



Date: 01-10-2016

To  
Listing Department  
National Stock Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No C/1, G Block,  
Bandra – Kurla Complex, Bandra(E)  
Mumbai-400051.

Scrip ID: APOLSINHOT

Dear Sirs,

**Sub: Regulation 34(1) of the securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

As required Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Please find enclosed the Annual Report of the Company for the Financial Year 2015-16.

The Exchange was already informed about the Annual General Meeting of the Company which was held on 29<sup>th</sup> September, 2016.

This is for your Kind information.

You are requested to take the above on your records.

Thanking you

Yours Faithfully

For Apollo Sindoori Hotels Limited

Company Secretary



EXCELLENCE IN  
HOSPITALITY

18<sup>th</sup>  
ANNUAL  
REPORT  
2016



**Apollo Sindoori**  
Excellence in Hospitality



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# APOLLO SINDOORI HOTELS LIMITED

CIN:L72300TN1998PLC041360

## Corporate Information (As on 31<sup>st</sup> March 2016)

### BOARD OF DIRECTORS

Chairman P.Vijayakumar Reddy

Managing Director Sucharitha Reddy

Directors  
Suneeta Reddy  
Sindoori Reddy  
Suresh R.Madhok  
G.Venkatraman  
George Eapen

### BOARD COMMITTEES

#### Audit Committee

G.Venkatraman - Chairman  
Suresh R.Madhok  
George Eapen

#### Stakeholders Relationship Committee

Suresh R. Madhok - Chairman  
Sindoori Reddy  
George Eapen

### Management Team

Chief Executive Officer C.Natarajan (w.e.f. 02.05.2016)

Chief Financial Officer KBS Manian\*

Company Secretary Prakash Chandra Panda (w.e.f. 02.05.2016)

### Nomination & Remuneration Committee

G.Venkatraman - Chairman  
Suresh R.Madhok  
George Eapen

Bankers  
HDFC Bank Ltd., ITC Centre, Anna Salai, Chennai  
Indian Bank, Nungambakkam, Chennai  
Axis Bank Ltd., Dr.Radha Krishnan Salai, Chennai  
Yes Bank, Dr. Radha Krishnan Salai, Chennai

Statutory Auditors  
R.Subramanian and Company LLP  
Chartered Accountants  
New No.6, (36),Krishnaswamy Avenue  
Mylapore, Chennai – 600 004

Internal Auditors  
M/s.Karra & Co., - Till September, 2015  
Anugraha, No.28,  
Murray's Gate Rd,  
Alwarpat,  
Chennai -600 018.

M/s Kolath & Co – From October, 2015  
1C, Continental Plaza,  
705, Mount Road, Chennai - 600 006

\*KBS Manian resigned on 18th August 2016

Secretarial Auditor	Mr.Gouri Shanker Mishra IInd Floor 76, P S Sivaswamy Salai Mylapore Chennai- 600 004.
Registrar & Share Transfer Agents	M/s.Cameo Corporate Services Limited “Subramanian Building”, V Floor, No.1, Club House Road, Chennai – 600 002. Phone: 044 2846 0390 e-mail: <a href="mailto:cameo@cameoindia.com">cameo@cameoindia.com</a> Web: <a href="http://www.cameoindia.com">www.cameoindia.com</a>
Registered Office	19-B, Anugraha Apartments, 41, Uthamar Gandhi Salai, Nungambakkam, Chennai – 600 034. Phone:91 44 43084849 e-mail: <a href="mailto:info@apollosindoori.com">info@apollosindoori.com</a>
Administrative Office	#16 Apollo Annex Building I floor Wallace Garden 1st Street Chennai – 600 006. Phone:91 44 4904 5000 <a href="mailto:info@apollosindoori.com">e-mail:info@apollosindoori.com</a>
WebSite	<a href="http://www.apollosindoori.com">www.apollosindoori.com</a>
Listed at	National Stock Exchange of India Limited, Mumbai. Symbol:APOLSINHOT

# APOLLO SINDOORI HOTELS LIMITED

CIN:L72300TN1998PLC041360

Registered Office: 19-B Anugraha Apartment  
41, Uthamar Gandhi Salai, Nungambakkam, Chennai – 600 034.

## NOTICE TO SHAREHOLDERS

Dear Shareholder(s)

Notice is hereby given that the Eighteenth Annual General Meeting of the Shareholders of Apollo Sindoori Hotels Limited will be held on Thursday the 29<sup>th</sup> September., 2016 at 11.30 A.M. at Narada Gana Sabha - Mini Hall, 314(Old N0.254) T.T.K. Road, Alwarpet, Chennai-600 018, to transact the following business:

### ORDINARY BUSINESS:

- 1) To receive, consider and adopt
  - i) the Audited Financial Statements of the Company for the Financial Year Ended 31st March, 2016, and the Report of the Directors and Auditors thereon and
  - ii) the Audited Consolidated Financial Statements of the Company for the Financial Year Ended 31st March, 2016 and the Report of the Directors and Auditors thereon.
- 2) To appoint a director in place of Mrs. Sindoori Reddy (DIN00278040) Director who retires by rotation and being eligible, offer herself for re-appointment.
- 3) To appoint auditors of the Company and to fix their remuneration.

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s.R.Subramanian & Company LLP, Chartered Accountants (Firm Regn. No.004137S), be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company. The retiring Auditors, M/s. R. Subramanian & Company LLP, Chartered Accountants are eligible for re-appointment and have given a written certificate as per Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 and the Board of Directors be and are hereby authorized to fix the remuneration payable to them for the financial year ending 31<sup>st</sup> March 2017 as may be determined by the Audit Committee in consultation with the Auditors, and that such remuneration may be paid on a progressive billing basis to be agreed between the Auditors and the Board of Directors."

By Order of the Board,  
For **Apollo Sindoori Hotels Limited**

PrakashChandra Panda  
Company Secretary and  
Compliance officer  
Registered office:19-B,  
Anugraha Apartments,  
41, Uthamar Gandhi Salai,  
Nungambakkam, Chennai- 600 034  
CIN: L72300TN1998PLC041360  
Website:www.apollosindoori.com  
Email:secretary@apollosindoori.com

Place: Chennai  
Date : 29/07/2016

## Notes

1. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a Proxy to attend instead of himself/herself and such Proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective must be deposited at the Company's Registered Office, duly completed and signed in the format sent herewith, not less than FORTY EIGHT HOURS before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.**
2. A person can act as a proxy on behalf of Members not exceeding Fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such person shall not act as a proxy for any other person or shareholder. Corporate Members intending to send their authorized representatives' to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. **The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 27, 2016 to Thursday, September 29, 2016 (both days inclusive)**

Members are requested to bring the Annual Report for their reference at the Meeting.

Admission Slip duly filled in shall be handed over at the entrance of the meeting hall.

4. Members, who hold shares in dematerialized form, are requested to quote Depository Account Number (client ID no.) for recording of attendance at the Meeting.
5. Electronic copy of the Notice of the eighteenth AGM of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies of the Notice along with Attendance Slip and Proxy Form is being sent in the permitted mode
6. Members may also note that the Notice of the eighteenth AGM and the Annual Report for 2015-2016 will be available on the Company's website [www.apollosindoori.com](http://www.apollosindoori.com) and also on the website of the stock exchange at [www.nseindia.com](http://www.nseindia.com). The physical copies of the aforesaid documents will also be available at the Registered Office of the Company in Chennai for inspection during normal business hours on working days. Even after registering for e-communications, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the company's investor e-mail ID: [secretary@apollosindoori.com](mailto:secretary@apollosindoori.com).
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the member at the AGM.

The relevant details as required by Regulation 36(3) of SEBI LODR Regulations, 2015 of persons seeking re-appointment as Director, is provided in the annexure.

8. Members whose shareholding is in the electronic mode are requested to direct change of address notification and update of Saving Bank Account details to their respective Depository Participant(s). If the shares are held in physical form are requested to register their e-mail address with the company/RTA of the company.
9. Members are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agents, Cameo Corporate Services Limited, (Unit: Apollo Sindoori Hotels Limited), by writing to them at Subramanian Building, No.1, Club House Road, Anna Salai, Chennai – 600 002, or by E-Mail to **investor@cameoindia.com**.
10. The Securities and Exchange Board of India (SEBI) had mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participant(s). Members holding in physical form shall submit their PAN details to the Company.
11. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, and Regulation 44 of SEBI LODR Regulations 2015, the company is providing a facility to its members to exercise their vote electronically through the remote e-voting facility arranged by CDSL for all items of business as set out in the notice of the AGM and confirms that the business can be transacted through e-voting in pursuance of the above provisions. The facility for voting through ballot/poll paper will also be made available at the AGM and the members who have not already cast their votes by remote e-voting will be able to exercise their right at the AGM through voting by ballot/poll paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The Notice of the Eighteenth AGM and instructions for e-voting, along with Attendance Slip and Proxy Forms, is being sent to all members by Registered Post/Speed Post.

Consequent to the amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unpaid/unclaimed for a period of 7 years from the date they become due for payment is to be transferred to the Investor Education and Protection Fund (IEPF).

Members who have not encashed the dividend warrants for the financial year 2008-2009 and/or any subsequent years are requested to write to the Company/RTA giving the necessary details. In this connection, the Company has sent reminders to the shareholders who had not encashed their dividends.

Details of dividend declared for the financial years from 2008- 09 onwards are given below:

Financial Year	Date of Declaration of Dividend	Date of Transfer to Special Account/ Unclaimed Account	Date of Transfer to IEPF
2008-2009	26.08.2009	26.09.2009	25.09.2016
2009-2010	26.07.2010	26.08.2010	26.08.2017
2010-2011	22.07.2011	22.08.2011	22.08.2018
2011-2012	09.08.2012	09.09.2012	09.09.2019
2012-2013	12.08.2013	12.09.2013	12.09.2020
2013-2014	13.08.2014	13.09.2014	13.09.2021
2014-2015	12.08.2015	13.09.2015	13.09.2022

Pursuant to the Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company shall provide/host the required details of unclaimed dividend amounts referred to under Section 205C(2) of the Companies Act, 1956, on its website and also Ministry of Corporate Affairs (MCA) website in the relevant form every year.

The Road map showing directions to reach the venue of the AGM is annexed for convenience of members.

**PROFILE OF THE DIRECTORS BEING RE-APPOINTED**  
(The brief resume of the Director who is proposed to be re-appointed is given below)

**1. Mrs.Sindoori Reddy (DIN 00278040)**

Mrs. Sindoori Reddy is holding the Directorship of the Company from 24.07.2006. She is an alumnus of Pepperdine University, California, USA. She graduated in International Business and Finance. She has good exposure in Strategic planning, Human Relations and Marketing by working in strategic positions with MNC's and International Finance Organizations including International Finance Corporation Division of the World Bank and Merrill Lynch. Your Company should benefit considerably by her involvement.

**Other Directorships:**

S.no	Name of the Company	Current Designation	Committee details	Position held
1.	Greenbuild Energy Saving Systems India P.Ltd.	Director		
2.	Tharani Energy India Private Limited	Director		
3.	Apollo Educational Infrastructureservices Ltd.	Director		
4.	Kalpatharu Enterprises Private Limited	Director		
5.	Sindoori Infrastructure Private Limited	Director		
6.	Sindya Properties Private Limited	Director		
7.	Kalpatharu Infrastructure Developmentcompany P.ltd.	Director		
8.	PDR Investments Private Limited	Director		
9.	Sindya Securities & Investments P.ltd.	Director		
10.	Helios Holdings Private Limited	Director		
11.	Aten Solar Private Limited	Director		
12.	Apollo Shine Foundation	Director		
13.	Access Health Private Limited	Director		
14.	Faber Sindoori Management Services P.ltd.	Director		
15.	Apollo Healthcare Technology Solutionslimited	Director		
16.	Apollo Dialysis Private Limited	Director		
17.	Alliance Medicorp (india) Limited	Director		

She holds Membership of Stakeholders Relationship Committee of our Board.

She holds 3500 Equity shares of Rs.10/- each of the Company.

Mrs. Sindoori Reddy is related to Mrs. Suneeta Reddy, Director and Mrs. Sucharitha Reddy, Managing Director.

Except Mrs. Sindoori Reddy, Mrs. Suneeta Reddy and Mrs. Sucharitha Reddy none of the directors or Key Managerial Personnel (KMP) of the Company is concerned or interested, financial or otherwise in this resolution.

## VOTING THROUGH ELECTRONIC MEANS

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (listing Obligations and Disclosure Requirements), Regulations 2015, the Company is providing Members facility to exercise their right to vote on resolutions proposed to be considered at the Eighteenth

Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (remote e-Voting) will be provided by Central Depository Services (India) Limited (CDSL):

**I. The instructions for e-voting are as under:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on “Shareholders” tab.
- (iii) Select “APOLLO SINDOORI HOTELS LIMITED” from the drop down menu and click on “SUBMIT”
- (iv) Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Image Verification as displayed and Click on Login).
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given in points (vi) and (vii).
- (vi) Fill up the following details in the appropriate boxes:

For Members holding shares both in Demat Form and physical form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio

\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number (Sequence number has been provided as Serial number in the address label and / or in the e-mail sent to Members) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

#Please enter any one of the details in order to login. In case the details are not recorded with the depository and company please enter the Member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Set Password' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.
- (ix) For Members holding shares in physical form, the details can be used only for evoting on the resolutions contained in this Notice.
- (x) Click on the EVSN for Apollo Sindoori Hotels Limited.
- (xi) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IV. The e-voting period commences on 26th September 2016 (10:00 am) and ends on 28th September 2016 (5:00 pm). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 22<sup>nd</sup> September 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- V. The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 22<sup>nd</sup> September 2016.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.

- VI. Mr.Gouri Shanker Mishra, Practicing Company Secretary (Membership No: F6906), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The Chariman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM have not cast their votes by availing the remote e-voting facility.

The scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unlock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM , a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the Company's website [www.apollosindoori.com](http://www.apollosindoori.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him writing. The results shall also be immediately forwarded to the National Stock Exchange of India Limited, where equity shares are listed.

By Order of the Board,  
**For Apollo Sindoori Hotels Limited**

Prakash Chandra Panda  
Company Secretary and  
Compliance officer  
Registered office: 19-B,  
Anugraha Apartments,  
41, Uthamar Gandhi Salai,  
Nungambakkam,  
Chennai – 600 034.

CIN: L72300TN1998PLC041360

Website:[www.apollosindoori.com](http://www.apollosindoori.com)

Email:[secretary@apollosindoori.com](mailto:secretary@apollosindoori.com)

Place: Chennai  
Date : 29/07/2016

## CHAIRMAN'S MESSAGE

### Chairman's Message

Dear Shareholders,

It gives me great pleasure to share with you an update on the overall performance of your Company. We are emerging as one of the best performing economies across the globe with the GDP estimated to increase to 7.6% this year.

The Indian tourism and hospitality industry has materialized as one of the key drivers of growth among the services sectors in India. It contributes to 6.23 percent to the National GDP and 8.78 percent of the total employment in the country. Constant transformation, functional growth and improving standards have gained the hospitality industry of India approval all over the world.

In the year under review, we saw considerable changes in the external business environment. While commodity costs, the second consecutive monsoon failure and resulting drought meant a distressed rural demand scenario in several parts of the country. Competition continued to be aggressive. In this scenario, your Company remained focused on delivering volume-led profitable growth. Our Foods and Beverages business delivered another year of strong volume led growth.

In a challenging external environment, your Company performed well and delivered another year of consistent, competitive and responsible growth. Despite the challenging business environment as afore stated, Gross Revenue for the year grew by 36% to ₹ 132 Crores. Your Company's Profit Before Tax and Extraordinary item for 2015-16 is ₹ 144.16 Lacs as compared to ₹ 343.34 Lacs for the financial year 2014-15. Due to increase in employees cost and other overhead expenditure, the same has come down.

One of the major strengths of your Company is the relentless focus on execution and cost efficiencies. Sustainable, profitable growth can only be achieved in an organization that focuses on performance culture and where employees are engaged and empowered to be the best they can be.

#### **The major milestones achieved during the year are as under:-**

- The innovation in execution was the key driver of the business.
- The revenues from operation were consolidated in all the Units.
- The restructuring process were implemented in all the Units and Corporate office
- The process improvement initiative with respect to IT has happened.
- All the process has been centralized and controlled from corporate office.

We are in the process of exploring new opportunity in Sterlite, Jharsuguda, TCS(3000 Employees) and Kokilaben Hospitals(Reliance).

However, the actual outcome will depend on many factors such as overall economic growth, the impact of the marketing efforts, cost of raw materials and the competitive landscape in the marketplace. I am hopeful that our continued efforts will help realize the growth of our business in line with our vision of being a national player.

I would also like to thank and congratulate the entire-management team for their untiring efforts which has made this excellent performance possible.

I am also grateful to the Board of Directors for their unstinted support and guidance. I also thank all the Stakeholders for their association with and trust in the organization.

With best wishes,

Sincerely,  
CHAIRMAN

## MANAGEMENT DISCUSSION & ANALYSIS

1. The core business of your Company is the Catering, Management Service, Hospitality and Restaurants.

### 2. Economic Scenario

The Government continued its efforts to achieve macroeconomic stability. Consequently the GDP growth increased from 7.2% in 2014-15 to an estimated 7.6% in 2015-16. The manufacturing and services sectors grew at a faster rate; however a second year of poor monsoon resulted in low agricultural growth. Inflation remained under control and foreign exchange reserves rose smartly during the year. The second consecutive year of poor monsoon has created rural stress in various parts of the country and has also resulted in low rural demand. Market reports and corporate news suggest that the demand cycle has yet to pick up momentum in the Hospitality sector.

### 3. Industry Structure and Its Development

The Indian F & B is one of the vibrant sectors that has seen unprecedented growth in the recent past and continues to expand rapidly. Barring a few, most players in this segment have only a regional presence and the more successful are continuously attempting to expand their national footprint. As Your Company pushes the throttle to gain increased foothold in catering service business across various industries.

Your Company has taken significant measures to ensure continued strong growth. We expect to be able to continue to deliver the strong growth and take advantage of the significant restructuring. An improvement in the overall consumption climate will enable us to further accelerate this growth

### 4. Financial Review

During the year the Company recorded sales of ₹ 132 crores thereby growing by 36%. Your Company's Profit Before Tax and Extraordinary Item for 2015-16 is ₹ 144.16 Lacs as compared to ₹ 343.34 Lacs for the financial year 2014-15. PAT decreases to Loss of ₹ 242.20 Lacs as compared to Profit of ₹ 231.23 Lacs for the last financial year

### 5. Business Developments

The major developments during the year were as under:-

- Implementation of innovation in the marketing efforts of the Company. This was instrumental in delivering the sales growth during the year.
- Restructuring of Business
- Process improvement initiative with respect to IT Dept
- Consolidating the sales and distribution operations in the existing geographies.

The major work plan for the current year is as under:-

To further invest in the organizational capacity and capability of the business.

To expand the footprint in all the geographies.

Exploring new opportunity.

## 6. Opportunities & Threats

The Indian food industry is still at a nascent stage and we expect it to record solid growth rates for several years to come. This represents a significant opportunity for your Company given that we have already made balanced capital investments to develop a portfolio capable of delivering steady profitable growth.

The continued growth of the economy, increasing disposable income, rapid urbanization and rising aspiration offers an immense opportunity for the healthy growth of the business. In order to capture this growth efforts are being made through innovation in marketing, expanding the distribution footprint and working on new Clients. Some of the threats faced by the business are uncertain economic conditions and uncertainty in the price of raw materials, competition from rivals and inflations.

## 7. Risks and Concern

Risk relates to uncertainty about events and the possible outcomes that could have a material impact on performance and future prospects of the Company. The F & B industry is prone to the impact of changes in global and domestic economies, inflation, changes in local market conditions, competition in the industry, government policies and regulations, fluctuations in interest rates and other social factors. Senior management centrally devises the risk management approach, which is prudently cascaded down to Unit managers at various organizational levels, helping the Company mitigate risks early on.

## 8. Outlook

The continued efforts to develop the business should stand it in good stead. However the economic conditions and inflation prevailing within the country have a significant role to play in the actual performance.

## 9. Internal Controls and their Adequacy

The Company has proper and adequate internal control systems to ensure that all the assets are safeguarded and that all transactions are authorized, recorded and reported correctly. Regular internal audits and checks are carried out to ensure that the responsibilities are executed effectively and that the systems are adequate. Management continuously reviews the internal control systems and procedures to ensure the efficient conduct of business. The Audit Committee of the board oversees the internal controls within the organization.

## 10. Human Resources

Our employees form the backbone of our organization. Your Company takes pride in the commitment, competence and dedication shown by its employees in all areas of operation. Industrial relations have remained harmonious throughout the year. Your Company endeavors to follow best HR practices across all areas. These cover recruitment, induction, development and training, and appraisal systems which are tied in with defined key result areas.

## Directors' Report to the Shareholders

Your Directors are pleased to present the Eighteenth Annual Report on the business and operation of the Company together with the Audited Financial Statements for the year ended March 31, 2016.

### 1. Corporate Overview

Apollo Sindoori is a leading hospitality service management and support services company. We manage the entire gamut of hospitality services right from food services to kitchen planning and management. Apollo Sindoori has built its heritage by combining its Corporate and Professional process with experience and expertise in Catering and Hospitality. We strive constantly to achieve “**Excellence in Hospitality**”. Management discussion and analysis report has been given separately.

### 2. Operations / State of the Company's Affairs

Your Company's turnover has gone from ₹97 Crores to ₹132 Crores, flaunting a healthy growth of 36%. This growth in challenging circumstances is a testimony to the robustness of your Company's business strategy and innovative service offerings that helped capture new markets.

Your Company's Profit Before Tax & Extraordinary item for 2015-16 is ₹144.16 Lacs as compared to ₹343.34 Lacs for the financial year 2014-15. PAT decreases to Loss of ₹242.20 Lacs as compared with Profit of ₹231.23 Lacs for the last financial year. The decrease in PAT was due to increase in the employees cost and other overhead Expenditure.

#### Financial Highlights: (Standalone)

(₹ in Lacs)

Details	2016	2015
<b>Income:</b>		
Income from sale	13182.58	9637.03
Other Income	108.96	63.86
<b>Total Income</b>	<b>13291.54</b>	<b>9700.89</b>
<b>Expenditure:</b>		
Less: Employee Cost & other expenses	12992.83	9289.11
Profit before Depreciation, Interest and Taxation	298.71	411.78
Less: Depreciation	78.34	45.96
Interest	76.19	22.48
<b>Profit for the year before Extraordinary Item and Tax</b>	<b>144.16</b>	<b>343.34</b>
Less: Extraordinary Item	480.22	-
<b>Profit for the year before Tax</b>	<b>(336.06)</b>	<b>343.34</b>
Less: Provision for Tax – Current Tax	-	99.00
Deferred tax (net)	(93.84)	13.11
<b>Net Profit for the year after tax</b>	<b>(242.20)</b>	<b>231.23</b>

Consolidated turnover has gone from ₹ 141 crores to ₹ 186 crores and Profit before Tax & Extraordinary item also has gone from ₹6.74 crores to ₹ 6.80 crores

### **3. Dividend**

Your Directors did not recommend any dividend to equity shareholders of the company due to loss incurred by the Company for the financial year 2015-16.

### **4. Transfer to Reserves**

The Company does not propose to be transferred out of the current profits/losses to the General Reserve.

### **5. Fixed Deposits**

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

### **6. Listing**

The Company was exclusively got listed on National Stock Exchange after Madras Stock Exchange closed down its operation. Accordingly the Shares of the Company were listed on National Stock Exchange of India Limited, Mumbai. The Company has also paid listing fees to National Stock Exchange for the financial year 2016-17.

### **7. Share Capital**

The paid up equity share capital as on March 31, 2016 was ₹1, 30, 02,000/-. During the year under review, your Company did not issue shares with differential voting rights / sweat equity.

### **8. Significant or Material Orders Passed By regulators/Courts**

During the year under review, there were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### **9. Material Changes and Commitment affecting Financial Position of the Company**

There are no material changes and commitments, affecting financial position of the Company which has occurred between the end of the financial year of the Company i.e., March 31, 2016, and the date of the Directors' Report.

### **10. Corporate social responsibility**

With the enactment of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 read with various clarifications issued by the Ministry of Corporate Affairs, every Company having the net worth of ₹500 crores or more or turnover of ₹1000 crores or more or net profit of ₹5 crore or more during any financial year have to spend at least 2% of the average net profit of the Company made during the three immediately preceding financial years.

Accordingly the provisions of CSR activities under Companies Act, 2013 do not apply to your company.

### **11. Corporate Governance**

Compliance with the provisions of under Regulation 27(2) of SEBI (Listing Obligations & Disclosures Requirement) Regulation 2015 shall not apply to your company as paid up equity share capital not exceeding ₹10 Crores and Net Worth not exceeding ₹25 Crore, as on the last day of the previous financial year as per circular of SEBI bearing number CIR/CFD/POLICY CELL/7/2014 dated 15<sup>th</sup> September, 2014 and as per Regulation 15(2) SEBI (Listing Obligations & Disclosures Requirement) Regulation 2015.

## **12. Joint venture Company/Associates**

### **Faber Sindoori Management Services Private Limited**

Apollo Sindoori Hotels entered into an MOU dated July 14, 2006 with Faber Medi-Serve SDN. BHD ("FMS") whereby FMS and Apollo Sindoori Hotels have agreed to form a joint venture company in Chennai for the purpose of setting up a project upon mutually agreed objectives in the domain of bio-medical engineering (maintenance), facility engineering (maintenance), cleansing, Housekeeping, Janitorial Services and Hospital support services (other than catering services) and management information services (other than patient information). It was agreed that FMS would hold 51% of the proposed Joint Venture Company while Apollo Sindoori Hotels would hold 49%. The said Joint Venture Agreement was entered into between FMS and Apollo Sindoori Hotels on June 25, 2007 whereby amongst other terms, it was recorded that a private limited company with the name "Faber Sindoori Management Services Private Limited " would be incorporated on 27/08/2007.

## **13. Subsidiary**

Company has no subsidiary as on the date of this Balance Sheet.

## **14. Consolidation of Accounts**

Your Company has prepared Consolidated Financial Statements in accordance with Accounting Standard 21 - "Consolidated Financial Statements", prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The Consolidated Financial Statements reflect the financial position of the Company and Associates. As required by Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter referred to as 'SEBI(LODR) Regulations, 2015'), the Audited Consolidated Financial Statements together with the Independent Auditor's Report thereon are annexed and form part of this Annual Report.

## **15. Related Party Transaction**

All related party transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business. All the related party transactions are pre-approved by the Audit Committee. In view of this, disclosure in form AOC-2 has not been provided as the same is not applicable to the Company. During the year, the Company has not entered into any contract/arrangement with related parties which could be considered materially significant related party transactions. The details of the transaction with Related Party are provided in the accompanying financial statements.

## **16. Extracts of Annual Return**

The details forming Part of the Extracts of Annual Return is annexed as per **Annexure 'A'**.

## **17. Composition of Board**

The Board comprised with optimum combination of Executive and Non- Executive Directors. Board has One Executive Director, Three Non-Executive Director and Three Independent Director duly appointed as per the Provisions of the Companies Act, 2013.

### **18. Board Meetings and other Committee Meetings**

The Board of Directors met 5 times during the period April to March in the year 2015-16 on the following dates:

1. 29th May, 2015
2. 12th August, 2015
3. 13th November, 2015
4. 24th December, 2015
5. 12th February, 2016

During the year Four Audit Committee Meetings, One Nomination & Remuneration Committee Meetings and one Independent Directors Meeting were also held.

### **19. Composition of Audit Committee**

The Board has constituted an Audit Committee, which comprises of Mr. G. Venkatraman as the Chairman and Mr. Suresh R Madhok, Mr. George Eapen as the Members. More details about the Committee are given in **Annexure 'B'**.

### **20. Disclosure of Information as required under section 134 (3) (m) of the Companies Act, 2013 (ACT) read with the companies (Accounts) Rules, 2014**

#### **(i) Conservation of Energy**

The Company values the significance of conservation of energy and hence continuous efforts are made for judicious use of energy at all levels of operations by utilising energy efficient systems and processes. Towards achievement of this objective, steps have been initiated including use of energy efficient LED lights and energy management systems at our kitchen/offices. Further, certain initiatives are being implemented for optimisation of electricity and LPG usage.

Some of the actions planned for next year include replacement of energy intensive pumps with high efficiency systems, replacement of energy intensive fans with energy efficient fans. Operational measures include close monitoring and control of energy consumption and frequent energy audits by the hotel Engineering Department.

Your Company remains focused on giving importance towards conservation of energy, which results in savings of electricity consumption, a significant component of the energy cost, in an ongoing process.

#### **(ii) Technical Absorption**

The Company continues to absorb and upgrade modern technologies and advanced hotel management techniques in various guest contact areas, which includes wireless internet connectivity in all the Guest House.

#### **(iii) Foreign Exchange Earnings and outgo**

As required under Section 134(3) (m) of the Companies Act, 2013, the information relating to foreign exchange earnings and outgo is hereunder.

<b>Particulars</b>	<b>March 31, 2016 (₹)</b>	<b>March 31, 2015 (₹)</b>
<b>Used</b>	7,78,104	14,73,846
<b>Earned</b>	Nil	Nil

## **21. Insurance**

All insurable interests of the Company including, buildings, furniture and fixtures and other insurable interest are adequately insured.

## **22. Auditors**

### **(i). Statutory Auditors**

M/s R. Subramanian and Company, LLP, Chartered Accountants, Auditors of the Company hold office until the conclusion of this AGM. They are eligible for re- appointment and have given their consent for re-appointment. Company has received a certificate under Section 139 from the retiring auditors regarding their eligibility for re-appointment as the Company's Auditors for the financial year 2016-17.

The Board of Directors recommend the re appointment of M/s R. Subramanian and Company, LLP, as the Auditors of the Company for 2016-2017 to hold office till the conclusion of the next AGM.

### **(ii). Internal Auditor**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014, the Company has appointed M/s. Kolath & Co, Chartered Accountant as an Internal Auditors to undertake the Internal Audit of the Company w.e.f. 1st October 2015

### **(iii). Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Company has appointed Mr.Gouri Shanker Mishra, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as Annexure 'C'.

With respect to the observation made in the secretarial audit report,

1. Secretarial Standard has not been followed properly for Board and Committee Meeting.
2. Few e-forms have been belatedly filed.
3. The majority of the revenue of the Company is from related party transaction which as per the representation from the Company is in ordinary course of business and on arms length basis.
4. Company was not required to comply with the Corporate Governance requirement as set out in Clause 49 of the Listing Agreement based on Circular of SEBI CIR/CFD/POLICY CELL/7/2014 dated 15<sup>th</sup> September 2014 and as per Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. Company has compounded offence for belated filing of form INV-5 for unclaimed dividend and deposits for the financial year ended 31st March 2013. Apart from the above observation, there are no qualifications, reservations or adverse remarks made by Mr. Gouri Shanker Mishra, Practicing Company Secretary, Secretarial Auditors of the Company in their secretarial audit report.

### **Reply to Secretarial Auditor Observation:**

1. With regard to secretarial standard, company have followed majority of secretarial standard during the year under review and by oversight we have missed certain standards. We ensure that it will be follow fully in future.
2. Due to oversight, the filing of few e-forms belatedly and in future the same will be filed without any delay.
3. All other observations are self-explanatory and no need to provide any reply on that observations.

### **23. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an internal Control System, commensurate with size, scale and complexity of its operations. The scope and authority of the internal Audit function is well defined in the organization. To maintain its objectivity and independence, the internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the control. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board.

### **24. Directors' Responsibility Statement**

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their Knowledge and ability, confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31 March 2016 and of the profit of the Company for the year;
- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Annual Accounts are prepared on a going concern basis;
- (e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and these systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultant(s) and the reviews made by the Management and the relevant Board Committees, including the Audit Committee and the Board is of the opinion that the Company's internal financial controls were adequate and operationally effective during the financial year 2015-16.

### **25. DIRECTORS SEEKING FOR RE-APPOINTMENT:**

In terms of the provisions of Section 152 (6) (d) of the Companies Act, 2013 Mrs. Sindoori Reddy (DIN00278040) director of the Company retire by rotation at this Annual General Meeting as per the provisions of the Articles of Association of Company and being eligible for reappointment, offer herself for re-election.

The brief resume of the director proposed to be appointed and re-appointed and other relevant information have been furnished in the Notice convening the AGM. Appropriate resolution for the appointment/re-appointment is being placed for approval of the members at the AGM. The board, therefore, recommends their re-appointment as Director of the Company.

### **26. INDEPENDENT DIRECTORS DECLARATION:**

All Independent Directors have given their declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

## **27. APPOINTMENT OF KEY MANAGERIAL PERSONNEL:**

During the Year the Board appointed Mr.C.Natarajan as Chief Executive Officer, Mr. K.B.S. Manian as Chief Financial officer and Mr.Prakash Chandra Panda, as Company Secretary and Compliance officer of the Company with effect from 2<sup>nd</sup> May 2016, 24<sup>th</sup> December 2015 and 2<sup>nd</sup> May 2016 respectively and those appointment was made under the section 203(1) (Appointment of Key Managerial Personnel's) of the Companies Act, 2013.

## **28. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## **29. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, the Company shall establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed.

The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The said Whistle-Blower Policy has been hosted on the website of the Company at <http://apollosindoori.com/pdf/policy2.pdf>

## **30. BOARD EVALUATION**

Pursuant to the Provisions of the Companies Act, 2013, the Board has carried out an Annual Performance Evaluation of its own performance and that of its committees and Directors individually.

## **31. Human Resources**

Your Company takes pride in the commitment, competence and dedication shown by its employees in all areas of its business. It considers people as its biggest assets. It has put concerted efforts in talent management and succession planning practices, strong performance management and learning and training initiatives to ensure that your Company consistently develops inspiring, strong and credible leadership. Your Company has a structured induction process at all its locations and management development programs to upgrade skills of managers.

## **32. Comments on auditors' report**

No Qualification has given by Statutory Auditors in their Report.

### 33. Particulars of Employees

The ratio of the remuneration of each director to the median employees' remuneration and other details in terms of Section 197(12) of the Act with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("the Rules"), forms a part of this Annual Report as **Annexure 'D'**

The Company had one employee who were employed throughout the year and were in receipt of Remuneration more than Rs. 60 Lacs Per Annum. In terms of Section 136 of the Act, the copy of the financial statements of the Company, the auditor's report and relevant annexures to the said financial statements and reports are being sent to the Members and other persons entitled thereto, excluding the information in respect of the said employees containing the particulars as specified in Rule 5(2) of the said Rules, which is available for inspection by the Members at the Company's Registered Office during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, he may write to the Company Secretary of the Company at its Registered Office. The financial statements, reports etc. of the Company are available on the website of the Company [www.apollosindoori.com](http://www.apollosindoori.com). The Company has about 3990 employees in its roll. Since employees contribute in achieving the goal of the Company, periodical training programs are carried out to meet the challenges in providing services to the best of customer satisfaction.

### 34. Sexual Harassment of Women at Workplace (prohibition, prevention and redressal) Act, 2013

The Company has a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the aspects as contained under the Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013. During the year under review, the Company has not received any complaints under the Policy.

### 35. Investors Education and Protection Fund (IEPF)

Details of IEPF has been given in the notice attached to this Annual Report.

### Acknowledgement

Your Directors take this opportunity to thank the Company's customers, Shareholders, Suppliers, Bankers, Financial Institutions and the Central and State Governments for their unstinted support. The Directors would also like to place on record their appreciation to employees at all levels for their hard work, dedication and commitment.

**For Apollo Sindoori Hotels Ltd.,**

**Sucharitha Reddy**  
Managing Director

**G. Venkatraman**  
Director

Place: Chennai  
Date: 29.07.2016

Annexure - A

EXTRACT OF ANNUAL RETURN

As on the Financial year ended 31.03.2016

(Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014

FORM NO.MGT-9

**I. Registration and other details**

CINL	72300TN1998PLC041360
Registration Date	03/11/1998
Name of the Company	Apollo Sindoori Hotels Limited
Category / Sub – Category of the Company	Company having Share Capital
Address of the Registered office and contact details	Anugraha, New No 41, Uthamar Gandhi Salai, Nungumbakam, Chennai - 600 034, Tamil Nadu, India.
Whether listed Company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited, No.1, Club House Road, Subramanian Building, Chennai - 600 002. Ph:044 28460390 Mail:cameo@cameoindia.com Web:www.cameoindia.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the Business Activities contributing 10 % or more of the total turnover of the Company shall be Stated:

S.No.	Name and Description of main Products / Services	NIC Code of the Product / Service	%to total turnover of the Company
1.	Food & Beverages	55204	67.84
2.	Man power Services	74930	32.16

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE**

S.No.	Name and Address of the Company	CIN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Faber Sindoori Management Services Private Limited	U85100TN2007PT C064527	Associate	49%	2(6)

## IV. SHAREHOLDING PATTERN ( Equity Share Capital Breakup as percentage of Total Equity)

### I Category-wise Shareholding

Sr. no.	Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
I)	(II)									
A)	Promoters									
1)	Indian									
a)	Individual/Hindu Undivided Family	584654	79907	664561	51.11	664561	0	664561	51.11	0
b)	Central Government	0	0	0	0	0	0	0	0	0
c)	State Government(s)	0	0	0	0	0	0	0	0	0
d)	Bodies Corporate	142000	0	142000	10.92	142000	0	142000	10.92	0
e)	Financial Institutions /Banks	0	0	0	0	0	0	0	0	0
f)	Any Other (Total)	0	0	0	0	0	0	0	0	0
	Directors and their Relative	0	84380	84380	6.49	84380	0	84380	6.49	0
	Sub-Total (A)(1)	726654	164287	890941	68.52	890941	0	890941	68.52	0
2)	Foreign									
a)	NRI- Individuals	0	0	0	0	0	0	0	0	0
b)	Other – Individuals	0	0	0	0	0	0	0	0	0
c)	Bodies Corporate	0	0	0	0	0	0	0	0	0
d)	Bank / Financial Institutions	0	0	0	0	0	0	0	0	0
e)	Any Other (Total)	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(2)Total	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	726654	164287	890941	68.52	890941	0	890941	68.52	0

B	<b>Public shareholding</b>									
1	<b>Institutions</b>									
a	Mutual Funds	0	0	0	0	0	0	0	0	0
b	Financial Institutions/Banks	0	0	0	0	0	0	0	0	0
c	Central Government	0	0	0	0	0	0	0	0	0
d	State Government(s)	0	0	0	0	0	0	0	0	0
e	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f	Insurance Companies	0	0	0	0	0	0	0	0	0
g	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
h	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i	Others (Total)	0	0	0	0	0	0	0	0	0
	<b>Sub-Total (B)(1)</b>	0	0	0	0	0	0	0	0	0
2	<b>Non-institutions</b>									
a	Bodies Corporate									
	i.Indian	9257	21800	31057	2.39	6492	21800	28292	2.18	-0.21
	ii.Overseas	0	0	0	0	0	0	0	0	0
b	Individuals -									
	i. Individual Shareholders Holding Nominal Share Capital Up To Rs.1.00 Lakh.	51573	132630	184203	14.17	70854	104440	175294	13.48	-0.68
	ii. Individual Shareholders Holding Nominal Share Capital In Excess of Rs.1.00 Lakh	119936	-	119936	9.22	131609	0	131609	10.12	0.89
c	Others (Specify)									
c1	Clearing Members	1485	-	1485	0.11	6	-	6	0	-0.11
c2	Hindu Undivided Families	505	-	505	0.04	1353	0	1353	0.10	0.06
c3	Non Resident Indians	0	43600	43600	3.35	605	43600	44205	3.39	0.04
c4	Overseas Corporate Bodies	0	28500	28500	2.19	-	28500	28500	2.19	0
c5	Other	0	0	0	0	0	0	0	0	0
	<b>Sub-Total (B)(2)</b>	182729	226530	409259	31.48	210919	198340	409259	31.48	0
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	182729	226530	409259	31.48	210919	198340	409259	31.48	0
C	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
	<b>GRAND TOTAL A+B+C</b>	909383	390817	1300200	100	1101860	198340	1300200	100	0

## (ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No.of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No.of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1.	Dr.PRATHAP C REDDY	183630	14.12	0	183630	14.12	0	0
2.	MRS.SUCHARITHA P REDDY	172130	13.24	0	172130	13.24	0	0
3.	MRS.SANGITA REDDY	151848	11.68	0	151848	11.68	0	0

4.	PCR INVESTMENTS LIMITED	142000	10.92	0	142000	10.92	0	0
5.	MRS.SHOBANA KAMINENI	79086	6.08	0	79086	6.08	0	0
6.	MRS SUNEETA REDDY	49935	3.84	0	49935	3.84	0	0
7.	MR VIJAYAKUMAR REDDY P	25585	1.97	0	25585	1.97	0	0
8.	MRS MEENAKSHI REDDY	25000	1.92	0	25000	1.92	0	0
9.	MRS ROHINI REDDY	25000	1.92	0	25000	1.92	0	0
10.	MRS PREETHA REDDY	24432	1.88	0	24432	1.88	0	0
11.	MR.KARTHIK ANAND	5200	0.40	0	5200	0.40	0	0
12.	MS SINDOORI REDDY	3500	0.27	0	3500	0.27	0	0
13.	MS UPASANA KAMINENI	3000	0.23	0	3000	0.23	0	0
14.	MR DWARAKANATH REDDY	585	0.04	0	585	0.04	0	0
15.	MR ANIL KAMINENI	10	0	0	10	0	0	0
	Total	890941	68.52	0	890941	68.52	0	0

**(iii) Change in Promoters' Shareholding ( please specify, if there is no change)**

S. No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	PRATHAP C REDDY At the beginning of the year 01-Apr-2015	181610	13.9678	181610	13.9678
	Demated 26-Feb-2016	2020	0.1553	183630	14.1232
	At the end of the Year 31-Mar-2016	183630	14.1232	183630	14.1232
2.	Sucharitha P Reddy At the end of the Year 31-Mar-2016	172110	13.2371	172110	13.2371

	Demated 19-Feb-2016	20	0.0015	172130	13.2387
	At the end of the Year 31-Mar-2016	172130	13.2387	172130	13.2387
3.	Sangita Reddy At the beginning of the year 01-Apr-2015	151848	11.6788	151848	11.6788
	At the end of the Year 31-Mar-2016	151848	11.6788	151848	11.6788
4.	PCR Investments Limited At the beginning of the year 01-Apr-2015	142000	10.9213	142000	10.9213
	At the end of the Year 31-Mar-2016	142000	10.9213	142000	10.9213
5.	Shobana Kamineni At the beginning of the year 01-Apr-2015	79086	6.0826	79086	6.0826
	At the end of the Year 31-Mar-2016	79086	6.0826	79086	6.0826
6.	Mr.S. Suneeta Reddy At the beginning of the year 01-Apr-2015	49935	3.8405	49935	3.8405
	Sale 22-May-2015	-49835	3.8328	100	0.0076
	Sale 19-Feb-2016	-100	0.0076	0	0.0000
	Demated 22-May-2015	49835	3.8328	49835	3.8328
	Purchase 19-Feb-2016	100	49935	3.8405	3.8405
	At the end of the Year 31-Mar-2016	49935	3.8405	49935	3.8405
7.	Mr Vijayakumar Reddy At the beginning of the year 01-Apr-2015	25585	1.9677	25585	1.9677
	Sale 22-May-2015	-17585	1.3524	8000	0.6152
	Sale 19-Feb-2016	-8000	0.6152	0	0.0000
	Demated 22-May-2015	17585	1.3524	17585	1.3524
	Purchase 19-Feb-2016	8000	0.6152	25585	1.9677
	At the end of the Year 31-Mar-2016	25585	1.9677	25585	1.9677
8.	Mrs Meenakshi Reddy At the beginning of the year 01-Apr-2015	25000	1.9227	25000	1.9227
	Sale 15-May-2015	-25000	1.9227	0	0.0000
	Demated 22-May-2015	25000	1.9227	25000	1.9227
	At the end of the Year 31-Mar-2016	25000	1.9227	25000	1.9227

9.	Mrs Rohini Reddy At the beginning of the year 01-Apr-2015	25000	1.9227	25000	1.9227
	Sale 15-May-2015	-25000	1.9227	0	0.0000
	Demated 15-May-2015	25000	1.9227	25000	1.9227
	At the end of the Year 31-Mar-2016	25000	1.9227	25000	1.9227
10.	Mrs Preetha Reddy At the beginning of the year 01-Apr-2015	24432	1.8790	24432	1.8790
	Sale 29-May-2015	-24422	1.8783	10	0.0007
	Sale 19-Feb-2016	-10	0.0007	0	0.0000
	Demated 29-May-2015	24422	1.8783	24422	1.8783
	Purchase 19-Feb-2016	10	0.0007	24432	1.8790
	At the end of the Year 31-Mar-2016	24432	1.8790	24432	1.8790
11.	Master Karthik Anand At the beginning of the year 01-Apr-2015	5200	0.3999	5200	0.3999
	Sale 22-May-2015	-5200	0.3999	0	0.0000
	Demated 22-May-2015	5200	0.3999	5200	0.3999
	At the end of the Year 31-Mar-2016	5200	0.3999	5200	0.3999
12.	Ms Sindoori Reddy At the beginning of the year 01-Apr-2015	3500	0.2691	3500	0.2691
	Sale 15-Jan-2016	-3500	0.2691	0	0.0000
	Demated 15-Jan-2016	3500	0.2691	3500	0.2691
	At the end of the Year 31-Mar-2016	3500	0.2691	3500	0.2691
13.	Ms Upasana Kamineni At the beginning of the year 01-Apr-2015	3000	0.2307	3000	0.2307
	Sale 05-Feb-2016	-3000	0.2307	0	0.0000
	Demated 05-Feb-2016	3000	0.2307	3000	0.2307
	At the end of the Year 31-Mar-2016	3000	0.2307	3000	0.2307
14.	Mr.Dwarakanath Reddy At the beginning of the year 01-Apr-2015	585	0.0449	585	0.0449
	Sale 22-May-2015	-585	0.0449	0	0.0000
	Demated 22-May-2015	585	0.0449	585	0.0449
	At the end of the Year 31-Mar-2016	585	0.0449	585	0.0449

15.	Mr Anil Kamineni At the beginning of the year 01-Apr-2015	10	0.0007	10	0.0007
	Sale 05-Feb-2016	-10	0.0007	0	0.0000
	Demated 05-Feb-2016	10	0.0007	10	0.0007
	At the end of the Year 31-Mar-2016	10	0.0007	10	0.0007

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	VIJAYALAKSHMI.S At the beginning of the year 01-Apr-2015	119936	9.2244	119936	9.2244
	Sale 03-Apr-2015	-106	0.0081	119830	9.2162
	Purchase 10-Apr-2015	1418	0.1090	121248	9.3253
	Sale 17-Apr-2015	-293	0.0225	120955	9.3027
	Purchase 24-Apr-2015	108	0.0083	121063	9.3111
	Purchase 01-May-2015	357	0.0274	121420	9.3385
	Sale 22-May-2015	-307	0.0236	121113	9.3149
	Sale 29-May-2015	-102	0.0078	121011	9.3071
	Sale 05-Jun-2015	-750	0.0576	120261	9.2494
	Sale 12-Jun-2015	-45	0.0034	120216	9.2459
	Sale 19-Jun-2015	-107	0.0082	120109	9.2377
	Sale 10-Jul-2015	-223	0.0171	119886	9.2205
	Purchase 09-Oct-2015	923	0.0709	120809	9.2915
	Sale 16-Oct-2015	-200	0.0153	120609	9.2761
	At the end of the Year 31-Mar-2016	120609	9.2761	120609	9.2761
2	MRS SULATHA BEEVI T S At the beginning of the year 01-Apr-2015	31000	2.3842	31000	2.3842
	At the end of the Year 31-Mar-2016	31000	2.3842	31000	2.3842
3	M/S ENUGA ENTERPRISE LTD At the beginning of the year 01-Apr-2015	28500	2.1919	28500	2.1919
	At the end of the Year 31-Mar-2016	28500	2.1919	28500	2.1919
4	M/S APOLLO SINDHOORI CAPITAL INVEST At the beginning of the year 01-Apr-2015	21700	1.6689	21700	1.6689
	At the end of the Year 31-Mar-2016	21700	1.6689	21700	1.6689
5	MR SRINIRAM D At the beginning of the year 01-Apr-2015	10000	0.7691	10000	0.7691
	Demated 10-Apr-2015	-10000	0.7691	0	0.0000
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000
6	MOIZ PANCH A At the beginning of the year 01-Apr-2015	9600	0.7383	9600	0.7383
	At the end of the Year 31-Mar-2016	9600	0.7383	9600	0.7383

7.	MRHAMEEDABDULKADER N M At the beginning of the year 01-Apr-2015 At the end of the Year 31-Mar-2016	9500 9500	0.7306 0.7306	9500 9500	0.7306 0.7306
8	ADITYA BIRLA MONEY LIMITED At the beginning of the year 01-Apr-2015 Sale 09-Oct-2015 Sale 16-Oct-2015 Sale 23-Oct-2015 Sale 30-Oct-2015 Sale 18-Dec-2015 Sale 25-Dec-2015 Sale 31-Dec-2015 Sale 01-Jan-2016 Sale 08-Jan-2016 At the end of the Year 31-Mar-2016	6575 -1475 -136 -1 -1 -1 -121 -1635 -200 -501 2504	0.5056 0.1134 0.0104 0.0000 0.0000 0.0000 0.0093 0.1257 0.0153 0.0385 0.1925	6575 5100 4964 4963 4962 4961 4840 3205 3005 2504 2504	0.5056 0.3922 0.3817 0.3817 0.3816 0.3815 0.3722 0.2465 0.2311 0.1925 0.1925
9	DR GOPALAKRISHNA N G BHAT M D At the beginning of the year 01-Apr-2015 At the end of the Year 31-Mar-2016	5000 5000	0.3845 0.3845	5000 5000	0.3845 0.3845
10	M/S APOLLO HEALTH ASSOCIATION At the beginning of the year 01-Apr-2015 At the end of the Year 31-Mar-2016 NEW TOP 10 AS ON (31-Mar-2016)	5000 5000	0.3845 0.3845	5000 5000	0.3845 0.3845
11	VINUBHAI GOHEL JT1 : SUNIL KUMAR GOHEL JT2 : JIGNESH GOHEL At the beginning of the year 01-Apr-2015 At the end of the Year 31-Mar-2016	4000 4000	0.3076 0.3076	4000 4000	0.3076 0.3076

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No	For Each of the Directors and KMP At the beginning of the year	Shareholding at the beginning of the year		Shareholding at the beginning of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mrs.Sucharitha P Reddy	172130	13.24	172130	13.24
2.	Mrs Suneeta Reddy	49935	3.84	49935	3.84
3.	Mr Vijayakumar Reddy P	25585	1.97	25585	1.97
4.	Ms Sindoori Reddy	3500	0.27	3500	0.27
5.	Mr.G.Venkatraman	0	0	0	0
6.	Mr.George Eapen	0	0	0	0
7.	Suresh R Madhok	0	0	0	0
8.	Mr.M.Ramakrishnan, CFO *1	0	0	0	0
9.	Mr. KBS Manian, CFO*2				
10.	R.Sathishkumar				
	Company Secretary*1	0	0	0	0
	Cumulative Shareholding during the year	NIL	NIL	NIL	NIL

\*1 Resigned from the Company

\*2 Joined the Company 24th Dec,2015

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

PARTICULARS	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness ₹ in Lakhs
<b>Indebtedness at the beginning of the financial year</b>				
I Principal Amount	427.92	-	-	427.92
ii) Interest due but not paid	2.90	-	-	2.90
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>430.82</b>	<b>-</b>	<b>-</b>	<b>430.82</b>
<b>Change in Indebtedness during the financial year</b>				
i) Addition	-	-	-	-
ii) Reduction	-	-	-	-
<b>Net Change</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Indebtedness at the end of the financial year</b>				
I Principal Amount	340.39	-	-	340.39
ii) Interest due but not paid	0.75	-	-	0.75
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>341.14</b>	<b>-</b>	<b>-</b>	<b>341.14</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. no.	Particulars of Remuneration	Name of Managing Director	Total Amount(₹)
		Mr. Sucharitha Reddy	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	12,00,000 NIL NIL	12,00,000 NIL NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL
5.	Others, please specify	NIL	NIL
	Total (A)	12,00,000	12,00,000

Ceiling as per the Act

It is in accordance with the ceiling as specified under section 197 of the Companies Act, 2013

*B. Remuneration to other directors:*

S.No	Particulars of Remuneration	Name of Directors	Total Amount (₹)
1	Independent Directors		
	1.Fee for attending board / committee meetings	Mr.G.Venkatraman Mr.Suresh R.Madhok Mr.George Eapen	1,80,000 1,80,000 1,80,000
	2.Commission	Nil	Nil
	3.Others, please specify	Nil	Nil
	<b>Total (1)</b>		5,40,000
2.	Other Non-Executive Directors		
	1. Fee for attending board / committee meetings	Mr.P.Vijayakumar Reddy Mrs.Suneeta Reddy Mrs.Sindoori Reddy	20,000 80,000 60,000
	2.Commission	Nil	Nil
	3.Others, please specify Professional Charges	Mrs.Sindoori Reddy	24,00,000
	Total (2)		25,60,000
	Total (B)=(1+2)		31,00,000
	Total Managerial Remuneration(A) + (B)		43,00,000
	Overall Ceiling as per the Act		It is in accordance with the ceiling as specified under section 197 of the Companies Act, 2013

*C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTd*

S.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO (Mr.Ramakrishnan & Mr.KBS Manian)	Total Amount (₹)
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	5,40,000	16,86,958+6,68,418	28,95,376
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-

2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please Specify	-	-	-	-
	Total	-	5,40,000	23,55,376	28,95,376

\* Mr.Sathishkumar, Company Secretary resigned on 31st March 2016.

\* M.Ramakrishnan, CFO resigned on 28<sup>th</sup> February 2016 and Mr. KBS Manian has joined the Organisation from 24<sup>th</sup> December 2015

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A.Company</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B.DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

## ANNEXURE - B

### COMPOSITION OF AUDIT COMMITTEE

S.NO	Name	Designation	Category	Meeting Held	Attendance
1.	G.Venkatraman	Non-Executive Director	Independent	4	4
2.	Suresh R.Madhok	Non-Executive Director	Independent	4	4
3.	George Eapen	Non-Executive Director	Independent	4	4

## **ANNEXURE - C**

**Gouri Shanker Mishra**

**B.Com, MBA, FCS, LLB**

**Practicing Company Secretary**

**M: +91 98842 53052; Email: gsmishra.1977@gmail.com**

### **SECRETARIAL AUDIT REPORT**

**For the Financial Year Ended 31<sup>st</sup> March 2016**

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

**To:**

**The Members,**

**Apollo Sindoori Hotels Limited**

**Old #19, New #41, Uthamar Gandhi Salai**

**Anugraha, Nugambakkam, Chennai – 600 034, INDIA**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Apollo Sindoori Hotels Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The list of major heads/ group of Acts, Law and Regulations as applicable to the Company as per management declaration and representation, is mentioned below. In relation to these laws we have relied on the representation made by the Company and its Officers for system and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company.

1. Labour Laws:

- i. The Employees Provident Funds And Miscellaneous Provision's Act, 1952.
- ii. Employees' State Insurance Act, 1948.
- iii. Minimum Wages Act, 1946.
- iv. Contract Labour (Regular and Abolition) Act, 1970.
- v. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
- vi. Maternity Benefit Act, 1960.

- vii. Industrial Disputes Act, 1961.
- viii. Payment of Bonus Act, 1965.
- ix. Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988.
- x. Child Labour (Prohibition & Regulation) Act, 1986.
- xi. Equal Remuneration Act, 1976.
- xii. Payment of Gratuity Act, 1979.
- 2. Industrial Employment (Standing Orders) Act, 1946
- 3. The Negotiable Instruments Act, 1881.
- 4. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- 1. Secretarial Standard has not been followed properly for Board and Committee Meeting.
- 2. Few e-forms have been belatedly filed.
- 3. The majority of the revenue of the Company is from related party transaction which as per the representation from the Company is in ordinary course of business and on arms length basis.
- 4. Company was not required to comply with the Corporate Governance requirement as set out in Clause 49 of the Listing Agreement based on Circular of SEBI CIR/CFD/POLICY CELL/7/2014 dated 15<sup>th</sup> September 2014 and as per Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 5. Company has compounded offence for belated filing of form INV-5 for unclaimed dividend and deposits for the financial year ended 31st March 2013.

### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on

agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board and Committees were unanimous and the same was captured and recorded as part of the minutes and hence no dissent is recorded in minutes, however, we have been represented that dissent, if any, are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period:

*(a) The company has increased the borrowing power to Rs. 100 Crores vide special resolution passed u/s 180(1)(c) of the Companies Act, 2013 at the Annual General Meeting dated 12<sup>th</sup> August 2015.*

**Gouri Shanker Mishra**

Place : Chennai

FCS No. 6906

Date : 25<sup>th</sup> May 2016

C P No.: 13581

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

## ANNEXURE

To:

**The Members,**

**Apollo Sindoori Hotels Limited**

Old #19, New #41, Uthamar Gandhi Salai

Anugraha, Nugambakkam, Chennai – 600 034, INDIA

Our Secretarial Audit Report of even date is to be read along with this letter.

Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Gouri Shanker Mishra**

FCS No. 6906

C P No.: 13581

Place : Chennai

Date : 25<sup>th</sup> May 2016

## ANNEXURE – D

I. Information to be furnished as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under:

- i The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

(₹ In Lacs)

S. NO	Name of Directors/KMP and Designation	Remuneration of Directors/ KMP for financial year 2015-16	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Mrs. Sucharitha Reddy, Managing Director	12.00	-	7.45	Profit Before Tax and Extraordinary items was ₹ 144.16 Lacs for the financial year 2015-16
2	Mr.KBS Manian, Chief Financial Officer	6.68	-	4.15	
3	Mr.Ramakrishnan Chief Financial Officer	16.86	23%	8.87	
4	Mr.Sathishkumar Company Secretary	5.40	-	3.36	

- ii. The median remuneration of employees of the Company during the financial year 2015-16 was ₹1.60 Lakh.
- iii. In the financial year, there was an increase of 22%, in the median remuneration of employees.
- iv. There were 3990 employees which includes the permanent staff, FTC's Contracted/outsourced staff/Deputed staff as on March 31, 2016.
- v. Relationship between average increase in remuneration and company performance:-  
The average increase in median remuneration was in line with the performance of the Employee and market condition.
- vi. Remuneration of the key Managerial Personnel(s) was increased as per market condition:  
a. The total remuneration of the Key Managerial Personnel increased (44.6%) from ₹26.52 Lacs to ₹38.35 Lacs in 2015-16.
- vii. *Variations in the market capitalization of the Company. The market capitalization as on March 31, 2016 was ₹2821.43 lakhs in comparison to previous year ended 31.03.2015 was ₹2657.60 Lakhs.*
- viii. *Price Earnings ratio of the Company was -11.85% as on March 31, 2016 in comparison to Price Earnings ratio of the Company was 11.50% as on March 31, 2015.*
- ix. Present increase over/decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year.

The Company has not made any public offer till date, since its incorporation. Its shares were listed on Stock Exchanges due to order of the Madras High Court dated April 16, 2000, a scheme of arrangement between Apollo Hospitals Enterprise Limited and Om Sindoori Hotels Limited, a company engaged in the hoteling and travel agency business in Chennai, was approved. The said scheme recorded that the said businesses of Om Sindoori Hotels Limited would be taken over by the company as a going concern. The name of the company was thereafter changed to "Apollo Sindoori Hotels Limited" on October 10, 2000.

- x. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee(NRC) as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- xi. The ratio of the remuneration of the highest paid director to that of the employee who are not directors but receive remuneration in excess of the highest paid director during the year –Mr.S.T.Nithyanandam – Chief Operating Officer receive remuneration in excess of the highest paid director during the year ended 31/03/2016.
- xii. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employee.

## **II. Remuneration to Non-Executive Directors:**

The Board, on the recommendation of the NRC, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

Non-Executive Directors shall be entitled to sitting fees for attending the meeting of the Board and the Committee thereof.

## **III. Remuneration to other employees;**

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

## **IV.NOMINATION AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

### **PRINCIPLE AND RATIONALE**

Section 178 of the Companies Act, 2013 require the Nomination and Remuneration Committee of the Board of Directors of every listed entity, among other classes of companies, to

- formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- carry out evaluation of every director's performance.
- formulate the criteria for evaluation of Independent Directors and the Board.

Accordingly, in adherence to the above said requirements and in line with the Company philosophy towards nurturing its human resources, the Nomination and Remuneration Committee of the Board of Directors of Apollo Sindoori Hotels Limited herein below recommends to the Board of Directors for its adoption the Nomination and Remuneration Policy for the directors, key managerial personnel and other employees of the Company as set out below:

### **COMPANY PHILOSOPHY**

Apollo Sindoori is an equal opportunities employer. The organization does not discriminate on grounds of age, gender, colour, race, ethnicity, language, caste, creed, economic or social status or disability. The global workforce spread across continents, which has over the years transformed Apollo Sindoori into a global organisation forms the backbone of the entity. Pay revisions and other benefits are designed in such a way to compensate good performance of the employees of the Company and motivate them to do better in future.

Employee recognition schemes in the form of ESOPs/ ESPS have also been introduced as successful tools in acknowledging their contribution and making them partners in the wealth created by Apollo Sindoori.

The endeavour of the organisation is to acknowledge the contributions of its directors, key managerial personnel and other employees with best compensation and benefits that appropriately reward performance in line with the regulatory and industry best practices.

## **GUIDING PRINCIPLES**

In the formulation of this Policy, the Nomination and Remuneration Committee has also endeavored to ensure the guiding principles as prescribed u/s 178(4) of the Companies Act, 2013, summarized hereunder:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate human resource including directors of the quality required to run the company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- c) remuneration to directors, key managerial personnel and senior management reflecting short and long term performance objectives appropriate to the working of the company and its goals;
- d) facilitating effective shareholder participation in key Corporate Governance decisions such as the nomination and election of board members;
- e) aligning key executive and board remuneration with the longer term interests of the company and its shareholders;
- f) ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

## **NOMINATION OF THE DIRECTORS**

The Nomination and Remuneration Committee of the Board of Directors is dedicated to ensuring the continuance of a dynamic and forward-thinking Board and recommend to the Board qualified candidates for directorship.

Before recommending a nominee's candidature to the Board for being appointed as a Director, the following criteria set out may be applied as guidelines in considering potential nominees to the Board of Directors.

### **General Criteria**

-The background and qualifications of the Directors considered as a group should provide a significant breadth of experience, knowledge and abilities to assist the Board in fulfilling its responsibilities.

- Directors should be selected so that the Board of Directors should remain as a diverse body, with diversity reflecting gender, ethnic background, country of citizenship and professional experience. Because a mix of viewpoints and ideas enhances the Board's ability to function effectively, the Committee shall consider the diversity of the existing Board when considering potential nominees, so that the Board maintains a body of directors from diverse professional and personal backgrounds.

- Potential nominees shall not be discriminated against on the basis of race, religion, national origin, sex, disability, or any other basis prohibited by law.

- Any nominee should be free of any conflict of interest which would violate any applicable law or regulation or interfere with the performance of the responsibilities of a director.

- Commitment of the nominee to understanding the Company and its industry, embracing the organisation's values to help shape its vision, mission and strategic direction including oversight of risk management and internal control.
- Commitment of the nominee to spending the time necessary to function effectively as a Director, including attending and participating in meetings of the Board and its Committees.

### **Specific Criteria**

- Demonstrated business acumen, experience and ability to use sound judgment and to contribute to the effective oversight of the business and financial affairs of a large, multifaceted, global organisation.
- The nominee reflects the right corporate tone and culture and excels at board-management relationships.
- Experience in strategic planning and managing multi-disciplinary responsibilities, the ability to navigate among diverse professional groups and points of view, a track record of communicating effectively in a global environment, and high standards of integrity and professional conduct.
- Nominees understand and endeavour to balance the interests of shareholders and/ or other stakeholders and put the interests of the company or organisation above self-interest. He/ she has demonstrated a commitment to transparency and disclosure.
- He/ she is committed to superior corporate performance, consistently striving to go beyond the legal and/or regulatory governance requirements to enhance, not just protect, shareholder value.
- Nominee contributes to effective governance through superior, constructive relationships with the Executive Directorate and management.

### **REMUNERATION OF THE DIRECTORS**

The Company strives to provide fair compensation to directors, taking into consideration industry benchmarks, Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macro economic review on remuneration packages of heads of other organisations.

The remuneration payable to the directors of the company, shall at all times be determined, in accordance with the provisions of the Companies Act, 2013.

#### **Appointment and Remuneration of Managing Director and Whole-time Director**

The terms and conditions of appointment and remuneration payable to a Managing Director and Whole-time Director(s) shall be recommended by the Nomination and Remuneration Committee to the Board for its approval which shall be subject to approval by shareholders at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V to the Companies Act, 2013. Approval of the Central Government is not necessary if the appointment is made in accordance with the conditions specified in Schedule V to the Act.

In terms of the provisions of Companies Act, 2013, the Company may appoint a person as its Managing Director or Whole-time Director for a term not exceeding 5 (Five) years at a time.

The executive directors may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

While recommending the remuneration payable to a Managing/Whole-time Director, the Nomination and Remuneration Committee shall, *inter alia*, have regard to the following matters:

- Financial and operating performance of the Company
- Relationship between remuneration and performance
- Industry/ sector trends for the remuneration paid to executive directorate

Annual Increments to the Managing/ Whole-time Director(s) shall be within the slabs approved by the Shareholders.

Increments shall be decided by the Nomination and Remuneration Committee at times it desires to do so but preferably on an annual basis.

Insurance Premium as Part of Remuneration Where any insurance is taken by a company on behalf of its Managing Director, Whole-time Director, Manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

However, if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### **Remuneration of Independent Directors**

Independent Directors may receive remuneration by way of

- Sitting fees for participation in the Board and other meetings
- Reimbursement of expenses for participation in the Board and other meetings
- Commission as approved by the Shareholders of the Company

Independent Directors shall not be entitled to any stock options.

Based on the recommendation of the Nomination and Remuneration Committee, the Board may decide the sitting fee payable to independent directors. Provided that the amount of such fees shall not exceed the maximum permissible under the Companies Act, 2013.

### **Remuneration to Directors in other Capacity**

The remuneration payable to the directors including Managing or Whole-time Director or Manager shall be inclusive of the remuneration payable for the services rendered by him in any other capacity except the following:

- (a) the services rendered are of a professional nature; and
- (b) in the opinion of the Nomination and Remuneration Committee, the director possesses the requisite qualification for the practice of the profession.

### **EVALUATION OF THE DIRECTORS**

As members of the Board, the performance of the individual Directors as well as the performance of the entire Board and its Committees is required to be formally evaluated annually.

Section 178(2) of the Companies Act, 2013 also mandates the Nomination and Remuneration Committee to carry out evaluation of every director's performance.

In developing the methodology to be used for evaluation on the basis of best standards and methods meeting international parameters, the Board/ Committee may take the advice of an independent professional consultant.

appropriate and balanced remuneration package.

The annual increments to the remuneration paid to the employees shall be determined based on the annual appraisal carried out by the HoDs of various departments.

Decisions on Annual Increments shall be made on the basis of this annual appraisal.

## **GENERAL**

This Policy shall apply to all future employment of Company's Senior Management including Key Managerial Personnel and Board of Directors.

Any or all the provisions of this Policy would be subject to the revision/ amendment in the Companies Act, 2013, related rules and regulations, guidelines and the Listing Agreement on the subject as may be notified from time to time. Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/or the Board of Directors.

## **NOMINATION AND REMUNERATION OF THE KEY MANAGERIAL PERSONNEL (OTHER THAN MANAGING/WHOLE-TIME DIRECTORS), KEY-EXECUTIVES AND SENIOR MANAGEMENT**

The executive management of a company is responsible for the day to day management of a company. The Companies Act, 2013 has used the term “key managerial personnel” to define the executive management.

The KMPs are the point of first contact between the company and its stakeholders. While the Board of Directors are responsible for providing the oversight, it is the key managerial personnel and the senior management who are responsible for not just laying down the strategies as well as its implementation.

The Companies Act, 2013 has for the first time recognized the concept of Key Managerial Personnel. As per section 2(51) “key managerial personnel”, in relation to a company, means:

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Whole-time Director;
- (iii) the Chief Financial Officer;
- (iv) the Company Secretary; and
- (v) such other officer as may be prescribed.

Among the KMPs, the remuneration of the CEO or the Managing Director and the Whole-time Director(s), shall be governed by the Section on REMUNERATION OF THE DIRECTORS of this Policy dealing with “Remuneration of Managing Director and Whole-time Director”.

Apart from the directors, the remuneration of

- All the Other KMPs such as the company secretary or any other officer that may be prescribed under the statute from time to time; and

- “Senior Management” of the Company defined in the Listing Agreement with the Stock Exchanges i.e. personnel who are members of its core management team excluding the Board of Directors.

Senior executives one level below the Board i.e. President cadre shall be determined by the Human Resources Department of the Company in consultation with the Managing Director and/ or the Whole-time Director (Finance).

The remuneration determined for all the above said senior personnel shall be in line with the Company's philosophy to provide fair compensation to key - executive officers based on their performance and contribution to the Company and to provide incentives that attract and retain key executives, instill a long-term commitment to the Company, and develop a pride and sense of Company ownership, all in a manner consistent with shareholder interests.

The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided by the Company's HR department.

Decisions on Annual Increments of the Senior Personnel shall be decided by the Human Resources Department in consultation with the Managing Director and/ or the Whole-time Director (Finance) of the Company.

## **REMUNERATION OF OTHER EMPLOYEES**

Apart from the Directors, KMPs and Senior Management, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and local market conditions.

The Company considers it essential to incentivize the workforce to ensure adequate and reasonable compensation to the staff. The Human Resources Department shall ensure that the level of remuneration motivates and rewards high performers who perform according to set expectations for the individual in question.

The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an

## **INDEPENDENT AUDITORS' REPORT**

To the Members of

### **APOLLO SINDOORI HOTELS LTD**

#### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Apollo Sindoori Hotels Limited (“the company”), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

#### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the

Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Entity's Internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act 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 March 31, 2016;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:**

1. As required by the Companies (Auditor's Report) Order, 2016 ("The Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in Annexure “B”.
- g) With respect to the other matters included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 and to our best of our information and according to the explanations given to us:
  - i) The company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred to the investor education and protection fund by the company.

For **R. SUBRAMANIAM AND COMPANY**  
Chartered Accountants  
FRN:004137S

**R. RAJARAM**  
Partner  
Membership No:25210

Place: Chennai

Date 27<sup>th</sup> May 2016

## **Annexure- A**

### **To Independent Auditors' Report of Even Date on The Standalone Financial Statements of Apollo Sindoori Hotels Limited.**

#### **The Annexure referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements “of our report on even date.**

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) The fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancy was noticed on such verification.  
(c) The company has no immovable property.
2. According to the Information and explanation given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses 3 (a) and 3(b) are not applicable.
4. The company has not provided any loan or investments or Guarantees or Securities to any company covered under the provisions of Sec 185 and Sec 186 of Companies Act 2013.
5. According to the information and explanations given to us, the Company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) amended Rules, 2015 are not applicable.
6. According to the information and explanations given to us, the Company is not required to maintain cost records pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section 1 of Section 148 of the Act.
7. (a) According to the information and explanations given to us, the Company was depositing undisputed statutory dues after some delay on some occasions to the appropriate authorities of Provident Fund, Employees' State Insurance, Tax Deducted at Source, Service Tax and Value added Tax. To the best of our knowledge and according to the information and explanations given to us, outstanding statutory dues as at March 31, 2016 payable for a period exceeding six months from the date they became payable relating to Service Tax was Rs.4,53,570/-.

(b) The company has no disputed dues of Income tax, Sales tax, Excise duty, Customs duty and value added tax which have not been deposited as on 31st March 2016.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any dues to financial institutions, banks and debenture holders.
9. In our opinion and according to the information and explanations given to us, the Company has not raised any money by the way of initial public offer (including debt instruments) and hence this clause is not applicable.
10. According to the information and explanations given to us, by the Company, no fraud on or by the Company has been noticed or reported, during the year.
11. The managerial remuneration paid by the company is as per the Sec 197 of The Companies Act 2013 and Schedule V of the Companies Act 2013.
12. The Company is not a Nidhi company hence the above clause is not applicable.
13. All transactions with related parties are in compliance of Sec 177 and Sec 188 of the Companies Act 2013 where applicable and details have been disclosed in Financial Statements etc., as required by the applicable Accounting Standards.
14. The Company has not made any preferential allotment of Non-Convertible Redeemable Preference Shares and hence the question of compliance under Sec 42 of the Companies Act 2013 will not arise.
15. The company has not entered into any non-cash transactions with the Directors or the persons connected with him.
16. The Company is not a non-banking financial institution the clause regarding registration under Reserve Bank of India Act will not apply.

For **R. SUBRAMANIAM AND COMPANY**  
Chartered Accountants  
FRN:004137S

Place: Chennai

Date 27<sup>th</sup> May 2016

**R. RAJARAM**  
Partner  
Membership No:25210

## **Annexure- B**

### **To Independent Auditors' Report of Even Date on The Standalone Financial Statements of Apollo Sindoori Hotels Limited.**

#### **The Annexure referred to in paragraph 2 (f) under the heading “Report on Other Legal and Regulatory Requirements” of our report on even date.**

We have audited the internal financial controls over financial reporting of Apollo Sindoori Hotels Limited (“the Company”) as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For **R. SUBRAMANIAM AND COMPANY**  
Chartered Accountants  
FRN:004137S

Place: Chennai

Date 27<sup>th</sup> May 2016

**R. RAJARAM**  
Partner  
Membership No:25210

## Balance Sheet as at 31st March, 2016

PARTICULARS	NOTE	31.03.2016	31.03.2015
<b>I. EQUITY AND LIABILITIES</b>		₹	₹
<b>(1) SHAREHOLDER'S FUNDS</b>			
(a) Share Capital	3	1,30,02,000	1,30,02,000
(b) Reserves and Surplus	4	11,86,40,754	14,28,61,102
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	5	41,66,667	1,54,37,063
(b) Other Long term Liability	6	72,71,098	3,27,170
© Long term provisions	7	5,38,95,125	3,26,73,603
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	8	2,65,39,047	2,69,51,899
(b) Trade Payables	9	9,49,30,809	5,93,01,215
(c) Other current liabilities	10	10,02,63,318	7,76,55,478
(d) Short-term provisions	11	2,84,78,608	1,38,66,645
<b>Total</b>		<b>44,71,87,426</b>	<b>38,20,76,175</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	12		
(i) Tangible assets		3,89,04,019	2,11,11,164
(ii) Intangible assets		-	-
(iii) Capital Work in progress		-	-
(b) Non-current investments	13	4,52,650	4,52,650
(c) Deferred tax assets (net)	14	1,42,68,018	48,83,500
(d) Long term loans and advances	15	1,67,13,445	1,50,00,938
(e) Other Non-Current Asset	16	5,50,95,841	4,11,89,364
<b>(2) Current assets</b>			
(a) Inventory	17	1,14,49,312	1,32,89,545
(b) Trade Receivables	18	25,45,30,310	23,95,44,379
(c) Cash and Bank Balances	19	2,61,30,598	2,81,09,400
(d) Short-term loans and advances	20	1,26,43,233	1,14,94,135
(e) Other current assets	21	1,70,00,000	70,01,100
<b>Total</b>		<b>44,71,87,426</b>	<b>38,20,76,175</b>

### Significant Accounting Policies and Notes on Accounts 1 to 37

The schedules referred to above and the notes thereon form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

**For Apollo Sindoori Hotels Ltd.,**

**R. Subramanian and Company**

Chartered Accountants

**Sucharitha Reddy**  
Managing Director

**G. Venkatraman**  
Director

**R.Rajaram**  
Partner

**C Natarajan**  
Chief Executive Officer

Place: Chennai  
Date: 27.05.2016

**KBS Manian**  
Chief Financial Officer

**Prakash Chandra Panda**  
Company Secretary

**Statement of Profit and Loss for the year ended 31st March 2016**

(Amt In INR)

S.No	Particulars	Note	31.03.2016 ₹	31.03.2015 ₹
III.	INCOME:			
	Revenue from operations	22	1,31,82,57,840	96,37,03,345
	Other Income	23	1,08,95,975	63,86,093
	<b>Total Income</b>		<b>1,32,91,53,815</b>	<b>97,00,89,438</b>
IV.	EXPENDITURE:			
	Consumption of Provisions & Stores	24	48,80,26,337	30,49,97,021
	Employee benefit expense	25	63,66,89,371	49,23,56,696
	Finance Cost	26	76,19,168	22,47,794
	Depreciation and amortization expense	12	78,34,392	45,95,996
	Other expenses	27	17,45,67,548	13,15,57,345
	<b>Total Expenses</b>		<b>1,31,47,36,816</b>	<b>93,57,54,852</b>
V.	Profit before exceptional and extraordinary items and tax(III - IV)		1,44,16,999	3,43,34,586
VI.	Exceptional Items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		1,44,16,999	3,43,34,586
VIII.	Less: Extraordinary Items		4,80,21,864	-
IX.	Profit/(Loss) before tax (VII - VIII)		<b>(3,36,04,865)</b>	<b>3,43,34,586</b>
X.	Tax expense:			
	(1) Current tax		-	99,00,000
	(2) Deferred tax		(93,84,518)	13,11,416
XI.	Net Profit/(Loss) for the period(IX-X)		<b>(2,42,20,347)</b>	<b>2,31,23,170</b>
XII.	Earning per equity share:			
	Weighted average no. of shares outstanding during the period		13,00,200	13,00,200
	Nominal Value per Equity Share		10.00	10.00
	Earnings per share before extra-ordinary item			
	- Basic & Diluted EPS		18.31	17.78
	Earnings per share after extra-ordinary item			
	- Basic & Diluted EPS		-18.63	17.78

**Significant Accounting Policies and Notes on Accounts 1 to 37**

The schedules referred to above and the notes thereon form an integral part of the Profit & Loss Account.  
This is the Profit & Loss Account referred to in our report of even date.

**R. Subramanian and Company**  
Chartered Accountants

**R.Rajaram**  
Partner

Place: Chennai  
Date: 27.05.2016

**For Apollo Sindoori Hotels Ltd.,**

**Sucharitha Reddy**  
Managing Director

**G. Venkatraman**  
Director

**C Natarajan**  
Chief Executive Officer

**KBS Manian**  
Chief Financial Officer

**Prakash Chandra Panda**  
Company Secretary

## **SIGNIFICANT ACCOUNTING POLICIES**

### **1. Background**

Apollo Sindoori Hotels Limited. (“the Company”), a company incorporated under the Indian Companies Act at Chennai. The Company is in the business of managing food outlets at hospitals and reputed organisations. The Company also undertakes Outdoor Catering Services etc.

### **2. Significant accounting policies**

#### **i) Basis of preparation of financial statements**

The financial statements of “the Company” have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”)/Companies Act, 1956 (“the Act 1956”), as applicable. The statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### **ii) Use of estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period, reported balances of assets and liabilities, and disclosure of contingent assets and liabilities as at the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### **iii) Fixed assets and depreciation**

Fixed assets are stated at the cost of acquisition less accumulated depreciation. Cost is inclusive of freight, duties, taxes and other directly attributable costs incurred to bring the assets to their working condition for intended use.

Depreciation is provided on all fixed assets on the straight-line method in accordance with Schedule II to the Companies Act, 2013 adopting the useful life for assets as specified therein and reckoning the residual value at 5% of the original cost of the asset.

Intangible assets are amortized equally over the estimated useful life not exceeding three years.

#### **iv) Inventory**

Stocks of provisions, stores and other consumables are valued at cost (average price) on FIFO basis.

#### **v) Investments**

Investments are classified as Long Term Investments and Current Investments and are valued in accordance with Accounting Standards on 'Accounting for Investments' (AS-13), issued by The Institute of Chartered Accountants of India. Current Investments are carried at lower of cost and market value/NAV, computed individually. Long Term Investments are stated at cost. Provision for diminution in the value of Long Term Investments is made only if such decline is other than temporary in the opinion of the management.

vi) **Leases**

Finance leases, which effectively transfers substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease and disclosed as assets taken on lease. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit interest rate or incremental borrowing rate as applicable. Finance charges are charged directly against income.

Lease payments under an operating lease, are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

vii) **Impairment of Assets**

An asset is treated as impaired when the carrying cost of such assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired, after considering adjustment if any already carried out.

viii) **Revenue Recognition**

Income from various services rendered is recognised on the basis of contract between the parties. Room revenue is recognised on time proportion basis.

ix) **Foreign exchange transactions**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at rates of exchange on the balance sheet date. Exchange differences arising on foreign currency transactions are recognised in the profit and loss account.

x) **Taxation**

Income-tax expense comprise current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting that tax effects of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at the balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

Current tax and deferred tax assets and liabilities are offset to the extent to which the Company has a legally enforceable right to set off and they relate to taxes on income levied by the same governing taxation laws.

xi) **Earnings per share**

Basic earnings per share amounts are computed by dividing net profit or loss for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year.

xii) **Provisions and contingent liabilities**

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.

xiii) **Employee Benefits**

(i). **Short-term Employee Benefits**

Short Term Employee Benefits for Services rendered by employees are recognized during the period when the services are rendered.

(ii) **Post -Employment Benefits**

(a) **Defined Contribution Plan**

The Company makes Provident fund contributions for qualifying employees. Under the Provident Fund scheme, the Company is required to contribute a specified percentage of payroll cost to the Employees Provident Fund Scheme, 1952 to fund the benefits. The interest as declared by the Government from time to time accrues to the credit of the employees under the scheme.

(b) **Defined Benefit Plan**

The Company makes annual contributions to the Employees' Group Gratuity cum - Life Assurance Scheme of an Insurer, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Liability for unavailed leave for qualifying employees is actuarially valued and provided for but is partially funded.

(xiv) **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated.

## Notes to financial statements for the year ended 31st March 2016

Particulars	As at March 31, 2016 ₹		As at March 31, 2015 ₹	
<b>Shareholder's fund</b>				
<b>Note 3:</b>				
<b>SHARE CAPITAL</b>				
<u>Authorised Capital</u>				
50,00,000 Equity shares of Rs.10/- each		5,00,00,000		5,00,00,000
<u>Issued, Subscribed &amp; Paid up Capital</u>				
13,00,200 Equity shares of Rs.10/- each		1,30,02,000		1,30,02,000
<b>Total</b>		<b>1,30,02,000</b>		<b>1,30,02,000</b>
<b>Reconciliation of share outstanding at the beginning and at the end of the year.</b>				
<b>Equity Shares</b>	<b>No's</b>	<b>Rs.</b>	<b>No's</b>	<b>Rs.</b>
Shares outstanding at the beginning of the year	13,00,200	1,30,02,000	13,00,200	1,30,02,000
Shares issued during the year at face value Rs.10/-	-	-	-	-
Shares bought back during the year.	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>13,00,200</b>	<b>1,30,02,000</b>	<b>13,00,200</b>	<b>1,30,02,000</b>
<b>Shareholders holding more than 5% shares</b>				
Name of Equity Shareholder				
(Equity Shareholder holding more than 5 % of Equity share)	<b>No's</b>	<b>% of holding</b>	<b>No's</b>	<b>% of holding</b>
Mr. Prathap C Reddy	1,83,630	14.12%	1,83,630	14.12%
Mrs. Sucharitha P Reddy	1,72,130	13.24%	1,72,130	13.24%
Mrs. Sangita Reddy	1,51,848	11.68%	1,51,848	11.68%
M/s PCR Investments Limited	1,42,000	10.93%	1,42,000	10.93%
Mrs. Vijayalakshmi S	1,19,936	9.22%	1,19,936	9.22%
Mrs. Shobana Kamineni	79,086	6.08%	79,086	6.08%
	8,48,630	65.27%	8,48,630	65.27%
<b>Note 4:</b>				
<b><u>RESERVES AND SURPLUS</u></b>				
<b>a. Capital Reserve</b>				
Opening Balance	73,52,676		73,52,676	
(+) Current Year Transfer	-		-	
(-) Written Back in Current Year	-		-	
Closing Balance		73,52,676		73,52,676
<b>b. General Reserve</b>				
Opening Balance	1,06,82,000		1,06,82,000	
(+) Current Year Transfer	-		-	
(-) Written Back in Current Year	-		-	
Closing Balance		1,06,82,000		1,06,82,000
<b>c. Surplus</b>				
P&L - Opening balance	12,48,26,425		10,71,06,205	
(+) Net Profit / (Loss) for the year	(2,42,20,347)		2,31,23,170	
(+) Transfer from Reserves				
(-) Depreciation adjusted with reserve	-		6,36,304	
(-) Transfer to General Reserve	-		-	
(-) Proposed Dividend - Equity 30%	-		39,00,600	
(-) Tax on Proposed Dividend	-		8,66,045	
Closing balance		10,06,06,078		12,48,26,426
<b>Total</b>		<b>11,86,40,754</b>		<b>14,28,61,102</b>

## Notes to financial statements for the year ended 31st March 2016

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
<b>Note 5:</b>		
<b>LONG TERM BORROWINGS</b>		
<b>Secured:</b>		
Vehicle Loan from Bank (1)	-	4,37,063
Term Loan (2)	41,66,667	-
Loan against Deposit (Secured by Fixed Deposit)	-	1,50,00,000
<b>Total</b>	<b>41,66,667</b>	<b>1,54,37,063</b>
<b>Current maturities of Long Term borrowings</b>	33,33,333	6,92,614
<i>1) The vehicle loan carries interest at the rate of 10% pa and has to be repaid in 36 equal installments from november 2013. Loan is secured against hypothecation of vehicle</i>		
<i>2) The loan is repayable in 12 equal quarterly instalments of Rs 8,33,333 each and Interest is payable @ 11.85%</i>		
<i>The loan is secured by (i) exclusive charge on current &amp; fixed assets of the company, (ii) exclusive charge on the fixed assets (of Centralised kitchen unit) funded from the loan, (iii) Letter of comfort from Apollo hospitals Enterprises Ltd.</i>		
<b>Note 6:</b>		
<b>OTHER LONG TERM LIABILITIES:</b>		
Security Deposit	3,27,170	3,27,170
Trade Payables	48,14,127	-
Others (Creditors for Expenses)	21,29,801	-
<b>Total</b>	<b>72,71,098</b>	<b>3,27,170</b>
<b>Note 7:</b>		
<b>LONG TERM PROVISIONS:</b>		
Provision for Employee Benefits:		
Provision for Leave Encashment	1,31,57,272	1,22,02,771
Provision for Gratuity	4,07,37,853	2,04,70,832
<b>Total</b>	<b>5,38,95,125</b>	<b>3,26,73,603</b>
<b>Note 8:</b>		
<b>SHORT TERM BORROWINGS:</b>		
<b>Loan Repayable on Demand: (Secured)</b>		
Cash Credit with Bank (3)	2,65,39,047	2,69,51,899
<b>Total</b>	<b>2,65,39,047</b>	<b>2,69,51,899</b>
<i>(3) The Cash credit facility is secured by exclusive charge over Inventory, Trade Receivables and all the fixed assets of the company.</i>		
<b>Note 9:</b>		
<b>TRADE PAYABLES:</b>		
Creditors for Operations	9,49,30,809	5,93,01,215
<b>Total</b>	<b>9,49,30,809</b>	<b>5,93,01,215</b>

## Notes to financial statements for the year ended 31st March 2016

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
<b>Note 10:</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Bank balance (Current Account)	-	14,21,719
Current maturities on vehicle loan (refer note 5)		6,92,614
Current maturities on Term loan (refer note 5)	33,33,333	-
Creditors for Expenses	2,46,40,601	1,52,05,670
Statutory Dues	3,03,74,457	4,09,89,284
Employee Dues	3,93,08,724	1,70,08,606
Unpaid Dividend	19,37,015	19,36,165
Advance Receipts	1,12,259	11,265
Other liabilities	5,56,929	3,90,155
<b>Total</b>	<b>10,02,63,318</b>	<b>7,76,55,478</b>
<b>Note 11:</b>		
<b>SHORT TERM PROVISIONS:</b>		
Provision for Employee Benefits:		
Provision for Bonus	2,58,50,000	91,00,000
Provision for Gratuity	20,68,175	-
Provision for Leave Encashment	5,60,433	-
<b>Other Provisions:</b>		
Proposed Dividend	-	39,00,600
Dividend Tax Payable	-	8,66,045
<b>Total</b>	<b>2,84,78,608</b>	<b>1,38,66,645</b>

**Note: 12**  
**FIXED ASSETS**

Amount in Rupees

PARTICULARS	ORIGINAL COST			DEPRECIATION				NET BOOK VALUE		
	Cost as at 01.04.2015	Additions during the Year	Deletions during the Year	Cost as at 31.03.2016	As at 01.04.2015	For the Year	Depreciation adjusted with reserve	Deletions	As at 31.03.2016	As at 31.03.2015
Temporary Constructions	8,27,997	-	-	8,27,997	8,27,997	-	-	-	8,27,997	-
Computers	95,13,129	26,44,672	99,000	1,20,58,801	64,28,579	17,00,428	-	43,103	80,85,904	39,72,897
Electrical Installations	36,44,852	39,81,854	5,58,848	70,67,858	21,68,848	8,98,994*	-	5,58,848	25,08,994	45,58,864
Furniture & Fittings	69,49,808	1,24,33,817	35,13,168	1,58,70,457	32,28,925	46,03,171**	-	35,13,168	43,18,928	1,15,51,530
Kitchen Equipments	1,69,38,434	1,04,00,583	-	2,73,39,017	88,07,340	38,94,913	-	-	1,27,02,253	1,46,36,764
Vehicles	46,51,133	21,23,827	25,26,039	42,48,921	8,73,165	6,35,224	-	6,96,447	8,11,943	3,4,36,979
Office Equipments	27,09,915	-	-	27,09,915	17,89,250	1,73,678	-	-	19,62,929	7,46,985
Plant & Machinery	45,29,435	-	-	45,29,435	45,29,435	-	-	-	45,29,435	-
TOTAL	4,97,64,703	3,15,84,753	66,97,055	7,46,52,401	2,86,53,540	1,19,06,408	-	48,11,566	3,57,48,382	3,89,04,019
PREVIOUS YEAR(31.03.15)	4,20,62,006	81,47,269	4,44,572	4,97,64,703	2,36,35,395	45,95,996	6,36,305	2,14,155	2,86,53,540	2,11,11,164
										1,84,26,612

**Notes:**

\*- Depreciation includes 100% Depreciation on Electrical Installation of Rs.5,58,848/- of Suruchi Restaurant Asset

\*\*- Depreciation includes 100% Depreciation on Furniture & Fixtures of Rs.35,13,168/- of Suruchi Restaurant

## Notes to financial statements for the year ended 31st March 2016

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
<b>Note 13:</b> <b>NON-CURRENT INVESTMENTS:</b> <b><u>Investment in Equity Instruments:</u></b> <b>Investment in Joint Venture:</b> <b><u>At Cost, Unquoted</u></b> 45,265 equity shares of ₹10/- each fully paid up in Faber Sindoori Management Services (P) Ltd	4,52,650	4,52,650
<b>Total</b>	<b>4,52,650</b>	<b>4,52,650</b>
<b>Note 14:</b> <b>DEFERRED TAX</b> <b>Deferred Tax Assets:</b> Timing difference on depreciation of assets Expenses allowable for tax purposes when paid <b>Gross Deferred tax asset</b> Deferred Tax Liabilities: Timing difference on depreciation of assets <b>Gross Deferred tax liability</b>	- 1,52,05,751 <b>1,52,05,751</b> 9,37,733 <b>9,37,733</b>	4,75,209 44,08,291 <b>48,83,500</b> - <b>-</b>
<b>Net Deferred tax asset/(liability)</b>	<b>1,42,68,018</b>	<b>48,83,500</b>
<b>Note 15:</b> <b>LONG TERM LOANS &amp; ADVANCES</b> Security Deposits (unsecured, considered good)	1,67,13,445	1,50,00,938
<b>Total</b>	<b>1,67,13,445</b>	<b>1,50,00,938</b>
<b>Note 16:</b> <b>OTHER NON-CURRENT ASSET</b> (Unsecured but considered good) Assets Handed Over to Lessor (4) TDS receivable Claims receivable	- 3,33,39,937 2,17,55,904	51,50,684 1,42,82,776 2,17,55,904
<b>Total</b>	<b>5,50,95,841</b>	<b>4,11,89,364</b>
<p>(4) On 31.03.2005 the Board of Directors decided to discontinue the operations of the company's hotel business. The company's hotel business was carried out at the leased premises situated at 26/27 Poonamallee High Road owned by Central Hotels (P) Ltd (Lessor). As per the decision of the Board of Directors the leased premises wherein the hotel business was carried out was vacated and the building including amenities created by the company have been handed over to the lessor pending final settlement of dues. As per the mutual agreement reached with the lessor an inventory of assets handed over to the lessor have been taken and the valuation of assets was carried out by the valuers appointed by the company as well as the lessor. There has been considerable difference in the valuation by both the parties which could not be bridged even after a review. This amount is included as part of the total claim filed before the arbitrator as per the lease agreement. Pending finalization of the value of assets being taken over by the lessor and the ultimate settlement thereof through arbitration as per the lease agreement, the company has provided an impairment loss of Rs.30,58,874/- in respect of the above said assets, the WDV of the assets being Rs.82,09,558 as on 31st March 2005. The net value of assets of Rs.51,50,684/- after impairment is reflected under loans and advances pending arbitration proceedings in accordance with the lease agreements. The company during the current year has written off the above amount as extraordinary expenditure. (refer note 33)</p>		

## Notes to financial statements for the year ended 31st March 2015

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
<b>Note 17:</b>		
<b>INVENTORY</b>		
Stock of Provision & Stores (5)	1,14,49,312	1,06,74,705
Kitchen Utilities (6)	-	26,14,840
<b>Total</b>	<b>1,14,49,312</b>	<b>1,32,89,545</b>
<p>(5) Stocks of provisions, stores and other consumables are valued at cost (average price) on FIFO basis.</p> <p>(6) The company has been in practice of considering the kitchen utensil as current asset and was amortising them over a period of three years. The company, on re-examining the practice, has decided to consider the kitchen utensils as expenditure. As the past two years experiences indicates that the policy of amortising such expenditure is not appropriate.</p> <p>The total expenditure of kitchen utensil include Rs.56,10,288 relating to the balance amount which is to be amortised over subsequent periods.</p> <p>The amortised amount is inclusive of Rs.13,01,453 which relates to the amount to be considered in the next financial year as per the previous write off policy of the company. The Profit/losses of the current year is net of the adjustments relating to the next year.</p>		
<b>Note 18:</b>		
<b>TRADE RECEIVABLES</b>		
<b>(Unsecured Considered good)</b>		
From Related Parties (5)		
- Outstanding for More than Six Months	22,50,443	13,51,272
- Others	20,09,28,976	18,96,68,728
From Others		
- Outstanding for More than Six Months	1,35,80,848	14,14,826
- Others	3,77,70,043	4,71,09,553
<b>Total</b>	<b>25,45,30,310</b>	<b>23,95,44,379</b>
<b>Trade Receivables from Related Parties</b>		
<b>Include Debts Due from:</b>		
Private Ltd. Company in which Directors are Directors	31,98,345	39,71,548
Private Ltd. Company in which Directors are Members	5,87,028	2,92,623
<b>Note 19:</b>		
<b>CASH AND BANK BALANCES:</b>		
Cash and Cash Equivalents		
Cash on hand	31,95,883	44,06,905
Balance with Bank in Current a/c	1,90,62,039	52,65,860
Balance with Bank in Deposit a/c		
(Including interest accrued)	-	3,24,130
<b>Other Bank Balance</b>		
Balance with Bank in Dividend a/c	19,37,380	19,36,365
Deposit secured against loan	-	1,52,81,095
Deposits on lien for Bank guarantees.	19,35,296	8,95,045
<b>Total</b>	<b>2,61,30,598</b>	<b>2,81,09,400</b>

## Notes to financial statements for the year ended 31st March 2016

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
<b>Note 20:</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
<b>Other loans &amp; advances</b>		
<b>(Unsecured, considered good unless otherwise stated)</b>		
Advances recoverable in Cash or in kind	50,59,856	26,33,144
Staff Advance	41,48,365	50,08,843
Prepaid Expenses	34,35,012	38,52,148
<b>Total</b>	<b>1,26,43,233</b>	<b>1,14,94,135</b>
<b>Note 21:</b>		
<b>OTHER CURRENT ASSETS</b>		
Unbilled Revenue	-	2,51,100
Claims receivable (Bonus)	1,70,00,000	67,50,000
<b>Total</b>	<b>1,70,00,000</b>	<b>70,01,100</b>
<b>Note 22:</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Catering &amp; Management Service:</b>		
Sale of Food & Beverage	87,06,76,917	52,09,81,039
Management Service Charges	42,72,89,658	42,05,12,678
<b>Total(A)</b>	<b>1,29,79,66,575</b>	<b>94,14,93,717</b>
<b>Other Operating Revenue</b>		
Room Revenue	2,02,91,265	2,22,09,628
<b>Total(B)</b>	<b>2,02,91,265</b>	<b>2,22,09,628</b>
<b>Grand Total C=(A+B)</b>	<b>1,31,82,57,840</b>	<b>96,37,03,345</b>
<b>Note 23:</b>		
<b>OTHER INCOME</b>		
Interest on Deposits with Bank	5,83,572	11,91,891
Dividend received	13,57,957	9,05,304
Creditors/Provision written Back	-	7,21,595
Profit on sale of asset	43,103	21,062
Miscellaneous Income *	9,10,063	35,46,241
<b>OTHER INCOME FROM OPERATIONS</b>		
Reimbursable expenses	80,01,280	-
<b>Total</b>	<b>1,08,95,975</b>	<b>63,86,093</b>

## Notes to financial statements for the year ended 31st March 2016

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
<b>Note 24:</b>		
<b>CONSUMPTION OF PROVISIONS &amp; STORES</b>		
Opening Stock	1,06,74,705	62,16,977
(+) Purchases	48,88,00,944	30,94,54,749
(-) Closing Stock	1,14,49,312	1,06,74,705
<b>Total</b>	<b>48,80,26,337</b>	<b>30,49,97,021</b>
<b>Note 25:</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	51,37,03,101	41,87,16,771
Director's Remuneration	12,00,000	12,00,000
Bonus	1,56,96,080	88,44,733
Contribution to PF and other funds	5,93,24,439	4,90,31,757
Leave Encasements	32,14,926	2,46,534
Gratuity	2,54,71,453	-
Other Allowances	72,47,020	68,55,553
Staff Welfare	1,08,32,352	74,61,348
<b>Total</b>	<b>63,66,89,371</b>	<b>49,23,56,696</b>
<b>Note 26:</b>		
<b>FINANCE COST</b>		
Interest on Cash Credit with Bank	10,50,096	10,03,981
Interest on WCDL with Bank	26,14,953	10,89,387
Interest on Bill discounting	29,52,834	-
Interest on Term Loan	9,25,993	-
Interest on Car Loan	75,292	1,54,426
<b>Total</b>	<b>76,19,168</b>	<b>22,47,794</b>
<b>Note 27:</b>		
<b>OTHER EXPENSES</b>		
Advertisement & Business Promotion	10,73,300	21,09,765
Bank Charges	4,73,359	4,20,522
Communication Expense	32,92,247	23,37,240
Professional & Consultancy fee	1,08,41,402	83,11,432
Power & Fuel	4,63,10,460	3,62,05,248
Guest House Expense	1,53,669	3,75,477
Hiring charges	3,92,778	4,85,856
House keeping Expenses	2,09,64,670	1,55,43,712
Interest on Delayed Remittance	33,51,293	15,54,182
Kitchen Utensils	56,10,288	12,89,513
Miscellaneous Expenditure	30,70,848	17,04,669
Listing fees	1,14,992	1,40,000
Loss on sale of asset	6,86,735	-
Office Expenses	5,15,880	3,89,440
Printing and Stationary	41,12,404	33,55,911
Processing Fees	-	3,59,400
Rates & Taxes	34,36,153	20,18,584
Rent	2,69,25,023	2,16,13,870
Remuneration to auditors		
- Statutory Audit	5,91,856	5,85,436
- For Tax audit	88,724	88,724

## Notes to financial statements for the year ended 31st March 2016

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Repairs & Maintenance - Others	39,60,216	27,99,437
Service Charges	55,53,007	52,92,911
Security Charges	17,39,212	8,92,606
Sitting Fee	6,82,000	5,60,000
Sitting Fee - Service Tax	95,311	69,216
Travelling & Conveyance	1,36,18,752	1,44,37,040
Transport Charges	31,70,312	22,72,441
Training Expenses	-	15,730
VAT expenses	1,37,42,657	63,28,983
<b>Total</b>	<b>17,45,67,548</b>	<b>13,15,57,345</b>

### Note 28:

#### RELATED PARTY DISCLOSURE:

##### List of Related Parties as declared by the Management:

Nature of Relation	Name of Related Party
Promoter	Dr. Pratap.C.Reddy Mr. P.VijayaKumar Reddy Mrs. Suneeta Reddy Mrs. Shobana Kamineni Mrs. Sucharitha Reddy Mrs. Sindoori Reddy
Key Management Personnel	Mrs. Sucharitha Reddy Mr. KBS Manian Mr R Sathish Kumar
Joint Venture	M/s Faber Sindoori Management Services (P) Ltd
Enterprise over which promoter or Key Management Personnel exercise significant influence	M/s Apollo Hospitals Enterprises Ltd M/s Apollo Gleneagles Hospitals Ltd M/s.Apollo Health & Lifestyle Ltd M/s.Apollo Hospital International Limited M/s Imperial Cancer Hospital & Research Center Ltd M/s Lifetime Wellness Rx International Ltd M/s PPN Power Generating Company Private Limited

**The Company's related party transaction are summarized as follows:**

(Amount in ₹)

Name of the Related Party	Key Management Personnel		Joint Venture		Personnel exercise significant influence	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Salary	40,95,376	12,00,000	-	-	-	-
Sale of goods & services	-	-	1,41,31,331	1,28,54,760	1,25,70,98,549	82,97,52,158
Purchase of goods	-	-	-	-	4,77,184	-
Balance Outstanding	-	-	31,98,345	39,71,548	19,99,81,074	18,70,48,452

**Note 29:**

**LEASES:**

**OPERATING LEASE:**

The Company has taken various premises on lease for its operations under operating lease or under leave and licence agreements. These lease are generally not non-cancellable and have an average life of 12 months to three years and are renewable by mutual consent.

Lease payments are recognized in profit and loss account under rent in Note 27: Other Expenses  
Lease payments under non-cancellable lease agreements.

Future lease payments	31-Mar-16 (₹)	31-Mar-15 (₹)
Not Later than 1 Year	63,32,394	65,20,084
Later than 1 Year but before 5 Years	69,80,704	63,32,394
Total	1,33,13,098	1,28,52,478

**Note 30: FOREIGN CURRENCY EARNINGS/EXPENDITURE:**

Particulars	31-Mar-16 (₹)	31-Mar-15 (₹)
Expenditure in Foreign currency	7,78,104	14,73,846
Earnings in Foreign currency	Nil	Nil

**Note 31: EMPLOYEE BENEFITS**

**I Defined Benefit Plan:**

**a) Gratuity**

**A. Reconciliation of opening and closing balance of present value of the defined benefit obligation**

Period Covered	31-Mar-16 (₹)	31-Mar-15 (₹)
Assumptions	Rs.	Rs.
Discount Rate	7.8% p.a.	8% p.a.
Expected Return On Plan Assets	8% p.a.	8% p.a.
Mortality	Indian Assured Lives Mortality (1994 -96) (modified) Ultimate Table	
Future Salary Increases	5 %p.a.	5 %p.a.
Disability	Nil	Nil
Attrition	2% p.a.	5% p.a.
Retirement	58yrs	58yrs
Method	Projected Unit Credit	

## Changes in the Present Value of the Obligation and in the Fair Value of the Assets

Particulars	31-Mar-16 (₹)	31-Mar-15 (₹)
Present Value Of obligation at the beginning of the period	3,40,53,067	2,84,49,115
Interest Cost	27,30,058	22,03,955
Current Service Cost	44,42,428	48,24,669
Past Service Cost	-	-
Benefits Paid	(40,19,945)	(17,99,361)
Actuarial (gain)/loss on Obligation	56,00,420	3,74,689
Present Value Of obligation at the end of the period	428,06,028	3,40,53,067
Fair value of plan assets at the beginning of the period	1,35,82,236	1,26,34,467
Expected Return On plan assets	10,88,897	10,48,668
Contributions	-	-
Benefits Paid	-	(1,660)
Actuarial gain (Loss) Plan assets	(70,230)	(99,239)
Fair value of plan assets at the end of the period	1,46,00,903	1,35,82,236
Total actuarial gain (loss) to be recognized	(56,70,650)	(4,73,928)
<b>Balance Sheet Recognition</b>		
Present Value of Obligation	4,28,06,028	3,40,53,067
Fair Value of Plan Assets	(1,46,00,903)	(1,35,82,236)
Liability (Assets)	2,82,05,125	2,04,70,831
Unrecognised Past Service Cost	-	-
<b>Liability (Assets) recognised in the Balance Sheet</b>	2,82,05,125	2,04,70,831

## Profit & Loss – Expenses

Current Service Cost	44,42,428	48,24,669
Interest Cost	27,30,058	22,03,955
Expected Return On plan assets	(10,88,897)	(10,48,668)
Net Actuarial (gain)/loss recognised in the year	56,70,650	4,73,928
Past Service Cost	-	-
<b>Expenses Recognised in the statement of Profit &amp; Loss</b>	1,17,54,239	64,53,884
<b>Actual Return On Plan Assets</b>		
Expected Return on plan assets	10,88,897	10,48,668
Actuarial gain/(Loss) on plan assets	(70,230)	(99,239)
Actual Return On Plan Assets	10,18,667	9,49,429
<b>Movement in the net Liability recognised in the Balance Sheet</b>		
Opening net Liability	2,04,70,831	1,58,14,648
Expenses	1,17,54,239	64,53,884
Contribution	(40,19,945)	(17,99,361)
Closing Net Liability	28,205,125	2,04,69,171

Gratuity Liability and leave encashment in respect employees deputed to customer locations on cost plus contracts is reimbursable without any service charge by the respective customers on retirement or resignation of the deputed employee . This sum aggregating to ₹2,15,56,638/- as at 31st March 2016 (Previous year ₹2,15,56,638/- as at 31st March 2015) continues to be reflected as claims receivable pending confirmation from such customers and the corresponding liability as provision as no income accrues to the Company on this account as it is considered as a pass through transaction .

## Note 32: EARNINGS PER SHARE

Particulars	31-Mar-16 (₹)	31-Mar-15 (₹)
Net Profit as P&L	(2,42,20,347)	2,31,23,170
Weighted average no. of shares o/s	13,00,200	13,00,200
Nominal Value Per Share	10	10
Earnings per share before extra-ordinary item		
- Basic & Diluted EPS	18.31	17.78
Earnings per share after extra-ordinary item		
- Basic & Diluted EPS	(18.63)	17.78

## Note 33: Segmental Reporting

### Statement Showing Segment results for the financial year 2015-2016

(Amount in ₹)

Particulars	Year	Outsourced Services	Other Operations	Total
Segment Revenues	2015-2016	1,30,62,69,893	2,28,83,922	1,32,91,53,815
	2014-2015	94,62,23,433	2,38,66,005	97,00,89,438
Expenses	2015-2016	1,28,43,25,931	1,49,57,325	1,29,92,83,256
	2014-2015	91,31,32,051	1,57,79,011	92,89,11,062
Segment Results	2015-2016	64,90,402	79,26,597	1,44,16,999
	2014-2015	2,62,47,592	80,86,994	3,43,34,586
Income before depreciation interest taxes and extraordinary items	2015-2016	2,19,43,962	79,26,597	2,98,70,559
	2014-2015	3,30,91,382	80,86,995	4,11,78,377
Interest	2015-2016	76,19,168	-	76,19,168
	2014-2015	22,47,794	-	22,47,794
Depreciation	2015-2016	78,34,392	-	78,34,392
	2014-2015	45,95,996	-	45,95,996
Exordinary Items	2015-2016	4,80,21,864	-	4,80,21,864
	2014-2015	-	-	-
Tax Expenses	2015-2016	(93,84,518)	-	(93,84,518)
	2014-2015	1,12,11,416	-	1,12,11,416
<b>Profit/(Loss) after Taxation</b>	<b>2015-2016</b>	<b>(3,21,46,944)</b>	<b>79,26,597</b>	<b>(2,42,20,347)</b>
	<b>2014-2015</b>	<b>1,50,36,175</b>	<b>80,86,995</b>	<b>2,31,23,170</b>
Segment Assets	2015-2016	40,72,65,588	65,81,901	41,38,47,489
	2014-2015	36,05,80,889	72,12,510	36,77,93,399
Segment Assets (Unallocated)	2015-2016	-	-	33,339,937
	2014-2015	-	-	14,282,777
<b>Total Assets</b>	<b>2015-2016</b>	<b>40,72,65,588</b>	<b>65,81,901</b>	<b>44,71,87,426</b>
	<b>2014-2015</b>	<b>36,05,80,889</b>	<b>72,12,510</b>	<b>38,20,76,175</b>
Segment Liabilities	2015-2016	31,51,15,422	4,29,251	31,55,44,672
	2014-2015	22,55,42,604	6,70,470	22,62,13,073
Unallocated Liabilities	2015-2016	-	-	-
	2014-2015	-	-	-
Shareholders Funds	2015-2016	-	-	13,16,42,754
	2014-2015	-	-	15,58,63,102
<b>Total Liabilities</b>	<b>2015-2016</b>	<b>31,51,15,422</b>	<b>4,29,251</b>	<b>44,71,87,426</b>
	<b>2014-2015</b>	<b>22,55,42,604</b>	<b>6,70,470</b>	<b>38,20,76,175</b>
Capital Expenditure Incurred	2015-2016	3,15,84,753	-	3,15,84,753
	2014-2015	81,47,269	-	81,47,269
Segment Depreciation	2015-2016	78,34,392	-	78,34,392
	2014-2015	45,95,996	-	45,95,996
Non cash expenses other than depreciation	2015-2016	12,843,25,931	1,49,57,325	1,29,92,83,256
	2014-2015	91,31,32,051	1,57,79,011	92,89,11,062

**Note 34 : Extra ordinary item charged to statement of profit and loss consists of:**

Particulars	31-Mar-16 (₹)	31-Mar-15 (₹)
Service tax & interest	49,91,794	-
Bad debt write off	2,54,37,346	-
Impairment of assets (refer note no : 12)	40,72,013	-
Bonus provided for previous year arrears	41,37,000	-
Gratuity provision	8,83,688	-
Leave encashment provision	3,52,007	-
Impairment of assets relating to erstwhile hotel (refer Note no : 16)	51,50,684	-
Unrealised expenses	29,97,329	-
<b>Total</b>	<b>4,80,21,861</b>	-

**Note 35: Contingent liability**

1. Receivables discounted with bank ₹ 4,42,66,390/- (Previous Year - ₹ Nil)
2. Claim against the company/disputed liabilities not acknowledged as debts - ₹13,92,680/- (Previous Year - ₹13,92,680/-)

**Note 36:**

The company has not received any declaration from its vendors under Micro, Small and Medium Enterprises Act 2006 and hence no disclosure as provided in the Act is feasible.

**Note 37:**

Figures for the previous year have been regrouped or rearranged wherever necessary.

As per our Report of Even Date

**R. Subramanian and Company**  
Chartered Accountants

**R.Rajaram**  
Partner

Place: Chennai  
Date: 27.05.2016

**For Apollo Sindoori Hotels Ltd.,**

**Sucharitha Reddy**  
Managing Director

**G.Venkatraman**  
Director

**C Natarajan**  
Chief Executive Officer

**KBS Manian**  
Chief Financial Officer

**Prakash Chandra Panda**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

	Particulars	31-Mar-16 ₹	31-Mar-15 ₹
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Net Profit Before Taxation and Extraordinary Items</b>	1,44,16,999	3,43,34,586
	<b>Adjustments for</b>		
	Depreciation	78,34,392	45,95,996
	Divident income	(13,57,957)	(9,05,304)
	Interest income (on deposits)	(5,83,572)	(11,91,890)
	Interest expense	76,19,168	22,47,794
	Fixed Assets Written Off	40,72,013	-
	Impairment of Current Assets	51,50,684	-
	(Profit)/loss on sale of assets	6,43,632	(21,062)
	<b>Operating Profit before working capital changes</b>	3,77,95,359	3,90,60,120
	(Increase)/Decrease in Trade Receivables	(1,49,85,930)	(8,03,55,389)
	(Increase)/Decrease in Inventory	18,40,233	(70,72,568)
	Increase/(Decrease) in Trade Payables	3,56,29,594	2,87,71,887
	Increase/(Decrease) in Other current liabilities	2,26,07,842	1,30,45,970
	(Increase)/Decrease in Short Term Loans & advances	(11,49,098)	(7,16,824)
	(Increase)/Decrease in Other Current asset	(99,98,900)	(14,299)
	Increase/(Decrease) in Employee benefit provisions	1,93,78,608	76,86,076
	Increase / (Decrease) in Cash Credit with HDFC	(4,12,853)	92,38,562
	<b>Cash generated from operations after working capital changes</b>	9,07,04,855	96,43,535
	Direct taxes paid	-	-
	<b>Cash generated from operations before Extra-ordinary items</b>	9,07,04,855	96,43,535
	Extra-ordinary Item	(4,80,21,864)	-
	<b>Net Cash Flow from Operating activities (A)</b>	4,26,82,991	96,43,535
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	(Increase)/Decrease in Other Non-current asset	(1,90,57,160)	(1,30,98,811)
	Purchase of Fixed Assets	(3,15,84,753)	(81,47,269)
	Sale of Fixed Assets	12,41,857	2,51,479
	Dividend received	13,57,957	9,05,304
	Increase / (Decrease) in Deposit	1,42,39,829	<b>(1,51,32,976)</b>
	Interest received on deposits	5,83,572	11,91,891
	<b>Net Cash flow from Investing activites (B)</b>	(3,32,18,698)	(3,40,30,382)
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	(Increase)/Decrease in Long term Loans & advances	(17,12,507)	(8,35,086)
	Increase/(Decrease) in Long term liabilities	2,81,65,450	-
	(Repayment of) Loan against deposit	(1,50,00,000)	1,50,00,000
	Term Loan Received from Bank	41,66,667	-
	Repayment of Principal amount of Bank Loan (TL and Car loan)	(4,37,063)	(6,26,964)
	Payment of Interest Bank Loan	(76,19,168)	(22,47,794)
	Dividend Paid	(39,00,600)	(39,00,600)
	Tax on Dividend paid	(8,66,045)	(6,62,907)
	<b>Net Cash flow from Financing activites (C)</b>	27,96,734	67,26,649
	<b>Net Increase / Decrease in cash and cash equivalents</b>	122,61,027	(1,76,60,198)
	Cash and Cash Equivalent at the beginning of the period	99,96,895	2,76,57,093
	Cash and Cash Equivalent at the end of the period	2,22,57,922	99,96,895

The schedules referred to above and the notes thereon form an integral part of the Cash Flow Statement.  
This is the Cash Flow Statement referred to in our report of even date

**R. Subramanian and Company**  
Chartered Accountants

**For Apollo Sindoori Hotels Ltd.,**

**R.Rajaram**  
Partner

**Sucharitha Reddy**  
Managing Director

**G.Venkatraman**  
Director

Place: Chennai  
Date: 27.05.2016

**C Natarajan**  
Chief Executive Officer

**KBS Manian**  
Chief Financial Officer

**Prakash Chandra Panda**  
Company Secretary

## INDEPENDENT AUDITORS' REPORT

To the Members of  
**APOLLO SINDOORI HOTELS LTD**

### **Report on the Consolidated Financial Statements.**

We have audited the accompanying Consolidated financial statements of Apollo Sindoori Hotels Limited ("the Company") its jointly controlled entities which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. (herein after referred to as “the consolidated financial statements”)

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “The Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Jointly Controlled entities in accordance with accounting principles generally accepted in India, including the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial and statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the jointly controlled entities as at 31st March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Other Matters**

We did not audit the financial statements of the jointly controlled entity whose financial statements reflect total assets of ₹375,332,711/- as at 31st March, 2016, total revenues of Rs.1,107,000,843/- and net increase in cash flows amounting to ₹ 88,46,576/- for the year ended on that date, as considered in the consolidated financial statements. The financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled

entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid jointly controlled entity, is based solely on the reports of the other auditors.

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

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- © The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in Annexure 'A'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii) There has been no delay in transferring amounts, required to be transferred to the investor education and protection fund by the company.

For **R. SUBRAMANIAM AND COMPANY**  
Chartered Accountants  
FRN:004137S

Place: Chennai  
Date 27<sup>th</sup> May 2016

**R. RAJARAM**  
Partner  
Membership No:25210

## **Annexure- A**

### **To Independent Auditors' Report Of Even Date On The Standalone Consolidated Financial Statements Of Apollo Sindoori Hotels Limited.**

#### **The Annexure referred to in paragraph 2 (f) under the heading “Report on Other Legal and Regulatory Requirements” of our report on even date.**

We have audited the internal financial controls over financial reporting of Apollo Sindoori Hotels Limited ((hereinafter referred to as “the Holding Company”)) as of 31 March 2016 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the Holding company and its jointly controlled company , which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding company and its jointly controlled company, which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to Faber Sindoori Management Services Private Limited, jointly controlled company, which is incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

R. Subramaniam and Company  
Chartered Accountants  
FRN:004137S  
R. Rajaram  
Partner  
Membership No:25210

Place: Chennai  
Date 27<sup>th</sup> May 2016

## Consolidated Balance Sheet as at 31st March, 2016

PARTICULARS	NOTE	31.03.2016	31.03.2015
<b>I. EQUITY AND LIABILITIES</b>		₹	₹
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	1,30,02,000	1,30,02,000
(b) Reserves and Surplus	4	24,43,96,466	23,66,15,955
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	5	41,66,667	1,54,37,063
(b) Other Long term Liability	7	72,71,098	3,27,170
(c) Deferred tax liability (FSMS)	6	-	5,36,699
(d) Long term provisions	8	6,05,59,512	4,02,47,631
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	9	2,65,39,047	2,69,51,899
(b) Trade Payables	10	10,85,73,003	7,07,88,788
(c) Other current liabilities	11	13,76,61,405	10,17,31,009
(d) Short-term provisions	12	2,84,78,608	1,38,66,645
<b>Total</b>		<b>63,06,47,806</b>	<b>519,504,859</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	13		
(i) Tangible assets		5,16,26,924	3,45,97,059
(ii) Intangible assets		1,21,20,486	1,62,90,386
(iii) Capital Work in progress		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net) (ASHL)	14	1,52,28,074	48,83,500
(d) Long term loans and advances	15	2,29,72,673	1,96,47,042
(e) Other Non-Current Asset	16	5,50,95,841	4,11,89,365
<b>(2) Current assets</b>			
(a) Inventory	17	1,37,03,703	1,54,97,002
(b) Trade Receivables	18	36,51,13,326	30,65,19,966
(c) Cash and Bank Balances	19	5,59,32,525	4,52,02,724
(d) Short-term loans and advances	20	1,55,16,616	1,44,08,522
(e) Other current assets	21	2,33,37,638	2,12,69,293
<b>Total</b>		<b>63,06,47,806</b>	<b>51,95,04,859</b>

### Significant Accounting Policies and Notes on Accounts 1 to 41

The schedules referred to above and the notes thereon form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

**For Apollo Sindoori Hotels Ltd.,**

**R. Subramanian and Company**

Chartered Accountants

**Sucharitha Reddy**

Managing Director

**G.Venkatraman**

Director

**R.Rajaram**

Partner

**C Natarajan**

Chief Executive Officer

Place: Chennai

Date: 27.05.2016

**KBS Manian**  
Chief Financial Officer

**Prakash Chandra Panda**  
Company Secretary

## Consolidated Statement of Profit and Loss for the year ended 31st March 2016

S.No	Particulars	Note	31.03.2016	31.03.2015
III.	<b>INCOME:</b>		₹	₹
	Revenue from operations	22	1,85,94,24,343	1,41,10,17,701
	Other Income	23	1,21,59,885	72,58,753
	<b>Total Income</b>		<b>18,71,58,42,28</b>	<b>1,41,82,76,454</b>
IV.	<b>EXPENDITURE:</b>			
	Consumption of Provisions & Stores	24	54,20,00,665	36,53,02,214
	Employee benefit expense	25	99,42,76,242	77,75,78,701
	Finance Cost	26	78,17,924	40,02,142
	Depreciation and amortization expense		1,45,12,172	1,15,21,741
	Other expenses	27	24,49,96,017	19,24,30,542
	<b>Total Expenses</b>		<b>1,80,36,03,020</b>	<b>1,35,08,35,340</b>
V.	Profit before exceptional and extraordinary items and tax	(III - IV)	6,79,81,208	6,74,41,114
VI.	Exceptional Items		-	-
VII.	Profit before extraordinary items and tax	(V - VI)	6,79,81,208	6,74,41,114
VIII.	Less: Extraordinary Items		4,80,21,864	-
IX.	Profit before tax (VII - VIII)		<b>1,99,59,344</b>	<b>6,74,41,114</b>
X.	Tax expense:			
	(1) Current tax		2,11,53,300	2,33,75,000
	(2) Deferred tax		(1,08,81,273)	(97,711)
XI.	Net Profit/(Loss) for the period	(IX-X)	<b>96,87,317</b>	<b>4,41,63,825</b>
XII.	Earning per equity share:			
	Weighted average no. of shares outstanding during the period		13,00,200	13,00,200
	Nominal Value per Equity Share		10.00	10.00
	Earnings per share before extra-ordinary item - Basic & Diluted EPS		44.38	33.97
	Earnings per share after extra-ordinary item Basic & Diluted EPS		7.45	3.97

### Significant Accounting Policies and Notes on Accounts 1 to 41

The schedules referred to above and the notes thereon form an integral part of the Profit & Loss Account.

This is the Profit & Loss Account referred to in our report of even date.

**For Apollo Sindoori Hotels Ltd.,**

**R. Subramanian and Company**

Chartered Accountants

**Sucharitha Reddy**

Managing Director

**G.Venkatraman**

Director

**R.Rajaram**

Partner

**C Natarajan**

Chief Executive Officer

Place: Chennai

Date: 27.05.2016

**KBS Manian**

Chief Financial Officer

**Prakash Chandra Panda**

Company Secretary

## SIGNIFICANT ACCOUNTING POLICIES

### 1) Introduction

Apollo Sindoori Hotels Limited. ("the Company"), a company incorporated under the Indian Companies Act at Chennai. The Company is in the business of managing food outlets at hospitals and reputed organisations. The Company also undertakes Outdoor Catering Services etc.

Faber Sindoori Management Services Private Limited is a joint venture company of EdgentaFacilities Sdn.Bhd, a subsidiary of UEM EdgentaBerhad in Malaysia (Edgenta) and Apollo Sindoori Hotels Limited. The company is in the business of providing healthcare support services and non-healthcare support services in the domain of bio-medical engineering (maintenance), BEMS Laboratory Services ( Calibration Laboratory, PCB Repair Laboratory, Cable Repair Laboratory, facility engineering (maintenance), cleansing, housekeeping, janitorial services, linen and laundry servicesand management information services (integrating the above services), and clinical waste management services.

### Principles of Consolidation

- 2) The consolidated financial statements relate to Apollo Sindoori Hotels('the Company) and its Joint Venture Entity have been prepared on the following basis:
  - i) The financial statements of Joint Ventures have been combined by applying proportionate consolidation method on a line-by-line basis on items of assets, liabilities, income, and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard -27 on "Financial Reporting of Interests in Joint Ventures".
  - ii) The consolidated financial statements have been prepared using the uniform accounting policies for the like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's individual financial statements.
  - iii) The details of Joint Venture Entities considered in the Consolidated Financial Statements are as follows:

Name of the Company	Category	Country of Incorporation	% of voting power held as on March 31,2016
Faber Sindoori Management Services Pvt Ltd	Joint Venture	India	49%

### 3) Group Accounting Policies:

The financial statements of "the Company " have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the Act 1956"), as applicable. The statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

## **Significant Accounting Policies adopted in presentation of the accounts:**

### **i) Use of estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period, reported balances of assets and liabilities, and disclosure of contingent assets and liabilities as at the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

### **ii) Fixed assets and depreciation**

Fixed assets are stated at the cost of acquisition less accumulated depreciation. Cost is inclusive of freight, duties, taxes and other directly attributable costs incurred to bring the assets to their working condition for intended use.

Depreciation is provided on all fixed assets on the straight-line method in accordance with Schedule II to the Companies Act, 2013 adopting the useful life for assets as specified therein and reckoning the residual value at 5% of the original cost of the asset.

Intangible assets are amortized equally over the estimated useful life not exceeding three years. For intangible assets of the joint venture, License Fee paid for Purchase of Housekeeping Business is amortized over the Estimated Life i.e., 10 years. Franchise fee paid for Brand Name is expended in the statement of Profit and Loss in the year in which it is incurred.

### **iii) Inventory**

Stocks of provisions, stores and other consumables are valued at cost (average price) on FIFO basis.

Consumables of the Joint venture entity are stated at lower of cost (determined on FIFO basis) and net realizable value. Cost of Inventory comprises cost of purchase of inventories. Net Realizable value represent the estimated selling price less all estimated cost necessary to complete the sale.

### **iv) Investments**

Investments are classified as Long Term Investments and Current Investments and are valued in accordance with Accounting Standards on 'Accounting for Investments' (AS-13), issued by The Institute of Chartered Accountants of India. Current Investments are carried at lower of cost and market value/NAV, computed individually. Long Term Investments are stated at cost. Provision for diminution in the value of Long Term Investments is made only if such decline is other than temporary in the opinion of the management.

### **v) Leases**

Finance leases, which effectively transfers substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease and disclosed as assets taken on lease. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit interest rate or incremental borrowing rate as applicable. Finance charges are charged directly against income.

Lease payments under an operating lease, are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

vi) **Impairment Of Assets**

An asset is treated as impaired when the carrying cost of such assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired, after considering adjustment if any already carried out.

vii) **Revenue Recognition**

Income from various services rendered is recognised on the basis of contract between the parties. Room revenue is recognised on time proportion basis.

Revenue from Hospital support services (Health care) and Facility Management Services (Non Health Care) are recognized in the period the services are provided based on performance level.

viii) **Foreign exchange transactions**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at rates of exchange on the balance sheet date. Exchange differences arising on foreign currency transactions are recognised in the profit and loss account.

ix) **Taxation**

Income-tax expense comprise current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting that tax effects of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at the balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

Current tax and deferred tax assets and liabilities are offset to the extent to which the Company has a legally enforceable right to set off and they relate to taxes on income levied by the same governing taxation laws.

x) **Earnings per share**

Basic earnings per share amounts are computed by dividing net profit or loss for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year.

xi) **Provisions and contingent liabilities**

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.

xii) **Employee Benefits**

(i) **Short-term Employee Benefits**

Short Term Employee Benefits for Services rendered by employees are recognized during the period when the services are rendered.

(ii) **Post -Employment Benefits**

(a) **Defined Contribution Plan**

The Company makes Provident fund contributions for qualifying employees. Under the Provident Fund scheme, the Company is required to contribute a specified percentage of payroll cost to the Employees Provident Fund Scheme, 1952 to fund the benefits. The interest as declared by the Government from time to time accrues to the credit of the employees under the scheme.

(b) **Defined Benefit Plan**

The Company makes annual contributions to the Employees' Group Gratuity cum - Life Assurance Scheme of an Insurer, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Liability for unavailed leave for qualifying employees is actuarially valued and provided for but is partially funded.

xiii) **Prior Period Items and Extraordinary Items**

Prior Period items and extraordinary items are separately classified, identified and dealt with as AS-5 on 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies' Issued by ICAI.

xiv) **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated

## Notes to financial statements for the period ended 31st March 2016

	As at March 31, 2016 ₹		As at March 31, 2015 ₹	
<b>Shareholder's fund</b>				
<b>Note 3:</b>				
<b>SHARE CAPITAL</b>				
Authorised Capital 50,00,000 Equity shares of Rs.10/- each		5,00,00,000		5,00,00,000
Issued, Subscribed & Paid up Capital 13,00,200 Equity shares of Rs.10/- each		1,30,02,000		1,30,02,000
<b>Total</b>		<b>1,30,02,000</b>		<b>1,30,02,000</b>
<b>Reconciliation of share outstanding at the beginning and at the end of the year.</b>				
<b>Equity Shares</b>	<b>No's</b>	<b>₹</b>	<b>No's</b>	<b>₹</b>
Shares outstanding at the beginning of the year	13,00,200	1,30,02,000	13,00,200	1,30,02,000
Shares issued during the year at face value Rs.10/-	-	-	-	-
Shares bought back during the year.	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>13,00,200</b>	<b>1,30,02,000</b>	<b>13,00,200</b>	<b>1,30,02,000</b>
<b>Shareholders holding more than 5% shares</b>				
Name of Equity Shareholder (Equity Shareholder holding more than 5 % of Equity share)	Nos.	% of holding	Nos.	% of holding
Mr. Prathap C Reddy	1,83,630	14.12%	1,83,630	14.12%
Mrs. Sucharitha P Reddy	1,72,130	13.24%	1,72,130	13.24%
Mrs. Sangita Reddy	1,51,848	11.68%	1,51,848	11.68%
M/s. PCR Investments Limited	1,42,000	10.93%	1,42,000	10.93%
Mrs. Vijayalakshmi .S	1,19,936	9.22%	1,19,936	9.22%
Mrs. Shobana Kamineni	79,086	6.08%	79,086	6.08%
<b>Total</b>	<b>8,48,630</b>	<b>65.27%</b>	<b>8,48,630</b>	<b>65.27%</b>
<b>Note 4:</b>				
<b>RESERVES AND SURPLUS</b>				
<b>a. Capital Reserve</b>				
Opening Balance	73,52,676		73,52,676	
(+) Current Year Transfer	-		-	
(-) Written Back in Current Year	-		-	
Closing Balance		73,52,676		73,52,676
<b>b. Securities Premium Account</b>				
As at the beginning of the year	4,14,68,265		4,14,68,265	
Securities Premium on issue of shares during the year	-		-	
As at the end of the year				
Premium on Redemption of Debentures	-		-	
For Issuing Bonus Shares	-		-	
Closing Balance		4,14,68,265		4,14,68,265
<b>c. General Reserve</b>				
Opening Balance	1,48,72,753		1,27,68,688	
(+) Current Year Transfer	33,90,766		21,04,065	
(-) Written Back in Current Year	-		-	
Closing Balance		1,82,63,519		1,48,72,753
<b>d. Surplus</b>				
P&L - Opening balance	17,29,22,261		13,78,99,856	
(+) Net Profit / (Loss) for the year	96,87,317		4,41,63,825	
(+) Transfer from Reserves	-		-	
(-) Dividend paid	15,84,283		13,57,957	
(-) Depreciation adjusted with reserve	-		6,36,305	
(-) Transfer to General Reserve	33,90,766		21,04,065	
(-) Proposed Dividend - Equity 30%	-		39,00,600	
(-) Tax on Proposed Dividend	3,22,523		11,42,493	
Closing balance		17,73,12,006		17,29,22,261
<b>Total</b>		<b>24,43,96,466</b>		<b>23,66,15,955</b>

## Notes to financial statements for the period ended 31st March 2016

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
<b>Note 5:</b>		
<b>LONG TERM BORROWINGS</b>		
<b>Secured:</b>		
Vehicle Loan from Bank (1)	-	4,37,063
Term Loan (2)	41,66,667	-
Loan against Deposit 15,000,000 (Secured by Fixed Deposit)	-	
<b>Total</b>	<b>41,66,667</b>	<b>1,54,37,063</b>
<b>Current maturities of Long Term borrowings</b>	<b>33,33,333</b>	<b>692,614</b>

- 1) The vehicle loan carries interest at the rate of 10% pa and has to be repaid in 36 equal installments from november 2013. Loan is secured against hypothecation of vehicle
- 2) The loan is repayable in 12 equal quarterly instalments of ₹ 8,33,333/- each and Interest is payable@ 11.85%. The loan is secured by (i) exclusive charge on current & fixed assets of the company, (ii) exclusive charge on the fixed assets (of Centralised kitchen unit) funded from the loan, (iii) Letter of comfort from Apollo hospitals Enterprises Ltd.

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
<b>Note 6:</b>		
<b>DEFERRED TAX LIABILITY</b>		
<b>Deferred Tax Assets:</b>		
Timing difference on depreciation of assets		
Expenses allowable for tax purposes when paid	-	35,65,633
<b>Gross Deferred tax asset</b>	<b>-</b>	<b>35,65,633</b>
<b>Deferred Tax Liabilities:</b>		
Timing difference on depreciation of assets-	-	41,02,332
<b>Gross Deferred tax liability</b>	<b>-</b>	<b>41,02,332</b>
<b>Net Deferred tax asset/(liability)</b>	<b>-</b>	<b>5,36,699</b>
<b>Note 7:</b>		
<b>OTHER LONG TERM LIABILITIES:</b>		
Security Deposit	3,27,170	3,27,170
Trade payables	48,14,127	
Others ( creditors for expenses )	21,29,801	
<b>Total</b>	<b>72,71,098</b>	<b>3,27,170</b>

## Notes to financial statements for the period ended 31st March 2016

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
<b>Note 8:</b>		
<b>LONG TERM PROVISIONS:</b>		
Provision for Employee Benefits:		
Provision for Leave Encashment	1,62,15,229	1,46,54,992
Provision for Gratuity	4,43,44,283	2,55,92,639
<b>Total</b>	<b>6,05,59,512</b>	<b>4,02,47,631</b>
<b>Note 9:</b>		
<b>SHORT TERM BORROWINGS:</b>		
<b>Loan Repayable on Demand: (Secured)</b>		
Cash Credit with Bank (3)	26,539,047	2,69,51,899
<b>Total</b>	<b>26,539,047</b>	<b>2,69,51,899</b>
1) The Cash credit facility is secured by exclusive charge over Inventory, Trade Receivables and all the fixed assets of the company.		
<b>Note 10:</b>		
<b>TRADE PAYABLES:</b>		
Creditors for Operations	10,85,73,003	70,7,88,788
<b>Total</b>	<b>10,85,73,003</b>	<b>7,07,88,788</b>
<b>Note 11:</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Bank balance (Current Account)	-	14,21,718
Current maturities on Vehicle loan (refer note 5)	-	6,92,614
Current maturities on Term loan (refer note 5)	33,33,333	-
Creditors for Expenses	2,70,69,760	1,72,65,793
Statutory Dues	3,73,76,168	4,66,90,829
Employee Dues	5,89,98,666	2,49,50,698
Unpaid Dividend	19,37,015	19,36,165
Advance Receipts	1,12,259	11,265
Other liabilities	69,27,398	71,27,522
Proposed Dividend	15,84,283	13,57,957
Provision for dividend distribution tax	3,22,523	2,76,448
<b>Total</b>	<b>13,76,61,405</b>	<b>10,17,31,009</b>
<b>Note 12:</b>		
<b>SHORT TERM PROVISIONS:</b>		
Provision for Employee Benefits:		
Provision for Bonus	2,58,50,000	91,00,000
Provision for gratuity	20,68,175	-
Provision for leave encashment	5,60,433	-
<b>Other Provisions:</b>		
Proposed Dividend	-	39,00,600
Dividend Tax Payable	-	8,66,045
<b>Total</b>	<b>2,84,78,608</b>	<b>1,38,66,645</b>

**Note: 13**  
**FIXED ASSETS**

Amount in Rupees

PARTICULARS	ORIGINAL COST			DEPRECIATION					NET BOOK VALUE	
	Cost as at 01.04.2015	Additions during the Year	Deletions during the Year	Cost as at 31.03.2016	As at 01.04.2015	For the Year	Depreciation adjusted with reserve	Deletions	As at 31.03.2016	As at 31.03.2015
Temporary Constructions	8,27,997	-	-	8,27,997	8,27,997	-	-	-	8,27,997	-
Computers	1,16,07,668	27,89,884	99,000	1,42,98,552	80,53,331	19,51,370	-	43,103	99,61,598	43,36,954
Electrical Installations	36,44,852	39,81,854	-	76,26,706	21,68,848	8,98,994	-	-	30,67,842	45,58,864
Furniture & Fittings	84,82,881	1,25,29,085	-	2,10,11,966	41,02,672	48,43,732	-	-	89,46,404	1,20,65,563
Kitchen Equipments	1,69,38,434	1,04,00,583	-	2,73,39,017	88,07,340	38,94,913	-	-	1,27,02,253	1,46,36,764
Vehicles	52,24,843	23,87,044	27,89,256	48,22,631	12,22,257	7,30,529	-	7,05,997	12,46,789	35,75,842
Office Equipments	47,46,826	8,67,837	1,23,808	54,90,855	25,24,235	6,38,750	-	30,857	31,32,129	23,58,726
Plant & Machinery	1,85,20,156	7,19,975	-	1,92,40,131	76,89,919	14,56,001	-	-	91,45,920	1,00,94,211
Sub Total	6,99,93,657	3,36,76,261	30,12,064	10,06,57,855	3,53,96,599	1,44,14,289	-	7,79,957	4,90,30,931	5,16,26,924
Intangible Assets Licenses and Franchise	4,16,99,000			4,16,99,000	25,408,614	41,69,900			2,95,78,514	1,21,20,486
Sub Total	4,16,99,000			4,16,99,000	25,408,614	41,69,900	-	-	2,95,78,514	1,21,20,486
TOTAL	11,16,92,657	33,67,6,262	30,12,064	14,23,56,855	60,805,213	1,85,84,189	-	7,79,957	7,86,09,444	6,37,47,410
										50,887,444

## Notes to financial statements for the period ended 31st March 2016

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
<b>Note 14:</b>		
<b>DEFERRED TAX ASSETS:</b>		
<b>Deferred Tax Assets:</b>		
Timing difference on depreciation of assets		4,75,209
Expenses allowable for tax purposes when paid	1,98,74,806	44,08,291
<b>Gross Deferred tax asset</b>	<b>1,98,74,806</b>	<b>48,83,500</b>
<b>Deferred Tax Liabilities:</b>		
Timing difference on depreciation of assets	46,46,732	-
<b>Gross Deferred tax liability</b>	<b>46,46,732</b>	<b>-</b>
<b>Net Deferred tax asset/(liability)</b>	<b>1,52,28,074</b>	<b>48,83,500</b>
<b>Note 15:</b>		
<b>LONG TERM LOANS &amp; ADVANCES</b>		
Security Deposits (unsecured, considered good)	2,29,72,673	1,96,47,042
<b>Total</b>	<b>2,29,72,673</b>	<b>1,96,47,042</b>
<b>Note 16:</b>		
<b>OTHER NON-CURRENT ASSET</b>		
(Unsecured but considered good)		
Assets Handed Over to Lessor (4)	-	51,50,684
TDS receivable	3,33,39,937	1,42,82,777
Claims receivable	2,17,55,904	2,17,55,904
<b>Total</b>	<b>5,50,95,841</b>	<b>4,11,89,365</b>

- 4) On 31.03.2005 the Board of Directors decided to discontinue the operations of the company's hotel business. The company's hotel business was carried out at the leased premises situated at 26/27 Poonamallee High Road owned by Central Hotels (P) Ltd (Lessor). As per the decision of the Board of Directors the leased premises wherein the hotel business was carried out was vacated and the building including amenities created by the company have been handed over to the lessor pending final settlement of dues. As per the mutual agreement reached with the lessor an inventory of assets handed over to the lessor have been taken and the valuation of assets was carried out by the valuers appointed by the company as well as the lessor. There has been considerable difference in the valuation by both the parties which could not be bridged even after a review. This amount is included as part of the total claim filed before the arbitrator as per the lease agreement. Pending finalization of the value of assets being taken over by the lessor and the ultimate settlement thereof through arbitration as per the lease agreement, the company has provided an impairment loss of ₹30,58,874/- in respect of the above said assets, the WDV of the assets being ₹82,09,558 as on 31st March 2005. The net value of assets of ₹51,50,684/- after impairment is reflected under loans and advances pending arbitration proceedings in accordance with the lease agreements. The company during the current year has written off the above amount as extraordinary expenditure.(refer note 33 )

## Notes to financial statements for the period ended 31st March 2016

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
<b>Note 17:</b>		
<b>INVENTORY</b>		
Stock of Provision & Stores (5)	1,37,03,703	1,28,82,162
Kitchen Utilities (6)	-	26,14,840
<b>Total</b>	<b>1,37,03,703</b>	<b>1,54,97,002</b>

- 5) Stocks of provisions, stores and other consumables are valued at cost (average price) on FIFO basis.
- 6) The company has been in practice of considering the kitchen utensil as current asset and was amortising them over a period of three years. The company, on re-examining the practice, has decided to consider the kitchen utensils as expenditure. As the past two years experiences indicates that the policy of amortising such expenditure is not appropriate. The total expenditure of kitchen utensil include ₹56,10,288 relating to the balance amount which is to be amortised over subsequent periods. The amortised amount is inclusive of ₹13,01,453 which relates to the amount to be considered in the next financial year as per the previous write off policy of the company. The Profit/losses of the current year is net of the adjustments relating to the next year.

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
<b>Note 18:</b>		
<b>TRADE RECEIVABLES</b>		
<b>(Unsecured Considered good)</b>		
From Related Parties		
- Outstanding for More than Six Months	2,76,87,789	13,51,272
- Others	17,54,91,630	18,96,68,728
From Others		
- Outstanding for More than Six Months	1,35,80,848	14,14,826
- Others	14,83,53,059	11,40,85,140
<b>Total</b>	<b>36,51,13,326</b>	<b>30,65,19,966</b>
<b>Note 19:</b>		
<b>CASH AND BANK BALANCES:</b>		
Cash and Cash Equivalents		
Cash on hand	33,11,733	45,15,937
\Balance with Bank in Current a/c	2,93,35,094	1,12,11,096
Balance with Bank in Deposit a/c	1,29,05,325	52,57,222
(Including interest accrued)		
<b>Other Bank Balance</b>		
Balance with Bank in Dividend a/c	19,51,624	19,50,423
Other Term Deposits		
( held for period exceeding 3 months )	42,548	42,459
Loan secured against deposit	-	1,52,81,095
Under Lien to Bank towards Bank Guarantees	83,86,201	69,44,492
<b>Total</b>	<b>5,59,32,525</b>	<b>4,52,02,724</b>
<b>Note 20:</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
<b>Other loans &amp; advances</b>		
<b>(Unsecured, considered good unless otherwise stated)</b>		
Advances recoverable in Cash or in kind	50,59,856	26,33,144
Staff Advance	41,63,603	50,82,423
Prepaid Expenses	56,12,412	56,93,037
Other Advance	6,80,745	9,99,918
<b>Total</b>	<b>1,55,16,616</b>	<b>1,44,08,522</b>

## Notes to financial statements for the period ended 31st March 2016

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
<b>Note 21:</b>		
<b>OTHER CURRENT ASSETS</b>		
Unbilled Revenue	-	2,51,100
Claims receivable (Bonus)	1,70,00,000	67,50,000
Service Tax Credit	12,78,685	10,93,359
Service Tax Pre Deposits	4,90,000	-
Other Current assets	-	20,857
Advance Tax/Tax deducted at source	45,68,953	1,31,53,977
<b>Total</b>	<b>2,33,37,638</b>	<b>2,12,69,293</b>
<b>Note 22:</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Catering &amp; Management Service:</b>		
Sale of Food & Beverage	87,06,76,917	52,09,81,039
Management Service Charges	42,72,89,658	42,05,12,678
House Keeping Services	40,27,42,405	32,19,32,768
Bio Medical Services	11,68,03,101	10,62,86,824
Facility Engineering Management Services	2,16,20,997	1,90,94,764
<b>Total(A)</b>	<b>1,83,91,33,078</b>	<b>1,38,88,08,073</b>
Room Revenue	2,02,91,265	2,22,09,628
<b>Total(B)</b>	<b>2,02,91,265</b>	<b>2,22,09,628</b>
<b>Grand Total C=(A+B)</b>	<b>1,85,94,24,343</b>	<b>1,41,10,17,701</b>
<b>Note 23:</b>		
<b>OTHER INCOME</b>		
Interest on Deposits with Bank	18,47,482	19,26,663
Dividend received	13,57,957	9,05,304
Creditors/Provision written Back	-	7,21,595
Profit on sale of asset	43,103	21,062
Miscellaneous Income *	9,10,063	35,49,499
Recoveries from Staff	-	1,34,630
<b>OTHER INCOME FROM OPERATIONS</b>		
Reimbursable expenses	80,01,280	-
<b>Total</b>	<b>1,21,59,885</b>	<b>72,58,753</b>
<b>Note 24:</b>		
<b>CONSUMPTION OF PROVISIONS &amp; STORES</b>		
Opening Stock	1,28,82,162	86,63,626
(+) Purchases	54,28,22,206	3,69,520,750
(-) Closing Stock	1,37,03,703	1,28,82,162
<b>Total</b>	<b>54,20,00,665</b>	<b>36,53,02,214</b>
<b>Note 25:</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	79,25,84,491	64,17,60,871
Director's Remuneration	43,18,749	33,45,688
Bonus	3,41,40,961	1,88,20,710
Contribution to PF and other funds	9,59,05,523	7,78,10,404
Leave Encashment	41,84,736	6,70,388
Gratuity	2,90,77,882	51,21,807
Other Allowances	1,82,44,728	1,68,11,649
Staff Welfare	1,25,33,948	1,00,90,855
Other Expenses	1,80,664	2,90,261
Medical Expenses	11,90,882	8,87,726
Insurance	19,13,678	1,96,342
<b>Total</b>	<b>99,42,76,242</b>	<b>77,75,78,701</b>

## Notes to financial statements for the period ended 31st March 2016

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
<b>Note 26:</b>		
<b>FINANCE COST</b>		
Interest on Cash Credit with Bank	12,47,685	11,06,643
Interest on WCDL with Bank	26,14,953	10,89,387
Interest on Bill discounting	29,52,834	
Interest on Term Loan	9,27,160	16,51,686
Interest on Car Loan	75,292	1,54,426
<b>Total</b>	<b>78,17,924</b>	<b>40,02,142</b>
<b>Note 27:</b>		
<b>OTHER EXPENSES</b>		
Advertisement & Business Promotion	10,73,300	21,09,765
Bank Charges	4,73,359	4,20,522
Bad Debts	23,08,369	9,12,765
Communication Expense	47,12,631	36,50,479
Professional & Consultancy fee	1,22,12,998	96,22,141
Power & Fuel	4,70,70,418	3,68,58,012
Guest House Expense	1,53,669	3,75,477
Hiring charges	3,92,778	4,85,856
House keeping Expenses	2,09,64,670	1,55,43,712
Interest on Delayed Remittance	33,51,293	15,54,182
Kitchen Utensils	56,10,288	12,89,513
Miscellaneous Expenditure	30,70,848	17,04,669
Listing fees	1,14,992	1,40,000
Loss on sale of asset	6,86,735	-
Office Expenses	5,15,880	3,89,440
Outsourcing Expenses	3,08,38,314	2,62,57,580
Franchise Fees	1,61,63,571	1,33,31,283
Other Administrative Expenses	20,86,138	20,51,904
Software License Fee	7,85,027	8,74,093
Printing and Stationary	41,12,404	33,55,911
Processing Fees	-	3,59,400
Rates & Taxes	34,36,153	20,18,584
Rent	3,46,39,519	2,92,71,487
Remuneration to auditors		
- Statutory Audit	770,706	717,736
- For Tax audit	110,774	103,424
- Other related expense	6,251	
- Repairs & Maintenance - Others	8,193,717	5,263,251
Service Charges	5,553,007	5,292,910
Security Charges	1,739,212	8,92,606
Sitting Fee	6,82,000	5,60,000
Sitting Fee - Service Tax	95,311	69,216
Travelling & Conveyance	1,60,71,549	1,80,92,198
Transport Charges	31,70,312	22,72,441
Training Expenses	-	15,730
VAT expenses	1,37,42,657	63,28,983
Loss on sale of Asset	87,167	2,45,272
<b>Total</b>	<b>24,49,96,017</b>	<b>19,24,30,542</b>

**Note 28:****RELATED PARTY DISCLOSURE:**

List of Related Parties as

Nature of Relation	Name of Related Party
Promoter	Dr. Pratap.C.Reddy Mr. P.VijayaKumar Reddy Mrs. Suneeta Reddy Mrs. Shobana Kamineni Mrs. Sucharitha Reddy Mrs. Sindoori Reddy
Key Management Personnel	Mrs. Sucharitha Reddy Mr. KBS Manian Mr R Sathish Kumar
Joint Venture	M/s Faber Sindoori Management Services (P) Ltd
Enterprise over which promoter or Key Management Personnel exercise significant influence	M/s Apollo Hospitals Enterprises Ltd M/s Apollo Gleneagles Hospitals Ltd M/s.Apollo Health & Lifestyle Ltd M/s.Apollo Hospital International Limited M/s Imperial Cancer Hospital & Research Center Ltd M/s Lifetime Wellness Rx International Ltd M/s PPN Power Generating Company Private Limited

**The Company's related party transaction are summarized as follows:**

Name of the Related Party	Key Management Personnel		Joint Venture		Personnel exercise significant influence	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Salary	40,95,376	12,00,000	-	-	-	-
Sale of goods & services	-	-	1,41,31,331	1,28,54,760	1,25,70,98,549	82,97,52,158
Purchase of goods	-	-	-	-	4,77,184	-
Balance Outstanding	-	-	31,98,345	39,71,548	19,99,81,074	18,70,48,452

**Note 29:****LEASES:****OPERATING LEASE:**

The Company has taken various premises on lease for its operations under operating lease or under leave and licence agreements. These lease are generally not non-cancellable and have an average life of 12 months to three years and are renewable by mutual consent.

Lease payments are recognized in profit and loss account under rent in Note 27:Other Expenses  
Lease payments under non-cancellable lease agreements.

Future lease payments	31-Mar-16 (₹)	31-Mar-15 (₹)
Not Later than 1 Year	63,32,394	65,20,084
Later than 1 Year but before 5 Years	69,80,704	63,32,394
Total	1,33,13,098	1,28,52,478

**Note 30: FOREIGN CURRENCY EARNINGS/EXPENDITURE:****Apollo Sindoori Hotels Limited**

Particulars	31-Mar-16 (₹)	31-Mar-15 (₹)
Expenditure in Foreign currency	778,104	1,473,846
Earnings in Foreign currency	Nil	Nil

**Faber Sindoori Management Services Pvt Ltd**

Particulars	31-Mar-16	31-Mar-15
Royalty Fee paid during the year	65,69,078	53,69,424
CMMIS Fees	6,99,533	13,98,862
Exchange difference included in net profit	-	-
Dividend paid	6,92,558	7,45,643

**Note 31:EMPLOYEE BENEFITS (Apollo Sindoori Hotels Limited)****I Defined Benefit Plan:****a) Gratuity****A. Reconciliation of opening and closing balance of present value of the defined benefit obligation**

Period Covered	31-Mar-16 (Rs.)	31-Mar-15 (Rs.)
Assumptions	Rs.	Rs.
Discount Rate	7.8% p.a.	8% p.a.
Expected Return On Plan Assets	8% p.a.	8% p.a.
Mortality	Indian Assured Lives Mortality (1994 -96) (modified) Ultimate Table	
Future Salary Increases	5 %p.a.	5 %p.a.
Disability	Nil	Nil
Attrition	2% p.a.	5% p.a.
Retirement	58yrs	58yrs
Method	Projected Unit Credit	

## Changes in the Present Value of the Obligation and in the Fair Value of the Assets

Particulars	31-Mar-16 (Rs.)	31-Mar-15 (Rs.)
Present Value Of obligation at the beginning of the period	3,40,53,067	2,84,49,115
Interest Cost	27,30,058	22,03,955
Current Service Cost	44,42,428	48,24,669
Past Service Cost	-	-
Benefits Paid	(40,19,945)	(17,99,361)
Actuarial (gain)/loss on Obligation	56,00,420	3,74,689
Present Value Of obligation at the end of the period	4,28,06,028	3,40,53,067
Fair value of plan assets at the beginning of the period	1,35,82,236	1,26,34,467
Expected Return On plan assets	10,88,897	10,48,668
Contributions	-	-
Benefits Paid	-	(1,660)
Actuarial gain (Loss) Plan assets	(70,230)	(99,239)
Fair value of plan assets at the end of the period	1,46,00,903	1,35,82,236
Total actuarial gain (loss) to be recognized	(56,70,650)	(4,73,928)
<b>Balance Sheet Recognition</b>		
Present Value Of Obligation	4,28,06,028	3,40,53,067
Fair Value Of Plan Assets	(1,46,00,903)	(1,35,82,236)
Liability (assets)	2,82,05,125	2,04,70,831
Unrecognised Past Service Cost	-	-
<b>Liability (asset) recognised in the Balance Sheet</b>	2,82,05,125	2,04,70,831

## Profit & Loss – Expenses

Current Service Cost	44,42,428	48,24,669
Interest Cost	27,30,058	22,03,955
Expected Return On plan assets	(10,88,897)	(10,48,668)
Net Actuarial (gain)/loss recognised in the year	56,70,650	4,73,928
Past Service Cost	-	-
<b>Expenses Recognised in the statement of Profit &amp; Loss</b>	1,17,54,239	64,53,884
<b>Actual Return On Plan Assets</b>		
Expected Return on plan assets	10,88,897	10,48,668
Actuarial gain/(Loss) on plan assets	(70,230)	(99,239)
Actual Return On Plan Assets	10,18,667	9,49,429
<b>Movement in the net Liability recognised in the Balance Sheet</b>		
Opening net Liability	2,04,70,831	1,58,14,648
Expenses	1,17,54,239	64,53,884
Contribution	(40,19,945)	(17,99,361)
Closing Net Liability	2,82,05,125	2,04,69,171

Gratuity Liability and leave encashment in respect employees deputed to customer locations on cost plus contracts is reimbursable without any service charge by the respective customers on retirement or resignation of the deputed employee . This sum aggregating to ₹ 2,15,56,638/- as at 31st March 2016 (Previous year ₹2,15,56,638/- as at 31st March 2015) continues to be reflected as claims receivable pending confirmation from such customers and the corresponding liability as provision as no income accrues to the Company on this account as it is considered as a pass through transaction .

**a) Employee benefits (Faber Sindoori Management services Pvt Ltd)**

Particulars	31-Mar-16	31-Mar-15
Average Age	32.6	32.6
Average Past Service	6.96	6.96
Discount Rate	8%	8%
Salary Escalation Rate	6%	6%
Mortality Rate	LIC(1994-96) Mortality Table	LIC(1994-96) Mortality Table
Attrition		
Mortality Table Rate	1-3%	1-3%
<b>Actuarial Result</b>		
Value of current year obligation	35,75,045	27,07,845
Present Value of Non-current year Obligation	2,94,10,203	2,30,10,172
Present Value of Obligation	3,29,85,248	2,57,18,017
Fair Value of the Assets	2,68,51,889	1,52,65,349
Net Asset/(Liability) Recognised	(61,33,359)	104,52,668

**ii) Earned Leave**

Particulars	31-Mar-16	31-Mar-15
Mortality Rate	Indian Assured (2006-08) (Ultimate) Mortality Table	Indian Assured (2006-08) (Ultimate) Mortality Table
Rate of discount	8.50%	8.50%
Rate of Salary Escalation	10.00%	10.00%
Attrition rate	5.00%	5.00%
<b>Actuarial Results</b>		
Value of current year obligation	5,21,353	5,92,034
Present Value of Non-current year Obligation	38,79,549	44,12,497
Present Value of Obligation	44,00,903	50,04,531
Net Asset/(Liability) Recognised	(44,00,903)	(50,04,531)

**Note 32: EARNINGS PER SHARE**

Particulars	31-Mar-16 (₹)	31-Mar-15 (₹)
Net Profit as P&L	(2,42,20,347)	2,31,23,170
Weighted average no. of shares o/s	13,00,200	13,00,200
Nominal Value Per Share	10	10
Earnings per share before extra-ordinary item		
- Basic & Diluted EPS	18.31	17.78
Earnings per share after extra-ordinary item		
- Basic & Diluted EPS	(18.63)	17.78

### Note 33: Segmental Reporting

#### Statement Showing Consolidated Segment results for the financial year 2015-2016

Particulars	Year	Outsourced Services	Other Operations	Unallocated	House Keeping	Total
Segment Revenues	2015-2016	1,30,62,69,893	2,28,83,922		1,10,70,00,843	2,43,61,54,658
	2014-2015	94,62,23,433	2,38,66,005		91,46,67,379	1,88,47,56,818
Expenses	2015-2016	1,28,43,25,931	1,49,57,325		98,36,52,383	2,28,29,35,640
	2014-2015	91,31,32,051	1,57,79,011		82,93,88,566	1,75,82,99,628
Segment Results	2015-2016	64,90,402	79,26,596		12,33,48,460	13,77,65,459
	2014-2015	2,62,47,592	80,86,995		8,52,78,813	11,96,13,400
Income before depreciation interest taxes and extraordinary items	2015-2016	2,19,43,962	79,26,596		12,33,48,460	15,32,19,018
	2014-2015	3,30,91,382	80,86,995		8,52,78,813	12,64,57,190
Interest	2015-2016	76,19,168	-		4,05,625	80,24,793
	2014-2015	22,47,794	-		35,80,301	58,28,095
Depreciation	2015-2016	78,34,392	-		136,28,123	2,14,62,515
	2014-2015	45,95,996	-		1,41,34,174	1,87,30,170
Exordinary Items	2015-2016	4,80,21,864	-		-	4,80,21,864
	2014-2015	-	-	-	-	-
Tax Expenses	2015-2016	(93,84,518)	-		4,01,15,398	3,07,30,880
	2014-2015	1,12,11,416	-		2,46,24,230	3,58,35,646
<b>Profit/(Loss) after Taxation</b>	<b>2015-2016</b>	<b>(3,21,46,944)</b>	<b>79,26,596</b>		<b>6,91,99,314</b>	<b>4,49,78,967</b>
	<b>2014-2015</b>	<b>1,50,36,176</b>	<b>80,86,995</b>		<b>4,29,40,108</b>	<b>6,60,63,279</b>
Segment Assets	2015-2016	40,72,65,588	65,81,901		3,75,332,711	78,91,80,200
	2014-2015	36,05,80,889	72,12,510		2,81,390,476	64,91,83,875
Segment Assets (Unallocated)	2015-2016	-	-	-	33,339,937	3,33,39,937
	2014-2015	-	-	-	14,282,777	1,42,82,777
<b>Total Assets</b>	<b>2015-2016</b>	<b>40,72,65,588</b>	<b>65,81,901</b>	<b>3,33,39,937</b>	<b>3,75,332,711</b>	<b>82,25,20,137</b>
	<b>2014-2015</b>	<b>3605,80,889</b>	<b>72,12,510</b>	<b>1,42,82,777</b>	<b>2,81,390,476</b>	<b>66,34,66,651</b>
Segment Liabilities	2015-2016	31,51,15,422	4,29,251		37,44,08,931	68,99,53,604
	2014-2015	22,55,42,604	6,70,470		28,04,66,696	50,66,79,769
Unallocated Liabilities	2015-2016	-	-	-	-	-
	2014-2015	-	-	-	-	-
Shareholders Funds	2015-2016	-	-	13,16,42,754	9,23,780	13,25,66,534
	2014-2015	-	-	15,58,63,102	9,23,780	15,67,86,882
<b>Total Liabilities</b>	<b>2015-2016</b>	<b>31,51,15,422</b>	<b>4,29,251</b>	<b>13,16,42,754</b>	<b>37,53,32,711</b>	<b>82,25,20,137</b>
	<b>2014-2015</b>	<b>22,55,42,604</b>	<b>6,70,470</b>	<b>15,58,63,102</b>	<b>28,13,90,476</b>	<b>66,34,66,651</b>
Capital Expenditure Incurred	2015-2016	3,15,84,753	-		42,68,385	3,58,53,138
	2014-2015	81,47,269	-		53,36,769	1,34,84,038
Segment Depreciation	2015-2016	78,34,392	-		1,36,28,123	2,14,62,515
	2014-2015	45,95,996	-		1,41,34,174	1,87,30,170
Non cash expenses other than depreciation	2015-2016	1,28,43,25,931	1,49,57,325	-	98,36,52,383	2,28,29,35,640
	2014-2015	91,31,32,051	1,57,79,011	-	82,93,88,566	1,75,82,99,628

**Note 34 : Extra ordinary item charged to statement of profit and loss consists of:**

Particulars	31-Mar-16 (₹)	31-Mar-15 (₹)
Service tax & interest	49,91,794	-
Bad debt write off	2,54,37,346	-
Impairment of assets (refer note no : 12)	40,72,013	-
Bonus provided for previous year arrears	41,37,000	-
Gratuities provision	8,83,688	-
Leave encashment provision	3,52,007	-
Impairment of assets relating to erstwhile hotel (refer Note no : 16)	51,50,684	-
Unrealised expenses	29,97,329	-
<b>Total</b>	<b>4,80,21,861</b>	<b>-</b>

**Note 35:**

**A. Contingent liability (Apollo Sindoori Hotels Limited)**

1. Receivables discounted with bank ₹ 4,42,66,390 (Previous Year - ₹ Nil)
2. Claim against the company/disputed liabilities not acknowledged as debts - ₹13,92,680/- (Previous Year - ₹13,92,680/-)

**B. Contingent liability (Faber Sindoori Management Services Pvt. Ltd.)**

Particulars	31-Mar-16 (₹)	31-Mar-15 (₹)
Performance guarantee by Bank	1,31,65,113	1,23,45,810
Disputed Income Tax liability not provided for	2,10,58,705	1,96,47,842
Disputed Service Tax liability not provided for	1,59,16,737	1,59,16,737

**Note 36:**

**Apollo Sindoori Hotels Ltd**

The company has not received any declaration from its vendors under Micro, Small and Medium Enterprises Act 2006 and hence no disclosure as provided in the Act is feasible

**Faber Sindoori Management Services Pvt Ltd**

Based on the records, available information and explanation provided, amounts due to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as follows:

SUPPLIER NAME	OUTSTANDING AMOUNT AS ON 31.03.2016
Klean & Klear Solution	51,597
PS Medical Systems Private Limited	9361
LUB DUB Medical Technologies Pvt. Ltd.	13843
Vaansari Marketing Services	11,112
Electro Meter Corporation	4,096
Mahalaxmi Chlori Tech	Nil
Biometric Cables	Nil
Northlab (India) Pvt. Ltd.	Nil
Raksha Technologies Private Limited	Nil
Eastern Medicare Private Limited	Nil

**.Note 37:**

Figures for the previous year have been regrouped or rearranged wherever necessary.

**Note 38:**

The proportionate share of assets, liabilities, income and expenditure in the Joint Venture Company included in these Consolidated Financial Statements are given below.

Particulars	Faber Sindoori Management Services Pvt Ltd (49%)	
	31-Mar-16 (₹)	31-Mar-15 (₹)
<b>ASSETS :</b>		
<b>Non-current assets</b>	<b>18,39,13,030</b>	<b>13,78,81,333</b>
Fixed assets		
(i) Tangible assets	1,27,22,906	1,34,85,895
(ii) Intangible assets	1,21,20,486	1,62,90,386
Long-term loans and advances	62,59,228	46,46,104
Deferred Tax Asset	9,60,057	-
<b>Current assets</b>		
Inventories	22,54,391	22,07,457
Trade receivables	11,05,83,014	6,69,75,586
Cash & Bank Balances	2,98,01,927	1,70,93,324
Short-term loans and advances	6,95,983	10,73,498
Other current assets	85,15,038	1,61,09,083
<b>LIABILITIES :</b>		
<b>Reserves and surplus</b>	<b>12,57,55,708</b>	<b>9,37,54,850</b>
<b>Non-current liabilities</b>	<b>66,64,387</b>	<b>75,74,028</b>
Long term provisions	66,64,387	75,74,028
<b>Current liabilities</b>	<b>5,10,40,281</b>	<b>3,60,99,804</b>
Trade payables	1,36,42,195	1,14,87,573
Other current liabilities	37,398,086	2,40,75,532
Deferred Tax Liability (Net)		5,36,699
<b>INCOME :</b>	<b>54,24,30,413</b>	<b>44,81,87,016</b>
<b>EXPENSES :</b>	<b>48,88,66,204</b>	<b>41,50,80,489</b>

**Note 39:**

Details of Net Assets and Share of Profit of Joint Ventures:

**Joint Venture - Faber Sindoori Management Services Pvt Ltd**  
**(As per Proportionate Consolidation Method )**

Particulars	31-Mar-16 (Rs.)	31-Mar-15 (Rs.)
Net Asset (Total asset minus Liabilities)	12,62,08,361	9,42,07,502
Net Asset of consolidated FS	25,73,98,467	24,96,17,955
% on consolidated Net assets	49	38
Share of Profits/ (Losses)	3,39,07,664	2,10,40,653
Consolidated profit / (Losses)	96,87,318	4,41,63,824
% on consolidated profit	350	48

**Note 40:**

As per Accounting Standards 21 on “Consolidated Financial Statement”, Accounting Standard 23 on AS 27 on “Financial Reporting of Interests in Joint Ventures” referred to in Section 133 of the Companies Act, 2013 read with rule 7 of the Companies Accounts Rules, 2014 the Company has presented Consolidated Financial Statements separately, including that of its joint venture entities in this annual report.

**Note 41:**

Figures were rounded off to the nearest rupee.

As per our Report on Even Date

**R. Subramanian and Company**

Chartered Accountants

**R.Rajaram**

Partner

Place: Chennai

Date: 27.05.2016

**For Apollo Sindoori Hotels Ltd.,****Sucharitha Reddy**

Managing Director

**G. Venkatraman**

Director

**C Natarajan**

Chief Executive Officer

**KBS Manian**

Chief Financial Officer

**Prakash Chandra Panda**

Company Secretary

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

		<b>31-Mar-16</b> ₹	<b>31-Mar-15</b> ₹
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Net Profit Before Taxation and Extraordinary Items</b>	6,79,81,208	6,74,41,113
	<b>Adjustments for</b>	-	-
	Depreciation	1,45,12,172	1,15,21,741
	Dividend Income	(31,80,488)	(9,05,304)
	Interest income (on deposits)	(18,47,482)	(19,26,663)
	Interest expense	78,17,924	40,02,142
	Fixed Assets Written Off	40,72,013	-
	Impairment of Current Assets	51,50,684	-
	(Profit)/loss on sale of assets	7,30,799	2,24,210
	<b>Operating Profit before working capital changes</b>	<b>9,52,36,831</b>	<b>8,03,57,239</b>
	(Increase)/Decrease in Trade Receivables	(5,85,93,358)	(8,33,45,667)
	(Increase)/Decrease in Inventory	17,93,300	(68,33,377)
	Increase/(Decrease) in Trade Payables	3,77,84,216	2,16,93,363
	Increase/(Decrease) in Other current liabilities	3,59,30,397	1,29,70,804
	(Increase)/Decrease in Short Term Loans & advances	(7,71,582)	(12,31,643)
	(Increase)/Decrease in Other Current asset	(24,04,855)	(25,36,040)
	Increase/(Decrease) in Employee benefit provisions	1,93,78,608	76,86,076
	Increase / (Decrease) in Cash Credit with HDFC	(4,12,853)	92,38,562
	Increase/(Decrease) in provisions	7,90,479	-
	<b>Cash generated from operations after working capital changes</b>	<b>12,79,40,703</b>	<b>3,87,89,796</b>
	Direct taxes paid	(2,11,53,300)	(1,34,75,000)
	<b>Cash generated from operations before Extra-ordinary items</b>	<b>10,67,87,403</b>	<b>2,53,14,796</b>
	Extra-ordinary Item	(4,80,21,864)	-
	<b>Net Cash Flow from Operating activities(A)</b>	<b>5,87,65,539</b>	<b>25,3,14,796</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	-	-
	(Increase)/Decrease in Other Non-current asset	(1,90,57,160)	(1,30,98,811)
	Purchase of Fixed Assets	(3,36,76,261)	(1,07,62,286)
	Sale of Fixed Assets	14,17,032	5,10,689
	Dividend received	13,57,957	9,05,304
	Increase / (Decrease) in Deposit	58,66,048	(2,09,05,866)
	Interest received on deposits	18,47,482	19,26,663
	<b>Net Cash flow from Investing activities(B)</b>	<b>(4,22,44,902)</b>	<b>(4,14,24,307)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	(Increase)/Decrease in Long term Loans & advances	(33,25,631)	(13,85,160)
	Increase/(Decrease) in Long term liabilities	2,72,55,809	29,13,642
	(Repayment of) Loan against deposit	(1,50,00,000)	1,50,00,000
	Term Loan Received from Bank	41,66,667	-
	Repayment of Principal amount of Bank Loan (TL and Car loan)	(4,37,063)	(1,53,24,439)
	Payment of Interest Bank Loan	(78,17,924)	(22,47,794)
	Dividend Paid	(39,00,600)	(56,54,948)
	Tax on Dividend paid	(8,66,045)	(6,62,907)
	<b>Net Cash flow from Financing activities</b>	<b>75,213</b>	<b>(73,61,606)</b>
	<b>Net Increase / Decrease in cash and cash equivalents</b>	<b>1,65,95,850</b>	<b>(2,34,71,117)</b>
	Cash and Cash Equivalent at the beginning of the period	1,60,65,221	3,95,36,339
	Cash and Cash Equivalent at the end of the period	3,26,61,071	16,065,222

The schedules referred to above and the notes thereon form an integral part of the Cash Flow Statement.

This is the Cash Flow Statement referred to in our report of even date

**R. Subramanian and Company**

Chartered Accountants

**For Apollo Sindoori Hotels Ltd.,**

**R.Rajaram**  
Partner

**Sucharitha Reddy**  
Managing Director

**G.Venkatraman**  
Director

Place: Chennai  
Date: 27.05.2016

**C Natarajan**  
Chief Executive Officer

**KBS Manian**  
Chief Financial Officer

**Prakash Chandra Panda**  
Company Secretary





Form No. MGT-11

## Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

### APOLLO SINDOORI HOTELS LIMITED

CIN:L72300TN1998PLC041360

Registered Office: 19-B Anugraha Apartment  
41, Uthamar Gandhi Salai, Nungambakkam, Chennai – 600 034.

#### 18th Annual General Meeting - 29th September 2016

Name of the member (s) :

E-mail Id:

Registered address :

Folio No/Client Id:

DP ID:

I/We, being the member (s) of ..... shares of the above named company,  
hereby appoint

1. Name : .....

E-mail Id :

Address :

Signature :....., or failing him

2. Name : .....

E-mail Id :

Address:

Signature:....., or failing him

3. Name : .....

E-mail Id:

Address:

Signature:.....



As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18th Annual general meeting of the company, to be held on the 29th day of September 2016 at 11.30 A.M. at Narada Gana Sabha - Mini Hall, 314 (Old no.254), TTK Road, Alwarpet, Chennai - 600018 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolution	Vote (Optional, see Note 2) (Please mention no of Shares)		
		For	Against	Abstain
<b>Ordinary Business</b>				
1	Adoption of  i)the Audited Financial Statements of the Company for the Financial Year Ended 31st March, 2016, and the Report of the Directors and Auditors thereon and ii) the Audited Consolidated Financial Statements of the Company for the Financial Year Ended 31st March, 2016 and the Report of the Directors and Auditors thereon.			
2	Appointment of a director in place of Mrs.Sindoori Reddy (DIN00278040) Director who retires by rotation and being eligible, offer herself for re-appointment.			
3	Appointment of M/s. R.Subramanian & Co LLP, Chartered Accountant, as auditors of the Company.			

Signed \_\_\_\_\_ day of \_\_\_\_\_ 2016

Affix  
Re.0.15  
Revenue  
Stamp

\_\_\_\_\_  
Name of the Member/Proxy

\_\_\_\_\_  
Signature of the Member/Proxy

**Notes :**

1. The firm, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 Hours before the commencement of the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.



## ATTENDANCE SLIP

### APOLLO SINDOORI HOTELS LIMITED

CIN:L72300TN1998PLC041360

Registered Office: 19-B Anugraha Apartment  
41, Uthamar Gandhi Salai, Nungambakkam, Chennai – 600 034.

Registered Folio no./DP ID no./Client ID no.

No. of shares held:

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 18th Annual General Meeting of the Company at Narada Gana Sabha - Mini Hall, 314 (Old no.254), T.T.K.Road, Alwarpet, Chennai-600 018 on Thursday the 29th Day of September 2016 at 11.30 A.M.



\_\_\_\_\_  
Name of the Member/Proxy

\_\_\_\_\_  
Signature of the Member/Proxy

#### **Note:**

**Please fill up this attendance slip and hand it over at the entrance of the meeting hall.  
Members are requested to bring their copies of the Annual Report to the AGM.**





## Route Map to Narada Gana Sabha

