 372A.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's

registered office from one state to another during the year under scrutiny.

However, the Company has shifted its registered office within the city limits from Plot No. 258, Road No. 18, Jubilee Hills, Hyderabad – 500033, AP to TS No. 5, Block B, Ward No. 80, Buddhapurnima Lake Front, Opp. Lake Police Station, Necklace Road, Hyderabad – 500001, AP with effect from June 15, 2012

27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during year under review.
29. The Company has not altered the provisions of the memorandum with respect to increase of share capital during the year under scrutiny.
30. The Company has not altered its Articles of Association with respect to increase of share capital during the year under review.
31. As per the information given by the Directors, there were no prosecutions initiated against or show cause notices received by the company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited all moneys contributable to provident fund as referred under Section 418 of the Companies Act, 1956 during the financial year.

**For P S Rao & Associates
Company Secretaries**

Hyderabad
July 20, 2012

CS N. Vanitha
C P No: 10573

ANNEXURE TO COMPLIANCE CERTIFICATE FOR FY 2011-2012**CAFE D'LAKE PRIVATE LIMITED****ANNEXURE: A****STATUTORY REGISTERS AS MAINTAINED BY THE COMPANY**

1. Register of Directors' U/s 303
2. Register of Directors' Shareholdings U/s 307
3. Register of Members U/s 150
4. Minutes of Board Meetings U/s 193
5. Minutes of Annual and Extra-Ordinary General Meetings U/s 193
6. Register of contracts, firms and Companies in which Directors are interested U/s 301(3).
7. Register of Contracts U/s 301
8. Register of Charges U/s 143

ANNEXURE: B**FORMS AND RETURNS FILED DURING THE YEAR**

1. Form 20B for filing of Annual Return as on 31-08-2009 u/s 159 of the Act filed on 18-11-2011.
-Additional Fee-

**For P S Rao & Associates
Company Secretaries**

Hyderabad
July 20, 2012

CS N. Vanitha
C P No: 10573

AUDITOR'S REPORT

To,
The Members,
CAFÉ D LAKE PRIVATE LIMITED.

We have audited the attached Balance Sheet of CAFÉ D LAKE PRIVATE LIMITED as at 31st March, 2012 and also the Profit & Loss Account for the period ended on the date annexed thereto and the cash flow statement for the period ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis of our opinion.

As required by the Companies (Auditors Report) Order 2003, issued by the Central Government of India in terms of the sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our Audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet & Profit & Loss Account dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet & Profit & Loss Account dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of Section 211 of Companies Act, 1956;
- (v) On the basis of written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed Director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (b) In the case of the Profit & Loss Account, of the profit for the period ended on that date;

And

 - (c) In the case of the Cash Flow, of the cash flows for the period ended on that date.,

Hyderabad
July 20, 2012

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

SD/-
P.MURALI MOHANA RAO
PARTNER
Membership No. 23412

Annexure to the Auditor's Report

- I. (a) The Company has maintained proper records showing full particulars Including quantitative details and situation of Fixed Assets.
(b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
(c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- II. (a) The Inventory has been physically verified during the year and in our Opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and as explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.
- III. (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
(b) As the Company has not granted any loans, the Clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under Section 301 prejudicial to the interest of company, is not applicable.
(c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties, is not applicable to the company.
(d) No loans have been granted to Companies, Firms and other parties listed in the register U/S 301 of the Companies Act, 1956. Hence, over due Amount of more than rupees one Lac does not arise and the clause is not Applicable.
(e) The Company has not taken any loans, secured or unsecured from Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956.
(f) As the Company has not taken any loans, the clause of whether the rate of interest and other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.
(g) As no loans are taken by the company, the clause of repayment of interest & principal amount to parties is not applicable to the company.
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods.
There is no continuing failure by the company to correct any major weaknesses in internal control.
- V. (a) In our opinion and according to the information and explanations given to us, since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the Company in respect of any party in the financial year, the entry in the register U/s. 301 of the Companies Act, 1956.
(b) According to the information and explanations given to us, as no such contracts or arrangements made by the Company, the applicability of the clause of charging the reasonable price having regards to the prevailing market prices at the relevant time does not arise.
- VI. The Company has not accepted any deposits from the public.
- VII. In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- VIII. In respect of the Company, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section(1) of section 209 of the Companies Act, 1956.

- IX. a) The Company is regular in depositing statutory dues including PF, ESI, Income Tax and any other statutory dues with the appropriate authorities and at the last of the financial year there were no amount outstanding which were due for more than 6 months from the date they became payable.
- b) According to the information and explanations given to us, there are undisputed amounts payable in respect of TDS, as at the end of the period, for a period more than six months from the date they became payable.
- X. The Company has been registered for a period of not less than 5 years, and the company has no accumulated losses at the end of the financial year and the company had not incurred cash losses in this financial year and in the immediately preceding such financial year.
- XI. According to information and explanations given to us, the Company has not defaulted in repayment of dues to financial Institutions or banks.
- XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.
- XIV. According to the information and explanations given to us, the company is not dealing or trading in shares, Securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company does not arise.
- XVI. According to the information and explanations given to us, the Term Loans were applied by the company for the purpose for which the loans were obtained.
- XVII. According to the information given to us and on an overall examination of the Balance Sheet of the Company, we report that the funds raised on short-term basis have not been used for long term investment and vice-versa during the year under audit.
- XVIII. According to the information and explanations given to us, the Company has not made preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is not prejudicial to the interest of the Company.
- XIX. According to the information and explanations given to us, the Company has not issued debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX. According to information and explanations given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by Public Issue is not applicable.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

Hyderabad
July 20, 2012

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

SD/-
P.MURALI MOHANA RAO
PARTNER
Membership No. 23412

BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	Note No.	AS ON 31-03-2012 (₹)	AS ON 31-03-2011 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	2,74,45,300	2,74,45,300
(b) Reserves and Surplus	2	16,18,64,005	15,12,04,793
(2) Share application money pending allotment			
		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	30,03,70,640	28,34,93,758
(b) Deferred Tax Liabilities (Net)	4	1,71,83,431	1,66,34,257
(c) Other Long Term Liabilities	5	37,45,625	36,58,625
(d) Long Term Provisions		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings		-	-
(b) Trade Payables	6	1,79,24,239	1,42,67,751
(c) Other Current Liabilities	7	91,79,029	92,52,704
(d) Short-Term Provisions	8	53,83,111	85,14,800
Total		54,30,95,379	51,44,71,988
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	17,27,38,221	17,58,82,776
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		9,79,47,474	7,92,33,297
(b) Non-current investments		-	-
(c) Long Term Loans and advances	10	25,40,89,422	24,95,32,976
(d) Other Non-Current assets		-	-
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	11	41,79,296	42,31,464
(c) Trade receivables	12	53,31,248	42,78,589
(d) Cash and Bank Balances	13	88,09,717	13,12,886
(e) Short-Term Loans and Advances		-	-
(f) Other Current assets		-	-
Total		54,30,95,379	51,44,71,988

Significant Accounting Policies
Notes to Financial Statements

1 to 32

AS PER OUR REPORT OF EVEN DATE

FOR P. MURALI & CO.,

Chartered Accountants

Firm's Regn. No. : 007257S

Sd/-

P. MURALI MOHANA RAO

Partner

Membership No. 023412

Hyderabad

July 20, 2012

FOR AND ON BEHALF OF THE BOARD

Sd/-

P. PRABHAKAR REDDY

Director

Sd/-

A. VIJAYAVARDHAN REDDY

Director

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	Note No.	Year Ended 31-03-2012 (₹)	Year Ended 31-03-2011 (₹)
I. Revenue from Operations	14	30,59,08,548	29,90,21,400
II. Other Income		-	-
III. Total Revenue (I +II)		30,59,08,548	29,90,21,400
IV. Expenses:			
Cost of Materials Consumed	15	12,09,97,433	11,45,14,655
Employee Benefit Expenses	16	6,55,09,211	5,91,65,901
Other Operating Expenses	17	5,08,24,331	4,71,64,581
Administrative Expenses	18	3,02,99,618	2,12,93,343
Financial costs	19	95,01,306	99,78,490
Depreciation and amortization expense	9	1,21,85,153	1,10,82,052
Total Expenses		28,93,17,052	26,31,99,022
V. Profit before exceptional and extraordinary items and tax (III - IV)		1,65,91,497	3,58,22,378
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		1,65,91,497	3,58,22,378
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII - VIII)		1,65,91,497	3,58,22,378
X. Tax expense:		-	-
(1) Current tax		53,83,111	64,32,981
(2) Deferred tax		(5,49,174)	(9,25,499)
XI. Profit(Loss) from the period from Continuing Operations (VII - VIII)		1,06,59,212	2,84,63,898
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax expense of Discounting Operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		1,06,59,212	2,84,63,898
XVI. Earning per equity share:			-
(1) Basic		3.88	10.37
(2) Diluted		3.88	10.37

Significant Accounting Policies
Notes to Financial Statements

1 to 32

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

Sd/-
P. MURALI MOHANA RAO
Partner
Membership No. 023412
Hyderabad
July 20, 2012

FOR AND ON BEHALF OF THE BOARD

Sd/-
P. PRABHAKAR REDDY
Director

Sd/-
A. VIJAYAVARDHAN REDDY
Director

Notes To Financial Statements For The Year Ended March 31st 2012

S.NO	PARTICULARS	AS ON 31-03-2012 (₹)	AS ON 31-03-2011 (₹)
NOTE NO. 1 : SHARE CAPITAL			
A Share Capital			
(a)	Authorised		
	(No. of Equity Shares 35,00,000 Current Year)	3,50,00,000	-
	(No. of Equity Shares 35,00,000 Previous Year)	-	3,50,00,000
	Total Authorised Share Capital	3,50,00,000	3,50,00,000
(b)	Issued		
	(No. of Shares 27,44,530 Current Year)	2,74,45,300	-
	(No. of Shares 27,44,530 Previous Year)	-	2,74,45,300
(c)	Subscribed & Fully Paid Up		
	(No. of Shares 27,44,530 Current Year)	2,74,45,300	-
	(No. of Shares 27,44,530 Previous Year)	-	2,74,45,300
(d)	Subscribed & not fully paid up	-	-
(e)	Par Value per Equity share Rs. 10/-		
	Total Equity Share capital	2,74,45,300	2,74,45,300

B Share held by holding / ultimate holding and / or their subsidiary / associates:

Equity Shares of Rs.10Each, Fully paid up

Holding Company (Viceroy Hotels Ltd)

(No. Of Shares 27,44,530 Current Year)

-

-

(No. Of Shares 27,44,530 Previous Year)

-

-

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

(Equity Shares of Rs. 10 each Held By)

Name of Shareholder	No. of Shares		% of Share Holding	
	Current Year	Previous Year	Current Year	Previous Year
(1) Viceroy Hotels Limited	27,44,530	27,44,530	100.00	100.00

NOTE NO. 2 : RESERVES AND SURPLUS**RESERVES AND SURPLUS**

a) Securities Premium Reserve

As at the commencement of the year

4,29,24,450

4,29,24,450

Add: Additions during the year

-

-

Less: Utilised during the year

-

-

Sub Total**4,29,24,450****4,29,24,450**

Notes To Financial Statements For The Year Ended March 31st 2012

S.NO	PARTICULARS	AS ON 31-03-2012 (₹)	AS ON 31-03-2011 (₹)
b) Surplus :			
i) Opening Balance - Profit and Loss Account		10,82,80,343	7,98,16,445
Add: Transfer from Profit & Loss Account		1,06,59,212	2,84,63,898
Less: Transfer To General Reserve		-	-
Less: Goodwill Written Off		-	-
	Sub Total	11,89,39,555	10,82,80,343
	Total Reserves and Surplus	16,18,64,005	15,12,04,793
NOTE NO. 3 : LONG TERM BORROWINGS			
a) i) Term Loans			
From Financial Institutions		14,97,25,273	14,24,07,922
	Sub Total	14,97,25,273	14,24,07,922
ii) Un Secured Loans			
From Banks		40,06,137	12,91,291
From Others		14,66,39,230	13,97,94,545
	Sub Total	15,06,45,367	14,10,85,836
	Total Long Term Borrowings	30,03,70,640	28,34,93,758
NOTE NO. 4 : DEFERRED TAX LIABILITY (NET)			
Opening Deferred Tax Liability		1,66,34,257	1,57,08,758
Add: Deferred Tax Liability (Due to difference in depreciation as per SLM and WDV)		5,49,174	9,25,499
	Gross Deferred tax Liability	1,71,83,431	1,66,34,257
NOTE NO. 5 : OTHER LONG TERM LIABILITIES			
a) Trade Payables & Others			
- Advance from Customers		37,45,625	36,58,625
	Total Long Term Liabilities	37,45,625	36,58,625
NOTE NO. 6 : TRADE PAYABLES			
a) Trade Payables(creditors)		1,79,24,239	1,42,67,751
	Total Trade Payables	1,79,24,239	1,42,67,751

Notes To Financial Statements For The Year Ended March 31st 2012

S.NO	PARTICULARS	AS ON 31-03-2012 (₹)	AS ON 31-03-2011 (₹)
NOTE NO. 7 : OTHER CURRENT LIABILITIES			
a)	Interest accrued and due on borrowings.	3,52,001	6,83,314
b)	Other Payables		
(I)	Rent payable	14,500	18,880
(ii)	Audit fee Payable	21,68,796	19,17,671
(iii)	Electricity Charges Payable	6,57,105	6,14,292
(iv)	Statutory Liabilities	31,42,212	28,07,668
(v)	PF & ESI Payable	6,69,397	6,14,022
(vi)	Salaries Payable	16,08,745	14,48,267
(vii)	Other Payables	5,66,272	11,48,591
	Total Other Current Liabilities	91,79,029	92,52,704
NOTE NO. 8 : SHORT TERM PROVISIONS			
a)	Provision for Income Tax	53,83,111	64,32,981
b)	Provision for MAT		21,048
c)	Provision for FBT		71,291
d)	Other Provisions		19,89,480
	Total Short Term Provisions	53,83,111	85,14,800

NOTE NO 9 : TANGIBLE ASSETS AS AT 31-03-2012

DESCRIPTION	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	Block As at 01-04-2011	Additions During the Year	Sale / Deletions During the year	Total Cost as at 31-03-2012	As on 31-03-2011	For the Year	Adjustments During the Year	Total as at 31-03-2012	As at 31-03-2012	As at 31-03-2011		
LAND	-	-	-	-	-	-	-	-	-	-	-	
BUILDING	8,74,70,178	-	-	8,74,70,178	1,65,02,025	29,20,762	-	1,94,22,787	6,80,46,649	7,09,68,153		
PLANT & MACHINERY	6,01,39,089	2,95,620	-	6,04,34,609	1,98,47,982	28,65,171	-	2,27,13,153	3,77,21,456	4,02,91,107		
ELECTRICAL EQUIPMENT	65,79,107	59,770	-	66,38,877	29,79,598	4,66,360	-	34,45,958	31,92,919	35,99,509		
OFFICE EQUIPMENT	98,57,388	-	-	98,57,388	30,68,645	4,68,226	-	35,36,871	63,20,517	67,88,743		
COMPUTERS	38,42,340	3,27,485	-	41,69,825	29,59,698	5,35,292	-	34,94,990	6,74,835	8,82,642		
FURNITURE	4,72,44,310	35,91,242	-	5,08,35,552	1,50,34,661	31,98,978	-	1,82,33,639	3,26,01,913	3,22,09,649		
VEHICLES	76,25,367	47,67,323	-	1,23,92,690	29,34,605	9,77,503	-	39,12,108	84,80,582	46,90,762		
CIVIL WORKS	2,25,40,763	-	-	2,25,40,763	60,88,552	7,52,861	-	68,41,413	1,56,99,350	1,64,52,211		
TOTAL	24,52,98,542	90,41,340	-	25,43,39,882	6,94,15,766	1,21,85,153	-	8,16,00,919	17,27,38,221	17,58,82,776		
PREVIOUS YEAR	23,24,94,697	1,37,68,255	9,64,409	24,52,98,543	5,92,98,122	1,10,82,052	9,64,409	6,94,15,765	17,58,82,778	17,31,96,575		

Notes To Financial Statements For The Year Ended March 31st 2012

S.NO	PARTICULARS	AS ON 31-03-2012 (₹)	AS ON 31-03-2011 (₹)
NOTE NO. 10: LONG TERM LOANS AND ADVANCES			
	Security Deposit	85,59,078	88,05,031
	Loans and advances to Others	15,37,69,431	11,65,03,753
	Advances Recoverable in Cash or in kind	9,17,60,913	12,42,24,192
	Total Long Term Loans and Advances	25,40,89,422	24,95,32,976
NOTE NO. 11 : INVENTORIES			
	Inventories :		
	Beverages, Maintenance, Asset, Provisions and other store items	41,79,296	42,31,464
	Total Inventories	41,79,296	42,31,464
NOTE NO. 12 : TRADE RECEIVABLES			
	Trade Receivables:		
	Secured, Considered Good	53,31,248	42,78,589
	Unsecured, Considered Good	-	-
	Total Trade Receivables	53,31,248	42,78,589
NOTE NO. 13 : CASH AND BANK BALANCES			
	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	78,09,617	9,66,490
	b) Cash on hand	10,00,100	3,46,395
	Total Cash and Cash Equivalents	88,09,717	13,12,885
NOTE NO. 14 : REVENUE FROM OPERATIONS			
	Revenue from operations in respect of non-finance company		
	(a) Sale of Products & Services	28,76,86,004	28,07,12,881
	(b) Other Operating Revenues	1,82,22,544	1,83,08,519
	Total Revenue from Operations	30,59,08,548	29,90,21,400
NOTE NO. 15 : COST OF MATERIALS			
	Food & Beverages	12,09,97,433	11,45,14,655
	Total Cost of Material Consumed	12,09,97,433	11,45,14,655

Notes To Financial Statements For The Year Ended March 31st 2012

S.NO	PARTICULARS	AS ON 31-03-2012 (₹)	AS ON 31-03-2011 (₹)
NOTE NO. 16 : EMPLOYEE BENEFIT EXPENSES			
(a)	Salaries & Wages	5,60,22,603	5,15,45,457
(b)	Contribution to Provident & Other Funds	66,25,931	57,34,092
(c)	Managerial Remuneration	12,00,000	12,00,000
(d)	Staff Welfare Expenses	16,60,677	6,86,352
	Total Employee Benefit Expenses	6,55,09,211	5,91,65,901
NOTE NO. 17 : OTHER OPERATING EXPENSES			
(a)	Power & Fuel	1,45,62,075	1,40,83,764
(b)	Rent	2,16,11,366	-
(c)	Repairs to Building	-	38,543
(d)	Insurance	5,37,885	-
(e)	Rates & Taxes (excluding Income Tax)	1,35,23,869	3,20,49,517
(f)	Miscellaneous Expenditure	3,19,471	7,88,702
(g)	Payment to Auditors:		
(i)	As Auditor	2,69,664	2,04,055
	Total Other Expenses	5,08,24,331	4,71,64,581
NOTE NO. 18 : ADMINISTRATIVE EXPENSES			
(a)	Telephone, Postage and Others	7,86,003	8,29,854
(b)	Business Promotion Expenses	2,98,193	16,73,745
(c)	Conveyance	8,77,050	8,20,762
(d)	Printing & Stationery Expenses	10,48,517	10,36,201
(e)	Managerial Remuneration	-	12,00,000
(f)	Consultancy Charges	17,46,324	17,63,461
(g)	Laundry expenses	15,78,698	15,92,734
(h)	Other Expenses and Maintenance Charges	2,39,11,342	1,23,76,585
(i)	Interest on taxes Payable	53,491	-
	Total Administrative Expenses	3,02,99,618	2,12,93,343
NOTE NO. 19 : FINANCE COST			
(a)	Interest Expenses	-	-
	- Interest on Term loans	24,27,619	46,76,596
	- Interest on Working capital loan	35,18,395	29,60,817
	- Interest on Unsecured Loan	1,26,000	1,26,000
	- Credit card Commission & Bank Charges	21,07,224	17,54,593
(b)	Other Borrowing costs	13,22,068	4,60,484
	Total Finance Cost	95,01,306	99,78,490

Significant Accounting Policies

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

(a) Accounting Convention and Revenue Recognitions:

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

(b) Retirement Benefits:

Staff benefits arising out of retirement / death, comprising of contributions to Provident Fund, Superannuation & Gratuity Schemes, accrued Leave encashable and other post-separation benefits are accounted for on the basis of contribution to the schemes, or an independent actuarial valuation as the case may be.

(c) Fixed Assets:

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

(d) Depreciation:

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

(e) Transactions in Foreign Exchange:

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

Payments made in foreign currency are converted at the applicable rate prevailing on the date of remittance.

(f) Borrowing Cost

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

(g) Inventories:

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

(h) Taxes on income:

(i) Income tax is computed in accordance with Accounting Standard 22 - 'Accounting for Taxes on Income (AS-22), issued by the ICAI. Tax expenses are accounted in the same period to which the revenue and expenses relate.

(ii) Provision for current income tax is made on the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws. The differences between taxable income and the net profit or loss before tax for the year as per the financial statements are identified and the tax effect of the deferred tax asset or deferred tax liabilities recorded for timing differences, i.e. differences that originate in one accounting period and reverse in another. The tax effect is calculated on accumulated timing differences at the end of the accounting year based on effective tax rates that would apply in the years in which the timing differences are expected to reverse.

(iii) Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

(i) Accounting for Provisions, Contingent Liabilities and Contingent Assets

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

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

Contingent Assets are not recognized in the financial statements.

(j) Earnings per Share:

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

Notes to Financial Statements

20. The annual accounts of Café D Lake Private Limited for the financial year ended 31st March, 2012 pertains to the operating divisions viz 1) Minerva Coffee shop, Himayat nagar, Hyderabad 2) Blue Fox Bar & Restaurant, Himayat nagar, Hyderabad 3) Minerva Coffee shop and Blue Fox Bar & Restaurant, Ameerpet, Hyderabad 4) Minerva Coffee shop and Blue Fox Bar & Restaurant, Vijayawada 5) Eat Street and Water Front at Necklace Road, Hyderabad.

21. In relation to Provision for Current Tax, Deferred Tax:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Provision for Income Tax / Deferred Tax	59.32	73.58

22. In relation of Managerial Remuneration:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Salaries	12.00	12.00

23. Auditors Remuneration:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Audit Fee	2.69	2.04

24. Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Rs. in Lakhs

Particulars	31-Mar -2012	31-Mar -2011
Net Profit for the year	106.59	284.63
Weighted average No of shares outstanding during the year	27,44,530	27,44,530
Earnings per share (Rs.)	3.88	10.37
Nominal Value of the Share (Rs.)	10	10

25. In relation of Secured (Term) Loans :

- (i) Term Loan from Andhra Bank is secured on the movable and Immovable properties i.e. Stocks, Furniture and Fixtures of Minerva Coffee shop and Blue Fox & Bar & Restaurant situated at Himayat nagar, Hyderabad.
- (ii) Term Loan from TFCI are secured by Parri Passu first charge on the lease hold rights and movable properties of Water Front and Eat Street situated at Necklace, Hyderabad and on the movable properties of Minerva Coffeeshop, Blue Fox Bar & Restaurant situated at Ameerpet, Hyderabad. Also secured against the personal property of Director.

26. In relation of Foreign Currency Inflows:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
International Credit Cards etc.,	27.58	15.29

27. Expenditure in Foreign Currency:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Others	Nil	1.51

28. The Company's only business is Food & Beverage and hence disclosure of segment-wise information is not applicable under Accounting Standard 17- 'Segmental Information' (AS-17), there is no geographical segment to be report.
29. Previous year's figures and current year's figures have been regrouped, recasted, wherever necessary to improve figures presentation.
30. According to the information available with the Company, there are no amounts as at 31" March, 2012, due to suppliers who constitute a "small scale industrial undertaking".
31. Since Central Government had issued a notification No. S.O. 301 (E) dated 8th February, 2011 in exercise of the powers conferred by Section 211 (3) of the Companies Act, 1956 granting general exemption to some specified class of companies, including hotel companies, from disclosing certain information in their profit and loss account as required under Part-II of Schedule VI of the Companies Act, 1956 subject to fulfillment of few conditions, the Company has duly complied with all conditions of the notification to seek general exemption under Section 211 (4) of the Companies Act, 1956, paras 3(i)(a) and 3(ii)(d) of Part II of Schedule VI of the Companies Act, 1956 dealing with the disclosure of quantitative details of turnover of each class of goods,

opening and closing stock, purchases, production and consumption of raw material in the financial statements for the financial year ended 31st March, 2012. In this regard the Board of Directors of the Company has passed necessary resolution to comply with the conditions of the notification for the same.

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

AS PER OUR REPORT OF EVEN DATE

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

Sd/-
P. MURALI MOHANA RAO
Partner
Membership No. 023412
Hyderabad
July 20, 2012

FOR AND ON BEHALF OF THE BOARD

Sd/-
P. PRABHAKAR REDDY
Director

Sd/-
A. VIJAYAVARDHAN REDDY
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012

PARTICULARS	Current Year (₹)	Previous Year (₹)
I. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	1,65,91,497	3,58,22,378
Adjustments for :-		
Depreciation	1,21,85,153	1,10,82,052
Financial Cost	95,01,306	99,78,490
Loss on Sale of Fixed Assets	-	-
Operating cash flow before working capital changes	3,82,77,956	5,68,82,920
(Increase) / Decrease in Inventory	52,168	(7,78,766)
(Increase) / Decrease in Trade Receivables	(10,52,660)	2,22,299
(Increase) / Decrease in Short Term Loans & Advances	-	15,85,22,737
(Increase) / Decrease in Other Non-Current Assets	-	-
Increase / (Decrease) in Short Term Borrowing	-	-
Increase / (Decrease) in Trade Payables	36,56,488	52,864
Increase / (Decrease) in Other Current Liabilities	(73,676)	-
Increase / (Decrease) in Short Term Provisions	(85,14,800)	22,55,564
Misc Exps	-	-
CASH GENERATED FROM OPERATIONS	3,23,45,476	21,71,57,618
Less : Income Tax Paid	-	-
CASH GENERATED FROM OPERATING ACTIVITIES	3,23,45,476	21,71,57,618
II. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed Assets	(90,40,598)	(1,37,68,255)
Sale of fixed Assets	-	9,64,409
Capital Work in Progress, Pre-operative Expenses	(1,87,14,177)	(2,71,14,078)
Investment	-	-
Adjustments of fixed Assets	-	(9,64,409)
(Increase) / Decrease in Long Term Loans & Advances	(45,56,446)	5,22,142
NET CASH AVAILABLE FROM INVESTING ACTIVITIES	(3,23,11,221)	(4,03,60,191)
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Share Capital/Application Money	-	(1,05,23,414)
Repayment of Loan	1,68,76,882	1,40,42,511
Share Premium and Capital Reserve	-	-
Interest Paid	(95,01,306)	(99,78,490)
Increase / (Decrease) in Other Long Term Liabilities	87,000	(17,32,23,767)
NET CASH USED IN FINANCING ACTIVITIES	74,62,576	(17,96,83,160)
NET INCREASE IN CASH AND CASH EQUIVALENTS	74,96,831	(28,85,733)
Add : Opening balance of Cash & Cash equivalents	13,12,886	41,98,618
Closing balance of Cash & Cash equivalents	88,09,717	13,12,886

AS PER OUR REPORT OF EVEN DATE

FOR P. MURALI & CO.,

Chartered Accountants

Firm's Regn. No. : 007257S

Sd/-

P. MURALI MOHANA RAO

Partner

Membership No. 023412

Hyderabad

July 20, 2012

FOR AND ON BEHALF OF THE BOARD

Sd/-

P. PRABHAKAR REDDY

Director

Sd/-

A. VIJAYAVARDHAN REDDY

Director

BOOK - POST

Registered Office:

TS No. 5, Block B, Ward No. 80, Buddhapurnima Lake Front,
Opp. Lake Police Station, Necklace Road, Hyderabad.