



Viceroy Hotels Limited

45th Annual Report 2010

Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements written and oral-that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties prove in-accurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a results of new information, future events or otherwise.

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CHAIRMAN'S SPEECH

I am pleased to extend you a warm welcome to the 45th Annual General Meeting of your Company. The global recession, which also witnessed the collapse of Lehman Brothers, coupled by the terrorist attacks in Mumbai, the Telangana agitation in Andhrapradesh, did have an impact on the Foreign Tourist Arrival into the country which had its own spillover effect on the hospitality industry in which your company operates.



Performance of the Company in 2010

Ladies and Gentlemen, I now present the performance of the Company in 2010. For the full year ended March 2010, we have grossed revenue of Rs 9754.29 Lacs which is down by 9.68 per cent as against Rs 10799.00 Lacs for the year before.

For the same period, the company's Net Profit was at Rs 116.97 Lacs as against Rs 669.26 Lacs for the year before.

New Beginnings

- The smart business hotel - Courtyard Hyderabad - adjacent to complementing the needs of its adjacent Marriot Hyderabad, with its modern design and contemporary styling has started catering to the needs of business guests of Marriott.
- JW Marriott and Renaissance in Chennai and Bangalore too are progressing very well on the development front and would become operational this year.

The economy going forward

The first green signs of revival have started to emerge and the world appears less pessimistic about the coming months. The basic strategy and framework are in place to resume the march of the Indian economy on its high growth track. The economy grew by 7.4% during 2009-10 and is expected to go up to 8.5% in the current fiscal. Also, The Planning Commission kicked off the exercise to formulate the 12th Five-Year Plan (2012-17) with an aim to accelerate the economic growth to 10%, up from 8.1% expected in the current plan.

With the Commonwealth Games in the offing, the hospitality industry is expected to benefit the maximum from the influx of spectators and participants from different countries for the Games. The Government of India is planning to cash in on the 10 million tourists that are expected to step on India's turf during the Commonwealth Games, which is considered to be second most important sports event in the world, next only to the Olympics. It is speculated that foreign tourists in India would increase from 5 percent to around 10 percent by December 2010. According to ASSOCHAM, India is likely to garner around USD 16,915 million in the year 2010, from tourism alone.



Appreciation

To conclude, I express our sincere thanks to the Government of India for its continued support to hospitality industry.

I am also thankful to our customers, suppliers, bankers, financial institutions, and all our shareholders.

My special thanks and appreciation go to the employees of the Company at all levels for their hard work, dedication and continued commitment.

Thank you for sparing your valuable time!

Sincerely

P. Prabhakar Reddy



CORPORATE INFORMATION

BOARD OF DIRECTORS :

Mr. P.Prabhakar Reddy	--	Chairman & Managing Director
Mr. Jayabharat Reddy (IAS Retd)	--	Director
Mr. R.Subramanian	--	Director
Mr. Rakesh Jhunjunwala	--	Director
Mr. P.Narendra	--	Director
Mr. P.Shivakumar Reddy	--	Director
Mr. A.Vijayavardhan Reddy	--	Director
Mr. A.Poornachandra Rao	--	Director
Mr. K.Narasimha Rao	--	Director
Mr. Rajiv Agarwal	--	Director
(Alternate Director to Mr.Rakesh Jhunjunwala)		

AUDITORS:

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

Financial Controller & Company Secretary

J.Srinivas Murthy

BANKERS/ INSTITUTIONS

State Bank of India	Axis Bank Limited
State Bank of Indore	Allahabad Bank
State Bank of Bikaner & Jaipur	Andhra Bank
State Bank of Mysore	Canara Bank
Indian Overseas Bank	Lakshmi Vilas Bank
UCO Bank	Central Bank of India
IDBI Bank	Bank of Maharashtra
IDFC Limited	HDFC Limited

REGISTERED OFFICE:

1-3-1036/3/1
Lower Tank Bund Road
Gandhinagar
Hyderabad – 500 080

SHARE TRANSFER AGENTS:

M/s.Aarthi Consultants Private Limited
1-2-285, Domalguda
HYDERABAD – 500 029

CORPORATE OFFICE:

5th Floor, Shangrila Plaza
Plot NO.14, Next to Gymkhana Club
Road No:2, Banjara Hills,
Hyderabad - 500034



NOTICE

NOTICE is hereby given that the 45th Annual General Meeting of the Members of the Company will be held at Hyderabad Marriott Convention Centre, Lower Tank Bund, Gandhinagar, Hyderabad on Monday the 20th September, 2010 at 11.00 A.M. to transact the following business:

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March 2010 together with the Report's of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K.Jayabharat Reddy who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. R.Subramanian who retires by rotation and being eligible, offers himself for re-appointment".
4. To appoint M/s.P.MURALI & CO., Chartered Accountants, Hyderabad the retiring auditors as Statutory Auditors for the financial year 2010-11 to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration as may be decided by the Board.

II. SPECIAL BUSINESS:

To consider and if thought fit to pass with or without modifications the following resolutions as Ordinary resolution.

"RESOLVED THAT pursuant to the provisions of Section 198,269,309,310 and read with Schedule XIII and other applicable provisions if any of the Companies Act 1956 as amended, consent of the company be and is hereby accorded for to appoint Sri P.Prabhakar Reddy, as Chairman & Managing Director of the company with effect from 1st July 2010 for a period of 5 years on the terms and conditions as set out below:

Salary of Rs.2,50,000/- per month. This includes dearness allowance and all other allowances not otherwise specified herein.

In addition, the Managing Director will be entitled to the following:

Commission:

Such percentage of commission (in addition to salary and perquisites hereafter stated) calculated with reference to the net profit of the company in accordance with Section 349 and Section 350 of the Companies Act 1956 for each financial year as may be fixed by the Board of Directors which together with salary and monetary value of perquisites shall not exceed the ceiling laid down under section 309 of the Companies Act 1956.

Prequisites as under:

- a) Housing: Rent-free accommodation will be provided to the appointee for whom 10 per cent of the appointee's salary shall be recovered. In case no accommodation is provided by the company, house rent allowance at 60% of the salary shall be paid. In addition, the appointee shall be allowed free use of the company owned furniture and

other consumable durables if required.

- b) The expenditure incurred by the Appointee on gas, electricity, water and furnishings shall be reimbursed by the company.
- c) All medical expenses incurred by the appointee for self and family shall be reimbursed.
- d) Leave travel concession for the appointee and his family will be allowed once in a year as may be decided by the Board.
- e) Fees of clubs subject to maximum of two clubs this will not include the admission and life membership fees.
- f) Personal Accident insurance, the premium of which shall not exceed Rs.10,000/- per annum.
- g) Contribution to the Provident fund, Superannuation fund, Annuity fund to the extent the same are not taxable under the Income Tax Act.
- h) Provision of Car with driver for use of the Company's Business and telephone at the residence.

Minimum Remuneration :

The appointee shall be paid the aforesaid remuneration (except commission) as minimum remuneration in the event of lack or inadequacy of profit calculated in accordance with Section 349 and 350 of the Companies Act 1956:.

By Order of the Board
For VICEROY HOTELS LIMITED

J.Srinivasa Murthy
Financial Controller & Company Secretary

Place : Hyderabad

Date: 26-08-2010

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his stead and the proxy need not be a member of the company. Proxy, duly executed, in order to be valid, should reach the registered office of the company at least 48 hours before the meeting.
2. Members who hold shares in dematerialized form are requested to bring their Client ID and DPID numbers for easy identification of attendance at the meeting.
3. Members / Proxy holders are requested to produce admission slip duly completed and signed.
4. The Register of members and share transfer books of company shall remain closed from Monday the 13th September 2010 to Monday the 20th September, 2010 (both days inclusive).



DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING

(In Pursuance of Clause 49 (VI)(A) of the Listing Agreement)

Name of the Director	Sri. K. Jayabharat Reddy	Sri.R. Subramaniam
Date of Birth	12/4/1937	29-08-1943
Date of Appointment Experience in Specific Functional area	31-12-2005 Chief Secretary of Govt.A.P., Secretary to Govt. of India. Ministry of Urban Development Special Secretary (insurance). Ministry of Finance, Government of India Additional Secretary Head Banking Division. Ministry of Finance, Government of India. Additional Secretary Head Banking Division of Urban Government of India Joint Secretary /Secretary, Industrial Approvals, Ministry of Industry, Government of India Secretary to Government, Forests, Environment, Animal Husbandry, Fisheries & Dairy Departments, Government of A.P., Chairman & Managing Director, Hyderabad Allwyn Limited, A.P., Vice-Chairman & Managing Director, A.P., Industrial Development Corporation (APIDC)	31-12-2005 37 years mainly in Project Finance and Investment Banking.
Qualifications	Visitin Fellow, Oxford University, U.K M.A., (Economics), Madras University M.A., (Economics), Statistics)Delhi School of Economics	B.Com., A.C.A., A.I.C.W.A.,
Directorships held in other Companies	BPL Ltd. BPL Disply Devices Ltd., BPL Power Projects (Chairman) NCL Indusstries Ltd. (Chairman) NCL Altech Seccolor Ltd. (Chairman) NCL Energy Ltd. (Chairman) Lanco Kondapall Power Limited JCT Energy Ltd., SQL Star International Ltd., Indus Medicare Ltd., Facor Alloys Ltd.	NIL
Committee Positions held in other Companies.	Member - Secretary of the High Powered Committee on Financial Sector Reforms (Narasimhan Committee) Ministry of Finance, Govt. of India. Charman of the internal Committee on Insurance Sector Reforms, Department of Insurance, Ministry of Finance, Govt. of India.	NIL

DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting the Forty Fifth Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2010.

PERFORMANCE / FINANCIAL RESULTS OF THE COMPANY

PARTICULARS	2009-10	2008-09
Income from Operations	6424.30	6995.13
Profit before interest, depreciation and tax	2915.00	4013.69
Interest	1755.02	1460.83
Depreciation	1148.87	1078.77
Provision for Tax & FBT & Deferred Tax	148.02	94.25
Profit after Tax	(136.90)	347.59
Balance Carried to Balance Sheet	1648.19	1785.10

PROJECTS UNDER IMPLEMENTATION:

Chennai Project:

The Board is pleased to inform you that the Chennai JW Marriott hotel project is in advanced stage of construction. The company is constructing 387 room 5- star deluxe hotel. The Hotel would be operational during the current financial year. The company has signed the Management Contract with M/s.Marriott International Inc, USA for the "JW Marriott" brand.

Bangalore Project:

The Board is pleased to inform you that the Bangalore Renaissance hotel project is in advanced stage of construction. The company is constructing 277 room 5- star deluxe hotel. The Hotel would be operational during the current financial year. The company has signed the Management Contract with M/s.Marriott International Inc, USA for the "Renaissance" brand.

Hyderabad Courtyard Project:

The Board is pleased to inform you that the business hotel under brand name "Courtyard by Marriot " in Hyderabad is complete and handed over to Marriott team for operations of the hotel. The hotel began operations during the financial year under review.

SUBSIDIARY COMPANY PERFORMANCE:

Café D Lake Private Limited:

M/s Café D'Lake Private Limited which operates all the restaurants businesses of Minerva Coffee-shop, Blue Fox Bar & Restaurant, Eat Street and Water Front has achieved a



turnover of Rs.2800.05 lakhs for the year ended 31st March 2010 as against Rs.3007.16 lakhs for the previous year. The Net profit for the year ended 31st March 2010 is Rs.282.17 lakhs as against Rs.285.46 lakhs.

Crustum Products Private Limited:

M/s Crustum Products Private Limited is the Master Franchisee of Breadtalk Singapore. The company is operating out lets at In orbit mall, Malad, Mumbai, BG House, Hiranandani, Powai, Mumbai, Gurgaon, New Delhi, Spencer's Mall, Bangalore, Q Mart - Hyderabad.

During the year under review, the company achieved a turn over of Rs.529.87 lakhs as against Rs.796.06 lakhs for the previous year. The profitability margins are very thin due to higher rentals and power costs across the outlets and the company is negotiating with the landlords to reduce the rentals and also working out the revenue sharing mechanism so, that the fixed cost would be minimal for the company during lean months.

Minerva Hospitalities Private Limited:

M/s Minerva Hospitalities Private Limited has no operations during the year.

DIVIDEND:

The Board does not recommend any dividend during the year under review.

DIRECTORS:

Mr.K.Jayabharat Reddy and Mr. R.Subramanian retire by rotation and being eligible offered themselves for re-appointment.

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. The company has received a certificate from the 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 FY2010-11.

AUDIT REPORT:

Regarding the Auditors observations and comments in their report for the financial year 2009-10, they are self-explanatory and the company is making efforts /steps to comply the same.

PARTICULARS OF EMPLOYEES:

The particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forms part of this Report. However, as per the provisions of Section 219(1)(b) of the Companies Act 1956, the Report and Accounts that are being circulated to shareholders do not include the Statement of Particulars of Employees under section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the above statement can write to the Company Secretary at the Registered Office of the company.

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 under review your Company has earned Foreign Exchange to the extent of Rs.19.46 crores (Previous year Rs. 25.21 crores) through Traveller Cheques, Currencies, Credit Cards etc. The corresponding Foreign Exchange outgo during the year was Rs. 4.87 crores (Previous year 4.40 crores) resulting in a net foreign exchange earned for the year is Rs. 14.59 crores and Rs. 20.81 crores for the previous year.

DEPOSITS:

During the year under review, the company has accepted deposits from the Directors/promoters group in terms of the sanction terms of the secured loans.

COMPLIANCE OF LISTING AGREEMENT:

Presently the company's Equity shares are listed at Bombay Stock Exchange (BSE) and National Stock Exchange Limited (NSE) and the company paid the Annual Listing Fees for the year 2010-11. There are no listing fees dues pending.

CORPORATE GOVERNANCE:

The company has taken adequate steps to ensure that the conditions of corporate governance as stipulated in clause 49 of the listing agreement of the stock exchange are complied with. A separate statement on corporate governance together with the auditor's certificate of its compliance forms part of this annual report.

MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis for the year ended 31st March 2010 is published separately in this Annual Report.

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.

**DIRECTORS RESPONSIBILITY STATEMENT, PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT:**

In the preparation of the Annual Accounts, the Generally Accepted Accounting Principles have been followed. All the Accounting Standards as applicable to the Company have been followed. The Directors have selected 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 at the end of the Financial year and of the Loss of the Company for the period. Proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities. The Directors have prepared the Annual Accounts on a 'Going Concern Basis'.

DEPOSITORY SYSTEM:

The trading in the equity shares of the company are under compulsory dematerialization mode. As of date, shares representing 92.65% are in dematerialized form. As the depository system offers numerous advantages, the members are requested to take advantage of the same and avail of the facility of dematerialization of the company's shares.

ACKNOWLEDGMENTS:

Yours 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 reposed in the management by the Shareholders.

For Viceroy Hotels Limited

P. PRABHAKAR REDDY
Chairman & Managing Director

Place: Hyderabad
Date: 26-08-2010

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The era of good Corporate Governance came into existence with the insertion of Clause 49 of the listing agreement. Your company believes in attainment of highest levels of transparency in all facets of its operations. The company is committed to maximize the shareholder value by adopting the principles of good corporate governance in line with the provisions stipulated in the listing agreement.

2. BOARD OF DIRECTORS:

The constitution of the Board is given below:

Director	Whole-time/ Independent	Number of outside Directorships held*	Number of memberships of Board Committees
Mr. P. Prabhakar Reddy	Managing Director	2	Nil
Mr. K. Jaya Bharat Reddy	Independent	12	Nil
Mr. R. Subramanian	Independent	Nil	Nil
Mr. Rakesh Jhunjhunwala	Non-Independent	8	Nil
Mr. P. Narendra	Independent	Nil	Nil
Mr. A. Vijayavardhan Reddy	Independent	Nil	3
Mr. A. Poornachandar Rao	Independent	Nil	3
Mr. P. Shiva Kumar Reddy	Independent	Nil	Nil
Mr.K. Narasimha Rao	Independent	1	3
Mr. Rajiv Agawal	Independent	Nil	Nil
Mr. Kai Taraporewala *	Independent	Nil	Nil

* Resigned with effective from 4th September, 2009.

This excludes Directorships held in foreign companies, private companies and alternate Directorships.

3. AUDIT COMMITTEE:

During the year under review 5 (five) meetings were held of which was for finalization of quarterly Un-Audited Financial Results and for review of the Audited Annual Accounts. The said meetings were held on 29-04-2009, 27-07-2009, 02-09-2009, 30-10-2009 and 29-01-2010.

The constitution of the Committee and the attendance of each member of the Committee is given below:

Name of the Director	Designation	Whole-time/ Independent	Profession	Committee Meetings Attended
Mr. A. Vijayavardhan Reddy	Director	Independent	Business	5
Mr. A. Poornachandra Rao	Director	Independent	Business	5
Mr. K. Narasimha Rao	Director	Independent	Business	5



Terms and reference of the Audit Committee include a review of;

- Financial reporting process
- Draft financial statements and auditor's report (before submission to the board)
- Accounting policies and practices
- Internal controls and internal audit systems
- Risk management policies and practices
- Related party transactions
- Internal audit reports and adequacy of internal audit function

The role of the audit committee includes recommending the appointment and removal of the external auditor, discussion of the audit, plan, fixation of audit fee and also approval of payment of fees for any other services.

4. INVESTORS GRIEVANCE COMMITTEE:

The Board constituted an investors grievance committee which looks into shareholders and investors grievances. The following are the members of the committee:

Mr. A.Vijayavardhan Reddy

Mr. A.Poornachandara Rao

Mr. K.Narasimha Rao

Name & Designation of the Compliance officer:

Mr. J. Srinivas Murthy

Financial Controller, Company Secretary & Compliance Officer

Corporate office : D.No: 8-2-120/115/14, 5th Floor, Shangrila Plaza,

Road No. 2, Banjara Hills, Hyderabad -500 034

5. REMUNERATION OF DIRECTORS:

Details of remuneration paid to Directors are given below:

Director	Relationship with other Directors	Business relationship with Viceroy, if any	Loans and advances from viceroy	Remuneration	Paid During 2009-10 (Amount in Rs.)		
				Sitting fees	Salary	Commission	Total
Mr.P.Prabhakar Reddy, Managing Director	Related to P.Shiva kumar Reddy	Promoter	Nil	Nil	30,00,000	Nil	30,00,000
Mr.K.Jayabharat Reddy	None	Nil	Nil	25,000	-	-	25,000
Mr.R.Subramanian	None	Nil	Nil	25,000	-	-	25,000
Mr.Rakesh Jhunjhunwala	None	Interested Shareholder	Nil	Nil	-	-	Nil
Mr.A.Vijayavardhan Reddy	None	Nil	Nil	45,000	--	--	45,000
Mr.Paruchuri Narendra	None	Nil	Nil	20,000	--	--	20,000
Mr.P.Shivakumar Reddy	Related to M.D	Nil	Nil	Nil	--	--	Nil
Mr.A.Poornachandra Rao	None	Nil	Nil	55,000	--	--	55,000
Mr.K.Nrasimha Rao	None	Nil	Nil	50,000	--	--	50,000
Mr.Kai Taraporewala	None	Nil	Nil	5,000	-	-	5,000
Mr.Rajiv Agarwal	None	Nil	Nil	Nil	-	-	Nil



6. BOARD MEETINGS AND ATTENDANCE AT BOARD MEETINGS & ANNUAL GENERAL MEETINGS:

The Board of the company met 11 (Eleven) times during the last year i.e. 30-04-2009, 15-05-2009, 30-06-2009, 04-07-2009, 28-07-2009, 04-09-2009, 31-10-2009, 04-12-2009, 28-12-2009, 07-01-2010 and 30-01-2010. The company placed before the Board the annual operating plans and budgets and performance of the company from time to time. Information, which is materially important, expansion project information, is also placed before the Board as and when the same takes place.

The attendance at the Board meeting and Annual general meetings was as under:

Director	Attendance at Board meeting	Attendance at Annual General Meeting.
Mr P Prabhakar Reddy	6	YES
Mr. K.Jayabharat Reddy	5	NO
Mr. R.Subramanian	5	NO
Mr. Rakesh Jhunjhunwala	0	NO
Mr.A.Vijayavardhan Reddy	9	YES
Mr.Paruchuri Narendra	4	NO
Mr. P.Shivakumar Reddy	0	NO
Mr.A.Poornachandra Rao	11	YES
Mr. K.Narasimha Rao	10	YES
Mr. Rajiv Agarwal	2	NO
Mr. Kai TaraPorewala *	1	NO

* Resigned with effective from 4th September, 2009.

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The management Discussion and Analysis report for the year ended 31st March 2010 is published separately in this Annual Report.

8. DISCLOSURES:

No transaction of material nature is entered into by the company with the promoters, Directors or management or their relatives etc., that may have a potential conflict of interest of the company. The company has not entered into any contract with the director which requires any entry in the register of contracts as required under the provisions of the Companies act. There are no pecuniary transactions with the independent / non-executive directors other than payment of remuneration disclosed in point no. 5 above.



9. NOTES ON DIRECTORS APPOINTMENT/ RE-APPOINTMENT:

Relevant details forms part of the explanatory statement to the notice of the annual general meeting / Director's report.

10. SHARE TRANSFERS:

The trading of equity shares of the company is mandatory in the dematerialized form. To expedite the transfer process in the physical segment authority has been delegated to the share transfer committee as follows and the company secretary acts as Secretary to the Committee:

Mr. A.Vijayavardhan Reddy

Mr. A.Poornachandra Rao

Mr. K.Narasimha Rao

Share transfers/ transmissions approved by the committee are placed at the Board meeting from time to time.

11. MEANS OF COMMUNICATION:

Quarterly Results	The results of the company are published in Newspapers
Whether Management Discussion and Analysis is part of the Annual Report	YES



GENERAL SHAREHOLDER INFORMATION

1.	Annual General meeting	
	Date and time	20 th September, 2010 at 11.00 A.M.
	Venue	Marriott Convention Centre, (Viceroy Hotel) Lower Tank Bund Road, Gandhinagar, Hyderabad
2.	Financial Calendar:	
	Financial Reporting for:	
	Quarter ending June, 30 2010	Last week of July 10
	Quarter ending September 30 2010	Last week of October 10
	Quarter ending December 31 2010	Last week of January, 11
	Quarter ending March, 31st 2011	Last week of April, 11
	Annual general meeting for FY ended 31 st March, 2010	20 th September, 2010
3.	Dates of Book Closure	Monday the 13 st September 2010 to Monday the 20 th September, 2010
4.	Registered Office	1-3-1036/3/1, Lower Tank Bund Road Gandhinagar, Hyderabad – 080.
5.	Equity shares are listed at	Bombay Stock Exchange Limited, Mumbai National Stock Exchange Limited, Mumbai
6.	Listing Fees for the FY 2010-11 is paid to all stock exchanges.	Paid to both the stock exchanges
7.	Registrars and share transfer Agents	Aarthi Consultants Pvt Limited 1-2-285. Domalguda Hyderabad – 500 029 Ph: 040- 27634445 :: Fax: 040-27632184 Contact Person : Mr. Bhaskar Murthy Manager
8.	Share transfer system	All shares have been transferred and returned within 30 days from the date of receipt, so long as the documents have been clear in all respects.
9.	The share transfer committee generally meets once a fortnight.	
10.	Investors relations	All complaints received from shareholders have been cleared within the financial year. The complaints are generally replied to within 10 days from their lodgement with the company.



11. Distribution of shareholding as at 31st March, 2010.

Total Nominal Value Rs. 42,40,52,240.00, Nominal Value Of Each Share/Unit 10/-

Total Number Of Shares/Units 42405224, Paid Up Value Per Share/Unit Rs. 10/-

Distinctive No(s) From 1 TO 42405224

SL.NO	CATEGORY	NO OF CASES	% OF CASES	SHARES	AMOUNT	% OF AMOUNT
1	1 - 5000	22596	86.00	3,345,174	33,451,740	7.89
2	5001 - 10000	1808	7.00	1,534,392	15,343,920	3.62
3	10001 - 20000	757	3.00	1,195,593	11,955,930	2.82
4	20001 - 30000	276	1.00	715,909	7,159,090	1.69
5	30001 - 40000	106	-	380,668	3,806,680	0.90
6	40001 - 50000	146	1.00	698,638	6,986,380	1.65
7	50001 - 100000	216	1.00	1,645,695	16,456,950	3.88
8	100001 & Above	223	1.00	32,889,155	328,891,550	77.56
	TOTAL :	26128	100.00	42,405,224	424,052,240	100.00

According to categories of shareholders as at 31st March, 2010.

DISTRIBUTION OF SHARE HOLDING AS ON 31st MARCH, 2010

Category code	Category of Shareholder	Number of Shareholders	Total Number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a Percentage of (A+B)1	As a Percentage of (A+B+C)	Number of Shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
a.	Individuals/Hindu Undivided Family	35	9,862,934	8,407,232	23.26	23.26	6,958,220	70.55
b.	Central Government/State Government(s)	0	0	0	0	0	0	0
c.	Bodies Corporate	6	3,739,860	3,739,860	8.82	8.82	3,405,000	91.05
d.	Financial Institutions/Banks	0	0	0	0	0	0	0
	Others :-							
e.	Mutual Funds	0	0	0	0	0	0	0
f.	Trusts	0	0	0	0	0	0	0
	Sub Total (A)(1)	41	13,602,794	12,147,092	32.08	32.08	10,363,220	76.18



(2)	Foreign							
a.	Individuals (Non Resident Individuals/Foreign Individuals)	0	0	0	0	0	0	0
b.	Bodies Corporate	0	0	0	0	0	0	0
c.	Institutions	0	0	0	0	0	0	0
d.	Others :- Overseas Corporate Bodies	0	0	0	0	0	0	0
	Sub Total (A)(2)	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group							
	(A) = (A)(1) + (A)(2)	41	13,602,794	12,147,092	32.08	32.08	10,363,220	76.18
(B)	Public Shareholding							
(1)	Institutions							
a.	Mutual Funds/UTI	0	0	0	0	0	0	0
b.	Financial Institutions/Banks	3	10,100	0	0.02	0.02	0	0
c.	Central Government/State Government(s)	0	0	0	0	0	0	0
d.	Venture Capital Funds	0	0	0	0	0	0	0
e.	Insurance Companies	0	0	0	0	0	0	0
f.	Foreign Institutional Investors	2	460,000	460,000	1.08	1.08	0	0
g.	Foreign Venture Capital Investors	0	0	0	0	0	0	0
h.	Others :- Foreign Companies	0	0	0	0	0	0	0
	Sub Total (B)(1)	5	470,100	460,000	1.11	1.11	0	0
(2)	Non-Institutions							
a.	Bodies Corporate	631	8,525,639	8,157,587	20.11	20.11		
b.	Individuals							
	i) Individual shareholders holding nominal share capital upto Rs.1 lakh	25,045	8,381,553	7,646,585	19.77	19.77	0	0
	ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	119	9,252,320	8,840,670	21.82	21.82	0	0
c.	Any Others :-							
	i) Non Resident Individuals	195	1,966,014	1,819,764	4.64	4.64	0	0
	ii) Overseas Corporate Bodies	0	0	0	0	0	0	0
	iii) Trusts	5	103,100	103,100	0.24	0.24	0	0
	iv) Employees	0	0	0	0	0	0	0
	v) Clearing Members	87	103,704	103,704	0.24	0.24	0	0
	vi) Foreign Nationals	0	0	0	0	0	0	0
	Sub Total (B)(2)	26,082	28,332,330	26,671,410	66.81	66.81	0	0
	Total Public Shareholding (B) = (B)(1) + (B)(2)	26,087	28,802,430	27,131,410	67.92	67.92	0	0
	Total (A) + (B)	26,128	42,405,224	39,278,502	100.00	100.00	0	0
(C)	Shares held by Custodians and against Depository Receipts have been issued	0	0	0	0	0	0	0
	Grand Total (A) + (B) + (C)	26,128	42,405,224	39,278,502	100.00	100.00	10,363,220	24.44



12. DEMATERIALIZATION OF SHARES:

As on 30th June 2010, out of the total shareholding of 4,24,05,224 equity shares, 3,92,87,602 equity shares representing 92.65% are in dematerialized form.

13. PARTICULARS OF PAST THREE ANNUAL GENERAL MEETINGS :

AGM	YEAR	VENUE	DATE	TIME
44 th	2009	Marriott Convention Centre	29 th September, 2009	11.00 A.M.
43 rd	2008	Marriott Convention Centre	15 th September, 2008	11.00 A.M.
42 nd	2007	Marriott Convention Centre	28 th December, 2007	11.00 A.M.

14. POSTAL BALLOT:

No resolution requiring a postal ballot under section 192A of the Companies Act 1956 was placed before the last AGM. Similarly no special resolution requiring a postal ballot is being proposed at the ensuing AGM.

15. NOMINATION FACILITY:

Shareholders holding shares in physical form and desirous of making changes in the nomination in respect of their shareholding in the company, as permitted under section 109A of the Companies Act 1956 are requested to submit to the Compliance officer in the prescribed form 2B for this purpose, which can be furnished by the company on request.

COMPLIANCE WITH NON- MANDATORY REQUIREMENTS: STATUS OF

- The expenses incurred in the performance of duties of the Chairman are reimbursed or borne by the company.
- Since the Financial results are published in newspapers having wide circulations, only the annual accounts are sent to each of the shareholders.
- The provisions relating to postal ballot shall be complied with on matters as may be applicable.



AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:

Auditor's Report on corporate governance as at 31st March, 2010.

To the Board of Directors of

Viceroy Hotels Limited

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of corporate governance of Viceroy Hotels Limited ("the company") for the year ended 31st March, 2010 as stipulated in clause 49 of the listing agreement of the said company with the stock exchanges.

The compliance of the conditions of the corporate governance is the responsibility of the management. Our examination, conducted in the manner described in the Guidance note on Certification of Corporate governance" issued by the Institute of Chartered Accountants of India was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

M/s P.MURALI & CO
Chartered Accountants

P.Murali Mohana Rao
Partner

Place: Hyderabad
Date: 26-08-2010



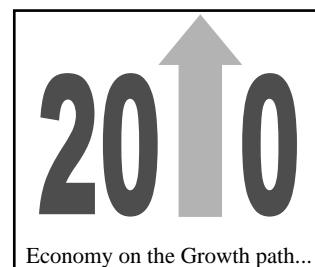
MANAGEMENT DISCUSSION AND ANALYSIS

A positive trend ahead...

Indian economy showed a healthy growth even during the recent global financial crisis when compared with other large economies. Despite the crisis, Indian economy is showing an upward trend with a growth of 7.4 per cent in FY 2010 which is a revision from earlier estimates of 7.2 percent. This is due to higher-than-anticipated growth in agriculture, mining and manufacturing sectors. This further is expected to increase by 8.5 per cent by 2011.

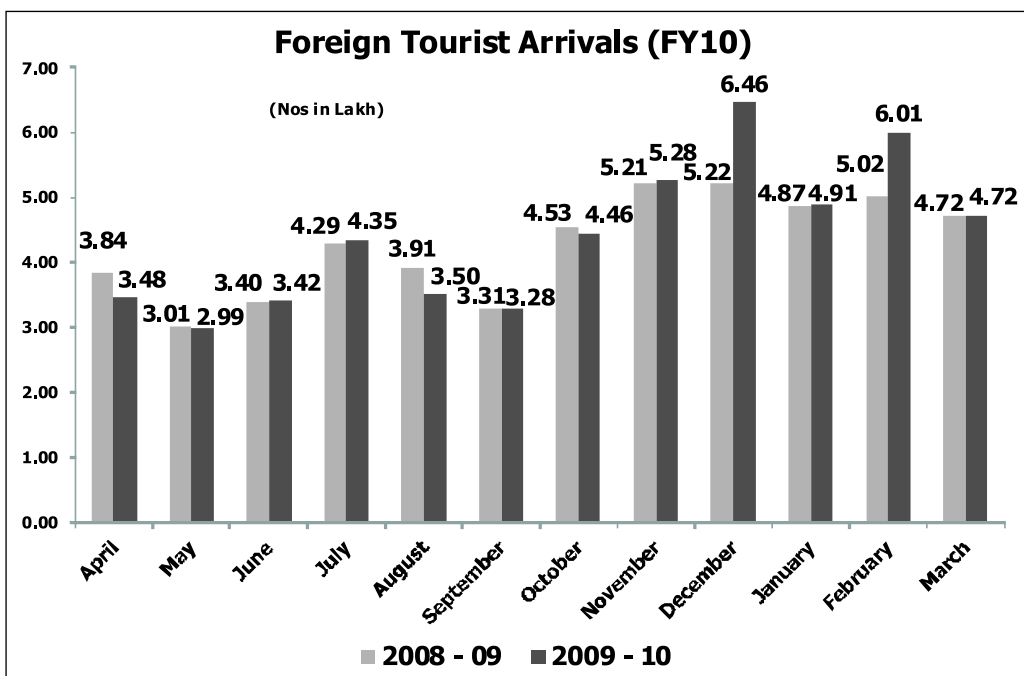
The capital goods sector achieved a growth of 72.8 per cent indicating a rise in investment sentiments in the country. The consumer goods sector posted a growth of 14.4 per cent in April 2010 and appears to have performed well.

With the expansion in global trade in recent months, the exports of India were valued at US \$ 16.9 bn during April 2010 and imports valued at US \$ 27.3 bn representing a growth of 36.2 per cent and 43.3 per cent respectively as against the values during April 2009.



Hospitality Industry

The FY 2010 was not a great year for the hospitality segment. The global recession on one hand, coupled by the terrorist attacks in Mumbai, the Telangana agitation in Andhra Pradesh, did have impact on the tourist inflows as visible in the Foreign Tourist Arrivals chart.



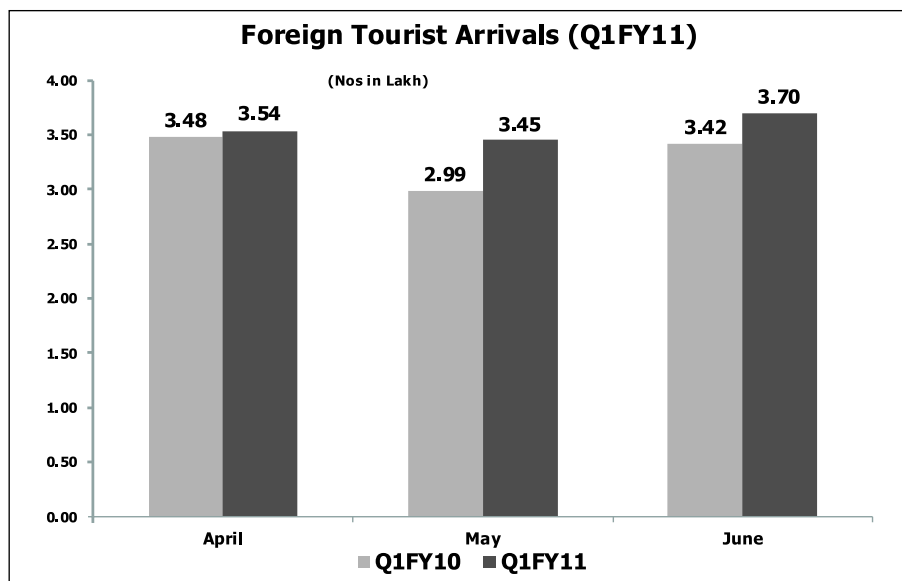
Although the year that went by was a tough year with tourist inflow declining by 4% YoY on account of economic slowdown and terror attacks, it still grew at a CAGR of 12% over the last 5 years.

Performance Review

For FY10, the company has grossed total revenue of 9,754.29 lakhs, down by 9.68 per cent as against Rs 10,799.00 lakhs for the year before. The Operating profit for FY10 was at Rs 3,477.21 lakhs as against Rs 3,633.02 lakhs for the year before. The net profit for FY10 was at Rs 116.97 lakhs as against Rs 669.26 lakhs for the year before.

Current Scenario:

- Health of Indian Hotel industry is witnessing a concerted upward trend and recent positive year-on-year growth in revenue per available room (revpar), according to STR Global, a leading provider of market information to global hotel industry.
- After 14 months decline in revpar owing to worldwide economic downturn and terrorist attacks in Mumbai, a significant y-o-y increase was noticed from December 2009. This is also visible in the Foreign Tourist Arrival chart for the quarter year.
- A 21-per-cent rise in international tourist arrivals highlights an overall quarterly increase of 6.9 per cent after four consecutive quarters of year-on-year declines.
- Favorable factors include forecasted economic growth of 8.5 per cent for 2010-2011 (Source: Ministry of Finance, Economic Survey 2009-2010), the Commonwealth Games, and the trial-run of a visa on arrival scheme for visitors from countries like, Singapore, Finland, New Zealand, Luxembourg and Japan, have shored up the confidence on tourism and hotel industry.





Viceroy – Going beyond borders, other verticals to add to growth

Viceroy is going beyond geographical borders by adding more hotels in places like Chennai and Bangalore and nurturing its other business verticals.

The year 2011 would see emergence of J W Marriott at Chennai and Renaissance hotel at Bangalore. The other business verticals of Viceroy of the likes of: Eat Street/Waterfront; BreadTalk; Minerva Hotel; Minerva Coffee Shop and Blue Fox are also gaining their foothold.

Capital Market Offing

- A resolution was recently passed to issue 1 crore equity shares to qualified institutional buyers on a preferential basis to raise up to \$15 million or Rs 70 crore part finance the hotel projects.
- The real estate investment arm of JP Morgan, JP Morgan India Property Mauritius has agreed to picked up 49% equity for Rs 70.00 Crore for in Bangalore Hotel Project.

Other Verticals:

The Company is in the process of hiving off all the Bangalore Hotel assets in to a separate company i.e. M/s.Viceroy Bangalore Hotels Pvt. Ltd.,

Café D'Lake Private Limited

M/s. 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.2,800.05 Lakh for the year ended 31st March, 2010 as against Rs.3,007.16 lakh for the previous year.

The Net Profit for the year ended 31st March, 2010 is Rs.282.17 lakhs as against Rs 285.46 lakhs.

Minerva Coffee Shop

This chain is currently operating 3 outlets spread in two cities of Andhra Pradesh - two in Hyderabad and one in Vijayawada. Plans are underway to set up Minerva Vegetarian Restaurants in cities like Mumbai, Delhi, Bangalore and Chennai in the future.

Blue Fox

Blue Fox has two outlets in Hyderabad and one in Vijayawada. Expansion plans are underway to expand it into a national chain.

Crustum Products Private Limited—BreadTalk

The first outlet was opened at Inorbit Mall, Malad, Mumbai during May, 2006 and the Company is witnessing good foot falls.

The Second outlet at BG House, Hiranandani, Powai, Mumbai was opened during January, 2007.

The third outlet at Palm Beach, Galleria Mall, Vashi, Mumbai was opened during July, 2007 and fourth Outlet at QMart Mall, Road No.2, Banjara Hills, Hyderabad was opened during September, 2007.

The Company opened 3 more outlets at Ashoka Mall, Banjara Hills, Hyderabad, Spencers, Koramangalam, Bangalore, Spencers, Gurgaon, during 2008.

Yet another feather in the cap... Courtyard, Hyderabad

Viceroy Hotels Limited has built Courtyard Hyderabad, next to Marriott Hyderabad and commenced its business operations. This smart business hotel would complement the existing hotel with its modern design and contemporary styling. Courtyard Hyderabad is also managed by Marriott and is among the first new age Courtyards in India to follow the MoMo Concept.

The hotel is designed to provide services and facilities for business travellers and leisure travellers with all the conveniences that an upscale hotel would provide. This apart, the hotel offers meeting facilities divided into seven zones comprising a sprawling 6,733 sq ft of space. It has Wi-Fi enabled public areas and spa facilities. The piece-de-resistance will live up to the guests' expectations and create a new dimension in the business class hotels.

The Journey Continues...

The upcoming 5-star hotels, JW Marriott and Renaissance in Chennai and Bangalore respectively too are also progressing with an expected pace and would be operational in FY2011.

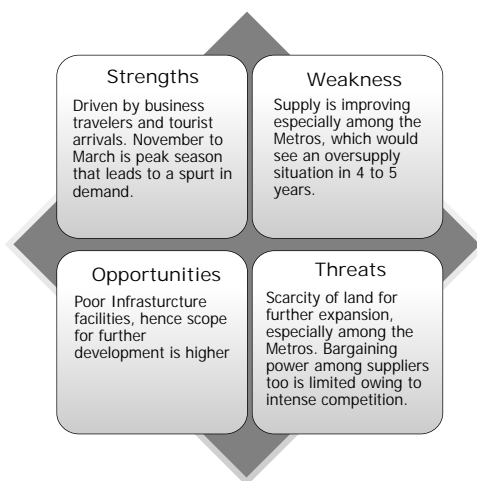
Risk Management

Economic Risk

The company's performance is highly reliant on the growth of business and economy in the country. The brake in economic growth in the country may have severe affect on the company's business. The GDP growth is expected to surge to 8.3% by FY11, driven by the robust industrial growth and resilient performance of the service sector. The country's consumption boom is brushing up and new job opportunities are lining upwards. With all these factors, the company does not expect to be significantly affected by this risk.

Occupancy Risk

The profitability of the company is dependent on occupancy rate. If the rate of the company's properties is low, this might be the major risk and affect the company's profitability. Due to the spurt in tourist inflows expected in the coming quarters due to easing of the credit crisis and recovery of the developed economies, occupancy rates are expected to be more.





Real Estate Risk

Some analysts warn of the risk of a bubble in Indian real estate prices that could undermine growth prospects for the whole market. Corporates are literally struggling to find a reasonable deal as the rentals in the Country are growing at a whooping rate.

Since additional land has already been purchased in cities like Chennai, Bangalore, and Visakhapatnam, the company is no way affected by this risk.

Internal Control Systems and their Adequacies

The company maintains an adequate and proper system of internal controls. All the company's assets are secured and protected against loss from illicit use or dispossession. All the transactions are authorized. It is ensured that the company's internal audit is being strengthened from time to time and that all the financial statements and accounting records of the company are reviewed and reliable.

Material developments in Human Resources

'Human Resources' is recognized as a key pillar of any successful organization and so is for Viceroy Hotels. The company puts constant efforts in recruiting and training the employees and ensures to bring out the best of them. The company ensures that all the employees are aware of personnel policies. The needs of the employees are addressed with high importance and efforts are made to provide a highly challenging and healthy environment. Besides all these, the company places high amount of emphasis on professional etiquette to be exhibited by every employee.

Road Ahead:

- Centre and States are also working out a PPP (Public-Private-Partnership) model to increase hotel capacity. Efforts to diversify tourist attractions by offering new products such as wellness tourism, medical tourism and golf tourism are expected to have a positive effect on both foreign tourist arrivals and domestic tourism.
- Further, new segments like budget hotels, service apartments and management contracts are witnessing increasing interest.
- According to the estimates of the World Tourism Organization (WTO), the international tourist inflow in India by 2020 would be 10 mn. This makes the country one of the fastest growing tourist destinations in the world next only to China.

Cautionary Statement

The report contains certain statements that include forward looking statements based on current expectations, beliefs or assumptions about future events that are subject to uncertainties. They may differ materially from those described. However readers are advised not to rely upon these forward looking statements which do not guarantee future performance and are subject to a number of risks and uncertainties. This report should be read in conjunction with the financial statements included herein and the notes thereto.

AUDITOR'S REPORT

To,
The Members,
VICEROY HOTELS LTD.

We have audited the attached Balance Sheet of VICEROY HOTELS LIMITED as at 31st March, 2010 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 , 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 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, 2010;
 - (b) In the case of the Profit & Loss Account, of the loss 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.,

For P.MURALI & CO.,
CHARTERED ACCOUNTANTS

P.MURALI MOHANA RAO
PARTNER
Membership No. 23412

PLACE : HYDERABAD
DATE : 26-08-2010



ANNEXURE TO THE AUDITORS' 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. The Company has granted and taken loans, unsecured to / from Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956 and registers are being maintained by the company.
 The Company has granted loans, the rate of interest & other term and conditions on which loans have been granted to parties listed in the register maintained under section 301 is not prejudicial to the interest of the Company.
 The loans are granted by company, the clause of receipt of interest & principal amount from parties, are not prejudicial to the company.
 The loans have been granted to Companies, Firms & other parties listed in the register U/s.301 of the Companies Act, 1956, and there is no overdue amount of loan
 The Company has taken loans, unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and registers are being maintained.
 The Company has taken loans, and the rate of interest & other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is not prejudicial to the interest of the company.
 The repayment of interest & principal amount to parties, are not prejudicial 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 explanation given to us, there are no transactions made by the company in respect of any party in the financial year and hence the maintenance of registrar under section 301 of the Companies Act, 1956 does not arise.
 (b) According to the information and explanations given to us, as there are no transactions made by the company, hence the charging of reasonable price does not arise.
- VI. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies(Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from public. No order is passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- 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 amounts 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, no undisputed amounts are payable in respect of PF, ESI, Income Tax, and any other statutory dues 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 has 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, other than guarantees given to banks for the loans taken by M/s Crustum Products Pvt. Ltd., Subsidiary Company 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 issued 500 debentures of Rs.10,00,000/- each on 21st March 2007 and the company has created the security for the debentures issued by the company.
- 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.

For P.MURALI & CO.,
CHARTERED ACCOUNTANTS
P.MURALI MOHANA RAO
PARTNER

Membership No. 23412

PLACE : HYDERABAD
DATE : 26-08-2010

BALANCE SHEET AS AT 31ST MARCH, 2010

S.No.	PARTICULARS	SCHEDULE NO's.	AS ON 31-03-2010 (Rupees)	AS ON 31-03-2009 (Rupees)
I. SOURCES OF FUNDS				
1.	SHARE HOLDERS FUNDS			
a.	Capital	1	42,40,52,240	42,40,52,240
b.	Share Capital Suspense			
c.	Reserves & Surplus	2	1,97,30,95,720	1,98,67,85,986
2.	LOAN FUNDS			
a.	Secured Loans	3	8,05,21,47,482	6,61,21,66,907
b.	Unsecured Loan	4	69,63,73,999	10,00,46,875
3.	DEFERRED TAX LIABILITY		15,27,00,817	13,78,98,641
	TOTAL		11,29,83,70,258	9,26,09,50,649
II APPLICATION OF FUNDS				
1.	FIXED ASSETS	11		
a.	Gross Block		4,53,19,27,443	3,97,59,38,128
b.	Less : Depreciation		76,77,14,550	65,32,70,581
c.	Net Block		3,76,42,12,893	3,32,26,67,547
d.	Capital Work in progress		6,92,46,98,636	4,87,12,67,769
2.	INVESTMENT	5	27,55,60,358	15,70,62,420
3.	CURRENT ASSET, LOANS & ADVANCES			
a.	Inventories		82,76,487	99,74,007
b.	Sundry Debtors	6	5,33,00,491	4,66,52,661
c.	Cash & Bank Balance	7	2,58,64,768	4,73,12,105
d.	Loans & Advance	8	1,13,53,12,265	1,18,16,63,284
	Less: Current Liabilities & Provisions	9	89,01,64,895	37,69,55,981
	NET CURRENT ASSETS		33,25,89,114	90,86,46,076
	MISCELLANEOUS EXPENDITURE		13,09,257	13,06,837
	TOTAL		11,29,83,70,258	9,26,09,50,649
	Notes to Accounts	12		

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER

Membership No. 23412

Place: Hyderabad

Date: 26-08-2010

FOR AND ON BEHALF OF THE BOARD

P. PRABHAKAR REDDY
Managing Director

A. VIJAYAVARDHAN REDDY
Director



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

S.No.	PARTICULARS	SCHEDULE NO's.	AS ON 31-03-2010 (Rupees)	AS ON 31-03-2009 (Rupees)
INCOME				
	Guest Accommodation, Restaurants, Bars and Banquets		57,24,84,999	67,33,02,829
	Other Income		6,99,45,057	2,62,10,000
	TOTAL		64,24,30,056	69,95,12,829
EXPENDITURE				
	Consumption of Provisions, Stores & Wine		6,70,28,921	7,64,31,607
	Personnel Cost		12,52,04,359	14,25,29,555
	Power & Fuel		4,20,83,799	4,16,67,099
	Interest & Financial Charges		17,55,02,743	14,60,82,937
	Administrative Expenses	10	11,49,16,056	14,07,41,076
	Depreciation		11,48,87,120	10,78,77,080
	Foreign Exchange Fluctuation Loss		5,21,877	--
	Loss on Sale of Assets		11,73,270	--
	TOTAL		64,13,18,145	65,53,29,354
	Profit Before Tax		11,11,911	4,41,83,475
	Provision For Taxes (May) /Deferred Tax		1,48,02,176	94,24,930
	Profit After Taxes		(1,36,90,265)	3,47,58,545
	Profit Brought Forward		17,85,09,885	14,37,51,340
	Balance Carried To Balance Sheets		16,48,19,620	17,85,09,885
	Basic Earning Per Share (In Rupees)		(3.23)	0.82
	Face Value Per Equity Share (In Rupees)		10.00	10.00

Notes to Accounts 12

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER

Membership No. 23412

Place: Hyderabad

Date: 26-08-2010

FOR AND ON BEHALF OF THE BOARD

P. PRABHAKAR REDDY
Managing Director

A. VIJAYAVARDHAN REDDY
Director



PARTICULARS	AS ON 31-03-2010 (Rupees)	AS ON 31-03-2009 (Rupees)
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED :		
4,50,00,000 Equity Shares of Rs.10/- Each	45,00,00,000	45,00,00,000
10,00,000 Preference Shares of Rs.100/- Each	10,00,00,000	10,00,00,000
ISSUED, SUBSCRIBED & PAID - UP		
4,24,05,224 Equity Shares of Rs.10/- Each	42,40,52,240	42,40,52,240
TOTAL	42,40,52,240	42,40,52,240

Notes :

Out of the paid up capital 47,83,796 equity shares of Rs.10/- each were allotted on July 14, 2007 as fully paid up shares pursuant to the scheme of amalgamation of Minerva Restaurant Pvt. Ltd., Minerva Coffeeshop Pvt. Ltd., Minerva Hotels Pvt. Ltd., Cafe D'Lake Pvt. Ltd., Blue Fox Bar & Restaurant Pvt. Ltd., Minerva Hospitalities Pvt. Ltd., Banjara Hospitalities Pvt. Ltd., Crustum Products Pvt. Ltd., and Hotels Division of Minerva Enterprises Pvt. Ltd., with the company in the pervious year.

SCHEDULE 2

RESERVES & SURPLUS

Capital Reserves	5,46,000	5,46,000
Revaluation Reserve	79,19,430	79,19,430
Share Premium	1,71,77,85,670	1,71,77,85,670
General Reserve	3,20,25,000	3,20,25,000
Debenture Redemption Reserve	50,000,000	50,000,000
Profit Carried Forward	16,48,19,620	17,85,09,886
TOTAL	1,97,30,95,720	1,98,67,85,986

SCHEDULE 3

SECURED LOANS

Non-Convertible Redeemable Debentures	50,00,00,000	50,00,00,000
Rupee Term Loans (Security refer to Notes to accounts)		
Rupee Term Lonas	7,52,28,98,058	6,10,97,51,517
Working Capital Borrowings	32,22,802	--
From Others	2,60,26,622	24,15,390
TOTAL	8,05,21,47,482	6,61,21,66,907

SCHEDULE -4

UNSECURED LOANS

Directors / Relatives / Promoters Group Companies	66,01,47,499	10,00,46,875
Group Companies	3,62,26,500	--
TOTAL	69,63,73,999	10,00,46,875



PARTICULARS	AS ON 31-03-2010 (Rupees)	AS ON 31-03-2009 (Rupees)
SCHEDULE 5		
INVESTMENTS		
Unlisted Unquoted Wholly Owned Subsidiary Companies		
M/s CAFÉ D'LAKE PVT. LTD.		
Share Capital	7,03,69,750	7,03,69,750
Share Application Money	1,05,23,414	--
M/s CRUSTUMS PRODUCTS PVT. LTD.		
Share Capital	4,00,00,000	4,00,00,000
Share Application Money	10,78,74,524	--
M/s MINERVA HOSPITALITIES PVT. LTD.		
Share Capital	4,66,92,670	4,66,92,670
Share Application Money	--	--
M/s VICEROY BANGALORE HOTELS PVT. LTD.		
Share Capital	1,00,000	--
TOTAL	27,55,60,358	15,70,62,420
SCHEDULE 6		
SUNDRY DEBTORS'		
Sundry Debtors (Unsecured)	5,33,00,491	4,66,52,661
Outstanding more than six months	--	--
Others Considered Goods	--	--
TOTAL	5,33,00,491	4,66,52,661
SCHEDULE 7		
CASH & BANK BALANCES		
Cash on hand	20,02,831	28,17,485
Balance with Scheduled Banks	2,38,61,937	4,44,94,620
TOTAL	2,58,64,768	4,73,12,105
SCHEDULE 8		
LOANS & ADVANCES		
Advances Recoverable in cash or kind	15,20,05,904	--
Deposits	5,51,56,775	8,11,69,251
Advance to Suppliers & Others	75,15,83,195	93,81,80,349
TDS Receivables	2,34,66,224	--
Others	15,31,00,167	10,36,52,619
Advance to Subsidiary Companies	--	5,86,61,065
TOTAL	1,13,53,12,265	1,18,16,63,284



PARTICULARS	AS ON 31-03-2010 (Rupees)	AS ON 31-03-2009 (Rupees)
SCHEDULE 9		
CURRENT LIABILITIES & PROVISIONS		
Creditors for supplies & Capital Goods	47,67,61,951	10,86,23,858
Deposits Received	17,41,29,181	--
Duties & Taxes	5,81,74,779	--
Other Sunday Liabilities	--	15,82,20,532
Outstanding Expenses	10,69,35,232	5,70,68,688
Provisions for Expenses	7,41,63,752	5,30,42,903
TOTAL	89,01,64,895	37,69,55,981
SCHEDULE 10		
ADMINISTRATIVE EXPENSES		
Selling Expenses	4,23,97,482	--
Directors Remuneration	30,00,000	22,33,402
Auditors Remuneration	4,41,200	4,41,200
Rates and Taxes	1,43,55,226	42,82,475
Insurance	75,10,573	47,71,470
Traveling & Conveyance	70,05,514	78,451
Printing & Stationary	30,82,008	132,585
Postage, Telegrams & Telephones	21,35,260	1,60,942
Repairs & Maintenance	1,56,67,077	--
Other Expenses	1,68,83,565	12,86,40,551
Bad Debts Written Off	24,38,151	--
TOTAL	11,49,16,056	14,07,41,076

STAND-ALONE AUDITOR'S REPORT

SCHEDULE 11 FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Block As at 01-04-2009	Additions During the Year	adjustments During the Year	Total Cost as at 31-03-2010	Up to 31-03-2009	For the Year	adjustments During the Year	Total as at 31-03-2010	as at 31-03-2010	as at 31-03-2009
Land	1,65,88,58,105	--	--	1,65,88,58,105	--	--	--	--	1,65,88,58,105	1,65,88,58,105
Building	1,26,34,67,724	36,43,08,311	--	1,62,77,76,035	25,58,79,074	4,62,33,563	--	30,21,12,637	1,32,56,63,398	1,00,75,88,650
Furniture & Fixtures	33,23,35,100	4,43,22,189	20,000	37,66,37,289	14,86,90,053	2,19,65,595	--	17,06,55,648	20,59,81,641	18,36,45,047
Air Conditioners	13,95,38,423	2,08,88,925	--	16,04,27,348	5,57,09,480	69,57,004	--	6,26,66,484	9,77,60,864	8,38,28,943
Electrical Fittings	15,35,30,952	4,49,29,704	11,43,121	19,73,17,535	4,50,62,962	80,00,209	1,72,564	5,28,90,607	14,44,26,928	10,84,67,990
Vehicles	3,97,39,392	1,12,14,022	--	5,09,53,414	1,68,86,564	37,75,242	--	2,06,61,806	3,02,91,608	2,28,52,828
Plant Machinery	2,74,00,451	5,22,74,269	57,000	7,96,17,720	1,44,67,451	21,24,662	742	1,65,91,371	6,30,26,349	1,29,33,000
Generator	13,65,000	--	--	13,65,000	1,83,678	64,839	--	2,48,517	11,16,483	11,81,322
Misc. Fixed Asset	35,97,02,981	2,03,09,718	10,37,702	37,89,74,997	11,63,91,318	2,57,66,006	2,69,844	14,18,87,480	23,70,87,517	24,33,11,663
Total	3,97,59,38,128	55,82,47,138	22,57,823	4,53,19,27,443	65,32,70,581	11,48,87,120	4,43,150	76,77,14,551	3,76,42,12,893	3,32,26,67,547



SCHEDULE 12

NOTES FORMING PART OF THE ACCOUNTS

A. Significant Accounting Policies to Accounts:

1. Significant Accounting Policies to the Balance sheet and Profit and loss account:

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.

(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.

Payment 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.

(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.

(l) 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 comprise 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.



B. Notes on accounts

Notes on accounts to Balance Sheet and Profit and Loss account:

1. BASIC EARNINGS PER SHARE (BASIC EPS)

Particulars	Current Year Rs.	Previous Year Rs.
Net Profit after Tax	(1,36,90,265)	3,47,58,545
Weighted Average Number of Shares Considered	4,24,05,224	4,24,05,224
EPS	(3.23)	0.82

2. In relation of Fixed Assets:

Revaluation Reserve represents increase in the value of land on account of Revaluation made during the financial year 1989-90. Gross Block consists of Value of Chennai land aggregating Rs.148.55 crores pertaining to the Chennai Hotel project and Rs.12.99 crores of Hyderabad Courtyard land.

3. In relation of Provision for Current Tax, Deferred Tax :

Particulars	Current Year Rs.	Previous Year Rs.
Provision for Income Tax / Deferred Tax Liability	1,48,02,176	94,24,930

4. In relation of Managerial Remuneration :

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Salaries	30.00	30.00

5. Auditors Remuneration:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Audit Fees including service tax	4.41	4.41

6. According to the information available with the Company, there are no amounts as at 31st March, 2010, due to suppliers who constitute a "small scale industrial undertaking".

7. Contingent Liabilities not provided for in respect of:-

I) Claims against the company pending appellate / Judicial decisions:

a) E.S.I	Rs 67,70,937/- (Previous Year Rs 67,70,937/-)
b) Income Tax	AY 2004-05 Rs. 25,95,736 & AY 2005-06 Rs. 73,14,584/- Rs 73,14,584)

ii) Guarantees:

Guarantees given to bank for the Bank Guarantee limits availed by the company towards EPCG Bonds given to DGFT, Hyderabad.	Rs. 29,50,300/-
Previous Year	Rs. 50,39,472/-

iii) Corporate Guarantee given to subsidiary company M/s Crustum Products Pvt Ltd for Rupee term loan of Rs.8.65 crores availed from Oriental Bank of Commerce.

8. In compliance with Part II of Schedule - VI to the Companies Act, 1956; the detailed information regarding quantitative particulars is as under:

i) Income of the Company includes the following:

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Guest Accommodation	31.72	39.67
Food and Beverages	25.53	27.66
Other Income	6.99	2.62
Total	64.24	69.95

ii) Consumption of Provisions and Stores:

Provisions & Stores	Opening Stock	Purchases	Closing Stock	Consumption
Current year	99.74	653.26	82.76	670.24
Previous year	(69.38)	(794.67)	(99.74)	(764.31)

9. In relation of Foreign currency inflows and outflows :

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Out go on account of Capital work in progress expense is	5.96	29.33

10. Expenditure in Foreign Currency:

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Royalties & Others	4.87	0.53



11. Earnings in Foreign exchange as reported by the Company to the Ministry of Tourism, Government of India and as certified by the Management.

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Earning in Foreign Exchange :	19.46	25.21

12. In relation of Secured (Term) Loans:

(i) Term loans from IDFC Limited and Non Convertible Debentures from AXIS Bank aggregating to Rs.126.00 crores are secured by Pari Passu first charge on the immovable and movable properties of Hyderabad Marriott Hotel.

(ii) Term loans sanctioned by State Bank of India, State Bank of Mysore, State Bank of Indore, State Bank of Bikaner & Jaipur, Allahabad Bank, Indian Overseas Bank and UCO Bank aggregating to Rs.350.00 crores for the Chennai Hotel project are secured by Pari Passu first charge on the immovable and movable properties of Chennai hotel project.

(iii) Term loans sanctioned by State Bank of Mysore, State Bank of Indore, State Bank of Indi and Canara Bank aggregating to Rs.112.00 crores for the Bangalore hotel project are secured by Pari-Passu first charge on the fixed assets of Bangalore Project. Apart from this the loans are also secured by deposit of lease deed of 53 years pertaining to the Bangalore project.

(iv) Term loans from State Bank of India and Canara Bank for the Hyderabad Courtyard hotel project aggregating to Rs.95.00 crores are secured by the first parri passu charge on the fixed assets of the Courtyard hotel project.

(v) The company has availed Redeemable Non convertible Debentures aggregating Rs.50 crores from Axis Bank Limited. It is secured against the immovable and movable properties of Hyderabad Marriott. The company has created a Debenture Redemption reserve of Rs.500 lakhs for the FY2008 and during the year under review, the company has not created any Debenture Redemption reserve.

13. In relation of Related Party Disclosures in compliance with Accounting Standard -:

Name	Relation with the company
Shri. P. Prabhakar Reddy	Managing Director
M/s.Café D' Lake Pvt. Ltd.	Subsidiary Company
M/s.Crustom Products Pvt. Ltd.	Subsidiary Company
M/s.Minerva Hospitalities Pvt. Ltd.,	Subsidiary Company
M/s. Viceroy Bangalore Hotels Pvt. Ltd.	Subsidiary Company

However, during the financial year ended 31st March 2010, except Managerial remuneration no transaction were recorded between the company and any related party mentioned above, in respect of services.



14. The Company's only business is hoteliering 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 reported.
15. Pre-operative expenses include Rs.2843.61 lakhs pertaining to the Non- Refundable Deposit paid to the land lords for taking land on long lease of 53 years for the Bangalore hotel.
16. Previous year's figures and current year's figures have been regrouped, recasted, wherever necessary to improve figures presentation.
17. The figures have been rounded off to the nearest rupee.

Signatures to Schedules 1 to 12

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER
Membership No. 23412

Place: Hyderabad
Date: 26-08-2010

FOR AND ON BEHALF OF THE BOARD

P. PRABHAKAR REDDY
Managing Director

A. VIJAYAVARDHAN REDDY
Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2010

Particulars	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	11.12	441.83
Adjustments for:		
Depreciation	1148.87	1078.77
Interest	1755.03	1460.83
Operating Profit before working capital changes	2915.02	2981.43
Trade and other receivables	397.04	(2545.53)
Inventories	16.98	(30.36)
Trade payables	5132.09	1415.73
Misc. Expenses	(0.02)	(4.69)
Cash generated from operations	8461.11	1816.59
Interest paid	(1755.03)	(1460.83)
NET CASH FLOW FROM OPERATING ACTIVITIES	6706.08	355.76
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(5559.89)	5.73
Capital work-in-progress, Pre-operative Expenses	(20534.31)	(20834.88)
Investments	(1184.98)	0.00
Sale / Adjustment of Fixed Assets	(4.45)	0.00
NET CASH USED IN INVESTING ACTIVITIES	(27283.63)	(20829.15)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Shares Capital	0.00	0.00
Secured Loan Taken	14399.80	18952.02
Unsecured Loan	5963.27	171.37
Share Premium and General Reserve	0.00	0.00
NET CASH USED IN FINANCING ACTIVITIES	20363.07	19123.39
NET INCREASE IN CASH AND CASH EQUIVALENTS	(214.48)	(1349.99)
Cash and Cash equivalents (Opening Balance)	473.12	1882.01
Cash and Cash equivalents (Closing Balance)	258.64	473.12

FOR AND ON BEHALF OF THE BOARD
FOR VICEROY HOTELS LIMITED

PLACE : Hyderabad
DATE : 26-08-2010

P. PRABHAKAR REDDY
Managing Director

A. VIJAYVARDHAN REDDY
Director

CERTIFICATE

To

The Board of Directors
Viceroy Hotels Limited,
1-3-1036/3/1, Lower Tank Bund Road,
Gandhinagar, Hyderabad - 500 080.

We have examined the attached Cash Flow Statement of M/s. Viceroy Hotels Limited for the year ended 31st March, 2010. The Statement has been prepared by the company in accordance with requirements of Clause 32 of listing agreement with Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report dated 26th August 2010 to the members of the Company.

for P. MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
Partner
Membership No. 23412

Place : Hyderabad

Date : 26-08-2010



Statement Pursuant to part IV of schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. 0 1 - 1 0 4 8

State Code 0 1

CIN No. L 5 5 1 0 1 A P 1 9 6 5 P L C 0 1 0 4 8

Balance Sheet 3 1 0 3 2 0 1 0
Date Month Year

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

1 1 2 9 8 3 7 0

Total Assets

1 1 2 9 8 3 7 0

Paid up Capital

4 2 4 0 5 2

Reserves & Surplus

1 9 7 3 0 9 5

Sources of Funds

Secured Loans

8 0 5 2 1 4 7

Unsecured Loans

6 9 6 3 7 4

Net Fixed Assets

3 7 6 4 2 1 3

Investments

2 7 5 5 6 0

Application of Funds

Net Current Assets

3 3 2 5 8 9

Misc. Expenditure

1 3 0 9

Accumulated Losses

N I L

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

6 4 2 4 3 0

Total Expenditure

6 4 1 3 1 8

Profit / Loss Before Tax

1 1 1 2

Profit / Loss After Tax

1 3 6 9 0

+ 0

- 0

Earning Per Share in Rs.

- 3 . 2 3

Dividend Rate %

N I L

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code No.

(ITC Code)

N O T A L L O T E D

Product Description

G U E S T A C C O M M O D A T I O N
F O O D & B E V E R A G E S
B A N Q U E T S

CONSOLIDATED AUDITOR'S REPORT

To the Member.

VICEROY HOTELS LIMITED

Consolidated Financial Statements of VICEROY HOTELS LIMITED, and its subsidiaries.

We have examined the attached Consolidated Balance Sheet of M/s.VICEROY HOTELS LTD ('the Company') and its wholly owned subsidiaries as at 31st March , 2010 and the Consolidated Profit & Loss Account for the year ended on the date annexed thereto and Consolidated Cash flow Statement for the period ended on that date. These Consolidated financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Consolidated 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 prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 for Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

(a) in the case of the Consolidated balance Sheet, of the consolidated state of affairs of the company and its subsidiaries as at 31st March, 2010.

(b) In the case of the Consolidated Profit and Loss Account of the consolidated results of operations of the Company and its subsidiaries for the year then ended and

(c) In the case of the Consolidated cash flows Statement, of the Consolidated Cash flows of the company and its subsidiaries for the year then ended.

For P.MURALI & CO.,
CHARTERED ACCOUNTANTS

P.MURALI MOHANA RAO
PARTNER
Membership No. 23412

PLACE : HYDERABAD
DATE : 26-08-2010

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

S.No.	PARTICULARS	SCHEDULE NO'S.	AS ON 31-03-2010 (Rupees)	AS ON 31-03-2009 (Rupees)
I.	SOURCES OF FUNDS			
1.	SHARE HOLDERS FUNDS			
a.	Capital	1	42,40,52,240	42,40,52,240
b.	Share Capital Suspense			
c.	Reserves & Surplus	2	2,04,67,87,790	2,03,80,53,221
2.	LOAN FUNDS			
a.	Secured Loans	3	8,30,87,46,268	6,95,64,01,825
b.	Unsecured Loan	4	66,56,30,841	7,82,29,663
3.	DEFERRED TAX LIABILITY		17,47,66,997	15,48,30,145
	TOTAL		11,61,99,84,136	9,65,15,67,094
II	APPLICATION OF FUNDS			
1.	FIXED ASSETS	11		
a.	Gross Block		4,82,48,71,306	4,26,74,28,087
b.	Less : Depreciation		83,60,99,355	70,48,19,435
c.	Net Block		3,98,87,71,951	3,56,26,08,653
d.	Capital Work in progress		7,09,92,50,702	5,00,59,68,191
3.	CURRENT ASSET, LOANS & ADVANCES			
a.	Inventories		1,51,38,624	1,91,91,827
b.	Sundry Debtors	6	5,79,90,655	5,11,16,962
c.	Cash & Bank Balance	7	3,29,67,763	5,09,26,343
d.	Loans & Advance	8	1,36,66,86,901	1,39,95,06,299
	Less: Current Liabilities & Provisions	9	94,21,25,318	44,09,57,662
	NET CURRENT ASSETS		53,06,58,625	1,07,97,83,769
	MISCELLANEOUS EXPENDITURE		13,02,857	32,06,481
	TOTAL		11,61,99,84,136	9,65,15,67,094
	Notes to Accounts	12		

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER

Membership No. 23412

Place: Hyderabad

Date: 26-08-2010

FOR AND ON BEHALF OF THE BOARD

P. PRABHAKAR REDDY
Managing Director

A. VIJAYAVARDHAN REDDY
Director



CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

S.No.	PARTICULARS	SCHEDULE NO's.	AS ON 31-03-2010 (Rupees)	AS ON 31-03-2009 (Rupees)
INCOME				
	Guest Accommodation, Restaurants, Bars and Banquets		90,54,83,977	1,03,57,06,390
	Other Income		6,99,45,057	4,41,94,182
	TOTAL		97,54,29,034	1,07,99,00,572
EXPENDITURE				
	Consumption of Provisions, Stores & Wine		16,93,15,468	20,01,94,653
	Personnel Cost		18,68,11,710	19,70,64,266
	Power & Fuel		4,99,03,817	4,95,25,174
	Interest & Financial Charges		19,55,55,821	16,13,21,522
	Administrative Expenses	10	20,99,80,272	26,90,64,383
	Depreciation		12,92,25,652	11,91,84,610
	Foreign Exchange Fluctuation Loss		5,21,877	--
	Misc Exp Written off		--	5,91,471
	Loss on sale of assets		11,73,270	1,59,145
	TOTAL		94,24,87,887	99,71,05,224
	Profit Before Tax		3,29,41,147	8,27,95,348
	Provision For Taxes (May) /Deferred Tax		2,12,44,058	1,58,69,290
	Profit After Deferred Tax & FBT Liability		1,16,97,089	6,69,26,058
	Prior Period Adjustments		--	24,054
	Profit After Adjustments		1,16,97,089	6,69,50,112
	Profit Carried To Balance Sheet		1,16,97,089	6,69,50,112
	Basic Earning Per Share (In Rupees)		0.28	1.58
	Face Value Per Equity Share (In Rupees)		10.00	10.00

Notes to Accounts

12

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER

Membership No. 23412

Place: Hyderabad

Date: 26-08-2010

FOR AND ON BEHALF OF THE BOARD

P. PRABHAKAR REDDY
Managing Director

A. VIJAYAVARDHAN REDDY
Director



PARTICULARS	AS ON 31-03-2010 (Rupees)	AS ON 31-03-2009 (Rupees)
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED :		
4,50,00,000 Equity Shares of Rs.10/- Each	45,00,00,000	45,00,00,000
10,00,000 Preference Shares of Rs.100/- Each	10,00,00,000	10,00,00,000
ISSUED, SUBSCRIBED & PAID - UP		
4,24,05,224 Equity Shares of Rs.10/- Each	42,40,52,240	42,40,52,240
TOTAL	42,40,52,240	42,40,52,240

Notes :

Out of the paid up capital 47,83,796 equity shares of Rs.10/- each were allotted on July 14, 2007 as fully paid up shares pursuant to the scheme of amalgamation of Minerva Restaurant Pvt. Ltd., Minerva Coffeeshop Pvt. Ltd., Minerva Hotels Pvt. Ltd., Cafe D'Lake Pvt. Ltd., Blue Fox Bar & Restaurant Pvt. Ltd., Minerva Hospitalities Pvt. Ltd., Banjara Hospitalities Pvt. Ltd., Crustum Products Pvt. Ltd., and Hotels Division of Minerva Enterprises Pvt. Ltd., with the company in the pervious year.

SCHEDULE 2**RESERVES & SURPLUS**

Capital Reserves	5,46,000	5,46,000
Revaluation Reserve	79,19,430	79,19,430
Share Premium	1,71,77,85,670	1,71,77,85,670
General Reserve	3,20,25,000	3,20,25,000
Debenture Redemption Reserve	50,000,000	50,000,000
Profit and Loss Account	23,85,11,690	22,97,77,121
TOTAL	2,04,67,87,790	2,03,80,53,221

SCHEDULE 3**SECURED LOANS**

Non-Convertible Redeemable Debentures	50,00,00,000	50,00,00,000
Rupee Term Loans (Security refer to Notes to accounts)		
Rupee Term Lonas	7,77,94,96,845	6,45,39,86,435
Working Capital Borrowings	32,22,801	--
From Others	2,60,26,622	24,15,390
TOTAL	8,30,87,46,268	6,95,64,01,825

SCHEDULE 4**UNSECURED LOANS**

Directors / Relatives / Promoters Group Companies	62,94,04,341	7,82,29,663
Group Companies	3,62,26,500	--
TOTAL	66,56,30,841	7,82,29,663



PARTICULARS	AS ON 31-03-2010 (Rupees)	AS ON 31-03-2009 (Rupees)
SCHEDULE 5		
SUNDRY DEBTORS'		
Sundry Debtors (Unsecured)	5,78,01,379	--
Outstanding more than six months	--	5,06,74,443
Others Considered Goods	1,89,276	4,42,519
TOTAL	5,79,90,655	5,11,16,962
SCHEDULE 6		
CASH & BANK BALANCES		
Cash on hand	45,99,808	42,12,765
Balance with Scheduled Banks	2,83,67,955	4,67,13,578
TOTAL	3,29,67,763	5,09,26,343
SCHEDULE 7		
LOANS & ADVANCES		
Advances Recoverable in cash or kind	30,56,55,404	44,98,76,181
Deposits	16,59,32,759	10,07,42,088
Advance to Suppliers & Others	71,85,15,416	70,72,48,985
TDS Receivables	17,65,83,322	11,13,71,710
Advance to Subsidiary Companies	--	3,02,67,335
TOTAL	1,36,66,86,901	1,39,95,06,299
SCHEDULE 9		
CURRENT LIABILITIES & PROVISIONS		
Creditors for supplies & Capital Goods	33,30,29,660	13,86,44,113
Deposits Received	35,10,11,573	--
Other Sunday Liabilities	--	17,61,17,747
Outstanding Expenses	17,50,15,715	6,13,65,026
Provisions for Expenses	8,30,68,370	6,48,30,776
TOTAL	94,21,25,318	44,09,57,662
SCHEDULE 10		
ADMINISTRATIVE EXPENSES		
Selling Expenses	4,84,85,125	3,13,85,971
Directors Remuneration	44,00,000	51,00,000
Auditors Remuneration	8,65,975	8,82,400
Rates and Taxes	6,14,79,284	4,64,14,048
Insurance	75,10,573	47,71,470
Traveling & Conveyance	95,30,737	61,47,774
Printing & Stationary	48,93,648	10,17,433
Postage, Telegrams & Telephones	28,14,883	12,26,229
Other Expenses	6,75,61,897	17,21,19,058
Bad Debts Written Off	24,38,151	--
TOTAL	20,99,80,272	26,90,64,383

SCHEDULE 11 FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Block As at 01-04-2009	Additions During the Year	adjustments During the Year	Total Cost as at 31-03-2010	Up to 31-03-2009	For the Year	adjustments During the Year	Total as at 31-03-2010	as at 31-03-2010	as at 31-03-2009
Land	1,65,88,58,105	--	--	1,65,88,58,105	--	--	--	--	1,65,88,58,105	1,65,88,58,105
Building	1,37,34,78,665	36,43,08,311	--	1,73,77,86,976	27,11,21,663	4,99,07,929	--	32,10,29,592	1,41,67,57,384	1,10,23,57,002
Furniture & Fixtures	37,88,28,208	4,53,09,085	30,000	42,41,07,293	16,10,49,335	2,49,30,003	--	18,59,79,338	23,81,27,955	21,78,02,654
Air Conditioners	14,95,56,140	2,09,02,713	--	17,04,58,853	5,81,06,976	74,33,440	--	6,55,40,416	10,49,18,437	9,14,49,164
Electrical Fittings	15,99,97,359	4,49,29,704	11,43,121	20,37,83,942	4,71,87,786	83,90,720	1,72,564	5,54,05,942	14,83,78,000	12,00,44,065
Vehicles	4,55,11,571	1,12,68,285	10,000	5,67,69,856	1,86,82,392	42,87,761	--	2,29,70,153	3,37,99,703	2,68,33,670
Plant Machinery	10,52,69,063	5,25,66,598	1,11,263	15,77,24,398	2,46,56,194	58,27,665	5,239	3,04,78,620	12,72,45,779	8,26,57,738
Generator	73,71,549	--	--	73,71,549	15,19,871	3,50,149	--	18,70,020	55,01,529	58,51,678
Misc. Fixed Asset	38,03,08,062	2,04,17,195	10,41,402	39,96,83,855	12,13,67,705	2,67,54,109	2,69,990	14,78,51,824	25,18,32,031	25,89,41,099
Computers	82,49,369	77,117	--	83,26,480	36,29,574	13,43,876	--	49,73,450	33,53,030	50,47,962
Total	4,26,74,28,085	55,97,79,008	23,35,786	4,82,48,71,306	70,73,21,495	12,92,25,652	4,47,793	83,60,99,355	3,98,87,71,952	3,56,98,43,143

SCHEDULE 12

NOTES FORMING PART OF THE ACCOUNTS

A. Significant Accounting Policies to Accounts:

1. Significant Accounting Policies to the consolidated Balance sheet and Profit and loss account:

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.

(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.

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

Foreign currency loans covered by forward contracts are realigned at the forward contracts while those not covered by forward contracts are realigned at the rate ruling at the year end. The differences in realignment are accounted for in the Profit and Loss Account.



(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 Net Realisable Value, whichever is lower.

(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) Earning per Share:

The earning considered in ascertaining the earning per share comprise 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.

Notes on accounts to Consolidated Balance Sheet and Profit and Loss account:

1. The subsidiary companies considered in the consolidated financial statements are:

NAME OF SUBSIDIARIES:	PROPORTION OF INTEREST:
Café de lake Pvt. Ltd	100%
Crustum Products Pvt. Ltd	100%
Minerva Hospitalities Pvt. Ltd	100%
Viceroy Bangalore Hotels Pvt. Ltd.	100%

2. In relation of Fixed Assets:

Revaluation Reserve represents increase in the value of land on account of Revaluation made during the financial year 1989-90. Gross Block consists of Value of Chennai land aggregating Rs. 148.55 crores pertaining to the Chennai Hotel project and Rs. 12.99 crores pertaining to the Hyderabad Courtyard hotel project.

3. BASIC EARNINGS PER SHARE (BASIC EPS)

Particulars	Current Year Rs.	Previous Year Rs.
Net Profit after Tax	1,16,97,089	6,69,26,058
Weighted Average Number of Shares Considered	4,42,05,224	4,24,05,224
EPS	0.28	1.58

4. Contingent Liabilities not provided for in respect of :

i) Claims against the company pending appellate / Judicial decisions:

a) E.S.I	Rs 67,70,937/- (Previous Year Rs 67,70,937/-)
b) Income Tax	AY 2004-05 Rs. 25,95,736 & AY 2005-06 Rs. 73,14,584/- Rs 73,14,584)

ii) Guarantees:

Guarantees given to bank for the Bank Guarantee limits availed by the company towards EPCG Bonds given to DGFT, Hyderabad.	Rs. 29,50,300/-
Previous Year	Rs. 50,39,472/-

iii) Corporate Guarantee given to subsidiary company M/s Crustum Products Pvt Ltd for Rupee term loan of Rs. 8.65 crores availed from Oriental Bank of Commerce.

5. In relation of Provision for Current Tax & Deferred Tax :

Particulars	Current Year Rs. in lakhs	Previous Year Rs. in lakhs
Provision for Tax / Deferred Tax Liability	212.44	158.69



6. In relation of Managerial Remuneration:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Salaries	44.00	51.00

7. In relation of Auditors Remuneration:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Audit Fees including service tax	8.66	8.82

8. According to the information available with the Company, there are no amounts as at 31st March, 2009, due to suppliers who constitute a "small scale industrial undertaking".

9. In compliance with Part II of Schedule - VI to the Companies Act, 1956; the detailed information regarding quantitative particulars is as under :

i) Income of the Company includes the following :

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Guest Accommodation	31.72	39.67
Food and Beverages	58.83	63.90
Other Income	6.99	4.42
Total	97.54	107.99

ii) Consumption of Provisions and Stores:

Provisions & Stores	Opening Stock	Purchases	Closing Stock	Consumption
Current year	191.91	1652.63	151.39	1693.15
Previous year	(221.17)	(1972.69)	(191.91)	(2001.95)

10. In relation of Foreign currency inflows and outflows :

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Out go on account of Capital work in progress expense is	6.39	29.33

11. Expenditure in Foreign Currency:

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Royalties & Others	4.99	0.53

12. Earnings in Foreign exchange as reported by the Company to the Ministry of Tourism, Government of India and as certified by the Management.

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Earning in Foreign Exchange :	19.46	25.79

13. In relation of Secured (Term) Loans:

Viceroy Hotels Limited:

- I. Term loans from IDFC Limited and Non Convertible Debentures from AXIS Bank aggregating to Rs.126.00 crores are secured by Pari Passu first charge on the immovable and movable properties of Hyderabad Marriott Hotel and also secured against the personal guarantee of Managing Director.
- II. Term loans sanctioned by State Bank of India, State Bank of Mysore, State Bank of Indore, State Bank of Bikaner & Jaipur, Allahabad Bank, Indian Overseas Bank and UCO Bank aggregating to Rs.350.00 crores for the Chennai Hotel project are secured by Pari Passu first charge on the immovable and movable properties of Chennai hotel project and also secured against the personal guarantee of Managing Director, Mr. P.Chakradhar Reddy and Ms. P.Kameswari.
- III. Term loans sanctioned by State Bank of Mysore, State Bank of Indore, State Bank of Indi and Canara Bank aggregating to Rs.112.00 crores for the Bangalore hotel project are secured by Pari-Passu first charge on the fixed assets of Bangalore Project. Apart from this the loans are also secured by deposit of lease deed of 53 years pertaining to the Bangalore project and also secured against the personal guarantee of Managing Director..
- IV. Term loans from State Bank of India and Canara Bank for the Hyderabad Courtyard hotel project aggregating to Rs.95.00 crores are secured by the first parri passu charge on the fixed assets of the Courtyard hotel project and also secured against the personal guarantee of Managing Director, Mr. P.Chakradhar Reddy and Ms. P.Kameswari.
- V. M/s Café D Lake Private Limited: Term Loan from TFCI Limited aggregating to Rs.3.87 crores are secured against the fixed and movable assets of the Eat Street and Water Front at Necklace Road, Hyderabad. The PPA/ working capital loans from Andhra Bank are secured against the current assets and credit card receivables of Minerva Coffeeshop and Blue Fox Bar & Restaurants at Himayatnagar and Ameerpet, Hyderabad. The term loan from Andhra Bank of Rs.0.78 crores are secured against the fixed assets of the Minerva Coffeeshop and Blue Fox Bar & Restaurants at Himayatnagar and Ameerpet, Hyderabad and also secured against the personal guarantee of Managing Director, Mr. P.Chakradhar Reddy and Mr. A.Vijayavardhana Reddy. The Term Loan of Rs.8.00 Crores from UCO Bank is secured by 2nd Charge on Current and Fixed Assets of the Company and also secured by collateral security of vacant land admeasuring 2926.50 sq.yards in Survey No.129/73/2&3 situated at Road No.3 Banjara Hills, Hyderabad - 500 034, owned by M/s.Deva Infrastructures Pvt. Ltd.,
- VI. M/s Crustum Products Pvt Ltd., Term Loan from Oriental Bank of Commerce, Ameerpet, Hyderabad aggregating to Rs.8.65 crores is secured against the fixed and movable assets of the of BReadtalk outlets at Hyderabad, Mubmai, Bangalore and Gurgoan and also secured against the personal guarantee of Managing Director Mr. P.Chakradhar



Reddy and Ms. P.Lakshmi Sruthi. The Term Loan of Rs.7.00 Crores from UCO Bank is secured by 2nd Charge on Current and Fixed Assets of the Company and also secured by extension of collateral security of vacant land admeasuring 2926.50 sq.yards in Survey No.129/73/2&3 situated at Road No.3 Banjara Hills, Hyderabad - 500 034, owned by M/s.Deva Infrastructures Pvt. Ltd.,

- VII. The company has availed Redeemable Non convertible Debentures aggregating Rs.50 crores from Axis Bank Limited. It is secured against the immovable and movable properties of Hyderabad Marriott. The company has created a Debenture Redemption reserve of Rs.500 lakhs for the FY2008 and during the year under review, the company has not created any Debenture Redemption reserve as the profits are inadequate.

14. In relation of Related Party Disclosures in compliance with Accounting Standard --:

Name	Relation with the company
Shri. P. Prabhakar Reddy	Managing Director
M/s.Café D' Lake Pvt. Ltd.	Subsidiary Company
M/s.Crustom Products Pvt. Ltd.	Subsidiary Company
M/s.Minerva Hospitalities Pvt. Ltd.,	Subsidiary Company
M/s. Viceroy Bangalore Hotels Pvt. Ltd.	Subsidiary Company

However, during the financial year ended 31st March 2010, except Managerial remuneration no transaction were recorded between the company and any related party mentioned above, in respect of services.

15. The Company's only business is hoteliering 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 reported.
16. Pre- operative expenses include Rs.2843.61 lakhs pertaining to the Non- Refundable Deposit paid to the land lords for taking land on long lease of 53 years for the Bangalore hotel.
17. Previous year's figures and current year's figures have been regrouped, recasted, wherever necessary to improve figures presentation.
18. The figures have been rounded off to the nearest rupee.

Signatures to Schedules 1 to 12

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER
Membership No. 23412

FOR AND ON BEHALF OF THE BOARD

P. PRABHAKAR REDDY
Managing Director

A. VIJAYAVARDHAN REDDY
Director

Place: Hyderabad
Date: 26-08-2010

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2010

Particulars	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	329.41	827.95
Adjustments for:		
Depreciation	1292.25	1191.85
Interest Expenses	1955.55	1613.22
Preliminary Expenses W/o	0.00	5.91
Operating Profit before working capital changes	3577.21	3638.93
Trade and other receivables	291.20	(2137.05)
Inventories	40.53	29.26
Trade payables	5051.93	1570.30
Misc. Expenses	(315.46)	648.35
Cash generated from operations	8645.41	3749.78
Interest paid	(1955.55)	(1613.22)
Provision on Tax	(44.88)	(83.97)
NET CASH FLOW FROM OPERATING ACTIVITIES	6644.98	2052.60
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(5574.45)	(166.68)
Capital work-in-progress, Pre-operative Expenses	(20643.11)	(22090.37)
Investments	0.00	0.00
Sale / Adjustment of Fixed Assets	(4.48)	0.00
NET CASH USED IN INVESTING ACTIVITIES	(26222.04)	(22257.05)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Shares Capital	0.00	0.00
Share Application Money	0.00	(164.15)
Secured Loan Taken	13523.46	19229.07
Unsecured Loan	5874.01	(421.41)
Share Premium and General Reserve	0.00	0.00
NET CASH USED IN FINANCING ACTIVITIES	19397.47	18635.51
NET INCREASE IN CASH AND CASH EQUIVALENTS	(179.59)	(1568.94)
Cash and Cash equivalents (Opening Balance)	509.26	2078.20
Cash and Cash equivalents (Closing Balance)	329.67	509.26

FOR AND ON BEHALF OF THE BOARD
FOR VICEROY HOTELS LIMITED

PLACE : Hyderabad
DATE : 26-08-2010

P. PRABHAKAR REDDY
Managing Director

A. VIJAYVARDHAN REDDY
Director



Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies.

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Name of the Subsidiary | M/s. Cafe D Lake Private Limited |
| 2. Financial year ending of the Subsidiary | 31 st March, 2010 |
| 3. Holding Companies Interest | Viceroy Hotels Limited is holding 27,44,530 equity shares of Rs.10/- each aggregating to Rs.2,74,45,300/- representing 100% of the total paid up equity capital share capital of Café D Lake Private Limited. |
| 4. The net Aggregate of profits or losses for the current period of the subsidiary, So far as it concerns the members of the Holding Company. | |
| a) Dealt with or provided for in the Accounts of the holding company. | Rs. 2,82,17,469/- |
| b) Not dealt with or provided for in the Accounts of the holding company. | Nil |
| 5. The net Aggregate of profits or losses for previous financial years of the subsidiary, So far as it concerns the members of the Holding Company. | |
| a) Dealt with or provided for in the Accounts of the holding company. | Rs. 5,15,98,976/- |
| b) Not dealt with or provided for in the Accounts of the holding company. | Nil |

FOR AND ON BEHALF OF THE BOARD

PLACE : Hyderabad
DATE : 26-08-2010

P. PRABHAKAR REDDY
Managing Director

A. VIJAYVARDHAN REDDY
Director



Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies.

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Name of the Subsidiary | M/s. Crustum Products Private Limited |
| 2. Financial year ending of the Subsidiary | 31 st March, 2010 |
| 3. Holding Companies Interest | Viceroy Hotels Limited is holding 40,00,000 equity shares of Rs.10/- each aggregating to Rs.4,00,00,000/- representing 100% of the total paid up equity capital share capital of Crustum Products Private Limited. |
| 4. The net Aggregate of profits or losses for the current period of the subsidiary, So far as it concerns the members of the Holding Company. | |
| a) Dealt with or provided for in the Accounts of the holding company. | (Rs.28,16,516/-) |
| b) Not dealt with or provided for in the Accounts of the holding company. | Nil |
| 5. The net Aggregate of profits or losses for previous financial years of the subsidiary, So far as it concerns the members of the Holding Company. | |
| a) Dealt with or provided for in the Accounts of the holding company. | Rs. 20,26,320/- |
| b) Not dealt with or provided for in the Accounts of the holding company. | Nil |

FOR AND ON BEHALF OF THE BOARD

PLACE : Hyderabad
DATE : 26-08-2010

P. PRABHAKAR REDDY
Managing Director

A. VIJAYVARDHAN REDDY
Director



Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies.

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Name of the Subsidiary | M/s. Minerva Hospitalities Private Limited |
| 2. Financial year ending of the Subsidiary | 31 st March, 2010 |
| 3. Holding Companies Interest | Viceroy Hotels Limited is holding 46,69,267 equity shares of Rs.10/- each aggregating to Rs.4,66,92,670/- representing 100% of the total paid up equity capital share capital of Minerva Hospitalities Private Limited. |
| 4. The net Aggregate of profits or losses for the current period of the subsidiary, So far as it concerns the members of the Holding Company. | |
| a) Dealt with or provided for in the Accounts of the holding company. | (Rs. 20,000/-) |
| b) Not dealt with or provided for in the Accounts of the holding company. | Nil |
| 5. The net Aggregate of profits or losses for previous financial years of the subsidiary, So far as it concerns the members of the Holding Company. | |
| a) Dealt with or provided for in the Accounts of the holding company. | (Rs. 53,20,580/-) |
| b) Not dealt with or provided for in the Accounts of the holding company. | Nil |

FOR AND ON BEHALF OF THE BOARD

PLACE : Hyderabad
DATE : 26-08-2010

P. PRABHAKAR REDDY
Managing Director

A. VIJAYVARDHAN REDDY
Director



Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies.

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Name of the Subsidiary | M/s. Viceroy Bangalore Hotels Private Limited |
| 2. Financial year ending of the Subsidiary | 31 st March, 2010 |
| 3. Holding Companies Interest | Viceroy Hotels Limited is holding 10,000 equity shares of Rs.10/- each aggregating to Rs.1,00,000/- representing 100% of the total paid up equity capital share capital of Viceroy Bangalore Hotels Private Limited. |
| 4. The net Aggregate of profits or losses for the current period of the subsidiary, So far as it concerns the members of the Holding Company. | |
| a) Dealt with or provided for in the Accounts of the holding company. | Nil |
| b) Not dealt with or provided for in the Accounts of the holding company. | Nil |
| 5. The net Aggregate of profits or losses for previous financial years of the subsidiary, So far as it concerns the members of the Holding Company. | |
| a) Dealt with or provided for in the Accounts of the holding company. | Nil |
| b) Not dealt with or provided for in the Accounts of the holding company. | Nil |

FOR AND ON BEHALF OF THE BOARD

PLACE : Hyderabad
DATE : 26-08-2010

P. PRABHAKAR REDDY
Managing Director

A. VIJAYVARDHAN REDDY
Director



VICEROY

CAFÉ D'LAKE PRIVATE LIMITED

CAFÉ D'LAKE PRIVATE LIMITED

Annual Report 2010



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:

Axis Bank
Andhra Bank

Registered Office:

3-6-199/1, Himayatnagar,
Hyderabad – 500 029



N O T I C E

NOTICE is hereby given that the 7th Annual General Meeting of the Members of the Company will be held at Registered Office at Hyderabad on Tuesday the 31st August, 2010 at 11.00 A.M. to transact the following business:

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March 2010 together with the Report's of the Directors and Auditors thereon.
2. "RESOLVED that M/s. P.MURALI & CO., Chartered Accountants, Hyderabad the retiring auditors be and are hereby appointed as Statutory Auditors for the financial year 2010-11 to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration as may be decided by the Board.

For and on behalf of the Board
Café D Lake Private Limited

Director

Place : Hyderabad
Date : 24-07-2010

DIRECTOR'S REPORT

To
The Members

Your Directors have pleasure in presenting 7th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2010.

OPERATIONS:

M/s.Cafe D Lake Private Limited which operates all the restaurants businesses of Minerva Coffeeshop, Blue Fox Bar & Restaurant, Eat Street and Water Front has achieved a turnover of Rs.2800.05 Lakhs for the year ended 31st March, 2010 as against Rs.3007.16 Lakhs for the previous year. The Net Profit for the year ended 31st March, 2010 is Rs.282.17 Lakhs as against Rs.285.46 Lakhs.

DIVIDEND:

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

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 2010-11.

AUDIT REPORT:

Regarding the Auditors observations and comments in their report for the FY 2009-10, 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)Conervation of Energy:

Proper Control points are set up at all levels to identify the wastage in Power & Fuel consumption and to take/intiate 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.17,78,540/- (Previous year Rs.58,14,242/-) through International Credit Cards etc., The corresponding foreign exchange out go during the year was Nil (Previous year NIL) and Net Foreign Exchange earned is of Rs.17,78,540/- (Previous year Rs.58,14,242/-).

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 SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.:

In the preparation of the Annual Accounts, the Generally Accepted Accounting Principles have been followed. All the Accounting Standards as applicable to the Company have been followed. The Directors have selected 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 at the end of the Financial year and of the Profit of the Company for the period. Proper and sufficient care to maintain 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. The Directors have prepared the Annual Accounts on a 'Going Concern Basis'

ACKNOWLEDGEMENTS:

Yours 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.

For CAFÉ D LAKE PRIVATE LIMITED

P.Chakradhar Reddy
Director

Place : Hyderabad
Date : 24-07-2010

AUDITORS' 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, 2010 and also the Profit & Loss Account for the period ended on the date annexed thereto. 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 and as amended by the companies (Auditor's Report) (Amendment) Order 2004, 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 the statement on the matters specified in paragraph 4 and 5 of the said order.

Further, 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, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as 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, 2010;
 - (b) In the case of the Profit & Loss Account, of the Profit for the period ended on that date;

For P.MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER
Membership No. 23412

PLACE : HYDERABAD
DATE : 24-07-2010



ANNEXURE TO THE AUDITORS' 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. The Company has granted and taken loans, unsecured to / from Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956 and registers are being maintained by the company.
- The Company has granted loans, the rate of interest & other term and conditions on which loans have been granted to parties listed in the register maintained under section 301 is not prejudicial to the interest of the Company.
- The loans are granted by company, the clause of receipt of interest & principal amount from parties, are not prejudicial to the company.
- The loans have been granted to Companies, Firms & other parties listed in the register U/s.301 of the Companies Act, 1956, and there is no overdue amount of loan
- The Company has taken loans, unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and registers are being maintained.
- The Company has taken loans, and the rate of interest & other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is not prejudicial to the interest of the company.
- The repayment of interest & principal amount to parties, are not prejudicial 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 good 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 explanation given to us, such transactions have not been made by the company exceeding the value of Five Lacs Rupees in respect of any party in the financial year, the entry in the register U/s.301 of the Companies Act, 1956 are being maintained.
- (b) According to the information and explanations given to us transactions made by the company and charging the reasonable price having regard to the prevailing market prices at the relevant time.
- VI. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies(Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from public. No order is passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- 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 amounts 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, no undisputed amounts are payable in respect of PF, ESI, Income Tax, and any other statutory dues 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 less than 5 years, and the company has no accumulated losses at the end of the financial year and the company has 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.
- XVI. 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 do 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 does not have any debentures and hence the applicability of the clause regarding the creation of securities 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.

For P.MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER
Membership No. 23412

PLACE : HYDERABAD
DATE : 24-07-2010

BALANCE SHEET AS AT 31ST MARCH, 2010

S.No.	PARTICULARS	SCHEDULE NO's.	AS ON 31-03-2010 (Rupees)	AS ON 31-03-2009 (Rupees)
I. SOURCES OF FUNDS				
	1. SHARE HOLDERS FUNDS			
	a. Capital	1	2,74,45,300	2,81,55,300
	b. Share Application Money		1,05,23,414	--
	c. Reserves & Surplus	2	12,27,40,895	9,45,23,426
	2. LOAN FUNDS			
	a. Secured Loans	3	16,41,03,674	31,30,29,817
	b. Unsecured Loan		10,53,47,573	6,58,72,882
	3. DEFERRED TAX LIABILITY		1,57,08,757	1,16,81,382
	TOTAL		44,58,69,613	51,32,62,807
II APPLICATION OF FUNDS				
	1. FIXED ASSETS	8		
	a. Gross Block		23,24,94,697	23,10,41,955
	Less : Depreciation		5,92,98,122	4,82,71,907
	Net Block		17,31,96,575	18,27,70,048
	b. Capital Work in progress		5,21,19,219	3,37,69,863
	2. CURRENT ASSETS, LOANS & ADVANCES			
	a. Inventories		34,52,698	40,95,100
	b. Sundry Debtors		45,00,888	41,58,882
	c. Cash & Bank Balance	4	41,98,618	29,21,731
	d. Loans & Advance	5	40,85,77,855	32,33,62,543
	Less: Current Liabilities & Provisions	6	20,01,76,239	3,96,86,355
	NET CURRENT ASSETS		22,05,53,820	29,48,51,901
	3. MISCELLANEOUS EXPENDITURE		--	18,70,995
	(To the extent of not written off adjusted)			
	TOTAL		44,58,69,613	51,32,62,807
Notes to Accounts		9		

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER

Membership No. 23412

Place: Hyderabad

Date: 24-07-2010

FOR AND ON BEHALF OF THE BOARD

P. CHAKRADHAR REDDY
Director

A. VIJAYAVARDHAN REDDY
Director



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

S.No.	PARTICULARS	SCHEDULE NO's.	AS ON 31-03-2010 (Rupees)	AS ON 31-03-2009 (Rupees)
INCOME				
	Sales		26,02,23,354	28,28,44,504
	Rent Income Received		1,63,79,177	1,78,71,663
	Other Income		42,80,320	--
	Profit on Sale of Fixed Assets		145	--
	Stock Difference		(8,77,437)	--
	TOTAL		28,00,05,559	30,07,16,167
EXPENDITURE				
	Consumption of Provisions & Stores		9,14,35,146	11,23,54,310
	Personnel Cost		5,48,59,039	5,03,30,991
	Power & Fuel		78,20,018	78,58,075
	Interest & Financial Charges		1,33,52,828	1,50,16,792
	Administrative Expenses	7	6,79,60,117	6,87,75,392
	Depreciation		1,10,26,362	1,08,79,726
	Miscellaneous Expenditure Written Off		--	5,87,381
	Loss on sale of assets		--	1,59,145
	TOTAL		24,64,53,510	26,59,61,812
	Profit Before Tax		3,35,52,049	3,47,54,355
	Provision For Tax / Deferred Tax		53,34,580	62,08,235
	Profit After Taxes		2,82,17,469	2,85,46,120
	Profit Brought Forward		5,15,98,976	2,30,52,856
	Balance Carried To Balance Sheet		7,98,16,445	5,15,98,976

Notes to Accounts

9

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER

Membership No. 23412

Place: Hyderabad

Date: 24-07-2010

FOR AND ON BEHALF OF THE BOARD

P. CHAKRADHAR REDDY
Director

A. VIJAYAVARDHAN REDDY
Director



PARTICULARS	AS ON 31-03-2010 (Rupees)	AS ON 31-03-2009 (Rupees)
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED :		
35,00,000 Equity Shares of Rs.10/- Each	3,50,00,000	3,50,00,000
ISSUED, SUBSCRIBED & PAID - UP		
27,44,530 Equity Shares of Rs.10/- Each	2,74,45,300	2,74,45,300
Share Application Money	1,05,23,414	7,10,000
TOTAL	3,79,68,714	2,81,55,300
SCHEDULE 2		
RESERVES & SURPLUS		
Share Premium	4,29,24,450	4,29,24,450
Profit & Loss Account	7,98,16,445	5,15,98,976
TOTAL	12,27,40,895	9,45,23,426
SCHEDULE 3		
SECURED LOANS		
Rupee Term Loans	16,41,03,674	31,30,29,817
TOTAL	16,41,03,674	31,30,29,817
SCHEDULE 4		
CASH & BANK BALANCES		
Cash on hand	20,58,242	9,86,080
Balance with Scheduled Banks	21,40,376	19,35,651
TOTAL	41,98,618	29,21,731
SCHEDULE 5		
LOANS & ADVANCES		
Advances Recoverable in cash or kind	14,66,51,633	13,39,98,597
Deposits	93,27,173	1,14,42,634
Advance to Others	25,25,99,049	17,79,21,312
TOTAL	40,85,77,855	32,33,62,543



PARTICULARS	AS ON 31-03-2010 (Rupees)	AS ON 31-03-2009 (Rupees)
SCHEDULE 6		
CURRENT LIABILITIES & PROVISIONS		
Creditors for Supplies & Capital Goods	1,13,14,887	98,50,319
Deposits Receivables / Others	17,68,82,392	1,78,97,215
Outstanding Expenses	73,40,340	1,19,38,821
Provisions	46,38,620	--
TOTAL	20,01,76,239	3,96,86,355

SCHEDULE 7

ADMINISTRATIVE EXPENSES

Selling Expenses	11,35,300	2,07,358
Directors Remuneration	14,00,000	21,00,000
Auditors Remuneration	2,04,055	2,20,600
Rent, Rates and Taxes	2,78,01,565	2,25,45,979
Traveling & Conveyance	6,92,512	7,61,232
Printing & Stationery	10,55,808	26,580
Postage, Telegrams & Telephones	6,79,623	10,65,287
Other Expenses / Repairs & Maintenance	3,49,91,254	4,18,48,356
TOTAL	6,79,60,117	6,87,75,392



**SCHEDULE 8
FIXED ASSETS**

DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	Block As at 01-04-2009	Additions During the Year	adjustments During the Year	Total Cost as at 31-03-2010	Up to 31-03-2009	For the Year	adjustments During the Year	Total as at 31-03-2010	as at 31-03-2010 as at 31-03-2009
Building	8,74,70,178	--	--	8,74,70,178	1,06,59,759	29,21,504	--	1,35,81,263	7,38,88,915
Misc. Fixed Asset	2,06,05,081	1,07,477	3,700	2,07,08,858	49,75,645	9,88,103	146	59,63,602	1,47,45,256
Furniture & Fixtures	2,75,28,543	7,84,181	10,000	2,83,02,724	64,28,308	17,68,110	--	81,96,418	2,01,06,306
Civil Works	2,25,40,763	--	--	2,25,40,763	45,82,830	7,52,861	--	53,35,691	1,72,05,072
Interiors	87,37,635	--	--	87,37,635	38,77,406	5,53,092	--	44,30,498	43,07,137
Electrical Equipment	64,66,407	--	--	64,66,407	21,24,823	3,90,511	--	25,15,335	39,51,072
Lift	12,07,000	--	--	12,07,000	3,41,956	57,333	--	3,99,289	8,07,711
Air Conditioners	1,00,17,717	13,788	--	1,00,31,505	23,97,494	4,76,435	--	28,73,929	71,57,574
Kitchen Equipment	2,05,56,441	2,92,329	--	2,08,48,770	51,70,470	9,83,252	--	61,53,722	1,46,95,048
Office Equipment	96,25,873	2,02,715	--	98,28,588	20,00,997	6,05,159	--	26,06,156	72,22,431
Generator	60,06,549	--	--	60,06,549	13,36,192	2,85,311	--	16,21,503	43,85,045
Computers	4507589	75,952	--	45,83,541	25,84,691	7,37,326	--	33,22,017	12,61,524
Vehicles	57,72,179	--	10,000	57,62,179	17,91,336	5,07,364	--	22,98,700	34,63,484
Total	23,10,41,955	14,76,442	23,700	23,24,94,697	4,82,71,907	1,10,26,361	146	5,92,98,122	17,31,96,576
									19,07,33,120

Schedule 9 NOTES FORMING PART OF THE ACCOUNTS

A. Significant Accounting Policies to the Accounts.

1. Significant Accounting Policies to the Balance sheet and Profit and loss account:

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.

(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.

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

Foreign currency loans covered by forward contracts are realigned at the forward contracts while those not covered by forward contracts are realigned at the rate ruling at the year end. The differences in realignment are accounted for in the Profit and Loss Account.

(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 Net Realisable Value, whichever is lower.

(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.

B. Notes On Accounts

- The annual accounts of Café D Lake Private Limited for the financial year ended 31st March, 2010 and 31st March, 2009 pertains to the operating divisions viz 1) Minerva Coffeeshop, Himayatnagar, Hyderabad 2) Blue Fox Bar & Restaurant, Himayatnagar, Hyderabad 3) Minerva Coffeeshop and Blue Fox Bar & Restaurant, Ameerpet, Hyderabad 4) Minerva Coffeeshop and Blue Fox Bar & Restaurant, Vijayawada 5) Minerva Coffeeshop, Nayapul, Hyderabad 6) Eat Street and Water Front at Necklace Road, Hyderabad.

- In relation of Provision for Current Tax & Deferred Tax:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. In Lakhs
Provision for Tax / Deferred Tax Liability	53.34	62.08

- In relation of Managerial Remuneration:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Salaries	14.00	21.00

- Auditors Remuneration:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Audit Fees	2.04	2.37

- In relation of Stock:

Provisions & Stores	Opening Stock	Purchases	Closing Stock	Consumption
Current year	40.95	908.33	34.93	914.35
Previous year	(43.40)	(1121.09)	(40.95)	(1123.54)

- In relation of Secured (Term) Loans :

- Term Loan from Andhra Bank is secured on the movable and Immovable properties i.e. Stocks, Furniture and Fixtures of Minerva Coffeeshop and Blue Fox & Bar & Restaurant situated at Himayatnagar, Hyderabad.
- 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.

- iii) The Term Loan of Rs.8.00 Crores from UCO Bank is secured by 2nd Charge on Current and Fixed Assets of the Company and also secured by collateral security of vacant land admeasuring 2926.50 sq.yards in Survey No.129/73/2&3 situated at Road No.3 Banjara Hills, Hyderabad - 500 034, owned by M/s.Deva Infrastructures Pvt. Ltd.,

7. 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.
8. Previous year's figures and current year's figures have been regrouped, recasted, wherever necessary to improve figures presentation.
9. The figures have been rounded off to the nearest rupee.

Signatures to Schedules 1 to 9

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER
Membership No. 23412

Place: Hyderabad
Date: 24-07-2010

FOR AND ON BEHALF OF THE BOARD

P. CHAKRADHAR REDDY
Director

A. VIJAYAVARDHAN REDDY
Director



VICEROY

CRUSTUM PRODUCTS PRIVATE LIMITED

CRUSTUM PRODUCTS PRIVATE LIMITED Annual Report 2010



CORPORATE INFORMATION

Board of Directors

Mr.P.Chakradhar Reddy	-	Director
Mrs.P.Lakshmi Sruthi	-	Director

Auditors:

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

Bankers:

Oriental Bank of Commerce
Axis Bank Limited
Syndicate Bank

Registered Office:

Plot No.258, Road No.18,
Jubilee Hills
Hyderabad – 500 033

BreadTalk Outlets:

Mumbai :
Inorbit Mall, Malad
BG House, Hiranandani, Powai
Palm Beach, Galleria Mall, Vashi

Bangalore :
Spencers, Koramangalam

Hyderabad :
Q-Mart, Banjara Hills

Gurgaon :
Spencers, Gurgaon, NCR



NOTICE

NOTICE is hereby given that the 5th Annual General Meeting of the Members of the Company will be held at Registered Office at Hyderabad on Tuesday the 31st August, 2010 at 12.30 P.M. to transact the following business:

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March 2010 together with the Report's of the Directors and Auditors thereon.
2. "RESOLVED that M/s. P.MURALI & CO., Chartered Accountants, Hyderabad the retiring auditors be and are hereby appointed as Statutory Auditors for the financial year 2010-11 to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration as may be decided by the Board.

For and on behalf of the Board
Crustum Products Private Limited

Director

Place : Hyderabad
Date : 24-07-2010



DIRECTOR'S REPORT

To
The Members

Your Directors have pleasure in presenting 5th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2010.

BUSINESS PLANS:

The Company opened its first outlet at Inorbit Mall, Malad, Mumbai during May, 2006 and the Company is witnessing good foot falls. We are happy to inform the members that the products of the company are well received by the customers.

The Second outlet at BG House, Hiranandani, Powai, Mumbai was opened during January, 2007. The third outlet at Palm Beach, Galleria Mall, Vashi, Mumbai was opened during July, 2007 and fourth Outlet at QMart Mall, Road No.2, Banjara Hills, Hyderabad was opened during September, 2007.

The Company recently opened 3 outlets at Ashoka Mall, Banjara Hills, Hyderabad, Spencers, Koramangalam, Bangalore, Spencers, Gurgaon, in July, 2008. The company plans to start another 5 outlets during financial year 2010.

DIVIDEND:

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

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 2010-11.

AUDIT REPORT:

Regarding the Auditors observations and comments in their report for the FY 2009-10, 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 indigenously or Foreign is involved.
- c) Foreign Exchange Earnings and Outgo:
There are no foreign exchange during the year.

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 SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

In the preparation of the Annual Accounts, the Generally Accepted Accounting Principles have been followed. All the Accounting Standards as applicable to the Company have been followed. The Directors have selected accounting policies and applied them consistently and make 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 at the end of the Financial year and of the Loss of the Company for the period. Proper and sufficient care to maintain 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. The Directors have prepared the Annual Accounts on a 'Going Concern Basis'.

ACKNOWLEDGMENTS:

Yours 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.

For CRUSTUM PRODUCTS PRIVATE LIMITED

P.Chakradhar Reddy
Director

Place : Hyderabad
Date : 24-07-2010



AUDITORS' REPORT

To
The Members,
CRUSTUM PRODUCTS PRIVATE LIMITED,

We have audited the attached Balance Sheet of CRUSTUM PRODUCTS PRIVATE LIMITED, as at 31st March, 2010 and also the Profit & Loss Account for the period ended on the date annexed thereto. 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 and as amended by the companies (Auditor's Report) (Amendment) Order 2004, 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 the statement on the matters specified in paragraph 4 and 5 of the said order.

Further, 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, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 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, 2010;
 - (b) In the case of the Profit & Loss Account, of the Loss for the period ended on that date;

For P.MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER
Membership No. 23412

PLACE : HYDERABAD
DATE 24-07-2010 :

ANNEXURE TO THE AUDITORS' 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. The Company has granted and taken loans, unsecured to / from Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956 and registers are being maintained by the company.
 The Company has granted loans, the rate of interest & other term and conditions on which loans have been granted to parties listed in the register maintained under section 301 is not prejudicial to the interest of the Company.
 The loans are granted by company, the clause of receipt of interest & principal amount from parties, are not prejudicial to the company.
 The loans have been granted to Companies, Firms & other parties listed in the register U/s.301 of the Companies Act, 1956, and there is no overdue amount of loan
 The Company has taken loans, unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and registers are being maintained.
 The Company has taken loans, and the rate of interest & other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is not prejudicial to the interest of the company.
 The repayment of interest & principal amount to parties, are not prejudicial 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 good 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 explanation given to us, such transactions have not been made by the company exceeding the value of Five Lacs Rupees in respect of any party in the financial year, the entry in the register U/s.301 of the Companies Act, 1956 are being maintained.
 (b) According to the information and explanations given to us transactions made by the company and charging the reasonable price having regard to the prevailing market prices at the relevant time.
- VI. In our opinion and according to the information and explanations given to us, the company has not accepted any public deposits and compliance with the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from public do not arise and no order is passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- 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 amounts 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, no undisputed amounts are payable in respect of PF, ESI, Income Tax, and any other statutory dues 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 has 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.
- XVI. 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 does not have any debentures and hence the applicability of the clause regarding the creation of securities 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.

For P.MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER
Membership No. 23412

PLACE : HYDERABAD
DATE : 24-07-2010

BALANCE SHEET AS AT 31ST MARCH, 2010

S.No.	PARTICULARS	SCHEDULE NO's.	AS ON 31-03-2010 (Rupees)	AS ON 31-03-2009 (Rupees)
I. SOURCES OF FUNDS				
1.	SHARE HOLDERS FUNDS			
a.	Capital	1	400,00,000	400,00,000
b.	Share Application Money		10,78,74,524	15,95,78,041
c.	Reserves & Surplus	2	(7,90,196)	20,26,320
2.	LOAN FUNDS			
a.	Secured Loans	3	9,24,95,112	3,12,05,101
b.	Unsecured Loan	4	1,77,54,895	42,94,395
3.	DEFERRED TAX LIABILITY		63,57,424	52,50,122
	TOTAL		26,36,91,759	24,23,53,979
II APPLICATION OF FUNDS				
1.	FIXED ASSETS	10		
a.	Gross Block		6,04,49,167	6,04,48,002
b.	Less : Depreciation		90,85,940	32,76,947
c.	Net Block		5,13,63,227	5,71,71,055
d.	Capital Work in progress		1,22,425,705	10,09,30,560
2.	CURRENT ASSET, LOANS & ADVANCES			
a.	Inventories		34,09,442	51,22,722
b.	Sundry Debtors	5	1,34,069	3,87,312
c.	Cash & Bank Balance	6	24,81,066	3,04,916
d.	Loans & Advance	7	10,76,73,693	10,53,27,222
	Less: Current Liabilities & Provisions	8	2,37,95,443	2,68,89,808
	NET CURRENT ASSETS		8,99,02,827	8,42,52,364
3.	MISCELLANEOUS EXPENDITURE		--	--
	TOTAL		26,36,91,759	24,23,53,979

Notes to Accounts

11

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER

Membership No. 23412

Place: Hyderabad

Date: 24-07-2010

FOR AND ON BEHALF OF THE BOARD

P. CHAKRADHAR REDDY
Director

P. LAKSHMI SRUTHI
Director



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

S.No.	PARTICULARS	SCHEDULE NO'S.	AS ON 31-03-2010 (Rupees)	AS ON 31-03-2009 (Rupees)
INCOME				
	Sales		5,29,62,700	7,95,59,057
	Other Income		24,318	46,828
	TOTAL		5,29,87,018	7,96,05,885
EXPENDITURE				
	Consumption of Provisions, Stores		1,08,51,401	1,14,08,737
	Personnel Cost		67,48,312	42,03,720
	Administrative Expenses	9	2,70,84,099	5,72,91,201
	Interest & Financial Charges		67,00,250	23,96,673
	Depreciation		33,12,170	4,27,803
	Misc Exp Written off		--	4,090
	TOTAL		5,46,96,232	7,57,32,224
	Profit Before Tax		(17,09,214)	38,73,661
	Provision For Taxes (May) /Deferred Tax		11,07,302	32,22,981
	Profit After Taxes		(28,16,516)	6,50,680
	Prior Period Adjustment		–	75,946
	Profit After Adjustment		(28,16,516)	5,74,734
	Profit Brought Forward		20,26,320	14,51,586
	Balance Carried To Balance Sheets		(7,90,196)	20,26,320
	Notes to Accounts	11		

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER

Membership No. 23412

Place: Hyderabad

Date: 27-07-2010

FOR AND ON BEHALF OF THE BOARD

P. CHAKRADHAR REDDY
Director

P. LAKSHMI SRUTHI
Director



PARTICULARS	AS ON 31-03-2010 (Rupees)	AS ON 31-03-2009 (Rupees)
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED :		
50,00,000 Equity Shares of Rs.10/- Each	5,00,00,000	5,00,00,000
ISSUED, SUBSCRIBED & PAID - UP		
40,00,000 Equity Shares of Rs.10/- Each	4,00,00,000	4,00,00,000
Share Application Money	10,78,74,524	15,95,78,041
TOTAL	14,78,74,524	19,95,78,041
SCHEDULE 2		
RESERVES & SURPLUS		
Profit and Loss Account	(7,90,196)	20,26,320
TOTAL	(7,90,196)	20,26,320
SCHEDULE 3		
SECURED LOANS		
Rupee Term Loans	9,24,95,112	3,12,05,101
TOTAL	9,24,95,112	3,12,05,101
SCHEDULE 4		
UNSECURED LOANS		
Directors / Relatives / Promoter Group Companies	1,77,54,895	42,94,395
TOTAL	1,77,54,895	42,94,395
SCHEDULE 5		
SUNDRY DEBTORS'		
Others Considered Goods	1,34,069	3,87,312
TOTAL	1,34,069	3,87,312
SCHEDULE 6		
CASH & BANK BALANCES		
Cash on hand	1,21,675	27,860
Balance with Scheduled Banks	23,59,391	2,77,056
TOTAL	24,81,066	3,04,916
SCHEDULE 7		
LOANS & ADVANCES		
Advances recoverable in cash or kind	69,97,867	9,79,38,459
Deposits	10,06,64,042	73,76,979
Advance to Others	11,784	11,784
TOTAL	10,76,73,693	10,53,27,222



PARTICULARS	AS ON 31-03-2010 (Rupees)	AS ON 31-03-2009 (Rupees)
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
Creditors for Suppliers and Capital Goods	1,69,92,581	1,98,03,183
Provisions	42,83,238	40,76,505
Outstanding Expenses	25,19,624	30,10,120
TOTAL	2,37,95,443	2,68,89,808

SCHEDULE 9		
ADMINISTRATIVE EXPENSES		
Selling Expenses	49,52,343	3,35,55,362
Auditors Remuneration	2,20,720	2,20,720
Rent, Rates and Taxes	1,93,22,493	1,95,85,594
Traveling & Conveyance	18,32,711	30,71,257
Printing & Stationary	7,55,832	8,58,268
TOTAL	2,70,84,099	5,72,91,201

SCHEDULE 10 FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Block As at 01-04-2009	Additions During the Year	Deletion	Total Cost as at 31-03-2010	Up to 31-03-2009	For the Year	Deletion	Total as at 31-03-2010	as at 31-03-2010	as at 31-03-2009
Furniture & Fixtures	6,01,057	-	-	6,01,057	52,570	38,047	-	90,617	5,10,440	5,72,268
Plant & Machinery	5,61,05,171	-	54,263	5,60,50,908	46,76,317	26,62,418	4,497	73,34,238	4,87,16,670	5,34,73,723
Computers	37,41,774	1,165	-	37,42,939	10,44,883	6,06,550	-	16,51,433	20,91,506	31,25,064
Vehicles	-	54,263	-	54,263	4,497	5,155	-	9,652	44,611	-
Total	6,04,48,002	55,428	54,263	6,04,49,167	57,78,267	33,12,170	4,497	90,85,940	5,13,63,227	5,71,71,055

SCHEDULE 11 NOTES FORMING PART OF THE ACCOUNTS

A. Significant Accounting Policies to the Accounts.

1. Significant Accounting Policies to the Balance sheet and Profit and loss account:

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.

(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.

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

Foreign currency loans covered by forward contracts are realigned at the forward contracts while those not covered by forward contracts are realigned at the rate ruling at the year end. The differences in realignment are accounted for in the Profit and Loss Account.

(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 Net Realisable Value, whichever is lower.

(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.

B. Notes On Accounts:

1. In relation of Secured (Term) Loans :

(i) The Secured Loans from Oriental Bank of Commerce and secured by first charge on the plant and machinery and other movable fixed assets of the company and also secured by the corporate guarantee of Viceroy Hotels Limited, the holding company.

(ii) The Term Loan of Rs.7.00 Crores from UCO Bank is secured by 2nd Charge on Current and Fixed Assets of the Company and also secured by extension of collateral security of vacant land admeasuring 2926.50 sq.yards in Survey No.129/73/2&3 situated at Road No.3 Banjara Hills, Hyderabad - 500 034, owned by M/s.Deva Infrastructures Pvt. Ltd.,

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

Signatures to Schedules 1 to 11

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER

Membership No. 23412

Place: Hyderabad

Date: 247-07-2010

FOR AND ON BEHALF OF THE BOARD

P. CHAKRADHAR REDDY
Director

P. LAKSHMI SRUTHI
Director



VICEROY

MINERVA HOSPITALITIES PRIVATE LIMITED

MINERVA HOSPITALITIES PRIVATE LIMITED

Annual Report 2010



CORPORATE INFORMATION

Board of Directors

Mr.P.Chakradhar Reddy	-	Director
Mrs.P.Divya Reddy	-	Director

Auditors:

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

Bankers:

State Bank of Mysore
Syndicate Bank

Registered Office:

Plot No.258, Road No.18,
Jubilee Hills
Hyderabad – 500 033



NOTICE

NOTICE is hereby given that the 8th Annual General Meeting of the Members of the Company will be held at Registered Office at Hyderabad on Tuesday the 31st August, 2010 at 10.30 A.M. to transact the following business:

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March 2010 together with the Report's of the Directors and Auditors thereon.
2. "RESOLVED that M/s. P.MURALI & CO., Chartered Accountants, Hyderabad the retiring auditors be and are hereby appointed as Statutory Auditors for the financial year 2010-11 to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration as may be decided by the Board.

For and on behalf of the Board
Minerva Hospitalities Private Limited

Director

Place : Hyderabad
Date : 24-07-2010



DIRECTOR'S REPORT

To
The Members

Your Directors have pleasure in presenting 8th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2010.

OPERATIONS:

There are no operations during the year.

DIVIDEND:

The Board does not recommend any dividend during the year under review.

AUDITORS:

M/s.P.MURALI & CO., Chartered Accountants, Auditors of the Company retires at the ensuring 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 2010-11.

AUDIT REPORT:

Regarding the Auditors observations and comments in their report for the FY 2009-10, 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 not earned/spent any foreign exchange.

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.

DIRECTORS RESPONSIBILITY STATEMENT, PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

In the preparation of the Annual Accounts, the Generally Accepted Accounting Principles have been followed. All the Accounting Standards as applicable to the Company has been followed. The Directors have selected accounting policies and applied them consistently and make 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 at the end of the Financial year and of the Loss of the Company for the period. Proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities. The Directors have prepared the Annual Accounts on a 'Going Concern Basis

ACKNOWLEDGMENTS:

Yours Directors acknowledge with gratitude and wish to acknowledge the continued support and confidence proposed in the management by the Shareholders and employees of the company.

For MINERVA HOSPITALITIES PRIVATE LIMITED

P.Chakradhar Reddy
Director

Place : Hyderabad
Date : 24-07-2010



AUDITORS' REPORT

To
The Members,
MINERVA HOSPITALITIES PRIVATE LIMITED

We have audited the attached Balance Sheet of MINERVA HOSPITALITIES PRIVATE LIMITED, as at 31st March, 2010 and also the Profit & Loss Account for the period ended on the date annexed thereto. 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 and as amended by the companies (Auditor's Report) (Amendment) Order 2004, 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 the statement on the matters specified in paragraph 4 and 5 of the said order.

Further, 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, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 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, 2010;
 - (b) In the case of the Profit & Loss Account, of the Loss for the period ended on that date;

For P.MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER
Membership No. 23412

PLACE : HYDERABAD
DATE : 24-07-2010

ANNEXURE TO THE AUDITORS' 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 either granted or taken any loans, secured or unsecured to / from Companies, Firms or other Parties covered in the register maintained U/s.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 is 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 & other listed in the register U/s. 301 of the Companies Act, 1956, hence overdue 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 & other terms and conditions on which loans have been taken from parties listed in the registered 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 good 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 explanation given to us, such transactions have not been made by the company exceeding the value of Five Lacs Rupees in respect of any party in the financial year, the entry in the register U/s.301 of the Companies Act, 1956 are being maintained.
 - (b) According to the information and explanations given to us transactions made by the company and charging the reasonable price having regard to the prevailing market prices at the relevant time.
- VI. In our opinion and according to the information and explanations given to us, the company has not accepted any public deposits and compliance with the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from public do not arise and no order is passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- 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 amounts 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, no undisputed amounts are payable in respect of PF, ESI, Income Tax, and any other statutory dues 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 accumulated losses at the end of the financial year and the company has 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 no outstanding loans from banks and financial institutions and the default in repayment of dues to financial Institutions or banks do not arise.
- 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.
- XVI. 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 does not have any debentures and hence the applicability of the clause regarding the creation of securities 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.

For P. MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER
Membership No. 23412

PLACE : HYDERABAD
DATE : 24-07-2010



VICEROY

BALANCE SHEET AS AT 31ST MARCH, 2010

S.No.	PARTICULARS	SCHEDULE NO's.	AS ON 31-03-2010 (Rupees)	AS ON 31-03-2009 (Rupees)
I. SOURCES OF FUNDS				
	1. SHARE HOLDERS FUNDS			
	a. Capital	1	4,66,92,670	4,66,92,670
	b. Reserves & Surplus	2	(53,40,580)	(53,20,580)
	2. LOAN FUNDS			
	a. Secured Loans		--	--
	b. Unsecured Loan	3	3,65,89,732	3,65,89,732
	TOTAL		<u>7,79,41,822</u>	<u>7,79,61,822</u>
II APPLICATION OF FUNDS				
	1. FIXED ASSETS			
	a. Gross Block		--	--
	b. Less : Depreciation		--	--
	c. Net Block		--	--
	d. Capital Work in progress		--	--
	2. CURRENT ASSET, LOANS & ADVANCES			
	a. Sundry Debtors	5	55,207	55,207
	b. Cash & Bank Balance	6	4,23,311	4,43,311
	c. Loans & Advance	7	7,80,06,799	7,79,84,248
	Less: Current Liabilities & Provisions	8	5,37,093	5,49,593
	NET CURRENT ASSETS		7,79,48,224	7,79,33,173
	3. MISCELLANEOUS EXPENDITURE		(6,401)	28,649
	(To the extent of not written off adjusted)			
	TOTAL		<u>7,79,41,822</u>	<u>77,961,822</u>

Notes to Accounts

9

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER

Membership No. 23412

Place: Hyderabad

Date: 24-07-2010

FOR AND ON BEHALF OF THE BOARD

P. CHAKRADHAR REDDY
Director

P. DIVYA REDDY
Director



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

S.No.	PARTICULARS	SCHEDULE NO's.	AS ON 31-03-2010 (Rupees)	AS ON 31-03-2009 (Rupees)
INCOME				
	Sales		--	--
	Other Income		--	65,691
	TOTAL		--	65,691
EXPENDITURE				
	Consumption of Provisions & Stores		--	--
	Personnel Cost		--	--
	Administrative Expenses	8	20,000	20,000
	Interest & Financial Charges		--	6,233
	Depreciation		--	--
	Misc Exp Written off		--	--
	TOTAL		20,000	26,233
	Profit Before Tax		(20,000)	39,458
	Provision For Taxes and Deferred Tax		--	--
	Profit After Taxes		(20,000)	39,458
	Prior Period Adjustments		--	--
	Profit After Adjustments		--	39,458
	Profit Brought Forward		(53,20,580)	(53,60,038)
	Balance Carried To Balance Sheets		(53,40,580)	(53,20,580)
	Notes to Accounts	9		

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER

Membership No. 23412

Place: Hyderabad

Date: 24-07-2010

FOR AND ON BEHALF OF THE BOARD

P. CHAKRADHAR REDDY
Director

P. DIVYA REDDY
Director



PARTICULARS	AS ON 31-03-2010 (Rupees)	AS ON 31-03-2009 (Rupees)
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED :		
82,50,000 Equity Shares of Rs.10/- Each	8,25,00,000	8,25,00,000
ISSUED, SUBSCRIBED & PAID - UP		
46,69,267 Equity Shares of Rs.10/- Each	4,66,92,670	4,66,92,670
TOTAL	4,66,92,670	4,66,92,670
SCHEDULE 2		
RESERVES & SURPLUS		
Profit and Loss Account	(53,40,580)	(53,20,580)
TOTAL	(53,40,580)	(53,20,580)
SCHEDULE 3		
UNSECURED LOANS		
Others	3,65,89,732	3,65,89,732
TOTAL	3,65,89,732	3,65,89,732
SCHEDULE 4		
SUNDRY DEBTORS'		
Others Considered Goods	55,207	55,207
TOTAL	55,207	55,207
SCHEDULE 5		
CASH & BANK BALANCES		
Cash on Hand	4,17,060	4,37,060
Balance with Schedule Banks	6,251	6,251
TOTAL	4,23,311	4,43,311
SCHEDULE 6		
LOANS & ADVANCES		
Loans and Advances	7,72,05,098	7,71,68,751
Deposits	7,84,769	7,53,224
Others	16,932	62,273
TOTAL	7,80,06,799	7,79,84,248



PARTICULARS	AS ON 31-03-2010 (Rupees)	AS ON 31-03-2009 (Rupees)
SCHEDULE 7		
CURRENT LIABILITIES & PROVISIONS		
Creditors for Supplies & Capital Goods	5,03,853	5,03,853
Outstanding Expenses & Provisions	33,240	45,740
TOTAL	5,37,093	5,49,593
SCHEDULE 8		
ADMINISTRATIVE EXPENSES		
Other Expenses	20,000	20,000
TOTAL	20,000	20,000

SCHEDULE 9

NOTES FORMING PART OF THE ACCOUNTS

A. Significant Accounting Policies to the Accounts.

1. Significant Accounting Policies to the Balance sheet and Profit and loss account

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.

(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.

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

Foreign currency loans covered by forward contracts are realigned at the forward contracts while those not covered by forward contracts are realigned at the rate ruling at the year end. The differences in realignment are accounted for in the Profit and Loss Account.

(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 Net Realizable Value, whichever is lower.

(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.

B. Notes On Accounts

1. Post merger of all the companies with Viceroy, in order to have synergies in operations, Viceroy transferred the assets and liabilities pertaining to Real Estate Property situated at Banjara Hills to M/s Minerva Hospitalities Pvt Ltd.
2. The figures have been rounded off to the nearest rupee.

Signatures to Schedules 1 to 9

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER

Membership No. 23412

Place: Hyderabad

Date: 24-07-2010

FOR AND ON BEHALF OF THE BOARD

P. CHAKRADHAR REDDY
Director

P. DIVYA REDDY
Director



VICEROY

VICEROY BANGALORE HOTELS PRIVATE LIMITED

VICEROY BANGALORE HOTELS PRIVATE LIMITED

Annual Report 2010



CORPORATE INFORMATION

Board of Directors

Mr. P. Prbhakar 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

Registered Office:

Plot No.258, Road No.18,
Jubilee Hills
Hyderabad – 500 033



N O T I C E

NOTICE is hereby given that the 1st Annual General Meeting of the Members of the Company will be held at Registered Office at Hyderabad on Tuesday the 31st August, 2010 at 10.00 A.M. to transact the following business:

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March 2010 together with the Report's of the Directors and Auditors thereon.
2. "RESOLVED that M/s. P.MURALI & CO., Chartered Accountants, Hyderabad the retiring auditors be and are hereby appointed as Statutory Auditors for the financial year 2010-11 to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration as may be decided by the Board.

For and on behalf of the Board
Viceroy Bangalore Hotel Private Limited

Director

Place : Hyderabad
Date : 24-07-2010



DIRECTOR'S REPORT

To
The Members

Your Directors have pleasure in presenting 1st Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2010.

OPERATIONS:

The company is incorporated on 19th February, 2010 and there are no operations during the year under review.

DIVIDEND:

The Board does not recommend any dividend during the year under review.

AUDITORS:

M/s.P.MURALI & CO., Chartered Accountants, Auditors of the Company retires at the ensuring 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 2010-11.

AUDIT REPORT:

Regarding the Auditors observations and comments in their report for the FY 2009-10, 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 not earned/spent any foreign exchange.

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.

DIRECTORS RESPONSIBILITY STATEMENT, PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

In the preparation of the Annual Accounts, the Generally Accepted Accounting Principles have been followed. All the Accounting Standards as applicable to the Company has been followed. The Directors have selected accounting policies and applied them consistently and make 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 at the end of the Financial year. Proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities. The Directors have prepared the Annual Accounts on a 'Going Concern Basis

ACKNOWLEDGMENTS:

Yours Directors acknowledge with gratitude and wish to acknowledge the continued support and confidence proposed in the management by the Shareholders and employees of the company.

For VICEROY BANGALORE HOTEL PRIVATE LIMITED

P. Prabhakar Reddy
Director

Place : Hyderabad
Date : 24-07-2010



AUDITORS' REPORT

To
The Members,
VICEROY BANGALORE HOTEL PRIVATE LIMITED

We have audited the attached Balance Sheet of VICEROY BANGALORE HOTEL PRIVATE LIMITED, as at 31st March, 2010. 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.

Since the company is a private limited company with a paid up capital and reserves not more than rupees fifty lakhs and does not have loan outstanding exceeding rupees twenty five lakhs from any bank or financial institution and does not have a turnover exceeding rupees five crores at any point of time during the financial year, requirement by the Companies (Auditors Report) order 2003 and as amended by the companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of the sub-section (4A) of section 227 of the Companies Act, 1956, are not applicable to the company.

Further, 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 dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet 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, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 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, 2010;

For P. MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER
Membership No. 23412

PLACE : HYDERABAD
DATE : 24-07-2010



VICEROY

BALANCE SHEET AS AT 31ST MARCH, 2010

S.No.	PARTICULARS	SCHEDULE NO's.	AS ON 31-03-2010 (Rupees)
I. SOURCES OF FUNDS			
1.	SHARE HOLDERS FUNDS		
a.	Capital	1	1,00,000
b.	Reserves & Surplus		--
2.	LOAN FUNDS		--
a.	Secured Loans		--
b.	Unsecured Loan		--
	TOTAL		1,00,000
II APPLICATION OF FUNDS			
1.	FIXED ASSETS		
a.	Gross Block		--
b.	Less : Depreciation		--
c.	Net Block		--
d.	Capital Work in progress		--
2.	CURRENT ASSET, LOANS & ADVANCES		
a.	Sundry Debtors		--
b.	Cash & Bank Balance	2	73,750
c.	Loans & Advance		--
	Less: Current Liabilities & Provisions		--
	NET CURRENT ASSETS		--
3.	MISCELLANEOUS EXPENDITURE (To the extent of not written off adjusted)		26,250
4.	PROFIT AND LOSS A/C (LOSS)		--
	TOTAL		1,00,000

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER

Membership No. 23412

Place: Hyderabad

Date: 24-07-2010

FOR AND ON BEHALF OF THE BOARD

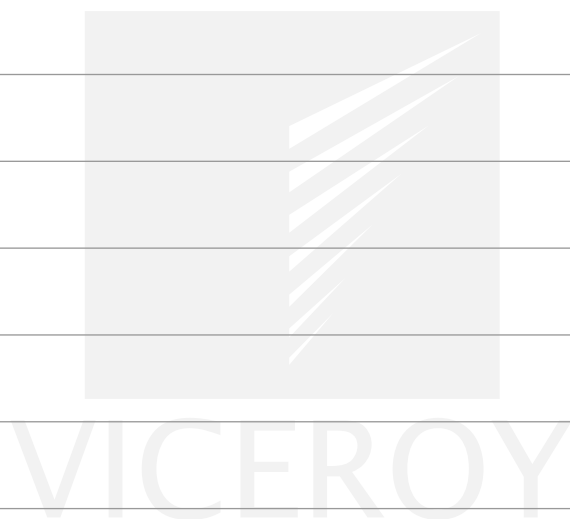
P. PRABHAKAR REDDY
Director

K. NARASIMHA RAO
Director



PARTICULARS	AS ON
	31-03-2010 (Rupees)
SCHEDULE 1	
SHARE CAPITAL	
AUTHORISED :	
10,000 Equity Shares of Rs.10/- Each	1,00,000
ISSUED, SUBSCRIBED & PAID - UP	
10,000 Equity Shares of Rs.10/- Each	1,00,000
TOTAL	1,00,000
SCHEDULE 2	
CASH & BANK BALANCES	
Cash in Hand	73,750
Cash at Bank	--
TOTAL	73,750

Notes



VICEROY HOTELS LIMITED

Regd.Office : 1-3-1036/3/1, Lower Tank Bund Road, Gandhinagar, Hyderabad – 500 080

PROXY FORM

Annual General Meeting – 20th September, 2010

Regd. Folio No / DP Client ID

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I/We of in the district of being a member(s) of Company hereby appoint of in the district of or failing him of in the district of as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the company to be held on Monday the 20th September, 2010 at 11.00 AM. at Hyderabad Marriott & Convention Centre, Lower Tank Bund, Gandhingar, Hyderabad – 500 080 and at any adjournment thereof.

Signed this day of 2010.

Affix
Revenue
stamp

Signature

Note: The form is order to be effective should be duly stamped, completed and signed and must be deposited at the Corporate Office D. No.8-2-120/115/14, 5th Floor, Shangrilla Plaza, Road No. 2, Banjara Hills, Hyderabad - 500 034 of the company not less than 48 hours before the meeting.

VICEROY HOTELS LIMITED

Regd.Office : 1-3-1036/3/1, Lower Tank Bund Road, Gandhinagar, Hyderabad – 500 080

ATTENDANCE SLIP

Annual General Meeting – 20th September, 2010

Regd. Folio No / DP Client ID

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No. of Shares held

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

For Physical Shareholders Only

Name & Address of the Shareholder	Regd. Folio No.	No. of Shares held

I hereby record my presence at the Annual General Meeting of the Company held on Monday the 20th September, 2010 at 11.00 A.M. at Hyderabad Marriott & Convention Centre, Lower Tank Bund, Gandhingar, Hyderabad – 500 080 .

If Shareholder, please sign here	If Proxy, please sign here

Members are requested to fill up the attendance slip and hand it over at the venue.

BOOK-POST

To,

If Undelivered Please Return to



Viceroy Hotels Limited

Corporate Office :

D. No. 8-2-120/115/14, 5th Floor, Shangrila Plaza, Road No. 2, Banjara Hills, Hyderabad - 500 034.

Tel : 040 - 4034 9999 Fax : 040 - 4034 9828

Email : secretarial@viceroyp-hotels.com Website : www.viceroyp-hotels.com