

# Viceroy Hotels Limited

49<sup>th</sup>

Annual Report



**2013 - 2014**



VICEROY



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## CHAIRMAN'S MESSAGE

It gives me great pleasure to invite you to the 49th Annual General Meeting of the Company. The world continues to be in the midst of a very challenging economic environment, we are still buffeted by headwinds caused by global as well as domestic circumstances. With the economic slowdown, supply has outpaced demand, which in turn resulted in suppressing pricing power and reducing occupancies. Hotel projects being capital intensive, many players facing tremendous pressure with high leverage and resultant high interest outgo. As per the predictions of India Ratings and Research Pvt. Ltd., Hotel Companies in India will continue to face muted revenue growth, stagnant profitability and elevated credit risk in 2014-15 driven by lower demand growth and supply-side pressures. However, with the stable Central Government, everyone would look forward for the recovery of the economy and revival of the market.



### Performance of the Company for FY 2013-14

The standalone performance of the Company in FY 2013-14, we have gross revenue of Rs. 71.27 Cr. as against Rs.72.38 Cr. In the previous year and consolidated gross revenue is Rs. 104.96 Cr. as against Rs.109.11 Cr. in the previous year.

### Present Status:

In the year 2010, we have opened Business Hotel, Courtyard, in Hyderabad, which is adjacent to the Marriott Hotel, Hyderabad. Both the hotels are connected by the bridge for the guests. This is a very strategic combination of Luxury and Business Hotel. Both the hotels have put together have a room strength of 500, which are of great advantage when convention business picks up.

We have hived off Bangalore Renaissance Hotel Project into a separate Company and in that Company J.P.Morgan had invested Rs.114 Cr. as their stake. This Project is almost at the finishing stage.

Similarly, we have sold Chennai Project division to M/s.Ceebros Hotels Pvt. Ltd., Chennai, by way of slump sale. As per the agreement entered with M/s. Ceebros Hotels Private Limited, and understanding we have made with banks, the sale transaction has been completed for a consideration of Rs.480 Crores which has resulted in substantial reduction of debt of the company, with a net loss of Rs.122.87 Crores to the Company.

### Acknowledgment

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

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

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

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

Thank you for sparing your valuable time.

With best wishes,



**P. PRABHAKAR REDDY**  
Chairman

## CORPORATE INFORMATION

### Board of Directors and Key Managerial Persons:

Mr. P. Prabhakar Reddy	--	Chairman & Managing Director
Mr. A. Vijayavardhan Reddy	--	Non Executive Director
Mr. P. Chakradhar Reddy	--	Additional Director
Mr. K. Narasimha Rao	--	Independent Director
Mr. P. Narendra	--	Independent Director
Mr. A. Poornachandra Rao	--	Independent Director
Mr. K. Gurava Raju	--	Chief Financial Officer
Ms. Y. K. Priyadarshini	--	Company Secretary and Compliance Officer

### Audit Committee:

Mr. A. Vijayavardhan Reddy  
Mr. K. Narasimha Rao  
Mr. A. Poornachandra Rao

### Investor Grievance Committee :

Mr. A. Vijayavardhan Reddy  
Mr. K. Narasimha Rao  
Mr. A. Poornachandra Rao

### Auditors:

M/s. P. Murali & Co.,  
Chartered Accountants, Hyderabad

### Secretarial Auditors:

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

### Bankers/ Institutions:

State Bank of India  
Canara Bank  
Central Bank of India  
IDFC Limited

Axis Bank  
Andhra Bank  
Bank of Maharashtra

### Registered Office:

8-2-120/115/14, 5th Floor,  
Shangrila Plaza, Road No.2, Banjara Hills  
Opp. KBR Park, Hyderabad – 500034  
Tel: 040-40349999; Fax: 040-40349828  
E-Mail: [secretarial@viceroyhotels.com](mailto:secretarial@viceroyhotels.com)  
Website: [www.viceroyhotels.com](http://www.viceroyhotels.com)

### Registrars and Share Transfer Agents:

Aarthi Consultants Private Limited  
1-2-285, Domalguda, Hyderabad – 500029  
Tel: 040-27638111; 040-66611921  
Fax: 040-27632184  
E-Mail: [info@aarthiconsultants.com](mailto:info@aarthiconsultants.com)

### Listing:

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

### Company Identification Number (CIN):

L55101TG1965PLC001048

## NOTICE

Notice is hereby given that the **49th Annual General Meeting of Members of 'Viceroy Hotels Limited'** will be held on Friday, the 26th day of September 2014 at 11.00 A.M. at Hotel Marriott Convention Centre, Lower Tank Bund, Gandhinagar, Hyderabad-500080, Telangana, to transact the following business:

### **Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Profit & Loss Account for the financial year ended on that date together with the report of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. A.Vijayavardhan Reddy, Director (DIN: 00940604), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of sections 139, 141 and 142 of the Companies Act, 2013, M/s. P. Murali & Co., Chartered Accountants, (Registration No: 007257S), Hyderabad, be and are hereby appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this Meeting for a period of three years subject to ratification by the members at every Annual General Meeting, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company."

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

### **Special Business**

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

**"RESOLVED THAT** pursuant to section 161 of the Companies Act, 2013 and all other applicable provisions, if any, Mr. P. Chakradhar Reddy, (holding DIN:01425681), whose term of office as Additional Director of the Company expires at this Annual General Meeting, and in respect of whom Company received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose period of office will be liable to determination by retirement by rotation."

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

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

**"RESOLVED THAT** pursuant to Sections 149, 150, 152, 160 and all other applicable provisions of the Companies Act, 2013, if any, and the rules made there under, read with Schedule IV to the Companies Act, 2013, as amended from time to time, Mr. K.Narasimha Rao (holding DIN: 01475473), Non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby appointed as an Independent Director of the Company, for a period of five consecutive years with effect from 26th September, 2014 to 25th September, 2019."

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

**“RESOLVED THAT** pursuant to Sections 149, 150, 152, 160 and all other applicable provisions of the Companies Act, 2013, if any, and the rules made there under, read with Schedule IV to the Companies Act, 2013, as amended from time to time, Mr. P. Narendra (holding DIN: 00129551), Non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby appointed as an Independent Director of the Company, for a period of five consecutive years with effect from 26th September, 2014 to 25th September, 2019.”

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

**“RESOLVED THAT** pursuant to Sections 149, 150, 152, 160 and all other applicable provisions of the Companies Act, 2013, if any, and the rules made there under, read with Schedule IV to the Companies Act, 2013, as amended from time to time, Mr. A. Poornachandra Rao (holding DIN: 01981776), Non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby appointed as an Independent Director of the Company, for a period of five consecutive years from with effect from 26th September, 2014 to 25th September, 2019.”

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

**“RESOLVED THAT** in supersession of the resolution passed by the shareholders, and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow from time to time, any sum or sums of money, which together with the moneys already borrowed by the Company (apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business), may exceed aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount of moneys so borrowed shall not, at any time exceed the limit of Rs.1200 Crore (Rupees Twelve Hundred Crores).”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board with power to the said Committee to sub-delegate its powers to any of its members.”

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

**“RESOLVED THAT** in supersession of the resolution passed by shareholders and pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to authorize the Board to create such charges, mortgages and hypothecations on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with the power to take over the management and concern of the Company in certain events, if required, in favor of Banks or Financial Institutions or other investing agencies or trustees for the holders of debentures/bonds/other instruments which may be issued to or subscribed by all or any of the financial institutions / banks / any other investing agencies or any other person(s) / bodies corporate by way of private placement or otherwise to secure rupee / foreign currency loans, debentures, bonds or other instruments (hereinafter collectively referred to as “Loans”), whether already borrowed or to be borrowed, provided that the total amount of loans together with

interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said loans, shall not, at any time exceed the limit of Rs. 1200 Crore (Rupees Twelve Hundred Crores)."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to finalise with any of the lenders, jointly or severally, the documents for creating aforesaid charge/mortgage/hypothecations and to do all such acts, deeds matters and things as may be considered necessary, desirable or expedient for implementing the resolution and to resolve any question, difficulty or doubt which may arise in relation thereto or otherwise considered by the Board of Director to be in the best Interest of the Company."

**By Order and on behalf of the Board**

Hyderabad  
August 5, 2014

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

**Notes:**

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend instead of himself/herself and such proxy/proxies need not be a member of the Company.
2. The Instrument of Proxies in order to be effective must be received by the Company at the Registered Office of the Company, duly completed and signed not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of Companies, Societies, Partnership Firms, etc. must be supported duly certified copy of the Board Resolution/authority, as applicable, issued by the member organization.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 19, 2014 to Friday, September 26, 2014, both days inclusive for the purpose of the Annual General Meeting of the Company.
4. All communications in respect of the share transfers and change in their registered address may be communicated to our RTA at M/s. Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad-500029, AP. Members whose shareholdings are in dematerialized form are requested to send the intimation for change of address to their respective depository participant(s).
5. For the convenience of Members and for proper conduct of the meeting, entry to the venue of the Meeting will be regulated by Attendance Slip, which is enclosed with this notice. Members/Proxies are requested to hand over the duly filled and signed Attendance Slip at the entrance for attending the meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Company has designated exclusive email Ids [companysecretary@viceroyhotels.com](mailto:companysecretary@viceroyhotels.com) and [secretarial@viceroyhotels.com](mailto:secretarial@viceroyhotels.com) for redressal of shareholders' complains/grievances.
8. Pursuant to Clause 49 of the Listing Agreement details in respect of Directors seeking appointment / re-appointment at the Annual General Meeting, is annexed hereto.
9. Statement as required under Section 102 of the Companies Act, 2013, in respect of special business is annexed hereto.
10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
11. SEBI vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 has instructed all Companies for usage of electronic payment modes for making cash payments to the investors. Companies whose securities are listed on Stock Exchanges are directed to use, either directly or through their RTI & STA, any Reserve Bank of India approved electronic mode of payment such as ECS [ECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS)], NEFT etc.



Thus, Members are requested to kindly provide their requisite bank account particulars by quoting their reference folio number(s) if shares are held in physical form.

If shares are held in dematerialized form, Members may kindly provide the requisite bank account details to their Depository Participant, to ensure that future dividend payments are correctly credited to the respective account.

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
13. The Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by companies through electronic mode, vide its Circular Nos. 17/2011 & 18/2011 dated April 21, 2011 and April 29, 2011, respectively. The Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose.  
  
Members are requested to support green initiative by registering/updating their email id address in respect of shares held in dematerialization form with respective depository participants (DP's) and in respect of shares held in physical form update with our registrars(RTA's) by sending email to [gogreen\\_phl@aarthiconsultants.com](mailto:gogreen_phl@aarthiconsultants.com) or send requests to Aarthi Consultants Private Limited along with your Folio No.
14. Members are requested to kindly bring their copies of the Annual Report to the Meeting. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.
15. Members who hold shares in physical form in multiple folios under same name or joint holding are requested to intimate to the Registrar and Transfer Agents, M/s. Aarthi Consultants Private Ltd about these folios to enable consolidation of all such shareholdings into one folio.
16. All mandatory registers / documents are open for inspection at the registered office of the Company on all working days (except Saturdays and Sundays) between 11.00 a.m. to 1.00 p.m. prior to the date of Annual General Meeting.
17. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies Management and Administration) Rules, 2014 the Company is pleased to provide members the facility to exercise their right to vote at the 49th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).

It may be noted that this e-voting facility is optional. Since the Company is required to provide facility to the members to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form and not casting their vote electronically, may cast their vote at Annual General Meeting.

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

#### A) INSTRUCTIONS FOR E-VOTING

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

For Members holding shares in Demat Form	For Members holding shares in Physical Form
For NSDL: 8 Character DP ID followed by 8 Digits Client ID, For CDSL: 16 digits beneficiary ID,	Folio Number registered with the Company

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

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

- g) After entering these details appropriately, click on "SUBMIT" tab.
- h) Members holding shares in Physical form will then reach directly to the voting screen.
- i) Members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.  
  
If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- j) Click on the relevant EVSN for the "VICEROY HOTELS LIMITED"
- k) On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO.
- l) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Notice of the Annual General Meeting.
- m) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- n) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- o) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- p) If demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.