

Viceroy Hotels Limited

52nd

ANNUAL REPORT
2016-2017





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CONTENTS

Page No.

Chairman's Message	3
Corporate Information	4
Notice	5
Directors' Report	14
Management Discussion & Analysis	22
Corporate Governance & Shareholders Information	25

Standalone Financial Statements

Independent Auditors' Report	56
Balance Sheet	61
Profit & Loss Account	62
Schedules forming part of the Standalone Balance Sheet and Profit & Loss Account	63
Notes to Financial Statements	75
Cash Flow Statement	80

Consolidated Financial Statements

Independent Auditors' Report	82
Balance Sheet	86
Profit & Loss Account	87
Schedules forming part of the Consolidated Balance Sheet and Profit & Loss Account	88
Notes to Financial Statements	101
Cash Flow Statement	106
Attendance Slip	109
Proxy Form	111

CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me great pleasure to invite you to the **52nd Annual General Meeting** of the company. With stable governments both at the center and the state the economy is expected to be on a growth path.

Inspite of positive atmosphere prevailing in the country, various developments such as demonetization and introduction of GST had resulted in the stunted growth. There are many headwinds the economy is facing. As a result the hotel industry which is dependent on the overall economy is subject to heavy fluctuations in the business. Our hotel industry in India is heavily dependent upon the corporate business as the business through tourism comprises a negligible percentage. The overall business sentiment is not what it ought to be.

Inspite of the problems faced by the economy the expectation of the domestic as well as international investors are very high. Even today people feel that the Indian economy will be one of the strongest in the world.

It is heartening to note that the state of Telangana is in the forefront of economic development under the dynamic leadership of Sri.K.Chandrasekhar Rao, Hon'ble Chief Minister of the State is recognized as number one state in many important parameters. Recently Telangana State was adjudged by CNBC as the most promising state in the country. Prime Minister of India survey had given Sri K. Chandrashekar Rao as the best Chief Minister in the country. Many innovative and progressive measures are undertaken by the State Government which will improve business in Hyderabad exponentially.

Performance of the Company for FY 2016-17

The standalone performance of the Company in **FY 2016-17**, we have gross revenue of **Rs.86.84 Crores** as against Rs.84.80 Crores in the previous year and consolidated gross revenue is **Rs.128.30 Crores** as against Rs.124.74 Crores in the previous year.

Present Status:

The Hotel Industry across the country had suffered very badly due to the economic slowdown and the hotel industry in Hyderabad suffered most due to prolonged Telangana agitation. Now that the problem of separation of State of Andhra Pradesh is no longer there and uncertainties are no longer felt by the people, the city of Hyderabad has come back to its original glory, and in the recent past we have witnessed a steady growth in occupancy levels as well as the room revenues. With Marriott, Hyderabad and Courtyard, Hyderabad, put together we have 500 rooms and the large convention and meeting spaces. Now that Hyderabad is a preferred destination for its central location, best infrastructure etc., many national and international conferences are being planned in the future. That is a good news for the Hotel Industry as convention means more room occupancy and more sales of F&B. As all of you aware, we have divested Renaissance Hotel Project, Bangalore, to a SPV, Viceroy Bangalore Hotels Ltd where J.P Morgan is our partner. This hotel will be fully operational by October, 2017.

Through the sale of Chennai Project, the company's debt had been substantially reduced and we are striving hard to further reduce the debt. This measure shall help Company to strengthen its position. Our company is planning to expand its F&B business in a big way by opening F&B outlets in Hyderabad and other Metros. F&B business will be less capital intensive and can generate more revenues and profits in the near future.

Our Companies core competence is in the operating Restaurant chains in the name of Minerva and Bluefox. The revenue of Restaurants for the year under review is **Rs.41.34 Crores**. We expect to increase the revenue from F&B outlets in the coming years.

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.

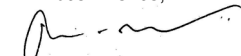
I take this opportunity to thank the Government of India for its support to Hospitality Industry. I also acknowledge the support extended by the State Governments and all other authorities and regulatory agencies.

I would like to thank my colleagues on the Board for their valuable guidance and contribution in steering the Company at all levels of 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

Mr. P. Prabhakar Reddy	- Chairman and Managing Director
Mrs. P. Kameswari	- Non-Executive Director
Mr. P. Chakradhar Reddy	- Non-Executive Director
Mr. K. Narasimha Rao	- Non-Executive Independent Director
Mr. Devraj Govind Raj	- Non-Executive Independent Director
Mr. A. Poornachandra Rao	Non Executive Independent Director (upto 14.12.2016)
Mr. Katragadda Rajesh	- Non-Executive Independent Director (from 13-03-2017)
Ms. Y. Karuna Priyadarshini	Company Secretary (upto 31st January, 2017)

Company Secretary (from 31-07-2017)

Ms. Sonam Jaiswal

Chief Financial Officer (upto 30.04.2017)

Mr. K. Gurava Raju

Corporate Identification Number

L55101TG1965PLC001048

Registered Office:

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

Contact Information:

Tel : +91 40 - 40349999/23119695
Fax : +91 40 - 40349828
E-mail : secretarial@viceroypothels.in
secretarial.viceroy@gmail.com
Website: www.viceroyhotels.in

Listing

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

Statutory Auditors

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

Secretarial Auditors

M/s. A N Sarma & Co.,
Company Secretaries
Hyderabad

Secretarial Consultants

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

Internal Auditor

Mr. J. Dasvanth Kumar

Registrar and Share Transfer Agent

M/s. Aarthi Consultants Private Limited
1-2-285, Domulguda,
Hyderabad -500 029, Telangana.
Tel : 040 -2763811/66611921
Fax: 040 -27632184
Email: info@aarthiconsultants.com

Bankers

State Bank of India
Canara Bank
Axis Bank
Bank of Maharashtra
ARCIL
IARCL
EARCL

Audit Committee

Mr. K. Narasimha Rao	- Chairman
Mr. P. Chakradhar Reddy	- Member
Mr. Devraj Govind Raj	- Member

Nomination and Remuneration Committee

Mr. K. Narasimha Rao	- Chairman
Mr. P. Chakradhar Reddy	- Member
Mr. Devraj Govind Raj	- Member
Mr. P. Prabhakar Reddy	- Member

Stakeholders Relationship Committee

Mr. P. Chakradhar Reddy	- Chairman
Mr. K. Narasimha Rao	- Member

NOTICE

Notice is hereby given that the **52nd Annual General Meeting** of the Members of ‘**Viceroy Hotels Limited**’ will be held on Thursday, the 28th day of September, 2017 at 11.00 A.M, at **Hotel Marriott Convention Centre, Lower Tank Bund, Gandhinagar, Hyderabad-500080, Telangana**, to transact the following items of business:

ORDINARY BUSINESS:

1. To consider and adopt
 - i) the Audited Financial Statement of the Company for the year 2016-17 together with the Report of the Board of Directors and Auditors thereon; and
 - ii) the audited Consolidated Financial Statement of the Company for the year 2016-17.
2. To appoint a director in place of Mr. P. Chakradhar Reddy (DIN: 01425681), who retires by rotation and being eligible, offers himself for re-appointment as a Director.
3. Appointment of M/s.Chandra Babu Naidu & Co., Chartered Accountants (Registration No.0160165), Hyderabad as the Statutory Auditors of the Company

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

“RESOLVED THAT in terms of Section 139, 141 and 142 and all other applicable provisions, if any, of the Companies Act, 2013 (“the act”) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time and as recommended by the Audit Committee, M/s.Chandra Babu Naidu & Co., Chartered Accountants (Firm Registration No. 0160165), Hyderabad, be and are hereby appointed as the Statutory Auditors of the Company in place of M/s. P. Murali & Co., Chartered Accountants, (Registration No:007257S), the retiring auditors of the Company, to hold office for a period of five years from the conclusion of the 52nd Annual General Meeting (AGM) of the Company to the conclusion of 57th Annual General Meeting (AGM) of the Company to be held in the year 2022 (subject to ratification of their appointment at every Annual general Meeting) on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to the reimbursement of all out of pocket expenses in connection with the audit of the accounts of the company for the financial year ending March 31, 2018”

“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. Regularization of Additional Director, Mr. Katragadda Rajesh

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

“RESOLVED THAT pursuant to provisions of sections 149 and 150 read with schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Mr. Katragadda Rajesh (DIN: 02727491), who was appointed as an Additional Director of the company on 13.03.2017 under

Section 161 of the Act and the Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") together with the requisite amount of deposit from a Member, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto 5 (Five) consecutive years.

**By Order of the Board
For Viceroy Hotels Limited**

Place : Hyderabad

Date : 26th day of August, 2017

Sd/-
P. Prabhakar Reddy
Chairman & Managing Director
DIN: 01442233

Registered Office :

#Plot No.20, Sector-I, Survey No.64,
4th Floor, HUDA Techno Enclave,
Madhapur, Hyderabad – 500 081, Telangana.
Tel : +91 40 - 23119695 E-mail : secretarial.viceroy@gmail.com

NOTES FOR MEMBERS:

1. The relative explanatory statement, pursuant to section 102 of the Companies Act, 2013 ("the act") setting out the material facts in respect of the business to be transacted at the meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member. The instrument appointing the proxy, in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organization.
3. Members/Proxies and Authorized representatives are requested to bring to the Meeting, the attendance slips, enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID/Folio No. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the Meeting
4. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, September 22, 2017 to Thursday, September 28, 2017**, both days inclusive for the purpose of the 52nd Annual General Meeting of the Company.
5. Pursuant to Regulations 26(4) and 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") and the Secretarial Standard-2 on "General Meetings" issued by the Institute of Company Secretaries of India, the particulars of Directors seeking appointment/re-appointment at the Meeting are annexed to the Notice.
6. 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, Telangana.
7. Members whose shareholdings are in dematerialized form are requested to notify changes if any, with respect to the address, email ids, etc. to the depository participant to update the same.
8. Members, who are holding Company's shares in physical form, please contact our Registrar and Share Transfer Agent M/s. Aarthi Consultants Private Limited to update your address, email-ids etc.
9. 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.

10. Member who hold shares in physical form in multiple folios under same name or joint holding are requested to intimate the Registrar and Transfer Agents, M/s. Aarthi Consultants Private Limited about these folios to enable consolidation of all such shareholding into one folio.
11. The Company has designated exclusive Email Id secretarial@viceroys.com to redress shareholders' complaints /grievances.
12. Details under Regulation 36(3) of (LODR) Regulations, 2015 details in respect of Directors seeking appointment / re-appointment at the Annual General Meeting, is annexed hereto.
13. Statement as required under Section 102 of the Companies Act, 2013, in respect of special business is annexed hereto.
14. 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.
15. The Securities 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.
16. 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.
17. 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.
18. 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.
19. Electronic copy of the Notice of General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form being sent to the members whose email ids are registered with the Company/Depository Participant unless such member requests for a physical copy of the same.

E-VOTING:

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administrative) Rules, 2014 and Regulation 44 of the SEBI (LODR) Regulations, the Company is pleased to provide members the facility to exercise their right to vote on resolutions proposed to be considered at the 52nd Annual General Meeting (AGM) by electronic means and the business may be transacted through E-voting Service provided by Central Depository Services India Limited (CDSL).

It may be noted that this Remote E-voting facility is optional. The Ballot shall also be made available at the Annual General Meeting. The facility of voting through electronic voting system shall also be made available at the AGM. Members holding shares as on cut-off date i.e. September 21, 2017 and attending the Meeting, who have not cast their vote by remote e-voting shall be able to exercise their right at the Meeting.

It may be further noted that the members who cast their vote by Remote E-voting may also attend Annual General Meeting but shall not be entitled to cast their vote again.

The remote e-voting period commences on September 25, 2017 (9:00 a.m. IST) and ends on September 27, 2017 (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 i.e. September 21, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

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

The process and manner for remote e-voting are as under:

- A. IN CASE A MEMBER RECEIVES AN EMAIL FROM CDSL (FOR MEMBERS WHOSE EMAIL ADDRESSES ARE REGISTERED WITH THE COMPANY / DEPOSITORY PARTICIPANT) :**
 - i) Open the internet browser by typing the following URL: www.evotingindia.com.
 - ii) Click on "Shareholders" tab. Select the "VICEROY HOTELS LIMITED" from the drop down menu and click on "SUBMIT".

iii) Now enter your User ID

For Members holding shares in demat form in NSDL	8 Character DP ID followed by 8 Digits Client ID.
For Members holding shares in demat form in CDSL	16 digits beneficiary ID.
For Members holding Shares in Physical Form	Folio Number registered with the Company.

iv) Next enter the Image Verification as displayed and Click on Login.

v) i) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company: **then your existing password is to be used.**

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

For Members holding shares in Physical Form/ Demat Form	
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"> 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 8digits 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. Ex: If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field 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 PANis 'RA12345678'.
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.
Bank Details for Dividend	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. 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.

vi) After entering these details appropriately, click on "SUBMIT" tab.

vii) After clicking the SUBMIT tab

- Members holding shares in Physical form will then reach directly to the voting screen.

For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- 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.